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Congressional Record

SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, JANUARY 30, 1935

The Chaplain, Rev. Z@Barney T. Phillips, D. D., offered the following prayer:

Lord of our life and God of our salvation, whose hands have made and fashioned us so that we should bring some fruit unto perfection: hearken to our prayer and let our cry come unto Thee as we confess that we have sinned and fallen short of the glory of sonship.

Cover the mantle of our unrighteousness with the vesture of Thy spirit's weaving, and grant that we may wear it with dignity and humility as we walk the dark and unsought ways illumined by Thy holy flame of purpose; and when evening shadows deepen into night and slumber casts her veil upon the face of earth, may it be ours to know the peace of those who guard with prudence the tender reins of life; may it be ours to know the rest that cometh only to the children of God. We ask it in the name of Him who once lived our life and ever maketh intercession for us, Jesus Christ, Thy Son our Lord. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days of Monday, January 28, and Tuesday, January 29, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Davis	Long	Schwellenbach
Barbour	Dickinson	McCarran	Sheppard
Barkley	Dieterich	McGill	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hatch	Nye	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines on business of the Senate, and that the senior Senator from Delaware [Mr. HASTINGS] is necessarily detained.

Mr. LEWIS. I announce the absence of the Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON], caused by illness; the absence of the Senator from New York [Mr. COPELAND], who is necessarily detained; and I again announce for the RECORD, and for the day, that the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. MCADOO], and the Senator-elect from Tennessee [Mr. MCKELLAR] have not as yet returned from their labors as members of the Philippine Commission.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. NORBECK, and Mr. TOWNSEND conferees on the part of the Senate.

INTERVIEWS WITH SECRETARY ICKES

Mr. SHEPPARD. Mr. President, two statements recently have appeared in the press in reference to Secretary Ickes and myself, apparently based on a misunderstanding of the facts.

One was to the effect that the Secretary had set a date for an interview a week later than the time of my request for an interview, leaving the impression that this was due to lack of proper consideration on the part of the Secretary. The other statement, two or more weeks later, was to the effect that the Secretary had kept me waiting 3 hours on the occasion of a call.

As to the first statement, it is true the engagement was set for a week after my request for an interview, the request having been made by me of Mr. Marx, secretary to Mr. Ickes. The date was fixed for a week later on my own suggestion to Mr. Marx and to suit my own convenience. Mr. Ickes had no part in fixing the date.

As to the other statement, it is entirely in error. Secretary Ickes has never kept me waiting, and has always treated me with the utmost courtesy and consideration.

I feel it proper to call attention to these matters because they are concerned with official relations between a Cabinet officer and a Member of the Senate.

AUTHORIZATION FOR GOVERNMENT BOND ISSUES

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 4304.

The VICE PRESIDENT. The Senator would have to secure unanimous consent at this time.

Mr. HARRISON. I ask unanimous consent that the Senate proceed to the consideration of House bill 4304.

Mr. LONG. What is that bill?

Mr. HARRISON. I was going to make an explanation of it. This is a bill——

Mr. ROBINSON. May I suggest to the Senator that he wait until the conclusion of the routine morning business, if it will not inconvenience him to do so?

Mr. HARRISON. Very well.

REPORT OF FEDERAL COORDINATOR OF TRANSPORTATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, a report of the Federal Coordinator of Transportation (in two volumes), together with certain recommendations relative to transportation matters, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

REPORT OF ACTUARIES OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The VICE PRESIDENT laid before the Senate a letter from the president of the United States Civil Service Commission, transmitting, pursuant to law, the Fourteenth Annual Report of the Board of Actuaries of the Civil Service Retirement and Disability Fund, which, with the accompanying report, was referred to the Committee on Civil Service.

BALANCE SHEET OF WASHINGTON RAPID TRANSIT CO.

The VICE PRESIDENT laid before the Senate a letter from the treasurer of the Washington Rapid Transit Co., transmitting, pursuant to law, the balance sheet of the company as of December 31, 1934, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Finance:

House Joint Memorial 2

(By Representatives Armstrong, Atencio, Baker, Becker, Boggs, Brownlow, Carlson, Childress, Clennan, Colorso, Constantine, Crowley, Curtis, Davies, Day, Deeds, Dickinson, Divers, England, Fordham, Frey, Graham, Griffith, Guerrero, Hallen, Harney, Henry, Higby, Hillman, Hoefnagels, Hughes, Jankovsky, Jensen, Johns, Johnson, Johnston, Keating, Kelly, Lilley, Lowderback, McAuliffe, McDonald, McFarland, McIntyre, McKinney, Matthews, Mayer, Mulvihill, Nevin, Nolan, O'Toole, Pitcock, Plummer, Poppen, Preston, Ray, Schmidt, Strain, Stuntz, Tinsley, Trainor, Vignol, Wilson, Wood, Mr. Speaker; Senators Houston (22), Chapman, Ritchie, Miller)

Whereas there is now pending in the Congress of the United States a bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates by the issuance of new currency; and

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will discharge and retire an acknowledged contract obligation of the Government; and

Whereas the Government of the United States is now definitely committed to the policy of providing additional sums of money for the purpose of hastening recovery from the present economic crisis: Now, therefore, be it

Resolved by the House of the Thirtieth General Assembly of the State of Colorado (the senate concurring herein), That the Congress of the United States is respectfully memorialized to enact such laws as will insure the immediate cash payment of the adjusted-service certificates at face value, with cancelation of interest accrued and refund of interest paid, and, as a most effective means to accomplish the payment of the adjusted-service certificates, to issue new currency of the United States; be it further

Resolved, That each of the Senators and Representatives in Congress from the State of Colorado be urged to support and assist in carrying out the purposes of this memorial; and be it further

Resolved, That a copy of this memorial be forwarded to each of the Senators and Representatives in Congress from the State of Colorado, and to the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Committee on Ways and Means of the House of Representatives, and to Representative PATMAN, of Texas, the author of H. R. 1.

MOSES E. SMITH,
Speaker of the House of Representatives.
JOHN T. DOYLE,
Chief Clerk.
RAY H. TALBOT,
President of the Senate.
M. J. WALSH,
Secretary of the Senate.

[SEAL]

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of Toledo, Ohio, favoring the enactment of legislation providing for submission to the people of various States of amendments to their constitutions exempting from taxation and from sale on account of nonpayment of taxes, every homestead to the extent of the first $3,000 of valuation thereof, and also the enactment of legislation to increase inheritance, income, and public-utilities taxes, which was referred to the Committee on the Judiciary.

He also laid before the Senate letters in the nature of memorials from sundry citizens of the States of Michigan, New York, Ohio, and Pennsylvania, remonstrating against the ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented a resolution of the Pawnee County Farm Bureau, Larned, Kans., favoring the enactment of legislation providing for commodity storage on farms, and opposing the imposition of a general sales tax, which was referred to the Committee on Agriculture and Forestry.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Finance:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial 1 (by Messrs. Thornburg and Whittle)

A joint memorial to the distinguished President of the United States, the honorable Senate, and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas due to economic and business conditions and the lack of employment for all of the people of the United States, the younger and more physically fit of our citizens are given preference in employment; and

Whereas due to the economic condition of our country during the last few years, there has been a tremendous loss to our old, aged, and infirm population in their savings, and as a result many are ill, depressed, and unable to either obtain employment or carry on for themselves: Now, therefore, be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the Congress of the United States of America to pass at this present session a plain, workable old-age-pension law, to the end that our aged citizens may to a degree have sufficient income that they may spend the remainder of their days in peace and happiness; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the honorable President, Franklin Delano Roosevelt, and to the Senate and House of Representatives of the United States of America, and to the Senators and Representatives in Congress from this State.

This house joint memorial passed the house on the 18th day of January 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 25th day of January 1935.

G. P. MIX,
President of the Senate.

I hereby certify that the within House Joint Memorial 1 originated in the house of representatives during the twenty-third session of the Legislature of the State of Idaho.

GEO. F. RUDD,
Chief Clerk of the House of Representatives.

Mr. GORE presented the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on Commerce:

Senate Concurrent Resolution 2

(By Rorschach, Commons, Bushyhead, Curnutt, Johnston, Broaddus, of the senate; and Bailey, Johnson, Martin, Reed, of the house of representatives)

A resolution memorializing His Excellency Franklin D. Roosevelt, President of the United States of America, on the matter of the development and construction of a certain dam more generally known as the "Pensacola Dam" on Grand River, located between the towns of Pensacola and Ketchum, in northeastern Oklahoma

Whereas the Congress of the United States recognizes the economic necessity for the comprehensive control of the Mississippi River and all of its tributaries as a means of prevention of destructive floods and of development of the Mississippi River system, and passed a law known as the "Flood Control Act of 1928"; and

Whereas the engineers of the Public Works Administration and the engineers of the War Department of the United States of

America have recently had occasion to make an extensive survey and investigation of a certain project located on Grand River, in northeastern Oklahoma, between the towns of Pensacola and Ketchum, Okla., and more particularly known as the "Pensacola Dam", and as a result of such survey and investigation have classified such project as a no. A project, requiring an expenditure of approximately $14,000,000; and

Whereas said project has not only been classified as feasible and a practical project but as a project necessary for the proper flood control and one necessary and proper to prevent soil erosion and waste; and

Whereas at the time the present agency of soil erosion alone is costing the landowners in the Grand River Valley Basin millions of dollars a year; and

Whereas the building of this project would aid materially in the present national recovery program; and

Whereas it has been determined by competent authority that said dam, when built, can be used in the manufacture of cheap electric energy for power and lighting purposes and would also aid the national-administration program materially to reduce the present cost of electrical energy for power and light: Now, therefore, be it

Resolved by the Senate of the State of Oklahoma (the house of representatives concurring therein):

SECTION 1. The President of the United States of America be, and hereby is, requested and urged to use his good influence to bring about the approval of said project by the Public Works Administration and the appropriation of the necessary funds to complete the construction of said project at the earliest possible moment; be it further

Resolved, That a copy of this resolution be forwarded to His Excellency Franklin D. Roosevelt, President of the United States of America, and Hon. Harold L. Ickes, Secretary of the Interior of the United States of America; be it further

Resolved, That a copy of this resolution be transmitted to the United States Senators and Congressmen representing the State of Oklahoma.

Passed by the senate this the 10th day of January 1935.

Passed the house of representatives this the 10th day of January 1935.

JACK L. RORSCHACH,
Acting President of the Senate.
LEON C. PHILLIPS,
Speaker of the House of Representatives.

REPORTS OF A COMMITTEE

Mr. O'MAHONEY, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, reported it without amendment and submitted a report (No. 33) thereon.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1226) to prohibit the sending of unsolicited merchandise through the mails, reported it with an amendment and submitted a report (No. 34) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 1513) to add certain lands to the Siskiyou National Forest in the State of Oregon; to the Committee on Agriculture and Forestry.

A bill (S. 1514) for the relief of the Columbia Boat & Barge System, Inc.; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 1515) for the relief of George Rodiek; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 1516) granting a pension to Martha C. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 1517) for the improvement and protection of the beaches along the shores of the United States; to the Committee on Commerce.

By Mr. BLACK:

A bill (S. 1518) to establish a 6-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes; to the Committee on Interstate Commerce.

By Mr. KING:

A bill (S. 1519) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia; to the Committee on the District of Columbia.

By Mr. THOMAS of Oklahoma:

A bill (S. 1520) for the relief of Charles E. Dagenett; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 1521) to provide funds for cooperation with Harlem School District, No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children;

A bill (S. 1522) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

A bill (S. 1523) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

A bill (S. 1524) to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children;

A bill (S. 1525) to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation;

A bill (S. 1526) to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation;

A bill (S. 1527) to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

A bill (S. 1528) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

A bill (S. 1529) to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children;

A bill (S. 1530) to authorize appropriations for the completion of the public high school at Frazer, Mont.;

A bill (S. 1531) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont.; and

A bill (S. 1532) to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. BONE:

A bill (S. 1533) to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children;

A bill (S. 1534) to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.; and

A bill (S. 1535) to provide funds for cooperation with White Swan School District, No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; to the Committee on Indian Affairs.

By Mr. JOHNSON:

A bill (S. 1536) to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 1537) to provide funds for cooperation with the school board of Shannon County, S. Dak., in the construc-

tion of a consolidated high-school building to be available to both white and Indian children; to the Committee on Indian Affairs.

By Mr. BARKLEY:

A bill (S. 1538) for the relief of Jordan B. Gross; to the Committee on Military Affairs.

By Mr. HAYDEN:

A bill (S. 1539) relating to undelivered parcels of the first class;

A bill (S. 1540) to punish assaults upon or robbery of persons lawfully in charge of money or other property of the United States;

A bill (S. 1541) to punish persons knowingly causing the delivery by mail of certain nonmailable matter;

A bill (S. 1542) limiting the collection of demurrage charges on collect-on-delivery parcels;

A bill (S. 1543) to punish fraudulent attempts to obtain mail matter from authorized depositories;

A bill (S. 1544) to authorize the Postmaster General to contract for air-mail service in Alaska; and

A bill (S. 1545) to punish forgery or counterfeiting of postmarking stamps, or their possession, use, or sale; to the Committee on Post Offices and Post Roads.

By Mr. BACHMAN:

A bill (S. 1546) granting a pension to Rue S. Jackson; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 1547) for the relief of Arthur Richter; and

A bill (S. 1548) for the relief of Douglas B. Espy; to the Committee on Claims.

A bill (S. 1549) for the relief of Samuel Kaufman;

A bill (S. 1550) for the relief of Frank R. Carpenter, alias Frank R. Carvin;

A bill (S. 1551) to correct the military record of John S. Cannell, deceased; and

A bill (S. 1552) for the relief of Hugh Callahan; to the Committee on Military Affairs.

CHANGE OF REFERENCE

Mr. METCALF. Mr. President, to correct an error in the reference of Senate bill 312, for the relief of Lillian G. Frost, I move that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Foreign Relations. I have spoken to the Chairman of the Committee on Claims, and he is quite agreeable.

The VICE PRESIDENT. Without objection, that order will be made.

WORK RELIEF PROGRAM—AMENDMENTS

Mr. DAVIS submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 6, to strike out lines 21 to 25, inclusive, and insert in lieu thereof the following:

"SEC. 6. The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution, and any willful violation of any such rule or regulation shall be punishable by a fine of not to exceed $5,000: *Provided, however,* That such rules and regulations shall stipulate that all contracts involving the expenditure of any money appropriated by this joint resolution shall contain a provision that not less than the prevailing rate of wages of the locality where such expenditure is made shall be paid to skilled and unskilled labor."

Mr. WHEELER submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 6, line 11, to insert the following new section:

"SEC. 7. (a) The Secretary of the Treasury is authorized and directed to issue, from time to time, United States notes in such amounts as may be necessary to meet the expenditures from the $4,000,000,000 fund provided for in section 1 of this joint resolution. Such notes shall be of such denominations, not less than $1, as the Secretary of the Treasury may prescribe, shall not bear interest, shall be payable to bearer, shall be in such form as the Secretary may deem best, and shall be lawful money and legal tender in payment of all debts, public and private, within the United States; and such notes, when held by any Federal Reserve bank or any member bank of the Federal Reserve System, may be counted as a part of its lawful reserve.

"(b) The Secretary of the Treasury is further authorized and directed to increase annually the reserve fund held for the redemption of United States notes by an amount sufficient to retire annually the notes issued under the provisions of this joint resolution, as follows: During the period of 2 years after the date of this joint resolution, at the rate of 4 percent of the total amount of such notes issued and outstanding at the end of each year, and thereafter at the rate of 4 percent of the total amount issued and outstanding at the end of such 2-year period until all such notes shall have been retired."

On page 6, renumber sections 7 and 8 as sections 8 and 9, respectively.

EMPLOYMENT FOR GRADUATES OF EDUCATIONAL INSTITUTIONS

Mr. WALSH. I submit a Senate resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 67), as follows:

Senate Resolution 67

Resolution relative to aiding graduates of educational institutions in the matter of securing employment

Whereas one of the most tragic results of the depression is the effect it has had upon the lives of young men and women emerging from our educational institutions; and

Whereas there are several million young people between the ages of 18 and 30 who have graduated from grammar schools, high schools, preparatory schools, trade and normal schools, domestic science schools, art schools, music conservatories, colleges, universities, and professional schools who have in large numbers entered into a work-world where no opportunities have been open to them to obtain a start in business or to commence the practice of their professions; and

Whereas this large group may become demoralized and disheartened, and thus constitute a dangerous addition to the discontented and radical-minded elements, and also offer a challenge to the system which permits the minds and ingenuities of its youth to be wasted; and

Whereas it is the duty of the Federal Government to use every possible means of opening up opportunities in private industry and in the Government service for these young people so that they may be rehabilitated and restored to a decent standard of living and insured proper development for their talents: Be it therefore

Resolved, That the Secretary of Labor is hereby directed to—

1. Furnish the Senate at earliest convenience with an estimated statement of the number of young men and women between the ages of 18 and 30 who have emerged from educational institutions and who are at present without permanent employment and what, if any, study has been made of this problem by any department of the Government.

2. Inform the Senate whether or not, in the opinion of said Secretary, it would be feasible to create a special division of the Department of Labor, or a special bureau in the Public Works Administration, the duties of which would be to maintain contact with other governmental departments and agencies, the labor departments of the several States, and private employers, for the purpose of ascertaining administrative and professional employment that would be available to young men and women coming out of our educational institutions, to which each department and agency of the Government would be required to submit a list of positions deemed suitable for young men and women of this class.

3. Advise the Senate as to the feasibility of the Secretary of Labor, through this division or bureau, receiving applications from such unemployed young men and women as are now desirous of obtaining employment and assigning them to such positions as may be available, according to their character, qualifications, and fitness.

4. Report any appropriate suggestions or recommendations for proper legislation relating to the classifying of this group and allocating to its qualified members available positions in the Government service likely to arise as a result of relief legislation now pending before the Congress.

5. That the Civil Service Commission is hereby directed to submit to the Senate information concerning what steps, if any, said Commission has taken to encourage men and women of this group to classify in the civil service by taking examinations therefor, and advise the Senate in the event that nothing has been done upon the feasibility of encouraging young men and women to enter the civil service; also as to what means, in the opinion of said Commission, would be best adapted by legislation or otherwise to promote the classification of members of this group in the civil service.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts for the immediate consideration of the resolution?

Mr. ROBINSON. Mr. President, in view of the suggestion of several Senators that some of the provisions of the resolution seem to call on the Secretary of Labor to recommend legislation, I think the resolution had better go over for the day.

The VICE PRESIDENT. The resolution will be printed and lie over under the rule.

Mr. WALSH. Mr. President, I have no objection to that disposition in order that the Senators may study the resolution. Let me add I have had the gravest apprehensions since the more serious aspects of the depression has been manifest about the plight of thousands of our young men and women who, upon leaving institutions of learning, their courses of study and training completed, have been unable to find employment.

This condition affects not only the youth of general education in the grammar schools but has been most noticeable in its consequences to the highly trained and specialized young people emerging from our colleges and universities.

They have simply not been able to find opportunities which in ordinary times would be open to them of launching upon careers in the different parts of private industry for which their education might adapt them.

This condition is not of short duration. It has existed for several years since wide-spread unemployment became a reality, but it has now reached a point where it offers a real challenge to this Government to take immediate and appropriate action to remedy it.

The need for relieving this class is so obvious as to require no argument. We simply must find and devise ways and means of enabling our young men and women to take part in economic life, to earn their livelihood, and to promote respectable careers for themselves.

It is unthinkable that our Government should longer delay in seeking a solution to this gravest of problems. Our young people simply must be given an opportunity to work.

It is with this objective in mind that I have today introduced a resolution calling upon the Secretary of Labor and the Civil Service Commission to furnish the Senate with more complete data regarding this matter and to advise us as to the advisability of creating some special governmental bureau which would address itself to the problem of finding employment for the large numbers of our young men and women.

The Government is about to launch upon a new public-works program, which calls for the expenditure of nearly $5,000,000,000. It seems to me that certainly we ought to be able to find some means within this program of bringing into useful occupations the intelligent youth of our country so that they may not only develop their capacities according to their training and qualifications, but that they may also prepare themselves to take over the great tasks which will necessarily be theirs of leadership in the future affairs of our Nation.

The plight of these young men and women deeply touches me, and so far as it may be within my power in the position I hold I propose to see to it that something is done to extend to them much-needed relief. I hope this first step in that direction will be favorably taken in the immediate future.

JENNIE JONES

Mr. WALSH submitted the following resolution (S. Res. 68), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Jennie Jones, widow of George R. Jones, late an employee in the Senate Office Building under direction of the custodian of said building, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

WORKING CONDITIONS OF EMPLOYEES IN AUTOMOTIVE INDUSTRY

Mr. SCHWELLENBACH submitted the following resolution (S. Res. 69), which was referred to the Committee on Education and Labor:

Resolved, That owing to the dissatisfaction of the workers in the automobile manufacturing industry with the labor policies of that industry, and to the apparent inability and unwillingness of the industry to stabilize employment and to pay a yearly wage upon which workers in the industry can live without dependence upon public and private charity, the Committee on Education and Labor, or any duly authorized subcommittee thereof, be hereby authorized and directed to investigate immediately the working conditions of employees in the automobile body manufacturing, parts manufacturing, tool and die making, or any other manufacturing for the automotive industry in the United States, in order to determine: (1) whether the charges made by the workers in the automotive industry of the United States that the industry has consistently refused to abide by the provisions of section 7 (a) of the National Industrial Recovery Act are true; (2) whether the charges that the automobile manufacturers have initiated and supported company unions in violation of the provisions of section 7 (a) of the National Industrial Recovery Act and have forced employees to accept those company unions under penalty of discharge or other discrimination are true; to ascertain and determine the amounts of money diverted from the earnings of employees and dissipated by the employer in the development and maintenance of company unions, works councils, espionage systems, detective agencies, etc.; (3) whether the employers of the automotive industry, with the purpose of counteracting any effects which the code of fair competition for that industry might have on employment, have speeded up production to a point beyond the endurance of the workers; (4) whether the employers of the automotive industry have adopted a policy toward their employees of refusal to hire older men whose energies have, in a few years, been exhausted by the speed at which they must work in this industry; (5) whether employees of the automotive industry are prevented by discrimination, intimidation, and coercion from joining a bona fide trade union; (6) whether the employees of the automotive industry are refused free choice of the organization by which they wish to be represented for collective bargaining; (7) whether all efforts of the employees in the automotive industry to bargain collectively with the employers through their freely chosen representatives have been frustrated by the employers in violation of section 7 (a) of the National Industrial Recovery Act. The committee shall report to the Senate, as soon as practicable, the results of its investigation, together with its recommendations, if any, for necessary legislation. For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Senate until the final report is submitted, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony, and make such expenditures, as it deems advisable. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default or who, having appeared, refuses to answer any question pertinent to the investigation herein authorized, shall be liable to the penalties provided by section 102 of the Revised Statutes of the United States. The expenses of the committee or subcommittee, which shall not exceed $, shall be paid from the fund of the Senate upon vouchers approved by the chairman.

NATIONAL PRESS CLUB—ADDRESS BY SENATOR VANDENBERG

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the very able and interesting speech delivered by Hon. ARTHUR H. VANDENBERG, Senator from Michigan, at the inauguration of Mark Foote as president, and other officers of the National Press Club, Washington, D. C., January 26, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Members of the National Press Club, ladies, and gentlemen, I am delighted to participate in this function tonight. For 7 years I have enjoyed membership in Washington's two most important clubs—the Senate and this. I mention the Senate first only in recognition of its tender seniority rights. So far as influence and importance go, the Press Club may claim the priority, particularly in the presence of $4,000,000,000 worth of impending congressional impotence.

The Senate is the more difficult of these two clubs to enter—as I have recent poignant reasons to recall. But the Senate is much the easier club in which to get a chance to make a speech, as aching ears in the press gallery will testify. Indeed, this is the first chance I have had in this forum in all these 7 years. And even this chance does not come to me on my merits.

I am here solely because it is the pleasant custom of this club, upon inauguration night, to endure an orator from the home State of your president-elect. I am here closely because Michigan, at the same time, has put her best Foote forward. Michigan tried recently to capture the presidency of both of these clubs. But I had the misfortune to be the Senate candidate only of that minority which still thinks that N. R. A. stands for Next Republican Administration. Virtue was not its own reward. The result was a highly honorable but equally convincing funeral.

But here—in this other club—Michigan comes proudly into her own. No longer do I speak facetiously. Here character has been recognized. Here loyal industry has been acclaimed. You make no mistake, my fellow members of the Press Club, in finding your acceptable and chosen leadership in the modest but dependable efficiency of one of Michigan's finest journalistic products, one of those rare souls whose friendship is perpetually a delight and a reliance—Mr. Mark Foote, of Grand Rapids and other points west. I bring Mr. Foote the greetings, affection, and congratula-

tions of his Commonwealth. I bring the Press Club Michigan's felicitations upon its wisdom and good luck.

Michigan has played in more or less bad fortune ever since the bank holiday hit us below the belt. For example, there was that seventh game in the recent world series. Then there was this year's unprecedented slaughter of the Yostmen at Ann Arbor. But the sun began to shine again on the first Tuesday after the first Monday in the recent November. And now we have the presidency.

It is an auspicious night for Michigan, particularly since it is Michigan's birthday evening upon which President Foote enters upon these honors and these obligations. In fact, this year is our statehood centennial, although the typical perversities of Washington kept us waiting for 2 years after we had qualified under the letter of the bond of the tremendous Northwest Ordinance. But that is another story. Suffice it to say that 98 years ago this afternoon Michigan became officially the twenty-sixth State of the Union, and her first two Senators swore their allegiance to that then fashionable document, the Constitution of the United States. Thus the Goddess of the Inland Seas, who, in her time, had known the sovereignty of Britain and of France and Spain, contributed a shining star to her fourth flag, and launched a century of glorious, forward-marching statehood which you will permit me to toast in these brief sentences at this natal moment. It is graven on her shield, "Si quaeris peninsulam Amoenam, circumspice." If you would see a beautiful peninsula, look about you! And such it is!

Well, my friends, returning to the more intimate theme, one of these two United States Senators from Michigan who took his oath 98 years ago this afternoon was John Norvell. He immediately becomes the connecting link in the particular observations which interest me this evening. Senator Norvell shortly figured in a historic episode directly related to your journalistic inheritance. It is an episode which indicates that the members of these two clubs of which I have been speaking were not quite as clubby with each other in that ancient hour of rugged individualism as they are today.

First, let me remind you that up to 1838 only the reporters of local Washington newspapers were admitted officially to the Senate. Indeed, local papers served the function now served by the CONGRESSIONAL RECORD.

Now, with that background, let us look at the Congressional Globe for December 22, 1838, when the curtain rises on the first act of the drama which discloses the pioneering history of the Senate press gallery as we now know it. Here is the first appearance of the first petitioners in behalf of these privileges which you now so freely enjoy and with little thought of the difficulties and obstacles which had to be overcome in their inception.

I read from the Congressional Globe for December 22, 1838:

"Mr. Norvell, Michigan, presented the memorial of Wm. Hunt, James F. Otis, Erastus Brooks, William Elwyn Moore, E. Kingman, and W. H. Witnor, stating that they are severally reporters of Congressional proceedings for the Baltimore American, New York Express, Ohio Statesman, Georgia Journal, Southern Patriot, Charleston Courier, Mobile Register, and Lancaster Intelligencer, and that by the rule of the Senate they are deprived of the opportunity and privilege of obtaining information of the Congressional proceedings for their respective papers; that the provision of the Senate exclusively furnishing the facilities they ask to the city reporters, does not furnish the people of the country with full reports of what takes place until several days after the date of such transactions, whereas it is the duty and purpose of the above named reporters to transmit such intelligence by each day's mail; and praying that the Senate may assign them such seats on the floor, or in the galleries, as may enable them to discharge their duties to those whose agents they are.

"The memorial was referred to the Committee on the Contingent Fund.

"On Saturday, January 5, 1839, the Committee on the Contingent Fund 'to which had been referred the petition of the reporters of distant papers asking accommodations might be provided for them, made their report, the report concluding with a resolution providing that the front seats of the eastern gallery be set apart for reporters.'"

Thereupon the Senate debated the report. The following are verbatim quotations from the Congressional Globe:

Mr. King, Alabama, who subsequently became Vice President in 1852, said, "We have already six or seven gentlemen engaged in reporting the proceedings for the newspapers of the District, whether correctly or otherwise he would not say; but he was not disposed so to extend this privilege as to give reporters the whole front of the gallery. This would exclude many honest and respectable citizens who were desirous of witnessing our proceedings. They might, to be sure, put up a box or two for those letter writers who reported the things in their own way; but he objected to appropriating so large a space for their accommodation."

Thus you will observe that your craft was sired by letter writers. I continue to read from the Globe:

"Mr. Knight, Rhode Island, explained the grounds on which the committee was induced to make this report but he spoke in so low a tone that it was impossible for the reporters to hear him."

We rarely make that mistake today. Yet many of you will say that history repeated itself in 1930 when Senator Smoot and Senator Simmons used to whisper their tariff speeches to each other across the aisle.

"Mr. Niles, Senator from Connecticut and the villain in this play, moved that the resolution be postponed indefinitely. He was somewhat surprised at a proposition that the body should sanction, and in some manner endorse the vile slanders that issued daily from these letter writers, by assigning them seats within the Chamber. Who were those persons who styled themselves reporters? Why, miserable slanderers—hirelings, hanging on the skirts of literature—earning a miserable subsistence from their vile and dirty misrepresentations of the proceedings here, and many of them writing for both sides. As his term of service was about to expire he could speak disinterestedly on the subject. Perhaps no member of that body had been more misrepresented and caricatured than himself by these venal and profligate scribblers who were sent here to earn a disreputable living by catering for the depraved appetite of the papers they wrote for. Was he not unwilling to do any act that might be supposed to interfere with the freedom of the press, he would move some resolution to prevent their coming within the walls of the body at all. As it was, let them take their seats in the galleries, and write what they pleased without asking for the sanction of the Senate; for he would not consent for their accommodation, to exclude the honest and respectable citizens who came there as spectators."

Mr. Preston, Senator from South Carolina, then spoke; and this reminds me of my collaborator, Jim Preston. No finer character ever lived, and none on Capitol Hill is more beloved.

Mr. Preston said: "We have already admitted reporters under a rule of the Senate, but this was a monopoly of the local presses; and he knew no reason why they should have a special right of admission. He was in favor of the adoption of this resolution and opposed to any monopoly in the matter. We may perhaps all feel that we have more or less reason of complaint against these letter writers; yet this was one of the evils of a free and even licentious press; and he was for bearing the ills inflicted on him personally, for what he deemed a greater public good."

Mr. Norvell said: "I should exceedingly regret that because Members of the Senate had suffered under the calumnies of some of the letter writers they should be excluded from the accommodation within the galleries which they had solicited. Their exclusion from the hall of the Senate rendered it difficult, even impossible, for them to take notes of our proceedings and debates. Perhaps much of the misrepresentation occurred in consequence of this very exclusion. He was not of the opinion that newspaper abuses inflicted any great degree of injury upon any public man. If we cannot sustain ourselves here or with our constituents against their calumnies, we must be unworthy of our seats in this Hall."

Mr. Niles observed, "that they could not extend their accommodations to all of the newspapers of the country without excluding spectators altogether. It was necessary to fix some limit; and it had been decided that to extend accommodations to the newspapers of the District was going far enough. The reporters of the city papers gave the earliest and fullest intelligence of the proceedings of the body; but these petitioners were not here for the same objective that the regular reporters were sent. They were letter writers sent here to give such a false coloring to what was said and done in that Hall as would answer the purposes of their employers. The true question was, Shall we give our sanction to the perversions and deceptions of a parcel of hireling scribblers sent abroad to pervert, mislead, and corrupt public sentiment?"

If there had been a Gridiron Club, I can imagine what would have happened to Senator Niles. The boys did fairly well, however, in handling him on their own account. This also throws some light on what were the subjects of complaint against the letter writers.

The New York Daily Express correspondent, who had been one of the six pioneering correspondents, wrote of this day's proceedings in the vernacular of the time, and this is what he said about Senator Niles:

"First then for Dr. Niles, of Connecticut. There is but one such man in all Christendom. Nature made him an orator, chance and his own roguery made him a United States Senator. The worst part of nature therefore has been despoiled of some of her best proportions. Never was fellow meaner than this same Niles, who, with the fancies of a dolt, makes pretensions to the intellect of the most talented man in the country. His manners are bad and his breeding worse. He has cunning without candor, but not enough of cunning even to cover over his undoubted knavery.

"Niles has practiced in his lifetime all vocations, from a peddler of Connecticut trinkets through the States to serving in one of the highest offices in the country. He is your Jack-at-all-trades, good at none, but infamously bad at all. In debate he takes occasion always to consider such men as Clay, Webster, Rives, and Tallmadge, and thinks the arguments of all others beneath him. Thus week in and week out, from the beginning to the close of the season,

"You discover in his mouth a tongue;
He must not its palaver balk,
So keeps it running all day long,
And fancies the red-rag can talk."

Continuing with the Congressional Globe:

Mr. Buchanan, Pennsylvania, later President of the United States, said: "He would ask who was a reporter? A reporter was a person who gave a faithful, historical account of the proceedings of the body with full reports of fair abstracts of the speeches of its different members from which the public could be made acquainted with the nature of the business transacted."

Still a good definition:

"Were the letter writers reporters in this sense? No; they did not pretend themselves to be so. They gave partial and piquant

accounts of such proceedings and debates as struck their fancy; and having the same party feelings with the members of the body, they represented us in the light which would be most agreeable to the readers of the journals for which they were employed. Whilst the letter writer of one party was in raptures with the speech of a favorite Senator, and represented it as the very perfection of eloquence and argument, another letter writer of the opposite party denounced the very same speech as a poor, flimsy, frothy affair, which had been scattered to the winds by the breath of some Ajax Telamon on the other side."

You still occasionally revert to type—

"It was notorious that these were the gentlemen under the name of reporters for whom seats were to be provided under the resolution then before the Senate. He thought they were not entitled to any such privilege, nor were their labors worthy of any sanction by the Senate."

Mr. Preston "was not disposed to join with the honorable Senators in the unmitigated condemnation they had dealt out to the letter writers. He was of opinion that these letter writers presented a more interesting sketch, a more faithful picture of the doings of the Senate than the mere journal-like records of the official proceedings. For his own part he thought that the misrepresentation of those letter writers could work injury to no one and that error may be safely tolerated when reason was left free to combat it."

The Globe then says: "The question was then taken on the motion to postpone the resolution indefinitely, and it was carried—yeas 20, nays 17.

The battle for press gallery representation for outside newspapers came to a vigorous climax in 1841 when James Gordon Bennett, of the New York Herald, "organized, at an expense of nearly $200 per week, a corps of reporters to give daily reports of the debates." Bennett attacked the existing system of reports confined to local Washington papers, and showed that Congress paid these local papers $320,000 a year to print their reports. He offered to print them for nothing. The Senate appointed repeated committees to solve the problem, but always became involved in the physical limitations of the size of the Senate Chamber itself. And it was not until the Senate moved to its new location that adequate accommodations were provided and the local monopoly broken up.

Harpers New Monthly Magazine of January 1874 carried an interesting article on these subsequent developments in respect to the Washington press group. Here is an excerpt:

"The present Washington correspondents whose names fill upward of two pages of the Congressional Directory might be easily classified and arranged as an entomologist pins up his busy bees, his useless butterflies, his stinging wasps, his buzzing mosquitoes, and his humbugs. A large majority of them are active, clever, and quick-witted young gentlemen who believe that success is a duty, and a few of the remainder are unscrupulous, self-conceited men who will correspond with any paper, anywhere, of any politics, for a pittance, and use its columns in exhorting blackmail from all who have business before Congress or the departments. And last, although by no means least, in the estimation of their professional associates, are the enthusiastic, industrious, and agreeable lady correspondents, whose chatty and sparkling budgets of news have demonstrated that woman has an indisputable right to take a place in the front rank of Washington news gatherers."

Thus, my friends of the Press Club, I conclude this bedtime story out of the yesterdays. It throws some light upon the early relations between these two clubs of which I was speaking earlier. We have traveled far since those swashbuckling days of 1838. In the presence of the roll call of that ancient Senate, despite its candid invectives against the forerunners of your craft, it would be a hardy analyst who would claim that the Senate has moved ahead to greater distinction and more powerful personality in this present day.

But in the presence of the National Press Club, and in the consciousness of the public services now rendered by nearly 500 accredited representatives to the press galleries of the House and Senate (the ultimate beneficiaries of that battle begun by six letter writers in 1838), it would be a blind analyst indeed who could not testify to the tremendous strides, in honorable place and in far-flung influence, which have been made and earned and deserved by journalism in this near-century of evolution. Not a member of the gallery but enjoys the complete confidence of every Senator upon the floor.

The privileges which were contemptuously denied your forebears are now as solid and inseverable a part of the congressional regime as are the House and Senate themselves. The fourth estate is now wellnigh the first.

May I leave this final serious thought with you? That these progressive privileges must involve progressive obligations. That accurate and reliable mass information is absolutely prerequisite to safe and wholesome mass decisions. That in restless and unhappy times like these, when the populace is literally driven to hysteria by the burden of its woes, it is more vital than ever for our whole people to know and understand the truth. That Capitol journalism guards and serves the wellsprings of this public knowledge, and thus, mayhap, the wellsprings of the Republic's perpetuity. That, therefore, it must be forever free. Yet, equally, that it must be forever responsive to its dreadfully important obligation.

I claim still to be inherently, and by affection, a newspaperman. Why, I even married one of those "chatty and sparkling" newspaper women, of whose progenitors Harper's New Monthly Magazine spoke.

What it means to the soul and to the instinct to have once served with the craft cannot be understood by him who, as Shakespeare said, "Hath not eat paper, as it were; he hath not drunk ink."

Some day I want to discuss this subject: A Newspaper—Senator Looks at the Press Gallery. Five percent of it will hark back to Senator Niles, of Connecticut, and will agree with him to some degree. Ninety-five percent of it will be to your everlasting credit.

I wish for you that this inaugural may launch you upon your best and happiest year. May your "Foote" prints register success.

THE WORLD COURT—ADDRESS BY SENATOR WHEELER

Mr. MURRAY. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD a speech delivered by my colleague the senior Senator from Montana [Mr. WHEELER] on January 29, the subject being "The World Court."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The world today is poised on the brink of war. The jealousies and prejudices of the Old World have reached a new high pitch since the fateful years of 1914–18. Every day we look with fear lest the news that the prejudices of the conflicting groups have led to a new outbreak plunging the world once again into another war.

In the face of this it is well to recount some of the dangers which menace the world at this time.

A few days ago the vote was announced of the Saar plebiscite. I need not recount the tension which preceded that vote or the friction which developed after its announcement. That plebiscite was the result of the iniquitous Treaty of Versailles—a treaty which has spelled oppression and disaster throughout Europe and the world.

France and Italy are drawing an iron ring around Germany. An entente was attempted between these two powers which have interests not always in accord with the desires of each.

The war cloud cast a pall over the world 4 months ago on that fateful day when King Alexander I of Yugoslavia was assassinated on the streets of Marseilles. The troublous Balkan question came to the fore—only to prove to a world which does not understand that question, that the oppressions which haunt Europe and grind down the minorities in the Balkans are permanent threats to world peace. Those minorities have served notice to the world that until there is some settlement of the disputes in the Balkans, some answer to those appeals, there can be no peace in Europe. We can expect additional assassinations by terrorists in Europe.

Japan has terminated her obligations under the arms treaty. This action is interpreted by many as prelude to a world arms race—a race in which no one can win, and least of all the cause of world peace.

This year is likely to see the real crisis in the Far East, with the jealousies and the points of friction coming to a definite focus.

In a survey of world conditions for the year 1934, Ferrero, called the foremost historian of Europe, said that "1934 has been the most disastrous year for Europe since the end of the war."

"The truth is", says Ferrero, "that a part of Europe, especially of central Europe, is already in a state of war.

"The League of Nations is powerless to put a stop to the small clandestine war carried on by so many states. To give the illusion it can do so it runs the risk of becoming more and more an instrument in the hands of the stronger against the weaker."

Few have put into words the bitterness and the tension of the present day than did the President in his message to Congress January 4. Said President Roosevelt:

"I cannot with candor tell you that general international relationships outside our borders are improved. On the surface of things, many old jealousies are resurrected, old passions aroused; new strivings for armament and power, in more than one land, rear their ugly heads."

That, in brief, is the state of the world today. That brief survey indicates the tenseness of Europe into which the proponents of the World Court adherence would have us cast our lot. That indicates not only the latent and incipient dangers but the present and belligerent propensities of Old World powers.

If we become a party to the World Court powers, we will have to abide by the decisions made by that body and help enforce those decisions. For if the decisions cannot be enforced, they will be worthless; and if they can be enforced, America will be called upon to lend her share.

This means, of course, that we will have to send men once again across the sea and try to maintain peace in areas of conflict. This means that we will be joining forces in trying to enforce agreements or decisions made pursuant to international law which is being flouted as unjust and cruel. This means that the decisions of the Court with their sanctions of force will be virtually breeding war, thereby defeating the aims of the proponents of membership.

No one wants to see the cause of peace advanced more than I. There is still hope, I believe, in spite of the perils of the present, that the cause may be advanced by slow and careful stages by judicious action.

After the World War the League of Nations incorporated the idea and the idealism of many whose greatest desire was for world peace; or so we thought. The world had just ended a fratricidal war unparalleled in history, and the idealists of the land were trying to bind up the wounds of the nations with a new spirit of

brotherhood—the spirit that made Woodrow Wilson one of history's brightest names.

After the bitter strife of 4 years of war the idealism of Woodrow Wilson came as a soothing blessing to a war-torn world. In the face of difficulties and obstructions of Old World statesmen he was able to incorporate into the League of Nations much of his philosophy. He had to fight every inch of the way for idealism to prevail over the proponents of sanctions by military force and found many a disillusioning experience in his struggles.

We were asked to join that League and since that time I have voted for the World Court with reservations, but the last few years have proved the futility of both the League and the Court. The hopes of those early years have not been justified. The idealists who wanted to banish war for peace and exterminate greed for justice have been disappointed. The words of the historian Ferrero, whom I have quoted, indicate the appraisal of the League's accomplishment.

In assessing the part of the League of Nations in world affairs I should like to quote again the President of the United States. In the campaign of 1932 when questioned about his opinion of membership in the League, Mr. Roosevelt said:

"The League of Nations today is not the League of Nations conceived by Wilson. Too often through these years its major function has not been the broad, overwhelming function of world peace; but, rather, a mere meeting place for the political discussion of strictly European national difficulties. In these the United States should have no part. * * * American participation in the League would not serve the highest purpose of the prevention of war and a settlement of international difficulties in accordance with fundamental American ideals. Because of these facts, therefore, I do not favor American participation."

"Meeting place for the political discussion of strictly European national difficulties. In these the United States should have no part," said the President.

The President voiced a sentiment which has been verified and confirmed by the passage of time.

Yet the World Court is an integral part of the League organization which the President views with suspicion.

This Court is definitely a part of the League. Its decision on the German-Austrian customs treaty clearly shows that the World Court is the meeting place for the political discussions of strictly European national difficulties. It was a political decision, not a judicial decision. In these the United States should have no part. The creation is authorized by the Covenant of the League of Nations. The League selects, pays, and pensions the judges, and its committee of jurists drew up the statute, which is the Constitution or fountainhead of authority for the Court.

I hope in making these remarks about the League, in view of its original purposes and the idealism of Wilson, no one will think I am an enemy of world peace. I want to see the cause of peace carried forward as rapidly as possible, but I simply cannot see how adherence to the World Court will advance the cause.

In this new-deal program I have followed the President, not only because I thought he was right, but also because I thought he was putting into action those ideas for our national welfare for which many of us have labored long and diligently for many years. Therefore, I hope no one will accuse me of objecting to adherence on the grounds that I am worshipping the fetish of isolation venerated by years of custom and tradition. I have tried as sincerely as I knew how to act for the welfare of our people regardless of whether such action followed the old or new and regardless of whether such action followed the lead of the White House or not. That policy I will continue.

We have seen the connection of the League and we have seen the events pass in review in Europe. In view of these facts we must do what we think is best for the welfare of this country.

The United States expressed the conditions upon which it would become a member of the Court on one occasion. Were those conditions approved? No. Instead the major powers met and drafted what they called a "protocol of accession", and it is that protocol which we are called upon to endorse by a vote of approval. The United States said what it meant in stipulating the conditions of membership. Those words were clear in their meaning, not only to us, but to Old World statesmen. In fact, they were so clear that they felt called upon to draft a set of what has been well defined as "counter-proposals."

As an example of Old World evasions and chicanery the protocol omits entirely certain sections we included in the conditions of acceptance. Our answer to the members of the World Court contained five reservations. These reservations or their content must be guaranteed as conditions precedent to our entrance into the World Court.

We are offered membership. We accept with conditions. Europe counters with saying, "We want you, but we will name the conditions—or we will express your conditions in our language—and we will just forget part of the United States proposal, but we want you in, anyhow."

Can anything be more insidious in its implications?

Numerous other arguments might be advanced in behalf of the position we take as opposing adherents. But it seems to me that the present unsettled conditions of Europe, the failure of the League of Nations, the connection of the Court and the League, and the actions of the powers in refusing to accept our proposals in our language rather than in language which they have framed and which they may subject to interpretation in their own way, and last but not least, the fact that these countries who are so anxious for us to join the World Court are the same countries we saved from destruction during the World War and who repudiated their debts which they owe us. These are arguments cogent enough to cause me to vote against joining this Court.

FUNDAMENTAL LAWS—ADDRESS BY CHIEF JUSTICE OF MAINE

Mr. WHITE. Mr. President, I ask unanimous consent to have incorporated in the RECORD a speech delivered by the Honorable William R. Pattangall, chief justice of the supreme court of my State, on January 10, 1935, before the Bar Association of the State of Maine.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the Bangor (Maine) Daily News, Jan. 10, 1935]

PATTANGALL SEES MUCH OF "NEW ORDER OF THINGS" ILLEGAL—CHIEF JUSTICE IN MASTERLY TALK ON LAW—TELLS MAINE BAR THAT NOT SINCE DAYS OF SLAVERY HAS ATTACK BEEN MADE UPON FUNDAMENTAL LAWS OF SUCH MOMENT AS THE PRESENT—SEES INSIDIOUS EFFORTS TO DESTROY WORK OF CREATORS OF THIS GOVERNMENT

Chief Justice William R. Pattangall, of the Maine Supreme Judicial Court, spoke to members of the Maine State Bar Association yesterday at Augusta as follows:

"Mr. President and members of the Maine State Bar Association, it is needless for me to say that I appreciate very highly the compliment paid me by your committee in inviting me to speak to you this afternoon and assigning as my subject The Federal Constitution.

"A discussion of its important provisions and the principles upon which they rest, their applicability to present-day problems and the danger of departure from the sound governmental theories which they embody, presents a timely subject for thought on the part of the members of the profession devoted to the maintenance of orderly government in our State and Nation.

"It was in May 1787 that commissioners from 12 of the States met at Philadelphia for the purpose of creating a national government. Rhode Island had declined to participate, and 10 of the 65 appointed to represent the remaining States did not attend. During the previous February the Continental Congress had issued the call by virtue of which the Convention assembled, and had limited the scope of its work to revising the Articles of Confederation, adopted in 1777 but only ratified by the entire body of States in 1781. It was known by all men conversant with public affairs, however, that the limitation of the call would be disregarded and that the work of the Convention would be extended to the formation of a Federal Union.

"In fact, on the 30th of May, the opening day of the Convention and at a time when but 40 commissioners had arrived, Governor Randolph, of Virginia, proposed the formation of a national government. The work was completed 4 months later and submitted to the States over the signatures of 39 commissioners, 16 declining to join in recommending its approval. The most distinguished of those who refused to even attend the Convention was Patrick Henry. Among those who attended but did not sign with approval were Elbridge Gerry, of Massachusetts, Oliver Ellsworth, of Connecticut, Luther Martin, of Maryand, Edmund Randolph, and George Mason, of Virginia.

"The times were perilous and called for action. The States had passed through a devastating war carried on under great difficulties, not the least of which had been the lack of a central government possessing the necessary authority to function nationally. The Continental Congress, with no power to raise armies, to levy taxes, or to borrow money, was a poor apology for a government. It had issued a substantial quantity of paper money, the value of which had long before May 1787 become almost negligible.

"Soldiers who had fought in the Revolution had been mustered out at the close of war without their pay. For want of responsible government and in part because of the inability of the States to join in a sound financial policy, in part for want of necessary capital with which to carry on business, trade and commerce, foreign and domestic, languished, and the country faced what would have been an unendurable situation had it not been for its natural resources and the ingenuity and resourcefulness of its inhabitants.

"The aftermath of war has always been economic disaster, and the Revolution was no exception in this respect. Added to all these factors which tended to make difficult the work of the Convention, an epidemic of sectional jealousy sprang up between the States and atmosphere of suspicion abounded, small States opposed large States, Northern States opposed Southern States, commercial States opposed agricultural States. To reconcile these differences was no small task.

"The men who did attend the Convention, remain in it to the end, complete its work and carry on a successful campaign for ratification, were singularly fitted for the work. They possessed not only great ability but courage, faith, and patience. They were absolutely single-minded, handicapped by no selfish motives, practical statesmen with a background of study, experience, and achievement that especially qualified them to reject the false and accept the true when forced to choose between alternative proposals of public policy.

"Their presiding official was George Washington. That remarkable man had passed the zenith of his powers but still towered high above the average statesman of his time. He made a strong impress on his generation, and history accords him the right to the leadership which his contemporaries recognized and which he

accepted. In the early days of the war between the Colonies and the mother country he opposed separation and decried the idea of independence. One of the wealthiest, if not the wealthiest, of the colonists, he risked his life and fortune in an effort to no more than secure for himself and his people the legal rights of an English subject. He had loyally served the King and just as loyally served against him when the liberties of Americans were threatened. The evolution of events brought the Declaration of Independence and the Confederation of States followed; on motion of John Adams he was made Commander in Chief of the Continental Army. No general of ancient or modern times more successfully carried on a series of campaigns against trained armies than did he through the weary years of the Revolution at the head of what was in truth that which the British called it in derision, "a rabble in arms." No man excepting one exactly his counterpart could have brought that war to a successful conclusion.

"During his whole command, he did not win a single pitched battle. The tactics he was forced to employ were not those which gain popular applause. They were, however, the only tactics which could have brought the final victory. He allowed himself but one dramatic moment. The surprise attack on the Hessian army at Trenton was the single occasion on which he demonstrated that he could exercise reckless courage as well as infinite patience. He had no gift of oratory. The sort of speeches with which Napoleon fired the hearts of his soldiers were as foreign to him as was the language of France. He was content that Hamilton should write his state papers. A great soldier, a great statesman, his strength lay in his character rather than his accomplishments, for great as were the latter, they were essentially the product of his character. His mere presence at Philadelphia gave the Convention a standing before the country which it never could otherwise have had.

"Benjamin Franklin was there, the genius of his time. Statesman, diplomat, student, philsopher, he had served his country long and well. Burdened with years and suffering from ill health, his work in the Convention was more that of a counselor than an originator of ideas. But he could so readily recognize a false note injected into the debates and could so clearly expose its lack of harmony that his presence was of inestimable value.

"Madison was easily the leader of the Convention. At first outshone by the brilliance of Hamilton, later on this modest, thoughtful, honest, patriotic man gained such an ascendancy over his colleagues that the final draft of the Constitution was more nearly his handiwork than that of any other or, indeed, of all the others combined.

"Hamilton, young, handsome, magnetic, splendid orator, talented writer, charming personality, with a background of military service, known as the trusted and intimate friend of Washington, might well have been the leader of the Convention, had his theory of government appealed to his colleagues. But his contempt for the mass of mankind made him an aristocrat; and his plan to set up a government with an elective monarch at its head and a ruling class made up of those whom John Adams denominated 'the wise, the good, and the rich', did not accord with the spirit of the times and failed to receive approval on the part of the commissioners.

"Robert Morris, Philadelphia's leading financier, destined to spend his last days in a debtor's prison, but at that time at the height of his business career and of his mental power, was a delegate; as were Rufus King, Roger Sherman, Gouverneur Morris, and Pierce Butler, all destined to play great parts in framing the policies that were to prevail in the early days of the Republic, in the formation of which they were lending conspicuous assistance.

"Thomas Jefferson was not present. He had been in France when the Convention was called, hence was not named a delegate. John Marshall was also absent, as were Samuel and John Adams. But all of these great minds were in close touch with the work that was going on and rendered valuable aid in its completion by their advice and counsel.

"When the final draft was completed and the 39 delegates, who had stayed at their posts of duty through the heat of a Philadelphia summer, had affixed their signatures, the document was submitted to the States for ratification. The approval of nine States was necessary to put it in effect. Submitted on the 17th day of September, within 2 months it was accepted by Delaware, Pennsylvania, and New Jersey; and in another month by Georgia and Connecticut. Massachusetts waited yet another month, until Samuel Adams had procured the pledge that, if and when it was adopted, it should be immediately amended by the adoption of a Bill of Rights, framed after the manner of that which the English Parliament presented to Prince William of Orange and the Princess Mary on their accession to the throne of England in 1688.

"Jefferson had joined in the demand that this be done, and without it the work of the Convention would have been rendered futile by the opposition of these advocates of liberty. Spring came and Maryland and South Carolina signed. It was not until June 23, 1788, that the ninth State voiced approval. New Hampshire had the honor of completing the required number, but Virginia followed 4 days later, and in another month New York, brought to a belated consent by the untiring energy and forceful eloquence of Hamilton, who fought for the acceptance of the compact as sincerely and as earnestly as though the Convention had adopted his ideas.

"Congress immediately declared the Constitution effective. The initial struggle was over, but strong pressure was put on the two States still standing aloof and, after waiting another year, North Carolina joined her sister States. It was not until May 1790 that Rhode Island capitulated.

"At the first session of Congress the amendments agreed upon were submitted and almost immediately ratified. With the exception of three amendments, which in no way affected the general theory of government or brought about any change in its administration, no further alteration of the work of the Philadelphia Convention occurred until 1868, when the abolition of Negro slavery and the partisan struggles growing out of them was inspired the thirteenth, fourteenth, and fifteenth amendments.

"Since then one amendment has authorized the levying of income taxes by the Federal Government, another the election of United States Senators by popular vote, still another conferred the privilege of voting upon women, and the last arranged that the Presidential term should terminate on January 20 instead of March 4.

"For a century and a half constitutional government has sufficed to meet the needs of our national life. It is a great tribute to those who designed it that so little change has been required during the length of time that has elapsed, especially in view of the history of that period. Since its adoption the Nation has increased in population fortyfold, extended its continental area to cover a territory more than four times as large as that over which its sovereignty was first recognized, and annexed insular possessions farther removed from it than it is removed from the country whence its early settlers migrated. The Nation has, under it, engaged in 6 major wars, 5 foreign and 1 sectional, and passed through the terrible ordeal of five extended periods of financial panic and business depression prior to that of 1929, without finding it necessary to make other changes in the organic law than those already indicated.

"The work of the founders has moved the admiration of the statesmen of the world and has received the sincere flattery of imitation by those engaged in the delicate and important task of inaugurating new governments dedicated to freedom.

"Not since the vexed question of slavery, coupled with the heresy of secession, threatened the integrity of our Nation has any attack of sufficient moment to call for its defense been made upon the fundamental law until within the past few months.

"True, Communists and Fascists have urged the overturn of our Government and the substitution for it of the despotic rule of Stalin or the no less objectionable tyranny of Mussolini, but no sane mind has regarded their success as probable, or even possible, within any reasonable period of time. True, Socialists, more moderate in their demands, have proposed certain radical changes in the Government under which we have lived and under which we have enjoyed a larger measure of peace, prosperity, and happiness than any other people of any land in any age, but their influence has not been strong enough to more than modify and humanize certain of our laws within constitutional limits. We have nothing at present to fear from these sources.

"But of late a more insidious and vastly more dangerous effort to destroy the great work of the Philadelphia Convention has appeared. A substantial group, some young in years, all young in practical experience, have gained the ear, not only of the unthinking multitude but of men in high authority, preaching the doctrine that veneration of the Constitution is a form of superstition; that it is obsolete, outmoded, a creation of the era of the stagecoach, the canal boat, and the sailing vessel; that it has no real value excepting as a somewhat interesting specimen of antique thought. They say that its authors were unfortunate in having lived before the day of railroads, steamships, automobiles, and airplanes; before the telegraph, the telephone, and the radio were invented; before the inauguration of the machine age; and that all of these changes have so affected human affairs as to render their work of no practical use to present and future generations.

"If statesmanship and mechanical invention were related sciences, the argument might be seriously considered. Fortunately, we are enabled to compare the earlier work that brought forth by the leaders of statecraft who represent the most ultra-modern theories of government, and who, with the aid of all of these enumerated accessories, have established new governments in Russia, in Italy, and in Germany.

"It is true that the delegates who attended the Constitutional Convention traveled from their homes either on horseback or in horse-drawn vehicles; that they never had seen, and that many of them failed to live long enough to see, railroads and steamships; that the airplane and the submarine would have been deemed by them impossibilities; and that none of them, with the possible exception of Franklin, dreamed of the telegraph or telephone; and that doubtless the radio was beyond the limits of even his far-seeing imagination.

"But all of this detracted nothing from their ability to plan a government for America. They were familiar with the lessons of history and capable of avoiding errors of the past. They were men of affairs and understood the needs of the American people. They foresaw the future development of the Nation. They realized the value of orderly government and proposed to provide for it on broad, safe lines. They loved liberty and had risked their lives to gain it. They were determined to maintain it for themselves and for those who were to follow them; and as a corollary to their love of liberty, they feared and hated arbitrary power. Their first thought was to provide against it. They had known it, exercised in turn by King, by Parliaments, by courts, and by the church. In order that no one of these great agencies should gain such an ascendancy as to attempt to inflict upon the people of America a repetition of the rule of a Stuart, a Cromwell, a Jefferson, or a Laud, they provided for the separation of church and state, and for the administration of government by three great coordinate

branches—executive, legislative, and judicial—each supreme in its own sphere of action, sufficiently cooperative so that their work completed a harmonious and symmetrical whole, yet each constitution a check upon the other.

"They realized the need of local self-government on the part of the people of America, constituted and located as they were. Hence they provided that the burden of government should be borne only in such part by the Union as would permit it to function properly and to occupy a dignified position in the world of nations, and permitted the States to retain their sovereignty and to exercise full authority in all matters not expressly delegated.

"They provided for the enjoyment by every citizen of the largest measure of freedom of thought and speech and action consistent with the maintenance of orderly government. This they did, not only in general terms in the original document submitted to the States for ratification, but specifically and particularly by the addition thereto of the first 10 amendments.

"A detailed analysis of the remaining provisions of the Constitution seems necessary in view of the fact that you are all familiar with them. May it not suffice to suggest that no indication of obsolescence mars the simplicity and beauty of the great charter of American liberty. Age does not constitute a defeat in a declaration of great principles.

"The solemn contract which King John signed at the stern behest of the Barons at Runnimede, containing the pledge that 'to no man will we sell, to no man will we delay or deny right and justice', still carries to the minds of every citizen of Great Britain and of America an assurance of protection thrown about life, liberty, and property, although it was written more than seven centuries ago.

"The Bill of Rights presented by Parliament to William and Mary in 1688 still extends its protective force against oppression.

"It was from these sources that our forefathers drew inspiration for their labors. They assumed as their rightful heritage the common law of England, the greatest civilizing force, with the exception of the Christian religion, which the world has known, and incorporated many of its maxims in their work.

"It has recently been stated by high authority that our Nation has undertaken a new order of things, toward which it will progress under the framework and in the spirit and intent of the Constitution. An analysis of the progress so far made, and a discussion as to whether or not it has been conducted within the spirit and intent of our organic law, is a very proper subject for our consideration. Such a discussion involves no suggestion of partisan politics. Support of constitutional government in America will never be confined to the membership of any one political party. Nor will any major party ever condone an administration taking to itself powers not granted by the Constitution.

"Men may honestly differ as to the authority conferred upon the executive, the legislative, or the judicial branch of government; the right of the Federal Government to assume certain powers which others deem to have been retained by the States, or the limits which mark the line between individual liberty and license. But thoughtful Americans will not differ on the proposition that constitutional government must be maintained at any cost, and that if the provisions of the great charter appear in any particular to be inadequate, they may only be amended by orderly process.

"We are immediately concerned with the inquiry as to whether or not, in the progress so far of creating a new order of things, the constitutional limitations have been observed. Let us examine the record.

"Since March 4, 1933, either by direct congressional enactment or by Executive order based on such legislation, the Chief Magistrate of the Nation has been given or has assumed authority—

"To debase the currency; to buy and sell gold at a price fixed arbitrarily by him; to purchase Government bonds, and to seize private stocks of gold to be paid for at an arbitrary valuation;

"To levy sales taxes, denominated process taxes, on food, clothing, and merchandise at such times and rates as he may determine;

"To expend enormous sums of money for various purposes not definitely and explicitly defined before the appropriation of the money;

"To create business corporations whose activities bring them into direct competition with private industry;

"To manufacture commodities in competition with private business;

"To buy and sell commodities, fix minimums at which industries and merchants may sell their goods;

"To allot a maximum production to individual farms and factories, and to forbid expansion or development in any industry or any single plant;

"To impose collective bargaining on employers of labor, and to establish minimum wages and maximum hours of labor in every line of industry;

"To raise and lower tariffs and discriminate between nations in the application thereof;

"To abrogate and annul certain governmental contracts without compensation and without appeal or review by the courts;

"To inflate the currency.

"Is it possible to sustain that program as being within the intent and spirit of the Constitution? I search its provisions in vain to find authority for much of it. Attempt has been made to justify certain portions as emergency legislation. A constitution that may be disregarded during or because of an emergency is as worthless as the promise of a government given with the implied reservation that it may be broken at time with impunity. The authors of the Constitution know something about emergencies, they have lived among them during the larger part of their lives. They framed the great charter to meet emergencies, not to evade them.

"From what source comes the authority of either the executive or the legislative departments of government to enter the field of private business? Or to fix prices at which commodities shall be bought and sold? Or to direct the production of farms? Or the manufacture of merchandise? Or the development of industry? Of the method of fixing wages between employer and employed? Or the establishment of minimum wages, maximum hours, or conditions of labor? Or to levy taxes for the purpose of paying farmers not to produce food? Or to purchase food products with taxpayers' money for the sole purpose of destroying the products so purchased?

"If the Federal Government possesses these various powers, the Constitution needs amendment. If it does not possess them, they should not be exercised by it. It is apparent that the supporters of the new order doubt the authority to do these things. Senator COSTIGAN, of Colorado, leading exponent of the right of Congress to legislate directly concerning these matters or to delegate authority to the President to act upon them, has this week introduced a resolve to amend the Constitution, by adding to it a provision granting the Government power to regulate hours and conditions of labor, to fix minimum wages in any employment, and to regulate production, industry, business, trade, and commerce. In other words, to make it legal to do in the future the illegal things which have been done in the past.

"Every Member of this organization is sworn to obey and uphold the Constitution. Every public official is so sworn. It is the duty of every lawyer, every official, every honest citizen, to raise his voice in protest against a violation of its provisions. Confusing the proper sphere of action of the three great branches of government, disregarding the sovereignty of the States, and reducing them to mere territorial subdivisions; denying to individual citizens the measure of liberty to which they are entitled—may lead to a fuller and more abundant life, may undertake a new order of things, may spiritualize the soul of America. But it must lead to the destruction of constitutional Government, and that the American people will not permit at the behest of any man or group of men or party, least of all at that of an irresponsible group of impracticable theorists, strangers to the electorate, cast upon the shore of political life by the tidal wave of a national election occurring when the voters, suffering from misfortune, turned for relief to whoever promised it.

"The Constitution will be the law of the land long years after they have returned to the obscurity from which accident raised them and have been forgotten even by those who now pay homage to them."

PROCESS OF OBTAINING LOANS FROM HOME OWNERS' LOAN CORPORATION

Mr. BARBOUR. Mr. President, I present and ask unanimous consent to have printed in full in the RECORD a chronological record of an attempt to obtain a loan from the Home Owners' Loan Corporation, prepared by a New Jersey resident, who is a war veteran with two dependents.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

1933

July 18: Requested loan from the Washington, D. C., office.

July 15: Called on the State manager in Trenton, where I filled out the blank form of application for a loan, and asked the manager if he would hold up the foreclosure until the loan had been passed upon. Foreclosure was not held up.

August 15: Received dispossess from sheriff. Notified Home Loan. Nothing was done about it.

September 15: Wrote to Trenton office asking why the delay, as the appraisal had been made, and was told that my application had been turned over to the Newark office.

September 18: Called at Newark office and was told that they had no record of my application, so I made out another application and in a few days another appraisal was made.

September 20: Received letter from State Manager Shanley saying that my application had reached his desk and that he would have foreclosure held up for 4 weeks and in the meantime settle the question of a loan. (Foreclosure sale was held on August 2.)

December 19: Was told by Mr. McCormack, manager of the Newark office, that loan had been granted, but that the bank holding the mortgage would not accept Government bonds and that he could do nothing further, and advised waiting to see if the Government would guarantee same.

1934

February 15: Was notified by the Fidelity Union Title & Mortgage Guaranty Co., who held the mortgage, that they would now accept the bonds and to send them $7.50 to pay the Corporation for clerical expenses, which I did.

March 1: Received a letter from Lindsey Dodd, special representative in the Washington office, telling me to get in touch with William McNish at the Newark office.

March 3: Called on Mr. McNish, but my papers could not be found. Was told to call later.

March 15: Called on Mr. McNish and was turned over to the chief adjuster, who had the papers. He told me that everything was O. K. with the exception of the amount to be added to the

loan for alteration and repairs. For me to get two bids from contractors and that he would get the third, as three was required by law, and that the contract would be given to the lowest bidder and the amount would be added to that required to buy back the property and pay the delinquent taxes.

April 18: Wrote to Newark office to find out how things were going and had a reply from M. P. Crook, chief adjuster, stating that they had no record of having had any business with me.

May 15: Called on the chief adjuster to see what was holding up the loan and was told it was due to the fact that their contractor had not yet submitted his bid, but that they would write that day giving him 3 days to get his bid in.

July 10: Wrote a letter to the State director, protesting at delay, and asking for action. No reply.

July 21: Wrote to the home office in Washington, complaining at the State director for neglecting to answer me, and begging for action one way or another.

July 30: Received a reply from Willis G. Kemper, assistant general manager, saying that the delay was caused by the neglect of the Corporation contractor to submit his bid. His letter also contained the following statement: "The fee appraisal has been completed which indicates that we can loan sufficient to cover the encumbrances as well as necessary repairs."

August 2: Replied to Mr. Kemper's letter, calling to his attention that 3 months previous the Newark office had given the contractor 3 days in which to submit his bid.

August 2: Received a letter from Mr. Silzer, Newark manager, telling me that I must apply to three financial institutions for a loan, and if unsuccessful, to let him know, and he would then see what he could do.

August 6: Submitted the refusals in writing from three financial institutions.

August 8: Wrote to Washington headquarters of the Home Owners' Loan Corporation, complaining of the treatment I was receiving from the New Jersey office.

September 4: Receiving no reply from Washington, I wrote a letter of protest to the President, which letter was referred to the Home Owners' Loan Corporation and buried there.

September 6: Received a letter from Manager Silzer, telling me that my application for a loan had been disallowed, but gave no reason.

September 8: Wrote a letter of protest to President Roosevelt, to which I received no answer.

September 27: Received notice of dispossess, and telegraphed to the President, calling attention to his promise that no one would lose their home. No reply was received.

So ends the record of what is called a "new deal" and it sure is one.

The VICE PRESIDENT. Morning business is closed. The calendar is in order under rule VIII.

AUTHORIZATION FOR GOVERNMENT BOND ISSUE

Mr. HARRISON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes.

The VICE PRESIDENT. The Senator may make the motion at this time if he so desires.

Mr. VANDENBERG. Mr. President, when is it planned to have a call of the calendar?

Mr. HARRISON. I move that the Senate proceed to the consideration of House bill 4304. It will take only a few moments.

Mr. VANDENBERG. I should like to inquire of the Senator from Arkansas [Mr. ROBINSON], if I may, when it is contemplated that we may have a call of the calendar?

Mr. ROBINSON. So far as I know, the calendar may be called today following the disposition of the bills which are to be brought forward.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Mississippi.

Mr. THOMAS of Oklahoma. Mr. President, I understood unanimous consent had been requested.

The VICE PRESIDENT. Unanimous consent was requested, and was necessary under the rule until morning business was closed. After that time the Senator has the right to make the motion to have the bill considered. He has made the motion and that is the pending question.

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. The motion is not debatable.

Mr. BORAH. Mr. President, is the motion to take up the bill in order prior to 2 o'clock?

The VICE PRESIDENT. Yes. Morning business is closed and the motion is in order at this time under the rule. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, which had been reported from the Committee on Finance without amendment.

Mr. HARRISON. Mr. President, the bill has already passed the House. It has been reported unanimously by the Finance Committee of the Senate. It seeks to amend the Second Liberty Loan Act of 1917 in this respect: In that act it was provided that the Government might issue bonds to the amount of $28,000,000,000. However, it did not, when the Government had retired certain bonds, permit the issuance of more bonds in their place. The pending measure seeks to give the Treasury Department the power to have bonds outstanding at any time in an amount not in excess of $25,000,000,000; but as they may be retired others may be issued, though at no time shall there be more than $25,000,000,000 outstanding.

I may say, from the explanation given by the Secretary of the Treasury to the committee, that we are now within the limit under the law by only $2,300,000,000. Another lot of Liberty bonds will be due, to the amount of $1,800,000,000, on the 15th of April. They must be financed, of course. That will leave a margin of only $700,000,000.

It appeared to the committee that the measure is in the interest of good financing. The Treasury Department have assured us that they may be able to effect a saving to the taxpayers in reduced interest rates because, as Senators know, there are times when the market demands long-time paper, whereas at other times the call is for short-time paper.

That is the purpose of the bill in a nutshell. There is another provision which permits the Treasury to issue so-called "baby bonds", in denominations from $25, to $10,000. It is felt that there is a demand in the country for that class of paper. They do not carry coupons, but carry a rate of interest from 2 to 3 percent, as the market may be in position to pay at the time.

I shall be glad to answer any questions that may be propounded.

Mr. McNARY. Mr. President, may I ask the Senator from Mississippi a question? The bill, of course, originated in the House.

Mr. HARRISON. Yes.

Mr. McNARY. Were hearings held there?

Mr. HARRISON. Yes; and also hearings were held before the Senate Finance Committee. They were brief hearings.

Mr. McNARY. Were they printed?

Mr. HARRISON. I have the hearings here in typewritten form. They will be printed, I may say.

Mr. McNARY. Was the committee unanimous in its report?

Mr. HARRISON. Yes; the committee was unanimous.

Mr. THOMAS of Oklahoma. Mr. President, the bill before the Senate is H. R. 4304. The bill is entitled "A bill to amend the Second Liberty Bond Act." The purpose of the bill is to authorize the United States to increase our bonded indebtedness from $28,000,000,000 to a possible $45,000,000,000. Late yesterday we were advised that this bill was to be called up today, although it was reported by the committee only yesterday.

I tried to get the hearings on the bill. I called upon the Ways and Means Committee of the House of Representatives, and was advised that there were no hearings held in the House of Representatives. The Ways and Means Committee met in executive session, and after a very brief consideration the bill was reported.

I then called upon the Finance Committee of the Senate to see if I could get a copy of the hearings before that body and I was advised that there were no copies for distribution. I was advised that the committee met in executive session, remained in session for something like an hour and 20 minutes, and reported out this bill. I asked for copies of the hearings, and the most obliging clerk advised me that if I would see the chairman perhaps I could arrange to get a copy of the hearings.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. So far as the Finance Committee is concerned, there was a hearing. It was only on yesterday, and, of course, no copies of the hearing are available this morning; but the Finance Committee did have before it officers of the Government and did have a hearing on this measure.

Mr. THOMAS of Oklahoma. I made the statement that I was advised the hearings lasted for approximately an hour and 20 minutes.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Did I understand the Senator to state that he was advised by the Treasury Department that if he had been the chairman of the committee he possibly could have gotten a copy of the bill?

Mr. THOMAS of Oklahoma. No; I was advised by the obliging clerk of the Finance Committee——

Mr. LONG. Well, that is getting up some. That is some improvement.

Mr. THOMAS of Oklahoma (continuing). That if I would see the chairman, perhaps I could arrange to get copies of the hearings.

Mr. LONG. Will the Senator permit me just to observe, as a question, that it rather seems as if the Treasury is getting rather considerate when some clerk might, under some circumstances, let even the Chairman of the Finance Committee have a copy of the bill on which we are to vote. If they keep coming, we are liable to be a Congress here.

Mr. THOMAS of Oklahoma. I am not making complaint against anyone.

Mr. HARRISON. Mr. President——

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from Mississippi.

Mr. HARRISON. Of course, the Treasury officials appeared before the Ways and Means Committee. I do not know whether or not their statements were taken down by a reporter.

So far as the Finance Committee of the Senate were concerned, we were told that this was a matter of some urgency, because of the fourth Liberty loan bonds coming due on April 15. The Treasury officials had to get the machinery in order so that they may retire the $1,800,000,000 of bonds coming due at that time. So we set aside other hearings in which the Committee on Finance were engaged, and on yesterday had before our committee the Director of the Budget, the Secretary of the Treasury, the Assistant Secretary of the Treasury, and some other authorities from the Treasury Department. Every opportunity was given to the members both of the minority and the majority to ask questions. I had a reporter there who took down the proceedings, and a transcript of the hearings is here. There has not yet been an opportunity to send them to the Printing Office.

I should have been delighted to give to the Senator a copy of the hearings. I imagine that the clerk told the Senator as he did because the hearing was not a public one. There was no reason why it should not have been public, however, because it was a statement of the officials of the Treasury Department.

Mr. THOMAS of Oklahoma. Mr. President, this is a most important bill. I agree with the Chairman of the Finance Committee on that statement. The only information I can get about the bill is to be found in the report submitted by the Chairman of the Ways and Means Committee. However, the information from that source is very, very meager. I have also a report from a newspaper, the Times-Picayune, of New Orleans, which gives some information about the bill. I likewise have an editorial from the Evening Star under the headline "More Borrowing" that gives some information; but, Mr. President, this bill increases the national mortgage from $28,000,000,000 to possibly $45,000,000,000; hence it seems to me it is time that somebody, somewhere, should stop, look, and listen.

During the past few years we have increased our borrowings from some $16,000,000,000 to $28,500,000,000, which means that we now have that sum of Federal obligations outstanding. A national bond, Mr. President—I do not care what we call it; Liberty loan bond, relief bond, Treasury note, or bill; it is immaterial what we call it—that note is a mortgage upon all the property of the people of the United States.

This morning we had present before the Agricultural Committee three members of the Cabinet. We were trying to get some information as to the situation that confronts our largest single group, the agricultural population of the country. The agricultural group embraces something like 30,000,000 American citizens, men, women, and children, living upon the farm; and, of course, these bonds are a mortgage upon every farm in America. These bonds are a mortgage upon every factory in America. These bonds are a mortgage upon every piece of property and upon all the earnings of all the people in this country. Here we have a bill proposing to increase our indebtedness to $45,000,000,000 without any hearings in the House of Representatives and approximately an hour and 20 minutes of hearings in the Senate. A bill reported out of committee on yesterday comes up today, unanimous consent for its consideration is asked, and it is hoped that the bill may be passed and speeded upon its way.

In the House of Representatives the Ways and Means Committee has for its duty the raising of revenue to finance the Government. In this body the Finance Committee has that jurisdiction. In the House of Representatives it is the duty of the Ways and Means Committee to find ways to take care of our public expenditures. The same responsibility and the same duty rests upon the Finance Committee of the Senate. They have come in here and have had no hearings whatever in one body of Congress upon a bill proposing to increase the governmental indebtedness to $45,000,000,000; and in the other body, this body, an hour and 20 minutes of executive session. The bill is reported one day and taken up the second day. No one has a chance to investigate the conditions with any degree of satisfaction.

Mr. BORAH. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. I do not understand the exact purport of this measure. I have not had an opportunity to read it.

Mr. THOMAS of Oklahoma. I think I can explain it.

Mr. President, during the World War the Congress found it necessary to pass legislation giving the officials of the Government the right to issue bonds to raise money to wage the war. From that time to this we have been using those old acts, passed in war time, to finance this depression and the cost thereof.

Now we have got to a point where the law's maximum possibilities are found to be insufficient. In other words, the Government finds it cannot issue more than $2,000,000,000 in certain classes of securities, long-term bonds, and only a small amount of short-term securities; I think $400,000,000 of short-term Treasury notes, bills, and only about $2,000,000,000 can be issued in long-term notes. I think everyone realizes we cannot now sell long-term bonds, so the Government now has to resort to short-term bonds, and the amount of such securities which may be issued at this time is only about $400,000,000.

I agree that the pending bill is an important measure, a most important measure, and that it should be acted on with dispatch. But we have just spent 3 weeks trying to solve the problems of the world, apparently with little thought upon the conditions obtaining among our people here at home. That is what I am complaining about.

Mr. President, this bill opens the entire question of finance, of money, of credit, and we are asked to come here, after 3 weeks of busy days, important days, and, without discussion, without information, and without hearings, pass a bill of this most important character.

Mr. President, I wish to direct an inquiry to the Chairman of the Committee on Finance. There is no immediate urgency for the passage of this bill. It has to be passed, of

course, sometime during this session. However, I suggest the advisability of the postponement of the further consideration of this measure until after Monday, when we hope to have handed down by the Supreme Court of the United States what is known as the "gold-clause decision." It may be necessary to pass some legislation after that decision. This bill would be a good vehicle to which to attach such legislation. We could send the bill together with such legislation back to the House on short notice, and in a few hours perhaps we might remedy any defect which may be pointed out in existing law. I have no purpose to delay the matter, but there are certain things that I think should be taken into consideration in the consideration of the bill.

Mr. HARRISON. I will say to the Senator from Oklahoma that if the Supreme Court should knock out the gold clause, I think we would be here for quite a while trying to evolve some way out of our trouble; but even in that event, I should dislike very much to see this legislation delayed for the purpose of tacking some amendments onto the bill. It has occurred to me that this is such a simple proposal and will work such benefit to the Government in its financing policy that the quicker we can pass it the better. Of course, I have no desire in the world to try to press legislation through the Senate if there is some Senator who wants to give it further consideration. I think Senators are entitled to give these matters every consideration. However, there is one question involved here, which is that under the present law the Treasury Department is limited in the issuance of bonds to $28,000,000,000. The Treasury Department is right now on the edge of that limit. The next issue of bonds will be made on April 1, I believe it is, in the sum of $1,800,000,000, which would leave only $700,000,000 margin.

The Secretary of the Treasury told us that he had saved in a very short period some $150,000,000 through Government refinancing, issuing bonds, and taking up some short-term paper, or vice versa. There is not any doubt that some saving might be effected to the Government through Government refinancing, and that this weapon, with which to effect such saving, should be given to the Secretary of the Treasury. It would be most unfortunate if we found ourselves in the situation that by limitation of law the Secretary of the Treasury could not issue any bonds, and would have to resort to short-term paper.

I do not care to get into the controversy as to whether that is the wisest policy to pursue or not. However, this bill merely fixes the limitation of these bonds which can be outstanding at any time at $25,000,000,000.

I was very hopeful that we might pass the measure quickly. If the Senator from Oklahoma tells me and the Senate that he wants to delay the matter for some good reason, that of study, or because there is some likelihood of serious disadvantage to the Government by its immediate passage, why, of course, I would have no objection to it. I should like to get the measure out of the way as quickly as possible, but I should hate to see it put off because of the likelihood of an adverse decision by the Supreme Court of the United States, because if such decision should be rendered all of us would have to put our heads together, and it would then take quite a while to unscramble the eggs.

Mr. THOMAS of Oklahoma. Mr. President, I have no serious fear that the Supreme Court is going to disturb our present status quo.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I wish to ask the Senator from Oklahoma a question. When I first began listening to the Senator from Oklahoma, our national debt was $19,000,000,000, and the Senator was undertaking to convince us that we ought to put out some money instead of putting out some more bonds. Now, I understand, we have a debt which is up to about twenty-eight and a half billion or twenty-nine billion dollars, and there is not much difference in the money supply between what it was at that time and now. It seems to me that the more we keep down the supply of money the more necessary it becomes day by day to add bonds, and there have already been added, in spite of the warning that we need more money, $10,000,000,000 in bonds, and it will be necessary to issue more bonds in spite of the admonition that the need of this country was for more money. We keep going further and further in debt, and we have the same amount of money with which to pay interest on these increasing bonds.

Mr. President, today the bonded indebtedness of the United States is five times as large as the entire amount of currency of the United States. How long are we going to keep this kind of thing going? I understand the next proposition to be put forward will add five billions of dollars more to our national debt. The people of the United States have to pay annual interest charges of 3½ or 4 percent, amounting to something like one and a quarter billion dollars, when the entire amount of currency of our country is around five and a half billion to six billion dollars.

How long are we going to keep this up? I want to ask the Senator from Oklahoma what is the condition going to be if they keep down the money supply as they have been doing, and they have been doing it most perniciously, they have been doing it most advisedly, they have been doing it most consistently, in spite of the fact that we try time and again to get up an agitation here to do the reverse? Will it not necessarily lead to this, that the bonded indebtedness will be piled on and on until we can expect another $10,000,000,000, with the same kind of funds or currency to back it up?

Mr. THOMAS of Oklahoma. At this point I take occasion to place in the RECORD a number of statements in general terms of our debt situation. When the World War was over we had bonds outstanding in the sum of approximately $26,000,000,000. During the next few years, with high tax rates and prosperous times, and through the sale of surplus and excess war munitions and material, we were able to pay off that debt down to something like $16,000,000,000. That was the amount of the national debt when this depression struck.

Since the depression has come upon us we have increased our national debt from approximately $16,000,000,000 to twenty-eight and one-half billion dollars. That is, there is twelve and one-half billion dollars more indebtedness upon the country now than there was when the depression struck.

The point I am trying to call to the attention of the Senate is that we are giving plenty of attention to going into debt, but practically no attention is given to plans to get out of debt or even trying to stop the further issuance of bonds.

Mr. President, I assert that the present policy, if continued, will lead to disaster. I think I see what is coming. I am against inflation, Mr. President, notwithstanding reports to the contrary. I think I am more against inflation than is any Member on this floor. I have tried, and am now trying, to call this matter to the attention of the Senate in order that we may stop a tendency that is leading inevitably to uncontrolled inflation.

Mr. President, the makers of the Constitution, and the founders of our Government, understood the money question. They provided an agency representing all interests, and all the people, and gave such agency a positive and definite mandate to regulate the value of money in the best interests and for the general welfare of our common country.

During the past 100 years, at least on three strategic occasions, the Congress betrayed its responsibility. In 1873, through the demonetization of silver, one-half of the money of the people was destroyed. The demand for gold increased, gold value went up in purchasing power, prices fell, and panic and depression was the inevitable result.

In 1900 the Congress was asleep when it joined the world gold bloc and sought to make a little cube of gold, at that time only some 26 feet square, the metallic monetary standard and basis of the currency and credit of the world.

Again in 1920, the Congress was asleep when it permitted, and even encouraged, the Federal Reserve System to inaugurate and carry out a policy of deflation which has caused

more loss, more misery, and more distress than all the wars in which our country has engaged.

Since 1913, until recently, the Federal Reserve System was the agent of the Congress and the Government in coining or issuing money, and likewise the agent of the Congress in regulating the value of money.

Agencies and administrations come and go, but the Congress goes on indefinitely; hence, the Congress has been, now is, and will continue to be constitutionally and exclusively responsible for the monetary policies of our Government.

The Congress has this constitutional duty to perform, and from this responsibility the Members of the Congress are powerless to escape. Hence our present troubles, to the extent that they have been or are caused by financial policies, must be blamed upon the Members of the Congress.

It is because of this conception of the Constitution and my conviction of the grave responsibilities a Member of the Congress assumes with his oath of office, that I am doing what I can to bring the money problem before the people for consideration.

What is the money problem, and why is it so important?

To answer these questions is my task today.

It is contended by some that money, like the sun, moon, and tides, is controlled by unchanging and unchangeable natural laws; hence, any attempt to manage our currency or to influence or control our monetary policy constitutes tinkering with the currency.

It is self-evident that I do not subscribe to such doctrines. Money is a man-made device to facilitate, encourage, and promote commerce and trade. Money and monetary policies, man-created, are subject to control, management, and manipulation; hence, the kind of control and management is important, very important, to the people of our country.

The unit of our money is the dollar. The value or purchasing power of the dollar changes. Because all history records the changing value of monetary units, the makers of the Constitution gave the Congress the power to regulate the value of money. When the value of the dollar changes, some persons are benefited while others are injured. If the dollar becomes more valuable, the creditor is enriched and the debtor is impoverished, and vice versa.

From the beginning of the World War the trend of the value of the dollar was downward, until in 1920 the dollar had a value or buying power of only 64 cents.

From 1921 the trend of the value or buying power of the dollar was upward until 1926, when the value was 100 cents.

The value of the dollar continued to rise until in February 1933 its value was 167 cents.

The yardstick by which we measure the value or purchasing power of the dollar is the point of rise or fall of the average wholesale prices of some 784 commodities. Economists universally agree that such a value-measuring device is the most accurate and dependable yet invented.

I am not suggesting that we return to the cheap dollar of 1920, but I have demanded that we get away from the high-valued dollar of 1933.

The program suggested by me is to eliminate the 67 cents of excess value by adjusting the buying power of the dollar downward to the 1926 level of 100 cents.

The program suggested and adopted is working.

To date we have reduced the value of the dollar domestically 40 cents. So long as the dollar has an excess value, the people who have taxes, interest, and debts to meet must earn, produce, and save an excess amount of wealth to exchange for such high-valued dollars.

The cause of the extra high prices in 1920 was the low value or purchasing power of the dollar. The cause of the extreme low prices in 1932 and 1933 was the high value of the dollar. History will record that the major causes of this depression were high taxes, excessive debts, and high-valued dollars.

As stated, our policy is to cheapen the dollar so that the people may secure dollars with which to meet their obligations.

Of President Coolidge's policies, I am willing to return to his 1926 valued dollar. The 1926 dollar was worth 100 cents in commodities and property. I am not asking to go further.

I have never, and do not now, advocate a cheap dollar. I want the best possible money, and the soundest dollar is the one that will serve the best interests of our people, our Government, and our American economic system.

Recently the Federal Advisory Council, an adjunct of the Federal Reserve System, submitted a report criticizing the administration's financial program. The Council protested against a dollar of fluctuating value and recommended that the United States return to the gold standard.

Answering this protest, permit me to suggest that from 1900 to 1933 the United States was on a gold standard, and that since the World War our dollar has had a value ranging from 64 cents in 1920 to 100 cents in 1926 and 167 cents in 1933.

In this report the Federal Council inveighed against the threat of inflation as a barrier to thrift.

As an answer to this complaint I might remind the members responsible for the report that we had the gold standard when the 1929 crash came, and the gold standard was still in force on March 4, 1933, when every bank in America was closed, when business was at a standstill, and when 14,000,000 wage earners were walking the highways and byways looking for jobs, food, clothing, and shelter.

The Council and all bankers must know that under the gold standard bankers lost most of the capital, surplus, and undivided profits of 15,000 banks, and the depositors in such banks lost billions of dollars—in many cases the savings of a lifetime of toil and privation.

The Federal Reserve Board acted promptly and correctly on the report by returning it to the Council with the suggestion that the protests and recommendations were prepared and submitted without authority of law.

I mention this incident as further evidence of the importance of the money question.

Again I ask—what is the money problem?

It is not the gold standard.

It is not silver or the free coinage of silver.

It is not bimetallism.

It is not the commodity dollar.

The money problem is the proper regulation of the value of the dollar. Hence the question uppermost today is to what value will the dollar be regulated and thereafter stabilized?

The Congress has made the President its agent to regulate the value of the dollar. The President, in the exercise of the power conferred, has already reduced the gold content of the dollar some 40 percent. By this act the dollar has been cheapened abroad as measured by foreign exchange, but the dollar has not been correspondingly cheapened at home. Tentatively the gold content of the dollar has been fixed at 15 grains plus. This may not be the permanent weight of the gold dollar for the reason that when world currencies are adjusted and stabilized, we, of necessity, must regulate the gold content of the dollar so the value of the dollar will serve and protect our interest in foreign exchange and trade. Any other course of action may place our foreign as well as our domestic trade at a possible disadvantage with other nations ambitious for world economic supremacy.

At this time it is impossible to say, or even speculate, upon the future value of the American dollar.

The money question is fundamentally a domestic problem, yet the relation of the dollar value to the value of other world-currency units must not be omitted from our consideration and final action of stabilization.

Apparently, the world is not now ready for the stabilization of currencies. At least, reports indicate that neither England nor the British Empire are ready to return to the gold standard with fixed gold contents for their several units of money. Inasmuch as Great Britain is our major competitor for world trade, it would not be a wise policy for the United States to go too far with regulation and stabilization prior to joint action with such country, and preferably prior to joint action with the leading commercial nations of the world.

Since world conditions are somewhat chaotic, since each nation regards its money as its own local problem, and since world stabilization of currencies seems at the moment impossible, then the American problem is to proceed to adjust the value of the dollar so as to serve the best interests, not of any one group or class but of all groups and classes of our people.

As already stated, the cause of this depression was debt—tax debt, interest debt, and bonded debt—all made doubly heavy and burdensome by the rise in the value of gold so that the 23 grains of gold in the dollar had a value of purchasing power of not 100 cents but, instead, a value of 167 cents.

World conditions and sentiment provide a bar to world stabilization of currencies at this time. Such stabilization will not come until the several nations complete the process of regulation of the value of their monetary units to best serve the needs and demands of their peoples and interests. Even here at home we are not yet ready to approve and fix the present value of the dollar as the definite dollar value for the future.

If it were not for our fixed obligations in the form of taxes, interest, and debts, the value of the dollar would not be so important; but with our mass of taxes, our annual interest burden, and our incomprehensible debt structure, the value to be fixed for our future dollar becomes the all-important question and issue of the day.

Our problem now is to so cheapen the domestic dollar as to raise the general price level to that point which will permit the people to produce wealth and in turn exchange such wealth for sufficient dollars with which to meet their taxes, interest, and debts.

To illustrate, let me be specific. I will use figures from my own State of Oklahoma. In 1931 our consolidated State tax bill was $131,000,000. During 1931 we had a fair yield of all crops; but having at that time a 136-cent dollar, our farm products brought only $66,000,000 and our petroleum brought only $110,000,000. In short, in 1931 we did not make enough money by $50,000,000 to pay our taxes. Consequently, the results were inevitable that the payment of taxes—city, county, State, and Federal—was postponed, interest payments were defaulted, and insurance premiums were permitted to lapse.

What did a 136-cent dollar mean to Oklahoma? It meant that Oklahomans had to give up goods, wares, merchandise, commodities, and services to the value of 136 cents to get a dollar.

To pay their consolidated State taxes of $131,000,000 they had to give up and part with value to the extent of $178,160,000 to get the necessary $131,000,000, which in effect caused an over and unjust payment in the sum of $47,160,000.

To pay their Federal taxes of $96,000,000, Oklahomans had to give up value to the extent of $130,560,000, or a forced overpayment in the sum of $34,560,000.

To pay their interest of $60,000,000 they had to part with value in the sum of $81,600,000, or an excess payment in the things Oklahoma produces in the sum of $21,600,000.

Our insurance bill is estimated to be $60,000,000, hence another excess payment in the sum of $21,600,000 was made necessary by having forced upon us a 136-cent dollar.

The items of taxes, interest, and insurance are fixed overhead charges, hence on these items alone the two and one-half million people I am privileged to represent had demands made upon them in that year for an excess value in the total sum of $124,920,000. Thus through an unjust, indefensible, and dishonest dollar, demand was made upon the taxpayers of my State for an excess value represented by farm commodities, oil, coal, lumber, lead, zinc, and manufactured goods in a total sum representing $50 for every man, woman, and child residing in Oklahoma.

I pointed out this injustice then; I have continued my campaign for a just, equitable, and honest dollar from then to now, and no power save health can swerve me from my course.

What happened in Oklahoma has been duplicated in other States, and the record in the States is being duplicated by the Federal Government at Washington.

Let me again be concrete. The regular expenses of running the Federal Government are approximately $5,000,000,000 per annum. This year we will collect in taxes approximately three billion, thus making necessary borrowing of some $2,000,000,000. This year, because of various forms of public relief, including loans to almost all classes of industry, grants and loans to municipalities, and direct relief to our citizens in distress, we will spend some three billions additional, so that this year we must borrow some $5,000,000,000 to meet our bills. The only place we can borrow money is from the banks. What might happen if the bankers should become frightened and refuse to make further loans, or refuse to buy additional bonds or Treasury paper? Before this thing would happen, however, the banks would begin to sell the bonds they already have, and in such a contingency the only possible buyer would be the Government itself.

If the bank bond-selling campaign should persist until the Government trust funds are exhausted, and the $2,000,000,000 gold stabilization fund should become depleted, then the Government would have to resort to the exercise of the powers granted the President to print and use paper money for the purchase of bonds thrown upon a distressed market. With the spending obligations already incurred, and with the amount of bonds outstanding, should such conditions arise, then inflation, real inflation, the kind the dictionary defines, would be a reality. It is this possible emergency I have been and am now trying to avoid.

Until recently, deflation was the national policy. Some insist that such policy should be continued. Deflation, if carried to the *n*th degree, brings about the same results as uncontrolled and unlimited inflation. The results in each case are repudiation or revolution or both.

At this point, let me ask the question: How will farmers, livestock men, and producers of raw materials generally, be able to secure dollars with which to meet their taxes, interest, and debts, unless the price of their products is raised?

Unless the people have interest- and debt-paying power, what will soon be the value of the notes, bonds, and fixed investments of the creditor class?

Still, again, let me be specific. It is estimated that all the people together have massed debts approximating $250,000,000,000. If this estimate is correct, it is impossible for anyone to conclude that such a debt burden can be met with our present high-valued dollars; hence, the only conclusion is that either these debts must be repudiated or the dollar must be further cheapened so that the people can procure dollars with which to meet their debts contracted and outstanding.

During the past 4 years, the depression has cost the American people in loss of income the staggering total of over $127,000,000,000. It has reduced our national income from $83,000,000,000 in 1929 to $39,000,000,000 in 1932. The recovery was only to forty-one billions in 1933. In addition to loss of annual income, the shrinkage of capital assets, of total national wealth, has amounted to almost twice as much as the loss in current income since 1929.

The total tax bill of all the people amounts to $15,000,000,000 annually. The total interest bill of all the people amounts to at least ten billions annually. The tax bill of fifteen billion added to the interest bill of ten billion, makes a total sum of $25,000,000,000 annually for these two items alone. As stated, our annual income now is approximately $40,000,000,000. With taxes and interest paid, we have only $15,000,000,000 left for all other forms and classes of expenditures. With this analysis, does anyone still wonder why business is so slack and slow?

How can this staggering burden ever be paid, unless the income and the property values of the United States are restored to higher levels? No government can live excepting by the taxes it collects from its citizens. To pay taxes, the

people must have profits. Profits are the foundation of our economic system and the pillars upon which our Government rests.

Short-term indebtedness of municipalities all over the country is held by local banks. The long-term bonds are distributed in insurance companies, savings banks, endowment funds of colleges and hospitals, and in the investments of widows and orphans.

Municipalities sunk under the weight of a deflationary dollar are not alone in their trouble. Mortgages securing the land-bank bonds guaranteed by our Government will show an enormous percentage of default. The record made by the Federal Land Bank System will be duplicated by the Home Loan Corporation. Only through the cheapening of the dollar and the consequent increase in commodity prices and property values can the Federal Government and the taxpayers be saved from tremendous losses in these institutions.

The cheapening of the dollar is not necessarily inflation. Inflation is an excessive and over issue of irredeemable paper money.

If the mere reduction of the value of the dollar constitutes inflation, then we have inflated our currency some 40 percent during the past 18 months.

The facts are that we have over $1,000,000,000 less in circulation today, with a 15-grain gold dollar, than we had on March 1, 1933, with a 23-grain gold dollar.

It is but fair to say that the public, at least those not versed in the economics of money, understand that the cheapening of the dollar and the consequent raising of prices constitutes inflation. The public is neither interested, nor much concerned, over the weight of the standard gold dollar. The unemployed want jobs; the farmer wants profitable prices; the merchant wants business; the factories want orders; and governmental units want taxes, and it is the duty of the Federal Government to provide sufficient money of the proper measure of value to promote the creation of jobs, profitable prices, sustained if not increased business for merchants and factories—all to the end that the people and the corporations may be able to meet their taxes, interest, and debts.

Wage earners, producers of raw materials, merchants, and manufacturers generally are demanding the kind of a dollar which will permit them to exchange their services and wares for enough of such dollars to enable them to survive and to permit those dependent upon them to continue to exist.

What will the bond holders, mortgage holders, and creditors do? See their claims wiped out, or support measures that will restore the values which alone can make their claims collectible? The habit of respecting creditors' claims is a social habit, slow to inculcate and difficult to reestablish. Never in the history of this country has the feeling of obligation to pay debts been so seriously impaired as during the last 5 years of deflation. Prior to 1933 the managers of our money gave us not only a dishonest but an impossible dollar. The people could neither earn nor borrow dollars; hence, our taxes, interest, and debts, went unpaid.

Not only the debtors suffer from a deflationary dollar, but the creditors stand to lose as well. Unless property values are restored, the debtor cannot pay. If the creditors are wise in their own interest, they will take this into account. We cannot retain our present deflationary dollar without precipitating social overturn or Nation-wide repudiation.

It is high time that bankers, other than international money changers, should look at this issue from the standpoint of their home communities. How and when will banks ever collect their notes and have profitable business on the basis of the present rate of taxation, volume of debts, and existing price level? My question to bankers is likewise directed to managers and directors of trust and endowment estates, life- and fire-insurance companies, mortgage and investment companies, savings banks, and building-and-loan associations.

Let me remind the holders of farm and urban mortgages, corporate, municipal, State and Federal bonds, that the policy of deflation has already brought into existence the several special bankruptcy acts; and to the extent these laws are used, mortgages and bonds will be scaled down, or voided and repudiated.

A falling price level has always brought unemployment, stagnation, and depression. The United States had the longest and severest drop in price level; consequently it has the largest amount of unemployment and the greatest burden of public relief.

If we start a rising price level, we will release the most powerful force for recovery. Wage earners, farmers, business men, corporations, and industrial systems will again make profits, and profits are the foundations of both our form of government and the capitalist system.

How can the price level be raised? The benefits secured to date have been due in the main to the program of cheapening the dollar. Had the dollar not been reduced in value, wheat would be selling today for less than 60 cents per bushel, and cotton would be selling for less than 7 cents per pound. These would be the prices in terms of the 25-grain dollar, notwithstanding a drought of unprecedented proportions.

In addition to raising prices, let me call your attention to another substantial benefit already derived from our monetary-adjustment program. We have revalued our gold by increasing the price from $20.67 to $35 per ounce. Under existing law, the price of gold can be increased to $41.34 per ounce. Already this policy has added a profit to the Federal Treasury in the sum of $2,800,000,000. By a further bidding up of gold, now authorized by law, we can add some one billion in additional profits to the Treasury. When we bid up the price of gold to $35 per ounce we at the same time reduced the gold content of the dollar from 25 to 15 grains of gold nine-tenths fine. If we take the next step and increase the price of gold to the legal limit of $41.34 per fine ounce, it will follow that the new dollar will contain only some 12 grains of gold, and thereby the dollar will be still further cheapened and the price level will be raised accordingly.

We now have in our Treasury and in the mints over $8,300,000,000 in gold, and if and when our gold is further revalued, the eight billion three hundred million will become over nine billions, and the total profit for our Treasury through such revaluation will be at least three and one-half billion dollars.

The Congress has adopted a second plan for the expanding of our currency, the cheapening of the dollar, and the raising of the price level. This plan is a wider use of silver. The policy adopted contemplates a metallic base for the support of our currency consisting of 75 percent of gold and 25 percent of silver. We are now acquiring silver for addition to our metallic stocks. We now have about 1,000,000,000 ounces of silver and our plan calls for an additional billion ounces. With our gold revalued and the silver acquired, we will have a metallic stock of over $11,000,000,000. The total profit from the gold and silver program adopted by the Congress will reach approximately four and one-half billion dollars.

At this time we have gold and silver to the total monetary value of over $9,000,000,000, and have in circulation money of all kinds in the sum of only five billion three hundred million; hence, we could issue an additional four billion of currency and have one dollar in gold or silver in the Treasury to redeem each dollar of the $5,300,000,000 outstanding and the four billions which might be issued. It is my contention that in order to cheapen the dollar sufficiently, it will be necessary to revalue our gold by increasing the price to at least $41.34 per ounce, and, in addition, issue and place in actual circulation sufficient currency to reduce the value of the domestic dollar to the 1926 level.

It is obvious that the value of the dollar in foreign exchange is governed by the gold content of the dollar. Gold is available for export; hence, the value of the dollar can be fixed in grains of gold, and such value can be maintained and stabilized. There are only a few possible ways to cheapen the dollar. One is to bid up the price of gold by decreasing the gold content of the dollar. Another way is to add silver to our metallic base on a plan whereby such silver will compete equally with gold in the redemption of

paper currency. By such use of silver as basic money, the demand for gold would decrease and its value thereby would diminish; hence, gold dollars would decrease in value or buying power. The third way to cheapen the dollar would be to go off gold, and then regulate the value of the paper dollar by the amount or number of such dollars placed in circulation.

I have and am advocating a further devaluation of the gold dollar. By bidding up gold to the legal limit of $41.34 per ounce, we will still have a dollar of equal, if not a higher value than the Coolidge dollar of 1926.

I have and am advocating a wider use of silver as basic and primary money.

I have and am advocating the issuance and circulation of currency against the vast stock of gold now impounded in the Treasury. If these plans are not followed, then unprecedented tax increases are inevitable. However, raising tax rates does not insure a greater tax return. Until corporations can make net profits and until individuals can make net incomes, tax rates of whatever amounts will not bring funds to the Federal Treasury.

By continuation of the program for cheapening the dollar, the price level will be raised. When prices rise, value will return to commodities; and with the return of profitable commodity prices, value will return to securities; and with the return of security values, our banks will be enabled to make loans again. Until these things happen, we cannot possibly have a return of prosperity.

Again I say our program is working.

The dollar is becoming cheaper.

On March 4, 1933, the dollar was worth in commodities, goods, and services, 167 cents.

On October 1, 1 year ago, the dollar was worth 140 cents.

On May 1 the dollar was worth 135 cents.

On August 1 the dollar was worth 132 cents.

On January 26, 1935, the dollar was worth 126 cents.

As the dollar comes down, the general price level rises; hence prices are now going up.

Value is returning to property.

Banks are commencing to make loans.

One hundred and twenty-five millions of Americans are tired of resting, and I confidently predict that the new deal is destined to bring a new era of unparalleled prosperity.

Mr. HARRISON. Mr. President, I merely wish to express appreciation to the Senator from Oklahoma for the high degree of cooperation he has shown. There is no Senator, I am sure, to whom Senators would rather listen on the monetary question, and certainly no Senator has given more sincere and studious thought to it than he, and when he speaks he is always interesting and contributes to the literature on this question.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment.

Mr. VANDENBERG. May I ask the Senator from Mississippi for some further information? In his explanation of the bill he confined himself to the $25,000,000,000 section.

Mr. HARRISON. Yes.

Mr. VANDENBERG. Will the Senator indicate to me whether the $10,000,000,000 authority in section 3 is in addition to or included in the $25,000,000,000?

Mr. HARRISON. Where in the pending measure there is a $10,000,000,000 limitation on certificates of indebtedness and Treasury bills and notes, it carries the same provision as the present law, except that it combines the two. The limitation on each class now is $10,000,000,000, and this combines it by making the figure $20,000,000,000. In that respect only does the bill change the present law.

Mr. VANDENBERG. Is the Senator now discussing the $20,000,000,000 figure in section 5? I am asking him about the $10,000,000,000 figure in section 3. What is the significance of that figure?

Mr. HARRISON. That applies to the Treasury bills. They can issue up to $10,000,000,000 of Treasury bills under the present law.

Mr. VANDENBERG. Is the $10,000,000,000 that the Senator is now discussing included in the $20,000,000,000 in section 5?

Mr. HARRISON. That is included in the $20,000,000,000 in section 5.

Mr. VANDENBERG. So that the sum total——

Mr. HARRISON. The sum total is $20,000,000,000.

Mr. VANDENBERG. And the final sum total is $45,000,000,000.

Mr. HARRISON. By adding that to the $25,000,000,000 of bonds which may be issued, it makes the total $45,000,000,000. Under the present arrangement, under the Second Liberty Loan Act, the issue of bonds is limited to $28,000,000,000, and Treasury bills and certificates are limited to $20,000,000,000.

Mr. VANDENBERG. Is there any type of authority whatsoever which would permit borrowings beyond the $45,000,000,000?

Mr. HARRISON. None at all.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no amendment proposed, the question is: Shall the bill be read the third time?

The bill was ordered to a third reading, read the third time, and passed.

CALL OF THE ROLL

Mr. VANDENBERG. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Radcliffe
Ashurst	Coolidge	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Davis	Long	Schwellenbach
Barbour	Dickinson	McCarran	Sheppard
Barkley	Dieterich	McGill	Shipstead
Bilbo	Donahey	McNary	Smith
Black	Duffy	Maloney	Steiwer
Bone	Fletcher	Metcalf	Thomas, Okla.
Borah	Frazier	Minton	Thomas, Utah
Brown	Gerry	Moore	Townsend
Bulkley	Glass	Murphy	Trammell
Bulow	Gore	Murray	Truman
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norbeck	Van Nuys
Byrnes	Harrison	Norris	Wagner
Capper	Hatch	Nye	Walsh
Caraway	Hayden	O'Mahoney	Wheeler
Carey	Johnson	Pittman	White
Clark	Keyes	Pope	

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STEAGALL, Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HOLLISTER, and Mr. WOLCOTT were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BUCHANAN, Mr. TAYLOR of Colorado, Mr. ARNOLD, Mr. OLIVER, Mr. TABER, and Mr. BACON were appointed managers on the part of the House at the conference.

ADDITIONAL APPROPRIATIONS FOR FEDERAL COMMUNICATIONS AND OTHER COMMISSIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission, for the fiscal year ending June 30, 1935, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ADAMS. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. GLASS, and Mr. HALE conferees on the part of the Senate.

ORDER OF BUSINESS

Mr. FLETCHER. I move that the Senate proceed to the consideration of Order of Business 32, being the bill S. 1384, to amend the emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KING. Are we not proceeding on the call of the calendar, taking bills up in their order?

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the calendar cannot be taken up except by unanimous consent, and bills may be taken up on motion only.

Mr. VANDENBERG. Mr. President, it was the understanding of the Senator from Arkansas [Mr. ROBINSON] that we would have a call of the calendar at the conclusion of the last preceding bill. He so announced on the floor in response to an inquiry from me. I am sorry he is not present at the moment. I want to be sure that the calendar shall be called before the afternoon shall be over.

Mr. LEWIS. Mr. President, I am authorized, serving merely as a substitute for the majority leader, to affirm the statement of the Senator from Michigan that there was an understanding that the calendar would be called, and, specifically, that some measure alluded to by the Senator from Michigan might be considered. The leader on this side stated the Senator from Michigan would be given that opportunity. I do not, however, wish to interfere with the Senator from Florida.

Mr. FLETCHER. I do not think it will take very long to dispose of the bill for which I desire consideration.

Mr. VANDENBERG. Is the bill on the calendar?

Mr. FLETCHER. It is.

Mr. VANDENBERG. Will we not reach it if we call the calendar?

Mr. FLETCHER. I do not know. I am disposed to be agreeable about it. There did not seem to be any other Senator pressing for the consideration of any measure, and I want to dispose of the bill I have in charge as soon as it may be done. I do not, however, wish to displease any other Senator. I had supposed that it was in order to move to take up a bill on the calendar on which it was desired to secure action.

Mr. HARRISON. Mr. President, if the Senator will permit me, it was stated this morning by the Senator from Arkansas, in answer to a question, that after the bill then under consideration was disposed of the calendar might be taken up. It seems to me that there are only about five bills on the calendar and all of them may be rapidly disposed of, I think.

Mr. FLETCHER. I have no objection to that being done, and I withdraw my motion, so that we may proceed regularly with the calendar.

The PRESIDENT pro tempore. If the Senator from Florida will pardon the Chair, the Chair will state that, under the rule, the calendar may be called until the hour of 2 o'clock. The hour of 2 o'clock having passed, the calendar will not be called except upon unanimous consent. There is no request for unanimous consent that the calendar shall be proceeded with. Therefore, the motion of the Senator from Florida to proceed with the consideration of a particular bill is in order, unless he withdraws the motion and unless unanimous consent is asked otherwise.

Mr. FLETCHER. That is what I had supposed, and that is the reason I made the motion.

The PRESIDENT pro tempore. The parliamentary situation is as the Chair has stated it.

Mr. LEWIS. Mr. President, in view of what I am compelled to state was something of an understanding, and in view of the statement of the leader on behalf of this side, and in order that the understanding may be carried out because of the belief in it and reliance upon it by the Senator from Michigan, I ask unanimous consent——

Mr. FLETCHER. I made a motion.

Mr. LEWIS. I do not wish to usurp the motion. I did not know what was pending.

The PRESIDENT pro tempore. Does the Senator from Florida withdraw his motion to proceed with the consideration of Senate bill 1384?

Mr. FLETCHER. I withdraw the motion, and ask unanimous consent that the calendar may be proceeded with.

The PRESIDENT pro tempore. The Senator from Florida withdraws his motion and asks unanimous consent to proceed with the consideration of bills on the calendar. Is there objection? The Chair hears none, and the clerk will state the first business in order on the calendar.

USURY LAWS OF THE DISTRICT OF COLUMBIA

The bill (S. 396) to amend section 1180 of the Code of Law for the District of Columbia with respect to usury was announced as first in order.

Mr. BULKLEY. Mr. President, I ask that that bill go over; and in that connection I wish to state that the Senator from Utah knows I have no purpose to obstruct the bill, but there are certain constructive amendments which are being prepared. I therefore ask unanimous consent that this bill be passed over until notice be given by the Senator from Utah and myself that it may be proceeded with.

Mr. KING. I agree to what the Senator has said, except that, after a reasonable time shall have elapsed, I shall ask that the bill be considered.

Mr. BULKLEY. That will be perfectly proper.

The PRESIDENT pro tempore. The bill will be passed over.

LOCATIONS IN MINING DISTRICTS

The bill (S. 575) to amend the Mining Act of May 10, 1872, as amended, was announced as next in order.

Mr. KING. I ask that the bill be read.

The PRESIDENT pro tempore. The clerk will read the bill.

The legislative clerk read the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 575) to amend the Mining Act of May 10, 1872, as amended, which had been reported from the Committee on Mines and Mining with an amendment, on page 1, line 5, after the word "where", to insert the word "unreserved", so as to make the bill read:

Be it enacted, etc., That section 2357 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 2337. Where unreserved land in the United States or Alaska situated in the vicinity of mining districts is not contiguous to a vein or lode and contains practically no known mineral value, and where the surface of such land is more valuable for the use and purpose of ore-reduction works or any other equipment necessary or convenient for economical working and treatment of ores, including landing fields and airports, such lands may be located under this act by designating the use and purpose thereof as "mill-site claims": *Provided*, That no location shall exceed more than 20 acres to the claim, and where such locations are upon surveyed lands, and conform to the legal subdivision, no further survey or plat shall be required. When it is apparent that such nonadjacent land located is suitable for the installation of such equipment necessary or convenient for the development and operation of mines, the reduction of ore, and treatment thereof, including landing fields and airports, the owner or owners, their heirs, assigns, or legal representatives, shall within 1 year from date of location pay to the United States of America $1 per acre or frac-

tion thereof, said payment to apply upon the purchase price of said land in compliance with these provisions. The locators or claimants thereof shall have exclusive right of possession and enjoyment of all the benefits thereof, and thereafter shall annually pay $1 per acre or fraction thereof, for a period of 4 years. Said payment of $1 per acre must be paid at the land office in which the claims are located and the same must be paid at such land office on or before the 30th day of June each year. It shall be the duty of the register and receiver of such local land office in whose district such claims are located to receive and register all payments made by the claimants and to receipt therefor to them. That the payment or payments of said $1 per acre shall apply on the purchase price of said lands in any patent proceedings instituted in compliance with the provisions of this act: *Provided*, That the claimant or holder thereof shall on or before 5 years from date of location make application for a patent by proceeding as provided for in section 2325, and upon failure to comply with the provision of this act the rights of the holder thereof shall be deemed forfeited, and such land thereafter shall be open to location in the same manner as if no location of the same had ever been made. That the purchase price of said mill sites shall be $5 per acre or fraction thereof."

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

Mr. KING. Mr. President, I should like to ask the Senator from Idaho for an explanation of the bill.

Mr. BORAH. Mr. President, the design of the bill, which has been introduced at the request of a number of mining organizations, is to provide for what are in the nature of airport facilities for the great inland mines. The bill has the endorsement and approval of the different mining organizations, and I do not know of any objection to it.

Mr. KING. May I ask the Senator whether there is anything in the bill which would restrict the right of persons who are qualified to enter upon the public domain for the purpose of discovering and operating mining properties from exercising the right which the law now gives them?

Mr. BORAH. There is nothing in the measure, I think, that would affect that right at all. If there is any such provision, I should want it eliminated.

Mr. KING. I know the Senator would.

Mr. BORAH. The bill reads in part:

SEC. 2337. Where unreserved land in the United States or Alaska situated in the vicinity of mining districts is not contiguous to a vein or lode and contains practically no known mineral value, and where the surface of such land is more valuable for the use and purpose of ore-reduction works or any other equipment necessary or convenient for economical working and treatment of ores, including landing fields and airports, such lands may be located under this act by designating the use and purpose thereof as "mill-site claims":

It is similar to legislation heretofore enacted in connection with mill sites except that it enlarges the area.

Mr. KING. I have no objection.

Mr. LA FOLLETTE. Mr. President, I note in the report of the committee that the Chairman of the Federal Power Commission takes exception to the proposed legislation. I should like to ask the Senator from Idaho if the committee made any provision to take care of that objection?

Mr. BORAH. The proposal of the Federal Power Commission was accepted by the authors of the bill. The word "unreserved" and some other amendments were inserted at their request.

Mr. LA FOLLETTE. Very well.

Mr. FLETCHER. I think the main purpose of the bill is to afford an opportunity for landing fields.

Mr. BORAH. That is its object.

Mr. POPE. Mr. President, the point which has just been suggested was thoroughly discussed by the committee of which I am a member—the chairman of the committee is not present at the moment—and it was the unanimous thought of the committee that the objection was taken care of, and there was a unanimous vote in favor of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

The Senate proceeded to consider the bill (S. 411) to authorize an annual appropriation of $10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, which was read, as follows:

Be it enacted, etc., That there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, an annual sum of $10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City, created pursuant to a resolution of the Sixth International Conference of American States.

Mr. KING. I should like to ask whether it is designed to make this a permanent appropriation which will not call for action by Congress at each session, but I will make no objection to the measure.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOUISE FOX

The bill (S. 736) for the relief of Louise Fox was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Louise Fox, widow of William C. Fox, late minister to Ecuador, the sum of $10,000, being 1 year's salary of her deceased husband, who died of illness incurred while in the Consular Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

WALES ISLAND PACKING CO.

The Senate proceeded to consider the bill (S. 753) to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co., which had been reported from the Committee on Foreign Relations with an amendment inserting a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $100,000 to the Wales Island Packing Co. for the injury to the business and property of said company on Wales Island on account of the decision of the Alaska boundary tribunal, under which the possession of said island has passed from the United States to the Dominion of Canada, as found by the Court of Claims and reported in Senate Document No. 61, Seventy-second Congress, first session: *Provided*, That no part of the amount appropriated in this act in excess of 20 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, or other party or parties, on account of services rendered in any way in connection with the presentation, passage, or collection of said claim or any part thereof. It shall be unlawful for any such agent or agents, attorney or attorneys, or others as herein provided, to collect, receive, exact, or withhold a portion of the amount appropriated in this act in excess of 20 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 92) to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes, was announced as next in order.

Mr. WHEELER. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

GREAT LAKES CAR FERRIES

The Senate proceeded to consider the bill (S. 619) to amend section 27 of the Merchant Marine Act, 1920, which had been reported from the Committee on Commerce with amendments, on page 1, line 10, after the word "vessel", to insert "as part of a rail and water route"; in line 12, after the word "carrier", to insert "by water"; on page 2, line 2, after the word "carrier", to insert "by water"; and in line 7, after the word "rail", to insert "and if such ferries and vessels are documented under the laws of the United States", so as to make the bill read:

Be it enacted, etc., That section 27 of the Merchant Marine Act, 1920, as amended, is amended by striking out the final period and inserting in lieu thereof a colon and the following: "*Provided further*, That this section shall not apply to merchandise loaded on railroad cars and transported in any railroad-car ferry operated

between fixed termini on the Great Lakes as part of a rail route or to railroad freight traffic transported in any vessel as part of a rail and water route pursuant to rail and water rate tariffs, if such car ferry or vessel is owned by a common carrier by water and operated as part of a rail route with the approval of the Interstate Commerce Commission, and if the stock of such common carrier by water, or its predecessor, was owned or controlled by a common carrier by rail prior to June 5, 1920, and if the stock of the common carrier owning such car ferry or vessel is, with the approval of the Interstate Commerce Commission, now owned or controlled by any common carrier by rail and if such car ferries and vessels are documented under the laws of the United States."

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. VANDENBERG. Mr. President, this is emergency legislation created by a peculiar and unexpected situation. Under the Merchant Marine Act of 1920, no coastwise shipping, as the Senator from Utah knows, may be carried on by any corporation which is less than 75 percent American owned. It is an appropriate protection. Within the last few months it has unexpectedly developed, and really to the great embarrassment of the Department of Commerce as well as to the jeopardy of established transportation, that the Grand Trunk Ferries on the Great Lakes are owned by the Grand Trunk Railway of Canada; that also the only freight-car carrier connecting the two peninsulas of Michigan at Mackinac City and St. Ignace is owned by the Duluth, South Shore & Atlantic Railroad, which in turn is one-third owned by the Canadian Pacific. There is only one other situation in the entire country like it, and that is the Vermont Central Railway. Unexpectedly, 15 years after the passage of the law, it is discovered that our car ferries come within the proscriptions of the 1920 act.

The Department of Commerce is very eager to exempt these three long-standing operations, which were never contemplated when the 1920 act was originally placed on the statute books, and against which there can be no appropriate inhibition or possible objection. The Department of Commerce asks that they be exempted and is very careful to see that the exemption does not go beyond the limitation as defined. Except that such a bill be passed, these car ferries will be taken from the Great Lakes and there will be no other winter navigation, because the car ferries are the only ships powerful enough to keep lanes open through the ice. We propose no new relaxation in the standard requirement that American coastwise shipping shall be at least 75 percent American owned. We propose simply that railway-water ferries, all-American documented and all-American manned, in existence prior to 1920 shall not be interrupted. So far as I know, there is no objection. The Department of Commerce recommends the passage of the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendments of the Committee on Commerce.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934, was announced as next in order.

Mr. McNARY. Mr. President, I received a letter this morning containing some criticisms of this measure. I gave the letter to the able Senator from Utah [Mr. KING] and hope he will be willing to let the bill go over for a day so that I may confer with him.

Mr. KING. Mr. President, the communication to which the Senator refers is in line with a number of communications which I have received from lawyers who think that the bill rather restricts the compensation which they may receive. However, in the light of the request of the Senator, if it is agreeable to the Senator now presiding [Mr. PITTMAN], I have no objection to the bill going over until tomorrow. I shall ask then that it be taken up.

Mr. McNARY. I shall not ask for greater postponement than that.

The PRESIDENT pro tempore. On objection the bill will be passed over.

CONDEMNATION OF INSANITARY BUILDINGS, DISTRICT OF COLUMBIA

The bill (S. 403) to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections numbered 5 and 6, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of March 1, 1899, is hereby amended to read as follows:

"That if in the District of Columbia any building or part of a building, staging, or other structure, or anything attached to or connected with any building or other structure or excavation, shall, from any cause, be reported unsafe, the inspector of buildings shall examine such structure or excavation, and if, in his opinion, the same be unsafe, he shall immediately notify the owner, agent, or other persons having an interest in said structure or excavation, to cause the same to be made safe and secure, or that the same be removed, as may be necessary. The person or persons so notified shall be allowed until 12 o'clock noon of the day following the service of such notice in which to commence the securing or removal of the same; and he or they shall employ sufficient labor to remove or secure the said building or excavation as expeditiously as can be done: *Provided, however*, That in a case where the public safety requires immediate action the inspector of buildings may enter upon the premises, with such workmen and assistants as may be necessary, and cause the said unsafe structure or excavation to be shored up, taken down, or otherwise secured without delay, and a proper fence or boarding to be put up for the protection of passers-by.

"SEC. 2. That when the public safety does not, in the judgment of the inspector of buildings, demand immediate action, if the owner, agent, or other party interested in said unsafe structure or excavation, having been notified, shall refuse or neglect to comply with the requirements of said notice within the time specified, then a careful survey of the premises shall be made by three disinterested persons, one to be appointed by the Commissioners of the District of Columbia, one by the owner or other person interested, and the third to be chosen by these two, and the report of said survey shall be reduced to writing and a copy served upon the owner or other interested party; and if said owner or other interested party refuse or neglect to appoint a member of said board of survey within the time specified in said notice, then the survey shall be made by the inspector of buildings and the person chosen by the Commissioners, and in case of disagreement they shall choose a third person, and the determination of a majority of the three so chosen shall be final.

"SEC. 3. That whenever the report of any such survey shall declare the structure or excavation to be unsafe, or shall state that structural repairs should be made in order to place the said structure or excavation in a fit condition for further occupancy or use, and the owner or other interested person shall for 10 days neglect or refuse to cause such structure or excavation to be taken down or otherwise to be made safe, the inspector of buildings shall proceed to make such structure or excavation safe or remove the same. After the expiration of the 10 days in which the owner or other interested person is given to make the structure or excavation safe, or to be taken down or removed, the owner or other interested person, having failed to comply with the provision of the report of the board of survey, shall not enter, or cause to be entered, the premises for the purpose of making the repairs ordered, or razing the building, as the case may be; or in any other way to interfere with the authorized agents of the District of Columbia in making the said structure or excavation safe, or in removing same, without first having obtained the written consent of the Commissioners of the District of Columbia or their duly authorized representatives. The inspector of buildings shall report the cost and expense of said work to the Commissioners of the said District, who shall assess the amount thereof upon the lot or ground whereon such structure or excavation stands, or stood, or was dug, and unless the said assessment is paid within 90 days from the service of notice thereof on the agent or owner of such property, the same shall bear interest at the rate of 10 percent per annum from the date of such assessment until paid, and shall be collected as general taxes are collected in said District; but said assessment shall be without prejudice to the right which the owner may have to recover from any lessee or other person liable for repairs.

"SEC. 4. That the existence on any lot or parcel of land, in the District of Columbia, of any uncovered well, cistern, dangerous hole, excavation, or of any abandoned vehicles of any description or parts thereof, miscellaneous materials or debris of any kind, including substances that have accumulated as the result of repairs to yards or any building operations, insofar as they affect the public health, comfort, safety, and welfare is hereby declared a nuisance dangerous to life and limb, and any person, corporation, partnership, syndicate, or company owning a lot or parcel of land in said District on which such a nuisance exists who shall neglect or refuse to abate the same to the satisfaction of the Commis-

sioners of the District of Columbia, after 5 days' notice from them to do so, shall, on conviction in the police court be punished by a fine of not exceeding $50 for each and every day said person, corporation, partnership, or syndicate fails to comply with such notice. In case the owner of, or agent or other party interested in, any lot or parcel of land in the District of Columbia, on which there exists an open well, cistern, dangerous hole or excavation, or any abandoned or unused vehicles or parts thereof, or miscellaneous accumulation of material or debris which affects public safety, health, comfort, and welfare, shall fail, after notice aforesaid, to abate said nuisance within 1 week after the expiration of such notice, the said Commissioners may cause the lot or parcel of land on which the nuisance exists to be secured by fences or otherwise enclosed, and the removal of any abandoned vehicles, parts thereof or miscellaneous accumulation of material or debris adversely affecting the public safety, health, comfort, and welfare, and the cost and expense thereof shall be assessed by said Commissioners as a tax against the property on which such nuisance exists, and the tax so assessed shall bear interest at the rate of 10 percent per annum until paid, and be carried on the regular tax rolls of the District of Columbia and shall be collected in the manner provided for the collection of general taxes.

"SEC. 5. That for the purposes of this act any notice required by law or by any regulation aforesaid to be served shall be deemed to have been served (a) if delivered to the person to be notified, or if left at the usual residence or place of business of the person to be notified, with a person of suitable age and discretion then resident therein; or (b) if no such residence or place of business can be found in said District by reasonable search, if left with any person of suitable age and discretion employed therein at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (c) if no such office can be found in said District by reasonable search, if forwarded by registered mail to the last known address of the person to be notified and not returned by the post-office authorities; or (d) if no address be known or can by reasonable diligence be ascertained, or if any notice forwarded as authorized by the preceding clause of this section be returned by the post-office authorities, if published on 3 consecutive days in a daily newspaper published in the District of Columbia; or (e) if by reason of an outstanding, unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, if served on the owner of record in the manner hereinbefore in this section provided; or (f) in case any owner be a nonresident of the District of Columbia, then after public notice by said Commissioners given at least twice a week for 1 week in 1 newspaper published in the District of Columbia, by advertisement, describing the property, specifying the nuisance to be abated. Any notice required by law or by any regulation aforesaid to be served on a corporation shall for the purposes of this act be deemed to have been served on any such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the sevice of notices on natural persons holding property in their own right; and, if required to be served on any foreign corporation, if served on any agent of such corporation personally, or if left with any person of suitable age and discretion residing at the usual residence or employed at the place of business of such agent in the District of Columbia. Every notice aforesaid shall be in writing or printing, or partly in writing and partly in printing; shall be addressed by name to the person to be notified; shall describe with certainty the character and location of the unlawful condition to be corrected, and shall allow a reasonable time to be specified in said notice, within which the person notified may correct such unlawful condition or show cause why he should not be required to do so.

"SEC. 6. That all acts and parts of acts inconsistent with this act be, and the same are hereby, repealed."

BOARD FOR CONDEMNATION OF INSANITARY BUILDINGS, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 406) to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes", which had been reported from the Committee on the District of Columbia with an amendment, on page 4, line 20, after the word "condemned", to strike out "is not subject to condemnation" and to insert in lieu thereof "should not be condemned or ordered to be repaired", so as to make the bill read:

Be it enacted, etc., That sections 7, 14, and 15 of the act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes", are hereby amended to read as follows:

"SEC. 7. That the owner or owners of any building or buildings condemned under the provisions of this act, which cannot be so changed or repaired as to remedy the condition which led to the condemnation thereof, where the repairs and/or alterations necessary to remedy the conditions which led to the condemnation thereof cannot be made at a cost not greater than 50 percent of the present reproduction cost of said building as may be agreed upon by a majority of said board, shall demolish and remove such building or part of building within the time to be specified by said board in the order of condemnation. And if any owner or part owner shall fail or refuse to demolish and remove said building or part of building within the time so specified he shall be deemed guilty of a misdemeanor and liable to the penalties provided by section 13 of this act, and such building or part of building shall be demolished and removed under the direction of the board for the condemnation of insanitary buildings in the District of Columbia, and the cost of such demolition and removal, less the amount, if any, received from the sale of the old material, but including the cost of making good such damage to adjoining premises as may have resulted from carelessness or willful recklessness in the demolition of such building and the cost of publication, if any, herein provided for, shall be assessed by the Commissioners of the District of Columbia as a tax against the premises on which such building or part of building was situated, such tax to be collected in the same manner as general taxes are collected in the District of Columbia.

"SEC. 14. That the owner or owners of any building or part of building condemned under the provisions of this act may, within the time specified in the order of condemnation, institute proceedings in the Supreme Court of the District of Columbia, sitting as a district court, for the modification or vacation of the order of condemnation aforesaid, and the court shall give precedence to any such case, and is authorized to issue such orders and decrees as may be necessary to carry into effect the said order of condemnation as made by the Board or as modified by the court in accordance with the verdict returned as hereinafter directed. The court shall appoint a jury consisting of three disinterested persons, one of whom shall be an architect, the second a physician or a health officer, and the third either a structural engineer or a competent builder, each of whom shall have the qualifications of jurors in the District of Columbia and who, after taking the oath required of jurors in the trial of civil causes, shall proceed under the direction of the court to inspect the premises and to hear and receive evidence respecting the sanitary condition, state of repair, and state of depreciation of such building or part of building aforesaid, the present reproduction value thereof, the fitness and suitability of such building or part of building for occupancy, and the cost to place said building or part of building in a proper and lawful condition for occupancy. In such proceedings the owner or owners of the building or part of building condemned shall be considered the plaintiff and the Board shall be considered the defendant. After inspecting the premises and hearing and considering all of the testimony as hereinbefore provided, the said jury shall return to the court its verdict on a prepared form, which shall contain the following questions to be answered by them:

"1. Condition of the building or part of buildings:

"(a) As to sanitation; and

"(b) As to state of repair.

"2. Can the building or part of building condemned be repaired and placed in a proper and lawful condition for occupancy and made to comply with all laws and regulations in force in the District of Columbia relating to buildings without exceeding 50 percent of the present reproduction cost of such building or part of building?

"3. Is the building or part of building subject to condemnation?

"1. If the jury shall find that the building or part of building sought to be condemned should not be condemned or ordered to be repaired, they shall so report to the court, who shall enter a decree directing the vacation of the order of the Board.

"2. If the jury shall find that the building or part of building is subject to condemnation and cannot be repaired and put in a safe, sanitary, and usable condition and made to comply with all laws and regulations in force and effect in the District of Columbia relating to buildings therein, they shall so report to the court, who shall enter a decree directing compliance by the plaintiff with the order of the Board.

"3. If the jury shall find that the building or part of building can be repaired and put in a safe, sanitary, and usable condition, and made to comply with all laws and regulations in force and effect in the District of Columbia relating to buildings they shall so report to the court, who shall enter an order directing the plaintiff within a reasonable time to cause the said building or part of building to be put in a safe, sanitary, and usable condition and made to comply with all the laws and regulations relative to buildings in the District of Columbia, and in the event of the failure or neglect of the plaintiff to cause the repairs or alterations necessary to be made to comply with the order of the court and the provisions of this act, the Board shall inform the court of such fact and the court shall thereupon enter an order requiring the removal of the said building or part of building. Unless cause be shown to the court within 10 days from the filing of said verdict of removal why the same should not be confirmed, the court shall ratify and confirm the same and cause judgment thereon to be entered accordingly, all the costs of the proceeding to follow the judgment. The Commissioners of the District of Columbia, or their duly authorized agents, shall proceed with the removal of the building or parts of building, as ordered by the court, and the cost of removing the building or part of building, including the cost of making good such damage to adjoining premises as may have resulted in such removal, and the cost of publication, if any may be necessary, authorized by section 10 of this act, shall be assessed against the real estate upon which said building or part of building stood, should the owner at his expense fail to remove the same within such time as may be fixed by the court in the order confirming the verdict of said jury.

"Each member of the jury appointed by the court as aforesaid shall receive for each day's attendance the sum of $8 to be included as part of the cost of the proceedings.

"SEC. 15. Except as herein otherwise authorized all expenses incident to the enforcement of this act shall be paid from appropriations made from time to time for that purpose in like manner as other appropriations for the expenses of the District of Columbia."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS

The Senate proceeded to consider the bill (H. R. 3247) to meet the conditions created by the 1934 drought and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and to insert:

That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers during the year 1935 for crop production, planting, fallowing, and cultivation and, to the extent of not exceeding $1,000,000, for feed for livestock in drought- and storm-stricken areas.

SEC. 2. (a) A first lien on all crops growing or to be planted or grown or harvested during the year 1935, or on livestock, shall be required as security for any such loan: *Provided, however,* That in the case of a loan for the purpose of summer fallowing or the production of winter wheat, a first lien, or an agreement to give a first lien, on crops to be harvested in 1936, may, in the discretion of the Governor, be deemed sufficient security. Except as hereinafter provided, such loans shall be made through such agencies, upon such terms and conditions, and subject to such regulations as the Governor shall prescribe. Recording and other fees in connection with such loans shall not exceed $1 in any case, which shall be paid by the Farm Credit Administration. Loans made pursuant to the provisions of this act shall bear interest at the rate of not to exceed 5½ percent per annum. For the purpose of collecting loans made under this act and under prior acts of the same general character, the Governor may use the facilities and services of the Farm Credit Administration or of any officer or officers thereof and may pay for such services and the use of such facilities from the funds made available under section 5 hereof for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for such purposes.

(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed $500 unless, in the opinion of the Governor, the circumstances surrounding the loans are such as to warrant a larger amount, in which event the borrower shall be entitled to a loan not in excess of $700: *Provided, however,* That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations, under such regulations and for such time as he may prescribe therefor.

(c) No loans shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe (1) that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act; and (2) that such applicant is cooperating directly in the crop-production control program of the Agricultural Adjustment Administration or is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the success of such program.

SEC. 3. (a) The moneys authorized to be loaned by the Governor under this act are declared to be impressed with a trust to accomplish the purposes provided for by this act, namely, the production, planting, fallowing, cultivation of crops, and feed for farm livestock, which trust shall continue until the moneys loaned pursuant to this act have been used for the purposes contemplated by this act, and it shall be unlawful for any person to make any material false representation for the purpose of obtaining any loan or to assist in obtaining such loan or to dispose of or assist in disposing of any crops given as security for any loan made under authority of this act, except for the account of the Governor, and for the purpose of carrying out the provisions of this act.

(b) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

(c) Any person violating any of the provisions of this act shall be guilty of a misdemeanor and shall, upon conviction thereof, be punished by a fine not exceeding $1,000 or by imprisonment not exceeding 6 months, or both.

SEC. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as may be practicable, to the rates established by the Classification Act of 1923, as amended.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any moneys so appropriated, and all collections of both principal and interest on loans made under this act, may be used by the Governor for all necessary administrative expenses in carrying out the provisions of this act and in collecting outstanding balances on crop-production, seed, and feed loans made under the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1934, and for other purposes", approved February 23, 1934, or under prior legislation of the same general character.

Mr. KING. Mr. President, is not this a measure which was considered and passed a few days ago?

Mr. NORRIS. Mr. President, this is a House bill on the same subject. The amendment strikes out all after the enacting clause and inserts the language of the Senate bill which has already passed the Senate.

Mr. KING. What was done with the change in the bill from $50,000,000 to $100,000,000?

Mr. NORRIS. The provisions of the Senate bill are contained in the amendment. In other words, the Senate bill without any amendment whatever was incorporated in lieu of the House text as an amendment to the House bill.

Mr. KING. Then it carries $100,000,000 instead of $50,000,000?

Mr. NORRIS. Yes.

Mr. FLETCHER. Mr. President, may I ask the Senator from Nebraska if this is a direct donation?

Mr. NORRIS. It is the same bill we passed the other day. It provides for a loan.

Mr. HARRISON. Mr. President, is not the bill in this situation? The House passed a bill on the subject. The Senate passed its bill and we have now taken the text of our bill and are proposing to substitute it for the text of the House bill so the matter can be taken to conference.

Mr. NORRIS. That is the idea.

Mr. LA FOLLETTE. Mr. President, on page 7, of the proposed committee amendment, the amount of money which may be made available for loans for livestock feed is limited to $1,000,000.

Mr. NORRIS. One hundred million dollars.

Mr. LA FOLLETTE. No; the Senator is mistaken. I am referring to the committee amendment to be found on page 7 of the bill which reads:

That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers during the year 1935 for crop production, planting, fallowing, and cultivation and, to the extent of not exceeding $1,000,000 for feed for livestock in drought- and storm-stricken areas.

I should like to ask some member of the committee how they arrived at the figure of $1,000,000 as being an appropriate limitation to place upon the power of the Governor of the Farm Credit Administration in extending funds for livestock feed. So far as all the other categories for which loans are to be made there is no limitation placed upon them.

Senators from the drought-stricken States and those who are familiar with the conditions there realize, I believe, that a very serious situation is developing as far as livestock feed is concerned in those areas during the indoor winter feeding period. The livestock feed situation is becoming desperate in the drought-stricken areas. There should be no limitation on the amount which may be loaned for feed purposes. We can rely upon the discretion of the Governor of the Farm Credit Administration in this regard.

I move an amendment to the committee amendment, on page 7, line 1, after the word "and", to strike out the words "to the extent of not exceeding $1,000,000."

Unless the information which is coming to me is entirely erroneous a very tragic situation is developing in the drought areas. In my opinion, $1,000,000 will not provide adequately for the farmers who ought to be extended the privilege of making loans not only for the production of next year's crop but also for the purpose of maintaining their livestock during the winter months.

Mr. CONNALLY. Mr. President, in view of the fact that a maximum limit is named in the bill, why can we not merely change the figures so as to let them loan more for these purposes, without changing the total appropriation?

Mr. LA FOLLETTE. If my amendment were to prevail, I should say that it would not place any limitation upon this feature and would give the same discretion to the Governor of the Farm Credit Administration for making loans for livestock-feed purposes that he now has with regard to making loans for crop production, planting, fallowing, and cultivation. In my opinion, if the Governor of the Farm Credit Administration can be given authority, as I think he should be under this bill, to determine what proportion of the $100,000,000 may be loaned for purposes of crop production for 1935, he ought to be extended the same discretion in regard to loans to farmers to carry their existing livestock through the winter months.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PHOTOGRAPHS, SKETCHES, ETC., OF MILITARY AND NAVAL DEFENSES

Mr. TRAMMELL. Mr. President, I ask that the Senate revert to Senate bill 92, Order of Business 21.

Mr. LEWIS. That bill was passed over because of the absence of the Senator only.

The PRESIDENT pro tempore. The Senator from Florida asks unanimous consent that the Senate return to the consideration of Senate bill 92, Order of Business 21. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 92) to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes, which was read, as follows:

Be it enacted, etc., That whenever, in the interests of national defense, the President shall define certain vital military and naval installations or equipment as requiring protection against the general dissemination of information relative thereto, it shall be unlawful to make any photograph, sketch, picture, drawing, map, or graphical representation of such vital military and naval installations or equipment without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, and promptly submitting the product obtained to such commanding officer or higher authority for censorship or such other action as he may deem necessary. Any person found guilty of a violation of this section shall be punished by a fine of not more than $1,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 2. Any person who uses or permits or procures the use of an aircraft for the purpose of making a photograph, sketch, picture, drawing, map, or graphical representation of vital military or naval installations or equipment, in violation of the preceding section shall be liable to the penalty therein provided.

SEC. 3. On and after 30 days from the date upon which the President defines any vital military or naval installation or equipment as being within the category contemplated under the first section of this act, it shall be unlawful for any person to reproduce, publish, sell, or give away any photograph, sketch, picture, drawing, map, or graphical representation of the vital military or naval installations or equipment so defined, without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, unless such photograph, sketch, picture, drawing, map, or graphical representation has clearly indicated thereon that it has been censored by the proper military or naval authority. Any person found guilty of a violation of this section shall be punished as provided in the first section of this act.

SEC. 4. The term "aircraft" as used in this act means any contrivance known or hereafter invented, used, or designed for navigation or flight in the air. The expression "post, camp, or station" as used in this act shall be interpreted to include naval vessels, military and naval aircraft, and any separate military or naval command.

SEC. 5. The provisions of this act shall extend to all territories, possessions, and places subject to the jurisdiction of the United States, whether contiguous thereto, or not, and offenses under this act when committed upon or over the high seas or elsewhere within the admiralty and maritime jurisdiction of the United States and outside the territorial limits thereof shall be punishable hereunder.

Mr. TRAMMELL. Mr. President, this is a bill which was recommended to the Naval Affairs Committee by the Navy Department, and was also recommended to the Military Affairs Committee by the War Department. It seems there is a possibility that the present law, making an inhibition against taking photographs, and so forth, might not extend to airplane operations and installations of airplane facilities. For that reason both the Navy Department and the War Department recommend the passage of this bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MALHEUR NATIONAL FOREST, OREG.

The bill (S. 464) to add certain lands to the Malheur National Forest in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described lands be, and the same are hereby, added to and made part of the Malheur National Forest in the State of Oregon, and shall hereafter be administered subject to the laws and regulations relating to the administration of the national forests:

Southwest quarter section 13; section 14; southeast quarter section 15; southwest quarter and east half section 22; sections 23, 24, 25, and 26; north half and southeast quarter section 27; east half section 34; sections 35 and 36, township 10 south, range 26 east.

South half section 16; south half section 17; southeast quarter section 19; sections 20 and 21; southwest quarter section 22; southwest quarter section 26; sections 27 to 34, inclusive; west half and southeast quarter section 35, township 10 south, range 27 east.

Section 1; north half and southeast quarter section 2; northeast quarter section 11; north half section 12; southeast quarter section 24; section 25; north half section 36, township 11 south, range 26 east.

All of township 11 south, range 27 east, except southwest quarter section 31 of said township.

West half and southeast quarter section 18; section 19; sections 30, 31, and 32; southwest quarter section 33, township 11 south, range 28 east.

Sections 1 to 4, inclusive, and the north half section 5, and the northeast quarter section 12, township 12 south, range 27 east.

Sections 4, 5, 6, 7, 8, and 9, southeast quarter and west half section 13, township 12 south, range 28 east, and sections 14 to 24, inclusive.

Sections 16 to 21, inclusive, and section 25, township 12 south, range 29 east; all Willamette base and meridian.

WILLAMETTE NATIONAL FOREST, OREG.

The bill (S. 462) to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any lands which are in private ownership within the following-described area, which are found by the Secretary of Agriculture to be chiefly valuable for national-forest purposes, may be offered in exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended by the act of February 28, 1925 (43 Stat. 1090), and upon acceptance of title shall become parts of the Willamette National Forest; and, by proclamation of the President of the United States and upon recommendation of the Secretary of Agriculture, any lands in public ownership within such described area, not now within the national forest, found to be chiefly valuable for national-forest purposes, may be added to the Willamette National Forest, subject to any valid existing claims. Townships 16 and 17 south, ranges 3 and 4 east, and sections 31, 32, 33, 34, 35, and 36 in township 15 south, range 3 east, of the Willamette meridian.

FARM CREDIT ACT OF 1935

The Senate proceeded to consider the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. KING. Mr. President, this bill seems to contain many provisions of very great importance. Therefore I ask the able Senator from Florida [Mr. FLETCHER], the chairman of the committee, to make a reasonably long explanation of the bill, so that we may understand it.

Mr. FLETCHER. Mr. President, the report fully sets out the facts in regard to each section of the bill. It is almost impossible to make a full explanation of the bill without reading the report.

The bill does not interfere fundamentally with the present legislation. It clarifies and in some respects changes the law so as to promote harmony and coordination and cooperation. It does not call for any extra expenditure of money. It does not call for any fundamental changes in the present law. It clarifies the present law, and smooths out certain irregularities, perhaps, in some of the older enactments. It involves to some extent the operation of the Federal land banks, the intermediate-credit banks, the cooperative banks, the Farm Credit Administration, and in some instances gives a little additional power to the Land Bank Commissioner. Where the Federal land banks are not allowed to make loans, and the Commissioner under the present law is restricted to loans for certain purposes, the bill liberalizes the law to some extent, and gives the Commissioner a little more leeway.

For instance, under subsection (a), in section 2 of the bill, we strike out the words " and made for the purpose of reducing and refinancing an existing mortgage ", so that the Land Bank Commissioner may permit the making of loans secured by first or second liens on real property with maturities as long as 42 years. Now such loans are limited to 13 years. The ordinary Federal land bank loan is for 30 years. This bill authorizes adding a little further time to these loans. It does not absolutely require it, but it gives that leeway.

The next section enlarges the purposes for which the Commissioner may make loans so as to include in those purposes the loans authorized by the Federal land banks; and the situation is somewhat ameliorated by the amendment to that act proposed here.

The subsection removes whatever doubt exists in regard to the authority of the Land Bank Commissioner to refinance an indebtedness which has not been assumed personally by the borrower, but which is secured by a lien on all or part of the property accepted as security for the loan. The Federal land banks now can make loans for that purpose. This bill allows the Commissioner to make such loans.

Referring to subsection (c), the addition of the phrase " at the time, or shortly to become ", will make the definition of the term " farmer " in the Emergency Farm Mortgage Act of 1933 identical with the term " farmer " as it is defined in the Federal Farm Loan Act, as amended. The committee amendment makes corporate applicants eligible, under certain restrictions, to obtain Commissioner loans.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. SMITH. This is a matter of great importance; and certain features of this very bill are being considered by another committee. I am sure I voice the sentiment of a good many Senators here when I say that they are not sufficiently familiar with the terms of this bill for us to consider it this afternoon. Therefore, I ask the Senator if it cannot go over until tomorrow, so that we may have an opportunity to study the measure.

Mr. FLETCHER. I do not want to crowd the measure. The bill is on the calendar, and we have reached it on the call of the calendar in the regular order. It is not my business to see that others are kept informed about legislation; but I do not want to be put in the attitude of crowding the bill.

Mr. SMITH. I think the Senator need not get excited about the bill's being on the calendar. A great many measures go on the calendar that we have not had time to study before they are placed on the calendar. In a matter of such importance as this I certainly do not want to obstruct the passage of any bill which has merit, as this has; but——

Mr. FLETCHER. I am willing, if the Senator desires, to have the bill go over.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. FLETCHER. I yield.

Mr. ROBINSON. It will be necessary to have a session tomorrow, as the Senate cannot recess for longer than 3 days at a time, and there is no other business that I know of to be taken up. So, if it meets with the approval of the Senator from Florida, I see no objection to letting the further consideration of the bill go over until tomorrow. I myself shall not be able to be here tomorrow.

Mr. KING. Mr. President——

Mr. FLETCHER. I desire to accommodate the Senator so far as I can. I merely want to see that we keep busy here and that we are doing something. If the Senator desires to have the bill go over until tomorrow, will he be willing to take it up, say, at 12 o'clock tomorrow?

Mr. SMITH. Yes; that is satisfactory to me.

Mr. KING. Mr. President, the Senator from Arkansas just stated that so far as he knows, this was the only measure to be up for consideration tomorrow. There is one bill that we passed over today, the Mexican Claims Commission bill, which has gone over until tomorrow.

Mr. ROBINSON. When I left the Chamber, I understood that that bill was to be taken up today. I was necessarily absent for a short time.

Mr. KING. I shall ask, therefore, that that bill be taken up tomorrow.

Mr. FLETCHER. That will be all right. I will agree, then, that the bill may be temporarily laid aside, to be taken up tomorrow at 12 o'clock.

Mr. ROBINSON. The bill which the Senator from Florida has in charge will be the unfinished business.

Mr. NORRIS. Not unless he moves to take it up.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF A COMMITTEE

Mr. HAYDEN. From the Committee on Post Offices and Post Roads I report favorably sundry nominations of postmasters, and direct the attention of the Senator from Arkansas to two nominations in his State.

WILL W. COFFMAN

The legislative clerk read the nomination of Will W. Coffman to be postmaster at Harrison, Ark.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the nomination.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination is confirmed.

JORDAN B. LAMBERT

The legislative clerk read the nomination of Jordan B. Lambert to be postmaster at Holly Grove, Ark.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the nomination.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the nomination is confirmed.

FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission.

Mr. ROBINSON. Before taking up that nomination, may we not dispose of the other cases on the calendar? There are only two others.

POSTMASTERS

The legislative clerk read the nomination of Elmer B. McCrone to be postmaster at Creede, Colo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James E. Smith to be postmaster at Riverton, Wyo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

FRANK R. M'NINCH

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission.

Mr. BAILEY. Mr. President, I desire to make record of my opposition to the appointment and to the confirmation

of the appointment of Mr. Frank R. McNinch to a place on the Federal Power Commission.

Mr. McNinch was first appointed in 1930, and was appointed as from the minority party or parties on that Commission. He was appointed by the then President of the United States, the Honorable Herbert Hoover. It was my belief at that time—it is my conviction now, with all due respect to ex-President Hoover—that Mr. McNinch was appointed, not by reason of any merits in himself, or any qualifications for the office which anyone could identify, but wholly as the reward for his fight upon the Democratic Party in the election of 1928, in which fight he very greatly discredited himself amongst a great many of the Democrats of our State.

Mr. President, I realize that that base of the opposition is political, and I understand very thoroughly the reasons why political opposition would not be considered well founded under the existing circumstances. There were, however, other grounds for the protest by myself made at the time when President Hoover sent the appointment to the Senate, and other grounds for the opposition, and the very earnest opposition, of a great host of North Carolina Democrats.

Mr. President, we took that election in 1928 very seriously in my Commonwealth and in my party in North Carolina. Mr. McNinch was chairman of what was known as the "anti-Smith campaign." He had theretofore professed to be a faithful Democrat. Of course, we recognize, and we always will recognize, the right of men to express their views in politics, even protecting with the spirit of tolerance a man who based his political career in that campaign on intolerance, and a very dreadful intolerance. I realize that it becomes the Senate and becomes myself always to respect the spirit of tolerance.

I do not intend to go into a description of that campaign and of the impressions left upon the life of my State. They lie behind us. Times have very greatly altered. Problems of our Government and of the Senate now are very grave, and they eclipse the smaller considerations. I do not think it would be seemly in me to undertake to make a major matter, in the presence of the circumstances with which we are all familiar, of any appointment whatsoever. But it was a major matter then, and I am going to express for a great many Democrats, representative, very largely, of our party, their abiding resentment at this appointment. They feel now, as they felt then, that it was not made upon merit, but was made by a Republican President as a reward to a Democrat who led a movement which divided our party and had as its effect the casting of the electoral vote of our State for the Republican President, Mr. Hoover. So much for that aspect of the matter.

Mr. McNinch being appointed by President Hoover, not as a Democrat, but as a representative of the minority parties—that is the way the law read, that the majority of the Commission should be of the majority party, not saying anything about how the minority should be composed—he came here, and upon examination before the Committee on Interstate Commerce, and in my presence, and written in the record, knowing that he could not qualify as a Democrat, he stated that he was a prohibitionist.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. Will not the Senator call attention to the record? I have the record before me, and before the committee Mr. McNinch stated, when he was under examination, that he had been a Democrat, always had been a Democrat, but that he fought Mr. Smith on the prohibition issue.

Mr. BAILEY. Read the record where he said, "I do not know how I stand, but I might be considered a Prohibitionist." He meant for the present purposes.

Mr. WHEELER. But he did state that he had always been a Democrat.

Mr. BAILEY. I stated that just now. There is no controversy about what lay behind. I think he had always voted the Democratic ticket. He served in the General Assembly of North Carolina as a member of the house in 1905, I think, as a Democrat. He was elected mayor of the city of Charlotte, I think, as a Democrat.

I am not raising a question there. But in 1930 he stood here not as a Democrat but as a prohibitionist who had voted the Republican national ticket.

Let us get down to that matter though, since the question is raised. He went beyond fighting the election of the national Democratic ticket. He opposed the election of Alfred E. Smith in a violent and intolerant way which I have consented within myself not to describe. He opposed the election of the Honorable JOSEPH T. ROBINSON as Vice President of the United States. In the same campaign he supported the nominee of the Republican Party for Congress in the then Ninth District of the State of North Carolina. He supported the Republican candidate for the United States Senate in 1930. He has made that record. But when he came up here and the question of his political qualifications was raised, he characteristically sought to accommodate himself to a difficult situation by undertaking to classify himself as a prohibitionist. There was not any Prohibition Party that I know of at that time in North Carolina. But I understood, at any rate, what he was driving at.

And by way of further insight into the character and the qualifications of the man, I will say that in November of 1933 when we had an election in the State on repeal or anti-repeal, notwithstanding that Mr. McNinch had sought to make it appear that he opposed the election of Alfred E. Smith on the ground of his great devotion to national prohibition, when we had that election on repeal, the anti-repealists in North Carolina—that is, the people really devoted to prohibition—sent for him, but he declined to come, and he declined to express himself. That was perfectly characteristic of the man.

There are, Mr. President, qualifications for office in the nature of character, and I think a man who whips around from one party to another in order to get a political reward is disqualified. I have the utmost respect for people who, in response to convictions and at some sacrifice, choose to vote as their consciences determine. I will always respect that. But this man's course within these 4 years has shown, according to my judgment at any rate, by inference from the facts, just a disposition to accommodate himself politically to the circumstances as they arise in order that by any means he may continue to hold a public position.

However, that is not the only ground, Mr. President. When Mr. McNinch was conducting this campaign, and he was doing it in an official way, properly designated as chairman of the anti-Smith campaign committee, he conducted it under the laws of the State of North Carolina, and subject to those laws—to what we call our corrupt-practices law. The corrupt-practices law requires every political manager to file a statement of his receipts and disbursements in the first instance 10 days prior to the election, and in the second instance within 30 days after the election. Mr. McNinch refused to comply with the law. He claimed that he was outside the law. He defied the laws of my Commonwealth. All others in our parties, candidates and managers, from the time that law was enacted until today, have filed their reports as required by the law. But Mr. McNinch refused, and he stated in the papers that he had nothing to report, that he had received no money. However, when Bishop Cannon was tried last year in the District Court of the United States in this district, Mr. McNinch was put under oath to testify with respect to the disposition of the moneys received by Bishop Cannon in that campaign.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. WHEELER. Is the Senator acquainted with a Mr. Word H. Wood, of Charlotte, N. C.?

Mr. BAILEY. Very well.

Mr. WHEELER. Is he a responsible party down there?

Mr. BAILEY. Yes. He is the president of the American Bank & Trust Co. of Charlotte.

Mr. WHEELER. Does the Senator know a Mr. J. L. Moorehead, of Durham, N. C.?

Mr. BAILEY. Very well.

Mr. WHEELER. Is he a responsible party there?

Mr. BAILEY. I would say so.

Mr. WHEELER. Let me ask the Senator if it is not a fact that they were the ones who collected or handled the money in that campaign?

Mr. BAILEY. I will tell the Senator the facts about that. I would not say that they collected the sums and disbursed them. I will say, and the record in the court of this district will show it, that Mr. McNinch swore that he received $5,000 in that campaign after having denied that he received a cent. That is a matter of record in the District Court of the United States in the trial of Bishop Cannon, with which most of us are familiar.

Mr. WHEELER. Will the Senator yield again?

Mr. BAILEY. Certainly.

Mr. WHEELER. Did Mr. McNinch testify that he got the $5,000?

Mr. BAILEY. He did. He said Bishop Cannon sent it to him and he discussed it with Mr. Wood.

Mr. WHEELER. According to the testimony in the record, Mr. Wood, who I assume is a responsible party, because the Senator has said it, and who is the head of a bank, placed letters in the record, as I recall, saying that Mr. McNinch had repeatedly asked him with reference to these campaign expenditures, and that he, Mr. Wood, had refused to give them to him. Is the Senator's recollection the same?

Mr. BAILEY. That was what Mr. McNinch was saying all the time, and I was innocent enough to believe it until I read the record in the Cannon case.

Mr. WHEELER. Permit me to ask the Senator further, Is it the Senator's recollection that not only Mr. McNinch said it but that Mr. Wood also said that?

Mr. BAILEY. Said what?

Mr. WHEELER. Mr. Wood stated that he had refused to give Mr. McNinch this information?

Mr. BAILEY. I think that was about the other campaign contributions.

Mr. WHEELER. No; about all the campaign contributions.

Mr. BAILEY. Not about the ones from Bishop Cannon. Let us get the record straight. Mr. McNinch swore that he received $5,000 from Bishop Cannon after having led the Committee on Interstate Commerce to believe, and the people of North Carolina to believe, that he never handled a dollar. That is that. If any Senator doubts it, let him go down and get the record of the testimony of McNinch in the Cannon case in this district. Let him read the newspapers with the verbatim report at the time.

Mr. President, I know something about that myself. One of the most prominent men in North Carolina, a most excellent gentleman, a man of very considerable means, met me last year, I think rather by accident, and in his converstion said:

> Why, I contributed directly to Frank McNinch on three occasions, and I begged him to report it and let the people know it.

I do not care to involve that man's name. I do not care to go into that. I will rest on the record.

I bring this accusation against Frank R. McNinch. He defied the corrupt-practices law of my Commonwealth. I shall hold him to answer for it as long as I live when he applies for public recognition or any place of trust. That is not political. That goes to the roots of matters.

Mr. President, so much for that phase of it. I want to give some conception of the man from his record, not from my opinions. There were no prejudices against him to overcome so far as I was concerned. I will judge him by the record and let the Senate judge him by the record. Mr. McNinch came in under Mr. Hoover, and he served the purposes of the administration of Mr. Hoover with respect to the power question. He came in by reappointment, and the chairmanship of the Commission last year by the appointment of the present Chief Executive of the United States. And if by any peradventure Mr. Samuel Insull should be elected President of the United States, Mr. Frank McNinch would accommodate himself to Mr. Insull's policies as quickly as he would to Mr. Roosevelt's or to Mr. Hoover's.

That is my estimate of him, based on the facts, that when it paid him to stay with the Democrats he was a Democrat; when it paid him to say he was a prohibitionist he was a prohibitionist; when it paid him to serve President Hoover he served him; and if any Senator here has any doubt as to how the man will conduct himself so long as President Roosevelt is President, I will assure him he will "go along." I have no feeling, and I will say in passing that I think he has made a very satisfactory record under the Roosevelt administration, and I think he made it because it paid him to make it.

Now I am going to leave that and refer to another matter. The News and Observer, printed at the State capital, one of our most notable daily newspapers, edited in 1930 by Hon. Josephus Daniels, now ambassador to Mexico, contained certain editorials on the subject of Mr. McNinch. They were written at the time. I am going to read them in order that the Senate may know that the attitude I am taking and the accusations I am making were at least sustained by the then editor of that notable newspaper.

This is from the December 4, 1930, edition:

[From the Raleigh (N. C.) News and Observer—Dec. 4, 1930]

MR. M'NINCH MUST COME CLEAN

The biggest issue in America today revolves around water-power companies. It loomed large in the November election. In every contest in which it was an issue, the agents or apologists were defeated. The courageous men, who stood for government ownership and operation of Muscle Shoals, or regulation in their States, won out—Walsh in Montana, Norris in Nebraska, Roosevelt in New York, to mention only three.

The Harding, Coolidge, and Hoover administrations have favored the Power Trust. The cabinet members of the Power Commission have been accused of like favoritism. Mr. Hoover caused the House to pigeonhole the Norris Muscle Shoals measure.

Yesterday Mr. Hoover named Frank R. McNinch, of Charlotte, on the new Power Commission. Primarily this was in payment of McNinch's activity in 1928 as chairman of the Democratic Anti-Smith Campaign Committee in North Carolina. It is notorious that McNinch had plenty of money for that campaign and spent it freely. Who furnished the money? During and after the campaign it was frequently stated, and widely believed, that power interests in North Carolina furnished McNinch the money to conduct that campaign. It was noticeable that those close to the power interests were also close to McNinch and favorable to the character of the campaign he conducted.

When the campaign ended, the chairmen of the Republican and Democratic State Committees filed their sworn reports of the amounts of money they had received, by whom paid, and how expended. Both national committees did likewise, as the law provided. Chairman McNinch, who ran an expensive campaign, filed no report. He was called upon to do so. He declined. The attorney general was called upon to compel Chairman McNinch to follow the example of the other two chairmen. He declined. It was believed the law required him to make such a report. Upon inquiry it developed that the law was not clear. McNinch and his apologists held that no law required him to say where his campaign money came from and how it was expended. He was then urged to do so as a matter due to the public. He defied his critics and up to date his books have been sealed.

Yesterday Mr. McNinch was appointed by President Hoover a member of the Power Commission. It was a surprise appointment. He possesses no peculiar qualifications for the position. He would never have been thought of in connection with it but for his activity as manager of the so-called "Democratic Anti-Smith Campaign Committee" in 1928. Before the Senate is ready to act on the confirmation Mr. McNinch should come clean and file under oath the overdue statement of the contributions and expenditures of the political committee of which he was head in 1928.

Unless he does that he should be rejected, for in North Carolina the belief is prevalent that part of the money furnished him came from those in close touch with the great power interests.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. Would the Senator mind my calling his attention at this time to an editorial from the same newspaper written on January 3, 1935?

Mr. BAILEY. Not at all; I have the editorial here and intend to put it in the RECORD.

Mr. WHEELER. I just want to call attention, if the Senator will allow me, to a portion of it; I do not intended to read it at length—

North Carolinians who are interested—

Mr. BAILEY. If the Senator will just take my word for it, I have the editorial here and am going to put it in the RECORD.

Mr. WHEELER. I merely want to call the attention of the Senate to the fact that in the year 1935 the same newspaper, owned by the same man, says that it was mistaken when that editorial was written about McNinch and that it has completely changed its opinion with reference to him.

Mr. BAILEY. Mr. President, I hope the Senator from Montana knows that I am incapable of concealing a fact like that.

Mr. WHEELER. I did not know the Senator knew it.

Mr. BAILEY. I consider it of the essence of a man's standing as a gentleman that he shall not practice deception, and I brought the editorial here and I intended to come to it. If there is a fact on earth with which any man can confront me, and I should fail to recognize or acknowledge the fact, I would be utterly ashamed of myself. Here is the editorial; I have it ready. I think the title is "Confirm McNinch." Is not that it?

Mr. WHEELER. That is correct.

Mr. BAILEY. Then, I have it and I have taken pains to bring it.

That does not disturb me at all, Mr. President. I am reading the statement of the evidence, given in public, and a demand made in the hour of the appointment for the man to "come clean." I am not concerned with the opinions of men or how they have changed them. I recognize the right of people to change their opinions, but the fact remains this editorial made the accusation; it demanded a statement, the statement was not forthcoming, and to this day it has not come forth. That is my point.

I am going to read another editorial dated December 9, 1930, from the News and Observer. It is entitled "Who Named McNinch?"

[From the Raleigh News and Observer of Dec. 9, 1930]

WHO NAMED M'NINCH?

The Senate committee has announced it will hear Mr. McNinch this week. The question that will be considered is his attitude toward ownership and regulation of power companies and other utility corporations. During the campaign of 1928 it is well known that the big power companies resented the position of Governor Smith in New York and his statement against the monopoly of water-power companies. Most of them supported Mr. Hoover. In North Carolina Mr. McNinch, who had always been a Democrat, became the head of the Democratic anti-Smith committee, working earnestly for the election of Hoover. Many other Democrats voted for Hoover, mainly on the ground that Governor Smith was opposed to the eighteenth amendment and had led in securing a repeal of the New York State enforcement act.

It was observed during the campaign that the McNinch committee spent freely and all during the campaign the belief was widespread that power companies contributed liberally to his fund, actuated thereto because they expected Hoover to carry out the Harding-Coolidge policy of turning Muscle Shoals over to the Power Trust. At the end of the campaign, when the Republican and Democratic chairmen made sworn statements of their receipts and disbursements, Mr. McNinch filed no statement. In response to the call he was quoted as believing that the law applied only to political parties which polled a large vote in the preceding election. The attorney general, in response to a request of the secretary of state for his opinion, held that the law required Mr. McNinch to file a report.

I have the letter from the attorney general's office.

But the archaic laws of North Carolina, denying North Carolina a real department of justice, made no adequate provision for the enforcement of the law. Up to this date no report has been filed.

If parties close to the power companies are not responsible for the nomination of Mr. McNinch, to what influence is it to be attributed? The Republican State chairman and the Republican national committeeman from North Carolina deny that they recommended Mr. McNinch. They say they endorsed Maj. George Butler, of Sampson County, a Republican unsuccessful candidate for the senatorial nomination. Senator Simmons endorsed J. H. Bridgers, of the Henderson bar, who had made a study of utility matters, and Mr. Bridgers had other impressive endorsements.

Up to date nobody in North Carolina has been found who sponsored the suggestion that Mr. McNinch should be appointed.

Who suggested him? And why?

That question has never been answered.

I will detain the Senate to read some extracts from another editorial from the same newspaper dated December 19, 1930:

[From the Raleigh News and Observer, Dec. 19, 1930]

MAKES A BAD START

McNinch's failure to obey the law requiring a sworn statement of receipts and expenditures in political campaigns showed an absence of respect for law that is reprehensible. He was advised by the attorney general that the law required the filing of a sworn statement showing all moneys he had received and paid out in the attempt to influence the election. National and State laws seek to apply pitiless publicity to the source of campaign money. Mr. McNinch escaped prosecution for violating the law in North Carolina because the act imposes no penalty and gives no direction to the attorney general for its enforcement. A man in high station, animated by right motives, would have hurried to make public what he belatedly disclosed only when it was necessary to further his ambition for office. Men fit for important public position ought not to hide behind technicalities. The use of big money in elections corrupts and contaminates whatever it touches. Those who would hush up the sources encourage political corruption, whether intentionally or otherwise.

I might say that was when the Nye committee was coming down to the State in the midst of the campaign to look into the primary and not into the election.

The News and Observer, when some of BAILEY'S unwise friends advised against public disclosure of all moneys spent, declared that failure to make such disclosure would be regarded as tantamount to admitting that there was something that could not stand the light. Everything was made public.

Everything was made public—of course it was!

The just rule is to open all books by all chairmen in every campaign, whether in a primary or a general election. McNinch violated this sound principle by resort to technicalities. His conduct was indefensible.

Mr. Hoover named Mr. McNinch on the bipartisan Power Board as a Democrat—

I think that is a mistake. I think the law requires that the majority of the Board should be of the major party, but it did not say how the minority party should be represented—

the law requiring that a certain number of the members of the Power Commission should belong to the minority party. Is Mr. McNinch a true representative of the Democratic Party, seeing that in 1930, in the Charlotte district, he voted for Jonas, the Republican Congressman and national committeeman who had voted for the nefarious Hawley-Smoot Tariff Act and other reactionary measures? To do this he had to oppose BULWINKLE, the driest of the dry Democratic Congressmen, who in 1928 declared that, while he would vote for Smith because he was the nominee, he would vote against every recommendation of Smith that might weaken prohibition. Mr. Hoover should have listened to Democratic recommendations for Democratic members of the Commission and not select minority members without reference to the desires of the leaders of that party.

But, while these matters should have been given their proper weight, high and above all of them for consideration was whether McNinch and the other nominees for membership on the Power Commission were the sort of men to pass upon power problems when power control is a commanding issue in America. It is a small matter whether McNinch or Garsaud or the other unknowns receive a $10,000 job or not, and comparatively not important how they voted as to some one candidate. It is a great matter—a vital one—whether they wish to protect the rights of all the people in a God-given national resource or to continue to be deaf, dumb, and blind, as did the Commission they succeed, while the Power Trust dominates and imposes exorbitant taxes to convert water into gold for the favored few.

I am content, Mr. President, to have read to the Senate these editorials. I assured the Senator from Montana that I would read the editorial from the same paper under the date of January of the present year, and probably the first week. It happens that my clipping does not carry the date. If the Senator will give me the date, I will insert it.

Mr. WHEELER. January 3.

Mr. BAILEY. January 3. I thank the Senator. The editorial reads as follows:

CONFIRM M'NINCH

North Carolinians, who are interested in the success of the President's policies and in supporting the President in those phases of his program most violently opposed by the interests of the old order, hope that among the first acts of the new Congress will be the confirmation by the Senate of Frank R. McNinch, of North Carolina, as chairman of the Federal Power Commission.

This is a judgment deliberately arrived at. When Mr. McNinch was named by President Hoover as a member of the Federal Power Commission the News and Observer predicted that he had been named by the great engineer at the suggestion of the power interests, which always had Hoover's ear, to work with George Otis

Smith and other Hoover appointees in turning the Federal Power Commission into an agency not for the defense of the people from extortionate rates, but in defense of the power interests.

The News and Observer was mistaken. Instead of becoming the subservient servant of power, Mr. McNinch opposed the Hoover power policies while Hoover was President and long before Roosevelt was nominated. Since the inauguration of Roosevelt—

I should say "since the inauguration of 'Mr.' Roosevelt", and I think I should refer to the ex-President as "Mr." Hoover; but I am reading the editorial as it runs:

Since the inauguration of Roosevelt Mr. McNinch has continued in that attitude to such an extent that he has become the first lieutenant of President Roosevelt in his program to provide cheap power to all the people. It was because of his record that President Roosevelt appointed him chairman of the Commission.

Such have been Mr. McNinch's services and such is his place in the new-deal administration that any vote against his confirmation will be interpreted as a vote against the President's power program. To fail to confirm Mr. McNinch at this time would be a failure to give the President support in the toughest fight against the toughest crowd that he faces. Every vote against Mr. McNinch will give encouragement and comfort to those old-order forces who are seeking to scuttle the new deal.

The best way to demonstrate to the enemies of the President that the country is behind him in his efforts to make power available at low cost to all the people will be speedy confirmation of Mr. McNinch by the unanimous vote of all the Democrats in the Senate.

I have read the editorial from the News and Observer of the first week in the present year, and I have read two editorials, with portions of a third, in 1930, when the offense and the character of Mr. McNinch were fresh in the mind of the writer of these editorials. I understand, Mr. President, the change that has come over the situation. There is a great difference, necessarily a great difference, between serving under Mr. Hoover with one policy and serving under Mr. Roosevelt with another.

There is also this great difference, and it is to this I am speaking. Mr. McNinch now comes to the United States Senate under this appointment with the imprimatur of the present President of the United States upon him, and that imprimatur of approval is stamped upon him after nearly 2 years of experience in dealing with Mr. McNinch and with observing him in his official career on the Power Commission. I do not wonder he has made a good impression upon the President. I am not surprised that he made a good impression upon the President. The same sort of chameleon capacity that has served him in politics will shape his course in any official position.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. BAILEY. I yield.

Mr. NORRIS. I should like to call the attention of the Senator to one or two sentences in the last editorial he read in which it is said that Mr. McNinch, during the term of Mr. Hoover, had followed a proper course in power matters and had not been the tool of the power people under the Hoover administration. Does the Senator endorse that statement? Is that correct?

Mr. BAILEY. That is correct.

Mr. NORRIS. Then does it not follow that the Senator must be mistaken when he says that Mr. McNinch is of such character that he would shape his conduct to be suitable to any administration or to any interest that gave him an office?

Mr. BAILEY. Mr. President, I wish very much I could feel that I was mistaken. I should not like to misjudge a fellow man about anything. I do not at all feel that I am mistaken. Assuming the statement referred to by the Senator from Nebraska was based upon the well-considered opinion of the editorial writer of it, I have quite a different view.

Mr. McNinch arrived at Washington in 1930 as the appointee of Mr. Hoover and intending to go along with him. In order to get his confirmation reported favorably before the Interstate Commerce Committee he sized up the situation and went progressive on the spot. I was there and saw him when he did it. It was a very timely maneuver.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina further yield to the Senator from Nebraska?

Mr. BAILEY. I do.

Mr. NORRIS. As one who I think had no prejudice in the matter, but who was here during the time when these hearings were going on and who attended the hearings, or at least part of them, because of being interested in the subject, I desire to say that it seems to me the Senator's policy would hardly be suitable to follow; that the reason given for Mr. McNinch's turning progressive "on the spot", as the Senator says, would hardly be satisfactory to a person who has no intimate acquaintance with Mr. McNinch. Would he not be justified in judging the man by his conduct, and, if his conduct was all right, in believing that he himself was all right?

I am not claiming to the Senator that that is correct. The Senator may have a better knowledge of the man, and have a different idea, and be correct; but for one who does not have that intimate acquaintance, would that be a just rule to follow? If Mr. McNinch's conduct under Hoover was satisfactory and progressive on the power question, as the Senator says it was, what other conclusion could all of us disinterested Senators reach than that Mr. McNinch was a good man for the place?

Mr. BAILEY. I am not raising the question there. I readily agree that any man may make an impression upon one man's mind and quite a different impression on the mind of another, and that both may be mistaken. I have learned that from the distinguished Senator from Nebraska, from hearing him frequently say, "I may be right and I may be wrong, but that is my judgment." That is all we can do. I am basing my judgment upon the record that I know, most of which I have recited.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Kentucky?

Mr. BAILEY. Yes.

Mr. BARKLEY. In connection with the Senator's remark that Mr. McNinch had turned progressive suddenly and overnight in order to be confirmed——

Mr. BAILEY. And my further remark that it paid him—I do not mean financially, but politically—to go in some other direction. I will put that in. Go ahead.

Mr. BARKLEY. Of course, it has been some time since the nomination was first sent to the Senate. I happened to be a member of the Committee on Interstate Commerce at the time, and I heard the hearings and the objections made to Mr. McNinch. I cannot recall them with particular accuracy; but my recollection is that long before Mr. McNinch had ever been considered for appointment to this Commission, or before the Hoover-Smith campaign in 1928, Mr. McNinch had been very active in attempting to secure from a public utility in North Carolina lower rates for the people of the city in which he lives, which would not indicate that his liberal views on that subject were matters of a sudden temperament or desire to get an office, because it seemed that his previous record along that line had been rather consistent.

Mr. BAILEY. Mr. President, I do not think there is any substantial foundation for that. I recall that an effort was made to show that; but Mr. McNinch had had no opportunity of that sort. He was not prominent at the bar in North Carolina. The testimony in the record here was that he earned about a thousand dollars in the year before he was appointed. I do not say that in derogation of him. There was some explanation made at the time that he was sick all summer. Then an effort was made to show that he had been a man of progressive type.

I do not think there is anything in the record down there in the State to show that he had been conspicuous either way. All this progressive idea was developed after he came up here and found that there were some progressive Republicans on the Interstate Commerce Committee. It will be

remembered that the committee was then Republican by a majority, and it was very quickly seen that the proper maneuver was to cultivate the progressive Republicans. The Democrats were against him when this was done.

I leave that matter right there.

Mr. President, I was speaking just now of the fact that Mr. McNinch is appointed by our present President, and for reasons satisfactory to our present President, and that this would go to the consideration here by every Senator, I think, on either side. Senators like to stand by their President, Republicans and Democrats alike, I think. They do not wish to take any action tending to discredit a President of the United States. I am satisfied that when Senators vote contrary to the President's recommendations or nominations there is something of reluctance, if not of actual painfulness, about it.

I recognize that I would very greatly embarrass my fellow Senators if I should call on them to choose between my opposition and the considered recommendation of the President of the United States. I do not care to get into the position of embarrassing my fellow Senators about matters that are more or less local to my State, and I shall never embarrass one upon anything that is personal to me. So I have gone about this matter wholly by way of stating my position, stating without any reservation my opinion, and stating the facts and the considerations upon which the opinion is founded. I do not intend to draw the issue with the President of the United States. He is satisfied, and he is the head of our party and the head of our Government. I do not intend to pursue a course that would cause any Senator, for the sake of a courtesy to me, possibly, to feel—I do not say that he would actually, but he might possibly feel—that he was pursuing a policy embarrassing to himself.

That is my feeling about the matter. So, Mr. President, having said about all that I feel I should say about it, I am going to ask, in my own behalf, that a record be duly made that I, with great respect for the President of the United States, felt it my duty firmly to oppose the confirmation of this appointment.

Mr. WHEELER. Mr. President, as the Members of the Senate know, I have no personal interest in Mr. McNinch. I scarcely know the gentleman. I have not talked with him probably longer than 15 or 20 minutes in my life; and if the matter of his confirmation were coming here for the first time, I should be very much inclined to vote against his confirmation, basing that vote upon the objections coming from the Senators from North Carolina.

I desire to say, however, for the benefit of Senators who were not present when the question of Mr. McNinch's confirmation previously came up, that no new element has been injected into this particular case at this time. Each and every thing that has been testified to, with one exception—and I shall call attention to that a moment later—was considered by the Interstate Commerce Committee of the Senate in 1930, when Mr. McNinch's nomination was first submitted by President Hoover and referred to the Interstate Commerce Committee.

I was one of those who supported Governor Smith in his campaign for the Presidency; and it was with some reluctance that I supported a man who had bolted his ticket. It was only after I became convinced, from testimony presented to the Senate by the then Senator from North Carolina, that McNinch was a proper person to serve upon the Power Commission, that I voted for his confirmation. As Members of the Senate will recall, there was some opposition in the Senate to his confirmation at that time; and a vote—I think a record vote—was taken on it, but he was overwhelmingly confirmed.

Since Mr. McNinch has been a member of the Power Commission I am sure there is no man in this body, Democrat or Republican, who can honestly point to one thing against his public record as a member of the Power Commission. He is looked upon, I am sure, by this administration, and by everybody who has followed the work of the Power Commission, as one of the most efficient and one of the most valuable men upon the Commission. I think I agree with what the Raleigh News and Observer says, that Mr. McNinch is one of the closest advisers of the President of the United States in matters relating to power.

I am not unmindful of the fact that the power interests of this country, bitterly opposed to the policies of the present administration, would like nothing better than to see Mr. McNinch's nomination defeated at the hands of the Senate of the United States, because they would feel that it was at least a partial victory for the power interests if they should be able to defeat in this body the nomination of a man who is one of the President's close advisers upon this subject.

Not only have I the editorial from the Raleigh News and Observer, a Democratic newspaper, to which I called to the attention of the Senator from North Carolina, and which he has read into the RECORD, but I wish again to call attention to what the editor of that paper said:

> North Carolinians who are interested in the success of the President's policies and in supporting the President in those phases of his program, most violently opposed by the interests of the old order, hope that among the first acts of the new Congress will be the confirmation by the Senate of Frank R. McNinch, of North Carolina, as Chairman of the Federal Power Commission.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. CLARK. The Senator has stated that the rejection of the nomination of Mr. McNinch might be taken as a victory for the power interests. Does not the Senator see also the danger that the confirmation of Mr. McNinch would be taken as an approval by the United States Senate of the policy of intolerance and unfairness which Mr. McNinch typified in the campaign of 1928?

Mr. WHEELER. No; I do not think that. A great many men who are honest and sincere voted against Governor Smith. I was not one of them. I differed from the vast majority of the people of my own State who voted against him, but I submit that they had a right to their honest views and their honest convictions as much as I did, and I would not proscribe them and say that because of the fact that they did not see eye to eye with me, they should no longer be permitted to serve as employees of the Government of the United States of America.

Mr. CLARK. If the Senator will yield further, I have no disposition on earth to assert that a man who happens to differ from me in a political campaign is necessarily a bad citizen, or should be debarred from all office, but I say that if any substantial proportion of the charges brought against Mr. McNinch by the Senator from North Carolina be correct, if it be a fact that Mr. McNinch was appointed to this office in the first place as a reward for a political betrayal in North Carolina, then he should not be confirmed.

Mr. WHEELER. Mr. President, the hypothesis suggested, of course, is a mere conjecture, and no statement of fact could be given and no facts have been produced before the Senate committee to that effect. So that there could be no mistake about it, I went to the Senator from North Carolina and asked him if he wanted to appear before the Committee on Interstate Commerce and testify against this nominee, and the Senator from North Carolina stated that he had no intention of doing so; that he desired to make his position clear, as he suggested, on the floor of the Senate; and that is all.

What we should look at, it seems to me, more than anything else, is the record this man has made since he has been in office. The President of the United States is satisfied with him as a public servant. He has appointed him, and has had him as one of his advisers with reference to power. It seems to me that if the President wants him in that capacity, he cannot be mistaken with reference to him, because he has had him in that capacity ever since he has been in public office, and there is no man in this body who has been watching the power fight going on in the Congress of the United States and throughout the country who will not say to the Senator that Mr. McNinch's attitude on the power issue has been entirely in accord with the progressive ideas in the United States and in accord with the policies of President Roosevelt not only while he, Mr. Roose-

velt, has been in office but likewise while Mr. Hoover was in office.

I think one statement of the Senator from North Carolina was an inadvertence, because he said that this man changed his views when he saw the make-up of the Committee on Interstate Commerce of the Senate in 1930. The make-up of the Interstate Commerce Committee in 1930 was not progressive by any manner of means.

Mr. BAILEY. Mr. President, I did not mean to leave the impression that it was made up of Progressives, but there were a number of Progressives on it, the Senator now speaking being one of them. But I shall not call the names. It was quite clear to a man with an elemental understanding of politics that since there were five, and perhaps seven, Democrats opposing the nomination, there was the necessity of looking to the other side, and the nominee looked to the Progressives; and he received their votes.

Mr. WHEELER. Mr. President, he received the votes of the progressives, of the liberal-minded, of those who are opposed to the power interests, yes; but he was taking his political life in his hands when he came before the Committee on Interstate Commerce of the Senate at that time and proclaimed himself to be liberal in his views against the power interests, because everybody knows what the make-up of that committee was at that particular time and what the views of that committee were on the power issue at that particular time.

Not only is there an editorial from the Raleigh News and Observer, but I ask whether the Durham (N. C.) Sun is a Democratic newspaper?

Mr. BAILEY. Mr. President, I should not like to give testimony, but I think all the newspapers in North Carolina are Democratic, except perhaps three or four, and I will testify generally that the newspaper to which the Senator refers is a Democratic journal. I should like to say in this connection, however, that our press in the State is disposed to treat questions in a rather free way, and they do not consider themselves party organs. There are very few newspapers in the State which describe themselves as party organs. It is a safe statement that 9 out of 10 of them are Democratic in temperament and in policy. I think that will cover the ground.

Mr. WHEELER. So that there could be no impression that it was coming from Republicans, I hold in my hand a copy of the Durham (N. C.) Sun of January 18, 1935, which speaks of Mr. McNinch as "too good a Democrat." I read just the headline.

I have another newspaper, the Wilmington (N. C.) Star of January 12, 1935, in which again it is stated in substance that they want to see Mr. McNinch confirmed, and that he has been too good a man to be defeated for this position.

I also have an editorial copied from the Winston-Salem (N. C.) Journal of June 23, 1934, entitled "McNinch Opposition Fails." It reads:

Mr. McNinch, by his able and constructive work as a member of the Federal Power Commission, has obtained the strong approval and support of President Roosevelt, who is more interested in efficiency in government than he is in partisan politics and prejudices. He measured Mr. McNinch with the yardstick of character and ability, did not find him wanting, and decided that he is the man for the place he holds.

Also, I call attention to an editorial from the Washington News of June 28, 1934, and the Washington News was one of the newspapers in this country belonging to the Scripps-Howard service which, as I recall it, supported Mr. Smith in the campaign, although I am not sure about that. This editorial in part reads:

Four years ago, when the Federal Power Commission was reorganized by Herbert Hoover, no one expected it to do much of anything. Today it is one of the most important agencies of the Government.

For this metamorphosis, Frank R. McNinch, just reappointed chairman of the Commission, deserves considerable credit.

* * * * * * *

Chairman McNinch personally led a successful attack on provisions of the electric utility code which would have brought public power plants under domination of private companies.

The Senate is much more likely to remember these facts next winter and act accordingly, than to punish him.

I have another editorial from the Washington Herald, in which it is stated:

CONFIRM MR. M'NINCH

If President Roosevelt derives satisfaction which the public enjoys from his reappointment of Frank R. McNinch as chairman of the Federal Power Commission, he must be a happy man indeed.

Frank R. McNinch honors the public service. He is a thoughtful, determined public official, who has been required to blaze new trails in the regulation of public utilities, in the preservation of the people's water-power sites from exploitation and in promoting the Government policies for hydroelectric development.

The temptation must have been great upon Mr. McNinch and his present colleagues to close their eyes to the encroachments of the vested interests and to permit them to wrest away the public properties for private profit. Too many of our public officials choose a course of least resistance.

Mr. McNinch has been faithful to his public trust in these matters. He has refused to be coerced or misled. His reappointment, therefore, is equivalent to saying to him, "Well done, good and faithful servant."

Mr. McNinch should be confirmed by the Senate.

I also have an editorial from the Richmond Times-Dispatch, of Virginia, a Democratic newspaper, which reads:

M'NINCH DESERVES IT

Frank R. McNinch deserves confirmation as chairman of the Federal Power Commission. We say that despite his activities in 1928 as manager of the anti-Smith campaign in North Carolina. We were in violent disagreement with him in that contest, and we should be in violent disagreement with him again, if another contest, involving similar issues, were to arise.

The time has come, however, as far as we are concerned, to bury that particular hatchet. In his position on the Power Commission Mr. McNinch does not have to deal with matters involving religious freedom, the machinations of Tammany Hall, or the most approved mode of marketing usquebaugh. The power question is wholly divorced from all such questions as these.

Not only so but as a member of the Federal Power Commission Mr. McNinch has evidenced a firm grasp of the issues involved in the present controversy over power and a constant regard for the public interest. In his capacity as chairman of the Commission he can be counted on to pursue the Roosevelt power program to its conclusion. That is an excellent reason for his confirmation. It would be an anomalous situation for the chairman of the Federal Power Commission not to be in sympathy with the President's power program.

As a matter of fact, there is little or no danger that Mr. McNinch will fail to secure confirmation.

Likewise I have another editorial from the Norfolk Ledger-Dispatch, a Virginia newspaper, entitled "Confirmation for McNinch." I shall not read the editorial.

I also have a number of telegrams from prominent Democrats of North Carolina. One says:

Wish to urge the confirmation of Frank R. McNinch as chairman Federal Power Commission. His valuable services should be retained by the country.

The telegram is from M. C. A. Currie, chairman Mecklenburg County Democratic executive committee.

I have another telegram from Charlotte, N. C.:

I wish to most heartily endorse the recommendation for the appointment of Hon. Frank R. McNinch as chairman of the Federal Power Commission and in doing so feel that I am voicing the sentiment of the citizenship of Charlotte, with a population of nearly 100,000.

ARTHUR H. WEARN, *Mayor.*

Here is another telegram from Charlotte, N. C.:

Having been mayor of the city of Charlotte and president of the chamber of commerce has enabled me to contact the leading citizens of this community, and I know that they as well as I would appreciate the confirmation of our Frank McNinch.

CHARLES E. LAMBETH.

Here is another one from T. P. Whitlock, past president Mecklenburg Bar Association:

It would be a shame as well as a national calamity if opposition to Frank R. McNinch because he let his conscience override strict party discipline on a great moral issue were allowed to defeat his confirmation and deprive the Nation of his invaluable services. He has demonstrated his ability and his fitness, and his confirmation should be a matter of course.

Here is another telegram from C. W. Tillett, Jr., president of the State bar association, whose home is at Charlotte, N. C., which is McNinch's home city.

I urge confirmation Frank McNinch as chairman Power Commission.

C. W. TILLETT, Jr.

I read another telegram from Charlotte, N. C., as follows:

As a lifelong friend of Hon. Frank R. McNinch I respectfully urge his confirmation as chairman of the Power Commission. He has demonstrated his ability and fitness for the place, and his private character is without a blemish. His home town and county favor his confirmation.

J. D. McCALL,
An Al Smith Democrat.

I read a telegram from Asheville, N. C., as follows:

When the curtain falls at the end of the act in which the power group have had freedom to exploit the people the Nation will turn with gratitude to our President for his appointment of Frank McNinch who is honest, able, and unselfish, and did his part in hastening the coming of the great day of freedom. Ninety-five percent of North Carolina would vote today for the President's choice.

ERNEST LLOYD BROWN.

Here is another one from Charlotte, N. C.:

Confirmation of appointment of Frank R. McNinch because of his outstanding qualifications and invaluable services to the Nation is of paramount importance. President Roosevelt wants him and the "new deal" needs him.

E. B. BRIDGES.
FRANK W. ORR.

Those two are lawyers of Charlotte, N. C.

I have numerous other telegrams from various people of North Carolina which I shall not take the trouble to read.

I also desire to call attention to the fact that in the CONGRESSIONAL RECORD of yesterday there was a statement by one of the Representatives from North Carolina who paid a tribute to Mr. McNinch. This statement by Mr. HANCOCK, one of the prominent members of the North Carolina delegation, is as follows:

I want to digress a moment, if I may, because I think in considering the purpose of this new section it is appropriate to pay a tribute to a North Carolinian who has had as much to do with shaping the effective policy of the Federal Power Commission in determining an honest price for electricity as perhaps any other individual in this country, and whose splendid efforts and constructive ability will eventually result in making power an article of standard use in America. [Applause.] I refer to the Honorable Frank R. McNinch, a trusted adviser of President Roosevelt. [Applause.]

Mr. President, I shall now discuss some of the facts in the case. I should have to disagree with the Senator from North Carolina as to the necessity of Mr. McNinch filing a report, such as has been suggested by the Senator from North Carolina. That matter was gone into before the committee at that time, and I am convinced from the reading of the law that in no sense of the word could it be determined that this organization which, as I understand, did not have candidates at all, but was simply an organization which passed a resolution saying that it was against Governor Smith for the Presidency, was a political organization within the meaning of the law of North Carolina. Yet, Mr. President, had there been a violation of that law, which the Senator from North Carolina says was violated, then I am sure the prosecuting officials of North Carolina would have prosecuted Mr. McNinch for failure to file the statement.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WHEELER. I yield.

Mr. BAILEY. The Senator from Montana would not misrepresent the facts, I know. Of course, they had candidates. Mr. Hoover was a candidate. There was not any question about that, and there could not be any question about it. Hoover and Curtis were the candidates. They were not content to fight Al Smith. They rolled up a majority of 62,000 for Hoover and Curtis. There was not any question about that. I am astounded that any man would raise a question about it. They went in to carry the State for Hoover and they carried it.

Mr. WHEELER. I do not have a copy of the North Carolina law before me at this time, but we have had it before us previously. I do not recall the law at this particular time. However, my recollection is that at that time the matter was gone into, and it was the deliberate judgment of those who examined the law at that time that this organization did not come within the provision referred to by the Senator from North Carolina. If the Senator will pardon me just a moment, I will state to him it seems to me passing strange, if there were a violation of the law, that the attorney general of the State of North Carolina, whose duty it is, I take it, to enforce the law, or the prosecuting attorney of that community, did not prosecute for a violation of the law. Do they not have such animals down in the Senator's section of the country?

Mr. BAILEY. I will say, Mr. President, that the attorney general, as pointed out in the editorials which I read, does not have that power. That was explained. Since that has been mentioned, however, I will say that the man who was attorney general at that time, who has recently died—a man of very noble life, who enjoyed the regard and confidence of all the people of our Commonwealth—formally held that Mr. McNinch was bound to make the report. I will stake his opinion as the law officer of the State, or rather the adviser of the State in his capacity of attorney general, against Mr. McNinch's defiance coupled with a deliberate deception.

Mr. WHEELER. I cannot subscribe to the statement made by the Senator from North Carolina with reference to Mr. McNinch's deliberate deception, as I shall point out. First of all, I want to say that when Mr. McNinch came before the committee he stated that he had voted the straight Democratic ticket all his life until 1928, when he voted for Mr. Hoover, but that he voted for all the other candidates on the the Democratic ticket—National, State, and county. That was the statement made by Mr. McNinch at that time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CLARK. Will the Senator be kind enough to point out what was the remainder of the national ticket besides President and Vice President?

Mr. WHEELER. I assume there were Representatives to be elected. I do not know whether there was a Senator to be elected at that time or not, but certainly there were Representatives to be elected.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LONG. The difficulty I have in justifying the McNinch appointment is that Mr. Hoover appointed him as a Democrat on the ground that he supported him. I do not think we ought to be childish about such matters, but here is what happened: Mr. Hoover appointed Mr. McNinch as a Democratic member of the Federal Power Commission for having supported him for President. That is what it amounts to.

I am very liberal in politics. I do not care very much about what they are. One is about the same as the other. But to have Mr. Hoover designate Mr. McNinch as one of the Democratic members on the ground, of course, that he is "a friend of mine and helped me carry the State", seems to me to be adding irony to injury. I want to ask my friend the senior Senator from North Carolina, is not that about what happened; that Hoover appointed his political supporter as a Democrat?

Mr. BAILEY. He appointed his political follower, but the law did not require that the members representing the minority party should be Democrats. It simply provided that the majority of the Commission should be Republicans. Mr. McNinch testified, knowing that he could not qualify as a Democrat, that he might be considered as a Prohibitionist, and thereafter when the Prohibitionists called on him he could not be found.

Mr. WHEELER. Mr. President, it is all right to blame Mr. Hoover and say that he appointed Mr. McNinch because he supported him; I presume that that had something to do with it; but likewise let me call attention to the fact that our own President, Mr. Roosevelt, has appointed Republicans on boards because they supported him; and if Senators will go back and read their history they will find that President Wilson appointed many Republicans to public office because of the fact that those Republicans supported him.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. WHEELER. I yield.

Mr. BARKLEY. If my memory does not trap me, Grover Cleveland appointed Walter Q. Gresham as Secretary of State in his Cabinet because he had voted for him and supported him in Indiana, although he had been a lifelong Republican.

Mr. WHEELER. Yes; and I have no doubt that the Senator from Louisiana appoints many men down there because of the fact they are friends of his who may have belonged to the opposite political faith at some time in their lives. [Laughter.] So it seems to me that that is not a valid reason for opposing the nomination of anybody.

Mr. McNinch stated that in 1930 he had voted for Mr. Jonas, Republican candidate for Congress, but had not participated in the Democratic conventional primary that year; that he voted for all other Democratic candidates, but did not vote for Senator. As to the religious question he stated specifically that he had nothing to do with the religious question in that campaign; that he did not discuss it on the stump and did not allow any religious literature to be sent out by the committee.

Mr. LONG. Mr. President, will the Senator yield again?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. LONG. I merely want to add a further remark: It seems as if Mr. Hoover appointed this man McNinch for the reason that he was a Democrat who supported him, and for the further reason that he thought he would be a pretty good friend of the power interest; but he got fooled on the last part of it, because McNinch turned out to be a pretty decent kind of a fellow. So I do not know but that there may be just as much mistake about the partisanship question as there was about what he was going to do on the Commission. I am more interested in the last part of it. My understanding is—and I got this from a man named Russell when I was trying to keep Garsaud from being appointed on the Power Commission—that Russell testified McNinch had been a very good surprise from the side of taking care of the public interests. That is what I am more interested in right now when it comes to the second appointment of McNinch.

Mr. WHEELER. That is the only thing it seems to me that we should be interested in—has he been a faithful public servant?

Mr. LEWIS. Mr. President, does the Senator desire to have a vote today?

Mr. WHEELER. I think so. I intend to finish in a very short time.

Mr. CLARK. Mr. President, I am going to ask the Senator, in view of the issue which has been drawn between the Senator from North Carolina and the Senator from Montana, to let the matter go over until tomorrow. Otherwise I certainly shall have to ask for a quorum.

Mr. WHEELER. I am perfectly willing to have a quorum called; I am perfectly willing to have a record vote. I have no personal interest in this matter at all. If the Senate wants to turn Mr. McNinch down, it is perfectly all right with me, except I say that when we do that we are serving notice to the power interests that we are not in accord with the power policies being carried on by the President of the United States.

Mr. NORRIS. Mr. President, if the Senator will allow me to interrupt him, I should like to get some information.

Mr. WHEELER. I yield.

Mr. NORRIS. I heard the Senator from Missouri [Mr. CLARK] state that he was going to ask that this nomination go over.

Mr. WHEELER. Yes.

Mr. NORRIS. Is it going to go over?

Mr. WHEELER. It is not, so far as I am concerned, if we can get a vote on it today.

Mr. NORRIS. I ask for information, because, if it is going over, I am "going over", too; but I am not "going over" if this nomination is not going over, for I want to be here when the vote is had.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WHEELER. I yield.

Mr. BARKLEY. I trust that we may obtain a vote on this nomination today. There is an important legislative measure on the calendar for tomorrow which will take considerable time, and if the nomination goes over it might take a whole day again to discuss it. I do not want to cut off anybody.

Mr. CLARK. Mr. President, will the Senator from Montana yield?

Mr. WHEELER. I yield.

Mr. CLARK. My request that it go over was predicated entirely on the proposition that the Senator from Montana seems to be making a direct issue with the Senator from North Carolina, and I think, since there is not a very large attendance present, that Members of the Senate should have an opportunity to read in the RECORD, at least, the issue that has been made between the Senator from North Carolina and the Senator from Montana. At the conclusion of the remarks of the Senator from North Carolina, in view of his statement that he did not intend to ask for a quorum or demand a roll call, I was entirely prepared to follow his suggestion in the matter, but since the Senator from Montana has seen fit to make a direct issue of Mr. McNinch's conduct in North Carolina with the Senator from North Carolina, I think the Members of the Senate are entitled at least to have an opportunity to read the discussion in the RECORD.

Mr. BARKLEY. Mr. President, I will say to the Senator that the matter of Mr. McNinch's conduct in North Carolina was thoroughly threshed out in 1930, not only before the Committee on Interstate Commerce but before the Senate. I happen to have been the campaign manager of Governor Smith in my State in the campaign of 1928, and I was one of those who seconded his nomination at the Houston convention in the same year. The present President of the United States was at that time quite actively engaged in seeking to obtain the election of Mr. Smith as President of the United States, having three times nominated him before the Democratic convention and having supported him enthusiastically.

I will say to my friend from Missouri, as, of course, I am sure he will recall, that there was much heat in that campaign and much resentment against those in all the States who did not support Mr. Smith. In my State there were thousands if not hundreds of thousands of Democrats who did the same thing in that campaign that Mr. McNinch is accused of having done and we felt in 1930—and I am one of those who felt that way—that it was not wise to proscribe men and seek to punish them because of what they had done in 1928.

Mr. CLARK. Even when they failed to file returns as required by law?

Mr. BARKLEY. That is a technical matter about which there might be a genuine difference.

Mr. CLARK. There are many men in the penitentiary on similar technical matters at the present time.

Mr. BARKLEY. There are not many in the penitentiary on technicalities of that sort, probably not as many as ought to be, as the Senator suggests. The point I am trying to make is that this political issue having been threshed out thoroughly in the committee and on the floor of the Senate 5 years ago, and some of us who were very vitally concerned in the campaign on the side of the Democratic nominee having felt that that was no legitimate bar to the appointment of Mr. McNinch, and that view having been confirmed now by the present President of the United States, who was equally vitally interested in the Smith campaign in 1928, it does not seem to me that we ought now to go back and thresh all that straw over again in order to

attempt to provide some legitimate reason for opposition to Mr. McNinch.

Mr. CLARK. Mr. President, with the very greatest respect for the opinion of the distinguished Senator from Kentucky, I should like to suggest that there are many Members of the Senate who were not Members of the Senate at that time and who are not necessarily bound by the profound conclusion the Senator from Kentucky reached at that time.

Mr. BARKLEY. I agree to that; and I do not even claim that the opinion was profound; it was probably very superficial; but it was at least sincere.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WHEELER. I yield.

Mr. BAILEY. I do not care to have the nomination go over; I would prefer to have it settled; and certainly, while I have grateful feelings for the Senator from Missouri, I do not interpret the remarks of the Senator from Montana by way of drawing an issue with me.

Mr. WHEELER. Not at all.

Mr. BAILEY. I think after what I have said about Mr. McNinch it becomes me to remain quite patient while the Senator from Montana produces all he can in his behalf. I have no objection whatever to that. I do not intend to controvert with him about it. I have stated my views, furnished my facts, outlined my position, and I am entirely content.

Mr. WHEELER. There is no issue so far as the Senator and I are concerned with reference to what took place in North Carolina. The only issue is as to whether or not as a matter of law a statement should have been filed. The Senator contends that under the law there should have been. I am saying and propose to follow it further with the testimony that he is mistaken. I am proceeding upon the sworn testimony given before the Interstate Commerce Committee when this matter was previously under consideration. Here is the testimony with reference to the campaign fund:

Mr. McNinch stated to the committee that he did not personally collect or handle campaign funds. That was his testimony before the committee.

Mr. BAILEY. I desire that to be read in the light of the direct evidence that since then he swore in a court of justice that he did receive $5,000. That goes to the heart of things.

Mr. WHEELER. I saw that statement in the newspapers, but I think there may be some error about it.

Mr. BAILEY. Let me interrupt the Senator further and ask if Mr. McNinch did not swear that he could not get a blank or did not get a blank to account for his funds.

Mr. WHEELER. The Senator is wrong about that.

Mr. BAILEY. No; I am right.

Mr. WHEELER. I think the Senator will find that the record shows that $5,000 was paid, not to McNinch but turned over to this organization. That is what McNinch testified before the committee. I think the Senator will find that he is in error when he says McNinch testified that he got it personally. He testified that they got $5,000 from an anti-Smith organization.

Mr. McNinch stated to the committee that he did not personally collect or handle campaign funds; that a finance committee did this and the funds were turned over directly to the treasurer; that he did not file a statement of the committee's receipts and disbursement with the secretary of state for North Carolina because it was clear that the committee was not a political party, as defined by the statute; that the committee had only one meeting and nominated no candidates and only passed a resolution opposing Governor Smith; that he and the leaders in the movement supported all of the rest of the Democratic ticket and in every campaign speech he called on his followers to support all of the Democratic ticket except Governor Smith; that he did not receive any request from the secretary of state to file a statement until during the last week of the campaign, when he was away from headquarters and on the stump, with speaking engagements every day for the balance of that week. He has since told me that he forgot to state to the committee that neither he nor any member of the committee ever received from the secretary of state the blank forms calling for a report, which forms were sent to the Democratic and Republican committees in due time; that if he had filed the statement it would have characterized the committee, of which he was a leader, as a political party, and he knew it was not a party, but was fighting as a group of Democrats, supporting all of the Democrats except one. He has said publicly that he would publish a full statement promptly after the election and fully intended to do that, and when the campaign was over he called on the treasurer for a report on finances, and then learned that two members of the finance committee, Mr. J. L. Morehead, of Durham, N. C., and Mr. Word H. Wood, of Charlotte, N. C., had turned over to the treasurer their personal checks for lump sums, but without any statement as to who contributed the money.

I invite the attention of Senators to a letter written by Mr. Wood who, I understand, the Senator speaks of as a high-class gentleman. This is in response to a letter written by Mr. McNinch to Wood, as I recall:

Responding to your request, I am giving herewith a statement of the money I collected—

Mr. Wood collected it, not Mr. McNinch.

in connection with the anti-Smith organization and campaign. In justice to you—

Said Mr. Wood, and I should like to call the attention of the Senator to this because it seems to me the only new thing that has been brought into the case. This is a letter from Mr. Wood, who was treasurer of the organization in North Carolina. Mr. Wood is a banker. There is no question about him being an honorable, high-class, decent man, as I understand. If there is I should like to have it stated.

Mr. BAILEY. I said so. Mr. Wood is a man of excellent standing and that should be stated anywhere.

Mr. WHEELER. I will read the letter:

Responding to your request, I am giving you herewith a statement of the money I collected in 1928 in connection with the anti-Smith organization and campaign.

In justice to you I should like to state that I have several times previously declined to give you a statement of these contributions, because you had stated at our organization meeting that you did not want one dollar accepted from any Republican source, as we were to conduct a Democratic campaign, and I knew that I had taken the personal responsibility of receiving a few contributions from Republicans, and preferred not to tell you about it, as I knew it was contrary to your instructions and wishes. I remembered that you had stated from the stump and through the press that our campaign was being conducted independently of the Republicans and that it was being financed by money from Democrats, and knew that you were entirely sincere in those statements; but I did not agree with you as to the necessity for such a course, and therefore assumed the sole personal responsibility in this respect, and this alone is the reason why I have never been willing to give you a statement of these contributions before now.

I regret that my refusal to make a statement to you heretofore, and your being unable to publish a statement, as you have repeatedly told me you wanted to do, has resulted in any embarrassment to you, as you have not until now known anything about the sources from which these contributions were received, excepting those by Mr. Gossett, Mr. Johnson, the anti-Smith headquarters, and myself.

I sent to C. H. Ireland, treasurer of anti-Smith organization, Greensboro, N. C., an aggregate of $3,800, covering the following contributions: $1,800 contributed by W. H. Wood; $500 contributed by B. B. Gossett; $500 contributed by C. B. Johnson; $1,000 sundry small contributions during campaign, of which I kept no record; $5,000 received from the anti-Smith headquarters, Richmond, Va.; $1,000 received from Arthur J. Draper, Charlotte, N. C.; $3,000 received from Charles E. Lambeth, Charlotte, N. C.; $2,000 checks received through David H. Blair, as hereinafter explained; $300 I am unable to account for, unless it consisted of small cash contributions received here in Charlotte, of which I kept no record.

So Mr. Wood said that the $5,000 received from the anti-Smith headquarters, which was the Bishop Cannon organization, was received by Mr. Wood. That was the testimony not only given by Mr. McNinch but confirmed by the secretary of the organization, Mr. Wood; and it is likewise, as I recall, confirmed by the testimony or statement of Mr. Morehead, who was also one of the organizers.

Mr. BAILEY. Mr. President, may I undertake to clear the Senator's mind upon that matter as to the facts?

Mr. WHEELER. Yes.

Mr. BAILEY. Mr. McNinch testified in the Cannon case that he received the money and turned it over to Mr. Wood, the chairman of that committee, and he undertakes now to exonerate himself by saying he did not get a blank. Is a man forgiven in this world for not filing an income-tax return because he did not get a blank?

Mr. WHEELER. Oh, no; of course not.

Mr. BAILEY. I wish to inquire if any of the numerous leagues being formed in America now—the Liberty League, for example, or the Crusaders—may go out into political fights, oppose candidates or advocate candidates, and not be accountable for their expenses? Certainly they are required to file statements. After the most tenuous evidence and taking advantage of technicalities he knew he was obligated and denied receiving the money, but he testified here that he had.

Mr. WHEELER. Mr. President, if under the law Mr. McNinch should have made a return of money that he received, it seems to me the prosecuting attorneys of North Carolina at least were derelict in their duty if they did not prosecute him. Apparently they agreed with him when they did not file any charges against his committee, and felt that they could not get a conviction under the law, or they would have filed charges. Otherwise, they were derelict in their duty.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. WHEELER. Yes.

Mr. BARKLEY. My recollection—and it is refreshed by the testimony the Senator has read—is that when we had this matter up before the committee 4 or 5 years ago Mr. McNinch never denied that the $5,000 contribution was made.

Mr. WHEELER. No; he never denied it.

Mr. BARKLEY. He did not deny it. He knew it was made. It was just a question whether it was paid to the secretary or to him. He said it was paid to the secretary. That, of course, would account for the $5,000 contributed by Bishop Cannon, whether it was turned over to McNinch in person or to the secretary. So it seems to me it is a technical question of a man's recollection as to whether the money was turned over to him in person and then turned over to the secretary, or paid direct to the secretary. I do not see that there is any great controversy about that.

Mr. WHEELER. I do not see any controversy about it, in view of the statement. As I say, it was not McNinch's testimony from which I was reading. I was reading from a letter written by Mr. Wood, who was the treasurer of the organization.

I do not want to take up any more time.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WHEELER. I do.

Mr. CLARK. I am informed by the Senator from North Carolina that the requirement of the North Carolina law is, as it is in most States where returns are required, that it is the duty of the chairman of a political organization to file a return; so I do not see that the Senator answers that question by reading the testimony of the treasurer of the campaign. It may be that the treasurer had a right to file a return; but if the law makes it the duty of the chairman of a political organization to file a return, and Mr. McNinch has testified that he had knowledge of this contribution, as the Senator from Kentucky says, I do not think Mr. McNinch helps himself by bringing in at this late date the testimony of the treasurer of the committee that the money was paid directly to him.

Mr. WHEELER. All right; but suppose the Senator from Missouri were the head of an organization, and he asked the treasurer how much money he had received, and the treasurer refused to give the Senator the information, does the Senator think he could file a statement of it?

Mr. CLARK. I would not be the head of an organization in which I was compelled by law to make a return of the expenditure of large sums of money, as the record in this case shows was done, and in which the treasurer refused to furnish me the information on which to make a return.

Mr. BLACK. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Alabama?

Mr. WHEELER. I yield.

Mr. BLACK. Has the Senator covered Mr. McNinch's record as a member of the commission?

Mr. WHEELER. I have tried to cover it. I was coming back to it again.

Mr. BLACK. I happened to be out of the Chamber at the time.

Mr. WHEELER. I have covered it casually, just in general terms.

I desire to repeat, as I said at the outset, that I have no feeling at all with reference to Mr. McNinch. I scarcely know the man. I have never talked with him for over 15 minutes in my life. I heard him testify before the Interstate Commerce Committee when his nomination was here before. I was impressed with the fact that he was sincere, that he was liberal in his viewpoint on the power issue. The then Senator from North Carolina vouched for Mr. McNinch, and I voted for his confirmation. He has served ever since that time, and President Roosevelt has promoted him to the position of Chairman of the Commission. I challenge any Member of the Senate to point his finger to a single, solitary act detrimental to Mr. McNinch's record since he has been a member of the Commission.

As we all know, the power interests from one end of the country to the other, of course, are bitterly opposed to the present policies of this administration. There is not a time when they get together but that they are constantly berating the administration. I say to every Member of the Senate that by voting against Mr. McNinch, if the Senate should refuse to confirm him, he will be playing right into the hands of the power interests of the country, and they will hold a jubilation over the fact that the Senate has defeated the one man who has been closer than anyone else to the President of the United States during the past 2 or 3 years in the power fight.

If Senators desire to defeat Mr. McNinch because he bolted Al Smith, they may do so; but, as much as I have supported Al Smith, I cannot bring myself to be so narrow in my political feelings as to oppose somebody because of the fact that he has not always voted for the candidate for whom I have voted. If I did that in my State, and if most of the people in the Northern States did that, there would not be enough Democrats in the northern part of the country to flag a handcar.

I desire to say, further, Mr. President, that Mr. McNinch may have done wrong. I am not condoning what he did at all, and would not for one moment attempt to condone it. The Senate confirmed him on a previous occasion, however, after every single solitary thing that was brought up on the floor of the Senate this time was gone into at hearings before the Interstate Commerce Committee, and then again gone into on the floor of the Senate. Since that time Mr. McNinch has served upon the Power Commission as one of the most honorable, one of the most efficient, and one of the most brilliant men who served in any capacity on any of the commissions here in Washington. That is not merely my judgment with reference to the matter; it is the judgment of every single solitary man who has followed the power fight in the United States. It is the judgment of every newspaperman in the galleries who has followed the power fight in this country. It is the judgment of every single individual from one end of the country to the other. Senators may vote against Mr. McNinch if they desire; but if they vote against him because he bolted Al Smith, they will be setting themselves up as just as intolerant as they claim Mr. McNinch to have been.

I, for one, Mr. President, deplore intolerance, whether it is on one side or on the other. I, for one, will not permit myself, because of intolerance, to vote either for or against

any man for confirmation to any office within the United States. When we let our intolerance get the better of our judgment in these matters, whether it is political intolerance, economic intolerance, or religious intolerance, we are doing a disservice to the people of the United States of America.

Mr. McCARRAN. Mr. President, in approaching the discussion of this subject I desire first to dwell upon the expressions of the very able Senator from Montana [Mr. WHEELER]. I do not approach the discussion from the standpoint of intolerance. I do approach it from the standpoint of ability and capability.

The learned Senator from Montana said, "Vote to reject this man, and the power interests of the country will hold a jubilee." If there is anyone in the Senate who has done me the courtesy of watching my career, he will at least credit me with candor as against the power interests of the country. I am in favor, and I have been in favor, and I shall continue to be in favor of municipal control as against private control of the power of the country. It is because the man who is now nominated by the President is incapable of carrying out those great policies that I take the floor here today; not because of any intolerance, because I do not know his record. I take his record, however, from the two Senators from North Carolina, and I am willing to abide by that record. When neither of those Senators, so far as I know, is willing to subscribe to his nomination, I am one Senator on the floor of this body who will not vote for his confirmation. At least a man should have the endorsement of those who know him best.

So far as intolerance is concerned, that is a thing of the past, thanks be to God. So far as intolerance is concerned, I wish it had never come into American history. That does not enter into my consideration whatsoever. But I say, Mr. President, that from my study of this man, from my observation of him, from the fact that I have read his opinions, from the fact that from today on there must go forward the voice of the Executive of this country that natural resources must be conserved and applied to municipal benefits, I cannot and I will not lend my vote to the confirmation of Mr. McNinch.

I say nothing against him personally. I do not know his record. The learned Senators from North Carolina know it much better than I do. All I want is to be fair; but in my spirit of fairness and in my idea of fairness I conceive that a Nation must go forward, and a Nation going forward can best go forward when it utilizes natural resources for the best interests of the communities where those natural resources exist.

Mr. McNinch was nominated under a President who believed in private control of all natural resources. I do not think there is anyone who, having read the life of that President, will deny his natural inclination. When Mr. McNinch was serving under that administration, he served that administration. He is now willing to serve this administration, and if tomorrow another administration should come in, he would be willing to serve that.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield.

Mr. WHEELER. I am sure the Senator is not familiar with Mr. McNinch's record during the Hoover administration, because he was most progressive, as any man who knows his record during that period of time will testify. As a matter of fact, he took office under Hoover, but he did not subscribe, as everybody who followed the power fight in this country knows, to the ideas of Mr. Hoover.

Mr. McCARRAN. He could be the most progressive and yet not be very progressive; so there you are.

Our vote on the confirmation of this gentleman does not involve a question of party lines. It is not a question of tolerance or intolerance. It is a question of his ability and capability and adaptability to the office to which he is nominated.

Mr. President, this is all I have to say. These are my views on the subject. I want to be recorded as voting against the confirmation of this man for the reasons I have suggested.

Mr. NORRIS. Mr. President, I had not intended to debate this question, and I should not intrude myself on the Senate at this late hour if it were not for some of the things that have been said in regard to Mr. McNinch which I cannot understand.

Of course, while I may be wrong and others may be right about the matter, I have no sympathy with the man who makes objection to someone who is appointed to office because he does not wear a political badge of a particular kind. I know that many very fine and able men object to the appointment of anybody, regardless of his ability, regardless of his honesty, if he does not wear some particular political badge, and some go so far, if a man is a hundred years old, to say, "If a search of your life from the time you commenced to vote to the present shows that you ever voted for a township trustee or a school teacher or any candidate of that kind who did not bear your political badge, you were a traitor and you are not fit to hold office, and you never ought to be appointed to office by anybody, regardless of your ability." That carries partisanship further than I think it ought to go.

Mr. President, I wonder, too, what some of those who condemn others because they have not supported this man or that man for President, and make them out to be unfit for public office, think of me. I wonder why I am not expelled from the Senate. If that be a crime, we would not have a quorum here. I could not go on this side, of course, I could not go on the other side, of course, although this side and the other side both treat me with great respect when I happen to be supporting some man for office who wears their particular badge. I am a good fellow when I am supporting Smith for President, and the Democrats pat me on the back and say, "What a patriotic man you are." But they come here and say, "Here is a man who would not support Smith, a Democrat, but supported Hoover, and he is not fit to hold office. We do not care anything about his qualifications. Get anybody, we do not care who he is, how low he is, how incompetent he may be, but he must be a Democrat."

I did not agree with Mr. McNinch in the election in 1928. I supported Mr. Smith. I would do it again if I had the same chance. I am not ashamed of supporting him. I am not apologizing for it, either to this side or to the other. But if Mr. McNinch was a rascal because he supported Hoover, then I am a double rascal because I supported Smith. If he lost his citizenship for going over to the Republicans and supporting their candidate for President, then I lost mine when I went over and supported Smith.

The same reasoning applies to support of Roosevelt. There are none on the other side more anxious to see the Roosevelt administration succeed than I am. I think Mr. Roosevelt made, in this case, an exceptionally fine appointment.

When McNinch was first appointed I was suspicious of him. I am not a member of the committee; and, though I had no time to spare, I took time to go to the committee and listen to the hearings and the record that was made. When I went there I was against McNinch. I came back into the Senate and voted for him.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. NORRIS. Just a moment. Everything was gone into. All the record was gone over. The Senate took a vote, and when we came to vote there were only 11 votes against McNinch. Democrats and Republicans alike voted for him.

Let me go a little bit further while I am on this point, if the Senator from Nevada will wait a moment. Then McNinch went into office. I did not see the man change the color of his coat and be different under Roosevelt than he was when he served under Hoover; neither did other Senators. It is conceded, I believe, that he has not done that. Underneath it all he may be a rascal of the deepest dye—I do not know—but from my standpoint he has made a record of which any man ought to be proud. He has

made a record of which I am proud. He has made a record of which ex-President Hoover ought to be proud, and he probably is. President Roosevelt made McNinch Chairman of the Federal Power Commission. I think he has made a wonderful record on the Commission. As the Senator from Montana [Mr. WHEELER] said, all over the country there is one class united in opposition to him, and that is the power interests, the private Power Trust.

I do not mean to criticize anyone else. Others may know Mr. McNinch better than I do, and they may be right about the matter; but when I see so much of the time of the Senate taken up in quibbling over the fact that this man is not a loyal Democrat, that once in his life he supported a Republican—a Republican whom I myself did not support—and saying that therefore he must be condemned, I confess that I do not subscribe to that kind of a doctrine. If that is good doctrine, then I am out of place; I ought not to be here; I have no place in public life.

Do Senators go into the campaigns when they are running for office and say, "I do not want any Republican votes"? Do Senators say, "If you are a Democrat and vote against me, you are branded"; or, "If you are a Republican"—the rule must work both ways—"if you vote for me you brand yourself as a traitor, and I will never give you an office nor will I ever support you if you are appointed to office"? Is that the kind of campaign that anyone makes in any party?

Senators welcome Republican votes when they are running on the Democratic ticket. They are good fellows if they vote for you. It would now appear, however, from this discussion, that any man who ever scratched his ticket was a demagogue and not entitled to the respect of his fellow men.

I feel deeply about this subject. When I supported Smith I found a good many in the Republican Party who bitterly criticized me for supporting him. There are just as many men in the Republican Party as there are in the Democratic Party who feel that way. There are men in the Republican Party who would not look at me or speak to me now if they met me on the street, just because I did not support Hoover; and apparently this man McNinch must be condemned because he did support him.

I myself think McNinch made a mistake when he supported Hoover. I think he was wrong; but I have to concede that he had a right to support Hoover, even though he himself was a Democrat.

I now yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, I think the learned Senator from Nebraska made the statement—and I hope to quote him correctly now, when so long a time has passed since he made it—that when Mr. McNinch's nomination came up on the first occasion, the Senator was suspicious of him. I hope I quote the Senator correctly.

Mr. NORRIS. Yes; I think I said that.

Mr. McCARRAN. I wonder if the learned Senator will state on what ground his suspicion was then founded.

Mr. NORRIS. I am speaking now from recollection, but I think it applies to all such cases.

I have found from my experience in public life that when a President appoints a man to a commission where there have to be appointed some members of the opposing party, as is the case with respect to the Federal Power Commission, the President always hunts around for a friend in the other party. I can point the Senator to illustrious men in the Democratic Party who always did that. The same thing is true of the Republican Party. It may not be right. Many good men argue that that is not right. I do not care much about it, because I never had much sympathy with the law and I have always opposed laws that required a man to be appointed because of political qualifications, as many of our laws do.

I was here under President Wilson, a Democrat. In the case of the commissions he had to appoint, where they were to be divided and had to be made up partly of Republicans, I noticed that the Republicans he selected were always men who supported him in the previous campaign.

Mr. Hoover had the same kind of appointments to make, and when he had to appoint a Democrat he always found some Democrat who had supported him. I suppose that is what Hoover did in this case.

I do not anticipate that Mr. McNinch had any deal with Hoover, or anything of the kind. I do not think there was anything crooked or wrong. However, I have an idea that so far as Hoover was concerned, he appointed McNinch because McNinch supported Hoover.

Senators may say what they like about that kind of politics, but that is the kind of politics under which we are living. That is the kind of politics Democrats practice. That is the kind of politics Republicans practice. It is the universal rule, and I suppose it always will be. Right or wrong, it is the practice; it is the procedure. I had an idea that we had better look carefully into an appointment to a position of this kind made by President Hoover, because I knew where President Hoover stood on the power question.

I listened to the testimony before the committee. I heard Mr. McNinch testify; and though I concede that I may be wrong, I concluded, and I did it without evidence, just from my knowledge of things in general, that Hoover had appointed McNinch because McNinch had supported Hoover.

I was suspicious at first that Hoover had appointed McNinch because the Power Trust owned him; that he had leanings toward the Power Trust or private companies. When I heard the evidence I reached the conclusion that I was probably wrong in that suspicion. Perhaps I was not certain about it, but I was sufficiently satisfied that I was wrong in that suspicion that I voted for his confirmation.

I believe that is a correct statement. I cannot prove any of those things. I do not know what was in the heart or the mind of the President when he appointed McNinch, but I think President Hoover appointed him because he had to appoint a Democrat and because he was the kind of a Democrat who had supported Hoover. That is what all the Presidents do. So President Hoover appointed him. Our bipartisan boards are filled with that kind of appointees. Grover Cleveland did it. I do not know any President who did not do it. All of them did.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from North Carolina?

Mr. NORRIS. I yield.

Mr. BAILEY. I greatly delight in the candor of the Senator from Nebraska. I feel that he is probably right in believing that Mr. Hoover appointed Mr. McNinch because Mr. McNinch voted for Mr. Hoover.

Mr. NORRIS. I think so.

Mr. BAILEY. So far so good. He has received his reward. Why should the Democrats reward him?

Mr. NORRIS. The Democrats need not reward him.

Mr. BAILEY. I am not going to if I can help it.

Mr. NORRIS. If the Senator is going to say, "Here is a Democrat who was appointed and rewarded by a Republican President, so let us kick him out", that is one thing. If the Senator would go through all the boards and commissions and do that, he would find more vacancies than he could fill in the next 6 months, because they are filled with appointees of that kind who were appointed for that very reason.

Mr. BARKLEY. Mr. President, the Senator is mistaken that he could not fill them in 6 months. I could fill them in 6 hours from among the applications I have now on my desk for positions. I might not be able to fill them with as good men, but I could fill them.

Mr. NORRIS. If the Senator filled them from among the applicants whose applications are on his desk, he probably would make as many mistakes as he had appointments to make, and after a while he would find that out.

This man, as has been stated, has made good. In my judgment, he is entitled to this office. He is an outstanding character in the United States today on the subjects which come before that Commission. He is the leading authority and recognized as such. He is hated by the Power Trust.

His defeat here would be heralded as the greatest kind of victory in favor of the Power Trust. He has made good.

When President Hoover first nominated him I voted for his confirmation, after a great deal of investigation, because I then felt he would make good. Now the charge is made that something that was settled at that time, when we passed on the matter, has not been investigated again. The matter is brought up now and criticism made because the committee did not go into it again. They did it before, took volumes of testimony, went all over it and reached their conclusion, and after full debate the Senate, by almost unanimous vote backed up the nomination and voted for his confirmation.

I was one of the doubtful ones. I did not know the appointee. Knowing the source of his appointment and the ideas of President Hoover on the power question, I was suspicious. I went into it with suspicion in my mind. I became convinced. I am more convinced now than ever that he is one of the outstanding characters on the questions with which the Commission has to deal, one of the outstanding authorities in America on those questions. From my viewpoint it would be a terrible mistake if the Senate should not confirm his nomination.

I did not agree with him. He supported Hoover. He went against his party and supported Hoover. I went against my party on the other side and supported Smith. If he is a bad man because he did that, I am just as bad because I supported Smith and I ought to be kicked out. I have been reelected since in the face of that, and I received a bigger majority than ever before.

This man, because he was appointed by Hoover, ought not to be defeated now when he is appointed by another President.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Nevada?

Mr. NORRIS. Certainly.

Mr. McCARRAN. I want to say to the Senator—perhaps I am not within the realm of propriety in doing so—that I very much dislike having the learned Senator from Nebraska in the breach where he places himself now before us, to be voted up or down by the Senate in order to save Mr. McNinch.

Mr. NORRIS. Oh, no; I do not do that. I relieve the Senator entirely from any aspersion of that kind.

Mr. McCARRAN. I know the learned Senator during his entire discussion has dwelt on himself. Every one of us is a great admirer of the learned Senator from Nebraska. The learned Senator from Nebraska wants us to vote up or down, in or out, according to whether or not the learned Senator from Nebraska was right in abandoning his party, and thereby we will say that Mr. McNinch was right or wrong in abandoning his party.

Mr. NORRIS. No; I am not requesting anything of that kind. Of course, I would have no reason or right to request anything of that kind.

Mr. GLASS. Mr. President——

Mr. NORRIS. I yield to the Senator from Virginia.

Mr. GLASS. I do not concede that the Senator from Nebraska properly places himself in the same category with Mr. McNinch. Why was Mr. McNinch appointed in the first place?

Mr. NORRIS. I went into that somewhat before the Senator came into the Chamber.

Mr. GLASS. Yes. I had no need of asking the question, because I know why he was appointed.

Mr. NORRIS. Then there is no necessity for me to answer the Senator's question.

Mr. GLASS. Not a bit in the world. I will answer my own question. He was appointed for no other reason than that he deserted his party and supported Mr. Hoover. That is all. He was not appointed on account of his fitness. He did not know anything more about the power interests, whether they were right or wrong, than the man in the moon. He was appointed simply because he voted for Mr. Hoover. Thousands of people in my State voted for Mr. Hoover. Virginia, for the second time since the Civil War, voted the Republican ticket, voted for Mr. Hoover by 24,000 majority. Many of the best people of Virginia did that. That is not the question involved here. It is why Mr. McNinch was appointed. He was appointed because he deserted his party and voted for Mr. Hoover, and for no other reason on the face of God's earth.

Mr. NORRIS. The Senator could make the same statement about every other Democrat that Mr. Hoover or any other Republican President ever appointed to office. If there was a deal by which Mr. Hoover had agreed in advance, if a contract had been made with this man, "if you will support me I will appoint you to this office", it would have been a different thing. That cannot be proven. No one will attempt to prove it. He may have been appointed because he supported Mr. Hoover. That is natural. Presidents make such appointments, as I said when the Senator was not here. Democrats and Republicans alike have done that. It does not follow that the man appointed is incompetent or is a criminal or is guilty of anything that ought to bring about his defeat. If it were true that Mr. McNinch had supported Hoover because in advance a contract was made with Mr. Hoover that if he did support Hoover he would be appointed to this office, then it would be a different matter.

Mr. GLASS. I do not say that that is so.

Mr. NORRIS. Of course the Senator does not.

Mr. GLASS. I do not put Mr. McNinch in the category of an apostate for the price of his apostasy; but all the same he was an apostate and he got the job, and that is the only reason he got it.

Mr. NORRIS. The same thing would be true of other appointees. That may be said whenever a President appoints a man where we have minority political representation on these various boards and commissions. I have never favored that kind of representation but it is provided for in all kinds of laws. Where the President has to appoint representatives of different parties to the offices he cannot appoint more than so many from one party. It works out, as a rule, so that the President selects for the minority, nominees from the other party, men who supported him.

Democratic and Republican Presidents have always done that. That is the general rule. I do not think it is a good rule. I voted against the laws which provided that the minority of a body should be of one party and the majority of another party. I would rather give the President a free hand and let him appoint all the members of a body, if he desires to do so, from his own party. That, however, is not the law; and I take it that it is no disgrace to Mr. McNinch that he was appointed and accepted the office, although the appointment was made by President Hoover. It does not follow and nobody believes that when the appointment was made any promise was made or anything wrong was done by Mr. McNinch when he got the office, or that he supported Hoover with the understanding that Hoover was to give him an office.

Mr. GLASS. I do not think that occurred, but I think Hoover gave McNinch the office because he supported Hoover.

Mr. NORRIS. He probably did. That is true all the way around. All the Presidents have done that.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I will yield the floor if the Senator desires the floor.

Mr. BARKLEY. No; I have not any desire to speak on this nomination. I am wondering if we cannot get a vote. I may say that, as soon as this nomination shall be disposed of, it is the purpose to recess until tomorrow, at which time two important bills are to be considered, and, after they shall have been disposed of, to recess until Monday. It is, therefore, very desirable to get a vote on this nomination tonight if possible. If no other Senator desires to speak, I hope we may have a vote.

Mr. LEWIS. Mr. President, I rise merely to ask information from the Senators from North Carolina, if I may intrude.

Mr. BARKLEY. I yield to the Senator for that purpose.

Mr. LEWIS. When the appointment of Mr. McNinch was made, were the Senators from North Carolina informed, did they protest it, and was the appointment made despite their protest?

Mr. BAILEY. Mr. President, I will respond to that inquiry.

When Mr. McNinch was appointed in December 1930, other Senators than the present Senators from North Carolina were Members of this body. I was Senator-elect, and did appear, but I could not appear in my capacity as Senator. I did not qualify until March 4, 1931.

Mr. LEWIS. Has not Mr. McNinch been reappointed by President Roosevelt?

Mr. BAILEY. He has been reappointed.

Mr. LEWIS. It is as to that appointment that I should like to know if the Senators were informed, and if they protested, and if the latter appointment was made despite that protest.

Mr. BAILEY. I will answer that question. I was informed, and I did communicate with the President; and I think I made it perfectly clear, in speaking here just now, that I was respecting the President's decision in the matter. He heard it, and I have no complaint to make of the President.

Mr. BARKLEY. If the Senator will yield there, further to clear up this matter, at the time this nomination was made 4 years ago the present junior Senator from North Carolina [Mr. REYNOLDS] was not a Member of this body. Senator Morrison at that time was a Member of the Senate, having just been appointed by the Governor. The present senior Senator from North Carolina [Mr. BAILEY] had been elected, but had not taken his office; but, as the Senator-elect, he did appear before the Committee on Interstate Commerce and object to the appointment, very largely because of the campaign in 1928. The other Senator from North Carolina, who is not now a Member of this body, appeared before the Committee on Interstate Commerce and endorsed the appointment of Mr. McNinch, and asked for his confirmation, and made a speech on the floor of the Senate in behalf of his confirmation at that time.

I feel that that ought to be said, because the present junior Senator from North Carolina [Mr. REYNOLDS] was not then a Member of the Senate of the United States.

Mr. GLASS. Mr. President, I desire to have it distinctly understood that I make no criticism of the reappointment of Mr. McNinch by the present Executive. The fact of the matter is, I am inclined to think Mr. McNinch has been a good member of the Commission; but I voted in the first instance against rewarding party treason, and I am going to be consistent now and vote that way.

Mr. CLARK. Mr. President, in furtherance of the inquiry of the Senator from Illinois [Mr. LEWIS] as to the attitude of the Senators from North Carolina, I listened today to a very able and exhaustive speech by the senior Senator from North Carolina [Mr. BAILEY]. I should like to ask the junior Senator from North Carolina [Mr. REYNOLDS] if it is not a fact that he also protested against this nomination before it was made in this instance?

Mr. REYNOLDS. Mr. President, I recall very vividly that in 1928 the Presidential nominee of the Democratic Party was none other than Alfred E. Smith, from the great State of New York. Since you would have me speak at this hour, Mr. President, I shall avail myself of this delightful opportunity, despite the fact that the galleries are not filled. [Laughter.]

The PRESIDING OFFICER. It is not at the request of the Chair. [Laughter.]

Mr. REYNOLDS. But it will be my pleasure on this occasion to speak directly to the eminent Senator who now occupies the Chair [Mr. DUFFY in the chair], and I am delighted to have this opportunity, because heretofore, every time I have attempted to command the attention of the eminent Senator who now occupies the chair, he has left the Senate Chamber. [Laughter.]

In 1928, Mr. President, the members of my great party, the Democratic Party of North Carolina, bestowed upon me a great honor—the honor of representing that party as one of the Presidential electors from what was then known as the Tenth Congressional District of North Carolina. Since 1928, however, our State has gone forward so miraculously, it has made such great progress in population and wealth, that the Federal Government has consented to give us 11 congressional districts instead of 10. So now, Mr. President, instead of residing in the Tenth Congressional District of North Carolina, as I did then, I reside in the Eleventh Congressional District of North Carolina.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. REYNOLDS. I will come in just a moment to the matter the Senator has in mind.

Mr. BLACK. I understood that the Senator had fully answered the question now, and I thought perhaps we could vote.

Mr. REYNOLDS. Not just yet. [Laughter.]

Mr. President, as I have said, I was made one of the Democratic electors. I was so enthusiastic about our nominee, Alfred E. Smith, that I did not confine myself to public addresses in his behalf and in behalf of our great party and its principles only in my district, but I likewise covered every single county in North Carolina, in order that I might have the opportunity then of telling of this great man, and what he would do for the country should he be elected. During that campaign a lot of people in North Carolina said that Mr. Smith ought not to be elected because he was an antiprohibitionist. I differed in views from some of my fellow-citizens in North Carolina, and at that time I was thinking about becoming a candidate for the United States Senate. As a result, I availed myself of the delightful opportunity of going very deeply into the question of prohibition [laughter]. So, at the expense of those who were putting up the money for me to ride all over North Carolina, I talked about that subject, which I made one of the issues in my campaign of 1932.

Mr. President, I did not like it when I heard that Mr. McNinch was at the head of an organization that was opposing very strenuously our candidate, Mr. Smith, and it was said that his opposition was attributable to the fact that his views were not in accord with the views of Mr. Smith on the question of prohibition. Naturally, I did not like that, because we were not in thorough accord as to that particular subject.

As the campaign went on, I heard a lot of religious talk, about what they called "intolerance", and I rather thought perhaps that Mr. McNinch, who was heading the opposition, had started some of those tales about intolerance. So the campaign went on, and I talked a good deal about Mr. McNinch's interest in the campaign. Then, of course, when the time came for me to run for the United States Senate, I talked some more about Mr. McNinch. I felt rather that Mr. McNinch had gone too far, and that he had injected into the campaign the question of prohibition, and of intolerance, and it was perfectly natural for me to give expression to my thoughts at periods later.

So, in my primary campaigns—there were two of them in the year 1932—and likewise in the general election which followed, I stated to my constituents that I would oppose the reappointment of Mr. McNinch.

I had never heard of Mr. McNinch prior to the campaign of 1928. He lived in Charlotte, N. C., a lovely city a hundred and twenty-five miles from my town of Asheville. Asheville is said to be the finest resort in America. [Laughter.]

Soon, I think, we will have stretching in serpentine fashion a marvelous velvetlike highway from the Shenandoah National Park to the Great Smoky Mountain National Park. In 1933, according to the report of the Secretary of the Interior, more people visited the Great Smoky Mountain National Park than visited any other park of the United States, even including the Yosemite and the Yellowstone National Parks. As soon as the highway to which I have referred shall be completed, it will be the Mecca of all America, and I trust will make my beloved section of North Carolina the most popular playground of America.

Mr. President, carrying out my promises to my constituents, when I came to Washington and the newspapermen made inquiry of me about this matter, I told them that my position had not changed a particle, that I had stated that I was going to oppose Mr. McNinch's reappointment, that I had told my constituents that I was going to do that, and I was sticking by what I had said.

I came here in November 1932 to enter upon my first term. That was a short term and lasted until March 1933, when our great President took the oath of office as President of the United States, and, if I recall correctly, it was 16 months before the question arose as to the reappointment of Mr. McNinch.

It appears, from what I have learned here, that Mr. McNinch was appointed by President Hoover, and after serving under President Hoover, he served for a period of 16 months, up until June 1934, under the present great President of the United States.

I wrote a letter to the President of the United States before his reappointment of Mr. McNinch, in which I carried out the promises I had made to my constituents in North Carolina. I sent this letter to the White House, and I should like to read it into the RECORD. I stated in the letter:

MY DEAR MR. PRESIDENT: The term of Mr. Frank R. McNinch, first appointed to the Federal Power Commission by former President Hoover and later by your designation made Chairman of that Commission, is, as I am advised, upon the point of expiring.

I respectfully protest against Mr. McNinch's reappointment. In my campaign for the Senate I promised to oppose his reappointment, the ground of my opposition being his bolting of the Democratic national ticket in 1928 and his active leadership in the fight against Gov. Alfred E. Smith, Democratic candidate for the Presidency in that campaign.

This promise I made to the Democratic voters of North Carolina is sacred to me, and I must therefore, and do, declare my opposition to the reappointment of the present Chairman of the Federal Power Commission.

I write you now because I feel that it is my duty to you, as my beloved and trusted leader, to advise you in advance of my obligation and attitude with reference to the question of Mr. McNinch's reappointment.

With renewed assurances of my sincere affection and great respect, I am, my dear Mr. President,

Faithfully yours,

ROBERT R. REYNOLDS.

So, prior to the reappointment of Mr. McNinch by the present President of the United States as a member of the presently constituted Federal Power Commission, I dispatched that letter by special messenger to the President, in keeping with the promise I had made to my constituents in North Carolina.

It was after the receipt of the letter which I have just read that the President, over my opposition, and evidently over the opposition of my colleague, preferred to and did reappoint Mr. McNinch as a member of the Federal Power Commission.

Mr. CLARK. Mr. President, as we all know, the Constitution requires that appointments to certain offices be made by and with the advice and consent of the Senate of the United States. I gather from the eloquent remarks of my friend the junior Senator from North Carolinia [Mr. REYNOLDS] that while the President did not follow his advice in the pending matter, he is going to get his consent.

I came into the Chamber this afternoon to listen to the debate on this nomination with as open a mind, I think, as I ever had on any subject in my life. I had no prejudice either for or against Mr. McNinch. I knew very little about him and had no reason either to favor the nomination or to oppose the nomination.

I listened with great care to the very able presentation of the case against the confirmation of Mr. McNinch by the senior Senator from North Carolina [Mr. BAILEY]. That address convinced me that if the charges contained in the remarks of the senior Senator from North Carolina as to the conduct of Mr. McNinch as chairman of a political organization in the State of North Carolina in the year 1928 and his failure to make a return as required by the North Carolina law were well taken, Mr. McNinch's confirmation should be refused.

I listened to the address of the Senator from Montana [Mr. WHEELER] taking issue with the Senator from North Carolina [Mr. BAILEY] on that point. So far as I am concerned, Mr. President, I desire to say now that if the Senator from North Carolina had desired to call for a record vote on the question of confirmation I should have been prepared, upon his presentation of the case, to vote against the confirmation of Mr. McNinch. However, the Senator from North Carolina is much more familiar with the case than I am; and in view of his expressed attitude of not desiring to force a roll-call vote, I am prepared to yield to his leadership in the matter.

I do desire to say, however, that my failure to demand a quorum and ask for a record vote is in no sense actuated by the desk thumping of my distinguished friend from Montana [Mr. WHEELER], nor his customary intimation that anyone who happens to differ with him on any particular matter is acting in the interest of the power companies.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Frank R. McNinch to be a member of the Federal Power Commission?

Mr. McCARRAN. In order that a record may be made, since I assume there will be no yea-and-nay vote, I desire to have the RECORD show that the junior Senator from Nevada votes against this confirmation. I do it for the reason I have stated, and I desire to have this statement go into the RECORD.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Frank R. McNinch to be a member of the Federal Power Commission? (Putting the question.) The "ayes" have it, and the nomination is confirmed.

LEGISLATIVE SESSION

Mr. BARKLEY. I ask that the Senate resume legislative session.

The Senate resumed legislative session.

MODIFICATIONS OF NATIONAL RECOVERY ACT

Mr. COSTIGAN. Mr. President, the growing discussion of desirable amendments to the National Industrial Recovery Act makes significant certain recent separate recommendations transmitted to the National Industrial Recovery Board by the Consumers Advisory Board and the Labor Advisory Board of that Federal agency. I ask unanimous consent to have these recommendations, and the reports in which they are included, incorporated in the CONGRESSIONAL RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS OF THE CONSUMERS' ADVISORY BOARD, JANUARY 7, 1935

The purpose of the act lost sight of: When the National Industrial Recovery Act was passed in 1933 Congress included in its statement of policy its purpose "to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production * * * to increase the consumption of industrial and agricultural products * * * and to conserve natural resources." With these purposes the Consumers' Advisory Board is in complete accord. The Board believes that such policies should have dominated the administration of the act and should be made effective in the revision which the new Congress is now compelled to undertake. If the Recovery Act, in its practical application, has unduly restricted production, prevented the fullest possible utilization of productive capacity, or failed to increase consumption, it is because the pressure of special interests for individual advantage has diverted the course of the act from that which Congress intended it to follow.

More than an emergency: The problem before the Congress is no simple one. It involves not only the adoption of those policies best calculated to promote industrial activity and employment but also the determination of methods to be employed in meeting the more persistent issue of industrial regulation. It presents for solution problems of the extractive industries, manufacturing, distribution, and the service trades. It raises the whole question of enforced competition as opposed to controlled monopoly.

Every producer a consumer: Every citizen has an interest in these issues both as a producer and as a consumer. His interest as a producer is a particular interest which may often come into conflict with the interests of others. His interest as a consumer is a more general interest which all citizens have in common. It is from the point of view of this general interest that the Consumers' Advisory Board offers its observations upon the forthcoming revision of the act.

The consumer interest: The consumer's interest requires that goods be turned out in large and increasing volume, that living standards may be advanced to the highest level to which our productive capacity and our technical skill can raise them. Competition which contributes to this end must be encouraged, prices kept low. There must be maintained in the industrial system a degree of flexibility which will permit the low-cost to displace the high-cost plant, the more efficient producer to supersede his less efficient competitor. The door must be kept open to new products and processes, to new blood and new ideas.

Should we put on the brakes? The evidence is conclusive that the people of the United States do not have and never have had an average standard of living high enough to justify complacent acquiescence in any program which restricts production. Thousands are improperly fed, badly housed, inadequately clothed. Nearly all of us could increase our consumption of goods and service without overindulgence. In such a situation it is fantastic to talk of overproduction. There has been overcapacity only in the sense that industry has produced more than it can sell at high prices. If prices are not so high as to prevent it, idle labor and capacity will be put to work and the so-called "surpluses" of the goods of which our people stand in desperate need will shortly disappear.

A floor for competition: The consumer wants a low price, but he does not want such a price if it is to be obtained only by depressing labor standards, by impairing the quality of goods, by practicing misrepresentation or by squandering precious natural resources. He does, however, want the lowest price which is consistent with conservation, with honest merchandising, with proper quality, and with decent wages, hours, and working conditions. His interest is to be served neither by unbridled competition nor by unbridled monopoly. Competition forces prices down, but it may do so at the expense of the worker, the consumer, the fair competitor, and the coming generation. There is no indication that monopoly deals more decently with labor, gives high quality, eliminates deceptive competitive methods, or conserves resources; it does, however, enjoy the power to establish prices which will reduce the volume of industrial output and impair the standard of living. What is needed is an intermediate program which might at once put a floor under labor, consumer, and trade standards and preserve the protection against undue price increases which competition affords above that floor. Adoption by industry of codes of fair competition confined to the establishment of minimum conditions of employment, quality guaranties, and competitive standards might have provided such a program. That the present codes have gone far beyond these simple minima is a matter of common knowledge.

The codes distorting the act: Some groups have employed the codes, frequently in violation of the purpose of the act and even in defiance of their plain terms, as a means of eliminating active price competition, increasing and protecting profit margins. Prohibitions against sales below cost with industry itself determining cost, basing point price systems, minimum mark-ups, maximum trade-ins, resale-price maintenance, limitations on discounts and guaranties, minimum prices—such restrictive code provisions have little to do with the establishment of basic standards for labor, quality standards for the consumer, or simple honesty for the trade. They may be used, directly or indirectly, to control prices and profits. They aim not to regulate competition but to eliminate it. Insofar as they boost prices they operate to reduce output and impair living standards. They are anticonsumer both in intent and effect. Such powers cannot safely be intrusted to private agencies unless accompanied by effective public supervision.

Industry puts on a strait-jacket: Certain industries have seized upon the codes as an opportunity to protect established concerns against the growth of rival producers. They have set up standard differentials in the discounts granted to different types of distributors, imposed standard methods of cost accounting, limited machine hours, endeavored to allocate production and to check the introduction of new equipment. The inevitable tendency of such provisions is to destroy that flexibility which is so essential to the success of small enterprises and to the growth of economic efficiency. When he adopts them, the business man deliberately places himself in a strait-jacket from which the community will soon be called upon to extricate him.

Can we prevent destructive price-cutting? It may well be questioned whether the Government should undertake to outlaw destructive price-cutting. In practice it is next to impossible to identify the destructive price-cutter. In general, the designation is applied to any business man who undersells his competitors. If he undersells by exploiting his workers or misrepresenting his products, his price-cutting may fairly be called destructive. But if he undersells by virtue of his superior efficiency, there is nothing socially destructive in his policy. The practical difficulty comes when we attempt to discriminate between price-cutting which is and that which is not socially justified. Any device which can be employed to check destructive underselling—resale-price maintenance, minimum price-fixing, prohibitions against selling below cost—can also be used to eliminate legitimate price competition. Any ban on destructive price-cutting lets the camel's nose in under the tent.

Open-price systems: The open-price reporting systems which are permitted under many of the codes carry possibilities both of use and of abuse. In some industries price reporting may be used to increase the general availability of price information and to stimulate genuine price competition. Elsewhere it may be employed to fix collusive prices and to compel individual business concerns to adhere to them. Any permission granted industry to make use of open-price reporting should therefore be surrounded with such safeguards to guarantee against its abuse as have already been suggested by the Consumers' Advisory Board.

Profits without risks: The effort has been to stabilize profits. But profits cannot be stabilized under a system of industrial freedom. Freedom involves risks. Profits are the incentive, losses the hazards, of those who assume risks. When risks are eliminated, the economic function of profits disappears. The authors of many of the codes apparently were determined both to have their profit cake and to eat it. In attempting to guarantee themselves a profit margin they have tried to shift to other groups in the community those risks which it was their own function to assume. The effort to stabilize profits comes perilously near to stabilizing poverty.

A shotgun attack: No common formula can be applied to the control of several hundred separate industries and trades which differ from one another in their essential economic characteristics. Some are composed of several thousand small, scattered units; others are dominated by a handful of powerful concerns. In some it is next to impossible to subject the individual producer to any common control; in others it is fanciful to expect him to exhibit any real independence. Some employ a few hundred, others hundreds of thousands of workers. Some produce necessaries, others nonessentials. In some, competition may be counted upon to eliminate waste; in others it inevitably begets it. Yet each finds itself functioning under a code authority which is administering the labor clauses, the fair-practice provisions, the price and quantity controls of a code of fair competition. It should be apparent by now that the complexity of the industrial system demands a more discriminating approach.

Conserving resources or conserving profits: Natural resources industries such as lumbering, bituminous-coal mining, and petroleum extraction differ from other code-controlled industries in that they alone present the problem of conservation. The active competition which elsewhere serves the consumer's interest here occasions flagrant waste. It is unthinkable, therefore, that they should again be subjected to the antitrust laws. But code control is not the only alternative. The codes are concerned not with ultimate shortages but with temporary surpluses. They are directed not toward the conservation of resources but toward the conservation of profits. In no case do they cope with the basic difficulties of the extractive industries. These industries require controls specifically designed to meet their peculiar needs. The very measures by which resources are conserved often place a check on one group of profit seekers and augment the receipts of others. Equity, therefore, demands that any set of output restrictions be accompanied by a tax which will appropriate for public uses the increase in income attributable to the controls which the Government has applied. The consumer may fairly be asked to pay more for oil in order to conserve its supply but he may reasonably object to a policy whereby the Government compels him to contribute to the creation of private fortunes. The natural-resource industries are too vitally affected with a public interest to be turned over to what is called "self-government in industry." They must be regulated by public agencies for the common welfare.

Where the antitrust laws fail: In other industries, not a few in number, monopolistic control is notoriously present. Competition had passed away long before the enactment of N. I. R. A. It could not conceivably be resurrected by the reapplication of the antitrust laws. Here these laws are impotent. But we are not ready to go to the other extreme of applying public-utility regulation, controlling securities, accounts, and services, determining valuations, and setting rates. We are confronted, therefore, with the necessity of applying some other type of control. We believe that it would be wise to experiment further with control by codes in this field. Such codes should outlaw monopolistic price practices, but they should be administered by authorities whose membership largely represents the public interest. They should require regular collection, reporting and publication of statistics on costs, prices, and profits. It may be necessary to supplement such supervision and publicity by revoking the monopolist's patents, removing the tariffs which protect his market, taxing his profits, forcing him to face public competition, or applying other controls which go beyond the scope of the Recovery Act. The Federal Trade Commission has recently made to the Congress a number of recommendations which should be seriously considered in this connection. The code of fair competition is one of many weapons in the arsenal of public control. It deserves a further trial.

Overdoing the codes: In the vast majority of industries, which present neither the problem of conservation nor that of de facto monopoly, the codes might serve three important purposes: They might create quality standards for the protection of the consumer. They might set up minimum wage and hour standards for the protection of labor. They might establish trade-practice rules for the protection of the business man against his less scrupulous competitor. Each of these purposes might be better served than it is through the present code mechanism. The amount of quality protection which the codes have given the consumer is negligible. It is unlikely that quality standards will ever emerge from a codification process in which the initiative resides primarily in industry. The standards which are needed by industry itself in order fairly to fix the quality level of price competition are unlikely to appear until they are developed and promulgated by some consumers' standards agency established by the Federal Government. Minimum standards for labor, if they cannot be established by statute, may be written into codes. But it should not be necessary to set up extensive and costly private machinery for their enforcement. It is already recognized that the enforcement of labor provisions cannot be left to industry alone. Public fac-

tory inspection and public prosecution of labor-code violators is the answer. Trade-practice rules, finally, if confined to matters which have already been legally established as unfair, may be enforced through the Federal Trade Commission and the courts. There is a necessity, however, for a simplification of procedure to expedite the handling of these complaints.

Simplifying the codes: It seems desirable in any future continuation of the N. R. A. to confine the great majority of the codes to a few simple provisions covering clearly established unfair trade practices, incorporating publicly approved consumer standards, prohibiting child labor, setting maximum hours and minimum wages, and providing for the right of collective bargaining. The Government, if it is to prevent competitive impairment of labor standards, must retain the right to impose such codes and must itself provide for the enforcement of their labor provisions.

Business rights or privileges: Under exceptional circumstances it may appear to be wise to carry a code beyond simple labor, quality, and fair-practice minima. Business may make out a case for the establishment of standard cost-accounting systems, open-price reporting, the collection and sharing of statistical information, the adoption of standard contract forms, the limitation of discounts, premiums, and guaranties; the prohibition of loss-leaders or even for the temporary imposition of output and capacity controls. Each of these devices substitutes central control for active competition. Each may be used to establish something other than a competitive price. Each achieves legal status only by public consent. None can be made completely effective without public support. If anything is granted to any business in a code, therefore, beyond the simplest labor, quality, and trade-practice minima, it must be granted not as a right but as a privilege.

Balancing power with control: Each such extension of privilege should be conditioned upon a proportionate extension of protective control. Government cannot safely turn over to private agencies public privileges which are subject to serious abuse. It follows that public membership on code authorities should increase as the powers of these agencies are increased. This is a principle which has already been recognized in the petroleum code. The precedent should be followed in the establishment of other authorities. A single administration member might suffice on a code authority which deals only with labor, quality, and fair-practice minima. Any agency, on the other hand, which administers the output, price, and profit controls which must be present in the government of the natural-resource industries must be predominantly public. Between these extremes, public control must balance grants of power. Public representation on the authorities administering the codes of those industries where high concentration assures market dominance should at least equal that of industry itself. We are not prepared to recommend a simple common formula for the designation of labor or consumer members on each of these bodies. It may be well for a time to experiment with different methods of representing these interests, both direct and indirect. Our only insistence is that they must be represented.

The tariff: The section of the act which provides for possible increases in customs duties has not been employed to raise trade barriers. It nevertheless carries, as long as it remains in the law, a constant threat to our trade with other nations. Insofar as it may be used to reduce the importation of such raw materials as lumber and petroleum, it conflicts with the announced policy of conserving natural resources. Insofar as it may be used to increase rates on goods which are produced under monopolistic conditions in the United States, it robs the Government of one of the most effective weapons which it can use to attack monopoly. Its very presence on the statute books cannot fail to embarrass the administration in its present efforts to negotiate reciprocal tariff pacts and to find foreign markets for our agricultural products. This section should be dropped from the act.

Turning on the light: Clearly included in any legislative reconstruction of N. R. A. should be detailed provision for the collection, analysis, interpretation, and publication of industrial and trade statistics. A Federal agency should be designated to prescribe the subject matter of reports, their form, and the time of their collection. It should be further empowered to place a member of its staff in every code, authority office to procure compliance with the reporting provisions of the law. Such representation might well be financed by levying a specific fee against the code authority for the Government's statistical service. Information thus collected should be made available in summary form, without identification of individual reporters, to the industry and to the general public. It might be extended to cover orders, materials on hand, goods in process, stocks on hand, sales, prices, employment, wages, hours, pay rolls, equipment, contracts, costs, and profits. The opportunity is now open to obtain the information upon which both business policy and public policy should be based in the years to come. It should not be passed by.

What needs to be done: We recommend in conclusion—

(1) That the Government retain the right to impose codes of fair competition as a measure of industrial control;

(2) That the vast majority of these codes be confined to the establishment of simple minimum standards governing hours, wages, child labor, collective bargaining, and fair trade practices;

(3) That there be added to these standards comparable quality standards for the protection of the consumers;

(4) That definite limits be set on such price and quantity controls as may be permitted to code authorities in exceptional cases;

(5) That public membership on code authorities be made proportionate to the powers which they exercise;

(6) That the tariff section of the act be repealed; and

(7) That provision be made for the collection of complete industrial statistics.

Whether the policy embodied in these recommendations should be written explicitly into the law is for Congress itself to decide. In the main, it might be carried out in the administration of the act without specifically amending its terms. These proposals do not constitute a complete program of public control. They are presented, rather, as minimum requirements which should be met even if Congress confined itself to a brief emergency extension of the act. Continuance of the recovery act as an emergency measure, however, will merely postpone issues which must sooner or later be faced. Social control of lumber, petroleum, bituminous coal, public regulation of those industries in which high concentration has destroyed market freedom, establishment of consumer quality standards, establishment and protection of minimum standards for labor—in short, the socialization of monopoly and the civilization of competition. These are human objectives which cannot long be delayed.

RECOMMENDATIONS OF THE LABOR ADVISORY BOARD, DECEMBER 17, 1934

The Labor Advisory Board has endeavored to play an active and important part in the N. R. A. organization since its creation in June of 1933. As advisers to labor in the field and as advisers to the administrative organization, it has participated in the drafting of the labor provisions of each code of fair competition. It has endeavored to aid in the administration and interpretation of these industrial laws during the past 17 months, carrying almost complete responsibility for those labor sections dealing with wages, hours, and conditions of employment.

In the light of the experience gained in this most important formative period, we submit the following recommendations for necessary changes in the National Industrial Recovery Act. We premise these recommendations on our belief that the N. R. A. should be perpetuated as a permanent part of the Nation's social and economic structure, and that its underlying assumptions should be strengthened rather than drastically upset. We believe, however, that if the underlying assumption of economic democracy is to be even approached, these recommendations must be carried out. They are aimed at correcting the outstanding failures of the N. R. A. to accomplish this objective for labor.

VOLUNTARY CHARACTER OF CODES

Section 3 (a) of title I of the act provides that trade or industrial associations or groups may apply for codes of fair competition. Yet, 17 months after the approval of the act, there are a large number of major industries, employing hundreds of thousands of workers, that have failed to voluntarily submit any codes. Other important industries have submitted codes whose labor provisions were so unacceptable to labor and to the administration that they could not be approved.

In these cases labor remains not only without the protection of minimum-wage and maximum-hours provisions, but without even code coverage of section 7 (a) of the act as to collective-bargaining rights to better their position. In other cases it has been labor's unhappy experience that the voluntary character of the codes submitted by industry has resulted in frequent imposition of undesirable provisions on labor in the industry.

The Labor Advisory Board does not believe that the purpose of the act to provide for the general welfare by promoting the organization of industry and to maintain united action of labor and management under adequate governmental supervision can be accomplished on the sole basis of voluntary action by industry. The experience so far shows that this can only result in statements or deliberate inaction in many important industries.

We, therefore, recommend that the act be amended to give power to a special board, on which labor shall have equal representation, to impose labor codes on any industry which has not voluntarily presented an acceptable code, to make amendments to any code which, in the Board's judgment, requires amendment, and to apply section 7 (a) of the act to any industry, trade, or group which has not been codified. In this way, and only in this way, will the purposes of the act be effectuated.

WAGE PROVISIONS

Section 1 of title I of the act declares the policy of Congress to be, among other things, "to eliminate unfair competitive practices * * * to increase the consumption of industrial and agricultural products by increasing purchasing power * * *." In order to accomplish this purpose, each code provides a minimum wage which has brought the wages paid to the least skilled and least experienced workers in the trade or industry up to a minimum standard.

But this group of unskilled and inexperienced workers represents a small part of the 40,000,000 wage earners in American industry. Hence the majority of those workers covered by codes have been left to the protection of some wishful thinking clause calling for an equitable adjustment of all those wages above the minimum.

Only 47 codes contain any provision for minimum scales for those workers whose skill and experience justify a higher earning power than that of the least skilled worker. The result has been to leave an unfair competitive situation in the wages paid in many industries, often at the expense of those plants who were paying a fair wage scale before the N. R. A. In many plants the minimum wage became the maximum, while in other plants the upper brackets of wages were reduced to make up for the increased wages of those brought up to the new minimum, or even to pay

the wage bill of the workers reemployed by reason of the hour reductions.

After more than a year's experience, we are convinced that only by establishing separate minimum for common, semiskilled, and skilled labor can any approach to a practicable solution of this problem be found. That is the only effective way to accomplish a wage situation which will mean fair competitive conditions and increased purchasing power. We, therefore, recommend that the act be amended to specifically provide for including different minima for common, semiskilled, and skilled labor in codes of fair competition.

LABOR REPRESENTATION

Section 1 of title I of the act declares that one of the policies of Congress shall be "to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision." Yet on over 500 separate code authorities established thus far, only 23 include any adequate representation of the labor interest. In the remaining industries, "united action of labor and management" remains accidental or mythical.

The Labor Advisory Board believes that desirable and practical industrial relations depend upon proper machinery for an economic democracy. We believe that the means to attain united action of labor and management depends upon giving labor the same opportunity to organize for collective action that has been accorded to employers in the code procedure; and, further, in giving labor an equal opportunity with management in the administration of the industrial laws which N. R. A. has created.

We, therefore, recommend that the act be amended to provide specifically that labor be equally represented with management on all code authorities or on any other administrative bodies established to administer codes of fair competition, including the National Industrial Recovery Board or its successors.

COMPLIANCE

During the first year's experience under codes of fair competition, one of the major obstacles toward an effective program has been the lack of compliance. The effort to live up to standards which are not adhered to by competitors is a costly and disastrous process. The wide-spread violation of those code provisions which are loose and easily evaded makes the improvement of codes all the more difficult. There results a cumulative undermining of the whole code structure.

The machinery for compliance has recently been reinforced by the establishment of 10 regional compliance boards with labor representation, and the undertaking of a program of mass enforcement whereby inspection of establishments will supplant the investigation of complaints. The Labor Advisory Board heartily supports and endorses this renewed effort for enforcement of code provisions.

Since the establishment and proper administration of effective compliance machinery depends largely on individuals whose tenure of office is problematical, we recommend that the act be amended to incorporate into legislation those provisions for proper enforcement machinery which are now being undertaken.

CODE AMENDMENTS

The Labor Advisory Board acts as the connecting link between the National Recovery Administration and those millions of workers in the field for whose protection the labor provisions in the codes are being administered. It therefore stands in a position to gain an intimate knowledge of the effect of code provisions on labor, of the abuses, and of the subterfuges by which the codes are evaded. It is in a position to know what provisions of codes are ineffectual or are detrimental to the workers in each industry.

The experience of the past year and a half has proved, however, that it is practically impossible to put the benefit of such experience into effect. Industry may propose amendments with every possibility of adoption. But labor representatives find it impossible to propose amendments except at such time as an industry initiates changes in its code—and frequently not even at such times. In order that the voice of all interests may be expressed, and that the experience of all groups may be utilized to make the codes flexible instruments for a democratic control of industry, the Labor Advisory Board requests that the act be amended to provide specifically for the opening of codes upon the initiative of the Labor Advisory Board, and for the imposition of such amendments where the necessity has been clearly justified.

STATISTICS AND PLANNING

Section 2 (b) of title I of the act empowers the President to establish an industrial planning and reasearch agency to aid in carrying out his functions under this title. Section 3 (a) empowers him to impose requirements for the making of reports and the keeping of accounts, as a condition of his approval of any code.

Thus far very little effective work has been done to establish an adequate program for the collection of Nation-wide statistics. Even less effective have been efforts looking toward real industry and interindustry planning on a long-range scale. Many different agencies of the Government are engaged in statistical work which is only poorly integrated. Planning efforts have been left in the hands of individual code authorities whose membership usually represents a small segment of only the management factor in the one industry. The inadequacy of this handling of important national economic problems can be excused only because of the more immediate program which has been prosecuted.

The Labor Advisory Board believes that real steps should be taken to budget production, to plan interindustry relations, to stabilize employment, and to increase the Nation's total consumers' purchasing power in accordance with the policies set forth in title I, section 1 of the act. It believes more adequate and better coordinated statistics to be an imperative feature of such a program.

We therefore recommend that title I be implemented by the addition of a provision for the establishment of a more adequate instrument for such planning, empowered more definitely to accomplish this end. Such an instrument of the Government should have full mandatory power to collect detailed statistics from each industry on employment, wages, pay rolls, production, income, costs, profits, and whatever other data it finds necessary or desirable.

ACTIVITIES OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. CONNALLY. Mr. President, under the rules in regard to printing, if an article is more than two pages in length an estimate has to be secured before the article can be printed in the RECORD. I have a summary of activities of the Reconstruction Finance Corporation and its condition as of December 31, 1934. I have had such an estimate made, and I therefore ask unanimous consent to have the same printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

SUMMARY OF ACTIVITIES OF THE RECONSTRUCTION FINANCE CORPORATION AND ITS CONDITION AS OF DEC. 31, 1934

Loans, investments, and allocations authorized from Feb. 2, 1932, through Dec. 31, 1934

Loans on cotton, corn, tobacco, and other commodities	$993,608,431.84
Loans for distribution to depositors in closed banks	1,045,230,242.90
Loans to receive of building-and-loan associations	22,187,069.21
Loans to railroads (including receivers)	465,106,080.00
Loans to drainage, levee, and irrigation districts	81,785,918.34
Loan to Chicago Board of Education to pay teachers' salaries	22,500,000.00
Loans to industrial and commercial businesses (616 loans)	34,522,035.00
Loans to banks and trust companies (10,528 loans)	1,343,417,082.28
Loans to Federal land banks	399,636,000.00
Loans to mortgage-loan companies (including 160 loans to community mortgage-loan companies for lending to industry)	360,160,979.33
Loans to aid in financing self-liquidating construction projects (including $12,600,000 loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	258,247,054.86
Loans to regional agricultural credit corporations	178,840,452.48
Loans to building-and-loan associations	121,219,119.14
Loans to insurance companies	102,883,558.28
Loans to joint-stock land banks	21,103,172.68
Loans to livestock credit corporations	14,474,962.00
Loans to Federal intermediate-credit banks	9,250,000.00
Loans to State funds created to insure deposits of public moneys	8,387,715.88
Loans to agricultural credit corporations	6,013,379.64
Loans to credit unions	622,967.80
Loans to processors or distributors for payment of processing taxes	26,089.27
Loans on preferred stock in banks	29,877,505.00
Loans on preferred stock in insurance companies	35,775,000.00
Purchase of preferred stock in one insurance company	100,000.00
Purchases of preferred stock in 3,913 banks	776,469,240.00
Purchases of capital notes and debentures in 2,781 banks	426,019,800.00
Purchases of securities from P. W. A	44,260,581.56
	6,801,724,437.49
Allocations to other governmental agencies by direction of Congress	862,988,492.25
Allocations for direct relief by direction of Congress	800,000,000.00
Available to the President for direct relief and/or public works under Emergency Appropriation Act, fiscal year 1935, subject to Executive order	500,000,000.00
Total	8,964,712,929.74

Of the above authorizations $784,266,138.70 has been canceled or withdrawn.

Loans, investments, and allocations actually disbursed from Feb. 2, 1932, through Dec. 31, 1934

Loans on cotton, corn, tobacco, and other commodities	$322,656,144.39
Loans for distribution to depositors in closed banks	761,704,109.41
Loans to receivers of building-and-loan associations	1,043,859.02
Loans to railroads (including receivers)	447,283,272.11
Loans to drainage, levee, and irrigation districts	12,298,223.96
Loan to Chicago Board of Education to pay teachers' salaries	22,300,000.00
Loans to industrial and commercial businesses	6,767,780.11
Loans to banks and trust companies	1,133,062,912.38
Loans to Federal land banks	387,236,000.00
Loans to mortgage-loan companies	205,867,792.98
Loans to aid in financing self-liquidating construction projects (including loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	131,715,622.73
Loans to regional agricultural credit corporations	173,243,640.72
Loans to building-and-loan associations	113,928,233.52
Loans to insurance companies	89,517,863.45
Loans to joint-stock land banks	15,659,372.29
Loans to livestock credit corporations	12,817,732.81
Loans to Federal intermediate-credit banks	9,250,000.00
Loans to State funds created to insure deposits of public moneys	8,387,715.88
Loans to agricultural credit corporations	5,536,130.27
Loans to credit unions	580,854.21
Loans to processors or distributors for payment of processing taxes	14,718.06
Loans on preferred stock in banks	20,656,705.00
Loans on preferred stock in insurance companies	30,125,000.00
Purchase of preferred stock in one insurance company	100,000.00
Purchase of preferred stock in 3,207 banks	592,000,545.90
Purchases of capital notes and debentures in 2,490 banks	325,346,800.00
Purchases of securities from P. W. A	29,760,750.46
	4,858,861,779.66
Allocations to other governmental agencies by direction of Congress	719,638,197.98
Allocations for direct relief by direction of Congress	799,573,245.66
Allocation for direct relief through the Federal Emergency Relief Administration by Executive order of the President	470,000,000.00
Total	6,848,073,223.30

Loans, investments, and allocations authorized prior to Mar. 4, 1933, and after Mar. 4, 1933

	Feb. 2, 1932, through Mar. 3, 1933	Mar. 4, 1933, through Dec. 31, 1934
Loans on cotton, corn, tobacco, and other commodities	$55,495,722.87	$938,112,708.97
Loans for distribution to depositors in closed banks	96,738,510.05	948,491,732.85
Loans to receivers of building-and-loan associations		22,187,069.21
Loans to railroads (including receivers)	359,885,015.00	105,221,065.00
Loans to drainage, levee, and irrigation districts		81,785,918.34
Loan to Chicago Board of Education to pay teachers' salaries		22,500,000.00
Loans to industrial and commercial businesses		34,522,035.00
Loans to banks and trust companies	1,101,633,338.98	241,753,743.30
Loans to Federal land banks	29,000,000.00	370,636,000.00
Loans to mortgage-loan companies	101,065,313.57	259,095,665.76
Loans to aid in financing self-liquidating construction projects (including loans for the repair and reconstruction of property damaged by earthquake, fire, tordnado, and cyclone)	180,041,006.44	78,206,048.42
Loans to regional agricultural credit corporations	46,400,396.22	132,440,056.26
Loans to building-and-loan associations	107,953,328.92	13,265,790.22
Loans to insurance companies	93,674,931.66	9,208,626.62
Loans to joint-stock land banks	8,056,822.68	13,046,350.00
Loans to livestock credit corporations	13,313,302.85	1,161,659.15
Loans to Federal intermediate-credit banks		9,250,000.00
Loans to State funds created to insure deposits of public moneys		8,387,715.88
Loans to agricultural credit corporations	3,981,404.16	2,031,975.48
Loans to credit unions	482,001.00	140,966.80
Loans to processors or distributors for payment of processing taxes		26,089.27
Loans on preferred stock in banks		29,877,505.00
Loans on preferred stock in insurance companies		35,775,000.00
Purchase of preferred stock in one insurance company		100,000.00
Purchases of preferred stock in 3,913 banks		776,469,240.00
Purchases of capital notes and debentures in 2,781 banks		426,019,800.00
Purchases of securities from P. W. A		44,260,581.56
	2,197,721,094.40	4,604,003,343.09
Allocations to other governmental agencies and for direct relief	589,715,474.80	1,573,273,017.45
Total	2,787,436,569.20	6,177,276,360.54

Of the above authorizations $784,266,138.70 has been canceled or withdrawn.

The purpose of this tabulation is to show the authorizations prior to Mar. 4, 1933, and since Mar. 4, 1933.

Loans, investments, and allocations actually disbursed prior to Mar. Feb. 2, 1932, through Dec. 31, 1934—Continued

	Feb. 2, 1932, through Mar. 3, 1933	Mar. 4, 1933, through Dec. 31, 1934
Loans on cotton, corn, tobacco, and other commodities	$1,547,572.25	$321,108,572.14
Loans for distribution to depositors in closed banks	79,572,017.26	682,132,092.15
Loans to receivers of building-and-loan associations		1,043,859.02
Loans to railroads (including receivers)	325,417,074.57	121,866,197.54
Loans to drainage, levee, and irrigation districts		12,298,223.96
Loan to Chicago Board of Education to pay teachers' salaries		22,300,000.00
Loans to industrial and commercial businesses		6,767,780.11
Loans to banks and trust companies	951,440,497.27	181,622,415.11
Loans to Federal land banks	18,800,000.00	368,436,000.00
Loans to mortgage-loan companies	90,702,926.48	115,164,866.50
Loans to aid in financing self-liquidating construction projects (including loans for the repair and reconstruction of property damaged by earthquake, fire, tornado, and cyclone)	18,674,000.00	113,041,622.73
Loans to regional agricultural credit corporations	41,435,449.61	131,808,191.11
Loans to building-and-loan associations	101,523,591.68	12,404,641.84
Loans to insurance companies	80,523,480.19	8,994,383.26
Loans to joint stock land banks	4,897,209.38	10,762,162.91
Loans to livestock credit corporations	11,928,530.78	889,202.03
Loans to Federal intermediate-credit banks		9,250,000.00
Loans to State funds created to insure deposits of public moneys		8,387,715.88
Loans to agricultural credit corporations	3,615,227.28	1,920,902.99
Loans to credit unions	449,653.00	131,201.21
Loans to processors or distributors for payment of processing taxes		14,718.06
Loans on preferred stock in banks		20,656,705.00
Loans on preferred stock in insurance companies		30,125,000.00
Purchase of preferred stock in one insurance company		100,000.00
Purchases of preferred stock in 3,207 banks		592,000,545.90
Purchases of capital notes and debentures in 2,490 banks		325,346,800.00
Purchases of securities from P. W. A		29,760,750.46
	1,730,527,229.75	3,128,334,549.91
Allocations to other governmental agencies and for direct relief	296,537,006.28	1,692,674,437.36
Total	2,027,064,236.03	4,821,008,987.27

The purpose of this tabulation is to show moneys actually disbursed prior to Mar. 4, 1933, and since Mar. 4, 1933.

Receipts and disbursements from Feb. 2, 1932, through Dec. 31, 1934

RECEIPTS

From repayments on loans (including $1,532,961.08 on loans secured by preferred stock of banks)	$2,339,794,961.62
From retirement of preferred stock, capital notes, and debentures	71,387,603.93
From sale of P. W. A. securities	28,232,140.76
From sale of Chicago Board of Education bonds (teachers' loan) (sold at premium of $223,000)	22,300,000.00
From relief advances, 1932 act	2,211,409.00
From advances and other reimbursable items	4,386,749.63
From interest	145,929,601.55
From dividends on preferred stock	9,342,708.16
From sale of gold to Secretary of the Treasury (at book)	131,977,955.52
From regional agricultural credit corporations as reductions of capital and for deposit	54,725,000.00
From miscellaneous sources (including $18,822,094.59 suspended credits and $9,421,335.40 other remittances not credited on borrowers' indebtedness)	33,517,052.41
Total receipts in ordinary activities of Corporation	2,843,805,182.58
From sale of capital stock to Secretary of the Treasury	500,000,000.00
From sale of notes:	
To Secretary of the Treasury	3,910,000,000.00
To banks whose preferred stock, capital notes, or debentures were purchased by the Corporation	254,436,666.67
Total receipts	7,508,241,849.25

DISBURSEMENTS

Loans on cotton, corn, tobacco, and other commodities	$322,656,144.39
Loans for distribution to depositors in closed banks	761,704,109.41

Receipts and disbursements from Feb. 2, 1932, through Dec. 31, 1934—Continued

DISBURSEMENTS—continued

Loans to receivers of building-and-loan associations	1,043,859.02
Loans to railroads (including receivers)	447,283,272.11
Loans to drainage, levee, and irrigation districts	12,298,223.96
Loan to Chicago Board of Education to pay teachers' salaries	22,300,000.00
Loans to industrial and commercial businesses	6,767,780.11
Loans on preferred stock in banks	20,656,705.00
Loans on preferred stock in insurance companies	30,125,000.00
Loans for all other purposes	2,281,480,786.57
Purchase of preferred stock in one insurance company	100,000.00
Purchases of preferred stock in banks	592,000,545.90
Purchases of capital notes and debentures in banks	325,346,800.00
Purchases of securities from P. W. A	29,760,750.46
Advances and other reimbursable items	5,061,675.33
Redemption of notes issued for gold	131,575,460.82
Regional agricultural credit corporations for increases of capital and return of deposits	54,725,000.00
Interest paid on notes sold to Secretary of the Treasury	96,607,316.23
Interest paid on notes sold to banks	4,293,262.02
Operating expenses	22,262,773.64
Miscellaneous disbursements (including $7,137,510.20 refunds of suspended credits)	15,012,242.47
Total disbursed in ordinary activities of Corporation	5,183,061,707.44
Disbursed to other governmental agencies and for direct relief	1,989,211,443.64
Disbursed for payment of notes issued:	
To Secretary of the Treasury	325,000,000.00
To banks	5,100,000.00
Total disbursements	7,502,373,151.08

Receipts and disbursements during the year 1934

RECEIPTS

From repayments on loans (including $1,379,962.22 on loans secured by preferred stock of banks)	$1,286,268,548.12
From retirement of preferred stock, capital notes, and debentures	70,141,303.93
From sale of P. W. A. securities	28,232,140.76
From sale of Chicago Board of Education bonds (teachers' loan) (sold at premium of $223,000)	22,300,000.00
From relief advances, 1932 act	1,241,324.00
From advances and other reimbursable items	3,621,694.88
From interest	64,500,608.04
From dividends on preferred stock	8,871,653.69
From sale of gold to Secretary of the Treasury (at book)	131,977,955.52
From regional agricultural credit corporations (transfer of capital from one regional corporation to another)	4,625,000.00
From miscellaneous sources, including suspended credits (principal and interest approximately $34,000,000)	48,690,688.95
Total receipts in ordinary activities of Corporation	1,670,470,917.89
From sale of notes:	
To Secretary of the Treasury	1,560,000,000.00
To banks whose preferred stock, capital notes, or debentures were purchased by the Corporation	153,137,000.00
Total receipts	3,383,607,917.89

DISBURSEMENTS

Loans on cotton, corn, tobacco, and other commodities	$240,770,505.62
Loans for distribution to depositors in closed banks	372,382,927.67
Loans to receivers of building-and-loan associations	1,043,859.02
Loans to railroads (including receivers)	53,189,013.62
Loans to drainage, levee, and irrigation districts	9,884,238.36
Loan to Chicago Board of Education to pay teachers' salaries	22,300,000.00
Loans to industrial and commercial businesses	6,767,780.11
Loans on preferred stock in banks	10,293,605.00
Loans on preferred stock in insurance companies	25,750,000.00
Loans for all other purposes	421,701,245.97

Receipts and disbursements during the year 1934—Continued

DISBURSEMENTS—continued

Purchase of preferred stock in one insurance company	100,000.00
Purchases of preferred stock in banks	455,002,429.23
Purchases of capital notes and debentures in banks	208,356,800.00
Purchases of securities from P. W. A	29,760,750.46
Advances and other reimbursable items	3,265,500.23
Redemption of notes issued for gold	131,575,460.82
Regional agricultural credit corporations (transfer of capital from one regional corporation to another)	4,625,000.00
Interest paid on notes sold to Secretary of the Treasury	42,523,686.05
Interest paid on notes sold to banks	4,293,262.02
Operating expenses	10,518,631.93
Miscellaneous disbursements	9,693,220.08
Total disbursed in ordinary activities of Corporation	2,063,802,946.74
Disbursed to other governmental agencies and for direct relief	990,493,529.42
Disbursed for payment of notes issued:	
To Secretary of the Treasury	325,000,000.00
To banks	5,100,000.00
Total disbursements	3,384,396,476.16

The purpose of this tabulation is to show actual receipts and disbursements during the year 1934.

Earnings and expenses for the year 1934

Income:	
Interest earned (collected and accrued)	$74,568,775.93
Dividends earned on preferred stock (collected and accrued)	17,842,157.08
Other income	364,201.14
	92,775,134.15
Expense:	
Interest paid and accrued on notes issued:	
To Secretary of the Treasury	47,583,411.63
To banks	4,937,633.35
Other interest	8,340.37
Operating expenses	10,485,701.03
	63,015,086.58
Earnings above interest and expenses	29,760,047.57
Less adjustment of prior years' earnings	3,757,130.51
Net increase in earnings above interest and expenses	26,002,917.06

Earnings and expenses, Feb. 2, 1932, through Dec. 31, 1934

Income:	
Interest earned (collected and accrued)	$179,117,736.41
Dividends earned on preferred stock (collected and accrued)	19,413,775.29
Other income	366,720.72
	198,898,232.42
Expense:	
Interest paid and accrued on notes issued:	
To Secretary of the Treasury	106,369,781.71
To banks	5,007,259.89
Other interest	23,829.61
Operating expenses	22,321,398.03
	133,722,269.24
Earnings above interest and expenses	65,175,963.18

Statement of condition as at the close of business Dec. 31, 1934

ASSETS

Cash on deposit with Treasurer of United States	$5,868,698.17
Cash held by Federal Reserve banks as collateral	44,523.27
Loans outstanding	1,546,198,710.28
Preferred stock, capital notes, and debentures of banks and one insurance company	846,059,741.97
Advances for direct relief (under 1932 Relief Act)	297,773,590.00
Allocated to other governmental agencies (including advances for direct relief under Relief Act of 1933 and Emergency Appropriation Act, 1935)	1,689,226,444.64
Advances for care and preservation of collateral and other reimbursable expense	674,925.70
Accrued interest and dividends	42,760,913.10
Other assets	4,019,583.85
Total	4,432,627,130.98

Statement of condition as at the close of business Dec. 31, 1934—Continued

LIABILITIES AND CAPITAL

Notes	$3,834,336,686.67
Accrued interest	10,961,142.45
Liability for funds held as cash collateral	341,699.80
Remittances not credited on borrowers' indebtedness	21,105,920.79
Unearned interest and discount	13,287.56
Other liabilities	692,450.53
Capital stock	500,000,000.00
Earnings above interest and expenses (available to cover losses)	65,175,963.18
Total	4,432,627,130.98

MEMORANDUM

Undisbursed authorizations and commitments to make loans; to purchase preferred stock, capital notes, and debentures; to make advances for care and preservation of collateral; to purchase securities from Federal Emergency Administration of Public Works and for direct relief under 1932 act	$1,158,813,982.50
Undisbursed allocations to other governmental agencies (including advances for direct relief under Relief Act of 1933 and Emergency Appropriation Act, 1935)	173,762,047.61
Total	1,332,576,030.11

Total allocations to other governmental agencies and for direct relief from Feb. 2, 1932, through Dec. 31, 1934

	Amount allocated	Amount disbursed
Secretary of Agriculture for crop loans	$115,000,000.00	$115,000,000.00
Capital of regional agricultural credit corporations (reallocated from amount originally allocated to Secretary of Agriculture)	44,500,000.00	44,500,000.00
Governor of Farm Credit Administration (reallocated from amount originally allocated to Secretary of Agriculture)	40,500,000.00	40,500,000.00
Total originally allocated to Secretary of Agriculture for crop loans	200,000,000.00	200,000,000.00
Regional agricultural credit corporations for expenses prior to May 27, 1933	3,107,492.25	3,107,492.25
Regional agricultural credit corporations for expenses since May 26, 1933	10,140,000.00	7,285,005.73
Secretary of the Treasury to pay for capital of Federal home loan banks	124,741,000.00	81,645,700.00
Land Bank Commissioner to make loans to joint-stock land banks	100,000,000.00	2,600,000.00
Land Bank Commissioner to make loans to farmers ($200,000,000 original allocation reduced by reallocation to Federal Farm Mortgage Corporation)	145,000,000.00	145,000,000.00
Federal Farm Mortgage Corporation to make loans to farmers (reallocated from $200,000,000 originally allocated to Land Bank Commissioner)	55,000,000.00	55,000,000.00
Secretary of the Treasury to pay for capital of Home Owners' Loan Corporation	200,000,000.00	200,000,000.00
Federal Housing Administrator (amount stated is amount disbursed; total allocation not limited to specific amount)	25,000,000.00	25,000,000.00
Total to other governmental agencies by direction of Congress	862,988,492.25	719,638,197.98
For direct relief under Emergency Relief and Construction Act of 1932	300,000,000.00	299,984,999.00
For direct relief under Federal Emergency Relief Act of 1933	500,000,000.00	499,588,246.66
Total allocations for direct relief by direction of Congress	800,000,000.00	799,573,245.66
Allocation for direct relief and/or public works by Executive order under Emergency Appropriation Act, fiscal year 1935	500,000,000.00	470,000,000.00
Total allocations to other governmental agencies and for direct relief	2,162,988,492.25	1,989,211,443.64

Authorizations to aid in the reorganization or liquidation of closed banks and trust companies, by States, from Feb. 2, 1932, through Dec. 31, 1934

[Includes loans to receivers, conservators, loans through mortgage-loan companies to aid closed banks, and loans on assets of closed banks under section 5e of the Reconstruction Finance Corporation Act]

State	Amount authorized	Amount disbursed	Amount repaid
Alabama	$5,928,812.46	$2,769,334.49	$569,165.91
Arizona	457,500.00	279,701.73	149,333.53
Arkansas	9,350,479.54	5,135,208.44	2,002,236.76
California	14,022,074.88	11,534,246.29	9,840,070.67

Authorizations to aid in the reorganization or liquidation of closed banks and trust companies, by States, from Feb. 2, 1932, through Dec. 31, 1934—Continued

State	Amount authorized	Amount disbursed	Amount repaid
Colorado	$1,399,900.00	$1,054,840.67	$467,790.25
Connecticut	1,810,000.00	1,464,801.49	304,426.63
District of Columbia	11,896,500.00	10,366,892.96	4,257,484.00
Florida	6,800,272.27	2,380,666.99	595,262.79
Georgia	4,879,038.71	1,880,387.68	610,395.87
Idaho	3,263,400.00	2,942,356.27	1,042,945.67
Illinois	50,373,985.87	31,788,167.76	13,359,022.21
Indiana	18,136,664.77	11,040,057.64	4,912,547.94
Iowa	16,584,100.00	13,219,986.30	10,843,318.51
Kansas	3,253,900.00	2,057,281.75	1,391,484.00
Kentucky	8,090,208.87	6,281,876.81	3,599,342.51
Louisiana	33,879,977.34	25,528,508.46	4,930,768.84
Maine	36,727,776.50	34,028,577.48	19,355,486.38
Maryland	12,837,024.00	9,649,946.50	3,403,636.18
Massachusetts	26,008,035.94	21,321,644.79	6,125,359.15
Michigan	271,976,805.64	209,120,095.02	80,750,666.92
Minnesota	4,904,800.00	2,027,472.75	1,212,531.61
Mississippi	6,691,559.94	5,253,986.19	2,185,793.99
Missouri	12,716,176.62	8,879,447.27	5,051,953.86
Montana	958,200.00	766,113.66	245,123.22
Nebraska	3,306,653.43	2,100,909.77	1,039,048.78
Nevada	1,272,677.44	676,164.39	130,500.00
New Hampshire	500,000.00	460,402.31	460,402.31
New Jersey	28,298,920.91	17,678,877.45	7,894,562.52
New Mexico	478,473.54	417,677.04	114,758.10
New York	46,615,840.17	34,709,623.65	18,632,656.11
North Carolina	9,314,042.52	6,096,526.89	3,635,189.79
North Dakota	2,182,266.87	1,181,252.32	460,303.20
Ohio	191,962,679.23	155,767,888.86	63,744,777.52
Oklahoma	2,339,204.60	939,307.39	366,333.22
Oregon	1,682,800.00	1,083,784.81	813,228.51
Pennsylvania	104,742,146.83	62,531,095.23	19,065,121.86
Rhode Island	600,000.00	595,300.00	202,711.85
South Carolina	6,181,343.30	4,395,720.92	2,205,869.37
South Dakota	1,933,057.70	881,112.16	576,500.04
Tennessee	17,016,119.32	15,286,580.63	5,257,821.67
Texas	10,774,384.28	8,167,532.27	3,054,179.34
Utah	1,658,375.06	282,123.72	186,074.94
Vermont	842,000.00	498,099.29	418,499.29
Virginia	4,983,600.00	4,128,781.94	2,220,727.94
Washington	14,421,016.19	12,075,411.51	4,756,444.69
West Virginia	10,839,240.16	6,419,127.52	3,099,711.45
Wisconsin	10,618,638.00	4,550,472.95	2,281,397.16
Wyoming	185,500.00		
Total	1,035,687,742.90	761,704,109.41	318,322,974.06
Conditional commitments outstanding Dec. 31, 1934	9,542,500.00		
Total	1,045,230,242.90		

Loans on and subscriptions for preferred stock, and purchases of capital notes and debentures of banks and trust companies, by States, from Mar. 9, 1933, through Dec. 31, 1934

State	Amount authorized	Amount disbursed	Amount repaid
Alabama	$14,558,200.00	$14,181,075.00	$2,030,796.48
Alaska	37,500.00	37,500.00	
Arizona	1,190,000.00	1,190,000.00	15,000.00
Arkansas	5,150,500.00	4,104,000.00	258,90
California	58,248,070.00	48,227,425.00	213,719.05
Colorado	4,975,000.00	4,657,500.00	
Connecticut	8,009,800.00	6,462,996.00	49,500.00
Delaware	2,680,000.00	545,000.00	55,000.00
District of Columbia	17,700,000.00	15,400,000.00	
Florida	1,677,000.00	1,526,000.00	2,650.00
Georgia	5,822,500.00	4,785,500.00	215,000.00
Idaho	1,865,000.00	1,630,000.00	25,000.00
Illinois	92,882,000	89,417,864.17	120,000.00
Indiana	17,242,500	14,929,500.00	44,780.00
Iowa	12,398,000	10,028,000.00	23,700.00
Kansas	5,001,500	4,726,500.00	5,000.00
Kentucky	10,475,000	7,760,850.00	201,000.00
Louisiana	14,496,000	9,426,000.00	100,000.00
Maine	10,598,000	7,758,000.00	50,000.00
Maryland	10,640,630	7,230,040.00	
Massachusetts	18,931,000	15,627,200.00	218,000.00
Michigan	41,052,000	36,647,961.00	765,010.00
Minnesota	17,531,125	16,684,500.00	175,000.00
Mississippi	13,818,150	10,003,150.00	1,464,286.71
Missouri	24,951,000	19,981,000.00	5,050,000.00
Montana	3,773,000	3,648,000.00	10,000.00
Nebraska	8,760,000	7,646,950.00	397,321.22
Nevada	205,000	205,000.00	
New Hampshire	1,363,000	627,260.00	
New Jersey	61,409,250	42,316,331.07	32,723.86
New Mexico	982,500	620,000.00	
New York	365,663,000	284,173,262.50	54,422,082.36
North Carolina	7,800,000	7,270,000.00	32,150.00
North Dakota	4,379,500	3,757,000.00	
Ohio	85,868,900	78,589,073.00	3,537,500.00
Oklahoma	11,118,500	10,734,000.00	775,000.00
Oregon	2,040,000	1,925,000.00	40,600.00
Pennsylvania	50,158,200	36,073,046.50	283,000.00
Puerto Rico	1,500,000	1,250,000.00	
Rhode Island	1,100,000	898,500.00	
South Carolina	2,806,800	2,156,800.00	11,000.00
South Dakota	4,486,100	4,318,100.00	28,000.00
Tennessee	13,136,600	9,869,100.00	200,000.00
Texas	34,879,250	29,393,750.00	469,236.43

Loans on and subscriptions for preferred stock, and purchases of capital notes and debentures of banks and trust companies, by States, from Mar. 9, 1933, through Dec. 31, 1934—Continued

State	Amount authorized	Amount disbursed	Amount repaid
Utah	$4,280,000	$3,965,000.00	$525,000.00
Vermont	14,795,000	14,645,000.00	
Virginia	12,183,000	10,214,650.00	102,000.00
Virgin Islands	125,000		
Washington	6,616,500	5,162,000.00	196,500.00
West Virginia	6,176,000	5,455,566.66	384,750.00
Wisconsin	37,228,500	18,865,600.00	635,000.00
Wyoming	1,570,000	1,257,500.00	15,000.00
Total	1,156,904,075	938,004,050.90	72,920,565.01
Conditional commitments outstanding Dec. 31, 1934	75,462,470		
Total	1,232,366,545		

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 23 minutes p. m.) the Senate took a recess until tomorrow, Thursday, January 31, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate Wednesday, January 30, 1935

MEMBER OF FEDERAL POWER COMMISSION

Frank R. McNinch to be a member of the Federal Power Commission.

POSTMASTERS

ARKANSAS

Will W. Coffman, Harrison.
Jordan B. Lambert, Holly Grove.

COLORADO

Elmer B. McCrone, Creede.

WYOMING

James E. Smith, Riverton.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 30, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we rest and rejoice that we have such merciful evidence of Thy providential care. Continue to dwell richly with us, merciful Lord, by giving us firmness under resistance, hope in despondency, and consolation in affliction. O bring us into the realization that we cannot fulfill the whole law of God or climb the heights of moral manhood without Thee. In all circumstances subordinate our lower natures to the higher. Harmonize our emotions and keep them right. May they never be allowed to chill, wither, or rob the bloom and beauty of the immortal soul. We pray, our Father, that our temper may be kindly, just, and considerate of all men of every clime and of every section. Arm us with the fruits of the spirit such as love, joy, and peace. We pray in the name of Him who took upon Himself the form of a servant. Amen.

The Journal of the proceedings of yesterday was read and approved.

THOMAS JEFFERSON MEMORIAL COMMISSION

The SPEAKER anounced that, pursuant to the provisions of Public Resolution No. 49, Seventy-third Congress, he had appointed as members of the Thomas Jefferson Memorial Commission the following Members of the House: Mr. BOYLAN, Mr. SMITH of Virginia, and Mr. CULKIN.

THOMAS A. DOYLE

Mr. BEAM. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for 3 minutes. Is there objection?

There was no objection.

Mr. BEAM. Mr. Speaker, ladies and gentlemen of the House, it is with extreme regret that I have just learned of the death of former Congressman Thomas A. Doyle, of Illinois, a man who served with honor and distinction in the Sixty-eighth to the Seventy-first Congresses of the United States.

The world has been enriched because he has lived. His congenial disposition, his captivating personality, his genuine sincerity endeared him not only to a grateful and appreciative constituency but indelibly enshrined his memory in the hearts and breasts of countless devoted friends and associates.

Born and reared in the great stockyards district of the city of Chicago, with its teeming masses of humanity, his ability for public service was early recognized. He served many years as alderman of the city of Chicago, representative in the general assembly of his State, and as Congressman of the Fourth Congressional District of the State of Illinois.

His was a sympathetic and magnanimous nature, revered, respected, and admired by all who were privileged to know him intimately and to call him friend.

The old Persian poet Omar Khayyám beautifully epitomizes and portrays his nobility of character when he wrote the following:

So I be written in the book of Love
I do not care about that book above
Erase my name—or write it as you will
So I be written in the book of Love.

Tommy Doyle was loved by his fellow citizens. He has erected for himself in their memory a monument which will endure long after those of marble and bronze have crumbled into dust and decay.

By his untimely death—in the prime of life—the city of Chicago, the State of Illinois, and the Federal Government have lost one of its most beloved, respected, and revered citizens of our present generation. [Applause.]

THE PRESIDENT OF THE UNITED STATES

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I rise at this time to pay a nonpartisan tribute to the man who holds the position of Chief Executive of this Republic, upon his fifty-third birthday.

He has shown truly great courage, before he entered the office of the President of the United States and since that time. Expression is given to this fact in the birthday balls which are to be held in every State in the Union tonight. He has brought relief to the helpless, to the individuals afflicted with infantile paralysis, and I am told there are more than 100,000 individuals suffering with this cruel malady in America at this time. The work that is being done at Warm Springs, Ga., by the Warm Springs Foundation upon a large scale, is being done upon a much smaller scale at Berkeley Springs, W. Va., in the county of Morgan, in the congressional district that I represent, and there today, because of the inspiration of the President of the United States and his interest in crippled children, we have some 15 boys and girls who are being given a chance to regain their health. This is being carried ahead by those who appreciate the interest which is being taken by the President, and I trust he can soon visit there.

The Man of Galilee said:

I was hungry and ye fed me, I was athirst and ye gave me drink, I was naked and ye clothed me; inasmuch as ye have done it unto the least of these, ye have done it also even unto me.

That is the rule of philosophy that should guide neighbor toward neighbor and friend toward friend.

I believe that that is the philosophy of life that accentuates the service of the man who today is the leader of these United States. Victor Hugo a long time ago wrote a significant sentence in which he said, "The smoothing out of rough places is the great policy of God." I believe that policy and I believe that that is the policy of the man who today is President of this Republic. It should be our delight also to aid those less fortunate than ourselves.

As Members of Congress, as lawmakers in this body, we should be happy today that we can have a part in the building of this Republic under the leadership of such an individual. We should be pleased to know that our services are called upon at this time when we are asked not to kill, but when we are asked to give life anew, when we are asked not to cripple but to heal, when we are asked not to tear down but to build up, when we are asked not to have fear in our hearts but to have faith in the institutions of America, and when we are asked not to walk the highways of this country and unjustly criticize but rather to have confidence in our hearts.

At the Vatican at Rome in the Sistine Chapel there are 300 pictures all more than lifesize, and some are 15 feet long. These are the products of the hand of Michelangelo. For 23 months, day after day, week after week, he lay on his back in a cramped position bringing out his artistic soul in that wondrous masterpiece. This was done at arm's length and can be seen in lifesize by the people below.

For days he never left his room. They sent up food to him with a string on a pail. When it was all over the old artist walked about the streets of Rome in a bent position with a crooked neck and his head over on one side. And he said, "My life is there on the ceiling of the chapel of St. Sixtus."

Today the Master Artist sends out the call to every citizen that feels and understands to come into the spirit of Michelangelo and say, "I shall place a part of my life there at the altar of a struggling humanity."

Less than 3 months ago in Charles Town, Jefferson County, W. Va., after I had spoken there during the campaign, I visited in the home of my friend, Merle Alger. As we sat there in the modest living room of that American citizen, the door was open a little ways into a bedroom, and I saw his little daughter, 9 years old, kneeling at the bedside saying her prayers. I shall never forget her closing words. This is what she said: "And please God, help President Roosevelt." I asked the mother and father if they had ever asked that little daughter of theirs to include that in her prayer, and they said they had never spoken to her about the President of the United States.

Mr. Speaker, today something not only takes hold of the hearts of little children but something takes hold of the hearts of men and women. We are asked not to pray alone but to work in behalf of the further building of America under the leadership of a man who calls on us for cooperation that hovels shall become happy homes, that distress may be lightened, and additional security be given those who exist on the ragged edge of life. [Applause.]

REMARKS OF MR. SUMNERS OF TEXAS BEFORE THE CRIME CONFERENCE

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, since 1913 the people of the Fifth Congressional District of Texas, including the city of Dallas, have honored themselves by sending to the House of Representatives Hon. HATTON W. SUMNERS, who is now entering upon his twelfth consecutive term. But the Members of the House, regardless of partisan affiliations, and especially those of us who have had the great privilege of serving under him on the Judiciary Committee, of which he is chairman, regard him as not merely the representative of a progressive city and a great State, but as one gifted with a Nation-wide horizon—as a distinguished American statesman. Apart from the strong affection and respect which we all have for him, we know him as a learned constitutional lawyer and legal philosopher and a disinterested patriot. The House of Representatives and the Republic are, indeed, fortunate in having HATTON W. SUMNERS as Chairman of the Judiciary Committee.

During the Attorney General's crime conference, held in Washington last month, Mr. SUMNERS delivered a timely and significant address.

I ask unanimous consent to extend my remarks by including Mr. SUMNERS' address.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

ADDRESS OF THE HONORABLE HATTON W. SUMNERS, OF TEXAS, ON THURSDAY MORNING, DECEMBER 13, 1934, AT THE ATTORNEY GENERAL'S CRIME CONFERENCE HELD IN WASHINGTON, D. C.

Ladies and gentlemen of the conference, we are under much obligation to the Attorney General for having initiated this conference. In the beginning of this movement on the part of the Federal Government I was deeply apprehensive that it might constitute a sort of Federal vent, through which this revolution against crime would blow itself out and prevent this revolution against crime from doing the great service which it is required in this country shall be done by something, and that is to arouse the American people to a sense of general responsibility with regard to their civic and political duty. The fact that that has not occurred is due largely to the good judgment of the Attorney General and his able staff.

STATE BARRIERS PROTECTING CRIMINALS RIDICULOUS

There is much that the Federal Government can do in this situation and is doing and doing well. There is much that the States can do as separate governmental entities. There is much that the States can do in cooperation with each other under some system of compacts. I see no practical reason why the boundary lines of the States of this country should constitute a barrier behind which the criminal can find himself protected in large measure. It is perfectly ridiculous. It is ridiculous that practically the only time in going over this country we are conscious of the existence of a State line is when they are thrown up as a barrier to shield some murderer or crook from the officers of a neighboring State seeking to vindicate an outraged law and protect decent people. I mean that it is perfectly ridiculous among civilized people that that condition should obtain.

AVOID CAUSING REACTION

Of course, in the beginning of the working out of relationships between the States we have to be very careful. We must also be careful not to disturb the just safeguards which surround those charged with crime. May I say at this point (and I would like to emphasize this, my friends) that there are two enemies to every reform movement; one is those who do not want to move at all, and the other is those who want to go too fast. The latter is the more dangerous, because when you get a thing going—and this is going now, there is not a bit of doubt about that—it will usually move forward under the pressure behind it. We want to avoid anything being done that would tend to cause a reaction against this movement. I endorse the things that are being done to prevent crime to guide the youth of the country in the right direction; I endorse the things that are being done to reform the criminal; and I endorse, especially, the things that are being done in this country now to get rid of these arch criminals; I would like to see these people who live by violence and death given to understand that they are about to receive a visitation of that which they have been using. We have got to give them a big dose of their own medicine. Give it to them justly, but without a single tear except for the victims of their cowardly assassinations. That is the sort of business that will put the fear of God in the hearts of these people. That is a language they can understand.

CRIME AND OTHER PROBLEMS FROM SOME SOURCE

But I want to call the attention of the conference to one phase of this matter; and, as I view it, the most important; and which, insofar as I know, has not been discussed during your sessions. Looking at our problems fundamentally we see that this crime situation is but a part of our general difficulties—governmental and economic.

They all come from the same source. The thing which more than all others has made the present crime condition possible, and our general economic and governmental difficulties possible, is the low order of civic decency and efficiency which has been characteristic of this age. Possibly it was a natural sort of thing, a swing back from the stress of the war. We reached perhaps the highest point of unselfish world patriotism ever reached by any people on the face of the earth. It was a higher place than we could maintain. We have swung back from that; we have swung to the other extreme. We were under great stress, and in the reaction we came into the age of youth. Everybody who was old enough to have a mature judgment became ashamed of his age, and youth was idealized. We resorted to all sorts of subterfuges to hide the fact that we were old enough to have sound judgment. We could not be bothered. Grandmother whacked a couple of feet off her skirts, literally; and old granddad got his cane, straightened

up his old back, grabbed a horn, and got in the procession; and mother and father joined the parade. Youth led it; youth took its place at the head of the council table of the American home.

PEOPLE TURNED JOB OVER TO OTHERS

Somebody got to preaching in this country the self-determination of youth. It was a pretty handy sort of philosophy because mother and father turned the children loose and went off to the hootch party. Their children are coming back now, many of them by way of the penitentiary.

We turned the political government over to a lot of politicians, in many instances crooks. We turned the economic government over to a lot of supposed-to-be captains of industry, many of them economic brigands. And so we went along to the brink of moral, political, and economic bankruptcy.

It is not to our credit, but it seems a fact that under the circumstances we had to have these criminals; we had to feel their lash. We would not respond to anything else. This intolerable condition created by these criminals is the first thing which in more than a decade and a half has been potent enough to create any general reaction, any sign of real life and normal functioning in the body civic and politic of this people. For the moment at least there is centered in this movement much of whatever hope we have that the people of this country will feel again the thrill associated with sovereign responsibility and with self-reliance, and become again conscious of ability to preserve and operate the institutions of a self-governing people.

We are like a person who has been drugged, and many efforts to awaken him have failed, and finally something is applied which is beginning to have the desired effect. We are awakening now. This movement must be continued to a successful conclusion—I mean the movement of the people against crime. It might be fatal if we permit ourselves to go to sleep again now.

DILLINGER AND HIS MUSTARD PLASTER

Mr. Dillinger and "Baby Face" Nelson and that crowd have done what all the preaching in this country couldn't do—they created an intolerable situation.

They have put a mighty hot mustard plaster upon a lethargic civic condition. No doubt the people would like to have somebody else take that mustard plaster off, but it cannot be done. It would not be a good service if it were possible for some remote agency of the Government to do it. The Attorney General agrees with that proposition.

PEOPLE'S JOB

The Nation should applaud what the President and the Attorney General and Mr. Hoover had to say about the necessity for the States and the people in the community to have major responsibility in dealing with the various aspects of crime. There are certain definite advantages given to the defendant in criminal trials which are utterly ridiculous, among them the fact that in most jurisdictions it is a reversible error to mention the fact that the defendant has failed to testify. This is a very good illustration of the absurd lengths to which we have gone. In the old days torture was resorted to to compel persons to testify against themselves. There was a reaction against that barbarous and unfair treatment. Through the process of time we have gone to the present extreme so that the defendant under circumstances that would make every honest person anxious to testify, where he is under a definite moral duty to make an explanation, he may not only refuse to explain when he has opportunity, but no mention can be made of that failure.

MORE INVOLVED THAN CRIME SUPPRESSION

May I emphasize as bearing upon the importance of this movement against crime, let us always be conscious of the fact that there is a deeper interest and a more important concern involved than the possible effect upon crime per se, important as that is. That is the thought which I hope to leave with you. There is no other public service which gives to the individual citizen, to his home, and for his community, and the general Government, a development and fitness for civic service comparable to that which is given to the individual citizen who responds to the call of local duty in answer to the challenge of crime. Courage, patriotism, self-reliance, all the virtues are put to exercise, intelligence, everything. These things are necessary for our general salvation now.

Communities in the struggle with crime develop local leaders who probably were never before conscious of the ability to lead. They develop a consciousness of responsibility, a community solidarity, a civic decency, an aggregate courage, which fits them for the general responsibilities of good citizenship as no other public service possibly can do.

STRENGTH COMES FROM DOING

In a definite sense this movement at this time is as important as the hope and the aspirations of the American people now suffering under economic stress. I give it to you for what it may be worth, that unless the body of the American peoples become alive and begin again to discharge their civic duties, unless they again become conscious of their responsibilities as the governors of a free country, we cannot survive.

It is not written in the book of destiny, my friends, that the President of the United States and the handful of Members of Congress shall have all the development, all the progress, all the improvement that comes from a successful struggle with the difficult problems which confront us. Nothing short of a reawakened, regenerated people, operating under the consciousness of their own responsibility, can solve the problems of these times. It is going to be no easy thing to deal with this crime problem. That is to our advantage; it is to our benefit that we have got a big difficult problem, which the people are working at, because it is only by doing the big things that the strength to do bigger things is acquired. Bigger things must be done soon.

This is the first hopeful sign that we have had in a decade and a half, and, if we keep this movement going, we have a chance to develop the citizenships able to win. As the muscles of the body are developed by exercise, so is governmental capacity of a people developed. It is the development of human beings which is the thing upon which all the forces of Nature center; people develop through the struggle. You cannot develop a nation able to carry forward the business of a nation when they sit back, dependent upon somebody else doing things for them which lies within their own capacity. This task of crime suppression is the one thing just now that the people are beginning to work at. It is well for the Federal Government to do what it is doing; it is well for the States, as governmental entities, to do what they are doing, but God Almighty, in fashioning the economy of this universe, has placed the major responsibility for taking care of the business of a free people back among the people in the small units of government, where the people have the major responsibility and the major power.

OPERATING GOVERNMENT BIG JOB

We have grave danger in this country that even our patriotism will become ritualistic. There is many a man today who thinks he is quite patriotic when he salutes the flag on his way down to swear a lie to get off the jury. Running the business of a great government of free people is a big job. This universe could have been made so there would not have been any difficulty; this earth could have been created so there would have been a system of concrete roads growing out of the ground just like trees grow, and everything else could have been arranged, but we would have been as a field of cabbages.

It is all right to doctor up these criminals; I am for that if it works, I want it understood that I thoroughly believe in that if it works; but what we have got to have in addition to that is men and women with red blood in their veins who will not submit to this supergovernment of crime. [Applause.]

I heard something about salvaging these murderers. I want to salvage, too; but I will spend my time trying to salvage these little kids that have been made orphans by these dirty hounds of hell. I will let somebody else work on them.

In estimating the importance of this challenge of crime, let us not forget that nature does not give additional capacity to those who do not use what they have. Of course, this task is difficult for the people; but their economic difficulties which must be dealt with now are more difficult. Difficulties are the gymnastic paraphernalia provided for the development of people. Our great difficulties are giving us a chance to be a great people. Nothing else would do that. No people were ever greater than their difficulties. We must have a great people now. We need a great people now. Nothing can save us except a great people. We have only the choice of conquering our difficulties or being destroyed by them.

CRIME DRIVING TO DUTY

It is a terrible reflection upon this generation that it has required the tyranny of the supergovernment of crime; that it has required the lash of these criminals to arouse us and drive us in the direction of our own security and liberty, and back to the responsibilities of a self-governing people. But the fact, the great fact is that at least we are moving in the right direction. I have recently taken many samples of public attitude. I know we are moving in the right direction. That is the brightest spot in the whole picture. We will win through when we become fitted to win and worthy to win, and not till then.

We are interested in the fact that in this movement against crime lies the hope that we may be able successfully to meet not only this crime problem, but with a citizenship fresh from the victory over organized crime, strengthened and developed and made fit by that contest, we may move on to a successful struggle with the greatest economic and governmental problems which up to this time have ever challenged the genius of any people. That is all I have got to say.

ADDITIONAL APPROPRIATIONS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 88, making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table House Joint Resolution 88, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Are there very many points of disagreement in this suggested conference?

Mr. BUCHANAN. Not very many, because the resolution is short. However, there are several points in disagreement.

Mr. SNELL. In looking it over it seems to me that the main question in disagreement is the matter of the restoration of the pay of Government employees. If that is so, why can we not settle that right now?

Mr. BUCHANAN. Of course, that is a matter for the House to decide. In my judgment, the Senate provision should be modified somewhat.

Since the last Congress there have been a great many increases in salaries by the abolition of old positions and appointing the same employee to the new position, where the increases have ranged from $60 to $2,000, many of them five, six, seven, eight, eleven, fourteen, and to twenty thousand.

Mr. SNELL. How can that be done under the regular laws?

Mr. BUCHANAN. Does the gentleman think the 5-percent restoration ought to go to those people on that increased salary?

Mr. SNELL. I am in accord with the gentleman's position. I am not going to object to allowing this to go to conference, but I thought if that is all there was in dispute, the House is ready to express itself on the 5-percent proposition.

Mr. BUCHANAN. That is not all there is in dispute. There is another item in there of $4,000.

Mr. SNELL. Under the rules and regulations, how can we do that?

Mr. BUCHANAN. They do that under a reexamination of the personnel of a department by some branch of the Civil Service Commission, under the set-up. They are supposed to be new duties. I believe the Civil Service Commission passes on that set-up. As a matter of fact, in my judgment, most of the duties do not require any greater ability. They may require all of their time which the Government is entitled to.

Mr. SNELL. It seems to me that is a fair criticism to be raised against the Civil Service Commission as presently constituted.

Mr. BUCHANAN. I do not know whether it is a criticism against the Civil Service Commission or the law which we enacted directing them to pass on these things. It is a criticism against somebody.

Mr. SNELL. I agree with the gentlemen that it is, and I am entirely in accord with his position that this should be stopped.

Mr. BUCHANAN. Then, if this goes to conference, the question I would consider is making the 5-percent restoration applicable to the small-salaried people. I can see no reason why ten, or twelve, or eight, or nine thousand dollar salaries should be restored. I am in sympathy with those who receive small salaries. Personally, I have no objection to the restoration of the 5 percent on those smaller salaries, but I do believe this can be trimmed down and I believe it ought to be trimmed.

Mr. MARTIN of Massachusetts. Will the gentleman tell us what he considers a small salary?

Mr. BUCHANAN. Twenty-five hundred dollars or $3,000. I would not call that a small salary, but I would say that the limit I would endeavor to get in the Congress would be on $2,500 or $3,000 salaries.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Reserving the right to object.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. FITZPATRICK. What will the saving be if the increase is not given to people drawing five or ten thousand dollar salaries?

Mr. BUCHANAN. I have not figured what the saving will be. I can only tell the gentleman that the entire amendment will cost about $22,500,000. That applies to all employees of the Government and corporations in which the Government holds a majority of the stock. It applies to the private pensions, the Civil War pensions, and includes the whole scope of Government employees in the increase of 5 percent in their salaries. The total cost of that would be approximately $22,500,000.

Mr. FITZPATRICK. The gentleman cannot tell us what the saving would be?

Mr. BUCHANAN. On the salaries over $2,500 I cannot. I can only say that in one Department 60 employees received an increase ranging from $500 to $2,000.

Mr. FITZPATRICK. Does not the gentleman think that prices have increased and the cost of living has increased to the high-salaried people as well as to those of small salaries?

Mr. BUCHANAN. It is 13 percent in the District of Columbia and 18 percent in the Nation, below the standard which we fixed in 1928. When we first passed this law we provided it should be restored whenever the cost of living increased to the standard of 1928. It is still 13 and 18 percent below that.

Mr. FITZPATRICK. Will the House have an opportunity to vote on this?

Mr. BUCHANAN. Certainly. Under the rules of the House, the conferees will be compelled to bring this back for a vote, unless the Senate yields.

Mr. FITZPATRICK. Then we would have to vote it up or down?

Mr. BUCHANAN. No. When we go to conference, I will try to get this compromise which I am indicating to you, and I will bring it back to the House for a vote, and then the House can either vote it up or down or amend it, either one.

Mr. KVALE. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. KVALE. I should like to address myself briefly, if the chairman will permit, to the gentleman from New York. I read a statement in the morning paper, I may say, by a disinterested student, who stated that withholding pay restoration from all above a certain salary level—in other words, this proposition of not granting the increase to the larger brackets of salaries—would be nothing more than a political gesture, and that the difference in saving would not be of any consequence.

Mr. FITZPATRICK. That is correct. There is no doubt about that.

Mr. BLANTON. Mr. Speaker, I reserve the right to object merely to enable me to make some observations. I heartily agree with my colleague from Texas [Mr. BUCHANAN], Chairman of the Committee on Appropriations, in his contention that this resolution ought to be sent to conference so that the conferees may give proper consideration to all of the matters in disagreement.

The chairman has called attention to the fact that since we adjourned last June numerous employees have been shifted around, with the names of their positions changed, but whose duties remain practically the same, and increases in salaries granted them ranging from $60 on up to $2,000 additional to the salaries they were drawing before the change.

This situation should remind us of the fact that Congress has lost all control of salaries. Prior to the passage of the Classification Act in 1923 Congress did control salaries. Prior to 1923 all salaries were fixed by Congress. The act of 1923 took such control away from Congress, and out of the hands of Congress, and placed in a board composed of Government employees the power and authority to grade, classify, and fix the salaries of all Government employees. Many employees had their salaries doubled. Some of them had their salaries trebled. Some employees who were getting $1,000 were jumped to $2,500 and even $3,000. Some who were getting from $1,300 to $1,500 were increased to $2,600 and on up to $3,500. Some who were getting $1,800 were increased to $3,400 and on up to $5,000. Some who were then getting $2,500 were jumped up to $5,000. Some who were getting from $4,000 to $5,000 were increased to $7,500 and on up to $9,000, and even up to $10,000. Just when are we going to take back into this Congress the right to control those salaries?

We have got to do it sooner or later, and I hope we will do it in this session.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes; I yield.

Mr. BULWINKLE. I should like to ask the gentleman from Texas how many of these positions there are where there have been increases from $3,000 or $4,000 to $10,000?

Mr. BLANTON. The ones raised to $10,000 formerly received from $5,000 to $7,500. There are a good many of them. I wish our friend from North Carolina would get the hearings on the recent District bill and look on pages 104 to 110, which will illustrate my point by showing raises granted to the District officials here since said 1923 act. Practically every one of them has had his salary doubled and some of them have had their salaries trebled under this 1923 Classification Act. These raises well illustrate the raises granted to Federal employees.

Mr. BULWINKLE. I know, but the gentleman does not state that there is any number.

Mr. BLANTON. Oh, there is a bunch of them.

Mr. BULWINKLE. I should like the gentleman to tell us how many.

Mr. BLANTON. I think there are at least 5,000 employees who have had their salaries practically doubled under the 1923 act and have been increased beyond any reasonable amount, far beyond what this Congress ever would have done in any situation.

Mr. BULWINKLE. So the gentleman states that there are 5,000 who have had their salaries increased from $3,000 to $10,000?

Mr. BLANTON. Oh, no; not from $3,000 to $10,000, but who have had their salaries doubled. The ones raised to $9,000 and $10,000 formerly received $5,000 or $6,000 or $7,500 before the Reclassification Act was passed in 1923.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. DUFFEY of Ohio. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. The regular order is, Is there objection to the request of the gentleman from Texas?

Mr. LEHLBACH. Mr. Speaker, I will object if we cannot have a little discussion on this important matter. I will object until the request for the regular order is withdrawn.

Mr. BLANTON. I wish, Mr. Speaker, that I had the time to point out specifically the many positions in this Government where, under the provisions of the Reclassification Act this Congress passed in 1923, allowing a board composed of Government employees to grade and fix salaries of Government employees, salaries of many employees have been doubled and trebled since 1923.

There is fresh in my mind the increases which under this same 1923 act were granted to employees of the District of Columbia, as we recently went into this matter thoroughly while we were holding hearings on the pending District of Columbia appropriation bill. The increases granted under this 1923 act to these District of Columbia employees will illustrate exactly like increases that were granted under this same 1923 act to regular Federal employees of the Government.

If you will look on pages 104, 105, 106, 107, 108, 109, and 110 of the hearings on the pending District of Columbia appropriation bill, you will see that I caused to be printed the names and positions of more than 400 employees of the District of Columbia, drawing salaries from $2,500 to $9,000, whose salaries were about doubled, and some trebled, by said act of 1923.

I want to mention some of them. The Commissioners were raised from $5,000 to $9,000. Their secretary was raised from $2,700 to $5,600. Their auditor was raised from $4,000 to $9,000. The corporation counsel was raised from $5,500 to $9,000. His principal assistant was raised from $3,000 to $7,000. Another assistant was raised to $7,000. Another assistant was raised from $1,800 to $5,600, more than trebled. Another assistant was raised from $1,500 to $3,200. Another assistant of the corporation counsel was raised from $1,000 to $3,200, more than trebled. The municipal architect was raised from $3,600 to $7,500. The tax assessor was raised from $3,500 to $7,500. He had four assistants raised from $3,000 to $4,800, and two assistants raised from $2,000 to $4,800. The coroner was raised from $1,800 to $3,200. The surveyor was raised from $3,000 to $5,000, and one of his assistants was raised from $1,800 to $3,500, and another from $1,500 to $3,000, and another from $1,200 to $2,800.

The chief librarian was raised from $4,000 to $8,000 and his assistant from $2,000 to $4,000, and one of his chiefs was raised from $1,400 to $3,200. The superintendent of trees was raised from $2,000 to $5,200 and his assistant from $1,350 to $3,200. The director of sewers was raised to $7,500, and one of his assistant from $3,300 to $5,000. The superintendent of refuse was raised from $4,000 to $6,000, and his street-cleaning director from $3,000 to $5,000, and the garbage director from $2,500 to $5,000. The playgrounds supervisor was raised from $2,500 to $4,600. The superintendent of janitors in schools was raised from $1,500 to $3,500. The health officer was raised from $4,000 to $7,000, with one assistant from $2,500 to $5,600, and his chemist from $2,000 to $4,600, and one assistant from $1,500 to $2,600, and two inspectors raised from $1,200 to $2,700. The poundmaster was raised from $1,400 to $3,080. The juvenile judge was raised from $3,600 to $7,000. The alienist was raised from $1,500 to $3,500. The director of welfare was raised to $8,000, his assistant to $5,600, his medical officer from $1,400 to $3,400, and one social worker raised from $900 to $2,600. The jailer was raised from $1,680 to $4,400, and the superintendent of workhouse from $3,500 to $6,000, and of the reformatory from $1,800 to $5,000, and the brick-plant chief from $1,500 to $3,000. The superintendent of the Gallinger Hospital was raised to $7,500, and one chief to $5,600, another to $4,600, 3 to $3,200 each, and 6 to $2,600 each. The chief of buildings and parks was raised from $2,500 to $5,000. The Zoo Park chief was raised from $3,300 to $6,500. The water superintendent was raised from $3,300 to $5,800.

I have quoted the above from the more than 400 District of Columbia employees, whose names and positions I had set out in said hearings, showing their increases granted under said 1923 act, and they will illustrate the raises which have been granted to thousands of Federal employees of this Government under said act. The District of Columbia is merely a city of 500,000 inhabitants, while the Government of the United States has almost 100,000 employees in Washington alone. The more than 400 District employees I listed by name and position in said hearings are additional to the 1,300 Metropolitan Police and almost 1,000 firemen and about 3,000 school employees of the District, all of whom got their raises under a different act of Congress. And it will be remembered that the salary of the superintendent of schools has been raised to $10,000. Numerous Federal salaries have been raised to $10,000, $12,000, and some to $15,000.

It is time, Mr. Speaker, that this Congress takes back unto itself the control of salaries. This Congress should fix all salaries. No board composed of Federal employees should have the right to classify and grade and fix the salaries of their fellow employees. The people of the United States elected their Representatives and their Senators and are depending upon them to hold the purse strings and to retain the control of salaries.

It is perfectly right and proper, therefore, that the request of our chairman should be granted, and this bill should go to conference, and he should be permitted to adjust all raises in salaries which have been granted, as he says to many employees of from $60 to $2,000, with their duties unchanged, and granted in addition to their former raises given them under the original Classification Act of 1933.

Mr. BOYLAN. Mr. Speaker, reserving the right to object, I may say to the chairman——

Mr. BUCHANAN. Mr. Speaker, I have the floor.

Mr. BOYLAN. I understand that; but I reserved the right to object.

Mr. BUCHANAN. I have the floor, but I will yield to the gentleman.

Mr. BOYLAN. I thank the gentleman. The matter of promotions as raised by the chairman of the committee is entirely beside the question; it has nothing to do with the matter of the increase in the present salaries. There is no question about it, and I sincerely trust the committee will not report any such amendment as proposed here this morning, because the saving by its adoption would be so insignificant as to savor almost of petty larceny. Everybody is entitled to the pay increase, irrespective of what his salary is. Many men in the higher brackets are suffering more from present conditions than are those in the lower brackets. Much time has been spent by certain Members of the Senate and House in working out this compromise. I sincerely trust the committee in its deliberations will not consider any such ridiculous amendment. [Applause.]

Mr. MEAD. Mr. Speaker, reserving the right to object, I believe the Members of the House are extremely anxious to pass judgment on this question, which has been, in my estimation, so reasonably adjusted by the Senate. I believe it would be proper parliamentary procedure if we were to permit the naming of the conferees and then to instruct our conferees to concur in the pay-cut restoration as prescribed by Senate amendment no. 7. I really believe the Members of the House are anxious to dispose of this question right now. They are thoroughly familiar with the subject. I really believe the matter ought to be decided definitely by the House by instructing our conferees to concur in the Senate amendment to this particular item.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. MEAD. Yes; I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. This would enable the House to save time. The House is ready to vote on it now, and we could dispose of this matter today.

Mr. MEAD. The gentleman is quite correct. We are ready to make our decision on this question today; further delay, in my judgment, is unnecessary.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. Pending the appointment of conferees, after disagreement with all the Senate amendments, would it be in order, with the consent of the gentleman preferring the unanimous-consent request, now to move to recede and concur in Senate amendment no. 7?

The SPEAKER. The Chair will state that that would require unanimous consent. The gentleman from Texas is asking unanimous consent to take the bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference.

Mr. LEHLBACH. Assuming that request was not pending but that the bill was called up, would it be in order to make the preferential motion to recede and concur? I think this is a preferential motion, and the bill being before the House, it would be in order.

The SPEAKER. The Chair will state to the gentleman that unanimous consent would be necessary in the first instance to take the bill up for consideration. Of course, if that unanimous consent was granted, a motion of that kind would be in order.

Mr. TABER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TABER. Mr. Speaker, would it not be in order now to send the bill to conference, and then the House can take such action as it pleases with reference to the matter after it has gone to conference? Is not that correct?

The SPEAKER. Of course, the House could not take any action until after the joint resolution is reported back from the conference.

Mr. TABER. Mr. Speaker, could we not instruct the conferees?

The SPEAKER. Certainly, the House has it within its power, if the motion is made at the proper time, to instruct the conferees.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. That motion would have to be made before the conferees are appointed.

The SPEAKER. That motion could be made after the House agreed to the request of the gentleman from Texas and before the appointment of conferees. Is there objection to the request of the gentleman from Texas to take the bill from the Speaker's table, disagree to all the amendments of the Senate, and ask for a conference?

There was no objection.

Mr. MEAD. Mr. Speaker, I move that the conferees be instructed to concur in Senate amendment no. 7, the pay-cut amendment.

The SPEAKER. The gentleman from New York offers a motion to instruct the conferees, which the Clerk will report.

The Clerk read as follows:

Mr. MEAD moves that the conferees be instructed to concur in Senate amendment no. 7, the pay-cut amendment.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. BUCHANAN, TAYLOR of Colorado, ARNOLD, OLIVER, TABER, and BACON.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 1175) entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FLETCHER, Mr. GLASS, Mr. WAGNER, Mr. NORBECK, and Mr. TOWNSEND to be the conferees on the part of the Senate.

INDEPENDENT OFFICES APPROPRIATION BILL, 1936

Mr. WOODRUM. Mr. Speaker, I call up conference report on the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

C. A. WOODRUM,
JOHN J. BOYLAN,
RICHARD B. WIGGLESWORTH,
Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendment no. 1: Provides, as proposed by the Senate, for the purchase of one motor-propelled passenger-carrying vehicle at a cost of not exceeding $2,400 for the American Battle Monuments Commission.

On amendment no. 2: Under the Securities and Exchange Commission, authorizes rent of "quarters outside the District of Columbia; rental of equipment", as proposed by the Senate, instead

of rent of "building and equipment at the seat of government and elsewhere", as proposed by the House.

On amendment no. 3: Under the Securities and Exchange Commission, appropriates $2,234,494 for salaries and expenses of the Commission, as proposed by the Senate, instead of $2,000,000, as proposed by the House.

On amendment No. 4: Corrects a total.

On amendment no. 5: Under the appropriation for administrative expenses of the Veterans' Administration, retains the following proviso proposed by the Senate:

Provided further, That when found to be in the best interest of the United States, not to exceed $500,000 of this amount may be used for payments to State institutions caring for and maintaining veterans, suffering from neuropsychiatric ailments, who are in such institutions on the date of the enactment of this act.

On amendment no. 6: Corrects a date.

C. A. WOODRUM,
JOHN J. BOYLAN,
RICHARD B. WIGGLESWORTH,
Managers on the part of the House.

Mr. TABER. Will the gentleman yield for a question?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. TABER. There is one item in the report I do not understand, and that is with reference to the authority to pay $500,000 to State institutions. Will the gentleman explain that item?

Mr. WOODRUM. Mr. Speaker, amendment no. 5, referred to by the gentleman from New York [Mr. TABER] is the amendment offered in the House by the gentleman from Illinois [Mr. LUCAS], which went out on a point of order.

At this particular place in Illinois there are two State institutions where there are a number of veterans housed for which the Government pays a certain agreed amount under contract. Fear was expressed last year and again this year that those veterans might be moved from State institutions to Government hospitals, but assurance was given by the Veterans' Administration that such would not be the case. We hoped it would not be insisted that the amendment go in; however, the Senate has put it in and is very insistent upon the amendment.

The amendment does not increase the appropriation and so far as the practical effect of it is concerned is not material or important. The conferees did not feel it was a matter about which there should be any particular controversy.

The only amendment to the bill of any consequence is amendment no. 3 of the Senate which reinserts the full amount estimated by the Bureau of the Budget for the Securities and Exchange Commission. You will recall that in the House we made a substantial curtailment of that figure on the theory that we hoped this Commission would proceed a little more cautiously and conservatively in building up a very big organization. The House reinserted a portion of the cut, but the Senate put the whole figure back, so the bill comes here in final shape practically verbatim as the Budget sent it to the Congress.

At a more appropriate time and before the session is over, I hope to take a few moments to comment on the work of the Appropriations Committee, of which I am a member. It is one of the greatest committees of the House. It is a hard-working committee, with a splendid, fine crowd of clerks, but I hope I shall be able to point out to the House and to my colleagues on the committee where this great committee may perform a useful service to the House and a useful service to the country. We heard just a few moments ago from the Chairman of the Appropriations Committee, and in the colloquy that followed, that in many instances the specific edict of the Congress against increases in salaries during this emergency had been voided by having a man's or woman's position changed and the duties somewhat changed, thereby enabling them to get a higher grade and a larger salary. I do not think that has been abused quite so much as might appear from the colloquy, but undoubtedly it has been abused some.

It is utterly impossible for a committee of this Congress, with the limited facilities at our disposal, to go into anything like a careful or a thorough audit or scrutiny of the vast expenditures of this Government. Billions of dollars and hundreds of thousands of employees are involved, and I say with all deference and respect to our great committee and with full appreciation of the splendid, untiring work of our clerks, eight in number, that when it comes to anything like a careful audit or scrutiny of the expenditures of the Government I do not believe any man on the committee will say that we do it. We do not scratch the surface.

Mr. ARNOLD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is aware of the fact that under our system of hearings they are more or less ex parte. We simply hear from the heads of the Departments. Has the gentleman in mind the idea of independent investigation by the Appropriations Committee?

Mr. WOODRUM. Absolutely.

Mr. ARNOLD. I commend the gentleman for his ideas along that line.

Mr. WOODRUM. I thank the gentleman.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. If the statements just made are correct and the eight clerks are not able to do the work necessary, does not the gentleman believe he ought to put on a clerk or two, and that that would be a matter of economy so far as the Government is concerned?

Mr. WOODRUM. I think so, but may I say that the Members, myself included, are cowards when it comes to the question of providing ourselves with proper facilities. We will put some little departmental chief behind a mahogany desk and give him so many secretaries, assistant secretaries, and messengers that you can hardly get into his office; yet when it comes to the question of giving ourselves the proper instrumentalities so that we may discharge our duty, we hesitate to do it, because we are afraid the people in the country will say we are creating just another position.

Mr. RICH. Does not the gentleman believe the people back home, when they know it is a matter of economy and can be so explained, will be glad to cut down the Government expenses and go along with Congress?

Mr. WOODRUM. I think they will.

Mr. BOYLAN. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. BOYLAN. I am very glad that the gentleman answered the distinguished gentleman from Pennsylvania [Mr. RICH] who does not want a man to get even a little printed matter put in the RECORD, he is so careful about economy. That is the trouble. The House has always had an inferiority complex. They do not want to spend the money to get the right tools, the right help, and the right facilities. [Applause.]

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. SNELL. I am very much interested in the statement the gentleman made relative to the duties and the good work of the Appropriations Committee of the House. I am 100 percent for that committee. I believe that the House, if given an opportunity through the Appropriations Committee, will guard these expenditures very carefully and that was one of the reasons I so strongly opposed the $5,000,000,000 appropriation last week. I thought it would have a better effect on the whole country if Congress dictated the expenditure of those funds.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. O'CONNOR. Does not the Director of the Budget make an investigation of these matters between sessions of the gentleman's committee?

Mr. WOODRUM. I am going to refer to that. Perhaps it will not be wasted time if we take just a minute on this subject, because it is an important one.

Under our present system of appropriating for the regular establishments of the Government—and, after all, we must

make a distinction between these emergency expenditures and the regular administrative expenses of the Government—the appropriation estimates come to us as the estimates of the President. The investigation for the President is made by the Bureau of the Budget. We get nothing in the House or in the Committee on Appropriations except the estimates.

The Bureau of the Budget estimates, for instance, for the Securities and Exchange Commission, $2,300,000 for the following employees, and we have no way whatever of knowing what facts influenced this action by the Bureau of the Budget; what investigation or examination they made or why they increased it or reduced it, as the case may be. We have no way of knowing what representations were made to the Budget for such an appropriation, and bear this very important fact in mind: This confidential hearing of the President before the Bureau of the Budget was probably from 6 to 8 or 9 months before the time we come to take action and, usually, 12 months from the date upon which the particular estimates of appropriation come into being and are referred to our hard-working, diligent, careful subcommittees.

I want to reiterate here, Mr. Speaker, if you will take the hearings of some of these subcommittees, including the one of the distinguished gentleman from Illinois who is now bringing you the Post Office and Treasury bill, with Mr. TABER as the ranking Republican member, and the subcommittee of the distinguished gentleman from Alabama [Mr. OLIVER], whom I see sitting here, and others, you will see that they give a great deal of time and patient thought to these hearings. But what does it amount to?

We summon before the subcommittee the bureau chiefs and their confidential advisers and their Budget officers. They have been busy for 6 months getting their data and their statements ready to bring to the Appropriations Committee to justify their expenditures; and if you ever think that they are not cagey, then go and examine some of them. They have spent days and nights and months caucusing and reviewing and preparing themselves and building up their defense—and what do we have?

We have, as my friend here has stated, an ex parte hearing, and if we are persistent and so fortunate as to be able to back one of them up in a corner, perhaps, sometimes we can catch him and cut a few thousand dollars off his estimated appropriation; and then, if we do, he usually goes to the Senate and it is promptly put back.

Most of you gentlemen are lawyers, and I will speak to you in the parlance of the craft. I think when a department comes to Congress for an appropriation it ought to be a situation somewhat analogous to a man who is suing a person in court for a certain amount. I think the department ought to say to the House of Representatives, "You have given us a job to do or a contract to perform, and here is the bill that we present you for it." I think they ought to be required to produce evidence and show by a preponderance of satisfactory proof that it does require that many employees and that many dollars to do the job.

Examine some of these estimates. I wish I might have prepared and presented to you some of the figures. The item of travel expense alone runs into hundreds of thousands of dollars, as well as the item of stenographic reporting, the item of rent, and so on. I might go down the category of these estimates.

When we go into our hearing we bring the bureau chiefs or the department chiefs before us, and we proceed to try to cross-examine and try to get something on them by way of cross-examination.

Mr. Speaker, it would be like going into court to defend a case where you have to rely entirely on your ability to build up a defense of the case by your cross-examination of your opponent.

Now, to what does this lead me? To answer the question of my friend from Illinois, I want in these hearings a witness or two for the defense. I want in these hearings, sitting by the chairman of the subcommittee, a capable, competent, carefully-trained man who has been in these departments, independently, and has examined their estimates and examined their need for increased personnel, examined their need for exorbitant travel expense and communication expense, who will be able to sit beside me when I am examining the witnesses and tell me the questions to ask and point out to me where a case may be developed for Uncle Sam.

Of course, this means personnel. The man who will be capable of doing this job will have to be paid for it, but I say to the House of Representatives that if you would give me a man of this kind on the independent offices appropriation bill for 1 year I will save you 25 times his salary without impairing the efficient operation of the Government service.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. Did we not have some sort of department like that which was abolished a year or two ago?

Mr. WOODRUM. A year or two ago we had what was known as the "Bureau of Efficiency." It became one of the most unpopular bureaus or Government agencies. Why? Because every time they went into a department or into a Government agency and cut down their appropriations they drew the fire of that department or agency, and it is a powerful fire.

It became so unpopular that Congress abolished it; but I think the Appropriations Committee appreciated its activities. It was an independent bureau that we could call upon.

My idea is that the Appropriations Committee itself ought to have its own staff of confidential men, highly trained auditors, who by careful experience and contact could go into the different departments when our hearings start and lay on our desk a brief for the defendant. It would not only bring economy but increased efficiency, and the very fact that there was such an agency would have a deterring effect on some of these exorbitant requests that are made by the departments.

Mr. MOTT. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MOTT. It would require legislative authority by Congress to get what the gentleman wants, would it not? Has the gentleman asked for that authority?

Mr. WOODRUM. Before the session is over I will ask for it, and I hope Members will assist me in getting it.

I think I can tell you how it will be done. If Congress will give our distinguished chairman the right to ask any bureau or department, say on the independent offices appropriation bill, to detail him or the subcommittee chairman any person he may ask for during the next fiscal year—and I know a bureau or department where there is a man or two that I could detail to my subcommittee who I know would do a good job. It would not interfere with the department.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. O'CONNOR. The gentleman does not mean that he would investigate his own department?

Mr. WOODRUM. That along with others.

Mr. O'CONNOR. Does the gentleman think that is wise?

Mr. WOODRUM. In this particular instance; yes.

Mr. HAINES. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HAINES. Is it not a fact that all business corporations are doing the very thing the gentleman is advocating here?

Mr. WOODRUM. I think so. Now, I say this without reflecting on a bureau or any chief of a bureau or head of any department. They are human beings, and it is just natural and absolutely human for a department or bureau chief to want to see it grow and expand and increase and reach out for more power. It is human, and unless there is some method of holding it down, we have the result that you see in this very bill.

Yet the Securities and Exchange Commission, charged with important duties—and no one will minimize them—which the American people want to see carried out, has started out with an exorbitant idea of what the Bureau is

to be, and if they go ahead, as apparently we will let them, in a year or two it will be larger than any two governmental departments put together.

In spite of emergency expenditures, separating those two, there has been substantial progress made toward balancing the ordinary expenses of the Government with the Budget, and this committee has made its contribution to that. This committee is interested, Democrats and Republicans, Republicans and Democrats, as I stated in presenting the bill originally, in seeing that important governmental agencies are adequately financed, and, second, in seeing that they are not overfinanced and overmanned.

Mr. Speaker, I had not intended at this time to go into this discussion, but the matter came up and I submit it to my colleagues, especially for the consideration of my colleagues on the Committee on Appropriations and our distinguished chairman; and if they approve it, I shall ask in my bill for authority to draft personnel from one or two of the departments to assist in checking these expenditures in any one fiscal year.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. ARNOLD. I am in accord with the general purposes of the gentleman and what he is seeking to do, but I do not believe the man who is to do this work should be selected from the departments. I think we ought to have an agency that is entirely outside of any of the departments, an agency that the department heads cannot influence in any way, and I think the man selected should be someone entirely outside.

Mr. WOODRUM. That would be very much better, if we are willing to pay the money, and I say that we ought to do it.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUDLOW. What is the gentleman's estimate of what it would cost to increase the personnel of the Budget Bureau so that there might be one expert assigned to each of the legislative subcommittees of the Committee on Appropriations for this particular work that the gentleman speaks of?

Mr. WOODRUM. I do not believe it would take one expert for each subcommittee. I think two or three highly trained, competent men, with some clerical assistants, could direct this work, and I say to the gentleman that he would not have to go into each department every year. If they had gone through a department once, then to check the accounts the next year would be a small matter. Auditing it at first would be the important work.

Mr. LUDLOW. My experience on the Committee on Appropriations tells me that the gentleman is on the right track. I think a great deal of good would come from his proposition, and I think the personnel should not be detailed from existing bureaus but should be independent and an uninfluenced personnel chosen independently. I agree with the gentleman from Illinois [Mr. ARNOLD] in that respect.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. COLE of Maryland. I am wondering if the idea the gentleman suggests, which I approve very much, could be put into effect almost immediately. Here we are with only about 3 weeks gone of the present Congress. If it could be done we could get the benefit of this large saving in the next fiscal year. Would that be possible?

Mr. WOODRUM. The Budget estimates are already here for the fiscal year beginning next July. We find sometimes in these appropriations that the picture is so entirely changed from the time these departments go before the Budget and the time they come here that they do not need appropriations for this particular item or for that particular activity, but we have got to get at it by stumbling along blindly, going on a wild fishing expedition to find it out.

Mr. SNELL. Mr. Speaker, will the gentleman yield me 2 minutes?

Mr. WOODRUM. Certainly.

Mr. SNELL. Mr. Speaker, I have been very much interested in the explanation the gentleman has made about the good work of the Committee on Appropriations. I entirely agree with him as far as his general statement goes, but I cannot understand why the gentleman's committee should have brought into the House last week a proposition of practically $5,000,000,000 of extraordinary expenditures and not have given it any more attention than they themselves say they gave to the proposition. If it is necessary to go through and examine the detailed expenditures of the regular departments of the Government, which to a certain extent we are familiar with, and the total of which runs only in the vicinity of around $3,000,000,000, it seems to me that it is even more necessary on the part of this body that is responsible for these expenditures to give some time at least to getting information in regard to extraordinary expenditures that go 150 percent more than the regular expenditures of the Government. That is something in the gentleman's statement that I cannot quite understand. I appreciate the fact that there is some difference between ordinary and emergency expenditures, but the emergency expenditures that we were providing for last week have been going along in this Government for between 1 and 2 years, and certainly somewhere, some place, there must be some kind of plan to carry forward the expenditure of this money.

Does not the gentleman think, because of the size of that appropriation, that we should have had a little more information than his great committee, which is so careful, was able to give us at that time. I certainly cannot understand why my good friend has apparently changed his position today from the one he took last week. Today he is in entire accord with the position I took last week when we had a proposition before us to give the President five billions without any information whatsoever. This proposition came from your same efficient committee, yet you did not have, or did not want to give us any information whatsoever. My position then was the same as it is today. I am, and always have been, in favor of Congress doing its full duty in giving consideration to the spending of the taxpayers' money.

I hope my friend will keep in mind his statement today before he again criticizes some of us for opposing such a proposition as we rightfully opposed last week.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield for a question that is not political?

Mr. WOODRUM. Yes.

Mr. COCHRAN. There has grown up recently a practice of taking men from one Government agency to another and putting them in a position similar to the one they held, but the agency taking the individual over, working under a lump-sum appropriation, increases the individual's salary two or three thousand dollars a year. Is there something that the Committee on Appropriations can do even in connection with lump-sum appropriations that will break up that practice? There is no reason why a temporary organization or an organization that eventually will be made permanent, should take a man from one Government agency into its department or bureau and increase that man's salary to do the same class of work that he was doing before that agency took him over.

That is all over the Government. That has been done in the last 2 years; it has been done in the last few months. It should be stopped.

Mr. WOODRUM. Mr. Speaker, replying to the observations of the gentleman from New York [Mr. SNELL], at least in minds of a majority of the committee, it was utterly impracticable and utterly impossible to determine in advance exactly where and exactly how the particular funds which the House voted to turn over to the President should be spent for this work program. The element of time entered into it. We are now appropriating, in these regular establishments, for the fiscal year which begins July 1 next.

The Budget examination of those estimates started last August. It takes time to do this. The Bureau of the Budget held hearings. The Committee on Appropriations held hearings. They are the established organizations. We

have some tangible idea of what their job is and how they ought to handle it.

As to the relief bill, the situation is entirely different. The President asked Congress to give him the instrumentalities whereby he might take 3,500,000 able-bodied men off the humiliating relief rolls and put them to work. He told the Congress the types of projects that he would use. He told the Congress in his message and in testimony before our committee that there were projects ready that could be started within 30 days from the time this resolution was passed, if we gave him the authority to do it. Because of the emergency nature of it, because of the temporary character of it, the House voted to give him that instrumentality, and provided that the expenditures should be audited and that a full report of all expenditures and commitments should be made to Congress.

Mr. SNELL. Will the gentleman yield further?

Mr. WOODRUM. I yield.

Mr. SNELL. There seems to be an opportunity for the Senate of the United States to get some information in regard to this. It seems that the House itself would have been in a better position before the country if it had given some attention and taken a little time and had gotten a little of that information that will probably be presented to the Senate before the Senate acts on this measure. According to the statement made by the administration that this money is not to be spent until after the 1st of July, it seems to me that we could have well paused a little while, for 2 or 3 weeks at least, and gotten some information in regard to it, and the House would have been in a better position before the country.

Mr. WOODRUM. Well, Mr. Speaker, I do not want to get diverted into a rehash of the work-relief bill. We passed that bill.

Mr. TABER. Will the gentleman yield to me?

Mr. WOODRUM. I yield to the gentleman.

Mr. TABER. I want to say a word or two about the way in which some such thing as the gentleman has suggested might work. I can remember when the various committees of Congress used to go around the country and check up on some of these projects. The danger there came to be that those Members who went around became the propagandists for the projects that those in the Department were trying to put across. I can remember when committees of Congress, both special committees and appropriation committees, attempted to utilize the service of the Bureau of Efficiency, and the Bureau of Efficiency set up so elaborate a program for handling some of the situations which they investigated that it required knocking down on the part of the subcommittee. Perhaps there is no way out of it, but it seems to me, and it always has seemed to me, that extreme haste in crowding our appropriation bills on was bad—that is, the general bills; that our committees, perhaps, ought to give more consideration to them; and the members of the committees themselves, and through more intensive work on the part of the clerical forces which we have in season and out of season, should try to drive these appropriations down rather than try to build them up through representatives in the individual departments and propagandists on behalf of the departments. I am afraid of turning over to propagandists the work of checking up on those departments. I think that during the session, after the bills are disposed of, and while Congress is in recess, the clerical force of the committee should be organized for investigation, and I think we should try through that and through longer sessions on the part of the committees, possibly in the hearings on these bills, to drive down these appropriations, because there is no force outside of the Committee on Appropriations which will work relentlessly to drive down those appropriations.

Mr. WOODRUM. Does not the gentleman think the Committee on Appropriations should have the personnel that would have time to do that?

Mr. TABER. If they were absolutely under the control of the committee; yes.

Mr. WOODRUM. Well, they could be under the control of the committee. I do not think the gentleman can give very many illustrations of departments that have been shrunk very much or that you have been able to drive down. The momentum has usually been the other way.

Mr. TABER. None of them has been driven down. It has been a struggle every minute for the committee to drive them down.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. GIFFORD. Being one of the helpless members of the Committee on Expenditures, the ranking member, as I have said several times, I have often thought that we ought to have something to do in relation to these matters. I sympathize with the gentleman's effort. I served a long time on the committee on appropriations in my State and I understand. But I want to remark this, that the other day on that tremendously large appropriation bill on which you gave us so little information——

Mr. WOODRUM. Now, Mr. Speaker, I refuse to yield further to the gentleman.

Mr. GIFFORD. Will the gentleman let me make one remark?

Mr. WOODRUM. No, sir; not right now.

Mr. GIFFORD. The gentleman is afraid of it. It is really a very important remark.

Mr. WOODRUM. I am sure it is. I will permit the gentleman to sit down and listen to me for a minute. I did not want to start any political row; but if you want a political row, we can have it. The work-relief bill was passed by Congress because a majority of this body trusted the President of the United States. They did it the other day, and they will do it again if it is necessary.

I may say to my good friend from Massachusetts, splendid, lovable, amiable, distinguished gentleman that he is, but who cannot resist the opportunity to effuse bitter partisan discussion, I did not start to talk politics. We do not have politics in the Appropriations Committee; we never have them. You cannot tell a Democrat or a Republican in there by what he is trying to do on the committee. I want, however, to say this to my friends over there who are still smarting under the display of confidence and courage that was given the administration by this body—God knows what will happen in the other one. But I know what we did here. We stood back of Franklin D. Roosevelt, and we are going to help put his program through. [Applause.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I do not yield to the gentleman. We are going to help put his program through in spite of the monkey-wrench throwers on this side of the aisle.

That is enough of politics. I did not start to talk politics, but the gentleman on the other side could not resist taking a couple of gibes at me; and there you are.

Now, Mr. Speaker, I shall be glad to yield to my distinguished friend from Massachusetts. My conscience hurts me; I cannot resist.

Mr. GIFFORD. Mr. Speaker, after his impassioned speech of last week, I felt the gentleman from Virginia ought to yield to me; and I had not uttered a word of politics when he stopped me. I was going on to tell him that, knowing the beautiful singer he is, the lovely fellow that he is, I know that when he was making that speech the other day he was singing to us the Two Grenadiers Ready to Die for Their Emperor.

Mr. WOODRUM. Righto. Righto. I know the gentleman from Massachusetts is an eminent pianist. Perhaps the Members of the House do not know this. Maybe some day we shall entertain them.

Mr. GIFFORD. I will play that for the gentleman.

Mr. WOODRUM. Fine. Now, if I am to sing the Two Grenadiers, if I could get just a little teamwork from the gentleman from Massachusetts and his party, then things would go along a little bit better. [Laughter.]

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WEARIN. I feel as does the gentleman from Virginia with respect to expert examinations, but would it not

be a good idea to have these experts employed by the committee and responsible to the committee and to no one else?

Mr. WOODRUM. It would be very much better, I may say to the gentleman.

Mr. Speaker, there are really no controversial items in this conference report, and unless the gentleman from Massachusetts, Mr. WIGGLESWORTH, desires some time, I shall move the previous question.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

PAY-RESTORATION AMENDMENT

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARPENTER. Mr. Speaker, on March 3, 1933, the national debt of this Government was $21,362,465,375. It was because of this debt and the deficit caused thereby, and the fact that the national income was less than the expenditures, that the Congress of the United States passed the economy bill reducing the salaries of all Federal employees 15 percent, and abolished the sick leave and the vacation on full pay. At the same time all veteran legislation, except that applying to Civil War veterans and veterans of prior wars, and compensation was repealed. The veterans received drastic cuts, and a great part of their benefits were abolished. The effect of this pay restoration is that the Federal employees have now been restored to the same full pay they were getting at the peak of our prosperity, whereas all the governmental economy now rests on the veteran alone, and the veteran is thereby made the goat.

The expenditures for the fiscal year of 1934 were $7,105,050,084, and the national income was $3,155,554,049. The national debt as of January 28, 1935, was $28,476,866,258. Yet today, notwithstanding the fact that the national debt and the deficit is greatly in excess of what it was in March 1933, the House, without debate or the privilege of debate, restored the Federal salaries in full commencing April 1, 1935, thereby going into complete reverse in regard to governmental economy. This, of course, restores the Congressmen's salaries back to $10,000, as they formerly were. This action was taken without a record vote; and while I voted against it on the motion submitted to restore the salaries, this is the only method that I have of recording my vote and how I feel in regard to this matter.

It has been stated many times during this session of Congress, especially when the $4,000,000,000 relief bill was passed, that this country was facing an emergency; and it has even been charged by different authorities that the condition of the unemployed and business in general in this country is worse now than it was some time back. Now, there would be little or no objection to restoring Federal salaries back to where they were if the country was again in a prosperous condition and this elusive state, known as "prosperity", was with us again. And let me say, in justice to a great number of our honest and conscientious Federal employees, that according to my observation they are not agitating this pay restoration; they are well satisfied to have a good Federal job; and all they ask is not to be disturbed, but to go their way in peace.

Whereas Congress has passed this salary-restoration bill in such a way that a finger cannot be placed upon any Member as to whether he voted for or against it, yet the results in dollars and cents will be just as effective. In addition thereto this action is opposed by President Roosevelt and will upset all the Budget estimates and provisions of our salary-appropriation bills.

I never have believed in cutting the lower-salaried employees; they are always the ones, like the veteran in this case, who have to bear the burden; and why the salaries had to be restored on the higher-paid jobs at this time, I cannot understand. Neither do I think it is justifiable when the Federal relief emergency set-ups over the country are telling the unemployed and those on relief that from four to six dollars a week is sufficient for them to maintain themselves and their families, and even they, out of this small pittance, are required to pay all manner and form of sales taxes to meet the Government expenses.

We have many fine people who have devoted a good many years of their life in preparing themselves for the profession of school teaching, but due to the condition of the farmers and the business people of our country, we find many of them getting as low a salary as $40 a month. If any Congressman should advertise throughout his district, or even let it be known, that he had a Federal job to fill paying as much as $1,000, and that he would accept applications for the same at a certain time and place, the chances are he would be crushed by the crowd.

While it may be easy to pass such a bill in the atmosphere here in Washington, now under the control and subjection of the Federal office-holding aristocracy, I am wondering whether such action will meet the approval of our constituents back home.

RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, with House amendments, insist upon the House amendments, and consent to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. STEAGALL, GOLDSBOROUGH, REILLY, HOLLISTER, and WOLCOTT.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

Pending this motion, Mr. Speaker, may I suggest to the gentleman from New York [Mr. TABER] that I have quite a number of requests for time. I think general debate will take all day.

Mr. TABER. That will be all right.

Mr. ARNOLD. May I suggest that we permit general debate to run throughout the day without attempting to fix a definite time for closing general debate?

Mr. TABER. That is satisfactory.

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that general debate continue throughout the day without attempting to fix the time for closing general debate, the time to be equally divided, one-half to be controlled by the gentleman from New York and the other half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is upon the motion of the gentleman from Illinois.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. ARNOLD. Mr. Chairman, I yield 1 minute to the Delegate from Puerto Rico [Mr. IGLESIAS].

Mr. IGLESIAS. Mr. Chairman, today I received, unexpectedly, letters, together with a gavel, from the headquarters of the United States Regiment of Puerto Rico, which I was going to present to the Speaker today, but I will do that in his chambers.

I ask unanimous consent to extend my remarks in the RECORD and to include therein these letters.

Mr. KVALE. Mr. Chairman, reserving the right to object, so that the RECORD may be clear, should this request be made in the House or may it be made in the Committee?

The CHAIRMAN. Requests to insert extraneous matter in the RECORD should be made in the House and not in the Committee. The Chair suggests that the Delegate from Puerto Rico withhold his request until we go back into the House.

Mr. IGLESIAS. Then, Mr. Chairman, I withhold my unanimous-consent request.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, statements appearing in today's newspapers lead me to take the floor and tell the facts. Quoting from a press release from John H. Fahey, Chairman of the H. O. L. C., Washington newspapers state:

> The H. O. L. C. Chairman said a thorough check of loans revealed that approximately 99 percent of the home owners whose loans were held by closed financial institutions and exchanged for H. O. L. C. bonds were themselves in financial distress, "in default as to interest or principal."

I repudiate this assertion.

In Ohio I find that the majority of loans made to help liquidate banks were to mortgagors who were not in distress. The majority of these loans were to individuals whose payments of interest and taxes were not in default.

I know of a loan made through the Cleveland office of the Home Owners' Loan Corporation to an individual whose income is $25,000 per year. Of course this loan was made to help liquidate a bank—the Union Trust Co.

I believe that the amendment adopted April 28, 1934, to the Home Owners' Loan Corporation Act should be eliminated and the distress of the individual should be made the sole test of eligibility.

Because of maladministration in Washington there is a wide-spread feeling among our distressed home owners that the Government has turned its back on them and is again favoring banks and other big interests who were, in a large degree, responsible for the condition from which these distressed home owners are suffering.

There is a feeling that the suspension of the functions of the Home Owners' Loan Corporation resulted largely from the act of bulk refunding of mortgages held by the banks and other large lending agencies, regardless of any distress of the mortgagor. This used an undue amount of the bonds of the Corporation, which was created solely to aid in preserving for the small home owner the shelter he secured through a long, hard struggle.

The Home Owners' Loan Corporation is one of the greatest pieces of national legislation ever enacted.

It would be a very critical mistake for the Government not to make the existence of the Home Owners' Loan Corporation permanent, or, at the very least, until all pending applications are closed, and it would be a calamity to terminate the work ofthis Government corporation until private lending agencies are ready to take over the work.

Last November, John H. Fahey, Chairman of the Federal Home Loan Bank Board, with his usual display of incompetence, stated that private lending agencies were able to take over the function of lending money to home owners of our country in distress. Practically everyone else in the country, with an intelligence equal to an eighth grader, knew then and knows now that private lending agencies and banks will not go ahead and are not ready to go ahead and make mortgage loans to home owners.

The Congress should immediately enact legislation providing for an increased authorization of $2,000,000,000 in bonds for the use of the Home Owners' Loan Corporation.

Approximately 544,000 home owners in distress have applications on file with this Corporation, upon which no definite action has been taken. Certainly fully 400,000 of these applicants are worthy and entitled to the relief the Congress intended.

We in the Congress intended that the Home Owners' Loan Corporation should be the greatest humanitarian corporation in the world. Officials of the Federal Home Loan Bank Board, John H. Fahey, Chairman; T. D. Webb, Vice Chairman; William F. Stevenson, Fred W. Catlett, H. E. Hoagland, members of the Board, have been guilty of violating the intent and purpose of the Congress. I propose that the Congress investigate the Federal Home Loan Bank Board and its members, and if necessary that we impeach them and remove the whole crew of these arbitrary "high boys" and bureaucrats from office.

They have continuously and persistently acted in an arbitrary and high-handed manner, and shown a callousness and indifference to the public need and the public good comparable to that of the most cold-blooded and conscienceless private lending agency operated for profit only.

Great hope for the distressed home owners of the country was held out by President Roosevelt.

We in the Congress believed we had created a Government agency which would save homes to owners who were in distress. The Home Owners' Loan Corporation is the new-deal agency which comes closest to most of our people.

The Federal Home Loan Bank Board has adopted a cold-blooded and ruthless policy in dealing with distressed home owners. This Board by its tactics has caused the Home Owners' Loan Corporation to become the joker in the new deal.

As a matter of fact, the Home Owners' Loan Corporation, in its work, comes right into the homes of people; and a liberal policy, compatible with the intent of the Congress, must be adopted.

These bureaucrats in Washington have cluttered the work of this Corporation with red tape, and have adopted restrictive regulations, harassing distressed home owners, and denying relief in thousands of worthy cases.

During the past 6 months most of the good work of the preceding 12 months has been undone. A tangle of red tape and a multitude of conflicting restrictive regulations have caused a humanitarian corporation to become inhumane. The Federal Home Loan Bank Board, in Washington, and John H. Fahey, the Chairman, are to blame. The intent and will of Congress have been defeated. Thousands of distressed and deserving home owners whose applications have been needlessly delayed or denied look to us to remedy this indefensible and intolerable situation.

I am not interested in any proposed investigation of branch managers of the Home Owners' Loan Corporation or of any State manager. The "high boys" here in Washington are to blame. The incompetence, stupidity, arrogance, and maladministration of the Federal Home Loan Bank Board in Washington has resulted in the collapse of the Home Owners' Loan Corporation.

My investigation in Ohio shows that as of January 17, 1935, 77,277 loans were granted in the amount of approximately $241,000,000. In the entire Nation as of January 17, 1935, there were approximately 750,000 loans closed in the amount of approximately $2,250,000,000. This despite red tape from Washington, conflicting regulations, repeated reappraisals, and so forth, which during the past few months have brought the H. O. L. C. everywhere to a standstill.

In Ohio at this moment there are nearly 70,000 pending applications in addition to 39,500 which have been rejected. Many of these were improperly rejected under orders from bureaucrats in Washington. The State manager estimates that at present there are about 56,000 worthy and deserving applicants genuinely in distress who come within the meaning of the law. It will require approximately $176,000,000 additional to provide loans to save their homes. I urge that we immediately authorize an additional bond issue of at least $2,000,000,000 to provide relief for home owners in distress and to avoid discrimination.

Issuance of these bonds does not affect nor relate to the balancing of the Budget. These bonds are backed by the security of American homes. If the Corporation is properly managed, there will be no loss to the Government.

Chairman Fahey states that 30 percent of the H. O. L. C. mortgages are now in default as to payment of interest or on the principal. This is startling. It is largely due to stupidity

on the part of Chairman Fahey and his board. They require mortgagors to send payments to Washington.

The Federal Home Loan Bank Board adopted a most asinine policy in compelling mortgagors to remit payments of interest and on the principal to Washington. In view of this failure to establish local collection agencies, the wonder is that more than 30 percent of the mortgagors are not delinquent. Furthermore, this is unfair to mortgagors. Many do not have checking accounts. Many do not understand the mechanics of making remittances by mail. Furthermore, it is unfair to ask home owners to go to the expense of securing money orders and to send out letters.

Many who have remitted by mail direct to Washington to the Treasurer, Patrick J. Maloney, have failed to receive proper credit because they omitted to include the number of their loan; and an applicant for a home loan I know of, whose loan had not been granted, but who was erroneously billed, sent in a payment and has to date been unable to secure a refund of his money.

These officials have established regional offices to make collections and attend to the servicing of mortgagors. A regional office was established in Cincinnati, but such an office does not help facilitate payment of people living in Cleveland and elsewhere in Ohio.

The obvious and simple thing to do is to permit payments to be made to every branch office of the Home Owners' Loan Corporation and at every post office. Also new Federal savings and loan associations are being set up throughout the country. These are designed to take up the work where it is left by the H. O. L. C. The Federal savings and loan associations are made fiscal agents of the United States Government and these agencies could attend to the servicing of mortgages; payments could be made by mortgagors into these offices and proper credit given.

An example of the restrictive regulations promulgated by Washington bureaucrats was the regulation requiring applicants for home loans, in many instances, to furnish affidavits that they had tried every financial institution in the county—or, at least, three institutions—for a loan before resorting to the H. O. L. C. Such a requirement was not contemplated by us. The President said that any home owner in distress, threatened with foreclosure of his home through stress of circumstances beyond his control, should appeal to the Government, and relief could be furnished through the H. O. L. C. For the Federal Home Loan Bank Board to tighten up on loans as to practically deny relief was not contemplated by the President nor the Congress. There is no justification for the order that applicants must furnish certificates of good character and secure a responsible endorser to go upon the mortgage note.

A ruling was made by the Board at Washington that all borrowers over 60 years of age must furnish a guarantor. This is contrary to the spirit and letter of the Act creating the H. O. L. C.

Appraisals have been entirely too low. Too many applicants have been rejected on technicalities because of orders from the Federal Home Loan Bank Board at Washington. We in the Congress believed that officials administering this Act would appraise property liberally, giving consideration to the appreciation certain to come within the next few years, instead of taking present distress valuations.

There are about 1,000,000 home owners in Ohio. Probably 500,000 of these are in distress. The H. O. L. C. Act was to provide real relief in this emergency—not to give jobs in Washington to a bunch of hard-boiled administrators and bureaucrats.

The Home Owners' Loan Corporation blossomed forth as a great recovery agency to relieve distress. It must not be permitted to wilt because of maladministration in Washington. For a number of months home owners were compelled to pay money to this corporation upon making application for a loan. Then they would learn that their applications were rejected. Hundreds of my constituents, hard pressed financially as they are, have paid from $10 to $30 each to the Home Owners' Loan Corporation, and then have been rejected. It was unconscionable for this Government agency to compel home owners to pay for the privilege of having their applications rejected. I protested most vigorously against this outrageous practice. I am glad that because of protests made this regulation was rescinded. I have demanded that the corporation refund to rejected applicants the sums previously paid. I regret that up to the present time this restitution has not been made.

We should not remain silent while John H. Fahey, chairman, and other high boys in Washington are violating the spirit and intent of this act. The Morris Plan Bank scheme, whereby an applicant for a home loan must furnish an endorser to guarantee his loan, is in violation of the spirit of the Act. It should never have been adopted in the first place, and should be immediately discarded.

Under orders from Washington, appraisers unfamiliar with local property values have been sent in and have reduced appraisals which were none too liberal in the first place.

Too many worthy applicants have been rejected because of the fact that they were working only part time or were temporarily unemployed. They were rejected because they were said to be "poor credit risks." Others, regularly employed but in need of a loan, have had their applications rejected on the ground that they were "not in distress."

I urge that a sweeping investigation of the Federal Home Loan Bank Board and its members be made, and enactment of an authorization of a bond issue in the sum of $2,000,000,000 additional in bonds for the Home Owners' Loan Corporation. This will be of far-reaching benefit and, in fact, the most constructive and helpful act that we, as representatives of the people, can take in their behalf. [Applause.]

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The gentleman stated that perhaps there were 400,000 applications that should be granted. Has the gentleman any knowledge of the amount of money involved in these applications?

Mr. YOUNG. Yes. The approximate amount is $3,000 for each mortgage application.

Mr. CHRISTIANSON. Three thousand dollars for each mortgage. Four hundred thousand of them would be equivalent to $1,200,000,000.

Mr. DARDEN. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Virginia.

Mr. DARDEN. Does the gentleman feel this agency should be extended indefinitely?

Mr. YOUNG. I feel that there should be a searching investigation, that the agency should be extended, perhaps not indefinitely, but at least until all worthy pending applications have been cared for.

Mr. ROBERTSON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Does the gentleman from Ohio know what percentage of pending applications have been refused because of inadequacy of security?

Mr. YOUNG. About 450,000 pending applications, as I understand it, have been refused.

Mr. ROBERTSON. On account of inadequacy of security?

Mr. YOUNG. For some reason or other; many for inadequacy of security.

Mr. SWEENEY. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Ohio.

Mr. SWEENEY. Mr. Fahey has today written a letter to every Member of Congress stating that in the wholesale division, where approximately $360,000,000 was loaned to that division, less than 1 percent had been lent to those who were not in distress. May I call the gentleman's attention to the fact that last week a committee of three of us called upon Mr. Fahey to discuss that situation with him, and he made the observation that 2 percent was the exact percentage of those cases that were in distress. With this information at hand, does the gentleman think we can rely on Mr. Fahey's word in reference to anything?

Mr. YOUNG. The gentleman and I are in accord and we know that the majority of the loans granted in our State to

liquidate big banking institutions were made to home owners who were not in any sense in distress.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. SUTPHIN].

Mr. SUTPHIN. Mr. Chairman, 16 months ago the President started a long-needed project in the form of a soil-erosion-control program. The object of this project is to curb destruction of the land. Equally important is the preservation of our coast line, which has been unprotected from storms and erosion. To illustrate the value of preservation of our coast and beaches, might I mention that New Jersey beaches alone, for 125 miles have a taxable valuation of $4,000,000 a mile, and still every year the ocean is trimming down this golden band while a public is unaware of the loss, and administrations fail to undertake the simple preventive work necessary. From the figures which I have just quoted you can readily realize the tremendous loss suffered as a result of on-shore storms which swept the Atlantic seaboard from Florida to the outermost coasts of Newfoundland and Labrador during the past winter.

Conditions in New Jersey may be cited as typical of other coastal States, but I state facts from New Jersey because they are more familiar to me than the conditions of other seaboard States. Such surveys as are available indicate that since 1840 the shore line of the New Jersey ocean front has receded at an average rate estimated at 1½ feet per year. This is not uniform and is powerfully affected by the notably great changes that have taken place on some of the low-lying points adjoining some of the inlets. In a few sections the land area has tended to gain, but unquestionably with few exceptions the land areas tend to diminish under the influence of the sea forces. This applies just as truly to the entire belt of sandy beaches from Montauk to southern Florida as to the New Jersey frontage and also is no doubt true of areas on the Gulf and west coast. Subsidence or emergence may be in progress, but the rate of change is so slight as to escape detection upon comparison of present-day levels with those taken 25 or 30 years ago.

That losses are preventable has been amply and convincingly demonstrated by experience on the New Jersey coast. The recent storms wrought no damage on the frontages protected by the State-aid jetties, bulkheads, or sea walls. Outside the zones of these protective devices serious losses occurred. The line of demarcation between protected and unprotected areas is so sharp that no doubt could remain as to the effectiveness of standard defenses. The results of New Jersey's protective operations have been most gratifying and reassuring and have demonstrated that the cost of protection is much less than the cost of inertia and waste. The information I have received is that where one part of the coast is protected by jetties, bulkheads, or sea walls, erosion of adjacent areas is much more severe and therefore complete protection should be afforded for the entire coast line.

Are sea-front lands worth to the State and to the communities the cost of their protection, Applying the test of reasonableness, the answer must be emphatically in the affirmative. Certainly there can be no basis for protection entirely at public expense of barren wastes of slight value. The measure of the public's participation should be the public's interest. Economically the State cannot afford to view with indifference the losses of cities and boroughs which have been transmuted by private labor and capital from worthless sandy wastes into beautiful settlements that contribute by taxation to the support of the State. Attention is invited to the New Jersey coast, and this applies in large measure to all other States from New Hampshire to Florida. Certainly, if a shore hotel or a dwelling is engulfed by the sea, the resulting loss falls immediately on the unfortunate owner, but the entire loss is just as surely passed on to the community at large. Just so much of the wealth by which the municipal government is supported has by this calamity been lost. The community as well as the individual owner is that much poorer. The other property owners of that particular political subdivision must make up the loss by assuming a correspondingly increased burden. The destruction of a public highway by the sea is immediately recognized as a public loss measurable in financial terms because the road must be restored at a cost which is definitely shown in the State or county or municipal financial statement. The cost of maintenance or repairs is levied upon all the property owners, who must as a consequence be subjected to heavier taxation or else dispense with other public services. The destruction of the road is reflected as a direct loss to the community, while the destruction of the dwelling operates as an indirect loss, but the result to the common fund may be approximately the same.

Millions of dollars have been expended by my State in initiation and carrying on the construction work, but this work was of a pioneer nature and little was known regarding the art of protecting the coastline against the littoral drift of sands as well as the pounding of the waves. However, today the situation is different. The structures erected by the State have proven their value and have demonstrated that engineering science has progressed to a point where it can now cope successfully with wave action as well as with the drifting of the sand. New Jersey and other coast States have spent millions of dollars creating highways which have in turn made the beaches accessible to the automobile user, and this in turn has brought great numbers of people from practically every State in the Union to the shore fronts to enjoy the beaches. Because of the use of the beaches by the large numbers of people from other States, the States should feel that they have the right to ask for Federal funds at this time to undertake to build these jetties and bulkheads which will further protect and stabilize the coastline.

In presenting this matter, I am aware that there are sections of the country other than New Jersey, both on the Atlantic and Pacific coasts, as well as the Gulf and Great Lakes, which are entitled to Federal aid because they, too, have an erosion problem to meet and they, too, serve to a great extent communities other than those immediately adjacent to the shore line. Therefore I wish to emphasize the fact that the problem of beach erosion is a national problem. In recognition of this fact, we in Congress created the United States Beach Erosion Board, which functions under the direction of the Secretary of War. The Chief of Engineers and the United States Beach Erosion Board in their studies concur in my statements, I am sure, and I believe you would find upon inquiry that they also concur in my opinion that there is justification for the expenditure of at least $5,000,000 for the erection of jetties and bulkheads for the State of New Jersey and like sums for other coastal States, under the provisions of the National Industrial Recovery Act, section 202, clause (b).

Unemployment relief is another phase of vital importance in this matter. Contractors and plants are available for the suggested coastal-erosion program. The work could be undertaken within 60 to 90 days should such a project be approved and could be carried on throughout the year, save for interruptions by severe storms. It could be broken up into units, each of which could be completed in 6 to 9 months. The requisite material, principally riprap and steel sheet piling could be readily procured on short notice. It is estimated that the work in my State alone would provide direct employment on actual construction to the extent of from 4,000,000 man-hours to 8,650,000 man-hours. Indirect employment—to rock quarries, steel mills, transportation agencies, and so forth—would probably amount to several million additional man-hours. I might add that the moneys that will go into material for the structures would affect industries located in other States, so that the benefits accruing from the money spent for employment directly and indirectly would be wide-spread. It has also been estimated that such a project as is proposed herein would yield to labor, direct and indirect, approximately 76 percent of the total cost. The various transportation agencies, such as the railways, waterways, and highways, play a very important part in operations of this nature, and the yield to these agencies is very considerable. It is necessary to stress these facts because agreement is general that the one element most lack-

ing in industry and commerce today is the low rate of consumption of the heavy, durable goods, such as those that would be utilized in constructions of this nature, and in the unsatisfactory activity of the transportation lines.

All the construction materials to be used in coast-protection works would be new. They would be gathered and assembled from the forests, which yield the piling and the lumber; the mines, which supply the ore for the wrought-iron, steel, zinc, copper, and other metals; and the quarries, from which would be extracted the rock for revetment and the aggregate for cement and concrete. As these raw materials would be severed from the soil, the transportation agencies would immediately become active, carrying the raw materials to the sawmills, to the timber-treatment plants, to the forges and rolling mills, the rock crushers, sand graders and washers, and to the other plants engaged in the various refining operations. These movements of the materials would be resumed after manufacturing and treatment in bringing the finished materials to the sites of the work. At these points on the beaches would begin the labor on the ground, such as the transportation from the railroad to the construction site, and then the incorporation of the units of construction into the finished work. The numerous operations of rehandling and manufacturing, beginning with the very first operation of severance of the raw materials from the ground, coupled with the clerical and accounting activities involved in their tracing and expediting to the ultimate destination, constitute very important labor items; and, finally, perhaps 35 percent of the gross cost of the work would be represented by the construction labor immediately on the ground, including its inspection, supervision, and other overhead items. A project of this type would leave its benefits over long trails, beginning in the Southern and Pacific coast forests, the inland mines, continuing through the various plants for refining and shaping raw products into finished materials, involving all the way the transportation agencies and ultimately reaching the laborers, mechanics, and supervisory forces on the seaboard.

May I repeat this fact: That the plans and specifications are ready so that contracts could actually be let for a large volume of work within 30 days and continuing so that the entire project could be placed in operation within 90 days.

Mr. Chairman and colleagues, this matter is vitally important to each and every one of us, and I urge your cooperation and attention to protection of our coastlines and the benefits to be reaped from such a program by the entire Nation, not only in the immediate future but in the distant future. It is a matter to be acted upon now before greater loss of lives and properties is suffered. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it has been the custom of the House when sitting in the Committee of the Whole and indulging in general debate on appropriation bills to permit Members to discuss subjects which have no relation to the bill before the Committee. I am going to take advantage of that custom this afternoon and discuss a matter which, while it has no bearing on the Post Office or Treasury Departments appropriation bill, is, I am convinced, of very considerable importance. I do so in the hope that the Members present may be willing to give serious consideration to the problem.

I refer to the methods of amending the Constitution of the United States. As is well known, the Congress may submit a proposed amendment to the Federal Constitution either to the State legislatures or to conventions of the people within the several States for their action. On ratification by either the legislatures or conventions of the people in three-fourths of the States the amendment then becomes part of the Constitution itself.

The original Constitution drawn at the Philadelphia Convention in 1787 was submitted to conventions of the people for ratification, these conventions being called in the then 13 States of the confederacy, and upon ratification by 9 of them it became the Constitution of the United States. Since the original Constitution was ratified, 20 amendments have been adopted. Nineteen of them have been submitted and ratified by legislatures, and one of them—the twentieth amendment, providing for repeal of the eighteenth amendment—was submitted to conventions of the people in the several States and ratified in that manner. The 20 amendments, however, which have been from time to time submitted by the Congress and ratified by the States, either through their legislatures or more recently by conventions of the people, are not the only amendments which have been submitted, and I want to call attention to an anomalous condition which I think cries for correction and which I think can be corrected.

Possibly quite a number of you are aware of the fact, and possibly even a greater number are not aware of the fact, that there are today pending before the States of the Union five proposed amendments to the Constitution of the United States. Two of them date back to 1789. In this connection, perhaps, you will permit me to state a historical fact which may be of interest.

When the original Constitution was ratified, the ratification was accomplished in spite of very severe and persistent objection on the part of a very large segment of the American people, who feared an overconcentration of power at the seat of Federal Government. I wonder what they would think if they were living today. But in any event that was the thought uppermost in the minds of the people at that time when they came to consider the Constitution drawn at the Convention at Philadelphia and submitted in 1789.

In effect they compelled the leading men of the country to enter into a gentlemen's agreement, as it were, that, if they ratified the Constitution, the first Congress to meet under its terms and provisions in 1790 should immediately propose a series of amendments designed to safeguard the individual citizen in the possession of his liberty, to guarantee his freedom from oppression from the Central Government, and also to guarantee the rights of the States to maintain and exercise those functions not delegated to the Federal Government in the Constitution itself, with the result that in 1790 and 1791 the first 10 amendments were submitted. They have been known, collectively, ever since as the "Bill of Rights." Indeed, they were submitted and ratified so promptly that they have been considered, in effect, a part of the original instrument.

It is interesting to note, however, that when the Congress in 1790 or 1791 sought to carry out this gentlemen's agreement they actually submitted 12 amendments to the Constitution, not merely 10 amendments. Nos. 1 and 2 of that list were never ratified by the requisite number of States. Nos. 3 to 12, inclusive, were ratified.

May I remind you that the ratifications were accomplished by legislatures. Those first two amendments have been pending ever since, for may I call your attention to the fact that once an amendment to the Constitution is submitted to the States to be acted upon either by the State legislatures or by conventions of the people in the States, it remains pending and has life until and unless it is ratified, and in that event, of course, it becomes a part of the Constitution.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. Unless, also, there is a limitation, which we have been putting in such resolutions in recent years, where the limitation has been 7 years.

Mr. WADSWORTH. A 7-year limitation was placed in respect of the eighteenth amendment.

Mr. O'CONNOR. Was there not some amendment before that time which had the same provision?

Mr. WADSWORTH. I am not aware of it.

Mr. O'CONNOR. I think the suffrage amendment had a 7-year limitation.

Mr. WADSWORTH. I am not aware of it, if it did; but in any event, it has not been the custom to do so, and, at best, it is a scattershot way of doing it, and I think we should evolve a policy which will achieve something like a

prompt and current decision upon an amendment proposed to the Constitution.

The members of the committee here present may be interested to know what these first two amendments, which are still pending, provide.

The first one reads:

After the first enumeration required by the first article of the Constitution there shall be one Representative for every 30,000 until the number shall amount to 100, after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, not less than 1 Representative for every 40,000 persons, until the number of Representatives shall amount to 200, after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives nor more than 1 Representative for every 50,000 persons.

Of course, I am not endeavoring to frighten the members of the committee into the belief that this amendment will be picked up and ratified by three-fourths of the States. [Laughter.]

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. ARNOLD. Is there any way to call in these amendments that have been floating around for so many years?

Mr. WADSWORTH. There is not. I am coming to that.

At that time 11 States were necessary for ratification, and the amendment which I have just read was ratified by New Jersey, Maryland, North Carolina, South Carolina, New Hampshire, New York, Rhode Island, Virginia, Pennsylvania, and Vermont—10 in number. It just missed ratification. It was rejected by Delaware, and no action was taken in Massachusetts, Connecticut, or Georgia.

The second one, which was submitted at the same time, September 3, 1789, read—and this may be interesting to the modern Members of Congress; it is still pending and can be taken up at any time:

No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.

I do not propose to throw a scare into the Members of the House or of the other body to the effect that perhaps this amendment may be revived at any time and our privilege of changing our salaries to take effect April 1, next, taken away from us, but it is pending.

Necessary for ratification at that time were 11 States. This amendment was ratified by Maryland, North Carolina, South Carolina, Delaware, Vermont, and Virginia, six of them. It was rejected by the far-seeing patriots of New Jersey, New Hampshire, Pennsylvania, New York, and Rhode Island. No action was taken by Massachusetts, Connecticut, and Georgia.

Then in 1810 another amendment was submitted to the legislatures of the States. It reads as follows:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States, and shall be incapable of holding any office of trust or profit under them, or either of them.

This was submitted, apparently, at the time when there was a good deal of excitement in the young America at the immense prestige of the Napoleonic era in France and in Europe; at a time when there was a good deal of division of sympathy or opinion in this country as between the dramatic achievements and standing of Napoleon the Great, and the belief on the other side that he was a menace.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. I find that the eighteenth, or the prohibition amendment, the twentieth amendment, the "lame-duck" amendment, and the twenty-first amendment, repealing the eighteenth amendment, all had a 7-year limitation.

Mr. WADSWORTH. I stand corrected on the 7-year limitation, and I stand corrected also to an important degree when I said only 20 amendments had been ratified. There have been 21, but all but 1 of them have gone to legislatures rather than to conventions of the people. I thank the gentleman from New York for his correction.

A very extraordinary amendment was submitted on March 2, 1861. If my knowledge of the calendar is correct, that was 2 days before the inauguration of Abraham Lincoln.

Looking back now, it presents a curious spectacle. It reads:

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the law of said State.

In other words, 2 days before Abraham Lincoln was inaugurated as President of the United States the Congress submitted to the States of the Union an amendment proposing to make it impossible for it to interfere with the institution of slavery within a State whose laws permitted the existence of the institution.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. Just one minute, until I finish this statement. It is interesting to note that the State of Ohio ratified the amendment through its legislature. Also the State of Maryland ratified it, and in the State of Illinois there happened to be a convention in session called for a local or State purpose, and that convention seized the opportunity and passed a resolution of ratification of that pro-slavery amendment. Of course, their action would have been held illegal, because the amendment had been submitted to the legislatures of the States.

At that time 25 States were necessary for ratification. Two of them, Ohio and Maryland, ratified it, Illinois pretended to ratify it, and no action was taken by 30 States.

As a matter of fact, within 6 weeks of the submission of this amendment by Congress to the States, Sumter was fired upon, and that great issue was settled in another way. That amendment, while technically still pending, is so completely inconsistent with the now-settled policy of the Republic that we may pay no attention to it. I do suggest to those thoughtfully inclined that the existence of these four amendments, still unsettled, does present to us a condition which, to say the least, is sloppy.

Mr. BLANTON. Now will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. I want to call the attention of the gentleman from New York to the fact that the last-mentioned proposed amendment, submitted on March 2, 1861, as well as the others, had to have a two-thirds majority of both the House and the Senate of the United States.

Mr. WADSWORTH. That is true.

Mr. BLANTON. So that indicates that 2 days before the inauguration of Abraham Lincoln that was the sentiment of Congress, expressed by a two-thirds majority of both Houses.

Mr. WADSWORTH. Certainly; I am not criticizing the Congresses of the past, nor am I discussing the merits of these amendments. I am calling your attention to the fact that they are still pending and that we should reach some system by which we can get a prompt decision on amendments submitted in the future.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I do.

Mr. SHANNON. Was the last amendment to which the gentleman referred known as the "Crittenden compromise"?

Mr. WADSWORTH. It was known as the "Corwin amendment."

Mr. SHANNON. Was it not a part of the Crittenden compromise?

Mr. WADSWORTH. I do not know.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. WOODRUFF. The gentleman has stated that had this amendment been ratified it would have been forever impossible for the Federal Government to take any action that would have eliminated slavery from the United States. Of course the gentleman does not mean that. Theoretically that would have been the case. He means that had it been ratified it would have required three-fourths of all of the

States to repeal that amendment, and that in all probability would have been physically impossible.

Mr. WADSWORTH. Physically or politically. But I beg Members to believe me when I say that I am not discussing the merits of these amendments.

The fifth amendment, which is still pending, is the famous child-labor amendment. That amendment was submitted to the States to be acted upon by their legislatures on June 3, 1924. That is more than 10½ years. I was a Member of another body at that time and took some part in the discussion of the subject when the resolution was before the Congress. Merely to remind you of the language of that amendment, which is still pending after 10½ years, I shall read it to you:

> The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age. The power of the several States is unimpaired by this article, except that operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by Congress.

I am not upon this occasion going to discuss the merits of the child-labor amendment. I have done it many times in other places, but I call your attention to what has been going on during these 10½ years. During this period 24 State legislatures have rejected the child-labor amendment. That is one-half of all the legislatures. That is far in excess of the more than one-fourth which otherwise, had all voted at the same time, would have secured rejection. Twenty-four States at one time or another through their legislatures have rejected the child-labor amendment. I shall read the list: Connecticut, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, North Carolina, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and West Virginia. However, in this same period several of those States have changed their votes, so that while early in the period only 5 States ratified, namely, Arizona, Arkansas, California, Montana, and Wisconsin, that number has been increased to 20, and as I read the morning papers there is a possibility of 2 more, inasmuch as in those States one house of the legislature ratified the child-labor amendment yesterday or the day before—Wyoming and Nevada.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. CELLER. If a State votes in the affirmative, it is forever bound, while if it votes in the negative, it can change its mind.

Mr. WADSWORTH. Yes; and here is the anomalous situation: A State may reject a proposed amendment and later on, 10 years afterward, may change its vote and ratify it. When once a State has ratified, however, it may not change its mind and reject. Once a State has ratified, it can take no further action. That is the situation that accounts for these amendments hanging fire year after year down through the generations.

Mr. MANSFIELD. There is no limitation of time.

Mr. WADSWORTH. There is no limitation of time prescribed by Federal statute or by the Constitution. As the gentleman from New York [Mr. O'CONNOR] has reminded us, in three instances the Congress, anxious to get a reasonably prompt decision, has inserted in the resolution of submission a time limit of 7 years; but there is no standard way provided for achieving a prompt decision. This child-labor amendment can be kicked around and made a political football for a generation or two to come. There is no way by which the Congress can recall the child-labor amendment from the States to resubmit it in a changed form or not to submit it at all. Even if 47 States rejected it, it still would have life, because those same 47, or the requisite number of them, may later on change their minds and begin to ratify.

Mr. CELLER. Of course the Supreme Court has had nothing to say on the subject, but if so long a time elapsed before a sufficient number did ratify, I hardly think the Supreme Court would deem that a proper amendment to the Constitution.

Mr. WADSWORTH. I do not know what rule the Supreme Court would resort to as to what is a reasonable time. The Supreme Court, I think, has said in connection with the eighteenth amendment that the action of Congress in prescribing 7 years was reasonable. It is with considerable hesitancy that a livestock layman such as myself rises here to discuss a decision of the Supreme Court.

The Supreme Court did not say that 10 years would be unreasonable, and it did not say that 3 years would be unreasonable. It laid down no rule, no yardstick, but merely passed on that one act of Congress, in saying the eighteenth amendment must be ratified in 7 years or not at all.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'CONNOR. The gentleman will note that after submitting the eighteenth amendment with the 7-year limitation in it we submitted the nineteenth amendment without any limitation.

Mr. WADSWORTH. We did.

Mr. O'CONNOR. I call the gentleman's attention to the fact, I think, growing out of the situation with reference to the adoption of the eighteenth amendment, that some years ago one of our most distinguished leaders on at least one or perhaps two occasions made a speech on the subject. I refer to Hon. Finis J. Garrett, of Tennessee, who went into the question of this very subject of leaving it outstanding, and also changing its mind.

Mr. WADSWORTH. Yes. As a matter of fact, if I may recall it to the memory of the gentleman from New York, a constitutional amendment was introduced in 1924 or 1925 by myself in another body and by Mr. Garrett in this body, and was known under our names jointly.

The Chairman informs me I have only 3½ minutes remaining. May I continue the statement? Perhaps I can secure an extension of time, if the House feels like it.

So, Mr. Chairman, I think we have to admit that there is a crying need for some standardization; not for any bringing of pressure or dictation by Congress as against a State or its people, but in some fashion the Congress might well regulate the matter so as to achieve prompt decision on these extraordinarily important questions.

Mr. MANSFIELD. Can that be made effective on those amendments that have already been submitted?

Mr. WADSWORTH. It cannot. I may say that I believe it is quite impossible for us to take any action which will be retroactive. We cannot do anything if we wanted to about the child-labor amendment. It has been submitted by the Congress to the States. There is no machinery under the Constitution for its withdrawal from the States by the Congress. Nothing we can do in the way of amending the Constitution or of enacting a statute can, in my judgment, affect the status of the child-labor amendment. So I beg of you to believe me when I say that the proposals which I have incorporated in my bill are not in any way directed against the child-labor amendment, although, to be perfectly frank, I have always opposed that amendment. Nothing can be done about that. We must cast our vision toward the future and see if we can prevent a repetition of these errors.

Mr. BLANTON. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BLANTON. And notwithstanding the fact that 10½ years have passed and that the State of Texas has refused to ratify, that child-labor amendment is a live issue right now before our State legislature in Texas, and we are receiving letters and telegrams on both sides of the question from people all over our State. After so many years we ought to find some lawful way to annul that submission.

Mr. WADSWORTH. May I include in my remarks some information with respect to the record of the States on this child-labor amendment? In addition to the 24 States which at one time or another have rejected—and, of course, within that period of some of them have changed their minds and ratified—the amendment has been rejected by one house of the legislature in Idaho, Louisiana, Michigan, Nebraska,

North Dakota, Ohio, Oklahoma, Oregon, and Wyoming—9 States; 9 more in which one house has rejected. If one house rejects, the other house of the legislature is powerless to ratify.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WADSWORTH. Also, in the Legislature of Colorado and in the Legislature of Iowa consideration of the child-labor amendment was indefinitely postponed; and no action up to the time I had these figures given to me had been taken by Alabama, Illinois, Mississippi, New Jersey, New York, and Rhode Island. I might say that on yesterday or the day before the judiciary committee of the New York State Senate refused to report the child-labor amendment to the State senate. So it would seem to be in difficulties in the New York Legislature, judging from this distance.

I now yield to the gentleman from Missouri.

Mr. COCHRAN. Does not the gentleman feel that if any legislation is submitted to the Congress along the line he suggests, it should contain a provision that before the legislature of a State can pass upon a constitutional amendment, an election must intervene? In other words, we submitted the eighteenth amendment to the States in December. The representatives of the people had been elected in November, and the question of ratifying a constitutional amendment was not an issue; but nevertheless the legislature of my State, which had previously, by direct vote of the people, overwhelmingly decided against prohibition, very promptly ratified the eighteenth amendment. If we had an election intervening, that might not have been the case.

Mr. WADSWORTH. Now, may I make one observation in answer to the gentleman's question? If I had my way about it—and I have gone along without having my way oftentimes—I would have the normal method of submission to conventions of the people in the several States and not to the legislatures. Of course, Congress may select either method. No law of ours can take away from the Congress of the future the right to choose between submission to the legislatures and submission to conventions of the people.

I believe the men who wrote the Constitution at Philadelphia in 1787 believed that that was the method which the Congresses of the future would employ. In fact, they employed this submission to conventions of the people when they submitted the original Constitution. If you will read some of the debates and writings of the men who took part in that convention you will gather the impression that they believed the Congresses of the future would employ submission to conventions of the people of all amendments which would affect the liberties of the people or the rights of a State, that the people themselves, acting through their delegates, duly elected to conventions, were the element which should pass upon any proposal which invited the people to surrender any of their liberty to the Federal Government or to surrender any of the rights or functions of the States to the Federal Government. These same authors indicated their belief that in the event of amendments being proposed in the future which did nothing more than change some of the machinery of government—for example, like the Norris amendment, which merely changed the convening date of the newly elected Congress and changed the date of the inauguration of a newly elected President—that quite probably such an amendment would be submitted to the legislatures. But the Congresses immediately after 1789 adopted the legislature as the sole repository for the consideration of those 21 questions, with one exception; and it was not until the prohibition question had become so acute, so alive, and incidentally so fundamental as a matter of constitutional law that, in response to an overwhelming demand arising from all over the country, the Congress finally consented to submit that amendment to conventions of the people. It was done in that case. I believe this should be the normal method for considering amendments to the Constitution whenever the amendments invite the people of the Nation to surrender any measure of their liberty to Washington or invite the States of the Union to surrender any more of their functions to Washington.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. LUDLOW. The gentleman is giving a most interesting and scholarly discussion of a very important matter. I should like his opinion on this point: Is it the gentleman's opinion that the only way to nullify and deprive of vitality these pending amendments which, as the gentleman from Illinois [Mr. ARNOLD] says, are "floating around in the air" is through another constitutional amendment directed to that one particular object?

Mr. WADSWORTH. No; I think we can do nothing to repair the damage, if we may call it such, of the past; but for the future, I think we can prevent damage.

Mr. LUDLOW. There is, however, nothing in the Constitution to prevent such a proposed corrective amendment to the Constitution being submitted to the States in the manner provided by the Constitution.

Mr. WADSWORTH. I think we need not resort to a further constitutional amendment, and I hope to have time to discuss a proposal I have to make.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. RANKIN. The point the gentleman from New York has just made is probably the most important question that has been before the House in a long while. The gentleman called attention to the fact that under the present system where the legislature of a State has voted to ratify an amendment that it cannot be recalled.

Mr. WADSWORTH. That is right.

Mr. RANKIN. That precedent was set by the Congress when they were ramming through the fourteenth and fifteenth amendments. That is how this illogical precedent was established.

Does not the gentleman from New York think there ought to be written into the law a provision that the legislature of any State should have the right to revoke its approval of an amendment before the amendment becomes effective? For instance, if a State legislature ratifies an amendment to the Constitution which the people of the State do not want and the people rise up and repudiate it, the next legislature cannot revoke the action of the preceding legislature.

Mr. WADSWORTH. May I continue for a little while? I think I will cover the point the gentleman raises.

Mr. RANKIN. I wish the gentleman would cover it.

Mr. WADSWORTH. Again, it is with a great deal of hesitancy that I flourish a decision of the Supreme Court with respect to what actually happens—and I am using the language of the layman now—when a legislature—and, of course, the same would apply to a convention of the people of the State—is acting upon a proposed amendment. We will turn back a moment to the eighteenth amendment. It was submitted by the Congress to the legislatures of the States. At that time the State of Ohio had, and probably it still has, a provision in its State constitution providing for the initiative and referendum. It applied to acts of the Ohio Legislature. That initiative and referendum was embodied in the constitution of the State; and, in so many words, it specifically applied not only to all ordinary acts of the Ohio State Legislature but also to the action of the Ohio State Legislature ratifying a proposed amendment to the Federal Constitution.

The Ohio State Legislature ratified the eighteenth amendment. Promptly there was initiated a popular petition under the provisions of the State constitution to give the people a chance to review the action of their own legislature in ratifying a Federal amendment.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. The petition secured the requisite number of signers. A State-wide referendum was held, and the people of Ohio rejected the action of their own legislature

in ratifying the eighteenth amendment. Most of the country believed that this constituted rejection in the State of Ohio, but the Supreme Court held otherwise. This case, as it reached the Supreme Court, was entitled "*Hawks* v. *Smith, Secretary of State of Ohio*", and it is to be found in Two Hundred and Fifty-third United States Reports, page 221. I shall not read the decision, but in the headnotes of the decision, which, I assume, constitute a fairly reliable summary of what the decision actually was, we find this language:

> The function of the State legislature in ratifying a proposed amendment to the Federal Constitution, like the function of Congress in presenting such amendment, is a Federal function derived not from the people of that State but from the Constitution (of the United States).

And the Supreme Court upheld the ratification by the Ohio Legislature, the Court holding that neither the law of the State nor the constitution of the State may stand in the path of ratification in accordance with the provisions of article V of the Constitution of the United States, which authorizes ratification by legislatures if the Congress submits the matter to the legislatures.

In other words—and I think I am not drawing a deduction too far-fetched—the legislature, when it acts upon a Federal amendment, is acting as a Federal agency and performing a purely Federal function, having nothing to do with the laws of the States and unbound by the laws of the State, as was decided in Ohio.

A similar situation arose in Tennessee. The woman's suffrage amendment was submitted to the State of Tennessee. The constitution of Tennessee contained a provision to the effect that the Legislature of Tennessee was forbidden to act upon a proposed amendment to the Federal Constitution unless its members had been elected subsequent to the submission of that amendment. The Governor of Tennessee called a special session of the then existing legislature, and it was ratified by the legislature contrary to the constitution of the State, because the members of the legislature had not been elected subsequent to submission. The Supreme Court upheld the validity of the ratification by Tennessee. The constitution of Tennessee, nor of any other State, may interfere with the performance of this Federal function. That being the case, my contention is that the Congress may regulate the performance of this Federal function.

My proposal is contained in a bill, no. 2900, which in its first section is merely declaratory and cannot be binding on future Congresses. The first section provides that every amendment hereafter proposed to the Constitution shall be submitted for ratification by conventions in the several States unless specifically provided otherwise in the resolution of proposal.

Of course, we have to put in that language in order to make it clear that we are not endeavoring to interfere with the discretion of future Congresses. As I stated, the first section is merely declaratory to endeavor to establish the custom of submitting to conventions rather than to legislatures.

Mr. Chairman, I contend that the Congress has the right to say how these conventions shall be composed and when they shall meet in the regulation and performance of the strictly Federal function. Without Federal regulation, there can be no regulation. There is no law on the subject in the whole of the Federal Union. The bill provides that the delegates to each State convention shall be elected at large; that they shall be elected at the general election next following the submission of the amendment; that the conventions shall meet on the twenty-eighth day following the election; that a majority of all the delegates in each State convention shall be necessary for a decision; that notice of the decision shall be forwarded immediately to the Secretary of State at Washington, who shall announce the decision of the States at once. Furthermore, the bill provides that if more than one-fourth of the States reject an amendment, then that amendment shall be ineligible for further consideration; in other words, dead; and that a State which has definitely ratified or rejected an amendment may not thereafter change its vote. Thus, the bill proposes that the States act in a uniform manner, within a reasonable time, and reach a final determination. Surely this is not asking too much. At any rate, I submit the proposal to the House, confident that the Members will give it that consideration which the nature of the problem demands.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, we are about to witness in this country a most singular phenomenon, which, as far as my observation and reading of the events of the past furnish information, is without a parallel in American history. Tonight all over the land the people will meet in their respective cities, towns, and hamlets, even in the most remote places and far-away corners, wherever the Stars and Stripes fly over American soil, to celebrate the birthday of President Roosevelt and to show by a thousand forms of expression their love for the man who has tried to do so much for humanity in the dark hours of the world's greatest depression. I believe I am entirely correct when I say that never before, not even in the days of Washington, was there such an overflow of the Nation's affection for the man in the White House.

The city of Indianapolis, the capital of the great State of Indiana, which I have the honor to represent in this Chamber, will have its proud part in this Nation-wide commemoration. The Hoosiers are a sentimental people who never fail in their appreciation of the great men and women, living and dead, who have wrought major service for the human race; and nowhere tonight will the Roosevelt birthday celebration be carried on with greater spirit or more genuine jubilation than in our beloved city and State. There will be, in fact, five monster celebrations and balls in Indianapolis; and all of our citizenry, Democrats and Republicans and adherents of all political beliefs, will join in this demonstration for a President who has the regard of all men. At the head of the celebration and in charge of it is a distinguished Republican of our city, Wallace O. Lee. It was our hope and expectation that we might have as our guest and speaker at the Indianapolis celebration tonight Vice President Garner, but public duties held him here. However, he has sent a letter to be read at Indianapolis, and I think it is altogether meet and proper, in order that this document may be made a part of the CONGRESSIONAL RECORD of the President's birthday, that I should read to the House the tribute of the Vice President to the President. It is as follows:

VICE PRESIDENT'S CHAMBER,
Washington, D. C., January 26, 1935.

MR. WALLACE O. LEE,
Indianapolis, Ind.

DEAR MR. LEE: My friend LOUIS LUDLOW has told me of the elaborate arrangements that are being made to celebrate President Roosevelt's birthday at Indianapolis next Wednesday evening and has extended to me your invitation to be the special guest of your city on that occasion.

To me it is an inspiring thought that all over the country, in numberless celebrations of this character, our fellow citizens will assemble on that anniversary occasion to pay enthusiastic tribute to the great President in the White House, and it is a striking testimonial to the genuineness, nonpartisanship, and all-inclusiveness of this Nation-wide demonstration that you, an outstanding member of the opposition party, should be chosen to head this movement in the city of Indianapolis.

No President since Washington has been held in greater reverence by the American people than Franklin D. Roosevelt, and justly so. When impartial history is written, recording the conditions that confronted him when he became President and his epochal achievements, he will be given a place along with the outstanding commoners of all time, whose lives were consecrated to the service of their fellow men.

I deeply regret that my official duties will not permit me to leave Washington at this time, and I thank you for your kind invitation to be the guest of the city of Indianapolis in the Nation-wide demonstration in honor of our President.

Very sincerely yours,

JOHN N. GARNER.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Chairman, a great deal has been said in the newspapers about what the American Legion national convention at Miami had in mind when it passed the resolution endorsing the full and immediate cash payment of the adjusted-service certificates.

I hold in my hand a printed copy of the proceedings of this convention. On page 52 there is included the resolution on immediate payment of the adjusted-service certificates. The first paragraph is as follows:

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public—

And so forth. The next paragraph reads as follows:

Whereas the payment of such certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it resolved that the American Legion recommends the full and immediate cash payment—

And so forth.

THE ISSUE BEFORE COUNTRY AND CONGRESS

I made the statement a few days ago that the bill sponsored by the American Legion to carry out this provision is not in accord with the resolution adopted. For 6 years a campaign has been waged in this Nation for the payment of these certificates on the theory, first, that there will be no additional debt created; that there will be no additional taxes raised and there will be no additional tax-exempt interest-bearing bonds issued to pay this debt. That is the campaign that has been waged before the American people for 6 years, and that is the question before the people. Members of Congress have been elected on that one issue. Members of the United States Senate have been elected pledged to support that proposition.

May I say now that I shall in no way reflect upon the gentleman who is the author of that bill, the gentleman from Kentucky [Mr. VINSON]. He is an able and distinguished Member of this House. His motives and intentions are the best. This is not a personal matter with me and I shall not at any time indulge in personalities in the discussion of this subject.

Mr. COX. Will the gentleman yield?

MIAMI RESOLUTION REFERS TO H. R. 1

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. The resolution that was adopted at Miami refers perhaps directly to the Patman bill. Speaking for myself, I believe that the measure would lose a large part of its popular support as well as the support of the Members of Congress if the measure were deprived of the gentleman's authorship. It is an honor that he justly deserves and he is entitled to authorship of any legislation that may be adopted by the Congress looking to payment of the adjusted-service certificates. I do not believe that the Congress would commit such an ungenerous act as to deprive the gentleman of that honor by substituting any other measure for the measure which he has so ably sponsored for a number of years.

Mr. PATMAN. I thank the gentleman for his comment, but this is not a fight over authorship. Ever since this fight commenced years ago I said I had no pride of authorship. I still make the same statement. Any Member of the Ways and Means Committee may assume authorship of the measure so far as I am concerned, and it will have my support. I shall enthusiastically support it and you will never hear a word out of me about authorship. I do not care anything about that. However, I appreciate the kind words of the distinguished and able gentleman from Georgia, a member of the powerful Committee on Rules.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLMER. May I ask the gentleman if it is not a fact that our distinguished colleague, the gentleman from Kentucky [Mr. VINSON], the author of the so-called "Legion bill", served as a member of the steering committee of the House at the last session that put H. R. 1 through the House of Representatives?

Mr. PATMAN. It is true that the gentleman from Kentucky has been a very ardent supporter of this bill in the past and materially assisted in its passage in the House. I do not object to any bill that is supported by the American Legion or anyone else, so long as it complies with the mandate of this convention and the intentions of the veterans all over this Nation and the people generally.

Mr. McFARLANE rose.

Mr. PATMAN. Let me finish this statement and then I will yield to all of you; because if I do not make it now, I will probably not get a chance to make it.

DISCUSSION BEFORE CONVENTION

Let me tell you something else about this resolution. Not only does it say that its payment will not create any additional debt, but I discussed the resolution before the convention myself, and I was on the committee that drafted the resolution, and made certain statements about what was covered in the resolution. I appeared before the convention in support of it, and I was the first one who did appear, and I told the delegates there assembled:

Do not be alarmed or disturbed about the expansion of currency or the inflationary part that might be involved in this resolution. These certificates may be paid without the expansion of the currency or they may be paid with an expansion of the currency. You can pay them in notes and not expand the volume of currency one dollar by retiring from circulation this same amount of Federal Reserve notes at the same time.

I believe this statement should be considered in determining intent.

H. R. 1 CARRIES OUT RESOLUTIONS

The bill which was introduced—H. R. 1—provides that United States notes shall be issued to pay the certificates. It provides further that in the event there is danger of undue expansion of the currency or unbridled inflation, the Secretary of the Treasury may cause to be withdrawn Federal Reserve notes.

This is what I said before the convention, and the bill—H. R. 1—carries out the mandate of the convention, and the bill introduced by my good friend the gentleman from Kentucky [Mr. VINSON] does not comply with the mandate of the convention.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. ARNOLD. The gentleman has just touched on the point I was going to inquire about. Under the Vinson bill it will either be necessary for the Government to issue bonds or to raise the necessary money by taxation.

Mr. PATMAN. That is quite true.

Mr. ARNOLD. And under the bill H. R. 1, it will not be necessary either to issue bonds or to raise additional revenue by taxation.

Mr. PATMAN. That is right.

Mr. ARNOLD. Then the resolution of the American Legion at Miami could not, under any circumstances, have applied to the so-called "Vinson bill."

Mr. PATMAN. That is true. Let me discuss that just a moment.

Mr. BLANTON. In that connection, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. The provisions of the Patman bill H. R. 1, have been approved by the rank and file of the members of the American Legion in convention assembled, while what is known as the "Vinson bill" has not been approved by them, but has been approved only by certain high-up officers; is not that true?

Mr. PATMAN. That is true.

H. R. 1 SHOULD BE CALLED "LEGION BILL"

Mr. BLANTON. Then the provisions of the Patman bill ought to be called the "American Legion bill" and the provisions of the other measure ought not to be called the "American Legion bill."

Mr. ARNOLD. If the gentleman will permit, I should like to have a direct answer to my interrogatory and it has not been answered fully.

Mr. PATMAN. Yes; I want to discuss the gentleman's questions before I yield.

Mr. FISH. Will the gentleman yield? I want to have the RECORD correct.

Mr. PATMAN. I yield. I desire the RECORD straight. If I have made an incorrect statement I want it corrected.

Mr. FISH. Does the gentleman insist that the American Legion made a specific demand at its last convention for his bill?

Mr. PATMAN. I do not say my bill.

Mr. FISH. That is what I had in mind.

Mr. BLANTON. The convention demanded a bill in the same terms and with the same provisions as the Patman bill H. R. 1?

Mr. FISH. A bill providing for a cash bonus.

Mr. BLANTON. It was based on the very idea of the Patman bill H. R. 1.

Mr. PATMAN. Being on the subcommittee that wrote the resolution and being on the committee that recommended it to the convention, I certainly would not agree to a resolution that would exclude that bill.

Mr. FISH. Certainly; and I wanted the RECORD to be correct.

Mr. BLANTON. And the delegates at that convention had in mind the Patman bill, the bill of the gentleman from Texas, H. R. 1.

Mr. COX. What the gentleman had in mind as a member of the committee, and what the convention had in mind, is the bill introduced by the gentleman from Texas.

H. R. 1 SOLD TO COUNTRY AND CONGRESS

Mr. PATMAN. I believe they had in mind the only bill that had been sold to the country, providing that there would be no additional taxes, no additional bond issue, and no additional debt. This is the bill we have sold to the country and it is the bill that the resolution refers to when it states, "Whereas the payment of said certificates will not create any additional debt."

Mr. FISH. The gentleman does not wish to say that the Legion is bound to his particular bill?

Mr. PATMAN. No; they can consistently support one under the name of the gentleman from New York if they want to, if it carries out the mandate of the convention in regard to not asking for the creation of any additional debt.

Mr. ARNOLD. But if the Legion adheres to the resolution adopted in Miami, they would have to be for the Patman bill rather than the Vinson bill,

Mr. FISH. Oh, no; they would not.

Mr. ARNOLD. Because the Patman bill does carry into effect the resolution adopted at Miami.

Mr. FISH. The Legion itself and its officers would know to what they are committed.

Mr. PATMAN. We are not questioning the Legion, but the leaders of the Legion who are not carrying out the will of the rank and file of the Legion.

Mr. McFARLANE. And they have not done that for the last 5 years.

Mr. FISH. But they speak for the Legion.

Mr. PATMAN. So long as it does not conflict with what they have been told to do. In this case they have been told to advocate a bill that will not create any additional Government debt.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. Under the wording of the resolution itself, which the gentleman has just read, under all the discussion that took place and under the roll-call vote that was recorded there, can there be any doubt about the fact that the matter was clearly placed before the convention or any doubt as to their vote upon the matter?

Mr. PATMAN. I do not think there can be any doubt about it.

Mr. McFARLANE. May I ask the gentleman if he will not insert in the RECORD the roll-call vote?

Mr. PATMAN. The gentleman from Illinois [Mr. ARNOLD] asked a question that should be answered.

Now, of course, the bill, H. R. 1, does not create any additional debt. It is the only bill now before the Committee that will carry out the mandate of the American Legion because it provides that the Secretary of the Treasury may retire Federal Reserve notes in the event there is danger of undue expansion of the currency. I said in my opening speech at the convention that the debt could be paid in this way and it was considered by the delegates when the vote was taken.

Mr. HAINES. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HAINES. I wish the gentleman would insert in the RECORD how much additional debt that would pile up.

MORE TAX-EXEMPT BONDS UNDER VINSON BILL

Mr. PATMAN. I will do that. Now, let us see if the Vinson bill will create a new debt. Under the Vinson bill it says that it shall be paid out of any money in the Treasury not otherwise appropriated. You know that the money in the Treasury is for the purpose of paying the running expenses of the Government. It will be necessary for the Secretary of the Treasury in some way to obtain that money. The Treasury does not have the power to levy taxes. The Treasury can only issue more tax-exempt securities, interest-bearing bonds, and would be required to do it, and could not do anything else. Then taxes would have to be levied to pay those bonds. That certainly is creating a new debt. If a bill passes to levy new taxes, that is also creating a new debt.

ONE HUNDRED MEMBERS OF HOUSE OR MORE CO-AUTHORS

I want to say to you, my friends, that there is no doubt on earth about it. There is one bill that will carry out the mandate of the Miami resolution—it is not my bill—it belongs to Members of this House who have sponsored it for years and years here in Congress and in every nook and corner of the Nation. They were consulted before the bill was introduced; they had something to do with the terms and provisions inserted in it. It is not my bill, it belongs to the Members of the House who have supported it for years. At least 100 Members of this House are entitled to be known as "co-authors" of this bill. I have no pride of authorship. We are willing to give authorship to any member of the Ways and Means Committee. We do want the bill that has been so long before Congress sold to the country and the veterans.

COMMANDER SHOULD SUPPORT MANDATE OF CONVENTION OR RESIGN

If the commander of the American Legion is not willing to get back in line and support the mandate of the convention that elected him, he should resign from that high office and let somebody get in there that will. [Applause.]

BEST-INFORMED ECONOMISTS SUPPORT H. R. 1

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. SWEENEY. Is it not a fact that the method of paying these certificates as outlined by the gentleman's bill, H. R. 1, meets with the approval of many economists and students of the monetary question.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. PATMAN. What is the gentleman's question?

Mr. SWEENEY. Does not the method of paying these certificates, outlined in the gentleman's bill, meet with the approval of former Senator Robert Owen, who is president of the Sound Money League of America, and of other economists?

Mr. PATMAN. That is right. Senator Owen is one of the best-informed men in the world on monetary questions. He and many other experts on monetary matters are supporting H. R. 1.

Mr. SWEENEY. And that the use of Treasury certificates will be no additional obligation?

Mr. PATMAN. There will be no additional debt created under the terms of H. R. 1. It would be in effect this—that $2,000,000,000 will be issued to pay the debt; and suppose there should be danger of inflation, the Treasury could then withdraw $2,000,000,000 of Federal Reserve notes. What difference does that make? You will have the same amount of

money outstanding. The difference will be this. The $2,000,000,000 paid to the veterans no one will pay interest on, whereas every dollar of the $2,000,000,000 issued by the Federal Reserve banks outstanding, somebody will be paying interest on it.

Mr. SAMUEL B. HILL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes; I yield to the distinguished member of the Ways and Means Committee.

Mr. SAMUEL B. HILL. Will the gentleman explain the operation of the retirement of Federal Reserve notes and about how long it will take to retire the necessary amount of Federal notes to prevent inflation?

HOW UNBRIDLED INFLATION CAN BE PREVENTED

Mr. PATMAN. I could not tell the gentleman about the exact time it will take. We have 12 Federal Reserve banks and each bank has a right, and has been exercising that right, to deposit United States Government bonds payable and receive new money in return for those bonds, Federal Reserve notes. That right has been exercised to the extent of $3,500,000,000 which have been issued to Federal Reserve banks in that way, and all the Treasury would have to do would be to say, "Here are your bonds; bring us the $2,000,000,000 in money back for them so that we can cancel your money." That is the only machinery that you would have to put into effect.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

ORDERLY PROCEDURE

Mr. BLANTON. The gentleman knows that a majority of the Members of this House can do anything they want to do when the Members are here and vote. There is a rule, House Resolution 30, which I have introduced, which is now before the Committee on Rules, which makes the gentleman's bill, H. R. 1, in order as a rider on the legislative appropriation bill. If this House wants to do it and it can do it in an orderly way—and I do not believe in overriding any rules—it can force that resolution out of the Rules Committee and pass it. That will make the gentleman's bill, which is known everywhere as the "Patman bill", H. R. 1, in order as a rider on the legislative appropriation bill; and I imagine, if you will put the Patman bill, H. R. 1, as a rider on that bill, legislative appropriation bill, it will pass both Houses of Congress, even over a Presidential veto.

Mr. PATMAN. I am in favor of orderly procedure in this House; I am in favor of parliamentary rules. I shall not attempt to do anything that will disrupt the proceedings under the rule if we can possibly get a square deal without it.

Mr. BLANTON. Nor shall I.

Mr. PATMAN. Except under one condition. The Vinson bill does not include a method of payment. If it comes on the floor of this House like it is, H. R. 1 will not be germane to it, and it will not be in order to offer H. R. 1 as an amendment to the Vinson bill or as a substitute or on a motion to recommit, and we may as well recognize that fact now and keep it in mind. Congressman CANNON of Missouri, one of the best parliamentarians in the United States, has advised me about the rules.

The Rules Committee, possibly, would not give the Ways and Means Committee a rule upon a bill that would exclude H. R. 1 as an amendment, but the Ways and Means Committee has certain rights of its own. The Chairman of the Committee on Ways and Means can call the bill up for consideration without a rule after it is favorably reported. We can then introduce any amendment we desire except the amendment we really want adopted in regard to the issuance of currency, which would not be germane, and we could not get it considered. I am not expecting any such action on the part of the Ways and Means Committee, but I desire to discuss the matter in order that the question may be brought to the attention of the members of this committee, and express the hope that no bill will be brought out that will exclude the House from considering H. R. 1. If such a bill should be reported by the committee, we will make an effort to get H. R. 1 considered by adopting Congressman BLANTON's rule, if we have time to do it. If not, we will then possibly be forced to offer H. R. 1 as a substitute or as an amendment. If the Speaker should then hold it is not germane, we might be forced, in order to properly protect our rights, to appeal from the decision of the Chair and override the Chair. There will be no effort to resort to the last method to obtain consideration unless we are forced to do so.

Mr. BLANTON. But my plan is to do it in an orderly way in accordance with the rules of the House.

Mr. PATMAN. Yes; and I suggest we first try your plan and all other orderly ways before even considering overriding the Speaker's ruling if it is considered.

Mr. BLANTON. We can pass my plan if we can get enough votes, and make the Patman bill, H. R. 1, a part of the legislative appropriation bill.

Mr. PATMAN. That is the reason I want the Ways and Means Committee to know that we are expecting to get consideration of H. R. 1 if it is at all possible; and we will resort to all honorable means to accomplish it. If the Ways and Means Committee should favorably report the Vinson bill, as is, the House would in effect be gagged.

Mr. LEE of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. LEE of Oklahoma. Has the gentleman any information that Mr. Belgrano opposed the bonus or was not for the bonus until lately?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. LEE of Oklahoma. And as to John Thomas Taylor, who wrote this bill, has he been in favor of a bonus up to now; and is Mr. Belgrano connected with a bank?

Mr. PATMAN. Respectfully, I will say to my good friend from Oklahoma, I am not going to answer anything about anyone personally except what is a matter of record. Most of the Legion leaders have been our opponents of this legislation for about 6 years. We have fought them for 6 years. It is true our bill has been defeated in the Senate twice, when it was opposed by the American Legion leaders, but with the support of the American Legion we had reasons to believe that the Senate would pass the bill this time. No consideration should be given to what the Senate might do until the bill has passed the House. If the Senate should then pass an entirely different bill, a free conference committee composed of Members from both Houses will iron out the differences.

Mr. LEE of Oklahoma. Is John Thomas Taylor a Democrat or a Republican?

Mr. PATMAN. I am not going to get into personalities or politics at all.

Mr. TREADWAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TREADWAY. The gentleman has made several references to orderly procedure, which I am in favor of. The gentleman has also made several references to the Ways and Means Committee. It so happens that I am a very humble member on the minority side of that distinguished committee. I wish to assure the gentleman that neither openly nor in executive session has there been any effort made by the Ways and Means Committee to, as he says, gag his bill. I want to give that assurance to the House, and I want to add that we have been in constant session, usually twice a day, hearing a very important bill that was placed ahead of the gentleman's bill at the request of the administration. Now the gentleman cannot say that the Ways and Means Committee has acted unfairly or has gagged him or his measure in any way whatsoever, even if I am a minority member. I am going to have that much respect for the committee of which I am a member.

Mr. PATMAN. I said that if the Vinson bill was brought out as it is, H. R. 1 would not be germane; but I am glad to know that the ranking member on the minority side of the Ways and Means Committee is not in favor of doing what will in effect be gagging the House.

Mr. DOUGHTON. Will the gentleman yield?

Mr. PATMAN. Just let me finish my statement, please. I am sure there is no effort on the part of any member of the Ways and Means Committee to do that, but I am telling you what would happen if the Vinson bill was brought out. I am glad the Chairman of the Ways and Means Committee [Mr. DOUGHTON] is standing before me so I can tell him about it. The gentleman is a very fine, lovable man, and I know he wants to do the right thing; but if the Vinson bill is brought out as it is, the bill which the country is sold on and the bill which the veterans want, H. R. 1, will not be germane. So I hope the gentleman will help us bring out the bill which will permit the Members to express their views by a record vote.

Mr. DOUGHTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DOUGHTON. As Chairman of the Ways and Means Committee, I desire to say that I think the remarks of the gentleman from Texas, even intimating or suggesting that the Ways and Means Committee would attempt to gag the Membership of this House, are entirely out of place.

Mr. PATMAN. I am just expressing the hope that no bill will be reported which will not permit H. R. 1 to be considered. I am not accusing anyone or making any charges. I am merely reciting the legislative and parliamentary situations.

Mr. DOUGHTON. Well, why the suggestion? What has this committee done to prompt a suggestion of that kind?

Mr. PATMAN. There is no suggestion about it, except that I am expressing a hope that it will not be done. We have to discuss this frankly and freely, because if the committee brings in the Vinson bill, the chairman can call it up suddenly and we will not be prepared, so we might as well discuss it now. Will the gentleman bear with me while I make another statement? There was some remark made about not giving us a hearing. The Speaker of this House stated, both before and after his election on January 3, 1935, that he was in favor of expediting consideration of this measure in the House. The distinguished Chairman of the Ways and Means Committee, who now stands before me, a gentleman whom I have the utmost confidence in and the highest regard for, announced on January 10, 1935, that we would have a hearing in a very few days. We were expecting a hearing on January 14 following, 4 days later, and I believe we would have got it—the Ways and Means Committee was not doing anything that week particularly—and I believe we would have got that hearing, but this Vinson bill was introduced on January the 14th, and everything quieted down; there was a difference then and the hearing was postponed. If that bill had not been introduced on January 14, I believe we would have had a hearing the week commencing on that date and the bill would have already passed the House long before now. It will be recalled there was no security bill before the Ways and Means Committee until several days after January 14.

Mr. Chairman, several weeks before Congress met, I filed with the Clerk of the House a bill providing for the full and immediate payment of the adjusted-service certificates. This bill was given a tentative number, 1. It is the same bill that passed the House of Representatives, June 15, 1932, by a vote of 211 for to 176 against. It is the same bill that passed the House of Representatives, March 12, 1934, by a vote of 295 for to 125 against. This bill is well known to more people interested in this subject than any other bill before Congress. Its terms and provisions have been sold to veterans and nonveterans alike, as well as to the Members of Congress. Many Members of Congress elected last year were pledged to support this particular measure. We know our strength on this bill. The Senate defeated the measure in 1932 and in 1934 at a time when we had the Legion's opposition instead of its support. Since that time many Members of the Senate have been elected on the pledge to support H. R. 1.

EARLY CONSIDERATION PROMISED

Congress met January 3, 1935. For many days before Congress assembled, the newspapers were filled with news emanating from high officials in Washington to the effect that this bill would be passed upon early in the session. The Speaker of the House—the Honorable Joseph W. Byrns—before and immediately after his election gave out many interviews in which he stated it was his personal wish that this legislation should be passed upon at an early date and he personally would make an effort to expedite its consideration. January 10, 1935, the Chairman of the Ways and Means Committee of the House—the Honorable Robert Doughton of North Carolina—publicly announced that a hearing on this legislation would be held in a very few days and a committee report made to the House.

EARLY ACTION PREVENTED

In view of these facts we expected a hearing on this bill, commencing January 14, and expected to have it disposed of before the security bill was introduced. But, instead of the hearing commencing before the committee on January 14, the leaders of the American Legion caused to be introduced what was known as "H. R. 3896", by Mr. VINSON of Kentucky. Congressman VINSON is an able and distinguished Member of Congress. I hope that nothing I shall say will be construed directly or indirectly as any reflection against him, as I will, under no circumstances, oppose FRED VINSON except as one lawyer opposes another in a lawsuit. Neither do I have any personal differences with the leaders of the American Legion. Congressman VINSON has on two prior occasions supported H. R. 1, and the Legion leaders divided our support and confused the issue by persuading him to introduce H. R. 3896. We have not to date had a hearing on these bills. We do not now know when such a hearing will be held. We are not expecting consideration before the security bill, but I believe a hearing should have been held before the security bill was introduced.

LEGION BILL DELAYED HEARINGS

It is my honest belief that if the heads of the Legion had not caused this bill to be introduced, a hearing would already have been held, the bill already passed in the House, and would now be pending in the Senate. It is my further belief that the leaders of the American Legion were acting in opposition to the wishes of the rank and file of the Legion in causing this monkey wrench to be thrown into the legislative machinery.

LEGION LEADERS OPPOSED BILL 6 YEARS

It is a well-known fact that the leaders of the American Legion have for 6 long years opposed this legislation. They are now for the legislation and I think we are justified in believing that the principal reason they are for it is because they are instructed by the rank and file to fight for its passage. There is a question in my mind whether or not one who is thus compelled to support legislation can be very enthusiastic for it. I will presume that they can. However, it occurs to me, and I believe the veterans of this Nation, including the rank and file of the Legion, feel the same way about it, that if the leaders of the American Legion want to adopt the course that will get the best results, they will join the forces in the House that have on two prior occasions secured the passage of the legislation in that body by tremendous and overwhelming majorities.

SUCCESSFUL PASSAGE PLACED IN JEOPARDY

The action of the American Legion leaders in trying to divert the Members of the House from a heretofore charted course on this legislation has not only retarded the legislation, but has placed its successful passage in jeopardy. Is it possible that the Legion leaders who are responsible for this action and who have consistently in the past opposed the legislation, are trifling with the veterans in the hope that the legislation will be defeated; or, if they cannot succeed in defeating it, that it will be made into a "bond bill"? I do not make this charge, but the veterans generally are making it. I presume the leaders are conscientious and sincere, and I suggest that such an imputation can be completely answered by the Legion officials withdrawing any effort to divide the Members of the House and divert them from the bill that they have twice before approved.

VINSON BILL ANALYZED

Let us analyze the bill that the American Legion wants passed, the Vinson bill:

First. It provides for full payment of the remainder due on the certificates out of any money in the Treasury.

Second. It does not specifically require a bond issue or additional taxes.

Third. The result of its passage will be that money must be obtained from some source to pay the debt. The Treasury cannot levy taxes, but it can issue bonds. Bonds will be issued and a new debt created.

Fourth. Our President will immediately call upon Congress to levy the taxes to pay the bill, or he will veto the bill. We have already been warned to that effect. If taxes are levied, a new debt will be created.

Fifth. If the bill should be approved and taxes are not levied, the Treasury will issue more tax-exempt, interest-bearing bonds to pay the debt and taxes must eventually be levied to pay not only these bonds but a bonus to a few large banks that will purchase them. By the time $2,000,000,000 in bonds are paid the bankers will get $2,000,000,000 in interest.

BANKERS' BONUS BILL

Therefore, with all due respect to the proponents of the measure, the bill can properly be labeled a "bankers' bonus bill."

SIX-YEAR CAMPAIGN

For 6 years I have been working for this bill. I have crossed every State line in this Nation in the campaign. During this time my principal opponents have been the leaders of the American Legion, not the rank and file. My principal proponents were the veterans generally, including the rank and file of the American Legion and a substantial percentage of the nonveterans.

ATTEMPT TO RULE OR RUIN

Now, the leaders of the American Legion, after 6 long years of fighting the measure unsuccessfully, and in opposition to their instructions, come in in an attempt to rule or ruin. The Portland convention in 1932 passed a resolution favoring full payment, but the leaders of the Legion did not introduce a bill at that time. They were content to let the House of Representatives pass any bill it desired to pass. The Miami convention was held in October 1934. The Legion did not offer a bill until January 14, 1935, and at the very time its introduction caused a delay.

WHAT H. R. 1 PROVIDES

H. R. 1 provides for full and immediate cash payment of the adjusted-service certificates by converting one form of Government obligation into another form of obligation. It will not create an additional debt, will not cause an increase of taxes, will not permit the issuance of additional tax-exempt, interest-bearing bonds, and will cause the distribution of actual money into every nook and corner of this Nation immediately.

AMERICAN LEGION GREAT ORGANIZATION

I want it understood that I think the American Legion is one of the greatest organizations in America. Some of the greatest men in the Nation are members of the American Legion. It is an honor to belong to it. I wish it had 4,000,000 members. As a humble and a very insignificant member, I believe in its principles and am loyal to its cause. I do believe that the wishes of the rank and file of the organization should be respected and action taken by the leaders that will result in the most effective way of carrying out these wishes.

RANK AND FILE SHOULD INFORM LEADERSHIP

If the rank and file of the American Legion will let the leadership know that they are expected to work for the passage of the bill that the House of Representatives has on two former occasions expressed a preference for and ready to pass at this time, and the bill, and the only bill, now pending that embodies the Miami resolution instead of dividing our forces, this bill, to my mind, will be passed in Congress in a very short time.

RECENT LEGION PRESS STATEMENT—WHO MADE FIRST ATTACK?

In a press release from national headquarters of the American Legion about January 15, 1935, in regard to the payment of the adjusted-service certificates, it was stated:

> In a determined move to take the adjusted-service-certificate issue out of the dangerous realm of financial and political fantasies, the American Legion has introduced in Congress its own bill providing for immediate payment of the Government's debt to the World War veterans.

In the same release it was stated:

> The action of the Legion, under the direction of the national commander, has completely cleared away the smoke screen that enshrouded the so-called "bonus issue" in Washington as a result of the efforts of some groups having inflationary and new monetary plans to tie their ideas into the adjusted-service-certificate legislation. These plans seriously threatened the success of the veterans' program until the Legion took decisive action to take the issue out of the atmosphere of such theories and bring it down to the solid ground of fact.

Therefore, it will be seen that the leaders (not the rank and file) of the American Legion claim that we, the supporters of H. R. 1, have had the issue in a dangerous realm of financial and political fantasy; in other words, we were merely making mental images, supporting a whimsical contrivance or notion. Further, this statement says that the Legion was taking the issue out of the atmosphere of such theories and bringing it down to the solid ground of fact. In another way, it may be stated that what we have supported for 6 years was not on the solid ground of facts; we were merely pursuing fantastic, absurd theories, and had the issue in a dangerous realm. This is a reflection on every Member of the House of Representatives who supported H. R. 1 in the past, including my good friend the distinguished and able gentleman from Kentucky [Mr. VINSON], who has in the past been one of its most ardent and enthusiastic supporters.

QUESTIONNAIRE

Tomorrow morning every Member of the House will receive a questionnaire, as follows:

> 1. Do you favor the full immediate cash payment of the adjusted-service certificates? ———
> 2. Do you favor H. R. 1, that will not create any additional debt, in preference to other bills pending before the committees? ———
> 3. If you do not favor H. R. 1, indicate the bill or plan that you do favor. ———
>
> Will you please answer the above questions and return this questionnaire to the Honorable ABE MURDOCK, room 249, Old House Office Building. Please return at once.

STEERING COMMITTEE FOR THE PASSAGE OF H. R. 1

Wright Patman, chairman; Abe Murdock, secretary.

Adolph J. Sabath, Illinois; James G. Scrugham, Nevada; Arthur H. Greenwood, Indiana; William L. Colmer, Mississippi; Jennings Randolph, West Virginia; Clarence Cannon, Missouri (parliamentarian); William P. Connery, Jr., Massachusetts; William M. Berlin, Pennsylvania; Frank Hancock, North Carolina; James P. Richards, South Carolina; Gerald J. Boileau, Wisconsin; Andrew J. May, Kentucky; Fred H. Hildebrandt, South Dakota; Martin F. Smith, Washington; Martin Dies, Texas; John E. Miller, Arkansas; George A. Dondero, Michigan; and Paul J. Kvale, Minnesota.

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I only rise in an effort to try to keep the RECORD straight. The American Legion convention did not endorse any bonus bill. The only spokesman for the American Legion is the National Commander Frank Belgrano, of California. Every Member will probably find out from the Legion posts in his own district exactly where the Legion stands. I am advised they stand for the Vinson bill, and the reason they do not stand for the Patman bill is that they believe it to be inflationary. They believe it provides for printing-press money.

Mr. MAY. Will the gentleman yield?

Mr. FISH. I only have 3 minutes, and I cannot yield.

The American Legion has come out against inflation. It is also interesting to note that the American Federation of Labor, through its President William Green, is also on record against inflation. Labor knows even better than the veterans that inflation brought ruin and disaster to the workers in European nations. Neither the veterans nor labor want a repetition of that suffering and misery in the

United States. Of course, all inflationists in the House, on both sides, are going to support the Patman bill. It is an inflationary measure, opening wide the doors to starting the printing presses, and if you start the printing presses going to pay the veterans $2,000,000,000, why not pay for the Army and the Navy appropriations and the salaries of the Members of Congress, and all other appropriations? There is nothing whatever to stop it. That is why the Legion is against it. Do not make any mistake. The Legion was not committed to the Patman bill. Its commander represents the viewpoint of the Legion. That will be proved by the posts in your own districts. If you do not believe what I am telling you, just write back to some of the post commanders in your own districts. Do not be led astray by the inflationists and those who advocate issuing greenbacks, printing-press money, or any other currency inflation. What we need is inflation of confidence and not inflation of currency. The inflationists are back of the Patman bill as an inflationary measure, and want to use the Legion as a vehicle to carry out their policies. The Legion, however, refuses to be used for this purpose or to compromise with inflation in any form. And when the gentleman from Texas, whom I respect because of his constancy and steadfastness, states that his bill has been sold to the country, it is not so. It was defeated by a 3 to 1 vote in the Senate. It has never been sold to the country; it has never gone through the Congress. The Vinson bill does not provide for greenbacks or printing-press money, and must be considered on its merits and on the facts. If you are in favor of making a cash payment to the veterans now and desire printing-press inflation, vote for the Patman bill. If you are against that kind of inflation, vote for the Vinson bill which is supported by the American Legion and carries out its policies.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I wish to address my remarks very briefly to a reply made by the gentleman from Ohio [Mr. HARLAN] to previous remarks of mine of a few days ago. In order to make myself clear I will quote directly from the RECORD.

In his remarks the gentleman from Ohio [Mr. HARLAN] asked that I put in the RECORD a list of the concessions made to Cuba. I did that. I had it in my matter for extension before he asked me to do it. Replying to his interruption of my remarks I said: "I am interested in our people, not the Cuban folks." The gentleman from Ohio took serious exception to that answer. I stand by that answer. Mr. Chairman, I am interested first in our own people. We are here as Representatives of the American people, not as representatives of the citizens of Cuba or any other country. My first allegiance, therefore, under my oath as a Member of this House, and your first allegiance under your oath as a Member of this House, is to the welfare and well-being of the American people. So, when the gentleman from Ohio says that the remark I made was childish, I should like to have some information as to what our duty is. If our first consideration is to write our laws or have our laws written for us in a manner beneficial to a foreign country rather than to our own country, I am in the wrong; otherwise I think I am in the right and would make the same reply again if I were making it extemporaneously, as I did at that time. The gentleman realizes I meant nothing in an offensive way to him.

Later on, in reference to Cuba, the gentleman said she accepted a very definite quota on her exports of sugar to us so as not to injure our producers. She accepted a quota of 300,000 tons more sugar than were admitted to this country from Cuba before the adoption of this reciprocal treaty. If that is not injurious to our producers of sugar, will the gentleman explain how it is not? Three hundred thousand tons of sugar means employment to many hundred people either in the beet fields of Michigan or in the cane fields of Louisiana and Florida. But, according to the views of the gentleman from Ohio, it is not injurious to our producers. I say it is, and it would have been much more in keeping with the real spirit of Americanism if instead of increasing the allowance to Cuba it had been cut down, and thus giving just that much more employment to the people in the beet fields of the West and in the cane fields of the South.

Then the gentleman speaks of a great concession we got on cigarettes, so that an American today can buy a package of American cigarettes in Cuba for 25 cents instead of 75 cents. I have not a great deal of sympathy with that chap. In the first place, I do not smoke; but if I did I would be willing, in a land where they do nothing much but raise tobacco and sugar, to patronize home industry to the extent of smoking their kind of cigarettes when I was in their country. If an American sees fit to go to Cuba and is not smart enough to put a few packages of cigarettes in his bag before he goes, it is better that he pay their price than that we make concessions on our tariff rates.

There are many quotations from the gentleman's speech, Mr. Chairman, that I have not the time to read. The gentleman stated in another place: "We cannot now profitably grow sugar." I take exception to this remark. If the sugar producers of this country were given a fair show under the tariff provisions instead of these provisions constantly favoring the investment of American capital in Cuba, plenty of sugar could be manufactured in this country.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield for a brief question.

Mr. WOODRUFF. I think it is a well-known fact among people who have investigated and know the situation, that if the domestic sugar industry were properly protected and encouraged to develop, the American farmers could produce all the sugar the American people could eat.

Mr. TREADWAY. Yes; and produce it at a profit to the growers and manufacturers and at a fair price to the American consumers.

In another place the gentleman from Ohio stated that the sugar grower and the pork grower were the same person. That is brandnew to me. I cannot see that. I ask my colleague from Michigan whether they are the same person?

Mr. WOODRUFF. Not by any means; they are not.

Mr. TREADWAY. And is it not fair to compare such a statement to the old argument we have heard that we should put a duty on bananas in order to force people to eat more apples?

Mr. WOODRUFF. It is comparable to something of that nature.

Mr. TREADWAY. In other words, if the beet growers of Michigan, Colorado, and the Central West do not want to grow beets, they can raise corn, feed hogs, slaughter them, and compete with other corn-hog farmers.

Mr. WOODRUFF. Yes. In other words, the gentleman to whom reference is made wants the beet-sugar growers of the country to raise corn, hogs, wheat, and everything else, of which we now raise large surpluses, and upon which processing taxes are assessed and collected.

Mr. TREADWAY. Absolutely. I thank the gentleman for his observation. A particularly interesting paragraph I see marked here covers the fact that there was nothing particularly secret about this reciprocal treaty with Cuba. Here is a copy of the treaty, and on the outside of it is the statement:

For the press: Department of State, August 25. Confidential. Release for publication newspapers August 26—

And it was signed August 24. If that is not a secret conference——

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; I will yield to the gentleman because I am criticizing his statements.

Mr. HARLAN. To one familiar with the way in which governmental documents are released to the press, all of them bearing a similar designation on their face so they will be released publicly on the same day, does not that argument appeal as a little bit weak?

Mr. TREADWAY. It does not, because the agreement was made in secret and not a single manufacturer, producer, or employer of labor in this country can tell what article of agreement he will be subject to in his future business transactions. Tariffs are debated on this floor. Tariff rates have, up to this time, been written in Congress and not in a secret confab between representatives of the State Department and foreign countries.

Mrs. KAHN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentlewoman from California.

Mrs. KAHN. Is it not a fact that these reciprocal treaties are negotiated in secret, and no one knows what articles are being considered?

Mr. TREADWAY. Yes. There is a long list of them in print that are being negotiated at the present time, and may I say right here that yesterday I offered three privileged resolutions in order to find out what articles are being considered between representatives of the State Department and representatives of foreign countries. I want that information, and I think Congress is entitled to the information.

Mr. HARLAN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. HARLAN. Has the gentleman noticed the fact that the exports of agricultural products from this country to Cuba since the adoption of this reciprocity treaty has almost doubled?

Mr. TREADWAY. I will have something to say about that, too. The gentleman says that is the result of goodwill between this country and Cuba.

Mr. HARLAN. It is the result of the reciprocity treaty.

Mr. TREADWAY. We cannot feed our people on goodwill. We have to have bread and butter.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. TREADWAY. Mr. Chairman, we cannot feed people and have good American citizens happy on goodwill. It takes more than that.

The gentleman states further—and I should like to be very careful about this—that this is no new type of legislation, and cites the Embargo Act of 1794 and later acts, and says that in these measures the President was authorized to do far more than he is empowered to do under the Trade Agreements Act. This I most emphatically deny.

At no time in the history of the country has the President been given the power to sit down with representatives of foreign countries and write our tariff rates. At no time in the history of the country has the President been given the power to strike down one domestic industry to help another. At no time has such a star-chamber procedure ever been set up for fixing tariff rates. At no time has Congress ever given the President carte-blanche authority to negotiate agreements with foreign countries without prescribing in advance the concessions he could make, both as to articles and rates, or without requiring that any agreement entered into should be ratified by the House and Senate before becoming effective.

The gentleman says that that is the method under which this reciprocal-trade agreement with Cuba has been carried out and is intended to be used in other instances. I may be mistaken as to the way in which we write tariff acts. Why today is this special delegation recently arrived from Brazil being feted and catered to? Why, to aid in writing concessions for the Brazilian Government, not for the American people.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF. Is it not a fact that heretofore whenever a change in tariff rates has been contemplated there was always a forum where the producers of every product could air their views, give their opinions, and show how the proposed changes were going to affect them?

Mr. TREADWAY. Absolutely. There never was a tariff rate written that the people could not appeal to some governmental agency and have a hearing, and I defy the gentleman from Ohio to show where any hearing was given for the industries or producers of this country before the commission that wrote this Cuban treaty. A list of articles was made up, but no one knew which articles were being considered or the suggested changes.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield to the gentleman from Texas [Mr. McFARLANE] such time as he may desire.

SHALL WE PAY THE BONUS WITH NEW MONEY AND SAVE $1,500,000,000 OR PAY WITH BONDS AND GIVE THE BANKERS $2,730,000,000?

Mr. McFARLANE. Mr. Chairman, in order to keep the record straight on this adjusted-service-certificate matter, I desire to make a few remarks.

We have one nationally known veterans' organization that has gone down the line 100 percent for the cash payment of the bonus. I refer to the Veterans of Foreign Wars. They have never asked any counter nor have they given any. Their commanders in chief, as well as their national representatives here at the Capitol, have 100 percent since the war insisted that this was a just debt and that it ought to be paid promptly in cash.

I am sorry I cannot make the same statement concerning the national commanders and representatives we have had here for the American Legion. I know and you know that for the past several years the kind and character of representation the Legion has had up here has not represented the true sentiment of the rank and file in reference to the adjusted-service-certificate matter. The gentleman who is the national representative of the Legion here now, Col. John Thomas Taylor, who enjoys the liberty to practice before different departments of the Government, who was brought here by a gentleman in another body, Mr. Boies Penrose of Pennsylvania, has always had that line of thought, and the last session of Congress he went up and down these halls congratulating Members of Congress because they voted against the payment of the adjusted-service certificates. He is the national representative of the American Legion here today. He is the gentleman who enjoyed the full front page of Time magazine January 21, 1935, the magazine with Morgan's viewpoint, wherein it was stated that "he put three Presidents in their places." I know and you know he had no more to do with the putting of any President in his place than any of you.

It now begins to look like the American Legion has, through its leadership here, been inveigled into the Wall Street trap of favoring the bond issue plan for payment of the bonus. If they continue their program they will divide their forces and defeat the payment of the adjusted-service certificates. That is what is back of the program now to bring before Congress payment by a bond issue through the Vinson bill, and I know it and you know it.

The gentleman from New York [Mr. FISH] says the American Legion is representing the sentiment of the rank and file of ex-service men on this question. I challenge that statement. I ask for a poll of every American Legion post in the Nation, and I have no fear of what such a poll will show.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Kentucky.

Mr. MAY. I have already heard from most of the posts in my district, and they are 100 percent for the Patman bill and in favor of the inflation feature of it.

Mr. McFARLANE. Yes; and if any of you gentlemen have any doubt about that, just send a questionnaire or a letter back to the American Legion posts in your districts and you will find that they will repudiate the kind and character of leadership the American Legion has here today, just like they have repudiated, as fast and as quickly as they could, the leadership of the last several years in the national administration of the American Legion.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman's district in Texas adjoins mine. Is there a post in his district or a post in my district that is not in favor of the Patman bill 100 percent?

Mr. McFARLANE. No, sir; there is not. I am sure the gentleman knows the sentiment in his district as I know the sentiment in mine and as all of you Members know the sentiment in your districts. If you have any doubt about it, wire and ask them how they stand on these two bills. They do not know any other bill in the American Legion but the Patman bill H. R. 1, but the American Legion leadership has flatly turned its back on the resolution the national convention adopted at Miami last year. Let me read the resolution and the roll-call vote of their 1934 convention for the RECORD:

IMMEDIATE PAYMENT OF BALANCE DUE ON ADJUSTED-SERVICE CERTIFICATES

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas *the payment of said certificates will not create any additional debt* (italics mine), but will discharge and retire an acknowledged contract obligation of the Government: Now, therefore, be it

Resolved, That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the American Legion recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid as a most effective means to that end.

ROLL-CALL VOTE

Following is the result of the roll-call vote on the resolution (no. 15) recommending the immediate payment of the adjusted-service certificates:

Department	Yes	No
Alabama	16	
Alaska	(1)	
Arizona		11
Arkansas	17	
California	60	
Canada	6	
Colorado	3	11
Connecticut	4	12
Delaware	7	
District of Columbia	11	
Florida	11	4
France	3	4
Georgia	13	
Hawaii		7
Idaho	1	9
Illinois	77	
Indiana	35	
Iowa	36	
Italy	7	
Kansas	25	
Kentucky	20	
Louisiana	13	3
Maine	2	11
Maryland	12	
Massachusetts	42	
Mexico	(1)	
Michigan	33	
Minnesota	29	
Mississippi	13	
Missouri	25	
Montana	11	
Nebraska	21	
Nevada	6	2
New Hampshire	11	
New Jersey	28	
New Mexico	(1)	
New York		81
North Carolina	19	
North Dakota	13	
Ohio	48	
Oklahoma	31	
Oregon	15	
Panama	2	4
Pennsylvania	73	
Philippine Islands	(1)	
Puerto Rico	8	
Rhode Island	11	
South Carolina	13	
South Dakota	15	
Tennessee	22	
Texas	31	
Utah	10	
Vermont		9
Virginia	3	12
Washington	21	
West Virginia	15	1
Wisconsin	(1)	
Wyoming	32	
Spencer Eli Post, No. 1, Argentina	9	1
Mid Pacific Post, No. 1, Guam		
Havana Post, No. 1		1
Total	987	183

[1] Not voting.

Now, Mr. Chairman, is there any doubt left in the mind of anyone just what the last Legion national convention was trying to do when we read this clause: "Whereas the payment of said certificates will not create any additional debt." If the convention had favored payment through a bond issue, which is required under the bill they have had introduced, would not they have said something like this: "Whereas the payment of said certificates should be made by direct appropriation out of the Treasury which will require a bond issue", and so forth?

Mr. Chairman, there is no getting away from it, under this mandate of the Miami convention the leadership of the Legion has sold the rank and file of the ex-service man short again. The rank and file are entitled to know this.

Here is a statement issued by the national headquarters of the Legion the very minute they came to Washington:

In a determined move to take the adjusted-service certificate issue out of the dangerous realm of financial and political fantasies, the American Legion has introduced in Congress its own bill providing for immediate payment of the Government's debt to the World War veterans.

This statement is a direct slap at the Patman bill—the man who has made the fight from start to finish for the ex-service man on this question. They never did introduce a bill on this subject before. I wonder why they showed all this interest all at once for the benefit of the ex-service man.

They come up here now and try to drive a wedge between their bill and the bill that had the best chance of passing, H. R. 1. This bill would not increase taxes; it would not require a bond issue; it would not increase our national debt; it would not in any way unbalance the National Budget; and this bill would put new money in circulation Nation-wide and save more than $74,000,000 per year interest that must be paid if these certificates are paid through a bond issue under the Vinson bill; and H. R. 1 will further save the people more than one and a half billion dollars, which is the amount that will be set aside by the Government to pay off these certificates in 1945.

These are big stakes, and the question is, What are you going to do about it?

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. LORD. I have heard from the American Legion posts in my district and they are for the Vinson bill, and what they want most is the money, but they do not want inflation.

Mr. McFARLANE. I yielded for a question. Where is the gentleman from?

Mr. LORD. I am from New York State.

Mr. McFARLANE. New York is one of the 7 States of the Union out of the 48 that went to Miami and voted against any method of payment of the bonus. They do not want to pay the certificates at all. New York has always come down here and carried more out of the Treasury in the way of bonuses on war contracts and other war bonuses than any other State of the Union, I may say to the gentleman, and has always been on record as against the payment of the certificates.

Mr. ZIONCHECK. How about refund of taxes?

Mr. McFARLANE. Yes; and they have received more out of the Treasury in refunded taxes than any other State.

Mr. LORD. The Legion posts in my district are in favor of the payment of the bonus, but they want it paid in an orderly way and not by inflation.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. HAINES. I asked the gentleman's colleague, our good friend the gentleman from Texas [Mr. PATMAN], what the additional annual indebtedness would be under the enactment of the Vinson bill, and I have not had an answer to that question. Is the gentleman prepared to give the figures?

Mr. McFARLANE. I have not that information accurately, but I would say that the average interest rate we are paying now on outstanding bonds is about 3⅜ percent; and if you figure that on $2,200,000,000 over a period of 30 years, you will find that we have paid out annually $74,000,000, or $2,227,500,000, which is the bonus the Legion bill would give the big bankers.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MAY. We now have twenty-eight and a half billion dollars of outstanding bonds bearing interest, with an annual interest charge of more than $800,000,000; and when we pile up the $4,000,000,000 for public works, plus the other appropriations that will come in amounting to about $7,000,000,000, and then if we put two more billion dollars on top of that for this purpose, we will get to the point after a while where the bankers will refuse to buy our bonds and the market for bonds will go down, and they will be at a discount.

Mr. McFARLANE. I think we understand that very thoroughly, but I thank the gentleman for his contribution.

There is outstanding, as we all realize, more than $28,000,000,000 of bonded indebtedness, bearing an interest rate of more than 3 percent. This bonded indebtedness is growing by leaps and bounds. The American Legion has gone on record as favoring the payment of these certificates without creating any additional debt. There is but one way of paying the balance due on the adjusted-service certificates without creating an additional debt, and that is through the issuance of new currency, as is provided in the bill H. R. 1.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. PATMAN. Is it not a fact that the Legion is sponsoring this bill on the theory that many of us are sponsoring it, that it will be a relief bill; but the way their bill is written, will it not be a bankers' relief bill, instead of a veterans' relief bill?

Mr. McFARLANE. Yes, sir; it is a bankers' bonus the way it is written by the Legion, and it is the first bill I have heard of the Legion coming in here and offering on this subject, and it is not in keeping with the mandate given to them at the Miami convention and is contrary to their expressed purpose.

Mr. Chairman, I do not wish to impugn the motives of anyone, for I concede to all honest and sincere motives in their views in opposing the payment of this just debt. I do wish, however, to call to your attention that if you will analyze the source of this opposition to the payment of the balance due the ex-service man on his adjusted-service certificate, you will find that in the main this opposition comes mainly from those who are primarily interested in the buying and selling of Government bonds. If the Government is going to borrow money for the payment of its debts, these people want these loans to be negotiated through the sale of bonds.

These individuals are trying to frighten the general public into believing that the issuance of certificates will involve so-called "printing-press money." But bonds are printed in the Government printing plant on the same presses that print our currency. By using currency instead of bonds to pay this debt the National Government will have to meet only the actual sum involved, with no extra charges for interest payments.

The National Economy League and other antiveteran groups have raised the cry of so-called "dangerous inflation", but the bill to pay these certificates through the issuance of Treasury notes contains a protective provision against uncontrolled inflation. It definitely provides for controlled expansion of the currency. If we are threatened with uncontrolled inflation, the Government will have the privilege of withdrawing from Federal Reserve banks and national banks a sufficient amount of currency issued to them in return for Government bonds to prevent such inflation.

There is a definite precedent for the issuance of money in this fashion. Any Federal Reserve bank can obtain money from the Federal Government by making deposits in the form of Government obligations. They can deposit a million dollars in Government bonds and receive a million dollars in new money. The only cost to such Federal Reserve banks is the cost of printing, which is about 27 cents per thousand dollars. National banks are permitted to the extent of their capital stock to deposit with the Treasurer of the United States direct obligation to the Government and receive in return national-bank currency greenbacks. Such banks must deposit 5 percent of the money in a retirement fund. While the banks, both national and Federal Reserve, obtain the use of the money, they also get interest on the bonds deposited.

The veteran has a Government obligation payable January 1, 1945. We are asking that the veteran be permitted to deposit his obligation and receive new money in return for the remainder due him in the same way and in the same manner that national banks and Federal Reserve banks are now permitted to deposit Government obligations, payable in 1945 and receive new money in return for them.

In each case a Government obligation, payable in the future, is deposited to authorize the issuance of money. In each case a noncirculating Government obligation, or Government bond, is converted into circulating obligation money. The veteran will not continue to draw interest on the deposited obligation. In the case of a veteran the total indebtedness of the Nation will not be increased. In the case of the banks the total indebtedness of the Nation is increased. It costs our Government millions of dollars annually for interest on Government bonds held by banks, a source of profit that the bankers are anxious to keep. They oppose the issuance of currency because it will deny them the income they derive in the handling of bonds, and no doubt this is the real reason why we are having so much opposition at this time against the passage of H. R. 1, which provides a new currency for settling this just debt. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, at the close of three speeches, and the last stirring one against reciprocity, it would seem almost as if the arguments had been exhausted, but there is one issue that stands up. Do we want to adopt a system that favors one particular group, one particular industry, at the expense and enormous burden of other groups and industries, or do we want to protect the large groups and give them an even chance?

That is emphasized in this sugar proposition. We have slightly increased Cuba's import quota of sugar, and reduced tariff rates with other concessions that have increased our purchases from our island neighbor, but that has also increased the amount of goods bought by Cuba from our farmers—the pork farmer, the bean farmer, the potato farmer, thus sending to Cuba twice the amount of agricultural products as compared with the month before the reciprocity treaty went into effect and threefold compared with the same month the year before.

Are we justified in selecting one group and saying, "You shall have it all, and all the rest of the farmers be excluded"; shall this Government pick out a select group and give the market to them instead of looking to the benefit of all the farmers of the country?

Now, as to the hearings on these reciprocity treaties. Under the old system which we had, the men who were going to be benefited by the tariff preferment had all the hearings in the world. They knew when it was going to come up and could present all the arguments they had. The exporter had no chance at all. If we put an import duty on tapestry or on wines, exporters of shoes, paper, or refrigerators had no knowledge of it or how it was going to affect them. France would immediately adopt a retaliatory tariff, and as

in case of the Stutz Motor Co., it ruined the export automobile trade. The exporters knew nothing about it.

Talk about secrecy! It was worse than secret. They did not even have a chance, did not know it was going on. But under this new policy the Commission preparing treaties or contemplating them sends out to the press well in advance a complete list of every commodity which that country buys from this country and sells to it. Everyone is given notice—all of the exporters, and they all come in there and present their briefs and arguments if they are interested—not as in the old system, where an exporter could have his head cut off and know nothing about it. Here they have to know about it, whether he be an exporter or a manufacturer for home consumption.

Shall we continue to give a square deal to everybody or shall we play only to the favorites who have contributed to our campaign fund, and that is all there is to it.

Complaint is made, because we have granted the President power to negotiate these treaties that has just been stated, that this grant of power is without precedent. In 1794 Congress granted the President not only the power to regulate commerce but in his discretion to prevent altogether the exportation of goods from the United States. Four years later this power was modified by permitting the President to permit or deny exportations either to France or England at his discretion. And in 1910 the President made a proclamation declaring that France had ceased to violate neutral commerce but continuing to prohibit trade with England. This power of the President was later sanctioned by the Supreme Court of the United States. In 1915 the President was authorized to repeal tonnage duties against any national when such foreign nation discontinued discrimination against us.

Under the Tariff Act of 1890 President McKinley was authorized to take from the free list certain commodities and impose a tariff rate against specific nations, levying "unequal and unreasonable" duties against the United States. A great many treaties were negotiated under this act, and 10 agreements concluded. This act was attacked because of the President's delegation of legislative power, but was upheld by the Supreme Court in Field against Clark, One Hundred and Forty-third United States Reports, page 649.

Under the Dingley Act of 1897 the President was authorized to remove duties on importations when a similar agreement was obtained from the foreign countries, and many agreements were concluded under this power without the concurrence of the Senate. Again this treaty was litigated and sustained in the courts. Similarly in the acts of 1919, 1923, and 1930, clear delegation of power was granted, at least equal to the power provided in the last act of this Congress.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I rise to refer to the bonus discussion that we heard a few moments ago. I understand that one of these so-called "bonus bills" has been labeled the "bankers' bonus bill", and I should like to inquire from my friend from Texas [Mr. MCFARLANE] whether that be true?

Mr. McFARLANE. That is true.

Mr. TRUAX. Does that label apply to the Vinson bill?

Mr. McFARLANE. I think so; yes.

Mr. TRUAX. Then, for the benefit of my colleagues, I might say that last Sunday the author of the Patman bill, my distinguished colleague and friend from Texas, spoke to an audience of about 2,000 people in the city of Cleveland under the auspices of the Sweeney-Roosevelt League for Social Justice, and practically every person in that audience expressed himself as being heartily in favor of the Patman bonus bill. As a candidate for Congress at large in the State of Ohio it was my pleasure and privilege to be practically the only candidate in Congress from my State in 1932 who came out openly and publicly in support of the so-called "Patman bonus bill." I supported that bill and talked for that bill in practically every county in Ohio in the May primaries and in the general election campaign in 1932. I did the same thing in the primaries in August 1934, and if there is any single Member here who has any doubt as to the wishes and sentiment of the people of Ohio, comprising a population of 7,000,000, I say to him that 95 percent stand solidly back of the Patman bonus bill and are solidly opposed to this so-called "bankers' bonus bill."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. McFARLANE. When I spoke on January 10 I asked for a poll of the House of the new Members who had come here from districts where the bonus was an issue, desiring to know who were in favor of paying the bonus, and I also made the statement that every new Member of another body that I had heard of, which included most of them, had come here favoring the payment of the bonus. Does not that show the sentiment of the people of the country?

Mr. TRUAX. I think it does.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. RICH. Not over half an hour ago I attended a conference with the legislative counsel of the American Legion, Mr. Taylor, and Mr. Kress, who was a member of the committee that drafted the resolution in Florida, on the committee with Mr. PATMAN, and while they did not say that the American Legion is against the Patman bill they did make the statement openly that the American Legion is in favor of the Vinson bill.

Mr. TRUAX. And I say to the gentleman from Pennsylvania, as I will say to the gentleman from New York [Mr. FISH], that the leaders of the American Legion do not speak for the rank and file of its membership. At least they do not in my State. Further, it was my pleasure and privilege to attend a number of district meetings of the American Legion posts in Ohio in 1933, and the sentiment was practically unanimous for the Patman bill. It is not only because of the authorship of this bill, because of the fact that our good friend Mr. PATMAN is known nationally as the author of the bill, but it is because of the fundamental monetary principles involved in the two bills. In other words, this other bill, and I say this without disparagement to my friend and colleague Mr. VINSON, differs from the Patman bill in principle. There is as much difference between the two bills as there is between night and day. The Vinson bill, already referred to as the "bankers' bonus bill", must provide for an authorization of bonds, tax-exempt bonds, which will be an additional burden saddled upon the American taxpayer. We hear a great deal of talk about inflation, and reasonable inflation, and how far we should go with inflation. Let me ask some questions. Whom will inflation hurt? Will it harm 95 percent of the American people who are without jobs, without income, without property? Will inflation hurt the American farmer who has been down on his knees for the past 12 years and is now endeavoring to get back on his feet? I wish you could come with me to Ohio and talk to the immense audiences of farmers and understand the sentiment that lies in their breasts for this bill, not only to help the American soldier, but to help the American farmer to get some money in the country. Do you think inflation will hurt that class of people?

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. ANDREWS of New York. It seems to me we have heard a great deal about what the American Legion wants and what the Veterans of Foreign Wars want. I am not criticizing the American Legion at all, because I belong to it, but I wonder if we ever stop to think about what the majority of the people want?

Mr. TRUAX. I am glad to answer that question. In my State I say that the majority of the people want this bill that provides for a new issue of currency to the extent of $2,400,000,000.

Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. McFARLANE. In every State of the Union which passed upon a State bonus for the World War veterans, they overwhelmingly voted in favor of it, did they not?

Mr. TRUAX. That is true.

Mr. McFARLANE. That shows their sentiment on the matter.

Mr. PIERCE. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. PIERCE. What excuse is given by the powers that be why currency can not be issued against the nine billion of metal now in the Treasury, when we only have outstanding in currency something like five billion or a little more? Why must we keep double the amount of money that we have in paper money? I ask that of these gentlemen who are always against anything like inflation. Why is that?

Mr. TRUAX. I will answer the gentleman. It is because whenever we have fair and just inflation the national bankers of this country will lose the racket by which they have milked the American public for generations. In other words, this Congress ought to enact laws that will forever take away the racket of the American bankers and to restore to this Congress its constitutional privilege of issuing currency and regulating the value thereof.

Mr. PIERCE. Will the gentleman yield for another question?

Mr. TRUAX. I yield.

Mr. PIERCE. Why cannot we issue currency today against this metal, if it is there and free, and how much is free of the currency that is now outstanding?

Mr. TRUAX. As I understand it, this Government could issue $20,000,000,000 of currency with the 40-percent gold reserve which we now have in the Treasury. This Government can do that provided this Congress will say that they shall do it.

Mr. BREWSTER. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BREWSTER. Do I understand the gentleman is opposed to any bonus bill which does not carry inflationary provisions?

Mr. TRUAX. No. The gentleman does not understand any such thing. I would say to the gentleman further that I am 100 percent for the Patman bonus bill because it will be financed with new currency and not with a tax levied upon the people or by a further burdensome bond issue.

Mr. BREWSTER. Do I understand that if the gentleman could not have the Patman bill he would support the Vinson bill?

Mr. TRUAX. I will cross that bridge when I come to it, I will say to the gentleman. Now is not the time to compromise. Let the House pass the Patman bill and then it will be time enough to talk compromise. We think and we believe that we can pass the Patman bill in this House of Representatives. I was very glad today to hear the Chairman of the Ways and Means Committee and the ranking minority member of that committee assure us that there would be no attempt to gag the Membership upon the Patman bill or any other bill. I am especially glad to hear that, because I personally have voted against every gag rule that has been presented in this House, and I expect to vote against them every time they are offered on this floor.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. DUNN of Pennsylvania. In the year 1933 it was necessary to amend the constitution of the State of Pennsylvania to give the soldiers of that State a bonus. May I say to the gentleman that the vote which was given in behalf of the soldiers' bonus was tremendous, with all the opposition of the chamber of commerce? Therefore, that signifies that the people of the United States want the soldiers to get what rightly belongs to them.

Mr. TRUAX. The gentleman is absolutely right. They want them to get not only what belongs to them, but they want them to get new currency and thereby help not only the soldier but every business and every avenue of trade and channel of commerce that deals with the soldiers. Not only that, but they want to see such legislation as the Frazier-Lemke bill passed, which will refinance every farm mortgage in this country at a rate of interest of 1½ percent instead of 6, 7, and 8 percent, which our farmers are paying today on land mortgages and as high as 36 percent upon the chattels on their farms and in their homes.

Mr. BREWSTER. Will the gentleman yield further?

Mr. TRUAX. I yield.

Mr. BREWSTER. Why is it that the gentleman picks particularly upon the bonus bill to insert inflationary provisions and not upon the $4,000,000,000 bill which we passed the other day for relief?

Mr. TRUAX. I am not picking on any bill or any particular piece of legislation. For nearly 4 years I have been an ardent advocate and supporter of the Patman bonus bill, an advocate and supporter of the Frazier-Lemke bill, which proposes to refinance all of the farm mortgages in this country with new currency and not with further tax-exempt bond authorizations.

Mr. FOCHT. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. FOCHT. May I ask the gentleman why in a time of peace there is such a mighty accumulation of gold, gathered from the four corners of the earth and taken away from private individuals and deposited in the Treasury?

Mr. TRUAX. I will say I think that is one of the greatest acts of President Roosevelt, when he collected in the gold from the slimy vaults of Wall Street and brought it down here and put it in the Treasury of the United States, but I want him to go further. I want him to issue new currency. [Applause.]

Mr. FOCHT. That is what we want. What good is it down there? What good is it in the Treasury?

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. ARNOLD. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

WAYS AND MEANS COMMITTEE

Mr. PATMAN. Mr. Chairman, in my statement today I did not say anything that would in any way reflect upon the Chairman of the Ways and Means Committee or any member thereof. I thought I made that plain, but I understand one or two members of the committee did not so understand it; and I want to make it plain now that I am not impugning the motives of any member of that committee. They are all my friends, and I honor and respect each and every one of them. They are good men and they have performed their duties as they believed they should be performed. They are just as honest and sincere in their views as I am in mine. They are not on the opposite side of the issue; I believe most of them believe as I do. I am not fighting them and they are not fighting me. I want to make it absolutely clear that I think the gentleman from North Carolina [Mr. DOUGHTON] is one of the best and ablest Members of this House. I think he deserves lots of credit for the hard work he has performed in the interests of all the people. I also want to commend every member of that committee. I do not want to say anything—and I am sure that I have not—that is detrimental to any of them. I just want to make one thing absolutely plain—that I did express, and I again express, the hope this committee will seriously consider the bill they bring in, in order that nothing is done that would prevent a full and free expression from the Members of the House.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, in connection with the discussion of reciprocal trade treaties, it seems to me extremely important that gentlemen on both sides of the House should bear in mind the utter unfairness of comparisons as to any impetus given to our agricultural exports to Cuba during the preceding 6 months. Such figures are in no way a demonstration that the operation of this particular Cuban trade treaty is beneficial either to our agriculture or to our industry over a period of a full 12 months.

Citation of increased agricultural exports to Cuba in the past 6 months under the Cuban trade agreement is extremely misleading, unless it is at the same time pointed out that Cuba takes our agricultural products in the last 6 months of the year and sends her agricultural products to us in the first 6 months of the year, because of seasonal conditions. This was contemplated in the agreement in the lowering of the tariff barriers.

It will be necessary to know the extent of the imports of Cuban products into the United States during the winter months, when the tariff on potatoes and other vegetables has been cut by 50 percent, to appraise fully its effects.

All that we know today is that Cuban potatoes are being sold in the New York market, while Maine potato growers in Aroostook County are being offered 35 cents a barrel.

I am concerned particularly with potatoes, as I have previously reminded you; and the Cuban potatoes are beginning only now to enter the markets of New York, and could, under the 50-percent tariff cut, enter only after December 1, the period when Cuba comes into production.

I think the gentlemen in the executive departments of our Government who are furnishing these figures to demonstrate the advantage of the Cuban trade treaty to our agricultural interests should supplement it by information showing what we may reasonably expect during the remaining 6 months of the current year. Perhaps we should also like to know the effect of the Cuban treaty upon the revenues of our Government. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, interesting matters have been debated this afternoon; just recently, one of much importance. Animated discussion has been had as to whether, if a certain impressive bill is passed, payment for the obligation incurred shall be by the issuance of non-interest-bearing notes or by a further issuance of tax-exempt, interest-bearing bonds. I believe I have the solution of this problem and a compromise of the great dispute which shall be reiterated in the early future, but I am not going to refer to it any further this afternoon.

The question of greatest importance at the moment to the people of my district, I feel, and the one about which I wish to address you very briefly, is whether and how soon Congress will authorize the issuance of additional bonds to refinance the homes of many worthy people which are still in jeopardy in my district. Not only the home owners but public officials, pastors of churches, friends, and neighbors of the applicants for home loans have a vital concern that worthy people of my community who have been left out shall have an opportunity of refinancing their homes as soon as possible.

You may recall that it is now over 6 weeks since the Home Owners' Loan Corporation ceased operations, except for the purpose of taking care of those applications which reached the legal division. The order went out on November 16 that no other applications would be considered because funds were depleted.

Now, I have reason to believe that additional legislation will be recommended by the President for the relief of the distressed home owners, and it cannot come too quickly. It is my humble opinion that it is the most important to come before Congress, for the original law already has given greater benefit to the people, at least of my district, than any other measure passed by the Seventy-third Congress.

Mr. MONAGHAN. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. MONAGHAN. I wonder if the gentleman has had the experience in his district which I have had in mine: Many applicants for these loans have found that although they filed their application prior to others, that many of the applications filed later were granted and theirs were not.

Mr. KENNEY. Yes; that has been my experience; and it applies to my district as well as to the gentleman's district.

Mr. MONAGHAN. Does not the gentleman feel, particularly at this time when the weather of the country is extremely severe, that a great effort should be made by Congress to bring this type of legislation to speedy enactment?

Mr. KENNEY. Absolutely.

Mr. MONAGHAN. I wish at this point to read to my colleagues the telegram which I sent to the President on November 29, when the result of the action suspending title examinations became apparent to me. The body of the telegram is as follows:

Snow in Montana, hard winter anticipated, holiday spirit dampened by eminent loss of homes. Considerable dissatisfaction and undeserved hardships resulting from recent suspension of title examinations H. O. L. C. Urge order be changed to permit at least all applications filed previous to November 16 be prosecuted to final approval or disapproval.

The reply received is as follows:

MY DEAR MR. MONAGHAN: Your telegram of November 29, addressed to the President of the United States, has been referred to this office for acknowledgment.

We are very much interested in your comments concerning the activities of the Home Owners' Loan Corporation, but the situation is one over which we have no control. The present resources of this Corporation will be exhausted long before all the applications now on file can be handled. Under these circumstances it is not possible to further extend the benefits of the Corporation at this time.

Assuring you that we appreciate your spirit of cooperation and the expression of your views, I am,

Sincerely yours,

L. B. HAYES,
Assistant Secretary, Home Owners' Loan Corporation.

Every day I receive pleas from those threatened with foreclosure; pleas to do something and act quickly. I believe this situation is of sufficient urgency to demand the immediate attention of the Congress, and that, in connection with old-age pensions, unemployment insurance, child protection, the soldiers' bonus, and other measures of paramount importance. Such legislation is best designed to promote the security and peace of the Nation, and we must not delay its enactment.

Mr. KENNEY. It is my firm conviction that it is most important that Congress not curtail niggardly the amount of bonds that may be issued by the Corporation in the future. It has been said that recommendation will be made for an additional issue of bonds ranging from $1,000,000,000 to $1,500,000,000. Our stand should be for the authorization of $2,000,000,000 of additional bonds to insure the financing of all worthy cases.

If the total authorized is not required the bonds will not be issued. Only yesterday in the R. F. C. bill authorization was given for the lending of $75,000,000 to insurance companies, although a gentleman of the committee said that there appeared no good reason why the amount of $50,000,000 should be increased. Certainly we should now once and for all provide for the consideration of all applications of home loans by giving the Corporation authority to issue bonds sufficient for the purpose, and not as has happened, deprive some of our people of the advantages granted to others and cause the anxiety and worry again which has been occasioned by the cessation of the activities of the Home Loan Corporation.

As I understand it, about 51 percent of the applications have already been passed upon. If that is so, we will require in the neighborhood of $2,000,000,000 of bonds in order to enable all worthy applicants to have their cases considered and financed.

Mark you, there have been many rejections. Some of these rejections will come back under the new legislation. Many will be entitled to consideration that have been denied it. Some were rejected because it was felt that their income was not sufficient to meet the payments required because of unemployment, and they being now in employment are in a position to have their application reconsidered. Other home owners were prevented from submitting their applications because, when they applied for their loans, they were handed certain blank forms which they were told should be filled out and executed before consideration would be given.

They had to go out and gather a great deal of data, and before they could return with the required information the Home Loan offices suspended activities.

Besides, you will find many applications were rejected because the property was used in part for business purposes. The policy of the Corporation in the beginning was liberal, but tightened up and became conservative. Thrifty citizens in my district operating a business under a lease found it possible to purchase a plot of land and build upon it a place of business with another store and home connected. The Corporation held, in a great many such cases harshly, that business constituted the prominent feature of the premises, and the owner was denied a loan and his home along with his business was placed in jeopardy.

We should write into the new legislation adequate provisions, or at least exercise our influence with the Corporation to the end that where property is occupied as a home by the owner, even though in connection with a business, the Home Owners' Loan Corporation will still recognize it as a home. There is no legal authority for the Corporation to reject an application from such an owner at the present time, although the Corporation has done so in spite of the fact that it was the policy of Congress that such type of applicant should not be denied the advantages of the act.

When the new legislation is enacted, and I hope it will come out as quickly as possible, it is to be hoped that in districts like mine, where men have built their homes around their business, that they will be protected and given the benefit of the law that was intended for them as much as for the home owner who occupied his home unconnected with his business enterprise. Most of our home owners have struggled years for their homes, and I want to preserve them.

There is another circumstance that I would like to mention, and that is that I feel we ought to have the management and operation of the Corporation and all its branches in sympathetic hands. Applicants should have the sympathy and courtesy of every official and employee. To insure this the Corporation should, perhaps, adopt a policy like that of the Department of Justice, which provides for the investigation of its investigators. We ought to have men call at the various offices to see that our distressed home owners who go there are given the sympathetic courtesy that they deserve. Complaints have come in that applicants do not receive the sympathy and the courtesy to which they are entitled, and I think if we did recommend to the Home Owners' Loan Corporation some such policy, whereby the treatment accorded to applicants could be readily ascertained, we would have a better situation all around and we would know that our people in distress and in need of sympathy would get every consideration that the Congress intended to give the distressed home owners of our respective districts. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, last Sunday many of our metropolitan papers carried comments, and, in some cases, rather elaborate reviews of Problems of the New Cuba, being a report of the Commission on Cuban Affairs. This report having been made public only last week.

In view of the great interest the Members of this House now have in matters pertaining to reciprocal trade agreements and particularly the one ratified with Cuba only a few months ago, I desire to make a few observations in behalf of the sugar-consuming public of this Nation, and all with relation to some of the remarks or statements contained in this very illuminating 500-page report. Furthermore, the statements contained in this report have a great bearing with reference to our relation with the Philippine Islands as well as with Hawaii and Puerto Rico. The Cuban trade treaty being one which may be patterned after, to a very large extent, in the drawing of other trade treaties under the reciprocal powers granted to the President during the last Congress, all makes the report of the Cuban commission only the more interesting at this time.

Only last week our brilliant, genial, and handsome Under Secretary of Agriculture, Mr. Tugwell, in dealing with the question of "the good life for the individual being the end and purpose of civilization", and in discussing some of our national characteristics, made this observation: that in "1877 we realized that our 10-year attempt to dictate impossible terms of a social and political revolution in the South, under the policies of the reconstruction era, had largely failed. So we ceased our attempt and, though we did not withdraw publicly from our constitutional position, the South was permitted in practice to establish its own regional, political, and social institutions. So, in 1898, under the stimulus of an almost hysterical demand for colonial expansion by big business, we embarked on a course of political imperialism in the West Indies and the Pacific Ocean. "Today", Mr. Tugwell says, "finds us recoiling from the naval and political consequences of this policy, and while we shall never admit that our colonial escapade was either wrong or unwise, I believe that in practice we shall rapidly withdraw our sovereignty and responsibility for defense from distant lands inhabited by peoples who share neither our blood, our language, our ideas, nor our institutions, and who have no desire to do so." Commenting further, Mr. Tugwell makes this most interesting observation that "for these reasons I feel that our industrial leaders who keep down production and reduce employment are doomed to be pushed aside, good-naturedly but ruthlessly, by the American people."

The membership of this important Commission on Cuban Affairs is made up in part of our own Milburn L. Wilson, Assistant Secretary of Agriculture, and Dr. Ernest Gruening, formerly editor of the Nation, and now director of the recently created Division of Territories and Island Possessions of the Interior Department. Therefore, a report in which these two gentlemen concur should be of considerable importance to the Membership of this House, particularly when it deals with the economic, social, and political affairs of a foreign republic like Cuba, and a subject so sweet to our people as that of sugar.

Cuba is the sugar bowl of the Western Hemisphere. The people of the United States consume some 6,500,000 tons, more or less, out of a total world crop of about 25,200,000 tons of sugar. Therefore, it is readily seen that our sugar consumption is of vast importance to our people. To realize just how important this sugar question is to your household, go home and tell your wives to eliminate sugar in its every form from your table for just 1 week and see what will happen in your household.

It is quite exhilirating to have the information which this report gives come to us directly from a commission of this type rather than depend upon the biased statements of people engaged in the industry either in Cuba or in some branch of the cane or beet industry in the States. This report says:

When the industry began to revive in 1904 under the aegis of American reciprocity there were only 173 mills grinding, with a total output of 1,040,228 tons. * * * By 1914 Cuba was producing 2,597,732 tons. * * * In 1918 there was a harvest of 4,009,834 tons in mills, averaging 140,000 bags.

The report on pages 222 and 223 further states that—

Sugar rose to 6 cents for a time during 1923.

And—

On this basis most of the large American companies and some others proceeded to make extensive new plantings and additions to plant, which resulted in a crop of 5,189,346 tons in 1925.

Commenting further, we find on page 228 of the report this statement:

It is difficult to say that more mills are actually now under the control of banks than in 1927. It is believed that many which are not directly operated by the banks have incurred such indebtedness that their independence is menaced. At any rate, bank ownership or operation is a striking feature of the present situation. Nine mills are controlled by the National City Bank, eight of them through the General Sugar Estates, Inc. The Royal Bank of Canada operates an even larger number of mills, most of them through the Sugar Plantations Operating Co. * * * The Chase National Bank of New York, in addition to its interest in the new Atlantic & Gulf Co. and in Punta Alegre, has three mills on its hands. Other bank-owned mills include Macareno, largely the property of the National Shawmut Bank of Boston, and Cavadonga, in which the Canadian Bank of Commerce has a one-third interest. The American-owned mills in the strongest posi-

tion financially are those owned outright by American refineries or by holding companies to which refineries belong.

We even find from the report that Armour & Co. acquired two mills in the course of collecting fertilizer accounts. Thus we now begin to comprehend what Mr. Tugwell says when he speaks of big business, political, and dollar imperialism.

Only a few months ago this House passed the Jones-Costigan sugar bill, which carried provisions designed for the purpose of settling in part the debt which some advocates thereof claimed this country owed to Cuba toward the solution of her social, economic, and political problems. It was contended we should pass that bill in order to guarantee Cuba certain rights to our sugar market to the end that revolution might be prevented and thus make it unnecessary for us to intervene in the political affairs of that Republic. Shortly after the passage of this sugar act, all of which was largely done in response to a special sugar message addressed to this House by the President of the United States, there was consummated with Cuba what is now known as the "reciprocal trade agreement" between the United States and Cuba, signed August 24, 1934.

We did not stop there, according to the report of this Commission. From a perusal of its pages we find—

> The fundamental obstacle to good relations between Cuba and the United States is the wide-spread belief in Cuba that the American State Department attempts to make and unmake governments, and that the present disturbed situation is an outgrowth of a plan for provisional government which Washington induced the Cubans to accept.

The report is here referring to the energetic activities of Mr. Welles of our State Department, and his alleged participation in the making and unmaking of the Grau and Mendieta governments.

Under the Jones-Costigan Act amending the A. A. A. and the rules and regulations promulgated for the administration thereof, we find the production of sugar—a nonsurplus crop in the States—is now materially restricted. We find the people of our land who desire to invest their money and savings in new machinery and building for the purpose of this highly important food can no longer do so because it is not possible to secure a sales quota permitting them to sell sugar in this country. We find our farmers, who have been burdened with an overproduction, due to underconsumption of certain food crops, can no longer devote their acres to this nonsurplus sugar crop. We find thousands of our people on welfare relief because they are deprived from working in the diversified industry which is needed to carry on the production of sugar. We find that while our farmers produced some 1,756,000 tons of sugar in the year 1933 they are now restricted to about 1,550,000 tons for 1935, while we are bringing into this country from Cuba annually approximately 296,000,000 hours of labor in the form of sugar, and, which, valued at 40 cents per hour, would amount to about $118,000,000. The expansion of the domestic beet-sugar industry has been stopped, production has been frozen from a practical standpoint. Many mills which are in good operating condition are unable to run on account of no sales quota being allotted to them. Farmers operating within the vicinity of those mills are prohibited from growing beets either under benefit payments or through the usual plan of taking a chance on the market that may obtain for sugar, just as they chance the market for other crops.

Those who proposed and supported the Sugar Act, the reduction in duty, and the increased benefits to the large banking corporations controlling the sugar industry of Cuba, and to which the benefits taken away from the American farmer, are now flowing, may claim, among other things, the following:

First. That the American beet grower has been saved from the Philippine production of sugar through quota restrictions imposed thereon.

Second. That the cane and beet grower of the continental United States are now fully compensated through the receiving of the benefit payments.

Third. That Cuba is now purchasing a great amount of goods she did not purchase prior to the enactment of the Jones bill. That through her increased purchasing power we are selling a great amount of farm goods such as pork, cooking oils and fats, automobiles, textile goods, and many other items produced on American farms and in our factories.

Fourth. That it is better, generally, for us to let the large banking institutions of New York produce our sugar in Cuba than it is to have our farmers here at home diversify their crops, place sugar beets in their crop-rotating scheme, shift acreage away from crops of which we now produce a surplus into this crop which we import to such a great extent; and altogether, deprive our local industries, transportation lines, and factory workers of their privilege to furnish us this highly important food item.

Fifth. That we owed a political and economic debt to Cuba which we should pay through taking steps which have been taken in the placing of sugar on a quota basis, reducing the tariff, and ratifying the new Reciprocal Trade Treaty.

Certainly, after listening to that most unusual plea presented from the floor of this House only a few days ago wherein Mr. PEDRO GUEVARA, Commissioner for the Filipino people, so clearly stated his case, we do not now feel the Philippine sugar question is out of our way. Would those in the majority claim we owe greater allegiance to the large banks operating in the island of Cuba than to the Philippine people? I would only call your attention to the disastrous effects on the sugar market caused by the activities of those commission merchants and sugar brokers who deal in sugar from the Philippine Islands and all since the taking effect of the Jones Sugar Act. No informed man will claim we have solved the Philippine sugar problem through the passage of the sugar bill and the independence bill. I say we have not.

Sugar-beet farmers of the United States, to the extent of thousands of growers, are not permitted to grow sugar beets on account of the small quota allowed in the bill. Of course, those who are granted a monopoly for the growing of beets to a very large extent feel they have been or will be treated fairly well until the price parity reaches a point where benefit payments based on parity can no longer be made, or until the law expires in 1937.

It is true Cuba is now purchasing more goods from us insofar as dollar value is concerned. Up to date I do not believe we have been furnished with the tonnage values, which, after all, is the yardstick for measuring the acres of land which are represented by the food products we ship to Cuba. But let us see how that purchasing power is arrived at and who is paying for the increased purchases:

Only a short time ago Cuba was selling sugar delivered at New York for the price of 57 cents up to 65 cents per 100 pounds. Today's paper carries the quotation of $1.90 per 100 pounds f. o. b. New York, a difference of $1.25 to $1.33 per hundred pounds. Now just what does that mean on the basis of the importations of sugar coming in from Cuba this year, based on the allotment which we have given to Cuba? Thirty-seven million one hundred and forty thousand four hundred and forty bags of sugar at an increased value of $1.25 per hundred amounts to $46,425,550 and represents an increase in the price of sugar the American consumer is paying to Cuba with which to buy our goods and the pork and lard from our corn- and hog-growing areas. Furthermore, we are short in our collection of duties in the sum of, roughly, $1.10 per hundred pounds, or, in round figures, $40,000,000. Again let me repeat that this importation of sugar is equivalent to 296,000,000 hours of labor, which, valued at 40 cents per hour—a reasonable code wage—amounts to $118,000,000.

Insofar as the exportation to Cuba of automobiles is concerned, we find the commission report above referred to states on page 437 "there are 17,728 ordinary automobiles in Cuba, only half of which are private cars." In one beet-growing State alone, Colorado, we find there are 266,491 cars now registered, while in Michigan, with about one-half of the population living in cities, we find a registration of 1,077,209. Anyone informed with reference to the living conditions and standards of the Cuban people, the economic

imperialism which governs there, the exploitation of labor, the absentee ownership, and the refusal of large corporate sugar plantation operators to permit the field workers (colonos) to grow the food they consume rather than purchase it from plantation-operated stores and commissaries, so organized as to take from the worker practically everything paid to him in the form of wages, knows the mass of the people in Cuba cannot purchase automobiles. Almost every kind of an economic lash that can be designed is used against the worker (colono) to the end that the benefits of his labor will all flow to the mill operator. This practice has gone on through the years. How can any sane man expect the farmer of this country to compete with a system of that kind? Yet, it is by using a slave yardstick of this nature, the opponents of a continental United States sugar industry condemn the efficiency of the American farmer in the production of sugar beets and sugar cane. There is no sense or justice or reason in the statement often made from this floor that the sugar industry of this country is inefficient, necessarily expensive, and should not be permitted to expand. If it is the desire of those here to have the American farmer placed on the same standard of living as the Cuban farmer, then you could produce sugar in this country and sell it profitably—as profitably as that sold in Cuba—without any tariff protection. The advantages of producing sugar in Cuba versus the United States insofar as the operator is concerned, rests almost entirely in the burden imposed upon the backs of the agricultural worker. In Cuba, pay to the agricultural worker is based on the irreducible minimum required for subsistence. In the United States the price paid for beets is based upon the standard of living for the American farmer.

We find from the report of the Commission that the Cuban people are sore and tired of the exploitation carried on in the island by the large banking institutions of New York and Boston and under the sanction of our Congress, our State Department, and all against the interests of the real Cuban people who have been exploited for the past 30 years. The Commission calls for a breaking up of the great sugar estates, "a land policy under which the Cuban Government would acquire land for the purpose of developing small holdings" so the real Cuban people may again return to their own production largely of the food, clothing, and shelter which they consume; "the development of a program of diversification", "the establishment of an agricultural bank to encourage diversification and local cooperative associations." In fact, now that Cuba has found there is no full life in commercial exploitation of her natural resources, her people and her industries by the large banks of our country, she is asking that we cease and let her go about her own peaceful way in the solution of her social, economic, and political problems. The Commission goes so far as to say:

> The recent change in the commercial policy of the United States may tend to resurrect the old economic and political system which the revolution attempted to overthrow.

Mr. Chairman, in view of the fact that this House will have before it many problems which deal with Cuba, Puerto Rico, statehood for Hawaii, reconsideration of Philippine independence, and amendments to the A. A. A., all of which will have a very heavy sugar coat, those Members particularly interested in sugar should make a close study of this far-reaching and comprehensive report.

It is interesting to note the Commission is very frank in its condemnation of our State Department for having refused recognition of the Grau government—following the revolution—for 4 months, although it did recognize the present Mendieta government only 5 days after it took office. Our attention is called to the fact the Cuban people feel the present government will stay in office only so long as it enjoys American favor. The Commission says:

> The conclusion cannot be avoided, however, that the interference of the United States in an internal revolutionary struggle has been a factor in creating Cuba's present situation.

Mr. Chairman, sugar has many times changed the course of empire. At this very moment the social, political, and economic welfare of the people of Cuba, Puerto Rico, and Philippine Islands are almost entirely dependent on the sugar policy of the United States. This sugar problem is before this House today. It will be here tomorrow. Sugar cannot be removed from politics so long as it is as common in our diet as is bread. Therefore, the obligation rests upon this House to have some part of its Membership at all times fully informed on the sugar situation at home and abroad.

At some time in the future this country will be forced to either draw a much larger share of its sugar from the Philippines or from the beet fields of the United States, or be a party to keeping the Cuban people in the economic and political bondage which we have encouraged and supported the past 30 years. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. FERGUSON].

Mr. FERGUSON. Mr. Chairman, before election to this House on November 4 I never held a public office, so I can speak more or less as one of the people back home. May I say that I had been convinced by a number of years of reading the newspapers that the reason the activities of the House were limited and curtailed was due to the fact that the Members were incompetent and incapable of functioning. May I say that after association with the Members of this House I feel that this committee is capable of writing the legislation of the Nation. I think when it has been allowed to function on the bills we have before us this session it has functioned very well. We have had big items that we have considered here and big bills which we have passed and they have been passed in a very short time; then we have days like this when we spend our time expressing our views, not in the consideration of legislation but just expressing ideas. First we passed the $4,800,000,000 appropriation bill, which was put through under very rigid rules. I was very much disappointed that I had to withdraw from the Democratic caucus in order to keep from voting for the gag rule under which this bill passed. However, I voted for the bill because I hope it will help relieve unemployment.

After that we took up consideration of a Liberty bond act and the amendments thereto. In passing this bill I think we shaped the financial policy of this Nation for the next 20 years, and we passed that act as I remember it in a session of 1 day. According to the little hearings that came along with the act, after adopting the amendments we increased the authority to issue long-term, tax-exempt securities by $11,525,000,000. That was brought in here, and we were told it was an emergency measure because they only had $400,000,000 more short-term securities that could be issued and $2,500,000,000 more of bonds. However, in reality they could have issued eight and one-half billion dollars more in short-term securities, and that surely would have taken care of the finances of the Nation until this policy could have been given at least fair consideration. By fixing a revolving fund of $25,000,000,000 any fair-minded person realizes that this will probably become the fixed debt of this Nation and will continue to be right at that sum until we change the law.

This means that almost $1,000,000,000 in interest is going to be fastened on the taxpayers of the country from now on. Is this House going to face the situation that we have a certain limited income of two billion a year and that we either must devise some means of providing funds for these expenditures or not appropriate the money. If you are not in favor of financing the measures, let us not appropriate the money. To continue on with a policy we know is wrong, to increase the bonded indebtedness of this country, to increase the tax load and the interest debt every year is wrong; and when this House has an opportunity to vote on a change in the financial set-up that will let us get away from this idea of increasing the bonded indebtedness and vote on that as a clear-cut principle, it is going to change the policy.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. Yes.

Mr. ARNOLD. The gentleman evidently understands, does he not, that bonds are only issued and sold by the

Treasury Department when it is necessary to raise the money that the Congress appropriates.

Mr. FERGUSON. Yes.

Mr. ARNOLD. So the fault is not in the bond issue, but in the other measures where we vote the money.

Mr. FERGUSON. In the making of the appropriations, yes; but this paves the way for such appropriations. It fixes a way to finance such appropriations in the future and fixes the policy of the Nation as to how we are to finance future appropriations.

Mr. ARNOLD. The gentleman also understands, does he not, we cannot appropriate money unless there is substantive law justifying such appropriations? So you have got to go back to the substantive law for which the appropriation is made to carry this into effect.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. BOILEAU. Is it not a fact that the bill we passed the other day, with one afternoon's consideration, definitely fixes the policy of this Government with respect to issuing tax-exempt securities and gave the Treasury the right to issue such securities.

Mr. FERGUSON. At the instruction of Congress, of course.

Mr. BOILEAU. Yes; but the policy of issuing tax-exempt securities was definitely outlined in that bill.

Mr. FERGUSON. I think for the next 20 years.

Mr. BOILEAU. I agree with the gentleman.

Mr. FERGUSON. Unless the House has a chance to vote on it as a definite principle.

Then, yesterday, we passed another bill, and, understand, I am not criticizing these measures. I am just trying to point out the principles involved.

I tried to offer an amendment to that measure which provided—

> Loans may be made to any institution now or hereafter established financing principally the sale of electrical plumbing or air-conditioning appliances or equipment, both urban and rural.

This was to finance the sale of electrical appliances, and I tried to amend that and insert "to finance the sale of farm equipment." This would have just as much justification in the bill.

I am not a lawyer, but I think anyone can see that if General Electric or any other manufacturer of electric appliances desires to set up a finance company, its agents can sell electric refrigerators all over the United States and take the paper of the individuals who buy these electrical refrigerators, put it into the finance company, and the finance company can then go to the Reconstruction Finance Corporation and borrow the money. If we are going to do this for electrical appliances, we have lots of "broke" implement merchants in my district and we have plenty of farmers who do not have any machinery to carry on with, and this would certainly be a worthy addition to the measure. Why should electrical appliances receive preference in this bill? I do not have any power lines in my district. There are not any power lines in Oklahoma carrying power to the farmers, but we hear, as a national idea, electrification of the farm. This is fine and I hope it is carried out all over the Nation. We are all for it, but until it is carried out we would like to have the actual necessities out in our district taken care of as well as the vision of some men who want to electrify the Nation through the sale of these appliances.

This bill we passed yesterday broadened the powers of the Reconstruction Finance Corporation. We changed the wording to give them more leeway in lending money to industry. I think it is the finest measure that Congress has passed. Undoubtedly the banks of this country are putting their deposits in Government securities in preference to making loans. I do not know anything about city banking but I happen to be a director of a little country bank, and I know that after being pounded by the examiners to get our securities in something we could cash overnight we finally went out and collected a good percentage of the money, and today the only safe investment we hear all the time is Government bonds. As long as we have the present banking system and the present Government policy that encourages the concentration of the potential credit in tax-exempt Government securities, private industry is going to lack sufficient credit to stimulate resumption of activity and expansion. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, I ask unanimous consent that the Clerk read a short newspaper article in my time.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

SPOILS SYSTEM WOULD END IN DICTATORSHIP—DRIVE TO RAID RELIEF AND OTHER AGENCIES SURE WAY TO UNDERMINE DEMOCRACY

By Elliott Thurston

It would be hard to overstate the importance of the issue raised by the Congressmen who are threatening to harass and cripple Government relief and other agencies in order to force these agencies to surrender all control over appointments. Such a drive as that now launched by House Democrats would, if successful, be the surest, quickest way, not only to wreck the new deal, but to undermine a democratic form of government.

One reason why Fascists, Socialists, and Communists alike predict the ultimate downfall of democracy is that democracy is sure to crash when administration of large and difficult affairs falls into the hands of incompetent political camp followers and job hunters. The British long ago foresaw this, as they have foreseen so many other things which are only just beginning to be understood on this side of the Atlantic. The British civil service, without being by any means perfect, is nevertheless a model. It provides a reasonable guaranty that public affairs will be managed competently and with necessary continuity regardless of the political administrations which come and go.

More than ever today it is imperative for the United States to establish a real civil service, free from the influence of politics and covering far more important offices than now come under the rules. For as the Federal Government expands and assumes control over more and more of the affairs of the Nation, the administrative problem becomes at once the most vital.

Bad laws can be largely mitigated by good administration. But the best of laws are bound to prove ruinous when applied by incompetent administrators. We have had many examples of this. The Securities Act has proved an unworkable act, but able administration has done much—all that is possible short of amendment of the act—to make it sane and workable. The Farm Loan System under previous administrations was sound enough legislation, but it was literally wrecked by the very kind of politics which the House Democrats now want to play with Federal relief agencies like the Home Owners' Loan Corporation, the Reconstruction Finance Corporation, and the Public Works Administration. The Farm Loan System was finally salvaged from the politicians, but only after a deadly struggle.

The present drive by House Democrats is amazingly brazen. In normal times it would deserve and receive adequate public attention—and be squelched by the force of decent public opinion. It aims to raid relief agencies so that politicians will fill jobs now held by men chosen for experience, merit, and ability. The H. O. L. C. and the R. F. C., for example, could soon be destroyed if incompetent politicians were to replace trained, experienced examiners and appraisers—and these are the jobs for which the politicians are now hungering.

In the H. O. L. C., for instance, the appraiser is a key man. Largely on his expert judgment rests the question of whether the Government is to make good loans or bad loans—whether money is to be thrown away or soundly used. If time-serving politicians are to get these highly important jobs, it follows inevitably that public funds will be squandered and used to line the pockets of favorites.

The same is equally true of R. F. C. examiners and experts. They pass on loans, on appraisals. The work requires high intelligence, experience, and impartiality. It is no job for the political hanger-on. If this work is to go under the rule of political favoritism, if money is to be loaned to pay political debts or buy political support, then the result is all too obvious. That way lies the downfall not merely of the administration but of democracy itself.

Why President Roosevelt tolerates the unblushing spoilsmen like Mr. Farley and, at the same time, supports and appeals for higher standards of public service is an eternal mystery of his best friends and supporters—Senator NORRIS, for example. The result is a wholly inconsistent mixture of good and bad administration. That is, a few relief and administrative agencies have been free from the spoilsmen, at least so far as selection of trained technical and expert personnel is concerned. Others have been delivered over body and soul to Mr. Farley. As soon as some of the well-run agencies get rid of incompetents they turn up overnight on the pay rolls of other agencies.

The political demoralization and corruption of public service is no new phenomenon, Heaven knows, but it is more serious than ever today, because the Government has undertaken to run more of the country's business than ever before. Problems of such magnitude and complexity are involved as to tax the best brains available. Management of the enormous affairs already taken under the wing of the Government is going to be difficult enough without turning it over to job hunters who are sure in the end to destroy themselves, if they do not destroy this form of government.

Nothing would do more to cheer those who want to fasten iron dictatorship upon this country than to turn over administration to certain demoralization from which the only escape would be to transfer management to a Stalin, a Hitler, or a Mussolini.

Mr. KVALE. Now, Mr. Chairman, in presenting that article for the thoughtful attention of Members of this body I know that I am going to subject myself to the criticism that I am mixing into a fight that I have no proper business to be mixed up in.

But, Mr. Chairman, I do not feel that the argument now in progress, being heard both in the caucus chamber and aired in the newspapers, is really purely a partisan question. While I do not subscribe to every word it contains, especially as it rather severely criticizes some individuals who are Members of Congress, it is to present the other side of the argument that I offer the article, and I hope it will receive serious thought.

Nearly every day we are considering new agencies, new set-ups, changing the course of the governmental ship. We are establishing agencies which are going to continue in operation under permanent law. It is my only interest to see that with the creation of these agencies we set up governmental establishments which will be efficient, enduring, and economical.

This argument, or problem, goes far beyond the lines of party organization or of partisan democracy. Every public servant should have an interest in it, regardless of party. Every present or potential employee of such agencies should be properly interested. Each taxpayer certainly should be interested. And, last, but far from least, all who hope to be served by these various agencies or who will be affected by their operation should agree to such a viewpoint.

I am not a party Democrat, although I can compare my record in this body and in political campaigns dating back to the 1930 election as a supporter of the President and the new deal with that of the great majority upon that side of the aisle. I am not a party Republican, so surely I cannot be accused of political motives in these remarks. I am interested only in seeing an efficient, continuing administration of the agencies which are being set up and in reorganizations of existing agencies which are being effected to put into operation the many laudable reforms of the new deal. And I see danger ahead.

If we stretch our imagination sufficiently, perhaps we can conceive a comparable situation and bring it right close to home. Maybe we can imagine that in the next general election every Member of this body now holding office will be swept from that office and an entirely new Membership enter into this House to serve for 2 years.

Imagine how inefficient such a body would be, how helpless it would be to continue to function, if it were not that there would be a continuing group of experts, expert assistants in the Committee on Appropriations—already referred to earlier in the day's proceedings—expert technical and clerical aids in the Committee on Ways and Means, experts in my own Military Affairs Committee, an expert Parliamentarian like Lewis Deschler, who sits by the Speaker and advises him.

That same situation obtains in our governmental structure. We are drifting away from the civil-service idea of protecting efficient people and seeing to it that we have continuing organizations of efficient men and women.

We do not need to go as far as does the British career system, which protects its employees to the topmost office, yet I repeat that we are tending to get away from the realization of the necessity to good government of having a system based upon merit.

If the Democratic administratively responsible people have before them an efficient Republican and efficient Democrat, both applicants for the same vacancy, I say, go ahead and hire the efficient Democrat, and to that extent be guided by the spoils system, but if you are faced with an inefficient Democrat and an efficient applicant, then take the efficient man, whether he be a Republican or a member of some other party, in the interest of good government. I can say that without any feeling of partisanship in the matter at all. Who should quarrel with it at all?

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Does the gentleman know that already in several departments Republicans are holding practically all of the key positions, to the exclusion of Democrats at this time, and which Republicans are giving evidence of a lack of sympathy with the purposes of the new deal?

Mr. KVALE. That does not disturb me. There may be reasons why that should be. If they are efficient, I would not quarrel with that, as an American citizen, regardless of partisan interest.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. PATMAN. I have not been able to get anyone a position that could not show qualifications for the specific job. In fact, it seems to me that they are requiring experts in all these positions. Does the gentleman know of a single case that that situation applied to?

Mr. KVALE. I prefer not to discuss individual cases. I could give the gentleman individual cases.

Mr. PATMAN. Does the gentleman know of one case where an incompetent person was accepted because he was a Democrat?

Mr. KVALE. Oh, the gentleman has been here too long to want to bring personalities or individuals into a discussion of this kind, and I may deserve his criticism. But I have not the time to give him a detailed reply, and beg his leave to continue.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. BOILEAU. I have here an article from the Wausau Pilot, a weekly newspaper issued in my home town. That paper contains extracts from the first issue of the Central Wisconsin, a newspaper that issued its first number on April 22, 1857,

There are two items in that issue of April 22, 1857, that I think are pertinent at this time. One is to the effect that a band of Sioux warriors lately massacred 5 families and some 40 persons about 40 miles northwest of Fort Dodge, Iowa, and under that item there is one to the effect that a Washington letter writer says that the President and Cabinet had decided to turn out officeholders generally on the expiration of their commissions.

It seems to me rather significant that the wholesale turning out of officeholders and an account of an Indian massacre should appear in the same issue of a newspaper. Such acts might have been in keeping with those times, but today——

Mr. KVALE. It seems to me to suggest that the gentleman from Wisconsin has been preparing himself for some remarks upon this same subject, and I thank him for his interesting recital of the items contained in his clipping.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ZIONCHECK. The gentleman understands that the Postmaster General can only have selected postmasters in first-, second-, and third-class post offices that have taken the civil-service examination, and then the Democrat from the district has three men certified to him. Would the gentleman say that there was a breach of the President's orders if three men were certified and the Postmaster General wanted another examination because his friend did not happen to be among those three?

Mr. KVALE. I shall deliberately dodge the interesting question for the moment by saying to my good friend that I do not have postmasterships in mind at this time.

Mr. McFARLANE. What would the gentleman say to this statement: That Republicans are being shown preference over Democrats and have been employed in many of the emergency set-ups of this administration and are holding these key positions, especially the best positions, paying from $4,000 to $6,000, and that a large part of those key positions are held by Hoover Republicans, who in turn are appointing their Republican underlings. Does the gentleman not think that good Democrats are available and qualified and that

out of simple loyalty to the new deal and under all of the rules of the game they ought to have these jobs?

Mr. KVALE. The gentleman may answer his own question. I do not want to be discourteous to my good and sincere friend, but please let me continue.

I have another thought or two, and one is to repeat earlier warnings in this body we seem disposed to forget. Bear in mind that as we delegate these powers and fill up these agencies and change our governmental structure we do it by a majority vote of this body. At some future time, however, when in the wisdom of this body we may want to reach out and recapture powers for the Congress, it will require a two-thirds vote and not a mere majority vote, and it is going to be extremely difficult, in geometrical instead of arithmetical proportion, to achieve that return of power.

Now, one concluding thought. On this birthday of our President Roosevelt, who daily receives the grateful expressions and praise of Members of this House, without in the slightest degree meaning to disturb the affection and gratitude we feel toward him and the faith we have in his leadership and courage, let us at the same time assert that friendliness to him individually and discharge our duty to our people by regarding that Presidency of the United States as an institution and an office and not an individual. Unfortunately for us, even though the present occupant did not need worry over future elections, the office is not occupied by an immortal. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. HAINES].

Mr. HAINES. Mr. Chairman, I can scarcely refrain from discussing the subject brought up by my genial friend and colleague who just preceded me, Mr. KVALE, but I have another mission in appearing before you today, and I want to give that thought to you just now.

I have asked for this time to advise the committee of a joint resolution I have introduced in the House for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in my district.

About a year ago I had a short conference with the President in reference to this project, and at that time he was most sympathetic to the proposal and referred me to Mr. Ickes, with whom I also spoke concerning the same. I understand many years ago a former Member of Congress advocated the building of this memorial boulevard in honor of the Great Emancipator and humanitarian, instead of the beautiful memorial erected here in Washington.

It seems to me that this is a most worthy project, for it will be mose opportune and at a time when so many of our people would be given an opportunity to earn their bread by the sweat of their brows, and as a work relief project cannot be surpassed. If it is true that about 85 percent of the cost of building these highways goes to labor, then surely this has potential work value and an undertaking that should have the sympathetic consideration and immediate approval by both branches of the Congress. The distinguished Senator from Maryland, Senator TYDINGS, through Senator ROBINSON, has introduced a like joint resolution in the other body.

The purposes of the joint resolution are to have a commission appointed consisting of the President of the United States, the Vice President, the Speaker of the House, a Senator from Maryland, 1 from Pennsylvania, 2 members of the commission to be appointed by the President, and 1 Member of this body from Maryland and Pennsylvania, and the Commissioner of the District of Columbia to be member exofficio.

This commission is to select its own chairman from the group stated, and employ a secretary and such other expert help as is necessary in making plans for the beginning and completion of the boulevard.

An appropriation of $10,000 is asked for to finance the preliminary work. No members of the commission, however, are to receive any pay other than their own necessary traveling and living expenses when actually engaged in the consideration of the project.

Mr. Chairman, Gettysburg is one of our greatest national shrines; indeed, to many of our people it is the greatest of all our national shrines. Upward of a million people visit this great national shrine annually for it is here that the blood of our fellow countrymen was shed in a cause that they believed to be a just one.

I should like to say in passing, to the Members of this body, that all of you should visit this sacred spot. It is but a short drive from here to Gettysburg. The Gettysburg National Park was taken over by an act of Congress signed by President McKinley on February 11, 1895.

There are more than 16,000 acres, or about 40 square miles, in the area comprising the scene of the battle, and 2,600 acres are now owned by the Government, the balance being owned privately or leased.

At Gettysburg you will find 841 monuments of stone, bronze, and marble, 5 steel observation towers, 3 of them 65 feet high, and 2 of them 75 feet high. There are 464 bronze tablets, 37 bridges and culverts, 5 bronze equestrian statues, 30 bronze statues on pedestals, and 417 cannons on carriages. There are 15 sets of farm buildings, 5 southern monuments, erected by the States of Alabama, Maryland, Virginia, North Carolina, and Texas. Here on this battlefield you will find almost 40 miles of paved or improved streets in splendid condition, and more being built at this time. There are almost 100 guides who give their entire time to conducting visitors over the battlefield. These men are trained in the history of the events of that great conflict, are fine gentlemen, and their services can be obtained for a very nominal fee. There is now being erected on the field headquarters for these guides so that all who visit this sacred spot will have an opportunity to have a guide supplied to them without any difficulty. Pilgrimages are made each year by schools, colleges, and university students to study and learn more about this great civil conflict between our brethren so that it should be the great desire of the Government to maintain this sacred place and give to the Nation the very best that it is possible.

Distinguished men from every country in the world have visited Gettysburg, and it is there that once during each term of our Presidents the Chief Executive delivers a Memorial Day address. Last year our own beloved President Roosevelt went to Gettysburg and was met by the greatest throng of his fellow citizens ever to gather at that place.

These men usually speak from a rostrum but a few feet removed from the spot where the immortal Lincoln delivered his great address and which is considered one of the classics of the ages.

Do you know, my colleagues, that there is no monument at Gettysburg erected to the memory of the immortal Lincoln?

There is a small marker erected on a spot nearby, of which we should be ashamed. It seems to me that this Nation should honor that great man with a monument more in keeping with the great respect we hold in our hearts for Mr. Lincoln. I expect to introduce a bill very soon calling for an expenditure of $25,000 to purchase a monument and to erect the same, similar to the one erected at Chicago, and to urge that it be erected upon the very spot, if possible, where Mr. Lincoln uttered his immortal words. I trust that the Congress will be sympathetic to my proposal, for I have the honor to represent the people of Gettysburg, a people unsurpassed in patriotism, loyalty, and citizenship. I shall deem it an honor to give any information Members may desire concerning this national shrine. [Applause.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, I have secured this time for the purpose of discussing briefly the various bills which have been introduced by Members of Congress for an increased appropriation for the Home Owners' Loan Corporation, which will permit that organization to carry on its functions, at least until pending applications are disposed of.

Along with other Members, I have introduced a bill for this purpose. My bill calls for an appropriation of $1,500,000,000.

The bills that have been introduced range in amounts from $500,000,000 to $3,000,000,000. I have some figures, however, which indicate to me that the amount I have requested in my bill will be the amount which will be required to allow the Home Owners' Loan Corporation to continue its activities and dispose of pending applications. The figures I have indicate that a total of 1,739,499 applications have been received by the Home Owners' Loan Corporation and the loans closed total 733,140. This leaves a balance of pending applications amounting to 1,006,359. Of the balance, I am informed that some 90,000 will positively be rejected, and of the remaining number of 916,334—432,973 are suspense cases which in the opinion of the State managers would not go through, leaving 483,361 applications which are alive and would likely be closed providing there are sufficient funds.

There are now in the legal division approximately 125,000 applications which will undoubtedly be closed and will use the balance of the appropriation. In my judgment, in reviewing some of the so-called "suspense cases", additional applications may possibly be approved. We therefore have some 483,000 cases, and possibly more, which will eventually go through, providing there are funds for the purpose.

The average loan is $3,000, and therefore it would require the appropriation called for in my bill of $1,500,000,000 to take ample care of the pending applications and the administrative costs.

Now, I want to say a word about these applications which are now pending. Many of these applications have been on file for periods ranging from 6 months to over a year. It is acknowledged in many of the cases that they meet the requirements of the home owners' loan legislation, but their final closing has been delayed because of inability to convince mortgagees that they should accept the bonds or because there was a controversy over appraisal figures and other considerations which have delayed their closure.

Now, it is obvious that the home owners who have filed these applications should be entitled to the same degree of consideration as those who have been fortunate enough to obtain loans. It cannot be said that they were negligent or tardy in filing their applications and laches cannot be pleaded against them. This bill was passed to relieve distressed home owners without discrimination, provided their applications complied with the conditions of the home owners' loan legislation and regulations set up thereunder by the Home Owners' Loan Corporation. It is regretted that the appropriation was not sufficient to take care of all these cases. Yet, in fairness to these applicants, the Congress should pass legislation appropriating sufficient funds to take care of these deserving applicants.

The amazing numbers of applications filed and the tremendous amount of money required to relieve home owners in this Nation is indicative of the terrible plight that home owners were in back in 1933. This legislation has undoubtedly averted a tragic collapse of real estate throughout our country. There is nothing we have done, in my opinion, that has proved to be more humane and at the same time has had such great economic value, which has reflected itself not only upon the homes of our people but has also affected our banks, our cities, and towns. At the time of the passage of this legislation, many cities had great deficiencies in their tax collections. The provisions of the home owners' loan legislation provided a way for the payment of delinquent taxes, thus immeasurably assisting our local city and town governments. Another provision of the home owners' loan legislation provided for the repairing of the properties covered by these loans. This has not only enhanced the value of the Government's securities but has improved valuations in all our cities and towns and has added to the wealth of our Nation. Many banks which were holding the mortgages of these properties had held them as frozen assets. This legislation has enabled banking institutions, mortgage and loan associations, and other lending agencies to convert these frozen assets into liquid assets and relieved, to a great extent, the stringency of mortgage funds. For instance, in my own State, the cooperative banks advertised last year that they had $20,000,000 available at once to place out on mortgages on real estate and that they expected to have $50,000,000 available for this purpose. It was admitted by these institutions that the home owners' loan legislation was responsible for this greatly improved condition—that is, they converted their mortgage holdings into Home Owners' Loan bonds, putting them in a liquid position.

A short time before the home owners' loan legislation was in operation—I think I am very safe in saying that—it was impossible for quite a period of time to obtain a dollar for a mortgage loan on real estate from any bank in Massachusetts.

Of course, the benefit which has come to the home owners of our country in being able to retain possession of their homes, for which they have so valiantly struggled to keep for years—the preservation of the family unit and all the good that has flowed from this legislation—cannot be estimated. But there is one further blessing that has come from the home owners' loan legislation which I should like to dwell on for a few moments.

We have, I believe, created a consciousness against the former evils of home financing. We have relegated the short-term mortgage and the second and third mortgage, with their intolerable rates of interest, into the discard. We have evolved, by the home owners' loan legislation and also the Federal Housing Act, a new form of home financing which will permit those who already own homes and those who will acquire them in the future a greater opportunity. There has been created, I feel, a general sentiment in this country that 5-percent interest is the standard rate that should be charged on home mortgages. We have also brought to life the long-term amortization period, with its consequent payments in keeping with the income of the home owner. I am very happy to note that the banks are beginning to take cognizance of this situation, and at this time I should like to ask unanimous consent to incorporate as part of my remarks a press notice recently appearing in the Washington Herald.

There was no objection.

I quote:

[From the Washington Herald, Jan. 27, 1935]

MORTGAGE INTEREST RATES REDUCED BY INFLUENCE OF UNITED STATES HOUSING ACT—NEW YORK OPERATOR TELLS GROUP OF NATIONAL BOARDS BENEFITS DERIVED OF F. H. A. PLAN

HOUSTON, TEX., January 26.—Interest rates on mortgages are being reduced voluntarily by banks as a result of the low-interest, long-term insured mortgage plan of the Federal Housing Administration, Edward A. MacDougall, of New York City, told the convention of the National Association of Real Estate Boards.

MacDougall, who is chairman of the association's committee on housing, declared:

"It is interesting to hear that Franklin W. Fort, president of the Lincoln National Bank, Newark, N. J., has recommended a reduction in general interest rates on loans and mortgages to 5 percent. This action, effective January 1, is in accordance with a recommendation by the New Jersey State Bankers' Association. The rate will apply to mortgages on an amortization basis and will obtain when other mortgages not in that category reach the point where the borrower makes amortization arrangements satisfactory to the bank."

Praising the F. H. A. for bringing about a clearer understanding of the problems involved in real-estate operations, Mr. MacDougall continued:

"Many locations report full occupancy of existing housing, which is the most substantial evidence that there is a real need for more building at this time.

"There is growing appreciation of the need of a Federal mortgage discount bank to supplement and complete present Federal agencies for the stabilization of home mortgage finance.

"It is also advisable to extend the F. H. A. insurance plan to include the reconditioning of existing housing of all types."

This business of home financing, of course, should be handled by the private lending institutions of this country, and the future standard home mortgage should be the one containing the provisions of the Home Owners' Loan Corporation mortgage. The private lending organizations could and should relieve the Government of carrying this burden further by refinancing these mortgages, scaling them down to a true appraisal value and adding to the mortgages the same benefits which are provided by home-loan mortgages.

However, as there has been no great tendency by private lending agencies to do this to date, and because there is a great need to protect home owners who have pending applications from immediate foreclosure, I trust that the Committee on Banking and Currency, before whom these bills are now being considered, will realize the urgency of these needs and bring in a bill for such an appropriation and thus avert any wholesale wave of foreclosure which may offset much of the good that has already been accomplished. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, there is one thing certain about any attempted address at this hour, and that is that no Member is designedly attempting to speak to the galleries. It will be observed they are practically vacant.

We all recall the beautiful and immortal poem of Kipling on the white man's burden, but it seems this afternoon, from most of the speeches made on at least three topics, that we are still bearing that burden and that we are destined to carry it full many years to come.

I offered an interrogatory to my friend the gentleman from Ohio [Mr. TRUAX], which was probably suggested by something that occurred here during the war time. At that time I inquired of the leader of this House, who had offered a resolution providing for the transfer of $500,000,000 of silver bullion to the credit of the British Government to be shipped to India. I made inquiry but it has never been answered up to this time, and I was wondering if the gentleman from Ohio [Mr. TRUAX], my good personal friend, who has some economic ideas with which I am in accord, could answer that question. So I asked him the question, as I did Mr. Harrison, why this accumulation of this vast amount of gold. I thought possibly the gentleman from Ohio [Mr. TRUAX] might answer, as his mind was running in that direction, that it was to back up the inflation, and, as has been reported in the press, that there might be another cut of the dollar to make it possible to have enough gold to back up the circulation of $200,000,000,000. I was wondering whether that might be the idea.

I now propound the question again: In a time of peace with nothing appearing anywhere on the horizon to indicate that there is a possibility of necessary defense of our country, no prospect of war, and no one here has yet admitted that the administration is in favor of inflation, what is the reason for having all this gold in the Treasury?

Of course, the alibi to a great circulation would be that the world has always demanded gold behind circulation; and I would regard it the work of some genius first to prepare by having the gold and then to put out the circulation, for the answer to the world then would be, there is your gold behind your circulation. I have listened long and patiently to talks about inflation and talks about deflation of the dollar and talks about accumulating this vast sum of gold, but I should like for someone to make it clear just what this great hoard of gold is intended for. Gold does not circulate, the erosion is too great. It is simply a guaranty of the credit of the country. That ends that. Now, if there is to be inflation, I should like to hear about it.

Two other subjects were discussed today, and I hope I may have the time to touch upon each. The first of these is the soldiers' bonus. Of course, I was here when we went into the war, I was here throughout the war, and I was here after the conclusion of the war. I know I voted for a bonus more than 10 years ago. It met the approval of everyone. Seemingly, though, we have never been able to get the matter concluded; and why we have not, I never knew. We now learn that the adjustment proposed by several bills before the House that are expected to be brought out of the committee with a favorable report will not cause any additional expense to the Government beyond the contract now existing between the Government and the veterans. This adjustment should be completed. Its deferment is an injustice. It appears now that those soldiers who took advantage of borrowing half of what was due them on their adjusted-service certificates will, by 1945, lose the other half because it will be consumed by interest. I hope an equitable bill will be brought in and that this matter will be ended. I am heartily for it. I do not understand the bills that have been introduced, for I have not seen them; but one thing is certain, we want to take care of the soldiers.

The other question is often thought too vague, surrounded with mysticism, the great black art, or something that could not be defined—the tariff question. Here we go on session after session either debating the tariff or bringing in a bill on the tariff; and we hear the same arguments made, that the manufacturer gets too much protection and the farmer gets none. My opinion is that all America stands really for protection if that protection takes care of the difference between the cost of production here and the cost of production abroad, anywhere abroad. I hope when we get into a debate of that question that I, as a Member from Pennsylvania, may have an opportunity to be heard, for so much has been said about any advantage that is taken of the tariff by Pennsylvania.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. I yield.

Mr. McFARLANE. Does not the gentleman believe the farmer is entitled to the same consideration, cost of production plus a reasonable profit on the stuff he produces? Is not the farmer entitled to the same treatment as that afforded manufacturers? Congress has enacted laws favoring the utilities and the railroads. Does not the gentleman think the farmer is entitled to similar consideration also?

Mr. FOCHT. Yes. The gentleman talks about Congress favoring the utilities and the railroads and that the farmers should be aided in their plight. I will give the gentleman and other Members of Congress the answer to this socialistic theory. There are two factors involved, and only two, which will wipe out socialism and communism. These two principles, Mr. Chairman, are that estates cannot be entailed, and that wealth cannot be perpetuated beyond the third generation. That ends that.

Secondly, the power of taxation is in the hands of the people; and you know how to wield it and I have helped out too, in war time, but there is nothing beyond these remedies. That is the answer.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FOCHT. The first great tariff bill, of course, was enacted in the First Congress and was signed by George Washington. Now, if our Democratic friends are still inclined to a tendency toward free trade, or even tariff for revenue only, they have only to look at the example of Thomas Jefferson. Read his papers and message to Congress, and see what Thomas Jefferson and General Jackson said. If this is not sufficient, I refer you to one of the greatest Democrats America ever produced, a man who was State senator, a member of the assembly, who was Minister to England, Minister to Russia, who was United States Senator, Secretary of State, and President of the United States.

Few people seem to realize that all of those Democrats had that economic situation in mind for the interest of the people. That man was James Buchanan, who signed the greatest tariff bill ever enacted in this House 2 days before he retired as President of the United States. On that subject in particular I should like to speak at some future time, and I hope the gentleman will recall and keep in mind that I am for the farmer. There is not a thing raised on the farm that is not in some measure protected, and there is not much he uses that carries a tariff. What he needs is a market and fair price for what he produces, and I stand ready to help in this as well as to reduce his taxes.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Com-

mittee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4304. An act to amend the Second Liberty Bond Act, as amended, and for other purposes.

EXTENSION OF REMARKS

Mr. IGLESIAS. Mr. Speaker, today I received from the headquarters of the United States Puerto Rican Regiment, San Juan, Puerto Rico, a magnificent gavel and block with a silver inscription dedicated to the Speaker of this House, the Honorable JOSEPH W. BYRNS, and which I had the honor of handing to him in his chambers this morning.

Now, I ask unanimous consent to extend my remarks in the RECORD by inserting the letters of transmission, together with a short history of Morro Castle, of San Juan, P. R., from which the wood was taken to prepare this gavel.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

The matter referred to follows:

SAN JUAN, P. R., *January 21, 1935.*

Hon. SANTIAGO IGLESIAS,
Resident Commissioner for Puerto Rico,
House Office Building, Washington, D. C.

MY DEAR SIR: Col. O. R. Cole, United States Army, commanding officer of the United States troops in Puerto Rico, and myself are sending you, under separate cover, a gavel and block made from ausubo wood taken from the lower foundation of El Morro, which we want you to present to the Honorable JOSEPH W. BYRNS, Speaker, with such ceremony and at such time and place agreeable to you and to him.

I attach hereto a letter that Colonel Cole and myself have addressed to Speaker BYRNS giving him the history of the gavel and block. There is a copy of this letter enclosed for your use. There is also enclosed a brief history of El Morro. In making your presentation of this gavel and block you are at liberty to use any of the information contained herein.

I have had the pleasure of knowing Mr. BYRNS for the past 17 years, and soon after the wonderful Democratic victory of last November I wrote BYRNS telling him that I anticipated that he would be the next Speaker of the House, and in case that prediction came true I wanted to present him with a suitable presiding symbol. As this symbol is of historical value and comes from the Territory which you represent, we want you to represent us in making the presentation.

Both Colonel Cole and myself will greatly appreciate this.

I have never had the pleasure of meeting you but hope sometime in the near future this can be done.

With best wishes and kindest regards, I beg to remain,

Yours most sincerely,

A. E. HUTCHISON.

HEADQUARTERS SIXTY-FIFTH INFANTRY,
POST OF SAN JUAN, P. R.,
San Juan, P. R., January 4, 1935.

Hon. JOSEPH W. BYRNS,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: The gavel and block which were recently sent to you from Puerto Rico are made from a native wood called ausubo.

Ausubo was used extensively on the island in early times for the main beams in all large houses and public buildings. When kept dry it became extremely hard with age and for hundreds of years has withstood rot and polilla, a wood-boring pest which does great damage in Puerto Rico to practically all woods except ausubo. Ausubo is now practically extinct in Puerto Rico with only an occasional tree to be found in the interior of the island.

The piece of timber from which the gavel and block were made was taken from the lower foundation of El Morro, the old Spanish fortress at the entrance of the harbor of San Juan. The foundations of El Morro were laid about 1593, and as it is estimated that an ausubo tree requires about 400 years to reach the size needed to hew the beams used for construction purposes, it is quite probable that the wood used is about 800 years of age from seed to gavel and block.

The attached pamphlet gives a very brief outline of the history of El Morro which may be of interest in connection with the history of the gavel and block.

The gavel and block were made by the mechanics of the service company, Sixty-fifth Infantry, Post of San Juan, Puerto Rico, in December 1934, and are presented to the Speaker of the House of Representatives of the United States by Col. Otis R. Cole, Sixty-fifth Infantry, commanding officer, United States Troops in Puerto Rico, and by Mr. A. E. Hutchison, Territorial Manager Home Owners' Loan Corporation, San Juan, Puerto Rico.

Faithfully yours,

A. E. HUTCHISON,
Territorial Manager Home Owners' Loan Corporation.
O. R. COLE,
Colonel Sixty-fifth Infantry, Commanding.

EL MORRO

The following data relating to El Morro has been taken from Historia de Puerto Rico, by Paul G. Miller (Rand, McNally & Co., New York-Chicago), and is presented with the compliments of Company F, Sixty-fifth Infantry, United States Army, the present garrison of El Morro.

The first settlement in Puerto Rico was established by Ponce de León in 1508 across the bay from San Juan and was called Caparra (the guide can point out to you the location from the upper level). Ponce de León had a home in Caparra; he never lived in San Juan proper, which was settled in 1521. Casa Blanca, the residence of the commanding officer of the United States troops in Puerto Rico, was built originally in 1523, 2 years after the death of Ponce de León, by García Troche, a nephew, for a minor son, Luis Ponce de León.

The first fortification was the Fortaleza where the Governor's palace now stands; begun in 1533 but it was not finished until 1540.

The construction of the first fortification on the site of El Morro was begun in 1539. In 1541 the treasurer complained that the arms for the fort had not arrived. In 1555 the Governor reported that eight pieces of bronze had been placed in El Morro.

The construction of the fort was slow and the historian, Brau, reports that, "The Negro slaves brought in 50 years before for use on public works had nearly all died of old age."

In 1586 an annual assessment of money was charged against the treasurer of Mexico to build the public works at San Juan. These remittances constituted the principal supply of money from outside sources for the Government of Puerto Rico for 2 centuries.

In 1586, after Sir Francis Drake destroyed the city of Santo Domingo, it was decided to increase the fortifications of San Juan. The improvement of El Morro began with great activity in 1591.

Drake attacked San Juan in 1595. In March of that year a Spanish fleet en route from Mexico to Spain was driven into the harbor by a storm, and 2,000,000 pesos in gold and silver were deposited in the Fortaleza. The Spanish King advised the Governor that a strong force was being organized in England to take Puerto Rico.

Sir Francis Drake arrived off San Juan on the morning of November 22, 1595, and was fired on by the forts of El Morro and Escambrón (the small fort at the northeastern part of the island). That afternoon Sir Nicholas Clifford and Captains Brown and Strafford were mortally wounded while seated at supper with Sir Francis Drake. John Hawkins, a famous English mariner, was killed the same day. The following day the English fleet moved to the lee side of Cabras Island beyond the range of the Spanish guns, and Drake personally reconnoitered in a small boat, sounding the waters to find a way into the shore. At 10 that night he launched an attack on the Spanish ships in the harbor. He sent in 25 boats, with 50 or 60 men in each boat. They attempted to burn four Spanish ships and succeeded in burning one. The light from this ship made them a clear target for the Spanish artillery and they were driven back after an hour's hard fighting with the loss of 9 or 10 boats, 400 men, and many wounded. The next morning at 8 o'clock he sailed out to sea, but at 4 o'clock he was seen again approaching directly toward the entrance of the harbor and the Spaniards sank three ships in the channel to block it. Drake came up off the entrance to the harbor, but left the next day.

The Spanish King realized the danger of losing Pureto Rico, and consigned a special credit of 3,000,000 maravedíes for the purchase of cannons and other arms and ordered a special credit of 6,000,000 maravedíes with the treasurer of Mexico for completing the work on El Morro. These funds, however, had not arrived some time later when the new Governor arrived and found the garrison reduced to 134 infantrymen and 14 artillerymen.

On June 6, 1598, the Earl of Cumberland arrived in the bay just east of the island on which San Juan is situated, with one of the strongest forces ever organized against the Spanish. He tried first to force the San Antonio Bridge (then called the bridge of the soldiers) with 1,000 men, but failed. He then landed on the beach between Escambrón and the city proper with 200 pike men and 50 musketeers. They took the defenders of the bridge from the flank and rear. The remaining Spanish troops could not hold the forces of Cumberland and they retired into El Morro with about 250 men.

On the 19th Cumberland took possession of the city and placed his guns for an assault on El Morro. He opened breaches in the

walls and the fort was surrendered on the 21st. The day following the English fleet entered the bay.

Cumberland desired to make Puerto Rico an English colony and he ordered the Spanish to leave and called for volunteers who wished to remain. The epidemic which had reduced the Spanish forces now broke out among the English, and they lost 400 men from the 1,000 who had landed.

He sailed away, taking with him all the cannon, the bells of the church, and all the hides, ginger, and sugar that he was able to seize, to seek his fortune elsewhere. He left John Berkley in command.

Berkley, finding that the epidemic was causing many deaths among his people, abandoned the city on November 23, 1598, after it had been held by the English for 157 days.

The following year Spain sent 300 men to recover the city, but they found the city abandoned by the English.

The defenses of El Morro were improved and enlarged after the invasion by Cumberland. There are two tablets made of clay in the walls on the side toward the city which read as follows:

"Reinando Felipe tercero
Felicisimo Rei de las Españas siendo
su Gobernador Capitan General de esta
Isla Sancho Ochoa de Castro Señor de la
Saisolar de los Condes de Salvatierra
se acabo este baluarte de Ochoa,
asta el puesto de esta piedra.
Año 1606."

Quarters for the troops, cisterns, and powder magazines were constructed and some of the defenses facing the city were erected.

On the 24th of September 1625 there appeared 17 Dutch ships, with 2,500 men, off El Morro. The Spanish commander expected them to attempt a landing east of the city and took two pieces of artillery from El Morro and constructed trenches east of the city to repel the attack. When the Dutch saw the Spanish works they sailed directly for the port and passed El Morro with little damage. Of the few pieces of artillery, some of the cannon had been charged for 4 years, and others when they were fired once were out of action. The Dutch occupied the city and tried to take El Morro. The Spanish troops finally arranged a sortie from the fort at the same time that a force from the mainland attacked the Dutch from the rear. The combined attacks drove them from the town and aboard the ships. A Spanish officer, a native of Puerto Rico, Juan de Amezquita, commanded this sortie and subsequently conducted himself with great valor in the final assault on the Dutch trenches. A monument to him has been erected near where the flagpole now stands.

On account of the attacks by the French, English, and Dutch established in the Windward Islands on Spanish shipping and towns, the King ordered the defenses of San Juan to be further improved. The original plans for El Morro had been made by Maj. Juan de Heli, an engineer of the Spanish forces some years before.

The defenses of El Morro were shown to be insufficient and a wall was begun around the entire city in 1630.

In 1646 Torres Vargas reported that they had expended on El Morro 1,900,000 ducats and to finish the work would require much more.

Carlos III sent Marshal de Campo Alejandro O'Reilly in 1765 to investigate the defenses. His report showed great deficiencies not only in the defenses but in the organization, discipline, and maintenance of the troops.

In view of this report, the King authorized the reconstruction of the fortifications of San Juan and he named a Colonel of Engineers, Tomas O'Daly, to direct the work. He assigned him a credit of 100,000 pesos annually to be remitted from Mexico, sent him a new regiment of troops and 445 prisoners to work on the fortifications and also placed at his disposal those prisoners who had been condemned for contraband commerce.

In 1776 he had reconstructed El Morro and had constructed defenses to the San Antonio bridge and had rebuilt San Cristóbal by 1783. This officer also paved the streets of San Juan.

On April 17, 1797, the English again attacked San Juan. The fortifications now contained 376 cannon, 35 mortars, 4 obuse, and 3 pedreros and a regular regiment of 938 men.

The British disembarked 7,000 men on the beach at Cangrejos, beyond where the Condado Vanderbilt Hotel now stands. They placed their guns near where the hotel now stands and bombarded the forts on the east end of the island but failed to reduce them and gave up the attempt on April 30, 1797.

In 1898 the first shot of the Spanish-American War in Puerto Rico was fired from San Cristobal, which was under the command of Captain Rivero (now living in Puerto Rico) against the American cruiser *Yale*.

A naval fight occurred between the *St. Paul* and two small Spanish boats just off El Morro, in which the *St. Paul* was victorious.

Admiral Sampson bombarded the fort on the 12th of May 1898. He directed most of his fire into the harbor to find out if Admiral Cervera was there. The bombardment lasted 3 hours. The effects of the fire can be seen on the wall toward the sea.

The story is told that in 1917 a German ship in the harbor at the time war was declared tried to escape. The one gun available in El Morro was loaded and fired, the shot hit the water ahead of the ship, but the gun turned over and was out of action. The Germans believed that a disappearing gun had been fired and turned back into the harbor.

RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report on the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I ask the gentleman if he is going to call that bill up the first thing in the morning?

Mr. STEAGALL. I hope to do so.

Mr. SABATH. Mr. Speaker, reserving the right to object, may I ask if both of the amendments the House agreed on yesterday have been adopted in conference?

Mr. STEAGALL. I am sorry to say they have not.

Mr. McFARLANE. They have been ignored, as usual.

Mr. SABATH. Then the conferees did not pay any attention to the action of the House, and both of these amendments are out of the bill.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I am especially anxious about the amendment changing the date. Was the date changed in order to allow new business to come in?

Mr. STEAGALL. Yes.

Mr. PATMAN. Was the amendment retained which permits loans to be made where there is reasonable assurance of repayment?

Mr. STEAGALL. The language of the House was retained, which was the same as the Senate language. That matter was not in conference. I hope the gentleman will not ask me to discuss the entire conference report at this time.

Mr. SABATH. Mr. Speaker, it is manifestly unfair to the House for its conferees to yield on important amendments that were passed by nearly a unanimous vote of the House after general debate. These amendments were of very great importance. Of course, I recognize that this legislation must be enacted by tomorrow. If it were not for that fact I would object and insist that the House disagree to the action taken.

Mr. STEAGALL. May I say that I did not expect to be called upon to answer such inquiries at this time, but, to be frank with the gentleman, I may say that the House conferees yielded because of the compelling necessity for the enactment of this legislation tomorrow, and not for any other reason.

Mr. SABATH. The gentleman knows that similar provisions were carried in the securities exchange bill in 1934. I refer particularly to the provisions that protect the rights of bondholders in reorganizations, eliminate fraud, and safeguard the interest of millions of men and women of the United States. I am fearful that we are not protecting either their rights or interests by the elimination of these two important provisions. I shall not object at this time, in view of the fact that the matter will come up tomorrow, when I will demand to know the actual reasons for the elimination of these amendments, and, if possible, I shall insist that the conferees' report be disagreed to and the conferees be instructed to ask for another conference and to insist upon the retention of these amendments. I feel that I shall in this have the support of a majority of the Members of the House, who justifiably resent this disregarding of the will of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent that the general debate on the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, continue for not to exceed 2 hours tomorrow, the

time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Thursday, January 31, 1935, at 12 o'clock noon.

COMMITTEE HEARING

The House Committee on Merchant Marine, Radio, and Fisheries will hold public meeting tomorrow, Thursday, at 10 a. m., on H. R. 111, on requisitioning of ships.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

172. A letter from the treasurer of the Washington Rapid Transit Co., transmitting copy of the balance sheet of the company as of December 31, 1934; to the Committee on the District of Columbia.

173. A letter from the Chairman of the Interstate Commerce Commission, transmitting report of the Federal Coordinator of Transportation on transportation legislation (H. Doc. No. 89); to the Committee on Interstate and Foreign Commerce and ordered to be printed, with illustrations.

174. A letter from the Secretary of the United States Employees' Compensation Commission, transmitting the anunal report of the Commission covering the fiscal year ended June 30, 1934; to the Committee on the Judiciary.

175. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend an act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

176. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointment as warrant or commission officers in the regular Navy, or as warrant or commissioned officers in the United States Naval Reserve force, for the purpose of promotion to chief warrant rank"; to the Committee on Naval Affairs.

177. A letter from the Acting Secretary of the Navy, transmitting draft of a proposed bill to authorize certain officers of the United States Navy and officers and enlisted men of the Marine Corps to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

178. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend section 7 of the act approved May 29, 1934 (48 Stat. 811); to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 4751. A bill to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission; without amendment (Rept. No. 37). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1689) granting a pension to Julia C. Messamore; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4149) granting an increase of pension to Amanda E. Kellam; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1118) granting a pension to Mary A. Hayes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5049) providing punishment for forging or counterfeiting any postmarking stamp; to the Committee on the Post Office and Post Roads.

By Mr. BRUNNER: A bill (H. R. 5050) to provide for the construction of four vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: A bill (H. R. 5051) to amend the Civil Service Act approved January 16, 1883 (22 Stat. 403), and for other purposes; to the Committee on the Civil Service.

By Mr. DEROUEN: A bill (H. R. 5052) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes; to the Committee on Agriculture.

Also, a bill (H. R. 5053) to authorize the Secretary of the Interior to accept from the State of Utah title to a certain State-owned section of land and to patent other land to the State in lieu thereof, and for other purposes; to the Committee on the Public Lands.

By Mr. DOCKWEILER: A bill (H. R. 5054) to amend an act approved August 13, 1894, entitled "An act for the protection of persons furnishing materials and labor for the construction of public works"; to the Committee on the Judiciary.

Also, a bill (H. R. 5055) to provide for rehabilitation and uniform pension for all totally blind soldiers of the Army, Navy, Marine Corps, and war nurses; to the Committee on Pensions.

By Mr. FADDIS: A bill (H. R. 5056) to authorize the correction of military records; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 5057) to amend sections 10 to 14, inclusive, of the act approved July 2, 1926 (44 Stat. 784, 789); to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 5058) to convey certain lands to Clackamas County, Oreg., for public-park purposes; to the Committee on the Public Lands.

By Mr. RAMSAY: A bill (H. R. 5059) authorizing the purchase of United States Supreme Court Decisions and Digest; to the Committee on the Library.

By Mr. SANDERS of Louisiana: A bill (H. R. 5060) to provide for an additional judicial district in Louisiana; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: A bill (H. R. 5061) relating to the special tax on the selling of intoxicating liquor in violation of State and local laws; to the Committee on Ways and Means.

By Mr. MAPES: A bill (H. R. 5062) to amend certain provisions of the antitrust laws; to the Committee on the Judiciary.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5063) to provide that the pay of substitute post-office clerks and letter carriers be at the rate of 80 cents per hour, and for their promotion; to the Committee on the Post Office and Post Roads.

By Mr. DOCKWEILER: A bill (H. R. 5064) to establish a United States Army air base in Alaska to provide a supporting Army air base at a favorable and strategic location for the protection of the north Pacific and Alaskan coasts and coast cities; to the Committee on Military Affairs.

By Mr. HOLMES: A bill (H. R. 5065) to enable the Secretary of Agriculture to control and eradicate the Dutch elm disease in the New England States; to the Committee on Agriculture.

By Mr. MANSFIELD: A bill (H. R. 5066) to reduce freight rates on agricultural products; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5067) to reduce tariff duties; to the Committee on Ways and Means.

By Mr. WHITE: A bill (H. R. 5068) to fix the compensation of registers of local land offices; to the Committee on the Public Lands.

By Mr. BEITER: A bill (H. R. 5069) to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927; to the Committee on Indian Affairs.

By Mr. STACK: A bill (H. R. 5070) to renew appointments to regular positions in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN (by request): A bill (H. R. 5071) to promote the efficiency of national defense; to the Committee on Military Affairs.

By Mr. YOUNG: Resolution (H. Res. 91) authorizing the appointment of a special committee of five Members of the House of Representatives to investigate the Federal Home Loan Bank Board; to the Committee on Rules.

By Mrs. NORTON: Resolution (H. Res. 92) authorizing the expenditure of not more than $5,000 by the Committee on the District of Columbia in the conducting of the investigation authorized by House Resolution 66; to the Committee on Accounts.

By Mr. WARREN: Resolution (H. Res. 93) to pay to Isaac S. Scott, brother of the late Albert Scott, $246 to cover the latter's funeral expenses; to the Committee on Accounts.

By Mr. COX: Joint resolution (H. J. Res. 144) to require observance of the law relating to the apportionment among the several States and Territories and the District of Columbia of employees in the public service; to the Committee on the Civil Service.

By Mrs. KAHN: Joint resolution (H. J. Res. 145) authorizing the President to invite foreign countries to participate in the San Francisco Bay Exposition of 1938 at San Francisco, Calif.; to the Committee on Foreign Affairs.

By Mr. McCORMACK: Joint resolution (H. J. Res. 146) to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries; to the Committee on the Judiciary.

By Mr. COX: Concurrent resolution (H. Con. Res. 5) concerning resolution favoring a uniform scale of rates on a mileage basis by interstate carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKSTEIN: Concurrent resolution (H. Con. Res. 6) authorizing an investigation of the vessels of the Ward Line or subsidiaries; to the Committee on Merchant Marine, Radio, and Fisheries.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing Congress for the passage of legislation providing for the immediate conversion into cash of the adjusted-compensation certificate of the soldier of the World War; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Colorado, urging payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maine, memorializing Congress to eliminate the Federal tax on gasoline; to the Committee on Ways and Means.

Also, memorial from the Legislature of the State of Idaho, favoring an old-age pension bill; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5072) granting a pension to William Bills; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 5073) granting a pension to Kate Beard; to the Committee on Invalid Pensions.

By Mr. COLE of Maryland: A bill (H. R. 5074) granting a pension to John Doane Gardiner; to the Committee on Pensions.

By Mr. DEMPSEY: A bill (H. R. 5075) providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army, and his retirement in that grade; to the Committee on Military Affairs.

By Mr. DOCKWEILER: A bill (H. R. 5076) to correct the naval record of Comdr. Royall Roller Richardson; to the Committee on Naval Affairs.

Also, a bill (H. R. 5077) for the relief of Walter E. Sharon; to the Committee on Naval Affairs.

Also, a bill (H. R. 5078) for the relief of Mrs. Charles F. Eikenberg; to the Committee on Claims.

Also, a bill (H. R. 5079) for the relief of John G. DeMuth; to the Committee on Military Affairs.

Also, a bill (H. R. 5080) to allow the Distinguished Service Cross for service in the Philippine Insurrection to Ross I. Barton; to the Committee on Military Affairs.

By Mr. ENGEL: A bill (H. R. 5081) granting a pension to Rebecca Barnard; to the Committee on Pensions.

By Mr. ENGLEBRIGHT: A bill (H. R. 5082) to correct the military record of Nathan Albeer Gregory; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 5083) providing for an examination and survey of Sandy River, near Troutdale, Oreg; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5084) granting an increase of pension to Mary A. Ballard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5085) granting an increase of pension to Nettie M. Underwood; to the Committee on Pensions.

Also, a bill (H. R. 5086) for the relief of Lelia McKay; to the Committee on Claims.

Also, a bill (H. R. 5087) for the relief of Edward M. Brown; to the Committee on the Post Office and Post Roads.

By Mr. FLETCHER: A bill (H. R. 5088) for the relief of Henry J. Corcoran; to the Committee on Military Affairs.

By Mr. FORD of California: A bill (H. R. 5089) for the relief of H. B. Van Brunt; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 5090) for the relief of Julius A. Geske; to the Committee on Claims.

Also, a bill (H. R. 5091) for the relief of E. H. Estabrook; to the Committee on Claims.

Also, a bill (H. R. 5092) for the relief of Charles W. Lynch; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 5093) granting an increase of pension to Nathan Ain; to the Committee on Pensions.

By Mr. HEALEY: A bill (H. R. 5094) granting a pension to Julia Agnes Silva; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5095) to authorize the presentation to Frank E. Abbott of a Distinguished Service Cross; to the Committee on Naval Affairs.

Also, a bill (H. R. 5096) for the relief of Domenico Conte; to the Committee on Claims.

Also, a bill (H. R. 5097) for the relief of Mary E. Lord; to the Committee on Claims.

Also, a bill (H. R. 5098) for the relief of John A. Lane; to the Committee on Military Affairs.

Also, a bill (H. R. 5099) for the relief of Albert Henry George; to the Committee on Naval Affairs.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5100) for the relief of Michael F. Calnan; to the Committee on Naval Affairs.

By Mr. HOLMES: A bill (H. R. 5101) for the relief of Adrian Van Leeuwen; to the Committee on Military Affairs.

Also, a bill (H. R. 5102) for the relief of Hector H. Perry; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 5103) granting an increase of pension to Orrie S. McCutcheon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5104) granting an increase of pension to Carrie A. Groce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5105) granting a pension to Unoca Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5106) granting an increase of pension to Sarah L. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5107) granting an increase of pension to Josinah Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5108) granting an increase of pension to Sarah E. Boler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5109) granting an increase of pension to Lucy A. Cartmell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5110) granting an increase of pension to Malinda J. Jacobs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5111) granting an increase of pension to Margaret E. Gorrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5112) granting an increase of pension to Nannie Queen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5113) granting an increase of pension to Emeline Petty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5114) granting an increase of pension to Hannah Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5115) granting an increase of pension to Flerria Messick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5116) granting an increase of pension to Mary M. Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5117) granting an increase of pension to Phoebe A. Kimes; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 5118) granting an increase of pension to Mary Baldwin Kennedy; to the Committee on Pensions.

By Mr. KENNEDY of Maryland: A bill (H. R. 5119) for the payment of the claims of the Fidelity Trust Co., of Baltimore, Md., and others; to the Committee on Claims.

By Mr. KIMBALL: A bill (H. R. 5120) for the relief of Elmer E. Lawrence; to the Committee on Military Affairs.

By Mr. KOCIALKOWSKI: A bill (H. R. 5121) for the relief of Louis Zagata; to the Committee on Claims.

By Mr. McCLELLAN: A bill (H. R. 5122) for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, Jim Hamilton, Otis Hamilton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Thereldkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, J. E. Seymour, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome DuPree, J. R. Mitchell, Roxie Anderson, J. L. Mitchell, and J. C. Russell; to the Committee on Claims.

By Mr. McFARLANE: A bill (H. R. 5123) for the relief of I. H. Martin and Sarah Jane Tilghman, legal heirs of Benjamin Martin, deceased; to the Committee on Claims.

By Mr. MAAS: A bill (H. R. 5124) for the relief of James Darcy; to the Committee on Military Affairs.

By Mr. MAPES: A bill (H. R. 5125) granting a pension to Maryette Sweet; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5126) granting a pension to Alice C. Waters; to the Committee on Invalid Pensions.

By Mr. MAVERICK: A bill (H. R. 5127) for the relief of D. E. Sweinhart; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 5128) granting a pension to Golda Stump Darr; to the Committee on Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5129) for the relief of William W. Collins; to the Committee on Military Affairs.

Also, a bill (H. R. 5130) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to J. M. Fraley; to the Committee on Claims.

Also, a bill (H. R. 5131) for the relief of Elmer Blair; to the Committee on Military Affairs.

Also, a bill (H. R. 5132) granting a pension to Laura B. Poore; to the Committee on Pensions.

By Mr. ROGERS of New Hampshire: A bill (H. R. 5133) for the relief of Nellie Oliver; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 5134) authorizing a preliminary examination and survey of the North Fabius River in Lewis County, Mo., with a view to the controlling of floods; to the Committee on Flood Control.

By Mr. RYAN: A bill (H. R. 5135) for the relief of Frank G. Babcock; to the Committee on Military Affairs.

Also, a bill (H. R. 5136) for the relief of John W. Sweger; to the Committee on Claims.

Also, a bill (H. R. 5137) for the relief of Rogowski Bros.; to the Committee on Claims.

By Mr. SCHAEFER: A bill (H. R. 5138) granting an increase of pension to Catherine Becherer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5139) for the relief of Joseph M. Black; to the Committee on Military Affairs.

By Mr. SOMERS of New York: A bill (H. R. 5140) for the relief of Max Gordon; to the Committee on Claims.

By Mr. SOUTH: A bill (H. R. 5141) granting a pension to Maude Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5142) granting a pension to Emma L. Lee; to the Committee on Pensions.

By Mr. STACK: A bill (H. R. 5143) granting a pension to Reimhold J. Schaaf; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 5144) granting a pension to Nellie Woodard; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 5145) for the relief of Marion Ray; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H. R. 5146) for the relief of James J. Orme; to the Committee on Military Affairs.

Also, a bill (H. R. 5147) granting a pension to Emily Jordan Martin; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 5148) granting a pension to Annie McKown; to the Committee on Invalid Pensions.

By Mr. ZIONCHECK: A bill (H. R. 5149) authorizing payment to Peter C. McCartin of allotments made to his children under the Veterans' Act of 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5150) for the relief of Alexander E. Kovner, of Seattle, Wash.; to the Committee on Claims.

Also, a bill (H. R. 5151) granting a pension to Rebecca Patterson; to the Committee on Pensions.

By Mr. DOCKWEILER: Joint resolution (H. J. Res. 143) awarding Distinguished Service Medals to Tony Siminoff, Oliver F. Rominger, and Robert E. Beck, veterans of the Philippine Insurrection; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

564. By Mr. BEITER: Petition of the Ninth Ward Taxpayers Association, Buffalo, N. Y., urging passage of the bill appropriating $4,800,000,000 for Public Works projects and work relief; to the Committee on Appropriations.

565. Also, petition of the Erie County Board of Supervisors, Buffalo, N. Y., urging passage of the bill appropriating $4,800,000,000 for Public Works and relief projects, and recommending that a certain allotment be provided for grade-crossing improvements; to the Committee on Appropriations.

566. By Mr. BOYLAN: Letter from the New York Press Association, Elmira, N. Y., protesting against Post Office Department Order No. 6338, dated October 12, 1934, permitting a general distribution of advertising circulars addressed in simplified form, omitting names and addresses; to the Committee on the Post Office and Post Roads.

567. Also, letter from Lipton & Hartman, fur merchants, New York City, urging the repeal of the 10-percent excise tax on furs; to the Committee on Ways and Means.

568. Also, letter from the National Fur Tax Committee, New York City, protesting against the 10-percent excise tax on furs; to the Committee on Ways and Means.

569. Also, letter from the Central Trade and Labor Council of New York City, vigorously protesting against the continuance of the Federal pay cut of postal employees; to the Committee on the Post Office and Post Roads.

570. By Mr. BRUNNER: Resolution of the John J. McGrath Democratic Association, 110–15 Two Hundred and Tenth Street, St. Albans, N. Y., urging Congress to make an additional appropriation to carry on the activities of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

571. By Mr. BUCKLER of Minnesota: Petition of Bozena M. Grathwol and members of the Ladies' Auxiliary Unit, of Burlebach Post, No. 61, of the American Legion, Perham, Minn., praying for the immediate payment of the adjusted-service certificates and the enactment of a universal-draft law; to the Committee on Ways and Means.

572. Also, petition of A. W. Bowman and members of Townsend Club No. 1, of Moorhead, Minn., praying for support and votes for the Townsend old-age-pension act; to the Committee on Ways and Means.

573. By Mr. DUFFY of New York: Petition of the Bricklayers, Stonemasons, Plasterers, Marblemasons, Tilelayers, and Terrazo Workers' International Union No. 11, of Rochester, N. Y., opposing the extension of the Federal Emergency Relief Administration work to include new construction or major repairs, and resolving that public officials be urged to make every effort to create new construction projects on a contract basis whereby the regular workers of the industry can be provided with employment; to the Committee on Banking and Currency.

574. Also, memorial of the Legislature of the State of New York to the United States Congress, to consider legislation looking to either taking all profits out of war, or putting the business of manufacturing munitions of war solely in the hands of the United States Government; to the Committee on Military Affairs.

575. Also, petition of the Order of Benefit Association of Railway Employees, urging enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator; to the Committee on Interstate and Foreign Commerce.

576. Also, petition of the Rochester Council, No. 178, Knights of Columbus, of Rochester, N. Y., protesting against the activities of the National Revolutionary Party in Mexico, and urging the Congress of the United States to refrain from trade relations, etc., which are profitable to the supporters of the National Revolutionary Party, and urging tourists not to visit Mexico; to the Committee on Foreign Affairs.

577. Also, petition of the National Guard Association of the State of New York, Albany, N. Y., respectfully petitioning Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities any provision which would affect the right of Federal pay or Federal recognition of any member of the National Guard of the State of New York; to the Committee on Appropriations.

578. By Mr. FOCHT: Petition of Charles D. Hendershot and numerous other citizens of Fulton County, a part of the Eighteenth Congressional District of Pennsylvania, supporting House bill 2856 for the relief of the aged; to the Committee on Ways and Means.

579. By Mr. HESS: Resolution adopted by Cincinnati Division, No. 137, Order of Benefit Association of Railway Employees, urging the enactment of legislation to modify section 4 of the Interstate Commerce Act as recommended by Federal Coordinator Eastman; to the Committee on Interstate and Foreign Commerce.

580. Also, petition of various citizens of the Second District of Ohio, urging the enactment of House bill 2856, providing for old-age pensions; to the Committee on Ways and Means.

581. By Mr. KNIFFIN: Resolution of the Montpelier Chamber of Commerce, Montpelier, Ohio, calling for the immediate cash payment of the soldiers' adjusted-service certificates, with cancelation of interest accrued and refund of interest paid; to the Committee on Ways and Means.

582. By Mr. MERRITT of New York: Petition of Ottmar Mergenthaler Unit, No. 64, Steuben Society of America, to the Congress of the United States advocating adequate preparation for national defense and in case of war the conscription of capital and labor, as well as of man power; also favoring adoption of an amendment to the Constitution of the United States to the effect that our Government shall not engage in acts of war except it be for the purpose of repelling invasion until after an opportunity by means of referendum shall have been given the people of the United States, who are entitled by the right of franchise to express their will in the matter; to the Committee on Military Affairs.

583. By Mr. MILLARD: Resolution adopted by the members of Council No. 311, Knights of Columbus, New York City, protesting certain alleged acts of the National Revolutionary Party in Mexico; to the Committee on Foreign Affairs.

584. By Mr. McLAUGHLIN: Petition requesting the United States Government to establish a national arboretum at Nebraska City, Nebr.; to the Committee on Public Buildings and Grounds.

585. By Mr. PARKS: Petition regarding old-age pension; to the Committee on Ways and Means.

586. By Mr. PFEIFER: Petition of Fur Post, No. 1049, American Legion, Department of New York, opposing continuance of the 10-percent excise tax on furs wholesaling for $75 or more; to the Committee on Ways and Means.

587. Also, petition of the Pittsburgh Central Labor Union, Pittsburgh, Pa., urging support and enactment of the McCarran-Griswold bill; to the Committee on Labor.

588. Also, petition of the New York State Council of Churches and Religious Education, Albany, N. Y., urging support of the Wagner-Costigan antilynching law; to the Committee on the Judiciary.

589. Also, petition of the Beyer Fur Shop, Schenectady, N. Y., protesting against the 10-percent excise tax on furs; to the Committee on Ways and Means.

590. Also, petition of the Second Division Post, No. 860, American Legion, New York, endorsing the Vinson bill (H. R. 3896); to the Committee on Ways and Means.

591. By Mr. PLUMLEY: Petition of the Burlington (Vt.) Stamp Club, urging that appropriate legislation be enacted to preclude the possibility of Government postage stamps in unauthorized form reaching the public other than through sale by the Post Office Department; to the Committee on the Post Office and Post Roads.

592. Also, resolution of Burlington Post, No. 27, of the American Veterans' Association, Burlington, Vt., endorsed by 23 members, regarding Federal legislation toward veterans; to the Committee on World War Veterans' Legislation.

593. By Mrs. ROGERS of Massachusetts: Petition of the City Council of the City of Woburn, Mass., recording itself as favoring the passage of the old-age assistance or pension bill; to the Committee on Ways and Means.

594. By Mr. RUDD: Petition of the National Guard Association of the State of New York, regarding Federal pay and allowances or Federal recognition of any member of the National Guard of the State of New York qualified to serve therein; to the Committee on Appropriations.

595. Also, petition of the Woodhaven Council, No. 1866, Knights of Columbus, Woodhaven, Long Island, N. Y., concerning the activities of the National Revolutionary Party of Mexico, etc.; to the Committee on Foreign Affairs.

596. Also, petition of the Captains and County Committeemen's Club, Third Zone, Fourth A. D. Queens, Springfield, Long Island, N. Y., regarding the continuation of the Home Owners' Loan Corporation and the advancing of an additional fund of $3,000,000,000 by the Government for this purpose; to the Committee on Banking and Currency.

597. Also, petition of the New York State Council of Churches and Religious Education, regarding the Costigan-Wagner Antilynching Law; to the Committee on the Judiciary.

598. By Mr. RYAN: Petition of 1,337 citizens of Cottonwood County, Minn., urging the enactment by Congress of the Townsend old-age pension bill; to the Committee on Ways and Means.

599. By Mr. SCOTT: Petition of W. R. Douglas and 9 others, Edith Byers and 41 others, N. S. Surls and 35 others, Mrs. Barber M. King and 10 others, Mrs. J. S. Humbert and 51 others, of Long Beach, Calif., and many others by personal letters, favoring the Townsend old-age revolving pension; to the Committee on Ways and Means.

600. By Mr. SCHAEFER: Petition of H. H. Hall, John A. Lang, and others, of East St. Louis, and A. C. Hoeffken, Henry F. Hoeffken, Louis Ruff, and George A. Kloess, of Belleville, Ill., favoring contract system for $4,000,000,000 Public Works program in preference to day-labor system; to the Committee on Appropriations.

601. Also, petition of H. A. Kruse and other furriers, of Chicago, Ill., against the existing 10-percent excise tax on fur; to the Committee on Ways and Means.

602. By Mr. TARVER: Petitions of Susie P. Henderson and 18 other citizens of Dade County, B. F. Williams and 14 other citizens of Haralson County, Lula Ryals and 19 other citizens of Floyd County, Mrs. W. H. Strain and 17 other citizens of Chattooga County, Belle Paris and 56 other citizens of Dade County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

603. By Mr. TRUAX: Petition of Mary Oliver and other citizens of Cleveland, Ohio, urging and demanding that Congress enact the old-age pension bill, as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Nonpartisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma, embracing the following: A Federal pension of $30 to $50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pensions; to the Committee on Labor.

604. Also, petition of Zanesville Federation of Labor, by their secretary, Joseph A. Bauer, recommending that 10-cent cigarettes be taxed $2.70 per thousand while 15-cent cigarettes be taxed $3 per thousand; to the Committee on Ways and Means.

605. Also, petition of the Labor & Relief Workers Union, having assembled in a general meeting on the 18th day of January 1935, at 188 Doty Street, city of Fond du Lac, county of Fond du Lac, State of Wisconsin, and having endorsed House bill 2827, known as the "Workers' Unemployment, Old Age, and Insurance Act", do, therefore, demand that CHARLES V. TRUAX, member of the House Labor Committee, immediately endorse and support House bill 2827, and also give a recommendation to Congress approving the bill and demanding quick action; to the Committee on Labor.

606. Also, petition of the stockholders of the Champaign County National Farm Loan Association, by their secretary, Edwin L. English, requesting that interest rates upon the Federal land bank and land-bank commissioner loans should be further reduced from the schedule fixed by the Emergency Farm Mortgage Act of 1933, and that the Farm Credit Administration and Federal Land Bank of Louisville be, and they are hereby, requested and urged to take the necessary steps toward granting a further reduction in interest rates to borrowers in the Federal land-bank system; to the Committee on Agriculture.

607. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on Ways and Means.

SENATE

THURSDAY, JANUARY 31, 1935

(Legislative day of Wednesday, Jan. 30, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 30, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THOMAS JEFFERSON MEMORIAL COMMISSION

The VICE PRESIDENT. The Chair appoints the Senator from Mississippi [Mr. HARRISON], the Senator from Utah [Mr. THOMAS], and the Senator from Oregon [Mr. MCNARY] as members of the Thomas Jefferson Memorial Commission, created by Public Resolution No. 49, Seventy-third Congress, approved June 26, 1934.

Mr. HARRISON subsequently said: Mr. President, this morning the Vice President very graciously appointed me as a member of the Thomas Jefferson Memorial Commission. I should be very glad to serve on that Commission, but there are so many matters coming before my committee that I hope the Vice President will excuse me and appoint someone else in my place.

The VICE PRESIDENT. Without objection, the resignation of the Senator from Mississippi from the Commission will be accepted; and the Chair appoints the Senator from Connecticut [Mr. LONERGAN] in his place.

REPORT OF THE FEDERAL HOUSING ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Administrator of the Federal Housing Administration, submitting, pursuant to law, the first annual report on the operations of the Administration commencing with the approval of the National Housing Act on June 27, 1934, and ending December 31, 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on the Judiciary:

STATE OF NEW YORK,
IN ASSEMBLY,
Albany, January 15, 1935.

(By Mr. Alterman)

Whereas the Legislature of the State of New York has previously memorialized the Congress of the United States to enact such legislation as will effectively prevent lynching outrages which continue to occur from time to time in some of the Southern and Southwestern States; and

Whereas such legislation is urgently needed to restore in our people respect for law and order; and

Whereas there is now pending in the Senate of the United States a bill introduced by Senator COSTIGAN which, in the judgment of the people of the State of New York, will accomplish the desired result: Now, therefore, be it

Resolved (if the senate concur), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed the Costigan antilynching bill or other like legislation which will prevent the punishment or destruction of persons accused or suspected of crime in any other way or by any other authority than by due process of law and by a duly constituted court of justice; and be it further

Resolved (if the senate concur), That a copy of this resolution be transmitted to the Clerk of the House of Representatives and the Secretary of the Senate and to each Member of Congress elected from the State of New York, and that the latter be urged to use their best efforts in obtaining the passage of the legislation referred to herein.

By order of the assembly:

HOMER W. STOREY, *Clerk.*

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

STATE OF NEW YORK,
IN ASSEMBLY,
Albany, January 15, 1935.

(By Mr. Lavery)

Whereas the Congress of the United States of America has imposed a tax upon all sales of gasoline; and

Whereas the State of New York and the other several States of the United States have already imposed taxes upon such sales; and

Whereas the Federal tax on such sales is untimely and prohibitive and, coupled with the respective State taxes on such sales, places a burden upon the users of gasoline beyond that which they should carry and beyond that which the traffic can legitimately bear; and

Whereas the taxation of sales of gasoline should properly be left to the exclusive use of the States as a means of providing funds for road construction and maintenance and unemployment relief projects: Now, therefore, be it

Resolved (if the senate concur), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; and be it further

Resolved (if the senate concur), That a copy of this resolution be transmitted to the Clerk of the House of Representatives, the Secretary of the United States Senate, and to each Member of Congress elected from the State of New York, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purposes of this resolution.

By order of the assembly:

HOMER W. STOREY, *Clerk.*

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho, favoring the enactment of a plain and workable old-age-pension law, to the end that aged citizens may to a degree have sufficient income to spend the remainder of their days in peace and happiness, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented by Mr. POPE, p. 1230, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution memorializing the United States Senate to vote against membership in the World Court

Whereas the Senate of the United States has before it for consideration the question of whether or not this Nation shall join the Permanent Court of International Justice, commonly known as the "World Court"; and

Whereas the people of this country have twice overwhelmingly repudiated the League of Nations, and have emphatically shown that they want no part in the political intrigues and the turmoil of the intense nationalism of European nations, with its concomitant imperialistic endeavors and ambitions; and

Whereas neither the farmer nor the laborer is anxious that we go international. To their minds our struggle is to restore the American standard of living, rather than to enmesh ourselves with the debasements of the standardized poverty of Europe; and

Whereas our membership in the World Court would be the first step toward joining the League of Nations, either voluntarily or involuntarily, for the reason that the Court is part and parcel of the League, being legally created by the League, financed by the League, and a vital factor in the development of the League's power and influence; and

Whereas the whole League-Court controversy is so involved with reservations, amendments, conditions, and protocols that the average citizen is completely muddled as to just how far the internationalists now hope to commit this country; and that no qualification can be so drawn as to retain complete freedom of action, and accordingly the wisest thing is to keep clear of European political jealousies and entanglements altogether; and

Whereas the avowed purpose of the World Court is to promote and enforce world peace, and yet in several instances it has utterly failed to accomplish this; and

Whereas by joining the World Court this Nation will give up its traditional policy of a century and a half of independence from European affairs and will be subject to the embroilments of European politics and strife; and

Whereas under the existing Bryan and Root treaties we have taken definite steps toward world peace in a way that commits the parties thereto unequivocally to peace; and

Whereas we still have recourse to The Hague Tribunal for settlement of such international disputes as this Nation would be willing to submit to foreign arbitration; and

Whereas the proponents of the World Court are either idealists who have not faced the reality that the World Court and League of Nations are one and the same, with a background colored by the machinations of realists of the highest order, the politicians of Europe; or international bankers who selfishly desire to see a cancelation of the war debts and hope to see such cancelation brought about under the jurisdiction of the World Court: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully memorializes the United States Senate to continue the traditional and honorable policy of this Nation and stay out of foreign entanglements and their resulting intrigues; and to stand by the mandate of the people which has declared against our becoming a member of the League of Nations, and to vote against becoming a party to the Permanent Court of International Justice; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the Senate of the United States, and to both Wisconsin Members thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSON,
Chief Clerk of the Senate.
J. W. CAROU,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. WALSH. Mr. President, I present and ask to have printed in the RECORD resolutions adopted by the Board of Aldermen of Chelsea, Mass., protesting against the persecution of religion in Mexico.

Also, I present similar memorials signed by the senior class, St. Ann's Academy, Marlboro, Mass.; Mary C. Culhane, president the Teachers' Guild, meeting at the Convent of the Sacred Heart, Newton, Mass.; members of the Tabernacle Society and Children of Mary, Boston, Mass.; and from the Academy of the Assumption, Wellesley Hills, Mass.

Further, I have received memorials signed by hundreds of citizens of the State of Massachusetts, which I ask be noted in the RECORD, with the request that the resolutions and memorials all be referred to the appropriate committee.

There being no objection, the resolutions above referred to were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Resolutions adopted by the board of aldermen, endorsing the action of Congressman JOHN J. HIGGINS, protesting against the persecution of religion in Mexico

Resolved, That the board of aldermen endorses the protests of Congressman JOHN J. HIGGINS against the persecution of religions by the new Government of Mexico, and, in particular, the attempt to eradicate from the people of Mexico, over 90 percent of whom are Catholics, the religion to which they are born.

Religious persecutions by those in power is not new and dates from time immemorial and is a relic of the Dark Ages, which should be stamped out with the energy of faith and humanity by the civilized world. To worship God as one's conscience dictates is an inalienable right. The hydra-headed monster of godless atheistic teachings, if allowed to foster in one country, may allow its proselyting talons and encircling clutches to throttle the civilized world. Without a vestige of right, a small minority who happen to be in power in Mexico are trying to emulate the Bolshevik, com-

munistic Russia in stamping out religious faith in the youth of Mexico. The certainty of the failure of their objective the board believes to be inevitable. The city government of Chelsea prays that a severance of diplomatic relations with Mexico as a basis of precedence when the late President Taft severed relations with monarchistic Russia because of its persecution of the people of Hebrew faith, and the action of the United States at that time was applauded by all right-thinking people.

Congressman HIGGINS is commended on his protest against the persecution of Catholics in Mexico and his petition to the President for a severance of diplomatic relations between the United States of America and the Republic of Mexico.

Resolved, That a copy of this resolution be sent to the President and Vice President of the United States, the Speaker of the National House of Representatives, and the Senators and Representatives from Massachusetts.

JAMES F. SHANNON.

In board of aldermen, January 3, 1935; adopted.
Approved January 5, 1935.

LAWRENCE F. QUIGLEY, *Mayor*.

A true copy.
Attest:

RICHARD A. VOKE, *City Clerk*.

The memorials presented by Mr. WALSH and referred to the Committee on Foreign Relations, remonstrating against religious persecutions in Mexico, are from sundry citizens of the following cities and towns in the State of Massachusetts: Belmont, Boston, Brighton, Dorchester, Fitchburg, Framingham, Medford, Melrose, Milton, New Bedford, Newton, Northampton, Norwood, Roxbury, Springfield, Wellesley, Wellesley Hills, and Worcester.

FARM RELIEF

Mr. FRAZIER. Mr. President, I ask to have printed in the RECORD and appropriately referred a resolution adopted by the Women's Nonpartisan Club of Hazelton, N. Dak., which gives the viewpoint of the farm women and recommends some legislation with reference to farm relief; also a letter for printing in the RECORD and proper reference from a member of the Farmers' Union, Junior, of McLeod, N. Dak., which gives something of the feeling of the younger group of farmer-union organizations and likewise recommends legislation.

There being no objection, the resolution and letter were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas an emergency exists in our State and county because of drought and so-called "depression", over which our people have no control; and

Whereas President Roosevelt and several Cabinet members, including Henry Wallace, passed through North Dakota during last summer's drought period and could see for themselves the real condition of our State; and

Whereas former administrations and United States officials have failed to pass laws for the benefit of all the people, and thereby causing this depression whereby farmers are threatened with actual slavery; and

Whereas the present administration has done very little to relieve this situation, but seem to have more unemployed and more in need of relief: Therefore be it

Resolved, That we, the members of the Hazelton Women's Nonpartisan Club, in monthly meeting assembled, condemn the present relief set up in our State and county which has caused suffering and want among our people, and with some roughage and feed available and piled high in every town in our county and cattle starving for want of some feed.

We further condemn the present gag rule as passed in the House of Representatives at Washington on the first day of the Seventy-fourth Congress by the Democratic majority, which calls for 218 signers to a petition to bring a bill on the floor for a discussion on its merits, when formerly the rule was 145, said act, as we believe is directly aimed against the passage of progressive legislation, such as the United States bank bill, bonus bill, the Frazier-Lemke refinance bill, which has been ratified by 21 States or more at this time, and which would mean real relief to our down-trodden farmers of our Nation.

We further resolve to condemn any bill which may be brought up at the present North Dakota Legislature for the purpose of bringing back crop mortgage laws, believing such laws to be unconstitutional, whereby farmers are asked to mortgage something which they do not possess and does not at the time even exist.

We also further resolve that we endorse an old-age-pension plan similar to the Townsend plan, but modified within the limits of common sense, economic necessity, and good judgment.

We also further resolve that support be given to the Legion of Decency in its crusade to clean up the movies; also, be it

Further resolved, That we, the Nonpartisan Women's Club of Hazelton, lend our full support to every effort to further world peace; and be it

Further resolved, That we endorse a national moratorium, to be in effect until such time or until social security will be assured to our people: Be it

Resolved, That copies of these resolutions be sent to Representatives LEMKE and BURDICK and Senator FRAZIER at Washington, Secretary of Agriculture Henry Wallace, our district representatives, Math Dahl, Val. Wolf, and Senator Harry Lynn; also a copy be given to R. C. Colburn to be published in the Hazelton Independent, and a copy sent to the Leader at Bismarck, and a copy be put upon the minutes of our next meeting.

Mrs. J. B. LANDSBERGER,
Mrs. CARL REICH,
Mrs. P. V. KURTZ,
Mrs. OSWIN RIEMER,
Mrs. C. GRENZ,
Resolutions Committee.

HAZELTON, N. DAK.

MCLEOD, N. DAK., *January 21, 1935.*

To the Members of the Senate of the United States:

You Members of the Senate are gathered together in this Seventy-fourth Congress for the purpose of making the laws of this great Nation; to enact legislation that will bring the people of this great Nation out of the degraded and chaotic conditions we are in today.

The farmers of this Nation, who feed and clothe you all, are demanding a fair deal for agriculture. They know what they need and must have in order to maintain a decent standard of living. For years they have been voicing their demands through their farm organizations, primarily the Farmers' Educational and Cooperative Union of America, which sponsors a very constructive legislative program. For years, also, they have been wholly and utterly ignored, simply because we farmers out here in the rural districts were not strongly enough organized to demand recognition. Today the organized farmer is voicing his disapproval of the way J. P. Morgan and allied interests are running his affairs by sending 10 able farmers to our National Capitol to lobby for the best interests of agriculture. These 10 men are sent by the Farmers' Educational and Cooperative Union of America, a national organization of thinking farmers. Every member of this organization has contributed 1 cent for himself and 1 cent for each member of his family to help pay the expenses of these representatives. One cent is all any member can give, because there isn't much more left of the farmer's dollar after it has rolled through all the N. R. A., P. W. A., T. V. A., X. Y. Z., and E. T. C.'s that watch for it like birds of prey all the way from Washington to every farm in this Nation.

The common people want permanent, not seasonal, remedies. The organized farmers demand cost of production for their products, which, under the N. R. A. code, was granted to every industry in this Nation, except agriculture. Organized farmers further demand the repeal of the Federal Reserve Act and the establishment of a Bank of the United States in its stead. The Constitution gave Congress the right to issue the money of this Nation and to regulate its value. The Federal Reserve Act transferred this right to a few men—the bankers—who have been slowly strangling the Nation ever since.

Further legislation demanded by the organized farmers is the passage of the Frazier Farm Relief Act, which will enable the farmers to refinance at a very low interest rate; and the passage of the Wheeler bill, which would remonetize silver. Organized farmers are opposed to a sales tax in any form, but demand a graduated income tax which would take from those most able to pay and thus aid in decentralizing wealth. Organized farmers demand immediate payment of the soldiers' bonus and are firmly opposed to war. The last war is still costing the common people a heavy toll in the form of a horrible world-wide depression; therefore we do not want war.

The 10 men who are coming to Washington will fight for the above-mentioned legislation, and all Congressmen who do not do all in their power to gain such legislation are of no value to the Nation and sooner or later will be very forcefully told about it. Organized farmers demand this legislation, and it is no more than right they should have it.

Miss GLADYS M. KUHN,
A Farmers' Union Junior, McLeod Local No. 1118.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 1553) granting a pension to Sadie L. Doran; to the Committee on Pensions.

By Mr. LOGAN:

A bill (S. 1554) extending the classified civil service to include special-delivery messengers; to the Committee on Civil Service.

By Mr. BARBOUR:

A bill (S. 1555) providing for examination and survey with a view to building a canal across Cape May County, N. J., connecting the State Inland Waterway with Delaware Bay; to the Committee on Commerce.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 1556) to authorize production credit associations to make loans to commercial fishermen; to the Committee on Agriculture and Forestry.

By Mr. SHIPSTEAD:

A bill (S. 1557) to authorize annual surveys in connection with the control and eradication of grasshoppers, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 1558) for the relief of Robert W. Krieger; to the Committee on Claims.

A bill (S. 1559) granting a pension to Della M. C. Rudolph; to the Committee on Pensions.

By Mr. O'MAHONEY:

A bill (S. 1560) to authorize the payment of annuities withheld from employees retired from active service during the month of July 1932 under the provisions of the economy law; to the Committee on Civil Service.

By Mr. SHEPPARD:

A bill (S. 1561) to provide relief for disbursing officers of the Army in certain cases; to the Committee on Military Affairs.

By Mr. BARKLEY:

A bill (S. 1562) to amend section 62, chapter 3, title 45, of the Code of Laws of the United States of America; to the Committee on Interstate Commerce.

By Mr. NEELY:

A bill (S. 1563) for the relief of George L. Stone; to the Committee on Claims.

A bill (S. 1564) granting a pension to Stanley N. Rice; and

A bill (S. 1565) granting a pension to Cassie Randolph; to the Committee on Pensions.

(Mr. DUFFY introduced Senate bill 1566, which was referred to the Committee on Claims, and appears under a separate heading.)

By Mr. HAYDEN:

A bill (S. 1567) for the relief of certain claimants in cases of contracts connected with prosecution of the World War; to the Committee on Mines and Mining.

A bill (S. 1568) granting an increase of pension to Burel E. Pollard; to the Committee on Pensions.

CARL C. CHRISTENSEN

Mr. DUFFY introduced a bill (S. 1566) for the relief of Carl C. Christensen, which was read twice by its title and referred to the Committee on Claims.

Mr. DUFFY. Mr. President, I have introduced this bill which, while it is merely a private bill, is of very considerable interest to my State. During the late uninvited visit of Mr. Dillinger to the State of Wisconsin, while the Federal forces were attempting to apprehend him, two of the Federal officers, one of whom was shot and killed, asked the assistance of a citizen of the State in their endeavor to capture Dillinger. This man was shot by "Baby Face" Nelson and severely injured. This is a private bill for his relief, and I merely make the statement at this time with the hope that it may have very early consideration.

CHANGES OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred to the Committee on Public Lands and Surveys:

S. 714. A bill providing for the establishment of the General John J. Pershing National Military Park near Laclede, in Linn County, Mo.; and

S. 867. A bill providing for the establishment of the General John J. Pershing National Military Park near Laclede, in Linn County, Mo.

RELIGIOUS PERSECUTIONS IN MEXICO

Mr. BORAH submited the following resolution (S. Res. 70), which was referred to the Committee on Foreign Relations:

Whereas serious antireligious outbreaks have occurred in Mexico under the regime of the National Revolutionary Party now in control of the Government of Mexico; and

Whereas the persecutions of Christians of all faiths now being practiced in Mexico have aroused indignation and protest throughout the civilized world; and

Whereas American citizens of the Christian faiths have been outraged and reviled, their homes invaded, their civil rights abridged, and their lives placed in jeopardy; and

Whereas the vindictive antireligious policy of the present Mexican Government has arbitrarily and unwarrantably restricted the number of ministers, priests, and rabbis permitted to officiate in some States within the boundaries of Mexico and has in other States entirely forbidden and prohibited the ordinary spiritual ministrations of clergymen of all creeds, thus resulting in the complete denial of the right of the people to practice the religion of their own choosing; and

Whereas it has been the national policy of the Government and the dominant Revolutionary Party of Mexico to discourage religious profession and obliterate religious worship; and

Whereas the present Mexican Government prohibits the time-honored practice of private religious instruction and education of children and compels parents as an only alternative to ignorance to educate their children in schools teaching hostility to orthodox religion; and

Whereas such antireligious activity in Mexico is contrary to the traditions of freedom of conscience and liberty of religious worship, which are the cherished attributes of all civilized governments; and

Whereas many distinguished leaders of the Protestant, Jewish, and Catholic faiths, as well as outstanding religious and interdenominational organizations and societies, have emphatically denounced and registered protest against such policies of the present Government and Mexico; and

Whereas the Government of Mexico has even encouraged an economic boycott against those sincerely professing and practicing the Christian religion; and

Whereas Christian residents of Mexico who complain of such intolerance are flagrantly mistreated and abused: Now, therefore, be it

Resolved, That the Senate of the United States deems it fitting and proper to protest the antireligious campaign and practices of the present rulers of Mexico; and that it views with the gravest concern such ruthless persecution of helpless men and women who have become the innocent victims of antireligious persecution; be it further

Resolved, That it strongly condemns the cruelties and brutalities that have accompanied the campaign of the present Mexican Government against the profession and practice of religious beliefs by our nationals of all religious faiths now domiciled in Mexico; be it further

Resolved, That it calls upon the Government of Mexico in the name of humanity to cease denying fundamental and inalienable rights to those of our nationals who may be resident in Mexico regardless of religious convictions; and be it further

Resolved, That the Committee on Foreign Relations of the United States Senate, or a subcommittee thereof, be authorized to conduct hearings and receive such evidence as may be presented relating to religious persecution and antireligious compulsion and agitation in Mexico for the purpose of determining the policy of the United States in reference to this vital problem and in what way we may best serve the cause of tolerance and religious freedom.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

REPORT OF THE GOVERNOR OF PUERTO RICO

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Territories and Insular Affairs:

To the Congress of the United States:

As required by section 12 of the act of Congress of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes", I transmit herewith for the information of the Congress the Thirty-fourth Annual Report of the Governor of Puerto Rico for the fiscal year ended June 30, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 31, 1935.*

FARM CREDIT ACT OF 1935

The Senate resumed the consideration of the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricul-

tural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Costigan	La Follette	Reynolds
Bachman	Couzens	Lewis	Russell
Bailey	Cutting	Logan	Schall
Bankhead	Davis	Lonergan	Schwellenbach
Barbour	Dickinson	Long	Sheppard
Barkley	Dieterich	McCarran	Shipstead
Bilbo	Donahey	McGill	Smith
Black	Duffy	McNary	Steiwer
Bone	Fletcher	Maloney	Thomas, Okla.
Borah	Frazier	Metcalf	Thomas, Utah
Brown	George	Minton	Townsend
Bulkley	Gerry	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norbeck	Wagner
Capper	Harrison	Norris	Walsh
Caraway	Hatch	Nye	Wheeler
Carey	Hayden	O'Mahoney	White
Clark	Johnson	Pittman	

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines on business of the Senate, and that the senior Senator from Delaware [Mr. HASTINGS] is necessarily detained.

Mr. LEWIS. I announce the absence of the Senator from New York [Mr. COPELAND] and the Senator from Arkansas [Mr. ROBINSON], who are necessarily detained; the absence of the Senator from Louisiana [Mr. OVERTON], caused by illness; and I reannounce that the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. MCADOO], and the Senator-elect from Tennessee [Mr. MCKELLAR], members of the Philippine Commission on the part of the Senate, have not as yet returned.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

The clerk will read the bill.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on Banking and Currency was, on page 2, line 6, after the word "additional", to strike out "purposes" and insert "purpose", so as to read:

(b) Such section 32, as amended, is further amended by striking out the fifth sentence and inserting in lieu thereof the following: "Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

The amendment was agreed to.

The next amendment was, on page 2, line 14, after the word "section", to insert "(1)"; in line 15, after the word "any", to strike out "individual" and insert "person"; and in line 20, after the word "farmer", to insert:

(2) the term "person" includes an individual or a corporation; and (3) the term "corporation" includes any incorporated association, but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by persons actually engaged, or shortly to become engaged, in the cultivation of the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if a majority of the stock of the corporation is so owned, and (B) unless all the stockholders of the corporation assume personal liability for the loan.

So as to read:

(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: "As used in this section, (1) the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations, and includes a personal representative of a deceased farmer; (2) the term 'person' includes an individual or a corporation; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by persons actually engaged, or shortly to become engaged, in the cultivation of the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if a majority of the stock of the corporation is so owned, and (B) unless all the stockholders of the corporation assume personal liability for the loan."

Mr. KING. Mr. President, I should like to ask the chairman of the committee whether the amendment last stated enlarges the existing law and gives to corporations authority which under present laws they do not have?

Mr. FLETCHER. Mr. President, it does, to a certain extent. The present law limits the eligibility of applications to persons actually engaged in agricultural pursuits or farming. There have been, in some instances, corporations formed whose stockholders are people actually engaged in agricultural pursuits but who take the name of a corporation. Under the present law such a corporation is ineligible to make application for a loan. Where individuals form a corporation and own the entire stock of the corporation and the corporation takes the place of the individuals in actually operating farms or engages in stock raising or anything of that sort, this amendment would authorize the corporation to make application when it is engaged exclusively in agricultural pursuits and if it is operated by individuals who own the stock and the individuals themselves become personally liable on the obligation to the bank. They are required to endorse the note or otherwise individually become responsible in addition to the responsibility of the corporation, in circumstances where the corporation is owned by individuals who actually operate the farms. It is an enlargement of the measure to that extent to make eligible corporations owned and operated by individuals and where the individuals become liable.

The Senator from Wyoming [Mr. CAREY] is familiar with the situation and perhaps can explain it further.

Mr. CAREY. Mr. President, I offered the amendment for the reason that in the Western States most of those engaged in the livestock business transact their business as corporations. Consequently, they have been unable to borrow on their lands under the Farm Loan Act. I offered the same amendment to the bill which passed the Senate last year.

If the Senator from Utah will read the amendment as offered, he will note that the owners of the corporation must be actively engaged in the business themselves, must be engaged in agricultural pursuits. It does not contemplate that one farmer or stock raiser can own stock in the corporation with others not taking an active part in the business. All must be actively engaged in agriculture or stock raising.

The amendment further provides that the paper must be endorsed by all members of the corporation.

As I have explained, in the West most of the people engaged in the livestock business incorporate as an aid to their methods of transacting the business. These are not large corporations. Many of them have capital as small as $5,000.

I think the amendment protects the administration in every way due to the fact that all the members of the corporation must themselves be actually engaged in the business.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. CAREY. Certainly.

Mr. KING. I received a communication a short time ago with reference to this particular feature, although it was not anticipated it would appear in this bill. In that communication it was complained that a large number of corporations, ostensibly agricultural in character, were taking over farm lands and operating them, the criticism being that measures of this kind would tend to increase the number of corporations organized for agricultural purposes and thus diminish the number of real agriculturists, or "dirt farmers", to use an expression we so often hear.

Mr. CAREY. I do not think that would be the effect of it. The restriction in the bill limiting the amount of loans to $50,000 would apply in those cases just as in the case of other loans.

Mr. O'MAHONEY. Mr. President, may I also suggest that this proposal is very well safeguarded and that a corporation which would be likely to drive the small farmer out of business would not be of the type of corporation that would be seeking or would obtain a loan from the Farm Credit Administration.

Mr. BARKLEY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. Certainly.

Mr. BARKLEY. If I understand the object, it is to allow cooperative organizations, composed of actual farmers, which are incorporated under the laws of the State to borrow in the name of the corporation.

Mr. O'MAHONEY. They would be included.

Mr. BARKLEY. All members of the corporation are compelled to endorse the obligation personally.

Mr. O'MAHONEY. Yes.

Mr. BARKLEY. So there is no real danger that this will be apt to bring about the making of loans to private corporations promiscuously.

Mr. O'MAHONEY. I think the Senator is right.

Mr. FRAZIER. Mr. President, I am not satisfied with the amendment. I do not know so much about the stock business in some of the Western States, but in the Middle West we have a great many farms that have been foreclosed by bankers or loan companies or insurance companies. They are organizing what they call corporation farms. It seems to me this provision would be just for their benefit. It gives them a chance to form corporations even though they intend to be engaged in farming in the future. A group of insurance men or bankers, under the measure, as I understand it, could form a sort of tentative corporation, apply for a loan, or set up a farm-loan association, as is provided for later in the bill, and then foreclose on individual farms and take them over and finance them through the land banks. It seems to me it is contrary to the whole spirit of the Land Bank Loan Act.

Mr. CAREY. Mr. President, I should like to invite the attention of the Senator from North Dakota [Mr. FRAZIER] to the fact that the amendment as drawn provides that loans shall not be made to corporations unless all the stock in the corporation is owned by persons actually engaged or shortly to become engaged in the cultivation of a farm. I think that means unless the stock owners themselves are actually farming they could not borrow under the terms of the amendment. It would not be possible under the amendment for a group of men to organize simply to buy up lands. They must operate the lands and actually be farmers themselves.

Mr. FLETCHER. In addition to that they have to become obligated individually.

Mr. FRAZIER. Yes; that part is all right, but that does not relate to the situation which I am discussing. The corporation farms we have in the wheat States, for instance, are undoubtedly a detriment to the individual farmer and tend to put him out of business; because, through their corporations, by cooperative buying and selling, they can farm more cheaply than can the individual farmers. This, it seems to me, would enable them to take advantage of the Farm Loan Act in borrowing money to finance themselves and to strengthen their organizations. It is provided at some place in the bill that they may be engaged either in actual farming themselves or be represented by an agent or tenant. It seems to me that is absolutely contrary to the spirit of the Farm Loan Act.

Mr. CAREY. I should like to ask the Senator where it is provided that they may be represented by an agent.

Mr. BARKLEY. That refers to the actual operation of a farm. It has no relationship to the borrowing of money.

Mr. FRAZIER. The man interested in the land and the ownership of the land borrows the money because he has a tenant or agent operating the farm.

Mr. BARKLEY. That might apply to any man who has been a farmer all his life. He might be fortunate enough to have two farms, one of which he is operating by an agent or tenant and the other of which he is operating himself.

Mr. FRAZIER. The agents are not defined as farmers under the old law, or were not so defined until the amendment was slipped into the act during the last session.

Mr. BULKLEY. The limitation on the stockholders of the corporation is—

> Unless all of the stock of the corporation is owned by persons actually engaged, or shortly to become engaged, in the cultivation of the farm to be mortgaged as security for the loan.

That does not contemplate a tenant or agent. It applies only to individual loans and has no reference to the corporation loans the Senator is discussing.

Mr. MURPHY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. FRAZIER. I yield.

Mr. MURPHY. I should like to ask the Senator from Ohio to define when an individual is engaged in farming. If I own a farm and operate it through a tenant, would he say I am engaged in farming?

Mr. BULKLEY. If the Senator is asking me, I would say I do not think so. I do not agree with the limitation already in the law. I think the first part is bad, but it is the existing law. What I am calling attention to is that the criticism does not apply to the amendment of the Senator from Wyoming.

Mr. CAREY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. CAREY. Is it not a fact that the law itself makes it necessary for a man to live on a farm in order to get a loan?

Mr. BULKLEY. It does not now. The original act did; but the law as it now stands does not make that requirement.

Mr. CAREY. I was not sure of that.

Mr. MURPHY. May I ask the Senator where that omission occurs in the proposed act?

Mr. BULKLEY. The first part of the text is existing law, in lines 14, 15, and 16:

> The term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant.

That is not new law.

Mr. MURPHY. No.

Mr. BULKLEY. But it was not in the original Farm Loan Act.

Mr. MURPHY. But it is existing law?

Mr. BULKLEY. It is. That qualification, however, does not apply to the amendment offered by the Senator from Wyoming down below, because the stock of the corporation has to be owned by persons actually engaged in farming, not through an agent or tenant.

Mr. FRAZIER. This definition of "farmer" would apply to the members of the corporation just the same as to anyone else, as I understand.

Mr. BULKLEY. No; I think not, because this is a limitation that—

> No such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by persons actually engaged—

And so forth.

Mr. FRAZIER. But it gives a definition of a farmer here under the same section, and says that that is the definition for this section.

Mr. BULKLEY. Yes; but this is a limitation on the loan that can be made to the corporation. A corporation is defined as being a farmer, which seems rather extraordinary; but there is a limitation following that which says that even if it is a farmer it cannot get a loan unless this other requirement is met.

Mr. O'MAHONEY. Mr. President, will the Senator from Ohio give me his attention for just a moment?

Mr. BULKLEY. Certainly.

Mr. O'MAHONEY. I believe that his statement is altogether correct. There are two limitations here. The first is contained in lines 16 and 17, where "farmer" is defined.

Will the Senator from North Dakota give me his attention for a moment?

Mr. FRAZIER. Certainly.

Mr. O'MAHONEY. There are two definitions here. One is contained in lines 16 and 17, in which farmer is defined as a person—

Engaged in farming operations, either personally or through an agent or tenant.

Mr. FLETCHER. That is the present law.

Mr. O'MAHONEY. That is the present law. The amendment suggested by my colleague [Mr. CAREY] narrows that definition when it applies to a corporation, but prescribes clearly that the loan shall not be made unless—and the language is found in lines 23 and 24—

All the stock of the corporation is owned by persons actually engaged * * * in the cultivation of the farm.

That means just what it says, "actually engaged", and not by means of a representative or an agent.

Mr. FRAZIER. What is meant by the words?—

Or shortly to become engaged.

Mr. O'MAHONEY. I think that language might very well be stricken out.

Mr. BARKLEY. Does not that include the young man who is just getting ready to buy a farm?

Mr. FRAZIER. Yes; and then, after he gets the loan, he may change his mind and not buy it.

Mr. BARKLEY. That is his business.

Mr. FRAZIER. Of course it is his business; but I do not like that provision of the bill.

Mr. MURPHY. The question still remains as to when a person is engaged in farming.

Mr. BARKLEY. It might apply to many people who have gone from the farm into the city and may desire to go back to the country to acquire farms and become farmers. They are not actually engaged in farming now; but if they are shortly to become engaged in it, they certainly would be included within that definition.

Mr. MURPHY. Would it not meet the objection which is in the Senator's mind and is in my mind, as clearing up the question of when a person is engaged in farming, if we should amend this amendment to read?—

Owned by persons resident on and actually engaged, or shortly to become resident on and engaged, in the cultivation of the farm to be mortgaged.

We have very lively reasons for viewing with apprehension any extension of borrowing powers to members of corporations, because of the constantly increasing tenancy throughout the agricultural belt. We hope to make it unprofitable for corporations to hold land. We want to fight tenancy as much as possible. We want to extend the borrowing function to every person legitimately engaged in agricultural pursuits; and I am willing, so far as I am concerned, to make that extension to the individuals comprising corporations sought to be covered by this amendment. On the other hand, I do want to safeguard against the encouragement of absentee landlordism by leaving no room for question as to when a person is engaged in farming; and, to my mind, we could help in that by making residence necessary.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. FRAZIER. I yield to the Senator from Kentucky.

Mr. BARKLEY. Under the present law, residence is not required in order to make a farmer eligible for a loan. I sympathize in the main with the idea of the Senator from Iowa. I should be the last man in the world to want to liberalize the law so as to enable a lot of corporations that have bought up lands, or that are absent landlords, to make loans.

Mr. FRAZIER. Corporations that have foreclosed on lands.

Mr. BARKLEY. But let us suppose that a corporation is organized by men who are now eligible for individual loans. They may be able, through that corporation, to buy equipment for the use of all of them in a sort of cooperative way. Do we want to limit this provision so as to require those men, who are not now required to do so, to live on the particular farm upon which a loan may be made?

Suppose I am a farmer, and I have two farms. I live on one of them and I do not live on the other. The other one is cultivated by a tenant. Under the law now I am eligible to borrow money on a farm which is operated by a tenant; but if the limitation suggested by the Senator should be put in I could not, as a member of a corporation, and the corporation itself could not, borrow money on the farm on which I do not happen to live, but which I do cultivate through a tenant or agent.

Mr. MURPHY. Without that safeguard—the provision of residence on the farm—I should have to oppose the amendment. The present law does not open that danger.

Mr. BULKLEY. Mr. President, why does not the Senator propose to strike out the language beginning in line 17, "either personally or through an agent or tenant"? It seems to me that is the part to which he is objecting.

Mr. MURPHY. No; I am willing to extend the borrowing power to a tenant.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from North Dakota yield to the Senator from Oregon?

Mr. FRAZIER. I am glad to yield.

Mr. McNARY. This plan of procedure is in violation of the practice of the Senate. Senators should remain in their places. No one knows what is going on outside of three or four Senators who have absented themselves from their places. I protest against the present situation.

The PRESIDING OFFICER. The Senate will be in order.

Mr. O'MAHONEY. Mr. President——

Mr. FRAZIER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I call the attention of the Senator from Iowa [Mr. MURPHY] to what I am about to say.

In lines 17 and 18, on page 2, the word "farmer" is given a broader definition than that which it would ordinarily have. It was given that definition apparently for the express purpose of allowing tenants of individual landowners to become the beneficiaries of the act. Without that broadening influence, a loan could not be made on a farm which was occupied by a tenant.

The amendment offered by my colleague Mr. CAREY takes away the broadening definition in the case of corporations and restricts the power to loan to persons who are actually engaged in the operation of the farm. I think there can be no doubt about that construction.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Florida?

Mr. FRAZIER. Yes.

Mr. FLETCHER. Would it meet the Senator's objection, and would he be satisfied, if we should strike out the words in lines 24 and 25, "or shortly to become engaged"? Suppose we struck out those words; would that satisfy the Senator from North Dakota?

Mr. FRAZIER. Mr. President, I think that would help a good deal, but it would not meet all my objections to this amendment. I should like, however, at least to see those words struck out, "or shortly to become engaged."

Mr. BARKLEY. Mr. President, if the Senator will yield there, would that eliminate the possibility of a loan being made to any man who had ceased to be a farmer for a year or two, or for a few years, but who desired to go back in the country and buy a farm? Assume that such a man is not now actually engaged in farming, but he desires shortly to become engaged in farming by the acquisition of a farm. Would the striking out of those words eliminate him from the possibility of becoming a member of any agricultural corporation which is intended to be permitted here and bar him from any participation in the benefits of this amendment?

Mr. FRAZIER. Under the present law, there is no provision for the purchase of land.

Mr. BARKLEY. I know; but this amendment makes it possible for somebody who intends to buy land for farming purposes to go into an agricultural corporation which may borrow money under this amendment.

Mr. CAREY. Mr. President, this particular part of the bill applies only to corporations. Striking out those words "shortly to become" would prevent a group of men organizing to buy up farm lands through a corporation; and I think it would remove the objection of the Senator from North Dakota, who brought up the point that possibly insurance companies or others might organize and buy up large tracts of land and borrow under this measure. In fact, they could not borrow, because they would not be actually engaged in farming; but I think such an amendment would remove that objection.

I desire to say further as to the reason for this measure that in the West nearly all the stockmen incorporate their business. They do it for the reason that the stock business often requires more than one man to look after it, and in order to get away from partnerships, which cause a great many difficulties. Under the Farm Act, men engaged in the livestock business who are incorporated may not borrow a cent on their land. Many of these men are today in a desperate situation. They are denied the privilege of borrowing which the individual farmer has.

My purpose in offering this amendment is so that those men may have relief. They are not large corporations. Most of them are small. Some of them, as I have said, have a capital of not over $5,000, or perhaps $10,000. This is not proposed to permit some large corporation to borrow from the Government, but it is meant chiefly to help smaller men who are engaged in the livestock business.

I think all Senators know the difficulty of operating under a partnership, particularly if something happens to one partner or the other; and the reason why these men incorporate is because it is an easy method of doing business.

Mr. FRAZIER. Mr. President, I think cutting out the phrase "shortly to become engaged" would help this amendment a great deal. I hope that may be done; but a little higher on the same page, in line 16, the same expression is used. I desire to ask the chairman of the committee if the language in line 16 is a part of the present law.

Mr. FLETCHER. Yes; that is the present law.

Mr. FRAZIER. That was the law as amended at the last session of Congress?

Mr. FLETCHER. Yes.

Mr. FRAZIER. That was not in the original act, I know.

Mr. FLETCHER. In the Emergency Farm Organization Act; yes.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. I am glad to yield.

Mr. KING. A moment ago I mentioned the fact that I had received communications protesting against any measure that would go to the extent contemplated in the amendment now under consideration. One of the communications which I received invited attention to the fact that in a certain State where there are large sugar interests—not my own State, may I say—many of the farm lands were being purchased by sugar corporations or subsidiary organizations; and they fear that, little by little, big corporations would acquire agricultural lands and grazing lands, and we would develop a tenant class of farmers and agriculturists instead of an independent class of agriculturists such as we must have if our country is to be prosperous and our institutions are to be preserved. I was wondering whether the Senator's attention had been challenged to that supposed menace based upon the alleged facts to which I have referred.

Mr. FRAZIER. Mr. President, I appreciate the remarks of the Senator from Utah, and will say that in North Dakota, and others of the wheat-growing States, at least, insurance companies or banks have had mortgages on large numbers of farms. In many instances they have foreclosed upon them, and this would give them an opportunity to organize into a corporation and have some of their men operate those farms.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. O'MAHONEY. May I ask the Senator whether this suggestion would meet the difficulty which he apprehends: At the end of the committee amendment on page 3, line 5, add language substantially as follows:

Provided, That lands occupied by any agent or tenant of a corporation shall not be eligible to a loan.

Mr. FRAZIER. I think that would improve the amendment.

Mr. O'MAHONEY. If that meets with the approval of my colleague, I suggest that amendment to the amendment.

Mr. CAREY. I accept that amendment.

Mr. FLETCHER. How can a corporation operate an agricultural business if it does not have an agent or someone occupying the land?

Mr. O'MAHONEY. It can do it by stockholders, and that is the object of the senior Senator from Wyoming—the stockholders will operate the ranch.

Mr. KING. Mr. President, will the Senator from North Dakota yield?

Mr. FRAZIER. I yield.

Mr. KING. May I, in the Senator's time, ask my friend the junior Senator from Wyoming [Mr. O'MAHONEY] whether the proposed amendment to the amendment which he has just suggested reaches the point which has been adverted to recently, namely, the increase of corporate ownership not only of dairy lands and agricultural lands generally but of grazing lands, to the exclusion and ultimately the driving out of some sections of the small farmer, the small stockraiser, the small dairyman? In other words, does it deal with corporations at all or restrict them in the acquisition of lands?

Mr. CAREY. Mr. President, may I answer that question?

Mr. FRAZIER. I yield.

Mr. CAREY. I should like to say that the Farm Loan Act itself restricts loans to $50,000. That amount an individual can now borrow, and I do not think any corportion would be enabled, merely by a loan of $50,000, to acquire great tracts of land. They might acquire some land, it is true, but the amount which could be acquired under this measure would not aid a sugar company, say, in acquiring a whole district of beet lands.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. FRAZIER. I yield.

Mr. SHIPSTEAD. If there is a limitation on loans of $50,000, I should like to ask whether under this bill there would be any danger of insurance companies and large corporations having large blocks of land on which they have taken mortgages forming subsidiary companies, so as to comply with the $50,000 loan limitation to any one corporation; and borrow money on the land for the purpose of unloading on the Federal land banking system the land they have acquired through mortgages? Is there a possibility that they could transfer the land and get the money and so unload upon these banks?

Mr. O'MAHONEY. Mr. President, if I may answer the Senator, I should say that there is absolutely no danger such as he describes, because this amendment provides distinctly, in line 23, that the loans shall not be made "unless all the stock in the corporation is owned by persons actually engaged" in the operations. Obviously an insurance company could not organize a subsidiary corporation all of the stock of which would be owned by the persons actually engaged on the farm or on the ranch. Furthermore, the amendment which I have suggested would certainly prevent all possibility of any danger such as the Senator fears.

Mr. SHIPSTEAD. Will not the Senator please read the suggested amendment again?

Mr. O'MAHONEY. Certainly. It is as follows:

Provided, That lands occupied by any agent or tenant of a corporation shall not be eligible to a loan.

Mr. FRAZIER. The senior Senator from Wyoming [Mr. CAREY] accepts the proposed amendment. I should like to ask the chairman of the committee whether he will accept it.

Mr. FLETCHER. I think that would be all right. I accept it.

Mr. FRAZIER. Then, would there be any objection to cutting out that phrase in lines 24 and 25, at the bottom of page 2, "or shortly to become engaged"?

Mr. FLETCHER. I do not think that language is dangerous as it is, but I am willing to accept that amendment.

Mr. FRAZIER. It seems to me that should be cut out, also, if that is satisfactory to the author of the bill.

Mr. CAREY. It is.

Mr. O'MAHONEY. Mr. President, will the Senator from North Dakota yield to me?

Mr. FRAZIER. I yield.

Mr. O'MAHONEY. May I direct the attention of the chairman of the committee and of my colleague to the language in line 25, page 2? After the word "engaged" the words "in the cultivation of the farm" appear. I should like to ask my colleague whether it would not be safer to insert after the word "of" this language: "or the raising of livestock on", and so forth? Is there not a danger under this language, that "cultivation of the farm" might be interpreted to exclude stock raising?

Mr. CAREY. I think so. I wonder whether the word "operation" would be the proper word.

Mr. O'MAHONEY. Yes.

Mr. FLETCHER. "Cultivation or operation."

Mr. CAREY. "Cultivation or operation", yes.

Mr. O'MAHONEY. Then, I move that the language in line 25, after the word "engaged", be changed to read as follows: "in the cultivation or operation of or the raising of livestock on the farm to be mortgaged."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wyoming.

Mr. FLETCHER. Mr. President, may I inquire of the Senator from Wyoming whether he means, in his amendment, to strike out the words "or shortly to become engaged", and to insert?

Mr. O'MAHONEY. The amendment striking out the words "shortly to become engaged" was adopted by agreement of the chairman of the committee and the senior Senator from Wyoming, as I understood.

Mr. FLETCHER. I do not know whether the RECORD shows it was adopted or not. We are talking about the amendment on page 2, line 25.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wyoming to the amendment on page 2, line 25.

Mr. McNARY. Mr. President, we would have a better idea of what was going on if the clerk would report amendments proposed, so that they could be heard, and we might have a little better order.

Mr. FLETCHER. Now, the Senator from Wyoming offers his amendment at the end of line 5, page 3.

Mr. O'MAHONEY. At the end of line 5, on page 3.

Mr. FLETCHER. I have no objection.

The PRESIDING OFFICER. The amendment under consideration is the one proposed on line 5, page 3. The clerk will report the amendment.

Mr. O'MAHONEY. I will read the amendment again. I propose to insert the words—

Provided, That lands occupied by any agent or tenant of a corporation shall not be eligible to a loan.

Mr. FLETCHER. That does not apply to individual loans?

Mr. O'MAHONEY. Not at all.

Mr. FLETCHER. It applies only to corporation loans.

Mr. TRAMMELL. Mr. President, I suggest that the amendment be reported as amended by the amendments offered by the different Senators.

Mr. BARKLEY. The amendment has not been amended. There are amendments in different places suggested, but they are not amendments to this amendment.

Mr. TRAMMELL. I thought they were amendments to the amendment on page 2.

Mr. BARKLEY. That is a different amendment.

The PRESIDING OFFICER. The clerk will report the pending amendment.

The CHIEF CLERK. It is proposed, on page 3, line 5, after the word "loan" and before the period, to insert a colon and the following words:

Provided, That lands occupied by any agent or tenant of a corporation shall not be eligible to a loan.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment proposed on page 2, line 25, by the Senator from Wyoming [Mr. O'MAHONEY], which will be stated.

The CHIEF CLERK. On page 2, line 25, after the word "cultivation", it is proposed to insert the words "or operation", and after the word "of" to insert the words "or the raising of livestock on", so as to read:

Engaged, in the cultivation or operation of or the raising of livestock on the farm to be mortgaged as security—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] on page 2, line 25. Without objection, the amendment to the amendment is agreed to.

The question is on agreeing to the amendment as amended.

Mr. FRAZIER. Mr. President, it was agreed to strike out the phrase on lines 24 and 25, page 2, "or shortly to become engaged." I offer that amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 2, lines 24 and 25, after the word "engaged", in line 24, it is proposed to strike out the words "or shortly to become engaged."

The PRESIDING OFFICER. The question is on the amendment to the amendment proposed by the Senator from North Dakota [Mr. FRAZIER].

The amendment to the amendment was agreed to.

Mr. FLETCHER. Mr. President, I call attention to a misspelled word on page 3, line 4. After the word "assume" appears the word "personel." That should be "personal." I offer that amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 3, line 4, it is proposed to correct the word "personel" to read "personal", to strike out the "e" and insert in lieu thereof the letter "a."

Mr. FLETCHER. It should be "personal."

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to.

Mr. KING. May I inquire of the chairman of the committee if the provision found in lines 17, 18, and 19, namely, "either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations," will not permit or encourage, if this language is retained, the development of absentee landlord ownership? As I interpret it, farms may be acquired by persons or corporations in States remote from where the lands are situate.

Mr. FLETCHER. Mr. President, I will say the language the Senator refers to is in the present law—it is in the law now—and it is not operating in the way he suggests; it has not been found to encourage absentee-landlord ownership or any harmful effects. The law has been operating very satisfactorily.

Mr. KING. Mr. President, the mere fact that the language is found in the existing law should not be regarded as proof conclusive that it should be retained. I am inclined to think that if we should repeal many of the laws which we have enacted, and modify materially the remainder because

of the blunders and mistakes which have resulted therefrom, the country would be benefited.

I have no doubt, Mr. President, from the knowledge which I have, which is not so extensive, of course, as that of some other Senators, that absentee landlordism is increasing in the United States, and the holdings of the so-called "small farmer" are being diminished.

In a neighboring State to that in which I live one individual owns and operates perhaps the largest wheat farm in the world; and my information is that corporations and partnerships are acquiring large areas of farming and grazing lands, the result being that the number of active farmers is being reduced.

Mr. BARKLEY. That tendency, however, has not been due to the language in the present act, which has operated for 20 years without the development or the increase in what we term "absentee landlordship." I agree fully with the premise of the Senator from Utah, but I do not believe that we ought to strike out this language, which has operated successfully and fairly for 20 years. It was in the original act when Congress passed it in 1916. It has enabled real farmers, whose whole life has been spent in agriculture, to borrow money on a farm upon which there is a tenant which is cultivated by a tenant. I have illustrated that this morning a time or two by citing a man who owns two farms, lives on one of them, and has a tenant cultivating the other. If we strike out that language, he could not obtain a loan on a farm on which he himself does not reside, although he has not been engaged in anything in his life except agriculture. I do not think it tends to the evils that the Senator refers to.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. FLETCHER. May I say to the Senator that, of course, in the administration of this act the administration looks first to the application made from a credit standpoint. If they find an owner who is absent from the farm and neglects it, is not attending to it, they will not make him a loan. They are not obliged to make him a loan simply because he may be eligible, but they take into consideration, in giving the loan, whether he is giving attention to his farm and keeping it up and operating it properly.

Then these questions arise. Here is a man, for instance, in Iowa, or in some other State, who gets to be 75 or 80 years old and who has grown sons. He would like to retire from the active operation of his farm. He would like to go to Florida, for instance, for his winters. This act would enable him to leave his farm in the hands of his sons, to be operated by them, the title to remain in him, but he has practically retired. The farm, however, is being kept up by his sons, for instance. That is one of the cases in which this law would apply, and it seems to me that it is perfectly proper that it should apply in such a case, because he is not an absentee landlord in any sense. The people who will inherit the farm operate it while he is temporarily absent. The sons will live on the farm and operate it, and he quits active work.

Mr. KING. Mr. President, we are influenced, in part at least—and perhaps that is a wise attribute of human nature—by hereditary transmissions. My mother having come from Ireland, and knowing a little of Irish history, I cannot help but remember the great evils that resulted from absentee landlordism, and I should regret to see in the United States independent, self-reliant, bona fide farmers driven from their farms through the acquisition of agricultural lands by great corporations or by individuals of great wealth whose purpose was to engage in agricultural production on gigantic scales. I was in the New England States a number of years ago, and I discovered that hundreds of farms, which had been privately and individually owned and operated, have been acquired by corporations. I found that many small farmers had been driven out, had gone into the cities, had left the homes of their fathers and the homes which they had occupied for many years.

I saw large holdings aggregating several thousand acres which formerly had been divided among a number of farmers. This centralizing, consolidating movement, Mr. President, finds expression in many agricultural sections. I raise my voice in protest against any policy which will be destructive of the independent farmer or which will tend to the consolidation and ownership of lands in the hands of a limited number of individuals or in the hands of corporations.

I am not so sure that we ought not to amend lines 17, 18, and 19 to which I have called attention, which would further, if possible, prohibit the development of the landlord system through the operation of a tenancy system or through the operation of large corporations.

I have not offered the amendment to the lines to which I have called attention, but may do so later.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. HATCH. I was going to inquire of the Senator during his remarks if he had observed the large holdings of wheat lands in the Western States, thousands and thousands of acres being farmed by a very small group of people. Was that the condition to which the Senator was referring?

Mr. KING. May I say to the Senator that I had that in mind when I referred to the fact that in a State not very far distant from the State in which I have the honor to live there is one individual—he may envelop himself in a corporation, I am not sure—who holds a large area of land devoted to the production of wheat. I know that in other States many of the wheat lands are being acquired by corporations and by individuals; and so, little by little, Mr. President, the independence of the farmer is being lost by the invasion of corporations or powerful individuals with their large holdings.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 2.

Mr. COUZENS. Mr. President, this bill was heard in the committee on the 29th of January, and after the hearings were over, before they were printed, the bill was reported to the Senate. There were many members of the committee who were not able to be present because of meetings of the Finance Committee and the Interstate Commerce Committee and also the Appropriations Committee. I am wondering whether the chairman of the committee—I dislike to question his judgment—would not be willing to have this bill go back to the committee for further consideration?

I frankly am ashamed of the fact that when Senators ask me about the bill on the floor I have to say I know nothing about it, although I am in the record of the committee counted as being present in order to make a quorum, when, as a matter of fact, I was not at the meeting. I think the chairman of the committee would facilitate matters if he would let this bill go back to the Banking and Currency Committee for further consideration.

Mr. STEIWER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oregon?

Mr. COUZENS. I yield.

Mr. STEIWER. I wish to supplement what the Senator from Michigan has said. A number of members of the Committee on Banking and Currency—I think seven of them altogether—were in attendance at the meeting of the Committee on Appropriations, giving consideration to the very important relief measure to which we refer as the "$5,000,000,000 bill." Word came over to the committee as to whether we could attend the meeting of the Banking and Currency Committee. We felt it was our duty to remain with the Appropriations Committee, and I think all the Members to whom I have referred did remain with the Appropriations Committee. The understanding, as I gathered at the time, was that the Banking and Currency Committee could count us present for the purpose of a quorum. It was certainly my understanding that the bill would not be reported.

I do not criticize the chairman of the committee; I do not want these brief words to be construed as criticism of anybody; but I believe there has been a misunderstanding and that it would be more satisfactory to all concerned if the bill should go back to the committee, there to be given the further consideration which it deserves. So I am happy to supplement what has been said by the Senator from

Michigan and to join in the request which he has made of the chairman of the committee.

Mr. SMITH. Mr. President, I want to make a brief observation, as I am compelled to be out of the Chamber for a while. I think this bill ought to be recommitted because of its vital importance to the agricultural interests of this country; but I want to take this occasion to say that, while we were setting up the intermediate land banks, it was all right for a bill of that character to go to the Banking and Currency Committee in order to formulate the machinery, when a bill such as this, the provisions of which affect intimately the farmers of this country, inasmuch as the land banks are already functioning for their benefit, came before us, I think it should have gone to the Agricultural Committee, because it is solely devoted to the interests of the actual producer. As it has already been reported, I do not want to insinuate that the Committee on Banking and Currency is not as competent to take care of the interests of the farmer as is the Agricultural Committee, but in the case of the latter committee there has certainly been selected a personnel which is presumed to be peculiarly fitted to discharge its functions. We put lawyers on the Judiciary Committee, bankers, or those who may "make an assault with intent to be bankers", on the Banking and Currency Committee, and those who are more nearly related to agriculture on the Agricultural Committee. Yet a bill, the very essence of which is agricultural and for the benefit of the farmers of this country, goes to the Banking and Currency Committee. It does seem to me that a bill of this character should have gone to the Committee on Agriculture and Forestry.

As I understand, a number of members of the Banking and Currency Committee were so busily engaged in discussing the small sum of $4,800,000,000, mere "pocket change", which they are about to dedicate to the country, that they did not have time to give consideration to the pending measure. I can understand how a little bill like this should appear to them temporarily to be of no concern; but it is of the greatest concern to the agricultural interests of the country, and I think it is entitled to careful consideration before the committee so that those who are really more particularly interested than some others, perhaps, may go before the committee and express themselves, and so that when the bill comes here Senators will be thoroughly advised or certainly a sufficient number of members of the committee and others will be sufficiently advised to talk intelligently about the measure.

I have gone to members of the committee this morning and asked them about certain provisions of the bill. Their reply has been, "Oh, no, I never saw it before." Yet, although it involves millions of dollars, and involves our policy of financing agriculture, it was reported to the Senate. It seems to me that it might be a wise and a prudent thing for us to let the bill go back to the committee; and to ask some of us who are interested if they will do us that courtesy—if it be a courtesy—to come before them and express our opinions. I make that suggestion.

Mr. BARKLEY. Mr. President, the question raised by the Senator from Michigan [Mr. COUZENS] is one that bothers us all the time. Those who are members of three or four committees—and the Senator and I are members of the Banking and Currency Committee, the Finance Committee, and the Interstate Commerce Committee—as a rule, have to choose between two or three committees that are in session at the same time. Senators know that the Finance Committee is now engaged in daily hearings on the so-called "security bill"; so that probably for the last month we will have to make the same choice. It is not a thing that can be helped; I realize that; members of any committee are at a disadvantage when they are trying to follow consecutively one bill before a committee and at the same time trying to keep in touch with measures before other committees considering other legislation in which they are interested. But I do not believe, if the chairman of the committee will permit me to say so, as one member of the Banking and Currency Committee, that it would be disadvantageous for this bill to go back to the committee, so as to give anyone who wants it an opportunity to seek further information in the committee. We are scheduled to adjourn over until Monday, and that will give, if the committee so desires, an opportunity for any Member in the Senate to go there this week or at some other time. As I understand, there is no particular haste about getting this bill through. That is only my request as a member of the committee.

Mr. COUZENS. Mr. President, the Senator will recall, I think, that the notice sent out by the Banking and Currency Committee stipulated that the meeting was called at 10:30 a. m. on January 29 for hearings on S. 1384. The notice specifically stated "hearings." There was no notice at all that the bill was to be reported. I have great admiration for the chairman's expeditious way of handling legislation, but he was too fast for us on that occasion; at least, I could not keep up with him, because he notified us that he was going to have the hearings, and the first thing I knew the bill was reported. I should like to have a chance to have it reconsidered.

Mr. COSTIGAN. Mr. President, although I was present at the meeting of the Committee on Banking and Currency, which reported the measure before us, I desire to join in the request of the Senator from Michigan [Mr. COUZENS] and other Senators. As a matter of fact, there was a minimum attendance at the committee's meeting. Since the hearing was held various Senators have expressed to me their lack of information about the contents of the measure and their concern over certain of the proposed amendments. The hearings, such as they were, were made available in printed form to Senators, so far as I am aware, only this morning. While the argument of the Senator from South Carolina [Mr. SMITH] as to sending the measure to the Committee on Agriculture and Forestry does not seem to me to be persuasive, I am of the opinion that, in the interest of a fair consideration of this important measure, the bill should be recommitted.

Mr. GLASS. Mr. President, I feel like saying this much about the matter: There are seven members of the Appropriations Committee of the Senate who are likewise members of the Banking and Currency Committee. I took the precaution to go by and to authorize the Chairman of the Banking and Currency Committee to count me present for a quorum and to vote me. I did that because of my absolute confidence in the chairman of the committee, both as to his judicial-mindedness and as to his information upon the questions treated by the bill. He has been associated with such problems ever since he has been a Member of the Senate. He was a member of the joint congressional committee that went abroad to study agriculture in Europe; he was a member of the joint committee, of which I was chairman, that framed the agricultural land-bank bill. He knows vastly more about the questions involved in the pending bill than do I, and I felt perfectly confident that he would vote me right. I think I ought to say that much concerning the matter. I imagine that the chairman himself will see that there is no need for haste. I think perhaps he will assent to the bill being sent back to the committee if any Senator wants to object to its further consideration at this time.

Mr. FLETCHER. Mr. President, I appreciate what the Senator from Virginia has said. Other Senators were actively engaged with the Committee on Appropriations at the time, and left word to count them for a quorum of our committee. Most of them, I think, said to vote them on the bill, but certainly to count them as a part of a quorum.

The bill came before the committee in the regular order. The meeting of the committee on last Tuesday was a regular meeting. Tuesday is the regular meeting day of the committee. The Committee on Banking and Currency, I should like it to be known, meets every Tuesday. I hope Senators may make their arrangements so they can attend other committee meetings at some other time. We do business when we meet. We do not merely meet and adjourn and sit around and chat. We attempt to do something.

Tuesday is our regular meeting day. This was not a called meeting. We sent out notices that we were going to hold hearings on the bill that day. It was not necessary to do that, but out of an abundance of caution we sent out

that notice, together with a copy of the bill and a statement by the Governor of the Agricultural Administration as to every paragraph in the bill. If Senators do not read it, it is not my fault, and I cannot help it.

The committee meets on its regular meeting day to take up regular business before the committee, but I cannot compel members of the committee to be present. If we have a quorum, we transact business. We have a rule that seven members of the committee shall constitute a quorum for the transaction of business, and that is in order that we may do business.

I do not criticize any Senator; I do not blame any Senator; I know the importance of the meeting of the Committee on Appropriations at that time; but if there is possible any postponement of other committee work or if Senators can adjust their affairs so as to give us Tuesday, that is all we ask. We certainly are entitled to a day when we may have a meeting and transact business. I ask Senators to make their arrangements and engagements so that members of our committee may set aside Tuesday for the work of our committee.

The meeting was regularly held. The hearing was regularly held. When we finished the hearing I put the question, "Does the committee wish to report the bill favorably?" There was no objection made. I reported it that day in order to get it printed as soon as possible and get it on the calendar so that Senators might know just exactly what the bill contained. It is now before the Senate with the report of the committee.

Everything was regular. There was no undue haste about it. I do not want to deprive Senators of an opportunity to examine the bill. I know they have been engaged very actively and energetically here. We had pending before the Senate a question that required the almost constant attendance of Senators on the floor. With their other committee work they were exceedingly busy.

I am perfectly willing to give every consideration to every Senator and his views about any bill. I do not mean to hurry things, but I do want it understood that the Committee on Banking and Currency is going to do business at the regular time and in the regular way. Senators should make their engagements with that in mind.

The measure now before us simply amends the existing act. We are not going to have any different bill than the one now here, even though it may be sent back to the committee. It is not a very vital or fundamental bill. It does not involve any fundamental changes in existing law. It clarifies and simplifies some of the provisions of existing law and will accomplish good in the administration of the laws we already have. The bill is before us; we can explain it section by section as we proceed with its consideration, and I am satisfied the Senate would be perfectly well advised about it before we get through and will be pleased that they have accomplished the enactment of the bill into law.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Colorado?

Mr. FLETCHER. Certainly.

Mr. COSTIGAN. The statement of the chairman of the committee is, of course, accurate. The chairman of the committee will recall, however, that there were reservations, deemed important by some members of the committee, made by at least two of the Senators in attendance.

Mr. FLETCHER. I understand that. That has always been done. There was no formal amendment offered. Senators said with reference to certain provisions of the bill, "I may want to offer an amendment on the floor of the Senate."

That is done constantly and I concede readily what the Senator states. No Senator made objection to reporting the bill. No one said, "I am opposed to reporting the bill because I am not satisfied with certain provisions." The statement was made, "I reserve the right to offer an amendment on the floor." When we reach those sections we will consider any amendment that may be offered if those Senators now desire to offer them.

I wish it were possible that we could keep the bill here and have further hearings on the bill in the committee, merely laying it aside for the present; but if it is the desire of the Senate that the bill should be recommitted to the Committee on Banking and Currency, I am not going to stand out against such procedure. There is no great emergency about it, but we have business to attend to here and we are about ready to do business. There is nothing else important before the Senate, and therefore I thought we could proceed with the consideration of this bill.

Mr. McNARY. Mr. President, will the Senator from Florida yield?

Mr. FLETCHER. Certainly.

Mr. McNARY. I think the attitude of the chairman of the committee is very gracious. I appreciate his observations about taking the bill back to the committee. I suggest as a matter of practical procedure that he ask unanimous consent that the bill be recommitted to the committee for further consideration. No one wants to make the motion unless compelled to do so, but there is apparently a general disposition for the bill to go back to the committee and I think that would be the proper course for the chairman to pursue.

Mr. FLETCHER. Very well. I ask unanimous consent that the bill be recommitted to the Committee on Banking and Currency for further consideration, to be reported back to the Senate as early as practicable.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and, by unanimous consent, the bill is recommitted to the Committee on Banking and Currency for further consideration.

Mr. FLETCHER. Mr. President, before we pass from this subject I should like to announce that it is my desire to take up the bill on Monday next and begin further hearings. Is that agreeable to Senators? I give notice now that on Monday next at 10:30 o'clock a. m. the committee will meet to resume hearings on the bill. I hope Senators will take due notice. Formal notice of the meeting will be sent out.

SPECIAL MEXICAN CLAIMS COMMISSION

Mr. KING. Mr. President, yesterday, when we were calling the calendar, Senate bill 1068 was temporarily laid aside in order that a perfecting amendment might be submitted. It was understood that the measure should be taken up for consideration today immediately following such disposition as might be made of the bill which has just been recommitted to the Committee on Banking and Currency. Accordingly I ask that the Senate proceed to the consideration of Senate bill 1068, being Order of Business 26.

There being no objection, the Senate proceeded to consider the bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934, which had been reported from the Committee on Foreign Relations with amendments.

Mr. KING. Mr. President, for a number of years controversies have existed between the United States of America and the United Mexican States growing out of claims asserted by the nationals of the former against the latter.

As is well known, American citizens had large investments in Mexico, not only in mines, smelters, railroads, and industrial plants but also in agricultural lands. Under the reign of Diaz, citizens of the United States were encouraged to make investments in Mexico and to aid in the development of its resources. During the period from 1910 to 1920 there were revolutionary outbreaks in Mexico which resulted in the death of several hundred American citizens and the destruction and confiscation of property, both real and personal, belonging to American nationals, the value of which, it is claimed by many, amounted to several hundred millions of dollars. During the same period the nationals of some other countries sustained damages, and claims were asserted by the governments of such nationals against Mexico for indemnification for the injuries and damages sustained by their citizens.

A number of treaties were negotiated between our Government and the Republic of Mexico looking to a settlement of the claims of American nationals against Mexico and the settlement of some asserted claims of Mexican nationals against the United States. Though commissions were appointed to pass upon these claims, their efforts were futile. The United States has spent $2,000,000 in paying compensation and salaries of commissions appointed for the purpose of passing upon the claims and controversies referred to.

Soon after Hon. Josephus Daniels went to Mexico as Ambassador from the United States he began negotiations with representatives of the Republic of Mexico for the purpose of effecting a settlement of the outstanding controversies. There were two classes of claims against the Republic of Mexico—those which arose out of the revolutionary activities between 1910 and 1920, and other claims, by reason of the destruction of life and property, or which would not come within the category of revolutionary claims. In 1923 a treaty between the two Governments was entered into. This treaty provided for a special claims commission, charged with the adjustment of claims arising from losses or damages suffered by American citizens through revolutionary acts within the period from November 20, 1910, to May 31, 1920, inclusive.

In article 3 of that treaty a commission was to be created charged with the duty of examining and deciding those claims which arose during the revolutionary conditions existing in Mexico between the dates which I have just mentioned and which were due to the various forces described and pointed out in the treaty referred to. The commission appointed by this treaty, after a number of years of ineffective service, ceased to exist, without having accomplished the purpose for which it was created. Ambassador Daniels, soon after going to Mexico, began negotiations which culminated in a treaty which was signed at Mexico City April 24, 1934. This treaty provided for the en bloc settlement of the claims presented by the Government of the United States to the commission established by the special claims convention of September 10, 1923. I might add that under the treaty provision was made for the settlement of what might be called "general claims" and a commission was provided known as a "general claims commission" to pass upon and decide the claims that fell within that category. A General Claims Commission was named some time ago and it is now functioning. The special claims commission provided for in the treaty of April 24, 1934, has not been created. It is desired by the administration, as well as by American citizens, who have claims against Mexico, that this special claims commission be created as soon as possible in order that it might enter upon the duties which, under the treaty referred to, will devolve upon it.

The treaty providing for this Special Claims Commission was ratified by the Senate, although there were many Senators who were not satisfied with its provisions and did not believe that it contained suitable or proper provisions to meet the valid and legitimate claims of American citizens; in other words, that they felt constrained to vote for the ratification of the treaty because they believed that if the treaty were rejected perhaps no better treaty could be had, and that perhaps a situation might be created that would prevent any payment being made by Mexico to meet a part at least of the valid and legitimate claims of American citizens. Accordingly, the treaty was ratified, and it therefore became necessary for our Government to create a commission and set up the necessary machinery in order that the claims of American citizens might be considered and passed upon and determined.

I should state that under the terms of the treaty and the settlement with Mexico, the Government of Mexico will have no voice in determining the validity of the claims of American citizens. The claims which have been filed with the Department of State by American citizens are numerous, and the aggregate amount, as stated, of the claims, as I am advised, totals tens of millions if not several hundred millions of dollars.

Ambassador Daniels states that under the treaty the amount which will be received by American citizens whose claims will be passed upon by the Mixed Claims Commission is estimated to be $7,000,000, the first payment of which is $500,000 and the annual yearly payment of $500,000 will thereafter be made, together with interest, until the full amount, which is, as I have stated, estimated to be $7,000,000, will have been paid.

In order to carry out the provisions of the treaty, I introduced S. 1068 in the Senate on January 14 of this year.

Mr. President, while I was not satisfied with the treaty because of the inadequate provisions to justly and fairly compensate American citizens, nevertheless, I have reached the conclusion—which is the conclusion of our Government and of Ambassador Daniels—that there is no other course to pursue than to carry out the terms of the treaty to create a commission and have the claims of American citizens determined and adjudicated at the earliest possible moment.

I do not believe that there will be any opposition to the bill under consideration. Several objections were urged by reputable attorneys and by a number of persons which, I think, in the main, have been met by the amendments which I shall offer during the consideration of the bill. The main objections came from those who had contracts for legal services in connection with the presentation of claims. It was also suggested that perhaps the bill as introduced did not clearly indicate that the treaty of September 10, 1923, was to be resorted to in determining the elements and factors to be considered in passing upon the claims submitted by American citizens.

Mr. President, I believe that the committee's report recommending the passage of the bill with its approval should be incorporated in the RECORD at this point. It contains a letter from the Secretary of State, Hon. Cordell Hull, to the President, and also a letter from Ambassador Daniels to Senator PITTMAN, the chairman of the committee. These communications supply important data with reference to matters dealt with in the bill. I ask that the report of the committee be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 26) submitted by Mr. PITTMAN on the calendar day of January 25, 1935, is as follows:

The Committee on Foreign Relations, to whom was referred the bill (S. 1068) to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States, concluded April 24, 1934, report the same, with amendments, and recommend that the bill as amended do pass.

The bill provides for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States, concluded April 24, 1934. It creates a special commission to examine and adjudicate all claims of the nationals of the United States comprehended within the terms of the convention of April 24, 1934, which, it will be recalled, provided for an en bloc settlement of the claims of American nationals against the Government of Mexico. It includes claims that were heard and rejected by the Commission established by the Special Claims Convention concluded by the two Governments on September 10, 1923. The Commission is required to complete its work within 2 years from the date on which it undertakes the performance of its duties.

The Commission, upon the completion of its work, is to submit a report to the Secretary of State. The Secretary of State transmits to the Secretary of the Treasury the amount of all claims allowed, in whole or in part, and payments are to be made pro rata among the persons in whose favor awards shall have been made from moneys received from Mexico by virtue of the convention of April 24, 1934. Like procedure is followed with reference to any amounts thereafter to be received from the Government of Mexico under such convention.

The Commission, at the time of entering an award on any claim, may allow counsel or attorneys employed by the claimants such fees as it shall determine to be just and reasonable for their services in prosecuting claims, and the allowances shall be entered as a part of the award and payment made by the Secretary of the Treasury in the same manner as payments are made to claimants. It is provided, however, that such payments shall constitute payment in full to the counsel or attorneys and that no attorney or other person shall contract for, demand, receive, or retain a fee for services in connection with the preparation, presentation, or prosecution of any such claim other than as provided by the Commission, and criminal penalty of fine and imprisonment is imposed for violation of this provision.

Although an appropriation of $90,000 is authorized for the expenses of the Commission, it is to be noted that any expenditures from the amount so authorized shall become a first charge upon any moneys received from the Government of Mexico in settlement

of these claims, and the amount of such expenditures shall be deducted from the first payment by the Government of Mexico and deposited in the Treasury of the United States as miscellaneous receipts.

For the information of the Senate there is attached hereto a letter from the Secretary of State to the President relative to the transmission to the Senate for ratification the convention of April 24, 1934, together with a letter to the Chairman of the Foreign Relations Committee of the Senate from the Honorable Josephus Daniels, Ambassador to Mexico, explanatory of the convention.

It is believed that these letters contain a full explanation of the terms of the agreement for a lump-sum payment, including the basis for arriving at the total amount, the character of claims covered, and the manner of procedure it was then hoped would be followed for distribution of the claimants of the moneys paid by Mexico, estimated at around $7,000,000 in all.

THE PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a Special Claims Convention signed by the respective plenipotentiaries of the United States of America and the United Mexican States at Mexico City on April 24, 1934, providing for settlement en bloc of the claims presented by the Government of the United States to the Commission established by the Special Claims Convention, concluded between the two Governments on September 10, 1923, instead of by international adjudication in each case as provided in that Convention.

The Special Claims Convention of September 10, 1923, expired by its own limitations on August 17, 1929. It was twice renewed, the last renewal being the convention of June 19, 1932, which was transmitted to the Senate by President Hoover on July 1, 1932, Senate Executive L, Seventy-second Congress, first session, and yet remains in the Senate, and which is replaced by the present Convention.

By the replacing convention now submitted the Mexican Government agrees to pay a lump-sum amount in settlement of the claims without the necessity of international adjudication of each case upon its merits. The amount to be paid by the Mexican Government in settlement of this class of cases (there are no claims of this class against the United States) has been determined by the Convention in the following manner:

Six European governments—namely, Belgium, Germany, Italy, France, Great Britain, and Spain—had claims against the Government of Mexico for the same general class which totaled about $380,000,000. The claims of those governments were evaluated by means of varying processes and a total liability of about $10,-125,000 resulted, or an average liability of about 2.65 percent. By the convention now submitted the Government of Mexico agrees to pay the same average percentage of liability on the claims of the United States as was found, by these adjudications, to be due on all of the European claims. It is impossible to determine precisely the net amount to be paid by the Mexican Government under this arrangement for several reasons, among which are the following:

Many of the claims filed before the Special Claims Commission were also filed before the General Claims Commission because of uncertainty as to which of the commissions would actually have jurisdiction to adjudicate the cases. Before the net liability of Mexico can be determined these cases must be definitely segregated and classified as special or general claims. It is also necessary in the first instance to make a careful check and comparison of the totals claimed by the European governments and of the total awards thereon, in order to arrive at an absolutely accurate determination of the percentage of liability found to be due on European claims. For the purpose of making these determinations and of deciding other minor points, a joint committee would be established under article 5 of the Convention.

As the claims of the United States against the Government of Mexico and of Mexico against the Government of the United States have complicated the relations of the two Governments for the past decade or longer, it is the common desire of the two Governments, in the interest of good relations between them, to remove the claims from the field of international intercourse as soon as possible.

The convention now submitted represents what both Governments believe to be the most practicable, the most equitable, and the most expeditious method of accomplishing their common desire.

At the same time, and in consideration of the conclusion of this convention, another agreement has been concluded with the Mexican Government, in the form of a protocol, which provides a simplified and expeditious means of reaching a similar agreement with respect to the so-called "general claims" of the two Governments. It is hoped that, by means of these two agreements, all these claims may be definitely settled within a comparatively short period, except insofar as relates to the matter of payment which, as determined by the Special Claims Convention, will, so far as special claims liability is concerned, be liquidated at the rate of $500,000 per year, plus interest.

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, May 5, 1934.

WASHINGTON, D. C., *May 26, 1934.*

MY DEAR SENATOR PITTMAN: In compliance with the request which you made of me at yesterday's meeting of your committee to consider the pending convention with Mexico providing for an en bloc settlement of the special claims of citizens of the United States against Mexico, I take pleasure in furnishing you the following expression of my reasons for advocating the approval of this convention, which, by direction of the President, I had the honor of signing with the Mexican Minister for Foreign Affairs at Mexico City on April 24, 1934.

I understand that what you desire me to embody in this letter is not a detailed explanation of the provisions of the convention, as their meaning and intent would appear to have been made sufficiently clear in the report of the Secretary of State of May 5, 1934, which accompanied the President's message of the same date transmitting the convention to the Senate, and which is printed in Executive I (73d Cong., 2d sess). You wish rather, I take it, that I summarize informally in writing the statements which I made before your committee.

First of all, consideration should be given to the fact that all the claims dealt with in this convention originated between the years 1910 and 1920—that is to say, in the tragic years following the departure of Diaz from the country—until the Mexicans began to emerge from a succession of revolutions which sorely rent that country. The truth is that between these years Mexico had no government able to enforce protection in all parts of the bleeding Republic. With the terrible days following the death of President Madero and Vice President Suarez, it will be recalled that President Taft advised Americans residing in Mexico to return to the United States. Upon his becoming fully acquainted with the inability of the Mexican usurping President to offer the semblance of protection, President Wilson gave the same counsel. He provided the means for the safe return of American citizens to escape the danger to which they and others were exposed. When finally, after the A. B. C. Conference, Carranza was recognized, the continual warfare of Villa in the northern part of Mexico, and of Zapata in another sector, and roving bands of other men withholding allegiance from Carranza, the conditions were beyond the control of the recognized authorities. During these trying 10 years many lives were lost and much property destroyed belonging to Americans and Europeans, as well as of Mexicans who were objectionable to some men under arms.

Upon the restoration of a responsible government, having behind it the will of the majority of the people, it was felt in Mexico that the killings and destruction of property were mainly by irresponsible bands or parties not responsible to government control. The United States pressed for the recognition and payment of the claims of our nationals which arose during the tragic 10 years. There seemed to be an impasse. For 3 years the United States refused to recognize the Mexican Government of President Obregon, who had been put in office by the National Revolutionary Party. Mexico earnestly desired recognition by the United States. This was withheld until after the Payne-Warren Commission reached agreements with Mexico by which the Mexican Government pledged itself to submit all claims originating between 1910 and 1920 to a special claims commission and all other claims to a general claims commission. These commissions, composed of a Mexican, an American, and a representative of a neutral country, with changing personnel, held sessions a portion of the time after the convention of September 1923. The result of these hearings has been disappointing in the extreme. The cases decided have been few. The cost of these commissions to the United States has been, in round figures, $1,900,000.

Upon my appointment as Ambassador to Mexico, I began a study here in Washington of the questions which would demand my attention in Mexico. The first concerned the settlement of the pending claims. Within a brief period I reached the conclusion that the hearings had been so long-drawn-out and seemed so interminable that the matter might properly be called the modern case of Jarndyce against Jarndyce.

I suggested to the Secretary of State that a less expensive and more expeditious method of adjustment should be sought.

About that time I had a call from the Honorable Gonzalez Roa, Ambassador from Mexico to the United States, who presented a message from the Honorable José Manuel Puig Casauranc, Minister of Foreign Relations of Mexico, asking him to take up with me the question of an en bloc settlement. The Minister for Foreign Affairs wired that upon my arrival in Mexico City he would like at once to enter into negotiations looking to such settlement. During the more than a year that has elapsed during my mission in Mexico, my time has been largely occupied with discussions and conferences relating to the settlement of these claims. The Mexican Government took the ground that a fair precedent for settlement could be found in the percentage agreed upon by Mexico and the United States in the settlements under the conventions of 1839 and 1868. That percentage was 1.25. This view was not acceptable to our Government.

Later, after Mexico had reached settlements with all the European countries for like claims originating within the same period, it was ascertained that the average percentage of recovery between Mexico and these European countries was about 2.65. The Mexican Government proposed that a similar settlement be made for like claims between that country and the United States. Inasmuch as our country and Mexico are the nearest neighbors, it seems to me that we could not insist upon receiving a larger percentage for our claims than the European countries had accepted. I therefore recommended acceptance to the Secretary of State. He approved. By direction of the President, I signed the convention on the 24th day of April 1934, with the Honorable José Manuel Puig Casauranc, Minister for Foreign Affairs, who was thereunto authorized by the President of Mexico. The carrying

out of the convention awaits the approval of the Senates of the United States and Mexico. The Senate of Mexico convenes in September, and I do not think there is any doubt it will ratify the convention if the Senate of the United States votes ratification at this session of Congress.

Already, in anticipation of favorable action, I have caused officials of the Embassy to take up with officials of the Foreign Office the study, for the benefit of the Joint Commissioners provided for in article 5 of the Convention, of the question of just division of those claims which have been filed by American claimants with both Commissions. We also hope by September, for the information of the Commissioners, to make a definite computation of the total amount of the special claims and an accurate computation of the specific percentage of liability to be applied. Therefore, if our Senate ratifies the convention at this session, it will make possible the payment of the first $500,000 by January 1, as contemplated under the terms of the convention, with like yearly payments of $500,000 each year until the full amount, estimated at around $7,000,000, is paid.

If it be suggested that the percentage is small, the answer is that many of the claims are, as in most claims, both national and international, larger than can be established by evidence. Some of these claims are of doubtful validity—others are so clearly just that those claimants should not longer be denied such payment as will give them real money during their natural lives. Further delay will in all probability deny them any compensation in time to meet their present needs.

The acceptance of the percentage for all the claims, valid or unsustainable, does not at all mean that all claimants will receive the same percentage. By no means. The sum received will be distributed to claimants by a domestic commission or other domestic agency on the basis of the merit of the claims. Those lacking merit will be eliminated by the United States officials charged with the task, while the just claims will be promptly awarded the just amount found to be due. It is believed that when the money to be paid by Mexico is properly distributed in this manner each claimant will be fairly dealt with.

Furthermore, these claims are but one of several very important problems which exist in our present-day relations with Mexico. By accepting this settlement, which to my mind is entirely equitable, we would, I firmly believe, go a long way toward demonstrating our friendly and neighborly disposition and thus foster a spirit of cooperation which should help materially to further a solution of other important questions.

In support of the opinion that the proposed basis of settlement is eminently fair to the interested American claimants are the following additional facts:

First. This percentage of liability is to be computed on the basis of all the claims filed, regardless of class or quality, excepting only those cases already decided, and therefore, while the percentage of liability agreed to be paid by Mexico is comparatively small, it represents, as a matter of fact, what is estimated to be the full value of the meritorious claims.

Second. The percentage of liability to be paid in this case, namely, about 2.65, compares very favorably with that found to be due in other adjudications. For instance, the liability found to be due the United States in the settlements of 1839 and 1868 with Mexico averaged 1.25 percent; the awards of the Spanish Treaty Claims Commission, established pursuant to the Treaty of Paris of 1898, to pass upon all claims against the Spanish Government, amounted to 0.021 percent of the amounts claimed, and judgments rendered by the United States Court of Claims during the period 1920–32 amounted to approximately 0.6 percent of the amounts claimed. I have been advised that many letters have already been received by the Department of State expressing the gratification of individual claimants that real progress in the settlement of their claims is now promised.

To sum up, the advantages which will be brought about by the proposed arrangement are:

1. The removal of these contentious claims from the field of international relations;

2. The systematic and definite payment by Mexico, to begin in the near future instead of being postponed indefinitely;

3. The placing of the settlement of the claims of our nationals in the hands of officials of our own country.

I am, with assurance of appreciation of the opportunity of appearing before your committee,

Sincerely yours,

JOSEPHUS DANIELS.

The Honorable KEY PITTMAN,
United States Senate.

Mr. KING. Mr. President, after conferring with the Solicitor of the Department of State and with a number of persons who suggested some changes in the bill, I have prepared several amendments which I desire now to be taken up for consideration.

I now move to strike out, on page 1, all of the language after the word "President", in line 7, and all of lines 1 to 9, inclusive, and the word "grounds", on line 10, page 2, and to substitute in lieu thereof the following:

Such Commission shall have jurisdiction to hear and determine, as hereinafter provided, conformable to the terms of the convention of September 10, 1923, and justice and equity, all claims against the Republic of Mexico, notices of which were filed with the Special Claims Commission, United States and Mexico, established by said convention of September 10, 1923, in which the said Commission failed to award compensation, except such claims as may be found by the committee provided for in the Special Claims Convention of April 24, 1934, to be general claims and recognized as such by the General Claims Commission.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. On page 3, after the word "equity" in line 14 and before the word "All", insert the following: "and the terms of the said convention of September 10, 1923."

That is merely clarifying language.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. On the same page, in line 18, after the word "evidence" and before the word "as", I move to add the words, "and written legal contentions."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. A similar amendment on page 5, at the end of line 20, after the word "evidence", I move to insert the words, "and written legal contentions."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. I offer the following amendment: On page 6, in line 10, after the word "award" and before the word "and", I move to insert a colon and the following proviso:

Provided, however, That the Commission shall determine just and reasonable fees, where there is a contract or agreement for services in connection with the proceedings before the Commission and with the preparations therefor only upon the written request of the claimant or claimants, or of the counsel or attorneys made to the Commission within 90 days after notice of the entry of an award and notice of the provisions of this section shall have been mailed by the Commission to the claimant or claimants.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. KING. On page 6, section 8, line 15, after the word "and", I move to insert, "whenever such allowance shall be made."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. COSTIGAN. My purpose in rising is to ask the Senator from Utah if the various amendments he is tendering have been agreed to by the committee, or are the amendments personal?

Mr. KING. The committee has not been called together since it acted upon the bill, but I have spoken to a number of the committee in regard to these amendments. They are amendments which were considered by the Solicitor of the State Department and by myself, and we regard them as satisfactory.

Mr. COSTIGAN. The amendments are all approved by the State Department?

Mr. KING. Yes; by the Solicitor, speaking for the Department.

I offer the following amendment:

Strike out section 12 and insert in lieu thereof the following:

SEC. 12. After a fee has been fixed under section 8, any person accepting any consideration (whether or not under a contract or agreement entered into prior or subsequent to the enactment of this act) the aggregate value of which (when added to any consideration previously received) is in excess of the amount so fixed for services in connection with the proceedings before the Commission, or any preparations therefor, shall, upon conviction therefor, be punished by a fine of not more than four times the aggregate value of the consideration accepted by such person therefor.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah.

The amendment was agreed to.

The PRESIDING OFFICER. There is one committee amendment to be acted upon.

The CHIEF CLERK. On page 7, line 9, it is proposed to strike out " 12 " and insert " 11 ", so as to read:

Certified copies of lists (a) and (c) shall be transmitted by the Secretary of State to the Secretary of the Treasury, who shall, after making the deduction provided for in section 11 hereof, distribute in ratable proportions—

And so forth.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSPORTATION BY AIR, ETC.—REPORT OF AVIATION COMMISSION (S. DOC. NO. 15)

Mr. LEWIS obtained the floor.

Mr. O'MAHONEY. Mr. President——

Mr. LEWIS. I yield my place for the moment to the Senator from Wyoming, but inform the Chair that I wish to address the Senate at the conclusion of the remarks of the Senator from Wyoming.

Mr. BARKLEY. Mr. President, the Senator from Wyoming does not wish to be recognized until after the President's message is read. I suggest that the President's message be laid down at this time.

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Interstate Commerce and ordered to be printed, as follows:

To the Congress of the United States:

I am submitting herewith the report of the Federal Aviation Commission appointed by me last summer by direction of the Seventy-third Congress. The Commission has made a diligent study of the broad subject of aviation conditions here and elsewhere, and emphasizes the excellent American progress in this new form of transportation. The Commission has also studied problems of national defense, of procurement policies, and of the extension of air transport services. I invite your attention to these comprehensive surveys.

As I have suggested on many occasions, it becomes more and more apparent that the Government of the United States should bring about a consolidation of its methods of supervision over all forms of transportation. When the Interstate Commerce Commission was created in 1887 the railroad was practically the principal method of rapid interstate transportation. Since that time this monopoly of transportation enjoyed by the railroad, to a very important degree, has been limited by the development of the automobile and good interstate roads. Recently water transportation by lake, by river, by canal, and by ocean has, largely through the construction of the Panama Canal and our inland waterways, definitely brought ships and shipping into the general interstate field. More recently still, air transportation has become an element. All of these developments have changed the general problem of transportation and the concern of the Government with them. A number of valuable reports have been prepared on these related questions. The report of the Federal Coordinator of Transportation has already been submitted to the Congress by the Interstate Commerce Commission. The report deals with the many problems relating to busses, trucks, water carriers, and railroads. Other reports of departmental committees on ocean mail subsidies have been completed. This present report on aviation is a similar source of information and advice concerning transportation by air. I earnestly suggest that the Congress consider these various reports, together in the light of the necessity for the development of interrelated planning of our national transportation. At a later date I shall ask the Congress for general legislation centralizing the supervision of air and water and highway transportation with adjustments of our present methods of organization in order to meet new and additional responsibilities.

There are detailed questions, however, that require early action. Our extended mail contracts with air lines expire on or about March 1, and existing legislation dealing with primary and secondary routes should be revised before that time. The Commission suggests that the Interstate Commerce Commission be given temporarily the power to lower or increase air mail rates as warranted in their judgment after full investigation. The purpose of this is to prevent the destruction of any efficiently operated part of the present system pending suitable consideration by the Congress of what permanent measures should be taken and what amendment, if any, the present general transportation policy of the Government should undergo. I concur in this recommendation of the Federal Aviation Commission, provided always that the grant of this duty to the Interstate Commerce Commission be subject to provisions against unreasonable profits by any private carrier. On account of the fact that an essential objective during this temporary period is to provide for the continuation of efficiently operated companies and to guard against their destruction, it is only fair to suggest that during this period, any profits at all by such companies should be a secondary consideration. Government aid in this case is legitimate in order to save companies from disastrous loss, but not in order to provide profits.

The Commission further recommends the creation of a temporary Air Commerce Commission. In this recommendation I am unable to concur. I believe that we should avoid the multiplication of separate regulatory agencies in the field of transportation. Therefore, in the interim before a permanent consolidated agency is created or designated over transportation as a whole, a division of the Interstate Commerce Commission can well serve the needs of air transportation. In the granting of powers and duties by the Congress, orderly government calls for the administration of executive functions by those administrative departments or agencies which have functioned satisfactorily in the past and, on the other hand, calls for the vesting of judicial functions in agencies already accustomed to such powers. It is this principle that should be followed in all of the various aspects of transportation legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 31, 1935.*

EXTENSION OF AIR MAIL CONTRACTS

Mr. O'MAHONEY. Mr. President, I assume that Calendar No. 34, being Senate bill 932, authorizing the Postmaster General to extend certain air mail contracts for a further period of not exceeding 6 months, is now before the Senate. If not, I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That subsection (g) of section 3 of the act entitled "An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 12, 1934, is amended by striking out the words "9 months" and inserting in lieu thereof the words "15 months."

SEC. 2. The first sentence of section 15, as amended, of such act is amended by striking out "March 1, 1935" and inserting in lieu thereof "September 1, 1935."

Mr. O'MAHONEY. Mr. President, it will be observed that in the message of the President which has just been read to the Senate this statement is to be found:

There are detailed questions, however, that require early action. Our extended mail contracts with air lines expire on or about March 1.

The purpose of the pending measure is to authorize the extension of the present contracts for an additional 6 months. The bill makes no change at all in the legislation now existing, merely giving the further period of 6 months for congressional study of the report of the Aviation Com-

mission without necessitating the letting of new contracts by the Post Office Department.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. VANDENBERG. Am I to understand that this does not enlarge in any way the powers and responsibilities of the Postmaster General with respect to air mail contracts?

Mr. O'MAHONEY. It does not.

Mr. VANDENBERG. I should not want to consent to any legislation that did so, because the Postmaster General is so busy with many others matters that I should be opposed to having him burdened with any additional governmental responsibility.

Mr. O'MAHONEY. The Postmaster General, I think, has the faculty of accomplishing results, too.

Mr. VANDENBERG. Political as well as legislative.

Mr. O'MAHONEY. And governmental.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FOREIGN TRADE AND DEBTS—NEED FOR MUTUAL NEW RELATION WITH SOUTH AMERICA

Mr. LEWIS. Mr. President, I avail myself for the moment of the privilege of making some observations upon the information which comes to America this morning as to the attitude of certain foreign countries touching proposed trade treaties in the light of what they feel to have been an offense to them through the decision of the United States Senate upon the World Court.

A department of government of this Nation has information, and other sources important are informed, that certain nations with which the United States has assumed to negotiate something in the form of reciprocal trade treaties, reducing the tariffs of these nations as against the products of the United States in exchange for the United States extending similar advantages to these foreign lands as to their products, now incline to withhold any dealings with the United States upon this subject because the United States has declined to enter upon a tribunal, so-called the "World Court", and, as is stated, thus withdrawing from these nations a tribunal to which they could have had recourse at any time after the treaty had been made for change or modification of it, or as to the results that may flow from it. They hold that to enter further into these treaties with us would, therefore, be an act on their part of gracious favor, and for that reason they withhold such favor as they fancy they are communicating, because of what they feel to be the disadvantages which has fallen to them by the decision of this body in withholding the United States from membership in the tribunal termed the "World Court."

Mr. President, since I have been honored with membership in this body for the second time I have occasion often to call attention to the fact that certain foreign lands with which we are in complete friendship, and have borne complete fraternity, find it agreeable to sit in judgment adversely to us, either by expressions of their parliamentary leaders or by legislation, wherever they see something following on the part of this Government which they fancy does not favor their interest, or which, protecting our own, runs adverse to what they feel is their privileged advantage.

I am not disposed to criticize, far less to condemn, the right of these governments to sit in adverse judgment upon the United States, in passing condemnation upon the course of legislation by our Congress; but when they continue, as has been the habit of these referred to nations, most of whom are debtors of the United States, to intimate that they will punish the United States by refraining from cooperating in some mutual agreement that has for its object merely justice to the United States, I feel that these nations must be warned that while we are pleased to have their favor, we do not seek it as any particular gracious gift to us. We merely seek it as a consideration of justice toward them, and in this we extend and have ever advanced to these nations far more than they could ever contribute to us.

I should like to have—indeed, I am bold here to assert that I would have—the leaders of these nations pause for a moment to recall that while our distinguished President has found it agreeable to obtain from this body the privilege to enter into these treaties without being hampered with the length of time required in the disputation in what is called the ratification of the Senate, still, sir, in availing himself of this privilege, it was not to do us a service, or to do the United States a favor, certainly to yield us no profit. It was for a mutual exchange of favors and benefits between ourselves and the foreign lands, all upon equality. It is all in the spirit of the advantages drawn from the old order of treaties styled "favored-nation clause."

I would that these foreign lands, our debtors, who are now sitting in adverse judgment, and intimating that we have not passed legislation as they would prefer, or as they desire, or in such form as they would profit through or by, would understand that this foreign trade of Europe, so prated over by it, is not equal to 8 percent of the 100 percent that this country demands for its own uses, and this country could well exist without any of that European and Asiatic foreign trade. Our Nation does not have to surrender its privileges as a sovereign nation in exchange for some favors of produce from countries to which our distinguished President was willing to yield favor of trade despite all their unjust treatment of this Nation after the great sacrifices we made for them of our Treasury and of the blood of our children.

Mr. President, there is one thought I beg to press upon this honorable body. The time has come when America must wake up from the illusion of European trade. These nations expect at the proper time to appropriate to themselves whatever trade they will have. They feel their necessity and their adversity. We regret their adversity. They feel that it is their privilege wholly to consume to themselves whatever advantages could arise from the trade of themselves.

Sir, that being so, when the time really comes—though I may seem to be at variance with the eminent officers of my administration, using the word "my" in the general sense, meaning "our"—there will be every form of promise to us so far as these reciprocity treaties of trade are considered, and every form of offer, but the performance will be diminished to nothingness. Another instance—condemned in the ejaculation of Macbeth to the witches promising kingship, a promise to the ear, broken to the hope.

What this Nation should now do is to acknowledge that, instead of wasting our time in the dream of a fulfillment of commercial benefits from European nations, in what is called "a renewal of foreign trade", the United States should turn its attention to South America and to Central America, and there begin a course anew of cultivating from these countries the possibility of a trade which may link them to the United States in indebtedness, from serving their necessities, and, all turn, sir, for the consideration they will justly offer to this their great sister Nation.

In this we shall knit more closely the companionships between ourselves and the South and Central Americas, and make bond of mutual defense against assault upon either from any source.

Sir, if you will note, 38 percent has been the increase of the trade tendered the United States from the South and Central Americas in the last 2 years, compared to 10 years past, while only 3½ percent has been the improvement of any trade in any one place of Europe compared to the past trade from that European country. Omitting cotton and automobiles, European nations have not been dependent on us.

Mr. President, instead of this Government being forced, as yesterday we saw, to obtain new license from legislation to borrow money in order to fill the craving coffers of the Treasury, needed for credit of honor, let the nations who owe us recognize the generosity we have advanced to them and continue to hold out; and instead of refusing either to pay the interest or the principal of the obligation, I propose

that they prepare a system of small bonds, representing the agreed indebtedness, deliver these bonds over to the United States as payment, the bonds running at such rate and date as the advantage of these debtors may dictate, which convenience we generously would be glad to yield. Then, sir, with ourselves in possession as owner, we could pass these bonds as our property to our own citizens, thus obtaining money from those who would trust those bonds of those foreign lands. These buyers, purchasing them from our Government rather than from those nations which are floating them to our citizens through American bankers, we would then have that sum of money realized in our Treasury, and the sum, sir, would belong to the United States, with which to pay Government indebtedness, soldier payments, and Army and Navy defense.

The bonds which are now held by us are held as security for the American loans to the debtors. We have no right, sir, to transfer them. We have no property interest in them. We are bringing no lawsuits against our foreign debtors, foreclosing those bonds, through which we could obtain title. But with the system I dare to present we would have the benefit, sir, of those bonds; we would have the ownership of the bonds; the debt, sir, would be paid through numbered generations; we would have our friendship renewed, and no very serious obligation upon the present living generation of any debtors.

In the meantime, sir, let us turn our attention to this continent of South and Central Americas, joining the sphere of this United States. Let us from these cultivate trade and mutual prosperity. Then, sir, we shall have induced a trade by this new inducement that will quite replenish all loss of that which we have wished for, or the dream we have been indulging in as to European trade.

Sir, as to this hoped-for European trade, truth must record that when the time comes to realize upon it, we will be reasoned with as follows:

That the war left them depleted; that they have a right, therefore, to manufacture for themselves, serve themselves. This self-service will be put on the ground that the high price of wage of the United States and of expense by us will make it impossible for us to sell in the foreign lands at such low price as would permit sale by us, nor can the foreign nation pay our price, necessary for the American to enjoy profits. Under that guise, specious as it sounds, there will be the end, sir, as I see it, of any profit or advantage to the United States as the result of these treaties which are so generously provided and proffered by our distinguished President and by the Government of the United States. I am presenting my fears in my prophecy. I would hope for the contrary and be glad to behold it.

I merely at this time rise, calling attention to that phraseology unhappily adopted by these foreign debtors, or certain ones of them, resenting the action of the United States as to a matter within its own sovereignty, and assuming to penalize us by withholding and withdrawing any opportunities that may come from these trade treaties because of our rejection of a plan of international government which runs counter to our wishes.

Mr. President, for myself, thanking the Senators for allowing me to intrude my views, suggested by the information now imparted to me, at this moment, I conclude by declaring that on the evidence of the hour the time has come when we should inform the world that we turn to the nations of America and to South and Central America, all in friendship, in new unison, and, building our trade from those quarters, and increasing our defenses from their spheres of influence, establish for the first time the continent of America as an American continent.

I thank the Senate.

FEDERAL AUTHORITY OVER STREAM POLLUTION AND STREAM PURIFICATION (S. DOC. NO. 16)

Mr. HAYDEN. By direction of the Committee on Printing, I submit a favorable recommendation with respect to a document which the Senator from Connecticut [Mr. LONERGAN] desired to have printed, and ask for the immediate consideration of an order, which I submit.

The PRESIDING OFFICER. The order will be read.

The legislative clerk read as follows:

Ordered, That the report of United States Senator AUGUSTINE LONERGAN, chairman of the conference with the Secretary of War relative to the proposal to create a Federal authority over stream pollution and stream purification, together with the stenographic transcript of the testimony in connection therewith, be printed as a Senate document.

Mr. HAYDEN. I ask for the adoption of the order.

Mr. KING. Mr. President, is there any proposition before us which commits the Government to the creation of a new commission under the War Department to look after the streams of the United States?

Mr. HAYDEN. I think the Senator from Connecticut [Mr. LONERGAN] can answer that question.

Mr. LONERGAN. Mr. President, at my suggestion a conference was called on December 6, last. As my memory serves me, there were 32 people present, representing the Government and those interested in the stream-purification movement. I believe we have gathered together very valuable information on stream purification, and that the Government should have the benefit of that valuable information.

Mr. KING. I agree with the Senator; but I ask whether, in the proposal which has been submitted, there is any commitment on the part of the Government to the creation of a new commission under the War Department for the study of the pollution of streams.

Mr. LONERGAN. No; there is no commitment of that sort.

Mr. KING. We have now too many commissions.

Mr. LONERGAN. I agree with the Senator.

Mr. BARKLEY. Mr. President, may I ask the Senator from Arizona whether this proposal involves the substitution of a new commission for any existing commission?

Mr. HAYDEN. Again I ask the Senator from Connecticut to answer the question.

Mr. LONERGAN. No, Mr. President. When I make that statement I do not wish to be bound by any statement made by a witness at the conference. This is simply a report of a conference which was held here on December 6.

The PRESIDING OFFICER. The question is on agreeing to the order presented by the Senator from Arizona [Mr. HAYDEN].

The order was agreed to.

MAILING OF UNSOLICITED MERCHANDISE

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1226.

The PRESIDING OFFICER (Mr. BILBO in the chair). Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1226) to prohibit the sending of unsolicited merchandise through the mails, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 2, after line 4, to strike out the following:

SEC. 3. (a) This act shall not apply to any religious, charitable, or eleemosynary society or institution whose application for the privilege of sending unsolicited merchandise through the mails has been approved by the Postmaster General.

(b) The Postmaster General may provide by suitable regulations for the submission and approval of applications by any such religious, charitable, or eleemosynary society or institution, accompanied by satisfactory evidence of its bona fides, for the privilege of sending through the mails unsolicited merchandise bearing the pledge of the sender to pay the return postage if undeliverable or refused.

So as to make the bill read:

Be it enacted, etc., That hereafter unsolicited merchandise which any person desires to send for the purpose of sale to the addressee shall not be accepted for mailing. The term "person", when used in this act, means an individual, partnership, corporation, or association.

SEC. 2. If such unsolicited merchandise is deposited in the mails and the addressee thereof refuses to accept the same, then, under such regulations as the Postmaster General may prescribe, such unsolicited merchandise shall be returned to the sender charged with postage due at double the regular rates to be collected from him upon delivery. On failure of the sender to pay such return postage, the matter shall be disposed of as other dead matter.

Mr. BORAH. Mr. President, I wish the Senator would explain the bill. It sounds very interesting.

Mr. HAYDEN. Mr. President, I will say to the Senator from Idaho that on two different occasions in the last two Congresses the Senate has passed a measure of this kind. Unfortunately, in each case no action was taken at the other end of the Capitol. The bill proposes to abate a nuisance.

All over the United States citizens are receiving through the mail, generally around the Christmas season, merchandise of one kind or another sent to them in various forms, which they have not ordered and do not desire. If the recipients do not pay for the merchandise or go to the trouble to take it back to the post office to see that it is remailed—and oftentimes no provision is made for any return postage—they receive, in many instances, dunning and abusive letters. Wide-spread complaint concerning this practice has been made throughout the United States, and many requests have been received that the nuisance be abated. That is what it is proposed to do through this legislation. It has been recommended by many Postmaster Generals.

There is included in the report from the Committee on Post Offices and Post Roads recommendations made by Postmaster General New, by Postmaster General Brown, and the present Postmaster General.

Perhaps the best short statement I could make in regard to the bill is to quote three paragraphs from the annual report of the Postmaster General in 1927, as follows:

UNSOLICITED PARCELS OF MERCHANDISE SENT THROUGH THE MAIL FOR SALE

The practice of using the mails for the purpose of sending unsolicited articles through the mails for sale is increasing to an extent which demands legislation prohibiting the same. Under this practice articles and merchandise are sent to addresses unsolicited, and in the absence of any order therefor for the purpose of sale and with the request to transmit a price therefor. This places upon the addressee a burden of the receipt and attention thereto without any solicitation on his part, and the necessity of returning the article or remitting for it, neither of which he is under obligation to do, or of ignoring the matter altogether. Following this he is subject to receipt of follow-up letters from the sender, all of which are annoying and some of which are abusive and threatening. The claim made by some that postage will be guaranteed or enclosed for the return of the article does not relieve the situation materially. It still puts the burden upon the recipient of keeping or returning the article, which is an uninvited annoyance to him.

The Department receives many bitter complaints from individuals who receive such merchandise and from retail merchants, also from organizations such as merchants' associations, chambers of commerce, and others.

The Postal Service is a public service for the legitimate use of the people. It should not be made the instrument of a practice which works an uninvited hardship or inconvenience to recipients of mail matter subjecting them to annoyance and abuse. They have equal rights with the senders.

That same recommendation made by Postmaster General New has been continued and reiterated by all his successors in that office.

Mr. BORAH. Would it include books?

Mr. HAYDEN. It would include books, neckties, and every conceivable article that could be sent through the mail with a price attached and a request to remit.

I myself, I may say to the Senator, have frequently received books with a bill attached requesting me to remit the price of the book, a book which I had no desire to buy and in the subject matter of which I was not interested.

Mr. BORAH. It would not include gift books, would it?

Mr. HAYDEN. No. The bill only applies where merchandise is sent through the mail unsolicited with a request to pay the cost thereof.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. REYNOLDS. I might state, in that connection, that I have heard of instances of organizations of one description or another engaged in the practice of searching out from the columns of newspapers the names and addresses of people who have died and then sending to members of their families packages with the order "Collect $2 hereon." Oftentimes members of the family are under the impression that before the deceased passed away he had ordered the article, and, right at the time when they are grieved and stricken, they feel perhaps that they should complete the purchase and receive that which they are led to believe the deceased ordered. So they pay the charge or send to the company a check or money order for the amount supposed to be due.

I want to state that, as a matter of fact, I have had the experience occasionally of packages of socks or a half a dozen packages of neckties being sent to me accompanied by a bill to be paid or asking me to return the ties or the socks. Of course, like others, I am curious, and I look in the package and return it.

I think the suggestion is a good one that this practice should be stopped, as the mails have been taken advantage of by those who desire to sell their wares in this particular manner.

Mr. HAYDEN. Mr. President, as I have stated, twice in previous Congresses the Senate has passed a bill prohibiting this practice, but each time it failed of enactment in another body. From what information I am able to gather, the opposition there came from certain religious, charitable, and eleemosynary institutions that have engaged in the practice of sending out Christmas cards to obtain funds for a charitable or religious purpose. On account of that opposition, I imagine, the proposed legislation failed to become a law. I thought it was better, perhaps, to obtain half a loaf rather than no bread, so that in introducing this bill at this session of Congress I provided in section 3:

(a) This act shall not apply to any religious, charitable, or eleemosynary society or institution whose application for the privilege of sending unsolicited merchandise through the mails has been approved by the Postmaster General.

(b) The Postmaster General may provide by suitable regulations for the submission and approval of applications by any such religious, charitable, or eleemosynary society or institution, accompanied by satisfactory evidence of its bona fides, for the privilege of sending through the mails unsolicited merchandise bearing the pledge of the sender to pay the return postage if undeliverable or refused.

The bill was referred to the Postmaster General for report, and Mr. Farley recommends that the compromise provision which I have just read be eliminated from the bill. I read from the Postmaster General's report addressed to the Senator from Tennessee [Mr. McKELLAR]:

Answering the letter from your committee of the 23d instant relating to S. 1226, a bill to prohibit the sending of unsolicited merchandise through the mails, I will state that in our judgment the bill would be improved by omitting therefrom the exception made in favor of religious, charitable, and eleemosynary institutions. While merchandise emanating from such sources is less objectionable than merchandise handled purely for purposes of individual profit, yet to most addressees such shipments constitute an annoyance. Moreover, the administration of the law would be rendered somewhat more difficult by having an excepted class.

Very truly yours,

JAMES A. FARLEY,
Postmaster General.

In the light of the recommendation made by the Postmaster General, the Committee on Post Offices and Post Roads, in reporting the bill to the Senate, recommended that section 3 be stricken out.

Mr. LOGAN. Mr. President——

Mr. HAYDEN. I yield to the Senator from Kentucky.

Mr. LOGAN. Mr. President, I should like to inquire whether that section was considered. I was not able to attend the committee meeting when it was considered, but, as I understand, the compromise section was not included in the bill by the committee.

Mr. HAYDEN. The Senator from Kentucky is correct in his statement.

Mr. LOGAN. This bill, of course, as the Senator suggested a while ago, does not include books. I do not know any way to avoid it. There are some publishers who, knowing that I am interested in certain matters relating to subjects that we sometimes may call our "hobbies", when they bring out a book on some such particular subject, usually send a copy to me without saying anything about it; otherwise, I might never hear about it. However, I suppose if it will help the public generally, I can forego that advantage to myself. So I think that the bill is all right.

Mr. HAYDEN. So far as publishers are concerned, it would be a very minor matter to send the Senator a short

note saying, "We have published a new book, with a brief prospectus", and then the Senator could determine whether or not he desired to order it sent to his address.

Mr. LOGAN. That is entirely correct.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. COSTIGAN. Under the circumstances detailed by the Senator from Kentucky [Mr. LOGAN], he would be at liberty, would he not, to accept the book, and thereupon the penalty of the proposed act would not apply?

Mr. HAYDEN. The purpose of this proposed legislation, I want to frankly say to the Senator, is to try to eliminate this nuisance at its source, so that no one may engage generally and continually in sending out unsolicited numerous packages of socks or neckties or books, or whatever it may be, as has been done in the past.

Mr. COSTIGAN. Mr. President, I should like to ask the able Senator from Arizona a further question about the pending measure. If the bill which I have before me is accurate, it merely provides that if the addressee refuses to accept the merchandise—I read from lines 9 and 10 on page 1, section 2—the situation which was suggested by the Senator from Kentucky [Mr. LOGAN]—thereupon the penalty of liability for double postage attaches. Is there some other penal provision in the measure?

Mr. HAYDEN. No; I see the point to which the Senator from Colorado desires to direct my attention; but generally, let me say, that where there are companies or firms engaged in this business to a wide-spread extent, of course, the Post Office Department knows by the heavy mailings they make to points throughout the United States that they are sending out unsolicited merchandise. The enactment of this proposed legislation will stop much of such mailings at its source, and that is really where the great benefit to the public will accrue.

Unless it is desired to ask further questions about the pending measure, I should like to have a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

RECONSTRUCTION FINANCE CORPORATION CONFERENCE REPORT

Mr. FLETCHER. Mr. President, I ask unanimous consent to present the conference report on Senate bill 1175, to which report, as announced in the message which has just come to the Senate, the House has agreed. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That until February 1, 1937, or such earlier date as the President may fix by proclamation, the Reconstruction Finance Corporation is hereby authorized to continue to perform all functions which it is authorized to perform under law, and the liquidation and winding up of its affairs as provided for by section 13 of the Reconstruction Finance Corporation Act, as amended, are hereby postponed during the period that the functions of the Corporation are continued pursuant to this act: *Provided*, That no officer or employee of the Reconstruction Finance Corporation shall receive salary at a rate in excess of $10,000 per annum, except that in the case of any position the salary of which at the date of the enactment of this act is at the rate of $12,500 per annum such salary may continue at such rate.

"SEC. 2. (a) Except as provided in section 5d of the Reconstruction Finance Corporation Act, as amended by section 10 hereof, and in section 9 of an act entitled 'An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes', approved June 19, 1934, no funds shall be disbursed on any commitment or agreement hereafter made by the Reconstruction Finance Corporation to make a loan or advance, subscribe for stock, or purchase capital notes or debentures, after the expiration of 1 year from the date of such commitment or agreement; but within the period of such 1-year limitation no provisions of law terminating any of the functions of the Reconstruction Finance Corporation shall be construed to prohibit disbursement of funds or commitments or agreements to make loans or advances, subscribe for preferred stock, or purchase capital notes or debentures.

may be made at any time prior to January 31, 1936, on any commitment or agreement heretofore made by the Corporation to make a loan or advance, subscribe for preferred stock, or purchase capital

"(b) Notwithstanding any other provision of law, disbursement notes or debentures.

"SEC. 3. Notwithstanding any other provisions of law limiting the maturity of obligations taken by it to shorter periods, the Reconstruction Finance Corporation may make loans or advances or renewals or extensions thereof to authorized borrowers or by other suitable agreement permit them to run so as to mature at such time or times as the Corporation may determine, not later than January 31, 1945: *Provided*, That in respect of loans or renewals or extensions of loans or purchases of obligations under section 5 of the Reconstruction Finance Corporation Act, as heretofore and herein amended (U. S. C., Supp. VII, title 15, ch. 14), to or of railroads, the Corporation may require as a condition of making any such loan or renewal or extension for a period longer than 5 years, or purchasing any such obligation, maturing later than 5 years from the date of purchase by the Corporation, that such arrangements be made for the reduction or amortization of the indebtedness of the railroad, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

"SEC. 4. (a) Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out all of the third sentence of the third paragraph thereof through the first colon and inserting in lieu thereof the following: 'Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: *Provided*, That in the case of loans to or the purchase or guarantee of obligations, including equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans made for the maintenance of, or purchase of equipment for, such railroads: *And provided further*, That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans: *Provided further*, That the total amount of loans and commitments to railroads, receivers, and trustees, and purchases and guaranties of obligations of railroads, under this paragraph, as amended, shall not exceed at any one time $350,000,000, in addition to loans and commitments made prior to the date of enactment of this act and renewals of loans and commitments so made.'

"(b) Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out at the end of the third paragraph thereof the colon and the following: '*Provided further*, That the Corporation may make said loans to trustees of railroads which proceed to reorganize under section 77 of the Bankruptcy Act of March 3, 1933', and inserting in lieu thereof a period.

"SEC. 5. The Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by inserting after section 5b thereof the following new section:

"'SEC. 5c. To assist in the reestablishment of a normal mortgage market, the Reconstruction Finance Corporation may, with the approval of the President, subscribe for or make loans upon the nonassessable stock of any class of any national mortgage association organized under title III of the National Housing Act and of any mortgage loan company, trust company, savings-and-loan association, or other similar financial institution, now or hereafter incorporated under the laws of the United States, or of any State, or of the District of Columbia, the principal business of which institution is that of making loans upon mortgages, deeds of trust, or other instruments conveying, or constituting a lien upon, real estate or any interest therein. In any case in which, under the laws of its incorporation, such financial institution is not permitted to issue nonassessable stock, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such financial institutions. The total face amount of loans outstanding, nonassessable stock subscribed for, and capital notes and debentures purchased and held by the Reconstruction Finance Corporation, under this section, shall not exceed at any one time $100,000,000. Notwithstanding any other provision of law, the Reconstruction Finance Corporation may, under such rules and regulations as it may prescribe (which regulations shall include at least 60 days' notice of any proposed sale to the issuer or maker), sell, at public or private sale, the whole or any part of the stock, capital notes, or debentures acquired by the Corporation pursuant to this section, and the preferred stock, capital notes, or debentures acquired pursuant to any other provision of law. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.'

"SEC. 6. Section 5e (a) of the Reconstruction Finance Corporation Act, as amended, is amended (1) by inserting in the first sentence thereof after the words 'the assets' and before the words 'of any bank', the following: ', or any portion thereof,'; and (2) by inserting in the second sentence thereof after the words 'such assets' and before the words 'held for the benefit' the following: ', or any portion thereof,'.

"SEC. 7. Notwithstanding any other provision of law, Commodity Credit Corporation, a corporation organized under the laws of the State of Delaware as an agency of the United States pursuant to the Executive order of the President of October 16, 1933, shall continue, until April 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the Secretary of Agriculture and the Governor of the Farm Credit Administration are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of Commodity Credit Corporation, and the corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency, including the making of loans on agricultural commodities.

"SEC. 8. Section 1 of the act entitled 'An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes', approved June 10, 1933, as amended (U. S. C., Supp. VII, title 15, ch. 14, sec 605e), is amended by striking from the last sentence thereof '$50,000,000' and inserting in lieu thereof '$75,000,000.'

"SEC. 9. Notwithstanding any other provision of law, the Export-Import Bank of Washington, and the Second Export-Import Bank of Washington, District of Columbia, banking corporations organized under the laws of the District of Columbia as agencies of the United States, pursuant to Executive orders of the President, shall continue, until June 16, 1937, or such earlier date as may be fixed by the President by Executive order, to be agencies of the United States, and in addition to existing charter powers, and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, said banking corporations are hereby authorized and empowered to discount notes, drafts, bills of exchange, and other evidences of debt for the purpose of aiding in the financing and facilitating exports and imports and the exchange of commodities between the United States and any of its territories and insular possessions and any foreign country or the agencies or nationals thereof, and, with the approval of the Secretary of the Treasury, to borrow money and rediscount notes, drafts, bills of exchange, and other evidences of debt for the purposes aforesaid. During the continuance of such agencies, the Secretary of State and the Secretary of Commerce are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of said banking corporations, and they are hereby authorized to use all of their assets, including capital and net earnings therefrom, except such earnings as may be required from time to time to pay dividends upon their preferred capital stock, and to use all moneys which have been or may hereafter be allocated to or borrowed by them, in the exercise of their functions as such agencies.

"SEC. 10. Section 5d of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is amended (1) by striking out all of the first sentence thereof after the word 'industry' and the remainder of the first paragraph, and inserting in lieu thereof the following: ', and to any institution, now or hereafter established, financing principally the sale of electrical, plumbing, or air conditioning appliances or equipment or other household appliances, both urban and rural. Such loans shall, in the opinion of the board of directors of the Corporation, be so secured as reasonably to assure repayment of the loans, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall mature not later than January 31, 1945, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the board of directors of the Corporation, the borrower is solvent, shall not exceed $300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the board of directors of the Corporation may determine.'; and (2) by striking out from the second paragraph thereof the figures '1935' wherever they appear herein, and inserting in lieu thereof the figures '1937.'

"SEC. 11. In all cases where the Reconstruction Finance Corporation shall hold any bonds or other evidences of indebtedness of any borrower under section 201 (a) of the Emergency Relief and Construction Act of 1932, whether heretofore or hereafter acquired, and such borrower shall be able and willing to substitute or cause to be substituted therefor any other bonds or other evidence of indebtedness, whether of the same or longer maturities or otherwise differing, which, in the judgment of said Reconstruction Finance Corporation, are more desirable than those so held, the said Reconstruction Finance Corporation is authorized to accept such bonds or other evidences of indebtedness, in exchange and substitution for such bonds or other evidences of indebtedness so held by it, upon such terms and conditions as may be agreed upon with such borrower at the time of, or in contemplation of, such exchange and substitution.

"SEC. 12. Section 14 of an act entitled 'An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes', approved June 19, 1934 (Public, No. 417, 73d Cong.), is amended to read as follows:

"'SEC. 14. The Reconstruction Finance Corporation is authorized and empowered to make loans upon sufficient security to recognized and established corporations, individuals, and partnerships engaged in the business of mining, milling, or smelting ores. The Reconstruction Finance Corporation is authorized and empowered also to make loans to corporations, individuals, and partnerships engaged in the development of a quartz ledge, or vein, or other ore body, or placer deposit, containing gold, silver, or tin, or gold and silver, when, in the opinion of the Reconstruction Finance Corporation, there is sufficient reason to believe that, through the use of such loan in the development of a lode, ledge, or vein, or mineral deposit, or placer gravel deposit, there will be developed a sufficient quantity of ore, or placer deposits of a sufficient value to pay a profit upon mining operations: *Provided,* That not to exceed $20,000 shall be loaned to any corporation, individual, or partnership, for such development purposes: *Provided further,* That there shall not be allocated or made available for such development loans a sum in excess of $10,000,000.'

"SEC. 13. Notwithstanding any other provision of law, the Reconstruction Finance Corporation is authorized and empowered to use as general funds all receipts arising from the sale or retirement of any of the stock, notes, bonds, or other securities acquired by it pursuant to any provision of law."

And the House agree to the same.

DUNCAN U. FLETCHER,
CARTER GLASS,
ROBERT F. WAGNER,
PETER NORBECK,
J. G. TOWNSEND, Jr.,
Managers on the part of the Senate.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
Managers on the part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Florida if this is the bill which contains, among others, a permissive provision for loans by the Reconstruction Finance Corporation for the development of gold and silver deposits?

Mr. FLETCHER. Yes; the Senate conferees have agreed to the House amendment in that respect.

Mr. COSTIGAN. It should be stated that citizens who dwell in our intermountain regions, the source of much of the mineral wealth of America at this time and in past years, strongly advocate the provision of the conference report which relates to permissive loans to the mining industry.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COUZENS. May I ask the Senator if the conferees retained in the bill the limitation of $100,000,000 in the case of mortgage loans and $350,000,000 in the case of railroad loans?

Mr. FLETCHER. The conferees retained the limitation as to railroad loans as was provided by the bill as it passed the Senate. As to the mortgage proposal the House receded from their amendment and the Senate provision was retained.

Mr. McCARRAN. Mr. President, may I ask a question of the Senator from Florida?

Mr. FLETCHER. Certainly.

Mr. McCARRAN. In this conference report, is the $20,000 limit retained or is it made $10,000?

Mr. FLETCHER. The limit under the bill as agreed to by the conferees is $20,000.

Mr. McCARRAN. I thank the Senator.

Mr. FLETCHER. Mr. President, I ask that the report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

Mr. FLETCHER. In connection with the conference report which has just been agreed to, in order that final action may be facilitated, I ask unanimous consent for the immediate consideration of the order which I send to the desk.

The PRESIDING OFFICER. The order will be read.

The legislative clerk read as follows:

Ordered, by unanimous consent, that the Presiding Officer of the Senate be, and he is hereby, authorized to sign, after the adjournment of the Senate today, the enrolled bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the order.

The order was agreed to.

LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist on its amendment, agree to the conference asked by the House, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SMITH, Mr. WHEELER, and Mr. NORRIS conferees on the part of the Senate.

Mr. LA FOLLETTE. Mr. President, I do not desire at this time to offer any motion to instruct the conferees appointed on the part of the Senate. I do want to make an appeal to the Senator from Kentucky [Mr. BARKLEY] that before the Senate conferees recede on the amendment which I offered yesterday striking out the limitation on the amount of money available for loans for livestock feed some opportunity shall be given those Senators who are interested in the matter from the States especially concerned to confer with the Senate conferees in regard to the question.

Mr. BARKLEY. I have no doubt the conferees will be glad to confer with the Senator from Wisconsin and other Senators interested in that particular matter.

Mr. DUFFY. Mr. President, I merely wish to confirm what the senior Senator from Wisconsin has said. I know that, as sufferers from the drought, the people of Wisconsin are very much interested in the subject. I think there is no real reason why there should be that limitation placed on the livestock feed loans.

SOUTH AMERICAN TRADE

Mr. REYNOLDS. Mr. President, unfortunately, I was not in the Chamber at the time my distinguished friend the senior Senator from Illinois [Mr. LEWIS] took occasion to remark that America should turn her eyes southward, that we should endeavor to increase the trade of this country with the countries lying south of us.

I am naturally greatly interested in that field. If the ports of Central and South America were opened up and the export and import trade increased between the United States of America and the sundry republics lying south of us, unquestionably it would be of great benefit to all the ports of the United States on both eastern and western coasts thereof, but of particular interest to the States of Mississippi, Louisiana, Texas, North Carolina, South Carolina, and Georgia.

I know of no possible move that we could make at this time in the economic history of our country that would be of greater benefit as a whole to the American people than the inauguration of such a program as has been so wisely suggested by the Senator from Illinois.

We have heretofore directed all our energies, we have heretofore directed all our time and given all our interest to trade and trade agreements between these States of the North American Continent and the republics, dictatorships and kingdoms of continental Europe. I rise here today stating to this body unhesitatingly that in my opinion the day for great trade and great commerce between the United States of America and the countries constituting the continent beyond the seas has passed. That likewise applies to the Orient.

What do we find? We find that the countries of the world are vieing with one another in an endeavor to secure the trade of the South American countries. It was only last year that the Prince of Wales journeyed from the British Isles, thousands of miles across the sea to our sister continent, South America, for the purpose of attending an international exposition with a view to creating favor, with a view to currying more friendship with the people of that great continent, because the Prince of Wales knew and every manufacturer in the British Isles and in the possessions of Great Britain knew that the future big trade is to come from the South American countries. All that time we of the United States made not a single friendly gesture toward the people south of us with a view or even with a desire to curry favor and create trade.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Missouri?

Mr. REYNOLDS. Certainly.

Mr. CLARK. Did not a President-elect of the United States make a trip to many of the South American countries as a gesture of friendliness?

Mr. REYNOLDS. Yes; the President did make one trip to South America.

Mr. CLARK. I am not referring to the President, but to the then President-elect, Mr. Hoover.

Mr. REYNOLDS. That is true, but at the time he made that trip we were then more thoroughly interested in creating more trade agreements, in creating more trade between this country and other countries of the world, than with the countries to the south of us.

Our trade in the Orient has been limited. It is becoming more limited annually. We will never be able to cope with the situation that has been brought about particularly by Japan, because the laborers in the United States cannot live on 1 cent an hour. They are different from the laborers of other parts of the world, because our laborers rightly insist upon a higher standard of living, to which they are entitled. Japan can produce goods, has been producing goods, and is now producing goods, more cheaply than they can be produced in the United States, and is consequently selling to the world. As I took occasion to state on the floor of the Senate the other day in the discussion of a subject in which we were all at that time interested, Japan has cut deeply into the trade of Great Britain in India, with its 350,000,000 inhabitants. Japan has cut deeply into the trade of the great Republic of China, with its 450,000,000 inhabitants. Japan is not only going into the territory which is dominated by Great Britain in the Orient, but Japan

has likewise gone into the possessions of the Netherlands in Java and other countries of that particular section of the hemisphere; and the time has arrived when we who are seeking fields of commerce to conquer must, as the Senator from Illinois said, turn our eyes southward.

Just below the Texas border, from which our Vice President hails, we find fifteen millions of people in the Republic of Mexico who are looking for an opportunity to do more business and bigger business with the people of this country.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield to the Senator from Nevada.

Mr. McCARRAN. I wonder if the inquiry made by the learned Senator from North Carolina has led him to consider whether or not our present system of American merchant marine is conducive to the extension of our trade into the countries of South America or into the Orient. I wonder if the Senator has considered the fact that within a few years we shall have on the high seas less than 20 vessels under 20 years of age carrying the American flag. I wonder if he has considered that all these things are conducive to the trade that is going to the Orient from South America and against American interests.

Mr. REYNOLDS. Mr. President, I am indeed grateful to my distinguished colleague for his inquiry and the information, I may add with appreciation, which he has contributed to that which I have had to say relative to the future trade of the United States of America; and I shall say, in definite answer to his inquiry, that I have given some consideration to that matter.

The question of the American merchant marine is a vital one with the American people today by reason of the fact that it is a part and parcel of commerce itself. Unless the standard of the great merchant marine of America is continued, America cannot possibly hope to continue to cope in the future with the competition that we find riding the seven seas of the earth. I say to my distinguished colleague that we must give more attention to the merchant marine of America, and in giving attention to it we must bear in mind the fact that we have many obstacles to overcome. Among those may be mentioned the fact that the American seamen, like the American laborer, has an unusually high standard of living. The American laborer, on account of the high standard which we have set for him, and which we demand shall be maintained for him as for the masses of this country, has to cope with the same situation presented by the laborers of Japan, or of China, or of India, or of the Straits Settlements, or of Indo-China, or of any section of the Orient, where a living wage is not paid, where people live in misery. The American seaman likewise has been accustomed to that high standard of living, whereas, to the contrary, the great majority of the ships that sail under foreign flags over the seven seas are manned by those who are not accustomed at the most to more than $10 a month, and aboard some of the Japanese ships and some of the Chinese ships secure not more than $5 a month. The question of the American merchant marine must be considered along with the trade which we may expect in the future from the ports of South America or the Central American countries, as well as from the ports of the other of the five continents of the world.

Mr. KING. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. KING. Does not the Senator believe that primarily a merchant marine depends upon exports and upon imports? How can we have a large merchant marine when one political party—if we are to take the Senator from Minnesota [Mr. SCHALL] as the exponent of that party—says that we should build walls so high as to have no contact with the rest of the world, and when many Democrats today are accepting the old orthodox Republican view that we want no trade with the world?

I may say to my friend that our merchant marine will grow and expand so long as we increase our exports and our imports and have trade with the rest of the world; but if we are to adopt the policy of China, and build around us tariff walls so high that there can be no imports, obviously there will be no exports.

Trade will come to the United States if we trade with the world, and as our trade increases we shall build up a merchant marine. So, primarily, if we want a merchant marine, we must have trade and commerce; and if the Democratic Party will adhere to the policies of some of the great leaders of the party, and encourage international trade and commerce, we shall in time build up a merchant marine that will meet the needs of the people.

Mr. REYNOLDS. Mr. President, I may say that I am in harmony and in accord with my distinguished colleague from Utah, because I recognize the unquestionable fact that before we can profitably utilize a great merchant marine we must of necessity first develop the commerce of the world insofar as that commerce is related to the good interests of the United States of America.

Mr. McCARRAN. Mr. President——

Mr. REYNOLDS. I yield.

Mr. McCARRAN. In response to a suggestion made by the learned Senator from Utah [Mr. KING], and in keeping with the views of the Senator from North Carolina, I may say that we shall never have a successful merchant marine so long as the success of that merchant marine depends on the payment of high salaries to officials who spend those salaries in various resorts for their own amusement, as was disclosed before the committee of which the learned Senator from Utah was a member. Moreover, we shall never have a successful merchant marine so long as there is a possibility of a repetition of the *Morro Castle* incident, and so long as insurance companies control the condition of our merchant ships.

Mr. REYNOLDS. Mr. President, very briefly I desire to reiterate the statement that I think, the eyes of those interested in the future of America from an economic standpoint of trade and commerce, should be turned toward the south.

Just south of us, in the Republic of Mexico, there are 15,000,000 people who are anxious to do business with our States. By the way, I pause to state that within a year from now that country which lies just beyond the border from the home of our great Vice President will have finished a road from Laredo to Mexico City by way of Monterey. Year before last, in 1933, 23,000 people from the United States visited the sister Republic of Mexico. Those 23,000 people who visited there created for the American people a friendly, kindly feeling. With the opening of that new road, which is a part and parcel of the great Pan American highway which is under contemplation and part of which is under construction, more than 100,000 American people annually will visit our sister republic; all of which means that a more friendly feeling and a warmer affiliation between the peoples of the two great Republics of North America will have been brought about.

I desire to say in that particular connection that I am heartily in favor of the construction of a great Pan American highway leading from the States of the United States through Mexico, Guatemala, Honduras, Venezuela, Brazil, and into the Argentine, because I recognize, as does every man here, that the greater the affiliation between the people of these United States and those of the states south of us and those of the republics still farther south of us, the greater will be the trade existing between those countries and the greater will the people of our Republic profit thereby.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, as there is nothing further to come before the Senate at this time, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

NOMINATIONS REFERRED AND NOMINATION WITHDRAWN

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations and withdrawing a nomination, which were referred to the appropriate committees or ordered to lie on the table.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

NOMINATION OF J. FRANK SCHUMMER RECOMMITTED

Mr. HAYDEN. Mr. President, I ask unanimous consent that the vote whereby the nomination of J. Frank Schummer, of Hamburg, N. Y., to be postmaster at that place, was confirmed by the Senate on the 29th instant be reconsidered and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

THE CALENDAR

The VICE PRESIDENT. The clerk will call the calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

That completes the calendar.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume legislative session.

The motion was agreed to; and the Senate resumed legislative session.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. I move that the Senate adjourn until noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate adjourned until Monday, February 4, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 31 (legislative day of Jan. 30), 1935

ASSISTANT DIRECTOR, BUREAU OF DOMESTIC AND FOREIGN COMMERCE

William E. Dunn to be Assistant Director, Bureau of Foreign and Domestic Commerce, vice Henry Russell Armory, resigned.

UNITED STATES DISTRICT JUDGE

John McDuffie, of Alabama, to be United States district judge, southern district of Alabama, to succeed Robert T. Ervin, retired.

UNITED STATES MARSHAL

John J. Farrell, of Minnesota, to be United States marshal, district of Minnesota, to succeed Bernard Anderson, whose term expires February 23, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 31 (legislative day of Jan. 30), 1935

POSTMASTERS

ILLINOIS

Edward G. Mochel, Clarendon Hills.
John J. Welch, Deerfield.
Ferd H. Gibler, Freeport.
H. Earl Ballein, Hanover.
Francis L. Wright, Henry.
Charles W. Rimsnider, Hinckley.
Florence E. Kelley, Iuka.
J. Walter Lowrey, Joliet.
Patrick H. McKeone, Lacon.
Raymond A. Kennedy, Libertyville.
Otto F. Giehl, Metamora.
Paul H. Ryan, New Holland.
Garnett M. Farthing, Odin.
L. Maude McBride, Pawpaw.
Ernest Swanson, Paxton.
Margaret Bradbury, Perry.
Marguerite D. Long, Princeville.
Jacob Sand, Roanoke.
Lester L. Boyle, Roberts.
Lawrence P. Luby, Rockford.
Joseph E. Pruett, St. Elmo.
West M. Rourke, Springfield.
William E. Hollerich, Spring Valley.
Joseph J. Morrissey, Utica.

NORTH DAKOTA

Ralph E. Ulrich, Balfour.
Arthur Shelton, Bowdon.
Freda A. Sempel, Braddock.
Maude I. Burbeck, Cathay.
Nels A. Anderson, Finley.
G. Ralph Rohr, Gladstone.
John A. Schieb, Kensal.
Alf A. Ringen, Kindred.
Anna M. Wagner, Lidgerwood.
William G. McBride, Milton.
M. Florence Klessig, Page.
William J. Gust, St. Thomas.
John M. Klein, Strasburg.
Grace C. Wheeler, Tower City.
William S. McCabe, Walhalla.
George G. Harvey, Williston.
Clarence O. Uggen, Woodworth.
Bernhard Ottis, Wyndmere.

UTAH

Nello Christoffersen, Brigham.
James L. Willardsen, Ephraim.
N. Stanley Brady, Fairview.
Cantril Nielsen, Hyrum.
Gerald Cazier, Nephi.
Richard B. Porter, Ogden.
Carl W. Empey, Price.

WITHDRAWALS

Executive nominations withdrawn from the Senate January 31 (legislative day of Jan. 30), 1935

POSTMASTERS

ALABAMA

Alfred L. Harrell to be postmaster at Lafayette, in the State of Alabama.

TEXAS

Elizabeth McCauley to be postmaster at Sabinal, in the State of Texas.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 31, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

With thanksgiving and praise we most humbly acknowledge Thy mercies, O God. Thou dost command the hidden hours of the night season and the daylight time to serve us; we thank Thee. We pray in the name of Him who took the children to His arms. Heavenly Father, do likewise with all the little ones who have lost their sweet, innocent songs. What a tragedy, a child without a childhood, like a day without a sun and a night without a star. Scorched and fettered, palsied and crippled by a baneful disease, they are denied the play hours of the early years and face a future so dark and so forbidding. Heavenly Father, Thou who dost preside over life and destiny, in their painful estate cheer, comfort, and heal them. Console all parents whose lips have been put to this bitter cup. Brighten their visions, mark out their saddest colors, and give them peace in their broken worlds. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a joint resolution of the House of the following title:

On January 28, 1935:

H. J. Res. 112. Joint resolution to clarify the definition of disagreement in section 19, World War Veterans' Act, 1924, as amended.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3247. An act to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 92. An act to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes;

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections nos. 5 and 6;

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes";

S. 411. An act to authorize an annual appropriation of $10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City;

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon;

S. 464. An act to add certain lands to the Malheur National Forest in the State of Oregon;

S. 575. An act to amend the Mining Act of May 10, 1872, as amended;

S. 619. An act to amend section 27 of the Merchant Marine Act, 1920;

S. 736. An act for the relief of Louise Fox; and

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.

PERMISSION TO ADDRESS THE HOUSE

Mr. SANDERS of Louisiana. Mr. Speaker, I ask unanimous consent that I may be permitted to address the House for 20 minutes tomorrow immediately after the reading of the Journal and the disposition of business on the Speaker's table, on events of national importance in Louisiana.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, and I do not intend to object, because I understand the gentleman desires to speak on a very urgent matter. But I do feel that the general wish of the House is that we should require speeches longer than 5 minutes to be made during the general debate on some one of the appropriation bills. That is the purpose of having the very liberal general debate on each of these bills. Lengthy speeches made immediately after the reading of the Journal tends to delay and disturb the regular orderly proceedings of the House, and I hope these requests will be very few. However, in view of the tense conditions existing in Louisiana at this time, I shall not object to this request.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That until February 1, 1937, or such earlier date as the President may fix by proclamation, the Reconstruction Finance Corporation is hereby authorized to continue to perform all functions which it is authorized to perform under law, and the liquidation and winding up of its affairs as provided for by section 13 of the Reconstruction Finance Corporation Act, as amended, are hereby postponed during the period that the functions of the Corporation are continued pursuant to this act: *Provided*, That no officer or employee of the Reconstruction Finance Corporation shall receive salary at a rate in excess of $10,000 per annum, except that in the case of any position the salary of which at the date of the enactment of this act is at the rate of $12,500 per annum such salary may continue at such rate.

"SEC. 2. (a) Except as provided in section 5d of the Reconstruction Finance Corporation Act, as amended by section 10 hereof, and in section 9 of an act entitled 'An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes', approved June 19, 1934, no funds shall be disbursed on any commitment or agreement hereafter made by the Reconstruction Finance Corporation to make a loan or advance, subscribe for stock, or purchase capital notes or debentures, after the expiration of 1 year from the date of such commitment or agreement; but within the period of such 1-year limitation no provision of law terminating any of the functions of the Reconstruction Finance Corporation shall be construed to prohibit disbursement of funds on commitments or agreements to make loans or advances, subscribe for preferred stock, or purchase capital notes or debentures.

"(b) Notwithstanding any other provision of law, disbursement may be made at any time prior to January 31, 1936, on any commitment or agreement heretofore made by the Corporation to make a loan or advance, subscribe for preferred stock, or purchase capital notes or debentures.

"SEC. 3. Notwithstanding any other provision of law limiting the maturity of obligations taken by it to shorter periods, the Reconstruction Finance Corporation may make loans or advances or renewals or extensions thereof to authorized borrowers or by other suitable agreement permit them to run so as to mature at such time or times as the Corporation may determine, not later than January 31, 1945: *Provided*, That in respect of loans or renewals or extensions of loans or purchases of obligations under section 5 of the Reconstruction Finance Corporation Act, as heretofore and herein amended (U. S. C., Supp. VII, title 15, ch. 14), to or of railroads, the Corporation may require as a condition of making any such loan or renewal or extension for a period longer than 5 years, or purchasing any such obligation maturing later than 5 years from the date of purchase by the Corporation, that such arrangements be made for the reduction or amortization of the indebtedness of the railroad, either in whole or in part, as may be approved by the Corporation after the prior approval of the Interstate Commerce Commission.

"SEC. 4. (a) Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out all of the third sentence of the third paragraph thereof through the first colon and inserting in lieu thereof the following: 'Within the foregoing limitations of this section, the Corporation, notwithstanding any limitation of law as to maturity, with the approval of the Interstate Commerce Commission, including approval of the price to be paid, may, to aid in the financing, reorganization, consolidation, maintenance, or construction thereof, purchase for itself, or for account of a railroad obligated thereon, the obligations of railroads engaged in interstate commerce, including equipment trust certificates, or guarantee the payment of the principal of, and/or interest on, such obligations, including equipment trust certificates, or, when, in the opinion of the Corporation, funds are not available on reasonable terms through private channels, make loans, upon full and adequate security, to such railroads or to receivers or trustees thereof for the purposes aforesaid: *Provided*, That in the case of loans to or the purchase or guaranty of obligations, including

equipment trust certificates, of railroads not in receivership or trusteeship, the Interstate Commerce Commission shall, in connection with its approval thereof, also certify that such railroad, on the basis of present and prospective earnings, may reasonably be expected to meet its fixed charges, without a reduction thereof through judicial reorganization, except that such certificate shall not be required in case of such loans made for the maintenance of, or purchase of equipment for, such railroads: *And provided further*, That for the purpose of determining the general funds of the Corporation available for further loans or commitments, such guaranties shall, to the extent of the principal amount of the obligations guaranteed, be interpreted as loans or commitments for loans: *Provided further*, That the total amount of loans and commitments to railroads, receivers, and trustees, and purchases and guaranties of obligations of railroads, under this paragraph, as amended, shall not exceed at any one time $350,000,000, in addition to loans and commitments made prior to the date of enactment of this act and renewals of loans and commitments so made.'

"(b) Section 5 of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by striking out at the end of the third paragraph thereof the colon and the following: '*Provided further*, That the Corporation may make said loans to trustees of railroads which proceed to reorganize under section 77 of the Bankruptcy Act of March 3, 1933', and inserting in lieu thereof a period.

"SEC. 5. The Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is further amended by inserting after section 5b thereof the following new section:

"'SEC. 5c. To assist in the reestablishment of a normal mortgage market, the Reconstruction Finance Corporation may, with the approval of the President, subscribe for or make loans upon the nonassessable stock of any class of any national mortgage association organized under title III of the National Housing Act and of any mortgage loan company, trust company, savings and loan association, or other similar financing institution, now or hereafter incorporated under the laws of the United States, or of any State, or of the District of Columbia, the principal business of which institution is that of making loans upon mortgages, deeds of trust, or other instruments conveying, or constituting a lien upon, real estate or any interest therein. In any case in which, under the laws of its incorporation, such financial institution is not permitted to issue nonassessable stock, the Reconstruction Finance Corporation is authorized, for the purposes of this section, to purchase the legally issued capital notes or debentures of such financial institutions. The total face amount of loans outstanding, nonassessable stock subscribed for, and capital notes and debentures purchased and held by the Reconstruction Finance Corporation, under this section, shall not exceed at any one time $100,000,000. Notwithstanding any other provision of law, the Reconstruction Finance Corporation may, under such rules and regulations as it may prescribe (which regulations shall include at least 60 days' notice of any proposed sale to the issuer or maker), sell, at public or private sale, the whole or any part of the stock, capital notes, or debentures acquired by the Corporation pursuant to this section, and the preferred stock, capital notes, or debentures acquired pursuant to any other provision of law. The amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section.'"

"SEC. 6. Section 5e (a) of the Reconstruction Finance Corporation Act, as amended, is amended (1) by inserting in the first sentence thereof after the words "the assets" and before the words "of any bank", the following: "or any portion thereof"; and (2) by inserting in the second sentence thereof after the words "such assets" and before the words "held for the benefit" the following: "or any portion thereof."

"SEC. 7. Notwithstanding any other provision of law, Commodity Credit Corporation, a corporation organized under the laws of the State of Delaware as an agency of the United States pursuant to the Executive order of the President of October 16, 1933, shall continue, until April 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the Secretary of Agriculture and the Governor of the Farm Credit Administration are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of Commodity Credit Corporation, and the Corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency, including the making of loans on agricultural commodities.

"SEC. 8. Section 1 of the act entitled 'An act to authorize the Reconstruction Finance Corporation to subscribe for preferred stock and purchase the capital notes of insurance companies, and for other purposes', approved June 10, 1933, as amended (U. S. C., Supp. VII, title 15, ch. 14, sec. 605e), is amended by striking from the last sentence thereof '$50,000,000' and inserting in lieu thereof '$75,000,000.'

"SEC. 9. Notwithstanding any other provision of law, the Export-Import Bank of Washington, and the Second Export-Import Bank of Washington, D. C., banking corporations organized under the laws of the District of Columbia as agencies of the United States, pursuant to Executive orders of the President, shall continue, until June 16, 1937, or such earlier date as may be fixed by the President by Executive order, to be agencies of the United States, and in addition to existing charter powers, and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, said banking corporations are hereby authorized and empowered to discount notes, drafts, bills of exchange, and other evidences of debt for the purpose of aiding in the financing and facilitating exports and imports and the exchange of commodities between the United States and any of its Territories and insular possessions and any foreign country or the agencies or nationals thereof, and, with the approval of the Secretary of the Treasury, to borrow money and rediscount notes, drafts, bills of exchange, and other evidences of debt for the purposes aforesaid. During the continuance of such agencies, the Secretary of State and the Secretary of Commerce are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of said banking corporations, and they are hereby authorized to use all of their assets, including capital and net earnings therefrom, except such earnings as may be required from time to time to pay dividends upon their preferred capital stock, and to use all moneys which have been or may hereafter be allocated to or borrowed by them, in the exercise of their functions as such agencies.

"SEC. 10. Section 5d of the Reconstruction Finance Corporation Act, as amended (U. S. C., Supp. VII, title 15, ch. 14), is amended (1) by striking out all of the first sentence thereof after the word 'industry' and the remainder of the first paragraph and inserting in lieu thereof the following: ', and to any institution, now or hereafter established, financing principally the sale of electrical, plumbing, or air-conditioning appliances or equipment or other household appliances, both urban and rural. Such loans shall, in the opinion of the Board of Directors of the Corporation, be so secured as reasonably to assure repayment of the loans, may be made directly, or in cooperation with banks or other lending institutions, or by the purchase of participations, shall mature not later than January 31, 1945, shall be made only when deemed to offer reasonable assurance of continued or increased employment of labor, shall be made only when, in the opinion of the Board of Directors of the Corporation, the borrower is solvent, shall not exceed $300,000,000 in aggregate amount at any one time outstanding, and shall be subject to such terms, conditions, and restrictions as the Board of Directors of the Corporation may determine.;' and (2) by striking out from the second paragraph thereof the figures '1935' wherever they appear herein and inserting in lieu thereof the figures '1937.'

"SEC. 11. In all cases where the Reconstruction Finance Corporation shall hold any bonds or other evidences of indebtedness of any borrower under section 201 (a) of the Emergency Relief and Construction Act of 1932, whether heretofore or hereafter acquired, and such borrower shall be able and willing to substitute or cause to be substituted therefor any other bonds or other evidences of indebtedness, whether of the same or longer maturities or otherwise differing, which, in the judgment of said Reconstruction Finance Corporation, are more desirable than those so held, the said Reconstruction Finance Corporation is authorized to accept such bonds or other evidences of indebtedness, in exchange and substitution for such bonds or other evidences of indebtedness so held by it, upon such terms and conditions as may be agreed upon with such borrower at the time of, or in contemplation of, such exchange and substitution.

"SEC. 12. Section 14 of an act entitled 'An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes', approved June 19, 1934 (Public, No. 417, 73d Cong.), is amended to read as follows:

"'SEC. 14. The Reconstruction Finance Corporation is authorized and empowered to make loans upon sufficient security to recognized and established corporations, individuals, and partnerships engaged in the business of mining, milling, or smeltering ores. The Reconstruction Finance Corporation is authorized and empowered also to make loans to corporations, individuals, and partnerships engaged in the development of a quartz ledge, or vein, or other ore body, or placer deposit, containing gold, silver, or tin, or gold and silver, when, in the opinion of the Reconstruction Finance Corporation, there is sufficient reason to believe that, through the use of such loan in the development of a lode, ledge, or vein, or mineral deposit, or placer gravel deposit, there will be developed a sufficient quantity of ore, or placer deposits of a sufficient value to pay a profit upon mining operations: *Provided*, That not to exceed $20,000 shall be loaned to any corporation, individual, or partnership, for such development purposes: *Provided further*, That there shall not be allocated or made available for such development loans a sum in excess of $10,000,000.'

"SEC. 13. Notwithstanding any other provision of law, the Reconstruction Finance Corporation is authorized and empowered to use as general funds all receipts arising from the sale or retirement of any of the stock, notes, bonds, or other securities acquired by it pursuant to any provision of law."

And the House agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
Managers on the part of the House.

DUNCAN U. FLETCHER,
CARTER GLASS,
ROBERT F. WAGNER,
PETER NORBECK,
J. G. TOWNSEND, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 4 of the Senate bill relating to loans to railroads, receivers, and trustees contained a provision that the total amount of such loans and commitments and purchases and guaranties of obligations of railroads under the paragraph, as amended, should not exceed at any one time $350,000,000. There was no corresponding provision in the House amendment.

The conference agreement retains the provisions of the Senate bill, but clarifies it so that the limitation of $350,000,000 will apply solely to loans, commitments, purchases, and guaranties made after the date of enactment of the act, with the result that it will not affect existing loans and commitments or renewals thereof.

Section 5 of the Senate bill (relating to loans to mortgage loan companies and similar institutions) contained a limitation of $100,000,000 for such loans, subscriptions to stock, and purchases of capital notes and debentures, under the section. There was no similar provision in the House amendment. The conference agreement retains the limitation of the Senate bill.

The House amendment also added to that section a provision that any assistance given to a financial institution by the Corporation should be conditioned upon its agreement that it would not use the funds so obtained in the reorganization of any real-estate enterprise with outstanding debts of $50,000 or more, unless the plan of reorganization and the fees and expenses in connection therewith were approved by the Securities and Exchange Commission. There was also a provision in the House amendment authorizing the Reconstruction Finance Corporation to make loans to corporations, associations, or persons organized for the reorganization of real-estate properties upon the recommendation of the Securities and Exchange Commission and its approval of the proposed plan of reorganization. There were no corresponding provisions in the Senate bill, and the conference agreement eliminates these provisions.

The House amendment to that section also contained a provision authorizing the Reconstruction Finance Corporation to increase its borrowing power in an amount sufficient to carry out the provisions of the section. The conference agreement retains this provision.

The House amendment provided that loans to mortgage companies under the above section might be made "upon the request of the Secretary of the Treasury" and that the securities acquired by the Corporation under the section or pursuant to any other law might be disposed of "with the approval of the Secretary of the Treasury." There were no corresponding limitations in the Senate bill, and the conference agreement eliminates such limitations.

Section 8 of the Senate bill increased the maximum amount which might be loaned to insurance companies from $50,000,000 to $60,000,000. The House amendment provided for a maximum limit of $75,000,000, and the conference agreement retains the provisions of the House amendment.

Section 10 of the Senate bill (relating to industrial loans by the Reconstruction Finance Corporation) extended the authority of the Corporation "to any business operating ferry boats or other craft solely on inland tidal waters." There was no corresponding provision in the House amendment and the conference agreement eliminates the provision. The conference agreement retains the provisions of section 10 of the House amendment relating to industrial loans.

The House amendment contained a provision (section 12a) authorizing the Reconstruction Finance Corporation to make loans "to any institution the principal business of which is that of lending money to taxpayers at an interest rate not exceeding 4 per centum per annum plus a service charge of not in excess of 2 per centum, for the payment of real-estate taxes, water rates, or special assessments on real estate, against the security of tax liens, or any interest therein held by the taxing authority." There was no corresponding provision in the Senate bill. The conference agreement eliminates this provision.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,
Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I regret to find that the conferees failed to continue in the bill section 12 (a), page 21, which we on this side of the Capitol had agreed upon, declaring eligible for loans from the R. F. C. certain finance companies, dealing in loans to taxpayers to pay taxes, the character of which I shall advert to momentarily.

The amendment was as follows:

The Reconstruction Finance Corporation, in addition to the foregoing powers, is authorized and empowered to make loans to any institution the principal business of which is that of lending money to taxpayers at an interest rate not exceeding 4 percent per annum, plus a service charge of not in excess of 2 percent, for the payment of real-estate taxes, water rates, or special assessments on real estate against the security of tax liens or any interest therein held by the taxing authority.

We know that the depression has created a severe drop in tax collections in all municipalities, due to the inability of property owners whose incomes have been materially reduced or utterly destroyed to pay their taxes and, secondarily, that the collapse of the money market generally has created an inability on the part of cities and municipalities to obtain loans in anticipation of tax collections.

My provision would permit the creation of so-called "tax-discount corporations" that would be eligible to borrow money from the R. F. C. and in turn lend the money thus borrowed to the taxpayers of the various municipalities.

In my State, for example, if there is a tax delinquency the interest against the taxpayer on that tax delinquency varies from 10 percent per annum in New York City to 18 percent in cities like Syracuse and other municipalities, and these charges mount up higher and higher until the taxpayer is unable, after a few years, to continue ownership of his property because of the foreclosure of tax liens of the city or municipality.

Here we would permit the creation of these tax-discount companies under enactments of the legislature to make these loans at 4 percent on the unpaid balance and with a service charge of 2 percent; and over a course of years, during which the taxpayer can repay the taxes thus advanced to the city, we find that the rate on the delinquencies, instead of being from 10 to 18, or a higher percentage, would be on the average about four and a half percent.

This is how a tax-discount corporation functions. It loans the money to the property owner for the purpose of paying delinquent or current taxes. The money is not paid directly to the taxpayer. It is paid to the city. The company as security takes from the city an interest in the tax lien which the city has in the property. The form of this security is a conditional tax receipt issued by the city, whereby the city agrees that the tax lien existing against the property shall not be extinguished unless and until the taxpayer repays the money advanced to the city. The taxpayer will have, say, from 3 to 5 years to pay back the moneys thus advanced to the city for the taxes. The interest rate is 4 percent on the unpaid balance.

Our plan is not designed specifically to aid the municipalities. The benefits to the municipalities are only incidental. The primary purpose of the tax-discount corporation is to help property owners, to aid them in avoiding foreclosure. The benefits that the municipalities happen to receive are simply byproducts. I am constrained to believe that the tax-discount corporation will in the long run aid real-estate owners and thus hasten the recovery of real estate. The demands for mortgage loans in New York City, at least in the territory with which I am familiar, are very largely for the purpose of paying tax arrears. Hundreds of bondholders' committees are ready to reorganize properties provided a way can be found to borrow the money to clean up taxes.

Practically every large taxpayer in my city and in practically every city in the country is in arrears. We cannot reestablish real-estate values anywhere unless this tax situation is cleared up. Creation of tax-discount corporations and declaring them eligible for loans will go a great way toward clearing up the situation.

I herewith submit an interesting letter from Mark Graves, New York State commissioner of taxation and finance:

STATE OF NEW YORK,
DEPARTMENT OF TAXATION AND FINANCE,
Albany, July 26, 1934.

Mr. JESSE JONES,
Reconstruction Finance Corporation, Washington, D. C.

DEAR MR. JONES: I have been requested to express to you my views concerning the worthwhileness of the Tax Discount Corporation of New York, which, as I understand it, has applied to the Reconstruction Finance Corporation for a loan.

In this State, as in other American States, tax delinquencies have been growing. Many people just did not have the funds with which to pay taxes, and usually penalties for non-payment of taxes are exceedingly high. This condition has embarrassed the Government and caused defaults. Fortunately, not many defaults

have occurred in New York State, but it is conceivable that some may occur.

When, during the closing days of our 1934 legislative session, Professor Studenski, of New York University, presented to me a plan for organizing corporations under certain safeguards, to loan money to taxpayers, I immediately saw great merit in the plan. We believed it would be helpful to the Government and also helpful to unfortunate taxpayers who were finding it difficult to meet their tax payments. For that reason, we acted in an advisory capacity in the preparation of the law and recommended to the governor that the bill be signed.

I consider this venture a very worthy one, one which, if successful, will benefit our municipal governments and the taxpayers alike. I am hopeful that the Reconstruction Finance Corporation may find that this corporation is comprehended within the list of corporations to which loans may be made.

Very truly yours,

MARK GRAVES, *Commissioner.*

The conference of mayors which met in Chicago last year urged upon the Reconstruction Finance Corporation the declaring of such companies to be eligible to borrow money and thus save the taxpayers their property, and thus save great inconvenience to the cities and at the same time enable the cities to get a vast sum of money to continue their public improvements and expend moneys for the relief of the poor and needy and indigent in the various municipalities.

The R. F. C. ruled, through its counsel, that this type of company is not eligible, and that is why we brought this amendment into the House yesterday, thinking we could declare eligible this type of corporation.

In New York State last year we passed a statute enabling the creation of such corporations to help municipalities get their tax moneys.

Tax discount corporations of New York were formed under the laws of New York for the purpose of making loans to taxpayers for the payments of taxes and assessments, whether delinquent or current, against the security of conditional tax receipts, as provided for in section 596 of the New York State Laws of 1934, more familiarly known as the "Esquirol bill":

An act permitting municipal corporations to accept payment of taxes and special assessments from corporations extending loans to taxpayers for the payment of such taxes or special assessments and to issue conditional receipts therefor.

And which, in substance, permits municipal corporations to hold the prior tax lien as security for loans to taxpayers by the issuance of a conditional tax receipt, thereby enabling private funds to be lent for the payment of taxes and the liquidation of tax arrears.

We provided further that in New York no such corporation could be established unless and until there was set up a minimum of $1,000,000 capital, and then they would have the right, if they could not get money from the banks, to go to the R. F. C. and borrow. It is now hoped we can get a special bill enacted to relieve taxpayers on the one hand from these huge interest payments which they must make upon delinquencies, and also enable the setting up of these corporations to give ready and immediate money to the cities. Mayor LaGuardia tells me that he thinks New York could get over $50,000 from the taxpayers by having some company lend the money to the taxpayers to pay these taxes.

I am happy to get the word from my colleague [Mr. CULLEN], distinguished Representative from New York, who has helped greatly on the matter that I meant fifty million and not fifty thousand dollars—which might be made available to New York City if the amendment or similar provision in a bill could be adopted.

You might say, "Why come to the R. F. C. for loans to such companies? What is the matter with the banks?" I say, "Banks will not take these long-period loans—3 years at least—that these companies will require." At least that is so for the present. But once these companies get established, I am quite sure the banks will come forward with loans of varying periods. But the companies cannot get established unless and until the Government steps in with financial aid of the character contemplated by my amendment.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker and gentlemen of the House, the Banking and Currency Committee has agreed to adopt an amendment to the bill, which amendment I am satisfied is of great benefit to the legislation. The House itself adopted a still broader amendment which would have aided and assisted, as I believe, hundreds of thousands of unfortunate bondholders. It would have protected and safeguarded the rights of the bondholders and restricted the mortgage corporations that are to be formed under this bill in making advances on these securities.

I regret exceedingly that the conferees have found it necessary to agree to eliminate these two important amendments; but I have been informed by the Chairman of the Committee on Banking and Currency that the conferees were forced to agree to this elimination.

I am fully aware that the Chairman of the Reconstruction Finance Corporation has pledged himself to and promised that he will, under the provisions of the bill, relieve these needy bondholders.

Were it not for that fact I would use every power vested in me and every parliamentary tactic to defeat the conference report; again, I recognize that the life of the Reconstruction Finance Corporation expires today, and any move to delay might create a condition for which I should not wish to be responsible.

But I do want to say this, Mr. Speaker and gentlemen: I am sick and tired of one man at the other end of the Capitol, as a rule, exerting his controlling power to disregard the judgment of the House. This is not the first time that the House conferees have been obliged to yield on House legislation that has been adopted after careful and mature consideration, and that that gentleman has placed himself in opposition and refused to agree to beneficial legislation.

Mr. BLANTON. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. BLANTON. Is not the trouble that often our conferees yield too quickly; that if they would hold out and give the Senate conferees to understand that the House insists on its important amendments and does not intend to yield, they would find some yielding over there?

Mr. SABATH. That may be. I was first informed that the House conferees yielded at once, but subsequent information given me was that they made an honest and tenacious fight and that one of the Senate conferees said there was absolutely no use of the House conferees urging and demanding the acceptance of these amendments, because he would not agree to any of them; and, ultimately, our conferees were compelled to agree.

I give notice now that so long as I remain a Member of this House I shall never agree to any conference report that is forced upon the House to deprive the House of its rights and privileges and which will nullify our deliberate consideration.

Mr. BLANTON. I have found out that when the House conferees stand up and refuse to yield on important matters the Senate will yield frequently.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. STEAGALL. Mr. Speaker, I yield 1 minute more to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. On account of the pledge given to me by Mr. Jones, Chairman of the Reconstruction Finance Corporation, as well as by the Chairman of the Committee on Banking and Currency, I am not going to demand that we refuse to concur in this conference report, because I fear what may result if no action is taken today.

Tonight at 12 o'clock the life of the Reconstruction Finance Corporation would expire, which expiration might cause a very serious condition. It might become necessary for the President to reappoint every employee of the Reconstruction Finance Corporation.

But even this serious prospect would not lead me to fail to persist in an effort to defeat the conference report were I not fearful that complications might arise that would effect a very serious financial loss to the Government.

At the same time I serve notice on both the Chairman of the Committee on Banking and Currency and the Chairman of the Reconstruction Finance Corporation that they cannot again bring in legislation at the very last minute and force this House to accept it.

Mr. Speaker, I shall hold the Chairman of the Reconstruction Finance Corporation and the Chairman of the Committee on Banking and Currency to the pledge and the promise they have given to me that the rights and the interest of the bondholders will be protected under the bill.

In conclusion, I want to say that I do greatly deplore what has taken place and the inability of the House to force the retention of these necessary protective provisions.

This unfortunate occurrence will, however, hasten the completion and presentation of the bill of the Select Committee to Investigate Bondholders' Reorganizations, which bill, I hope, shall receive early and favorable consideration. [Applause.]

Mr. STEAGALL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. DUFFEY].

Mr. DUFFEY of Ohio. Mr. Speaker, I have just read the report of the conference committee on the bill S. 1175. I notice that in section 10 four words have been added which I deem of great importance. Those words are "or other household appliances." That is a great improvement over the language contained in the original bill, which did not at that time go as far as I thought it should. It is more satisfactory under all the circumstances. I still register objection to the word "institution", as it appears in the first line of that paragraph. I am at a loss to know what the word means. Having in mind the sound discretion of the Board of Directors of the R. F. C. in interpreting that, the conference report is satisfactory. I intend to vote for the adoption of the report.

Mr. STEAGALL. Mr. Speaker, I yield 30 minutes or such time as he may desire to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I think it is important at this time to call attention to the important language which was stricken from this measure in conference. I refer particularly to the subject matter alluded to a moment ago by the gentleman from Illinois [Mr. SABATH]. Previously, in the course of debate on the bill, I called attention to the fact that out of some $10,000,000,000 worth of real-estate bonds that had been floated in this country, approximately $8,000,000,000 were in default. For the purpose of getting some summary remedy for this thing, and perhaps getting some money into the hands of the bondholders, who have been so distressed and whose purchasing power has been ruined, we have been insisting that some language go into the present bill, even though it might go a little beyond the exact confines of the R. F. C., which would vest some enlarged recommendatory and supervisory power in Federal Securities Commission. One amendment was written into this bill in the Banking and Currency Committee providing that loans should be made to persons, associations, and corporations for the purpose of reorganizing these real-estate properties scattered in every large city in the United States. It was a rather well-drafted amendment, and subsequently, in the course of debate on this bill, that same amendment was enlarged by action of the House before it went to conference. I would not insist particularly upon the first half of the amendment, but I do believe the House ought to insist upon the second half, and I am going to tell the House now why we feel that way, and refer to the record of the hearings held in Chicago in September. The first part of section 5 (c) of this bill as it came to the Banking and Currency Committee provided that the R. F. C. could subscribe to the nonassessable stock of mortgage institutions and credit institutions in the different States in the hope of getting at this problem. Doubtless they could, but you leave therein a great human factor so easy of abuse that I for one have little faith in that section of the bill.

I stated in the course of debate, on the floor of the House on Tuesday, that a gentleman who was associated with the Reconstruction Finance Corporation had been developing real-estate property, and that we would make it possible for him in his official capacity, if he wished to, to use the money from the organization of which he is chairman for the purpose of reorganizing properties in which he had a pecuniary interest and thereby derive personal gain.

When the hearings were held in Chicago we had before us a gentleman whose name is Harvey B. Jones, from Davenport, Iowa. I remember distinctly asking the gentleman whether he was related to Jesse Jones, Chairman of the Reconstruction Finance Corporation, and he said no; but Harvey Jones was the holder of $52,000 of defaulted bonds.

Some of these were bonds on properties in Houston, Tex.; bonds that were issued by the United Properties Corporation, of which Mr. Jesse Jones, Chairman of the Reconstruction Finance Corporation, was one of the directors. Subsequently, when those bonds went into default, those properties were reorganized. It included, as I remember, a theater, a couple of hotels, and a couple of commercial structures. They put the reorganization of that property into the Federal court, and if I remember correctly Mr. Jesse Jones' brother had something to do with the reorganization work. When they got through they sold this property for $450,000; and then, to the holders of the bonds which had been issued through S. W. Straus & Co., they offered $148 for every $1,000 bond. If you want to read the record, it begins at page 273 of the first volume of the hearings conducted by this committee all through last summer.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. O'CONNOR. As the gentleman knows, being a member of that committee, there are 8,000,000,000 of those bonds outstanding in the United States among 3,000,000 people.

Mr. DIRKSEN. That is correct.

Mr. O'CONNOR. The authority to loan to a mortgage company in New York City, for instance, is of no use whatsoever. It appears that these conferees are more interested in insurance companies and banks than they are in taking care of these 3,000,000 in this country. This conference report should be voted down, because they did not carry out the will of the House and keep those two amendments in the bill.

Mr. DIRKSEN. I think much of what the gentleman has stated is correct. [Applause.]

By advancing money to mortgage institutions we make it possible for the same persons who are now in charge of these properties, grabbing off exorbitant trustee and receivership fees, taking 3 to 5 percent for management and taking a commission of 20 percent on the insurance that is written on those properties, to go to the Reconstruction Finance Corporation and get the money with which to pay themselves. That is the thing we are afraid of at the present time.

Mr. O'CONNOR. The gentleman heard the story in New York of 10 East Fortieth Street?

Mr. DIRKSEN. Exactly.

Mr. O'CONNOR. That is all I have to say about it.

Mr. DIRKSEN. Five or six hundred thousand dollars in fees were allowed for the same property. They set up a liquidation trust on that property in New York to run for 10 years. The trustees were to get $100,000 each. A law firm was to get $425,000 for its fees. Now, if you adopt this conference report as it is you will make it possible for those gentlemen to perpetuate themselves in these lucrative fiduciary positions, and then to borrow the money with which to pay themselves. I cannot see a thing like that go by without uttering a protest at this time and stating that the amendments approved by the House ought to be restored in this bill. It is very unfortunate that the Reconstruction Finance Corporation expires today officially. We had only a very short time in which to bring that bill upon the floor of the House, have it passed, send it through conference, and have all the

work done attendant upon enrolling and engrossing before the Reconstruction Finance Corporation actually does expire.

Mr. MAY. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. Perhaps if it continues to make loans for the purpose which the gentleman has suggested it ought to expire today.

Mr. DIRKSEN. I would just as soon see it expire, unless we can send some message of hope to the 4,000,000 people who have been wiped out. You should read some of these pathetic letters. Good God, this House cannot now refuse to give them some kind of summary aid. What will they think out in Chicago, Detroit, New York, and elsewhese, if we let this thing go by as it is? They will say, "Well, we can expect nothing from the Congress." They will say the reactionaries are still in control, and you will kill the hopes of millions of our people who, by the thousands, flocked into these hearings, desperate enough to commit homicide. They have been wiped out. Something must be done to protect them. Those people sat there by the thousands, ready to put their fingers upon the throats of these oily, wily, clever gentlemen who sat on the witness stand. What kind of message must go out to them today from the Congress if we recede on these amendments and fail to restore that language?

I suppose the argument came up in the Senate that we are enlarging the authority of the Federal Securities Commission. That is in a sense true. There has to be some other supervisory control than that which is vested in the Reconstruction Finance Corporation. I shall make no personal reflections upon or cast any reproaches upon Mr. Jones, but do you not see that you make it possible for Mr. Jones, with Reconstruction Finance Corporation money, which is public money, to refinance his own property? He is interested in two mortgage corporations in Houston, Tex. He could, under the provisions of the bill as it was originally written, use R. F. C. money and, by reorganizing and liquidating these properties, make himself some profit. Oh, I do not say that the gentleman is going to do it, but why take that chance when we can confer upon the Federal Securities Commission some recommendatory power, together with the power of approval, so that they will not walk in and take this public money, issued through the instrumentality of the Reconstruction Finance Corporation, with which to pay off the gentry who for the last 5 years have been bilking the bondholders.

The SPEAKER. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. HOLLISTER. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. Now, see what the situation is as far as real estate is concerned. There are properties in this country right now which, if they were occupied to the extent of 100 percent at reasonable rental, would require the aggregate rental for 10 years to pay off these trustees, receivers, and attorneys' fees.

Think of it! It is one of the most shameful incidents in the annals of our country. I think we can do much good and re-create waning hopes by restoring at least a portion of the language of this amendment. I would not insist upon the first part particularly, but I do believe that this House ought to insist upon the last portion of the amendment, so that the distressed bondholders can go on and reorganize these properties, first securing the approval of the Federal Securities Commission to make sure that the money will go to the real parties in interest, namely, the original holders of the bonds whose equities and whose values have been vitiated and wiped out. This is all the amendment proposes to do, and if there is one gentleman over on the other side of this Capitol who is resisting that sort of thing, let us exercise the rights, privileges, and the prerogatives of this House and override him and send a message to all these distressed bondholders in this country and say that at least the lower House is going to take care of their interests and see that some restoration is made.

This is all I have to say. I hope the House insists upon the last provision of the amendment dealing with the reorganization of real property throughout the country.

Mr. HOLLISTER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, I think I can say that I agree heartily with what the gentleman from Illinois has said. I do not think there are any Members of the House who do not want to see proper legislation enacted to help this situation. I want, however, to call the attention of the Members to the fact that this bill is primarily to extend the life of the Reconstruction Finance Corporation which otherwise would go out of existence tonight at 12 o'clock.

Speaking for myself, I believe that this particular provision which we are discussing should have full and adequate consideration in the committee which considered the original bill. After all, we are really adding a new department to the Securities and Exchange Commission. At the present time they are authorized under our legislation to approve the stocks and bonds which go on the exchanges for general sale. I do not know whether they are prepared to take up this type of question and give it the consideration it deserves with their present machinery. I surely hope that the House within a very few days can take up a bill which will accomplish the purpose of the two gentlemen from Illinois. I know they have done a splendid job, but I am appealing to the House today to let any bill which enlarges or modifies the function of the Securities and Exchange Commission take its usual course. Let it go to the Committee on Interstate and Foreign Commerce, which had the original bill; let them have hearings; let representatives of the Securities and Exchange Commission come down here and explain what legislation is necessary to allow them to carry out the purposes of this amendment. I hope their attitude will be favorable; but let us not stop the passage of this bill, which is needed today within the next 12 hours, by a controversy over some new legislation.

Now, it is not out of order that we should provide that these securities and these new organizations should be approved by the Securities and Exchange Commission before a loan is approved by the Reconstruction Finance Corporation, because I understand that when the Reconstruction Finance Corporation purchase the bonds or other obligations of railroads they must be approved by the Interstate Commerce Commission. So there is nothing alarming in that suggestion, and we can by proper legislation provide such procedure and, I think, accomplish the purpose the gentlemen seek to accomplish.

One more thought, if I may be further indulged the House, Mr. Speaker: We sat in conference yesterday for a long time on this bill. I want to pay a compliment to the Chairman of the Banking and Currency Committee and to the majority members of the Committee on Banking and Currency for the courageous fight they put up for this bill. As you know, legislation is a matter of compromise. We had to compromise somewhere, and, Mr. Speaker, we had to recede only on these two matters. The Senate gave in to us on almost every other major portion of this bill. I think it is a pretty good record, and I think this House should stand behind those courageous souls of the majority side on the Banking and Currency Committee who went into that conference yesterday and fought this bill through for you. I assure you that everything possible was done to safeguard this bill and to save these two particular provisions; but we had to give in somewhere, and the Senate conferees were so insistent that this amendment be stricken out that we were fearful it would tie up the whole bill and prevent its passage in time to save the R. F. C., so it was absolutely necessary to give in, but we did so with the hope that adequate legislation will be passed almost immediately to correct the situation at which these amendments were aimed.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Speaker, I yield 5 additional minutes to the gentleman from Michigan.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FULLER. Was the gentleman a member of the conference committee?

Mr. WOLCOTT. Yes.

Mr. FULLER. If the gentleman was in favor of this amendment adopted by the House, why did the gentleman yield, and why does he now come in, having yielded, and ask us to go ahead and agree to the bill simply because it may tie up the Reconstruction Finance Corporation for a day?

Mr. WOLCOTT. I may say to the gentleman from Arkansas that he has been in this House for many years and has done a very fine service to the people of his district, to the people of his State, and to the people of this Nation. He knows that unless he had compromised on some of the things he advocated he would not have secured so much legislation that was beneficial to his district. That is just what the conference committee did in this instance.

Mr. FULLER. I cannot understand why the gentleman from Michigan, a member of the conference committee, should give in on these amendments when their adoption would mean so much to his own city of Detroit.

Mr. WOLCOTT. I hope the gentleman will not misunderstand me. I have made it very clear that I am heartily in favor of a bill coming from the proper committee after adequate consideration by the committee; but, in the first place, the amendment will not accomplish the purpose sought. It is inoperative to the extent of giving the relief the gentlemen from Illinois want. What I want to see is a good bill, a bill which will allow the Reconstruction Finance Corporation and the Securities and Exchange Commission to do just what these gentlemen want to do. The amendment in the pending bill will not permit them to do what I and the other gentlemen want done. So nothing is to be lost by adopting this conference report and putting this bill into operation and then leaving for tomorrow, the next day, or as soon as we possibly can get proper consideration, a bill to accomplish the purposes desired. I think such a bill will receive favorable consideration and the recommendation of the special committee.

Mr. O'MALLEY. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Why is it, whenever anything comes up that may help three or four million people, it is found necessary to compromise on that situation, and so that the only section in this bill that may have helped the little man is eliminated?

Mr. WOLCOTT. The provision which the Senate gave in to at the insistence of the members of the conference committee, the conferees on the part of the House, will not only aid 3,000,000 people but it should aid 50,000,000 people. The provision with respect to loans to small industries was left in there just as the House passed it. The conferees on the part of the Senate were insistent that it come out. They were insistent that some limitation be placed upon it. We on the part of the House succeeded in having that provision left in, and while the gentleman is speaking of helping three or four million people may I say that provision will help at least 50,000,000 people. I am in favor of helping not only the three or five million people, which the gentleman refers to, but many more.

We should allow the special committee to be heard. They had no adequate hearing in connection with this matter. This was new legislation. It was something that the Banking and Currency Committee hesitated to have hearings on because it was within the jurisdiction of another legislative committee of this House. The special committee had given consideration to this particular matter; they had worked on it for weeks, but were not before the Banking and Currency Committee. They were not heard. They should be heard. The members of the Securities and Exchange Commission should be heard and other representatives should be heard. I hesitated to recommend that this amendment be enacted, because I know it does not carry out the wishes of the special committee.

Mr. O'MALLEY. May I say to the gentleman that the members of the special committee did not know of the existence of this bill until last week, while everybody knew that the R. F. C. was going to expire tomorrow. Why is it whenever there is an opportunity to do something for the common people that the bill is held up for a few days and then brought in here with the statement that we have to pass it now?

Mr. WOLCOTT. I cannot agree with the gentleman that every bill for the benefit of millions of people is held up here, and I personally consider it a reflection on the Membership of the House for the gentleman to say that any bill for the benefit of millions of people is always held up by this House.

Mr. O'MALLEY. This bill should have been brought in 3 weeks ago.

Mr. RICH. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman spoke about a proviso in the bill to make loans to small industry. May I say to the gentleman that from the experience I have had and from the observations I have made small industries are unable to get loans from the Reconstruction Finance Corporation, and the law that we passed a year ago is only a camouflage to the small industries of America because it does not do what the small industries would like to have done, and that is get relief.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Speaker, I yield the remainder of my time to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. May I say to the gentleman from Pennsylvania [Mr. RICH] that there was full recognition of that fact by the membership of the committee? That is, to the fact that there were certain limitations placed upon the activities of the Reconstruction Finance Corporation with respect to loans to industry, but those limitations were placed in the bill by the Congress. We have attempted in this bill to remove those limitations which have prevented the R. F. C. from establishing a loan policy with respect to private industry which would enable it to carry out the full intent of Congress.

Mr. RICH. In order to get the relief that the small industries need, the majority party should make recommendations so that we will pass laws which will give them relief.

Mr. WOLCOTT. Unless this bill is passed there can be no change in the policy of the Reconstruction Finance Corporation with respect to loans to small industries, because this House has placed certain limitations in the act which are removed by this bill. If this bill is passed and the conference report is agreed to, the Reconstruction Finance Corporation may expand its policy with respect to small business loans.

Mr. COX. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Georgia.

Mr. COX. To my mind, the gentleman has expressed the proper attitude that the House should take, and I trust that will be the expression which it will give to the report.

Mr. WOLCOTT. I thank the gentleman. Mr. Speaker, I yield back the balance of my time.

Mr. STEAGALL. Mr. Speaker, I do not like to enter into a discussion of what took place in conference with Members of the Senate on this legislation. I will say that the conferees on the part of the House obtained everything that the House asked for of substantial importance except two amendments. The greater part of yielding was on the part of the conferees of the Senate.

The House conferees did not hastily or carelessly recede on the amendment which is now under discussion. We made a stubborn fight to retain that provision in the bill. I may say for every member of the conference committee of the House—and I think I would be safe in saying for every member of the Banking and Currency Committee—that they share the views of the gentlemen who have discussed this matter and who have given it extended study and consideration. I have no doubt that they have done a splendid work and that they have discovered many evil practices

that need to be corrected. But, Mr. Speaker, the bill before us is in the nature of an emergency act. The time within which the Reconstruction Finance Corporation may operate under existing law will expire at the end of today, and unless this legislation is enacted it will in all probability necessitate a complete reorganization of the Reconstruction Finance Corporation with all the confusion and disturbance incident to such a procedure.

It is not the fault of anyone that this legislation was not passed sooner. We have only been in session a few days, and it takes time to prepare legislation of this kind. The committee heard everybody who could be heard within the time allowed. We adopted an amendment which we understood embodies a provision acceptable to the gentlemen who are interested especially in this particular provision.

We were led to believe that our action met the wishes of members of the special House committee who are pressing this amendment. The amendment reported in the original House bill would permit the Reconstruction Finance Corporation to extend aid to institutions established to reorganize companies lending upon real-estate mortgages upon approval of the Securities Commission.

An additional amendment was included in the House, which was hastily drawn and immaturely considered. While I do not mean to criticize, I submit to any lawyer in the House now that if he will read the amendment that the House adopted he will agree that it is absolutely meaningless and cannot accomplish what the gentlemen have in mind.

However, it is true that the amendment could have been perfected, but we ran against a disagreement in the conference. Somebody had to yield. The Senate yielded to the conferees of the House in every instance of material importance except two, and there were quite a number of far-reaching amendments.

Let me say also that this bill goes further in liberalization of the activities of the Reconstruction Finance Corporation than any legislation that has been heretofore enacted. We have done what we have been urged to do in simplifying the provisions for the relief of industry in the United States, which seems to be more urgently demanded than any legislation affecting the Reconstruction Finance Corporation.

This particular provision should not be passed without being considered by some committee that may hear representatives of different views touching such legislation and be prepared to furnish the House the information it ought to have before acting upon a matter of such importance.

I dare say some such legislation should be passed. I dare say some such legislation will be passed if these gentlemen, as I am sure they will, present the matter to the Committee on Interstate and Foreign Commerce through proper and orderly channels. I have no doubt it will be considered. Surely these gentlemen—and I refer particularly to the gentleman from New York, the Chairman of the Rules Committee of the House—are in position to secure consideration of legislation in an orderly way without criticism of members of the conference committee, because we are unable to secure acceptance of a provision which we ourselves have never had opportunity to consider as such legislation ought to be considered before its enactment.

Mr. O'CONNOR. Mr. Speaker, having referred to me, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman.

Mr. O'CONNOR. It is a strange coincidence that the conferees on the part of the House who had no sympathy whatsoever with these two amendments, and opposed one of them in the Committee of the Whole, simply yielded on these two amendments.

Mr. STEAGALL. I will say to the gentleman that he knows better than I that members of a committee—and certainly the chairman of a committee—are supposed to support the bill which the committee brings into the House, and this is all that was done in this instance. We had a provision which we understood was satisfactory to the gentlemen who wanted this legislation. When the additional amendment was offered, I say to you now that I did not understand its full, technical significance, and I make the assertion there are not 13 Members of the House now who understand just fully the legal import of this amendment as it was originally drawn; and any lawyer here will discover that this is true if he will take time to read the amendment.

Mr. Speaker, this legislation should take its regular course and be fully and properly considered before the House should be called upon to act on a matter so technical, so involved, and so important.

The officials of the Reconstruction Finance Corporation may be trusted just as well as any other agency of the Government to safeguard funds supplied by the Corporation. The amendment would only lead to confusion and handicap officials of the Reconstruction Finance Corporation, who assure us that they desire to follow implicitly the wishes of the Congress.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman.

Mr. BLANTON. Is it not a fact that the emergency of getting this bill passed today is a responsibility that rests just as heavily upon the Senate as upon the House?

Mr. STEAGALL. It certainly does.

Mr. BLANTON. Then why should not the Senate give in?

Mr. STEAGALL. I will say to the gentleman that the Senate gave in 10 times where we gave in once. There is nothing in the contention here that the House went over and asked the Senate what it wanted. We got everything we asked, except two amendments, and we fought until night for them. In view of the fact that today is the last day on which the Corporation can function without this legislation, and in view of the insistence here and throughout the country for a continuation of the activities of the Corporation and for the liberalization of its powers as provided in this bill, we did not think we should walk out of the conference and defeat the passage of this measure today, which would have been the result if an agreement had not been reached.

Mr. Speaker, I move the previous question on the conference report. [Applause.]

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 122, noes 21.

So the previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. O'MALLEY) there were—ayes 134, noes 28.

Mr. O'MALLEY. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-three Members present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 310, nays 72, answered "present" 1, not voting 48, as follows:

[Roll No. 12]

YEAS—310

Adair	Burch	Cooper, Tenn.	Driscoll
Andrew, Mass.	Burnham	Corning	Driver
Andrews, N. Y.	Caldwell	Costello	Duffey, Ohio
Arnold	Cannon, Mo.	Cox	Duffy, N. Y.
Ashbrook	Cannon, Wis.	Cravens	Duncan
Ayers	Carden	Crosby	Eagle
Bacharach	Carlson	Cross, Tex.	Eaton
Bacon	Carmichael	Crosser, Ohio	Eckert
Barden	Carter	Crowe	Edmiston
Beiter	Cary	Cullen	Eicher
Bell	Castellow	Cummings	Ekwall
Berlin	Cavicchia	Daly	Ellenbogen
Biermann	Celler	Darden	Engel
Blackney	Chandler	Darrow	Evans
Bland	Chapman	Deen	Faddis
Blanton	Christianson	Delaney	Farley
Bloom	Church	Dempsey	Fenerty
Boehne	Citron	Dickstein	Fernandez
Boland	Claiborne	Dies	Fiesinger
Boylan	Clark, N. C.	Dietrich	Fish
Brennan	Cochran	Ditter	Fitzpatrick
Brewster	Coffee	Dobbins	Flannagan
Brown, Ga.	Colden	Dondero	Focht
Brunner	Cole, Md.	Dorsey	Ford, Calif.
Buchanan	Cole, N. Y.	Doughton	Ford, Miss.
Buck	Collins	Doutrich	Frey
Buckbee	Colmer	Doxey	Fulmer
Bulwinkle	Cooley	Drewry	Gearhart

Gifford	Kocialkowski	Parsons	Spence
Gillette	Kramer	Patman	Stack
Gingery	Lambeth	Patton	Starnes
Goldsborough	Lamneck	Pearson	Steagall
Goodwin	Larrabee	Peterson, Fla.	Stewart
Granfield	Lea, Calif.	Peterson, Ga.	Sumners, Tex.
Green	Lehlbach	Peyser	Sutphin
Greenwood	Lewis, Colo.	Pfeifer	Sweeney
Greever	Lloyd	Pittenger	Taber
Gregory	Lord	Plumley	Tarver
Guyer	Ludlow	Powers	Taylor, Colo.
Haines	McAndrews	Quinn	Taylor, Tenn.
Hamlin	McClellan	Ramsay	Thom
Hancock, N. Y.	McCormack	Ramspeck	Thomas
Hancock, N. C.	McGrath	Randolph	Thomason
Harlan	McKeough	Ransley	Thompson
Hart	McLaughlin	Rayburn	Tinkham
Hartley	McLean	Reece	Tolan
Healey	McReynolds	Reed, Ill.	Tonry
Hennings	McSwain	Reilly	Treadway
Higgins, Conn.	Mahon	Richards	Turner
Higgins, Mass.	Maloney	Robertson	Umstead
Hildebrandt	Mansfield	Robinson, Utah	Underwood
Hill, Ala.	Marshall	Robsion, Ky.	Vinson, Ga.
Hill, Knute	Martin, Colo.	Rogers, Mass.	Vinson, Ky.
Hill, Samuel B.	Martin, Mass.	Rogers, N. H.	Wadsworth
Hobbs	Massingale	Rogers, Okla.	Walter
Hollister	Mead	Romjue	Warren
Holmes	Meeks	Rudd	Wearin
Hope	Merritt, Conn.	Russell	Weaver
Huddleston	Merritt, N. Y.	Ryan	Welch
Igoe	Millard	Sanders, La.	Werner
Imhoff	Miller	Sanders, Tex.	West
Jacobsen	Mitchell, Ill.	Sandlin	Whelchel
Jenckes, Ind.	Mitchell, Tenn.	Schaefer	White
Jenkins, Ohio	Monaghan	Schuetz	Whittington
Johnson, Tex.	Montet	Schulte	Wigglesworth
Johnson, W. Va.	Moran	Scrugham	Wilcox
Jones	Mott	Sears	Wilson, La.
Kahn	Murdock	Seger	Wilson, Pa.
Kee	Nelson	Shanley	Wolcott
Keller	Norton	Shannon	Wolfenden
Kelly	O'Brien	Short	Wolverton
Kennedy, N. Y.	O'Connell	Smith, Conn.	Wood
Kenney	O'Day	Smith, Va.	Woodruff
Kerr	Oliver	Smith, Wash.	Woodrum
Kinzer	O'Neal	Smith, W. Va.	Zimmerman
Kleberg	Owen	Snell	Zioncheck
Kloeb	Palmisano	Snyder	
Knutson	Parks	South	

NAYS—72

Allen	Lundeen	Luckey	Polk
Amlie	Gilchrist	McFarlane	Rabaut
Andresen	Gildea	McGehee	Rankin
Arends	Gray, Ind.	McLeod	Rich
Binderup	Gray, Pa.	McMillan	Sabath
Bolleau	Griswold	Maas	Sadowski
Buckler, Minn.	Gwynne	Mapes	Sauthoff
Burdick	Hoeppel	Marcantonio	Schneider
Carpenter	Hoffman	Maverick	Secrest
Cartwright	Hook	May	Stefan
Connery	Houston	Michener	Thurston
Culkin	Hull	Moritz	Tobey
Dirksen	Johnson, Okla.	Nichols	Truax
Dunn, Pa.	Kimball	O'Connor	Turpin
Ferguson	Kniffin	O'Malley	Utterback
Fletcher	Kvale	Patterson	Wallgren
Fuller	Lee, Okla.	Pettengill	Withrow
Gehrmann	Lemke	Pierce	Young

ANSWERED "PRESENT"—1

Kopplemann

NOT VOTING—48

Bankhead	DeRouen	Hess	Perkins
Beam	Dingell	Kennedy, Md.	Reed, N. Y.
Bolton	Disney	Lambertson	Richardson
Brooks	Dockweiler	Lanham	Scott
Brown, Mich.	Dunn, Miss.	Lesinski	Sirovich
Buckley, N. Y.	Englebright	Lewis, Md.	Sisson
Casey	Gambrill	Lucas	Somers, N. Y.
Clark, Idaho	Gasque	McDuffie	Stubbs
Cooper, Ohio	Gassaway	McGroarty	Sullivan
Crawford	Gavagan	Mason	Taylor, S. C.
Crowther	Greenway	Montague	Terry
Dear	Harter	O'Leary	Williams

So the conference report was agreed to.

The following pairs were announced:

Mr. McDuffie with Mr. Reed of New York.
Mr. Lanham with Mr. Cooper of Ohio.
Mr. Bankhead with Mr. Hess.
Mr. Montague with Mr. Perkins.
Mr. Cox with Mr. Lambertson.
Mr. Disney with Mr. Englebright.
Mr. Gavagan with Mr. Crowther.
Mr. Sullivan with Mr. Hancock of New York.
Mr. Greenway with Mr. Bolton.
Mr. Taylor of South Carolina with Mr. Crawford.
Mr. Dockweiler with Mr. Mason.
Mr. Lucas with Mr. Buckley of New York.
Mr. Lewis of Maryland with Mr. McGroarty.
Mr. Beam with Mr. Scott.
Mr. Dear with Mr. Brooks.
Mr. Gasque with Mr. Sisson.
Mr. Williams with Mr. Stubbs.
Mr. Terry with Mr. Gassaway.
Mr. Gambrill with Mr. Dunn of Mississippi.
Mr. Richardson with Mr. DeRouen.
Mr. Somers of New York with Mr. Casey.

The following Members changed from "no" to "aye": Mr. WOODRUFF and Mr. O'BRIEN.

The following Members changed from "aye" to "no": Mr. HOOK and Mr. CONNERY.

The result of the vote was announced as above recorded.

A motion by Mr. STEAGALL to reconsider the vote whereby the conference report was agreed to was laid on the table.

PUERTO RICO

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 12 of the act of Congress of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes", I transmit herewith, for the information of the Congress, the Thirty-fourth Annual Report of the Governor of Puerto Rico for the fiscal year ended June 30, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 31, 1935.*

AVIATION

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the state of the Union and ordered to be printed:

To the Congress of the United States:

I am submitting herewith the report of the Federal Aviation Commission appointed by me last summer by direction of the Seventy-third Congress. The Commission has made a diligent study of the broad subject of aviation conditions here and elsewhere and emphasizes the excellent American progress in this new form of transportation. The Commission has also studied problems of national defense, of procurement policies, and of the extension of air-transport services. I invite your attention to these comprehensive surveys.

As I have suggested on many occasions, it becomes more and more apparent that the Government of the United States should bring about a consolidation of its methods of supervision over all forms of transportation. When the Interstate Commerce Commission was created in 1887 the railroad was practically the principal method of rapid interstate transportation. Since that time this monopoly of transportation enjoyed by the railroad, to a very important degree, has been limited by the development of the automobile and good interstate roads. Recently water transportation by lake, by river, by canal, and by ocean has, largely through the construction of the Panama Canal and our inland waterways, definitely brought ships and shipping into the general interstate field. More recently still, air transportation has become an element. All of these developments have changed the general problem of transportation and the concern of the Government with them. A number of valuable reports have been prepared on these related questions. The report of the Federal Coordinator of Transportation has already been submitted to the Congress by the Interstate Commerce Commission. The report deals with the many problems relating to busses, trucks, water carriers, and railroads. Other reports of departmental committees on ocean mail subsidies have been completed. This present report on aviation is a similar source of information and advice concerning transportation by air. I earnestly suggest that the Congress consider these various reports together in the light of the necessity for the development of interrelated planning of our national transportation. At a later date I shall ask the Congress for general legislation centralizing the supervision of air and water and highway transportation with adjustments of our present methods of organization in order to meet new and additional responsibilities.

There are detailed questions, however, that require early action. Our extended mail contracts with air lines expire on or about March 1 and existing legislation dealing with primary and secondary routes should be revised before that time. The Commission suggests that the Interstate Commerce Commission be given temporarily the power to lower or increase air-mail rates as warranted in their judgment after full investigation. The purpose of this is to prevent the destruction of any efficiently operated part of the present system pending suitable consideration by the Congress of what permanent measures should be taken and what amendment, if any, the present general transportation policy of the Government should undergo. I concur in this recommendation of the Federal Aviation Commission, provided always that the grant of this duty to the Interstate Commerce Commission be subject to provisions against unreasonable profits by any private carrier. On account of the fact that an essential objective during this temporary period is to provide for the continuation of efficiently operated companies and to guard against their destruction, it is only fair to suggest that during this period any profits at all by such companies should be a secondary consideration. Government aid in this case is legitimate in order to save companies from disastrous loss, but not in order to provide profits.

The Commission further recommends the creation of a temporary air commerce commission. In this recommendation I am unable to concur. I believe that we should avoid the multiplication of separate regulatory agencies in the field of transportation. Therefore, in the interim before a permanent consolidated agency is created or designated over transportation as a whole, a division of the Interstate Commerce Commission can well serve the needs of air transportation. In the granting of powers and duties by the Congress, orderly government calls for the administration of executive functions by those administrative departments or agencies which have functioned satisfactorily in the past, and, on the other hand, calls for the vesting of judicial functions in agencies already accustomed to such powers. It is this principle that should be followed in all of the various aspects of transportation legislation.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 31, 1935.*

Prior to the reference the following occurred:

Mr. BLAND. Mr. Speaker, before the message is referred, I wish to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLAND. The message relates to aviation matters that come within the jurisdiction of the Committee on Merchant Marine, Radio, and Fisheries. It also relates to matters that come before the Interstate Commerce Commission. It seems to me that it is highly objectionable that a message of this kind should be referred to one committee.

The SPEAKER. The Chair has the idea of referring the message to the Committee of the Whole House on the state of the Union, and later when the bills are introduced they will be referred to the proper committees. The message, with the accompanying papers, will be referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

The Chair is informed that these aviation reports are available in the document room to any Member who desires to secure a copy.

FEDERAL REGULATION OF WATER CARRIERS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the message just read.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, when Joseph B. Eastman became a member of the Public Service Commission of Massachusetts 20 years ago, an old and experienced colleague advised him to hang up in his office the motto, "You never regret having said too little." Recently he has been neglecting that motto and has taken the risk of quite considerable talking. Most of it has been said about railroads and highway carriers. He now spreads the risk by talking principally about water carriers.

As Federal Coordinator of Transportation he has a duty which relates only to the railroads, namely, to do what he can to help or require them to eliminate duplication and other forms of waste. He has another duty, however, which relates to "transportation in all its forms", and that is to consider means of improving transportation conditions throughout the country and recommend to the President and Congress further legislation to that end. There is nothing whatever in these instructions which would justify him in preferring one form of transportation over another. The duty is precisely the same for water transportation as for rail transportation. They are all entitled to the same fair treatment. What the country needs is the best system of transportation that can be provided, and one which will utilize every means of transport—whether rail, water, highway, air, or pipe—to the best advantage, each in its proper place and with a maximum of cooperation and a minimum of uneconomic duplication and waste. Now, one great trouble, as I see it, is that while transportation is a very live subject and there is plenty of talk about it, the talk is mostly by partisans. Each form of carriage has its own particular watchdogs, and to make the melee still hotter there is another line-up of the watchdogs of the investor, of labor, of shippers, and of communities. The only interest which has lacked a watchdog has been the general public interest. I am trying to occupy a small part of that vacancy and living in hope that I shall not be chewed up in the attempt.

The problem is even something more than a transportation problem. Take the railroads. They still form, as is so often said, the backbone of our transportation system. Their health is essential to sound transportation health. But they also constitute one of the largest industries of the country and are normally among its largest consumers, particularly of capital goods. The railroads suffer when general business suffers, but this statement is equally true if reversed. Normal expenditures by the railroads would go far to break the back of the depression. From another angle their securities have in the past had such a high place in the investment market that they are to be found in the portfolios of practically all fiduciary, educational, and benevolent institutions. In one way or another most of the people of the country have a financial stake in the railroads. Serious and wide-spread impairment of their securities, therefore, has far-reaching and demoralizing consequences quite apart from any transportation effect.

I bring this out, not with any idea that on these accounts the railroads should be given any favored treatment over their competitors, or that they do not have any sins of commission or omission to answer for, but simply to show the importance in this instance of a square deal and of protection against any uneconomic development in transportation which cannot be supported from the point of view of the general public interest.

The thesis which I am going to undertake to defend here is Federal regulation of all important forms of transportation, including water carriers and their port-to-port rates, by the Interstate Commerce Commission. But let me lead up to this gradually. For many years the Federal Government has been regulating the railroads, and for the past 15 years that regulation has been quite comprehensive and complete. I believe that I can show you that the present development of water transportation in the Mississippi Valley has been dependent upon this regulation of the railroads. The Government barge line began operations during the World War. Early in 1923, in an important decision written by Mr. Eastman, and which involved that barge line, the statement was made that for at least 20 years prior to the beginning of its operations "there was no common carriage of consequence on the lower Mississippi." You know one great reason for that. Many years before there had been fleets of steamboats on every navigable river in the South. The railroads cut their rates to meet this competition, main-

taining higher rates to and from intermediate points, and finally the boats gave up the battle. You also know the legal difficulties which the Commission encountered in enforcing the fourth section of the act, with its long-and-short-haul clause, and the gradual strengthening of that section.

On December 2, 1919, however, the Commission rendered a decision in the so-called "Memphis-Southwestern investigation", which was a landmark. The United States Railroad Administration did not defend the depressed rates at the river points and the Commission denied the fourth-section relief necessary to maintain them. At that time not a boat was operating between St. Louis and New Orleans, except the small fleet of Government barges, nor between Memphis and New Orleans or Memphis and Vicksburg or Vicksburg and New Orleans.

This decision of the Commission was followed by others of like effect, and gradually the rates were revised to what was called a "dry-land" basis. That, together with the construction of better channels, gave water navigation on the Mississippi River and tributaries its opportunity to redevelop. But this is not all of the story. The barge lines have insisted from the beginning that they could not live on port-to-port traffic alone. It was essential that they should have a full line of joint rates with connecting railroads, and that these rates should be made differentially lower than the corresponding all-rail rates. Not all, but many, of the railroads were unwilling to concede such rates, and they had a plausible defense, pointing out that such through rail-barge operations are very different from through all-rail operations, since they involve the unloading and reloading of the lading at the transfer port. They also argued that if joint rates were compelled, they were entitled to divisions equal to their local rates to and from the port, since the same or more service is necessary as for local operations.

The Commission did not accept these railroad arguments, but required the establishment of many of these differential joint rates and prescribed divisions for the railroads which were normally much lower than their local rates and less favorable, often, than the divisions which they received from connecting rail lines. Some seem to think that the barge lines have been brutally treated by the Commission and by the railroads in this matter of joint rates.

The fact is that from the beginning they have had many such rates, that for a long time they have had a liberal supply, and that they have close to a complete supply at the present time. The barge-rail and rail-barge rates spread throughout trunk-line central, southern, western trunk-line, and southwestern territories. The chief deficiency is in rail-barge-rail rates, and there is a good supply of these between central territory and the Southwest and the Mississippi Valley, and between much of western trunk-line territory and the valley.

The Commission is accused of great delay in this matter. The Commission has no apology to offer, for they believe none to be due. Millions of new rates were involved. The barge lines asked for many which could not reasonably be granted. There is no possible justification, for example, for a differential rail-barge rate where the rail portion of the haul is longer than the total distance over the normal all-rail route. The Commission had to set limits to the joint rates which it would require, and there was no way of doing this except by formula. It took time and much labor to apply the formula to the many millions of possible rates. Much, if not most, of the work has been done by the railroads, and the barge lines have never officially accused them of any lack of diligence. No formula is ever wholly satisfactory, and this one has been criticized; but the Commission has asked the critics to produce a better one which would hold the rates within proper limits, and none has been forthcoming.

I think you will agree that Federal regulation of the railroads with respect to fourth-section departures, the establishment of joint rates with connecting rail lines, and the fair division of those rates has had much to do with the rebirth and growth of water navigation in the Mississippi Valley. Not only that, but the water lines continually invoke the power of the Commission to check railroads' rate cutting. This is true not only of the barge lines but also of the coastwise, intercoastal, and Great Lakes carriers. Such appeals have not been as successful as the water lines would like, but the crux of that trouble is that the Commission does not have complete control over the situation. It has no authority over the port-to-port rates. Until that deficiency is cured, the trouble will remain. Let me quote from one of these cases, decided by the Commission in 1933:

> Just what rates the water carriers are charging is impossible to say. Being unregulated, they do not have to publish their rates, are free to change them at will without previous notice, may pay rebates, give allowances, make absorptions, provide storage, perform special services, allow special privileges, and otherwise, secretly or openly, favor individual shippers. The record indicates that these things, representing concessions of several cents per 100 pounds, are indulged in to a very considerable extent by water carriers from New York. As they are matters particularly within the knowledge of the water carriers, and as those carriers have not offered us sufficiently definite advice in regard thereto, *we may be justified in giving respondents the benefit of any doubts.* (Italics supplied.)

The statement is made that the shippers do not want regulation of port-to-port rates. There is plenty of evidence to the contrary. As one illustration, I have in my files a long document sent to me on June 15, 1934. After protesting at length against port-to-port rates published by the Federal barge line on grain, it winds up with this paragraph:

> The cost of transportation is an important factor in the movement of grain crops, and such charges, where they apply to steam or water carriers, should be fixed by the Interstate Commerce Commission, which body, when deciding a case, is not bound by a local situation, but considers the country as a whole, not only from the transportation viewpoint but from the commercial side as well.

That statement was signed for the Merchants Exchange of St. Louis by its president. I express no opinion as to the merits of the controversy, but offer the statement merely as an indication of the public interest in port-to-port rates. Two or three years ago a port-to-port rate was proposed on cotton from Memphis to New Orleans, and the proposal precipitated a small-sized riot, in which many shippers joined on one side or the other. It was necessary for the Secretary of War, with the aid of the Commission, to improvise a rate tribunal to consider this matter. Last spring the question came up again, and, to some extent, the controversy was composed.

Why, when all the rates of their rail competitors are regulated to the great advantage of the water lines, should their own rates be exempt? The answer is given, the railroads are monopolistic, whereas port-to-port traffic is inherently competitive. The fact is that there has always been keen and wide-spread competition in the railroad field between the railroads themselves and with the water lines. Now the railroads are beset on all sides by the further competition of the private automobile, the truck, the bus, the airplane, the pipe line, and the electric transmission line. If transportation which is competitive ought not to be regulated, railroad regulation could be reduced to very small proportions; and there is strict logic in such a proposal, if the entire field is not to be covered by sane and comprehensive regulation. However, I am sure that the country does not want any such thing. Certainly the carriers do not, and least of all the water carriers. If you will read your history you will find that Federal regulation of the railroads was precipitated much more by the abuses of competition than by the abuses of monopoly, although both entered in. Owing to the rapid growth of other forms of transportation and our failure to cover the entire field with regulation, we now have a situation very like that which caused railroad regulation.

What the country needs, as I have already indicated, is the best and cheapest combined system of transportation consistent with fair treatment of labor and with earnings which will support adequate credit and the ability to expand as need develops and take advantage of all improvements in the art of transportation. This system must be in the hands of reliable and responsible operators whose charges for service will be known, dependable, and reasonable and free from unjust discrimination. Unregulated competition will destroy instead of provide such a system. If experience

teaches anything, it teaches that, and there is no escape from the consequent conclusion that the whole system must be brought under centralized control.

This control must concern itself with planning and prevention as well as with the cure of evils after they arise. It must deal with the future provision of new facilities, with the proper coordination of those which exist, and with the development of sound general policies affecting both service and rates. It must prevent unjustifiable duplication and waste; promote the use of each agency of transportation, in cooperation with the others, primarily in the service to which it is economically best adapted; check the forms of endless chain rate-cutting or service promotion which have come to be known as "destructive competition"; and protect the public against unreasonable charges and unfair discrimination. Last March a bill was submitted for the regulation of water carriers by the Interstate Commerce Commission. There was no thought that this bill was a perfect document, or that critics would not point out ways in which it could be improved.

Such criticism was expected and invited. One particular target of attack has been the proposed regulation of so-called "contract and private carriers", although this criticism is conflicting. One critic thinks that the private carriers will be put out of business; another thinks that they will multiply and thrive at the expense of the for-hire carriers. The agencies which we should especially foster and cherish are the common carriers, who hold themselves out to serve all alike, whether they be big or little. The main purpose in the proposed regulation of the contract and private carriers is to protect these common carriers against unfair and hurtful competition. Certainly there is no desire to cripple contract or private operations which are in the public interest, and, no doubt, there are many such.

There has also been much talk, more or less demagogic, that the whole purpose of regulating water and motor carriers is to elevate their rates for the protection of the railroads. So far as the water carriers are concerned, my observation is that the railroads are more anxious to have their own hands freed from fourth-section fetters and the like than they are to have their competitors regulated. In this I think that they are wrong. However, there is no purpose to raise any water rates above a level which can be economically justified from the standpoint of water transportation alone; and if it is desired that such a principle be written into the bill, there is no objection.

Personally I believe that the opportunities for private carriage in both water and motor transportation will produce much the same result in any event. Finally there is the slogan that the Interstate Commerce Commission is "railroad-minded." If any evidence to that effect can be found in its treatment of barge-rail rates and the divisions thereof in the Mississippi Valley, it has certainly escaped the notice of the railroads. However, if the Commission is to have the enlarged jurisdiction over other forms of transportation which is proposed, it should be reorganized for its own good and in order that it may conduct its business with maximum efficiency. In such a reorganization, adequate provision can be made for the specialized consideration of the individual problems of the different forms of transportation, and for the procurement of adequate expert assistance to that end.

There is one other matter which I wish to mention briefly before I am through. The Government has been working for months on the question of the extent to which various forms of transportation are subsidized, directly or indirectly, by Government, including the railroads, the water carriers, the highway vehicles, and the air carriers. There has been an enormous amount of ground to cover, and it has proved to be a work of great difficulty. Every time the end seems near, something new turns up. When the report is finally issued, I am afraid it will take the form of ponderous tomes, although an effort will be made to boil it down.

When a government expends money on waterways there may be more than one purpose. Flood control, soil conservation, and the development of water power may be among these purposes, as well as navigation. In considering the latter, expenditures for other purposes must, so far as possible, be eliminated. When there has been such segregation of navigation expenditures, however, I see no logical escape from the conclusion that they must be taken into consideration in determining the total cost of navigation on the waterway, along with the operating expenses and overhead charges of the boats. The fact that they are borne by the Government does not make them any the less actual costs.

Assuming that this is the correct conclusion, as I believe it to be, two different questions arise. One has to do with the construction of new waterways or similar projects, and the other has to do with those which already exist. So far as new projects are concerned, the question is whether, considering the total cost involved, which must be borne by someone, the navigation has any important advantages over means of transportation which are already in existence and available. If this question cannot be answered in the affirmative, I am unable to see how the project can be justified. So far as waterways which are now in existence are concerned, the question is whether the portion of the cost which is being borne by the general public through the Government ought to be and can be shifted, in whole or in part, to the shoulders of those who use and gain direct advantage from the waterway, in accordance with the principle which is now followed to a considerable degree in case of the Panama Canal.

To my mind that principle is inherently sound, and the question resolves itself chiefly into one of practicability. The waterways are there, and it may well be that a complete shift in this burden would dry up their use. No similar burden is always imposed upon the railroads, because many of them cannot and do not pay a full return upon the investment, although it is true that in the long run there must normally be such a return if the railroads are to be conducted by private enterprise. Furthermore, the railroads are themselves extensive users of navigation improvements, and there are some subsidy skeletons in their own closet. The situation may be different, however, as to that part of the expenditure which is for maintenance, for that would be saved if the waterway were not used. To date I have not probed this question of practicability to the bottom, but I am clear that the whole matter is one which merits the most careful consideration.

In the old days the railroads drove the steamboats off the rivers by giving very low rates to the points which they served. The result was that these river points had a preferential railroad rate adjustment. So long as they continued to have it, they were not greatly concerned with the redevelopment of water transportation. When they were deprived of it through the operation of the fourth section, they began to look about for means whereby it could be restored.

There is danger that this desire for preferment may impel the construction of uneconomic waterway projects. So long as the waterway can be justified on sound economic grounds, no one has a right to complain. There is ground for complaint if a substantial part of the cost is to be borne by those who are not directly benefited, and especially if this results in unfair injury to competitors.

Let me in concluding say that there is, in my judgment, no more important problem before the country than the transportation problem, and few that are more difficult to solve. I do believe, however, that the country is beginning to appreciate its importance and to see it in its entirety, and not merely its edges and angles and pieces. The essentials of the problem are beginning to come to light, and the need for dealing with it on broad lines and through some centralized and comprehensive form of control. Ultimately we shall find and apply the answer. In the meantime I hope that you will think not solely in terms of railroads or waterways or highway vehicles or airplanes, but in terms of transportation, and keep in mind the only important end, which is the general public interest.

HOUSE JOINT RESOLUTION 88

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that I may have until 12 o'clock tonight to file a conference report on House Joint Resolution 88, making appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935.

The SPEAKER. Is there objection?

There was no objection.

AGRICULTURE—FARMERS' LOANS

Mr. JONES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3247) to meet the conditions created by the 1934 drought and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER appointed the following conferees on the part of the House: Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER.

FRONTIER DEFENSE

Mr. WILCOX. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WILCOX. Mr. Speaker, on January 17 I introduced a bill, H. R. 4130, of far-reaching importance to the welfare and security of the Nation. I am not prepared to say that the future existence of our country depends solely upon its enactment into law nor that the failure of Congress to pass it will result in immediate disaster, but I do believe and contend that no one measure is or can be of greater importance to the preservation of our national integrity and the protection and defense of our country as a whole. The bill as drawn proposes the construction of a series of frontier defense bases for the use of the Army air forces. It is proposed that each of these bases shall be of sufficient size to accommodate one "wing" of 132 planes, with the personnel required for such a unit, but with landing fields and fuel facilities to accommodate a thousand planes in emergencies. The measure proposes that these bases shall be located at strategic points, to be designated by the Secretary of War, along the frontiers and in the possessions.

I desire to call attention at this time to the necessity for the installation of these bases, as well as to discuss briefly what it is expected will be accomplished thereby.

At the outset, however, and before proceeding to a consideration of the conditions which make the adoption of this plan a national necessity, let me say that this bill proposes a series of Army bases and is in no way intended to supplant, supersede, or interfere with naval aviation. Let me say, further, at the outset, that the bases here proposed are in addition to the bases now established in the interior of the country. I want to emphasize also that this is not a local measure nor a "pork barrel" bill; it is not a partisan political measure, but has as its purpose the protection and defense of the whole Nation, without regard to political or sectional considerations; and, if adopted, will provide an adequate system for the defense of the entire United States insofar as air power is concerned.

I am not an alarmist and I do not subscribe to the theory that war is inevitable. On the other hand, I likewise do not believe that we can ignore the plain lessons of history, and I am sure that it is the height of folly to close our eyes to world conditions as they are today.

For a hundred and fifty years the United States, secure in its isolation, has pursued a policy of unpreparedness. We are not a militaristic people, and except for our experiments with Puerto Rico and the Philippines we have had no imperialistic ambitions. We have inherited none of the racial hatreds which have been the curse of some peoples. We have not coveted any of the territory of other countries, and we have wanted none of their gold, except such as could be acquired in the legitimate channels of trade.

Having no cause to make war on any other country and being isolated by an ocean on either side of us, we have felt no cause for alarm and have seen no necessity for maintaining a large military establishment. Being at peace with the world, we have been content to pursue the even tenor of our way, secure in the thought that the troubles of other people in no way concern us. But the utter folly of this attitude was thoroughly and completely demonstrated in the World War.

In 1914, with every major power in Europe engaged in trying to annihilate each other, we were at peace. We had no quarrel with any of them. The fight did not concern us. And yet by 1917 we had been drawn into the conflict, and, as a result, thousands of the flower of our young manhood were sacrificed, and thousands more were ruined for life.

Today the same conditions exist that were prevalent in 1914. The same age-old jealousies exist, the same hatreds, and the same ambitions are there. Europe is once again an armed camp with each power sleeping with its hands on its weapons. All that is needed to touch off the powder keg is some such incident as happened at Sarajevo in 1914.

War in Europe may not be inevitable, but it is at least a possibility, and those who believe that the United States can escape uninjured when it comes have not profited by the lessons of the World War.

In addition to the European danger it might be well to consider also our situation from the other side of the world.

At the close of the World War the United States occupied a commanding position among the naval powers of the earth. But because we earnestly and sincerely desired peace, and because we desired to prevent another armaments race, our country initiated the movement which resulted in the naval limitations treaty. This treaty, if lived up to in the spirit as well as in the letter, would have provided and continued to provide a balance between the nations which would have insured peace for all time.

Japan, however, has seen fit to serve notice that the treaty will not be continued, and has thereby challenged us to another naval armaments race. This action upon the part of Japan cannot be justified by the excuse that the United States is meddling in far-eastern affairs, because we have recently given a practical demonstration of our withdrawal from that field by granting independence to the Philippines. She has no enemy in the Pacific and no reason for arming herself for defensive purposes. She cannot justify her action as a defensive move, and we are foolish if we do not recognize it as a preliminary to her further conquest of territory. Her action in upsetting the equilibrium of the world, although accompained by many protestations of good will and friendship, must be looked upon at least with some apprehension. This is particularly true when we recall her recent actions in appropriating Manchukuo.

There is no desire to unnecessarily emphasize the Japanese situation, but we have too much at stake to take a chance. We cannot forget the fact that Japan has practically no metals nor can we overlook her intense desire to obtain them. And we must not overlook the fact that Alaska is a veritable storehouse of minerals that lies open for attack and conquest.

Our vast territory, our almost unlimited, undeveloped natural resources, our enormous wealth of mineral deposits, our primeval forests, and our hundreds of miles of unprotected shore line must be protected in case the ambitions of the Japanese should lead them into an attempt to extend their empire by appropriating some of our territory in the same manner that they appropriated Manchukuo.

With these conditions existing on each side of us, what is our position? In the event of a conflict in Europe that might result in our being drawn into it, or in the event the war party in Japan should come into control of that nation and it should obey the impulse to expand by the seizure of American territory, is our Nation prepared to defend itself?

The facts, as recently set forth by a high military authority, indicate that with more need for adequate defense than any other nation, we stand third in naval strength, at least sixth in aerial strength, and seventeenth in army strength. This means that we are too weak in every branch of national defense to enable us to protect ourselves against a possible attack. Every phase of our defense system is important and should be strengthened, but our lack of an adequate air force is particularly alarming.

An army fights only another army. Its job is to meet and grapple with another land force. Our Army would be called upon only in the event an opposing army should actually land upon our shores and begin an invasion. That method of warfare could not be profitably pursued against us until after a successful air invasion had rendered us helpless. To transport an army across either ocean in sufficient numbers to make warfare on the ground in the face of a powerful air force would be impossible.

With the development of aircraft as fighting machines the style of warfare changed. In the next war we shall not again see the issue decided by two opposing armies sitting in trenches and shooting at each other. All that ground troops will do or can do is to prevent the opposing army from going forward.

To undertake the transportation of an army across the ocean would be so expensive and cumbersome and then to undertake to subdue our country by piecemeal operations of ground forces would be so slow and tedious that it would not be undertaken, at least until after a decisive blow had been stricken from the air.

In the next war the enemy will strike quickly, surely, and with deadly effect; not at our Army or Navy, but at the very vitals of the country. The blow will be delivered from the air in an attempt to paralyze the country.

Let us examine the map of the United States. Look at the territory enclosed within a line drawn from Boston to Washington to St. Louis to Chicago to Boston. Within that area is located 45 percent of the population of the United States. This territory is served by 12 trunk-line railroads, with bridges every few miles. The destruction of a few bridges on each of these lines would stop all rail transportation and the movement of food supplies by rail. There are 102 oil refineries within the area. Two or three bombs would completely wreck each of these, and within 30 days there would be no gasoline supply for the movement of food supplies by motor. There are within the area 300 major power plants which are likewise vulnerable and open to destruction from the air. The water supply of each city within the area is equally vulnerable.

And while there is not the concentration of such a large percentage of our national wealth and population in the West, that section is equally vulnerable to an attack from the air.

In case of an attack from the West, I think we may safely assume that Alaska would be the prize which the enemy would seek, but we may also safely assume that the same effort to paralyze industry and destroy the morale of the people of the West would be made that I have indicated would be done in the East if the attack is there. The Columbia River power projects and other great dams and power plants would be sought out for destruction. Fires in the great Northwest woods and other similar destructive tactics would be pursued to make the area uninhabitable and break the morale of the people of the West.

It will be seen, therefore, that a strong and well-equipped enemy air force can, in our present unprepared condition, completely paralyze the centers of population, and, by shutting off their food and water supplies, completely destroy their will to resist.

There is nothing fantastic or visionary about this suggestion. It is not only possible but also entirely feasible and practically certain of accomplishment in the event of war by the United States with a major power, unless, of course, in the meantime, we prepare and equip ourselves so as to combat such an aerial invasion. Enormous flying ships capable of making a nonstop round-trip flight across the ocean are now not only a possibility but, I am informed by leading authorities on the subject, will be actually constructed in the not-far-distant future.

But whether planes of that size and capacity are ever actually constructed, it is entirely within the range of feasibility and probability that the enemy can launch his planes in midocean from aircraft carriers; or, more practical still, establish bases of operations on any one or more of the scores of islands in the West Indies group, or in Mexico or Central America or Canada, from which his planes can be flown to our centers of wealth and population with perfect ease.

These great flying ships, capable of carrying bombs weighing 2,000 pounds each, can, within a few minutes, do more to destroy the morale of the civilian population and destroy their will to resist than an army of a million ground troops could do in months. With their city water supply shut off and their transportation systems destroyed, thereby shutting off their food supplies, it would be only a matter of days or even hours until the millions of people in our crowded centers would be demanding peace at any price.

Visualize, if you will, New York or Philadelphia or St. Louis after such an invasion. And concede that the enemy has not even attempted any of the brutal and inhuman things that could be done, such, for example, as dropping enormous quantities of poison-gas bombs; but assume that he proceeds in the most economical fashion by destroying the bridges on the railroads leading into these cities and by destroying the water supply and power plants and oil refineries. Hunger, thirst, disease, and fire would force these people to sue for peace within the brief period of a few days.

Instead of the slow, tedious, expensive, and indecisive methods of the past, therefore, the airplane has substituted a new, swift, deadly, and decisive method of warfare. And instead of being protected by oceans and by miles of country between them and our shore line, our inland cities and industrial centers are now open and exposed to attack. So far as war from the air is concerned, there are no inland cities. St. Louis and Cincinnati are as vulnerable to attack from a European enemy as Baltimore or Norfolk.

In spite of the fact that we have millions of people and billions in wealth open to destruction by this new and deadly power, we stand third in naval strength and, at best, sixth in aerial strength.

We must have naval strength sufficient to meet the naval strength of any probable enemy. But the Navy, like the Army, is effective only against a similar force. Naval vessels are not effective against air forces.

"There is no defense against the airplane except the airplane."

The safety, the security, the welfare of the United States and its 130,000,000 people demand that there shall be established an air force sufficient to protect and defend them against any nation or reasonable combination of nations.

Heretofore we have been able to prepare for war after war was declared. But with the development of this new 200-mile-an-hour engine of destruction it is too late to prepare after a deathblow has been stricken. In future warfare the nation which is able to hit first with the most planes will be the victor. The war will be over before preparations can be begun. Our safety and the preservation of our national integrity require that we build an air force second to none and that we do it now.

I have heretofore undertaken to point out that the first phase of any war of the future will be fought in and from the air. In this phase of the war the enemy will undertake by an aerial invasion to paralyze our industrial and transportation systems and thereby weaken the morale of our people and, if possible, destroy their will to resist.

It is not likely that any enemy would try to conduct such an operation from across either ocean. He will first establish bases of operations in nearby territory from which he can launch his attack, and, in addition, will launch other planes from aircraft carriers at sea.

It is imperative, therefore, that we establish a defense system which will enable us to prevent the enemy's crossing our shore line or other frontiers.

The enemy will undoubtedly, as I have tried to point out, strike at our centers of population by destroying our communication systems, food and water supplies, and other vital necessities. The enemy, however, will not spring up in the midst of our interior. He must come to us from outside our country and must first cross our frontiers.

In order that we may effectively defend these great centers of population in the inferior, as well as those along our coasts, we must prevent the enemy from crossing our frontiers. And, if possible, we should not only establish an impenetrable wall of defense along the frontiers but our defenses must also be capable of going out and meeting the enemy 500 or a thousand miles from shore. We must be able to meet his air power in the air and engage it in battle and sink his aircraft carriers and destroy his bases of operations.

To accomplish this it is necessary to establish air bases, or aerial defense bases along our frontiers and to locate and equip them in such manner as to form a complete frontier defense. Our frontier defense should consist of defense bases located along our frontiers with supporting units in the interior.

Each frontier defense base should be equipped with sufficient patrol, pursuit, and bombing planes to enable it to defend the territory within the radius of its principal activity. In the event of an attack by the enemy through the front of any unit, the units to the north or south of it as well as the interior units to the rear would, of course, come to its assistance. But the bases along the frontiers should be so located that the enemy could not cross the frontier except through the zone of primary efficacy of one of the bases.

In the bill which I have introduced it is proposed that three frontier-defense bases shall be located on the Pacific coast, with one supporting base in the Rocky Mountain area, one in the New England States, and one on the south Atlantic coast, which, with existing bases in the middle Atlantic area, would afford a complete frontier system for the Atlantic coast. It is also proposed that, in addition to existing facilities, there shall be one similar base in the Great Lakes region and one in the Gulf coast area. It also provides for similar bases in Alaska and Panama.

It is proposed that each of these bases shall be equipped to provide permanent accommodations for 132 planes and necessary personnel, but with landing fields and fueling facilities for a thousand planes in emergencies.

It is, of course, not contended that these bases and their planes and personnel shall constitute the whole of our Army air force. The G. H. Q. force, stationed at interior bases, and which can be moved into any danger zone, will, with the frontier-defense forces, constitute one mobile air force.

Let me illustrate briefly the operation of the frontier bases as I conceive it. For purposes of illustration let us consider the base proposed for southern Florida. In case of war an enemy would desire (1) to establish his own air bases on one or more of the scores of islands in the West Indies group, (2) enter the Gulf of Mexico with his surface ships so as to gain access to the coal and iron of Alabama and the oil of the Southwest, and (3) to destroy or at least gain control of the Panama Canal. The proposed Florida base would be able to destroy enemy bases in the West Indies and prevent their occupancy by the enemy, it would command the entrances to the Gulf and prevent the enemy's surface ships from entering, and it would reinforce and support the defenses of the Canal. It would also prevent enemy air raids along the south Atlantic coast.

By having one " wing " permanently stationed at the base, there would be a force sufficient to reinforce similar forces in the Canal Zone, but by having landing, ammunition, and fueling facilities sufficient to accommodate a thousand planes, the air forces located at interior bases could be concentrated at that point, so as to conduct such offensive or defensive operations as might be necessary. Not only could such forces defend the immediate territory and break up enemy bases on nearby islands but they could fly out and contact the enemy a thousand miles from shore.

Similarly the bases on the Pacific coast would protect that area.

In peace time the bases would be used as training bases. And by rotating the personnel at appropriate intervals they would gain a more accurate knowledge of every section of the country they are to defend, as well as gain experience in flying under every climatic condition that exists in our country.

The safety of the Nation requires that we shall establish sufficient bases and equip them with sufficient planes and man them with sufficient trained personnel to withstand or offset the attack of any nation or reasonable combination of nations.

War is wrong. But it is the only method by which nations have ever settled their disputes. So long as it exists the United States cannot ignore it. The time, I hope, will come when nations will see the folly of war and will settle their differences of opinion in an orderly, peaceable, and civilized fashion by meeting around the conference table and working them out. But I submit that the day has not yet arrived when the other powers of the earth are willing to follow our leadership in the scrapping of armaments as evidence of their desire to end war. We have shown our good faith by destroying actual battleships while others destroyed only blueprints of proposed ships. We have signed limitation agreements and have lived up to them only to find other parties to the agreement refusing to be bound. Therefore until the day arrives when the other powers have really and truly laid down their arms, our safety and the safety of our institutions demands that we shall have fighting strength in every branch of national defense second to none. To provide less is to fail in the performance of our sacred duty.

UN-AMERICANISM AND OTHER SUBVERSIVE ACTIVITIES

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, under leave to extend my remarks, I am inserting in the CONGRESSIONAL RECORD a speech delivered by me over radio station KMTR, Los Angeles, Calif., on November 19, 1934. It is as follows:

Our country now faces the problem of un-Americanism. This menace to our present progress has only developed during the past few years. By un-Americanism we mean the action and operations of a group of individuals who are opposed to the Government. Whatever it is the Government is seeking to build up and to develop—they are opposed to. Whatever it is—the un-Americanism is " agin " it.

Un-Americanism and un-American activities do not necessarily mean the activities of foreign-born people. All of us were foreigners a few years ago. Our country was founded by the best stock, by the hardy pioneers who sought to get away from their environment in foreign lands, that they might found a new land and a new country where they could work for an ideal that was denied them in Europe.

Our forefathers came from England, from France, from Germany, Austria, Italy, Ireland, and other foreign lands.

So you see, un-Americanism does not necessarily mean foreigners. Some of our finest people are foreign born. They are working hard to help us keep the land of the free and the home of the brave what it is today. They are among our finest idealists.

The rank and file of the German nation comprises a fine and wonderful group of people. They love their homes, and they seek only to try and live a life of freedom, which is denied them at present because a certain crowd of shrewd political manipulators have usurped and taken over the reins of government.

This select few is seeking to shape the lives and destinies of the great majority of the German people, who, seemingly, have nothing to say about what they want to do.

I am happy to say that hundreds of thousands of German people in this country are loyal to the principles of America and are not in sympathy with the un-American principles of this small group of shrewd politicians who, for the moment, are in charge of affairs in their native country.

During the past year Congress has recognized the great danger from the radicals in America who hate America and all that America stands for. These radicals are opposed to education and progress; they only seek to tear down and destroy. These un-American groups, parading here under the names of Silver Shirts and other organizations have broadcast statements that as soon as Congress adjourned strikes and violence would break out all over the country.

The Government recognizes this growing evil of people who not only do not love their own flag and country, but hate the foundations on which America and Americanism is founded.

I had the honor of being appointed on the Congressional Committee of Un-American Activities, appointed to investigate and remedy this evil.

We have carried on a thorough investigation into the various activities of the un-American organizations, such as the Silver Shirts, the White Shirts, the Black Shirts, and there may be a few other colors in shirts that we do not know about. Thus far these propaganda organizations include the Nazi movement.

One of the outstanding investigations that I conducted personally was the organization of Silver Shirts operating at Asheville, N. C., under various nom de plumes, such as the Liberator, League of Christian Economics, Galahad Press, and others.

As a result of this investigation, indictments have been returned against officers of the organizations for violation of the blue-sky law and other irregularities and misrepresentation.

In order for our country to properly progress we must be freed entirely of these undesirables and aliens who are seeking to destroy us and to undermine our Government and Constitution.

It is a matter of history that a great crisis develops a great man. Napoleon was born of the French Revolution; the original movement in France started as a great cause, but it got beyond itself, and when a great strong man was needed at the helm, Napoleon took charge. The country of France then faced the same great problem there that America is facing today in these un-American activities.

Our greatest American, Abraham Lincoln, was shaped by destiny to take charge of this country at its greatest crisis, the Civil War. The depression and the operation of un-Americanism under different titles prevailed then along the same lines as it does now. Lincoln proved his greatness at the supreme test.

Our present great President, Franklin D. Roosevelt, was the man of destiny in America to take over the helm of this country at an hour when the outlook was really darker than it was at the time that Abraham Lincoln proved his greatness. Roosevelt also knows no fear.

After many years of misgovernment, graft, and corruption, during which officials in high places betrayed their trust, robbed the people, and then were immune from retribution, a great change took place. Our President was responsible recently for a famous banker being sent to prison for betraying his trust. Another man who stole millions, caused poor people to lose millions, has been brought back from foreign shores, where he was seemingly immune from capture, to face his accusers.

Our Committee on Un-American Activities at the next session of Congress is going to do everything within its power to see that a bill is enacted that will make un-Americanism and un-American activities as dangerous a profession to take up as kidnaping or any other felony.

I feel that the one great rule to lay down, to stamp out un-Americanism, is to support President Roosevelt and his policies in everything that he undertakes. He has served the country at the darkest hour in its history; he has routed depression and is giving back employment, and has proved that he is one of the foremost men that have been developed in the history of civilization.

ADDRESS BEFORE STATE CONVENTION, AMERICAN FEDERATION OF LABOR

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, last May, in the year 1934—which is about 9 months ago—I made a talk to a State convention of the American Federation of Labor. I was the general counsel for the State Building Trades Council, and I should like to have printed in the RECORD my remarks at that time.

I said on that occasion that the N. R. A. can be an instrument for good or an instrument for evil; and if labor is to get anywhere they must be aggressively and efficiently organized. It begins to appear that—from what has happened in the automobile industry and in many others—labor is losing ground. I do not at this time say whose fault it is. The great industrial corporations are certainly well organized; they have good attorneys and they seem to be staying on top and getting stronger. I said in my talk last May that if the N. R. A. did not protect the rights of labor that it would be the greatest instrument of oppression ever brought to a people.

Undoubtedly, the N. R. A. must be continued—that is, we must have regulation of industry and protection for the rights of labor and of the consumers, but it looks bad for labor right now, and it may be necessary for the working people to demand new leadership in certain places if they are to be successful. The big industrial corporations are not going to do it; the people must do it themselves.

The record of the Texas State Federation of Labor shows the following:

MAURY MAVERICK, of San Antonio, general counsel for the State Building Trades Council, at this time addressed the convention:

"Mr. President, delegates, ladies, and gentlemen, I want everybody to feel we are one happy family. I do not know anything about the politics of labor organizations. Just remember, we are one happy family.

"Most of the speakers who have come before you have been members of labor organizations or their fathers had cards. These speakers all claim some reason for being closely identified with you. All I claim is that I really lived on a farm, have pitched hay, chopped cotton, and fed and milked the cows. But there was no cotton chopper, hay pitcher, or cow milker union, so I never had a card.

"Five or six years ago I became deeply interested in questions vitally affecting those who work. My people have owned land, but most of that land has been taken away from us. Looking at it from a practical and selfish viewpoint, I may have to go to work and get a card, and therefore I want to be friendly with you.

"I have a daughter and a son who are very young, and I am speaking sincerely, for I know they are going to have to go to work; and it will be hard to get work because of all this accumulation of capital in the hands of a few and the improper distribution of wealth. It will be necessary for them when they are older to go to work, but I do not want them to have to become chain-store clerks with numbers to identify them rather than retain their identity and standing in the community through the use of their own names. The opportunity to exercise their own initiative and ambition in some calling or trade that will be honorable and remunerative is my hope for them. I am opposed to all this concentration of wealth and this vast drain upon our resources by the chains, which never pioneer, but come take away from you and me the cream of the earnings.

"As I say, I am an outsider, and there are a lot of things to consider that you may better approach your problems effectively and bring them before the public.

"There are the big dailies. Look in the Dallas papers this morning and you will see one complete section devoted to the bankers. About a column and a half is devoted to this convention. I am not making an attack on the press. Undoubtedly its workers are fine gentlemen, dedicating their columns to patriotic purposes—and profits—but we know they devote a great deal of space to the bankers and little to the workers. [Turning to the reporters of the dailies at the press table.] I would advise you boys to join the Newspaper Guild and, as soon as you can, affiliate with the American Federation of Labor. It will increase your social standing when you can associate with printers. [Laughter and applause.]

"I am going to take up five points, all based on fundamental principles, which must endure if we are to prosper and maintain our national integrity and standing. The first is the right of organized labor to strike. The second is the freedom of the press, or the Bill of Rights of the Constitution of the United States. The third is proper labor legislation to protect the working masses. The fourth is complete elimination of company unions and other subterfuges, and fifth is elimination of child labor.

"As to the right of labor to strike, I know strikes are economic waste to capital and to the worker, but if you want to be successful you have to be militant and aggressive or you will not get anywhere at all. Labor is entitled to a fair wage in whatever field it may find itself, and labor is entitled to decent work hours and safeguards for the workers. If these things are denied you, then you have the right to demand that which is just. If this is denied you, then you have the right to strike against unfair wages, long hours, and intolerable conditions.

"When we talk about the freedom of the press, we refer to everyone. When the newspapers came out and said the N. R. A. was trying to take away the liberty of the press, an idiotic editorial came out in the papers, but the liberty of the press has never been touched. The newspapers go on publishing what they choose. I should like to suggest that the American Federation of Labor have a paper to go into the hands of every American. Let the labor papers of the State continue their good work, but have one publication to reach from five to ten million people, to go into the homes of organized labor and into channels where you can carry on a mighty campaign of education, that you may have a sympathetic people, who will know what you are fighting for—the real facts upon which you base your claims. Fully substantiate your arguments, that the people as a whole will be enlisted for a square deal for the men and women who work.

"You know about the National Labor Board. When I went to Washington recently, I promoted the bringing of a regional labor board to Texas. The Labor Board, as you know, has its headquarters in Washington, with 18 regional labor units. They have the right to hear complaints, but they cannot enforce the things which should be given prompt attention and a fair and equitable adjustment.

"For instance, in one town there was a compliance board on which there was not a member of organized labor. I assisted in getting a member of organized labor on that board, but now the other members will not meet with him because he is a worker. Certainly that is a great injustice, an intolerable situation with which labor ought not to be confronted. The various boards should be so organized that they have the right to enforce a fair deal and to protect the worker in all his rights and privileges.

"The Wagner labor board bill is of the utmost importance. You ought to get behind that measure with all your force. When you go before a labor board and find an instance of 15,000 workers being employed at a wage of 4 cents an hour, where they are able to make only $1.80 a week, and it is argued workers can live on 5 cents a day, that they are now getting too damned much, I say to you there is dire need for drastic action.

"I want to know who is going to be benefited when purchasing power is from 5 to 10 cents per capita. Evidently there is little regard for human rights. Intolerable greed should not be permitted. The American Federation of Labor must promote the purchasing power of all the people; and working unselfishly for all the people along great humanitarian lines, it will succeed.

"I recently read some statistics which revealed there are 3,000,000 members of company unions and 3,000,000 members of the American Federation of Labor. There are too many members of the company unions and not enough members of the American Federation of Labor. In speaking of some of the welfare work being done under company-union regime, we find this kind of 'pap' being handed out: Mrs. John D. Rockefeller, Jr., personally handed out presents to the children of the members of the company union at a holiday party. Now, wasn't that a liberal and gracious act?

"The only way to abolish company unions is by hard work. You must be on the job constantly. You must show the workers the benefit of a real organization, which stands for the rights of humanity, for justice, and the American standards of living. There are not enough labor organizers in the State of Texas. You should have a large force of union organizers. Your Government and the President of the United States have told you to organize, to band together for your common good, and you should heed that call.

"As to child labor, there is hardly any use emphasizing that subject. No sane, right-thinking man or woman is in favor of child labor. The reason there must be a constitutional amendment is that the N. R. A. is only temporary; it is subject to change. Such a protective measure written into the Constitution must be on the books, so that children will not have to slave and will have the opportunity to grow into manhood and womanhood unfettered and unharmed through drudgery and slavery in their adolescence.

"In your organization work you should by all means pick out men of courage, enthusiasm, and energy; men who will go all the way down the line for you, unafraid. Your cause is a righteous one and may be upheld in any group or circumstance. You must devote all possible time to a study of the issues that present themselves and affect your crafts and industrial unionism. These matters should be fully discussed and your members as a whole should understand fully your position. I suggest that you let no opportunity pass to take a part in all political issues.

"The general rule is that when some fellow gets up and makes a good speech—an oration, as it were—taking you to the very clouds, you say: 'Why, he is a nice fellow, a fine talker; I am going to vote for him.'

"My advice to you, frankly and candidly, is to make a careful study of that man's record. Find out what he has ever done to deserve your vote and support. Ask yourself, Is he sincere? If he isn't, what good is all his talk?

"I am talking about political science now in the sense that we have intelligent application of the economic principles of government in order that we will not have to struggle continually with such things as the C. W. A. and this and that to take care of the idle; that we can take men from the bread lines, distribute capital more evenly, and prevent vast accumulations in the hands of few men, who become virtual dictators.

"Study these things out along sane, sensible lines, my friends. Let there be proper adjustment through economic measures, which will mean work for the millions at living wages, with decent hours of employment, that the masses may have time for recreation and the better things of life along with those who toil not. Train yourselves to be a part and parcel of the great American citizenship, to which the Nation may ever look for substantial growth and proper protection at all times. Be citizens, proud of your Nation because of the splendid part you have played in bringing it to the highest level in its history.

"I think organized labor should always take a definite stand against any sort of taxation that bears unjustly on the people, or certain class of people, such as the sales tax, which has been discussed very ably by a previous speaker. I will not dwell much further on that subject.

"Some bright fellow gets up and says, 'Now, the way to get this Nation back to prosperity is to have a sales tax on everything, and that will do away with income taxes and generally relieve the situation.' He never thinks of the fact that the sales tax would be an inverted income tax, bearing heavily on those who cannot pay it.

"The American Federation of Labor is undoubtedly forming its program to carry out the great economic principles which will insure this Nation stability and more lasting prosperity; principles that will be ever-enduring and carry us on, a free people with the right to live and let live, bowing to no despot, but mindful of the liberties of others; a happy people, conscious that justice has prevailed, prosperity is real, and the masses may enjoy that which is their rightful heritage. You, my friends, are the people who can bring this about. [Loud applause.]

"The N. R. A. can be an instrument for good or an instrument for evil. We know that the N. R. A., unless it is to protect the rights of labor, will be the greatest instrument of oppression ever brought to a people.

"The only way to protect yourselves is to demand representation of labor on your compliance boards and the passage of the Wagner bill. For the present you must be militant, aggressive, and determined. You must stand up for your rights day in and day out. Then may we look for the coming of those happy days for which we now hope.

"I am grateful for this opportunity to appear before this splendid body of determined men and women and I wish you Godspeed in your work. I thank you." [Loud applause.]

A rising vote of thanks was tendered Mr. MAVERICK at the conclusion of his address.

AVIATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, by courtesy of the Chairman of the Federal Aviation Commission, I was furnished, 2 or 3 days ago, with a copy of that report. I have read it, and I am very happy indeed that the Speaker has decided to refer the message to the Committee of the Whole House on the state of the Union. After a brief conference with the acting floor leader, it is hoped that a time may be set apart in the next 3 or 4 days when the House may resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering the message of the President of the United States and that report. There is a portion of the report that I do not agree with, particularly with reference to the suggestions as to the procurement of aircraft. I have been bitterly opposed to such a proposal—ever since the matter was mooted some 10 or 12 years ago by the Morrow Board—to the procurement of aircraft by private negotiation without advertisement and without giving the world a chance to know what is going on on the inside of some executive office. That feature of the report I desire to discuss with some degree of fullness in Committee of the Whole House on the state of the Union. I trust Members will get copies of this report and that those who desire to discuss it may have an opportunity to do so at that time. Our investigation during the last year has confirmed my opinion that private, which means secret, negotiations to buy aircraft would ultimately lead to waste and corruption.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, as everyone who was a Member of this House in the last Congress must realize, the Federal Aviation Commission was created by legislation which emanated from the Committee on the Post Office and Post Roads. The report of that Commission, I am happy to say, in general terms agrees with the findings made by our committee regarding air mail. They recommend a specific pound mail rate basis of pay rather than the space basis which is now in effect. They recommend the creation of a commission in order that this vast subject might be taken out of politics. We recommended that the matter be submitted to an expanded Interstate Commerce Commission. In that regard we differ but little.

On the whole, the investigation conducted by this Commission is a noteworthy one. The entire subject covers military aviation, commercial aviation, air mail, and a number of kindred and affiliated subjects. Air mail is the all-important subject to be reduced to legislation. It is, in my judgment, the heart and center of the report. It is so because commercial aviation could not exist without the assistance and support of Government by way of air-mail contracts. The Post Office Committee, in my judgment, merits the commendation of the House because of its work in connection with air mail. It suggested a sound solution of this problem in the last Congress—one that I hope will be approved in this Congress.

The report made by the Aviation Commission should be read by the Members, as it contains worth-while information.

PROPOSED EXPOSITION AT SAN DIEGO

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that immediately after the passage of the Treasury and Post Office appropriation bill it shall be in order to consider House Joint Resolution 94, providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936, authorizing an appropriation therefor, and for other purposes, in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that it may be in order immediately after the disposition of the Treasury and Post Office appropriation bill to consider House Joint Resolution 94 in the House as in Committee of the Whole. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, may we have the resolution read?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. The gentleman from Tennessee [Mr. McREYNOLDS] knows that this resolution authorizes an appropriation of $350,000 for an exposition at San Diego.

I am not prejudiced against expositions. I think they are not only entertaining but instructive, but they are becoming very expensive. Cannot we have an understanding with the gentleman from Tennessee, the chairman of the committee, and with those who are especially interested, that we shall strike out $350,000 and limit this authorization to $100,000? If we could have that understanding I would be willing to go along, but $350,000 is a sum entirely too large at this time for us to spend for an exposition at San Diego.

Mr. MARTIN of Massachusetts. The gentleman is not asking to have it passed at this moment, is he?

Mr. BLANTON. If you ever let this go by now, beyond the unanimous-consent stage, it means its ultimate passage, because later you cannot stop it. Now is the time to have some kind of an understanding about it.

Responsibility rests just as much upon the shoulders of the gentleman from Tennessee to preserve the integrity of the Treasury, and I know it is his purpose to do so, and I know that he does not believe in any extravagant expenditure, and I feel that he should go along with us in deducting $250,000 and limiting this authorization to not over $100,000.

Mr. McREYNOLDS. Mr. Speaker, in answer to the gentleman from Texas [Mr. BLANTON] I assure him that I assume full responsibility as much as does the gentleman from Texas in endeavoring to preserve the Treasury.

Mr. MARTIN of Massachusetts. Does the gentleman mean today?

Mr. McREYNOLDS. Not at this time. The gentleman from Massachusetts [Mr. MARTIN] asked me about this bill when he was on the committee.

The reason I make this request is that this is an exposition bill and time means a great deal to those people, because it is to be opened the last of May. I am not sold on any specific amount. I went to the Chairman of your Committee on Appropriations [Mr. BUCHANAN] and asked him what were the rules and regulations for an appropriation. This is not an appropriation; this is simply an authorization, and considering the fact the distinguished gentleman from Texas [Mr. BLANTON] is a member of the Committee on Appropriations, and knowing that he is always watching the Treasury, I knew that no appropriation would be made for this exposition unless they showed sufficient facts.

Now, this bill authorizes the President to invite various nations to participate, and it is necessary that this authorization be granted at once. As I stated to the gentleman, I am not sold on any $350,000. It can be considered under the regular rules of this House and this Committee, and if you do not approve it, you can cut it down. But this is the amount reached after we made proper investigations and found out what was required.

Mr. McFARLANE. Mr. Speaker, regular order.

Mr. BLANTON. Well, if the gentleman demands regular order, it is going to force an objection.

Mr. McFARLANE. Regular order, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, I do not believe that we should spend $350,000 on this exposition at San Diego or send invitations to foreign countries that have repudiated their sacred debts of honor, hence I am going to have to object. I object.

The SPEAKER. Objection is heard.

UN-AMERICAN ACTIVITIES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting an address delivered by my colleague, Mr. DICKSTEIN, of New York, over the radio recently.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by my colleague, Mr. DICKSTEIN, vice chairman of Special Committee on Un-American Activities, over the radio recently:

The undermining of American institutions by subversive propaganda in the United States, be it communism, fascism, nazi-ism, or from whatever source it may emanate, has been and is being investigated by the Committee on un-American Activities, which was appointed by a resolution of the House of Representatives.

The committee is a fact-finding body and will report its findings to the Congress of the United States for such action as the committee may recommend.

It is obvious that our committee has no patience with doctrines which tend to destroy our democratic principles, no matter whether the tendency to do so comes from the right or from the left. American democracy has been written into the form of government of this country ever since its foundation.

To make my own stand clear I am opposed to communism, fascism, and nazi-ism, and all other subversive movements in the United States. I consider communism just as dangerous a menace to our Republic as any other undemocratic movements. I wish to serve notice that the followers of such doctrines should not expect sympathy from our Government, and unless they can adapt themselves to this country and its form of government there will be no room for them in the United States.

Democracy is a priceless heritage which the American people have been able to maintain for 150 years and longer. Anti-American doctrines do not originate from any desire of our people to see a change in our cherished institutions, but are invariably imported from abroad. It is this alien propaganda which we seek to eradicate. We will not have American institutions destroyed by alien propaganda.

The form of government under which we live is sufficiently elastic and sufficiently responsive to public opinion and the wishes of the electorate to function peacefully and in an orderly fashion whenever the public desires a change, either in the law or in the persons administering it. We will not permit, however, aliens and others who do not wish to become a part of the electorate and assume the obligations of citizenship to advocate or bring about such changes by revolutionary means or violence.

Ever since that famous march on Rome in November 1922 with Mussolini at the head of his cohorts appearing before the King of Italy and demanding the surrender to himself of all powers, Europe has been living under the spell of a dictatorship and government by one political party. In examining before my committee members of the Communist Party of America, continuous references were had to an action taken by the Communist Internationale, otherwise known as the Third Internationale in Moscow, or similar Fascist organizations would refer to meetings of the Fascist Grand Council in Italy and organizers or followers of Hitler get their cue from decisions of their party in Germany.

The great danger to American institutions lies in having foreign-party governments assume control over the doings of their followers in the United States. When the government of a country is vested in one political party, that one political party becomes all-absorbing and all-embracing. The technical term by which this manner of government is known is the so-called "totalitarian state." The state embraces everything and includes all phases of the life of the individual. It controls the individual from the moment he is born to the moment of his death. It directs and regulates his business and social activities, and the individual himself amounts to nothing as distinguished from state control over his doings. In this respect both Communists and Fascists have this principle in common—that the individual must submerge himself to the state and absorb himself in the state. The difference between the two is only in the method used to enslave the individual. The Fascist system calls for state control and of production and distribution of all goods. The Communist system calls for state ownership of the means of the production and distribution.

American democracy stands on its own merits midway between the radicalism of the right, which is fascism, and the radicalism of the left, which is communism. We will tolerate neither state control of the means of production nor state ownership of the means of production. We believe that business will find its own

level and will eventually emerge out of any depression with as little help from the Government as possible. The Government will always be ready to help the individual, and we have created a number of Government agencies to bring about business recovery. We have the new deal operating under our illustrious President to smooth the path and regulate an intelligent recovery. We believe that recovery can be had by the old and well-tried American method of letting the individual run his own business and having as little interference by the Government as possible. Should, however, Government aid be necessary, our Government stands ready to help business so that it may, in turn, help itself. All the new-fangled doctrines which have as their object the destruction of our well-tried American Constitution must be frowned upon by us. One of the aims and purposes for which my committee was organized was to demonstrate the soundness of the old American doctrines of government and eliminate all attempts from abroad to revamp the American Constitution.

Communism is by no means the solution of our troubles, nor is fascism the way out. In both cases we will have to surrender much that has been accomplished by the founders of our Government by way of protecting the rights of the citizens to have free speech, free press, and a free assembly. Only by harkening back to the original foundations of the American Constitution can the individual find a happy life and the opportunity for development of his own ideals. We do not want to be slaves of the State and to take our orders from a lot of bureaucrats, whether or not the system of government which now prevails in Germany, Italy, or Russia is suitable for their own people; we have no concern with it, nor is it our business how those nations govern themselves. We wish to preserve our American institutions for Americans, and we turn our backs against any other nation, creed, or policy. Our committee seeks to prevent aliens from coming to the United States to infect our Commonwealth with their odious ideas of government, which are foreign to us and unwelcome to our people.

America will maintain its own Constitution against all enemies, foreign and domestic, and you can rest assured that we will not permit any dangerous doctrines to gain a foothold in this country, whether or not they rise from the right or from the left.

These subversive activities have now reached the stage where they seek to infect not only the common man but our schools, the Army, Navy, the civilian conservation camps, etc., and other public bodies. Our Department of Justice will ferret out all seditious and treasonable activities and appropriate punishment will follow.

In a recent editorial published in the Hearst newspaper attention was called to the fact that communism invariably brings fascism. It has been the unhappy experience of the world that many attempts at destruction of well-tried constitutional guaranties resulted in civil war and bloodshed. When communism is permitted to gain a foothold in America it will of necessity stock up reaction to it by way of fascism, and we must forever be watchful in both directions and not permit either communism or fascism to become strong or powerful.

Our people will always bear in mind that this Government has been instituted to protect them and to assure to them their opportunity for self-development and self-government, and all of us will seriously subscribe to the tenets of the original Constitution of the United States, and we shall again continue as a happy, well-governed, and well-contented people.

POST OFFICE AND TREASURY DEPARTMENTS APPROPRIATION BILL—1936

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. ARNOLD. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, we have before us for consideration the bill making appropriations for the Treasury and Post Office Departments for the fiscal year 1936. The subcommittee in charge of this bill came to Washington early in December and conducted hearings lasting throughout the month of December and into the early part of the present month. We have presented to you a bill which, in the judgment of the committee, is a good bill.

Permit me at this time to express my appreciation to the members of the subcommittee who assisted in these hearings and in the preparation of the bill. That subcommittee is composed of myself, as chairman, the gentleman from Indiana, Mr. LUDLOW; the gentleman from New York, Mr. BOYLAN; the gentleman from Massachusetts, Mr. GRANFIELD; and the gentleman from Kentucky, Mr. O'NEAL, as the majority members; and the gentleman from New York, Mr. TABER; and the gentleman from Michigan, Mr. MCLEOD, as the minority members. It has been a distinct pleasure to work with the distinguished gentlemen on this subcommittee. Their cooperation and help has materially lessened the burden and made our work as pleasant as could possibly be under the circumstances. Partisan politics did not enter into any of the considerations as far as the items in this bill are concerned. There were some differences of opinion, of course, as there are always differences of opinion on matters of such far-reaching importance as the matters involved in this bill; but the members of that committee, both Democrats and Republicans alike, looked at it purely from the standpoint of the best interests of the country and reached their conclusions accordingly. There was no serious differences existing between members on the committee, either Democrats or Republicans, and such minor differences as existed were most amicably adjusted.

In this connection I should not overlook the fact that our work was made much easier by the genial clerk of the Committee on Appropriations, Mr. Marcellus Sheild. [Applause.] Those of you who have known Mr. Sheild and have come in contact with him and his work know that he is one of the best informed and most efficient gentlemen who has ever served in any capacity on the Appropriations Committee. I do not believe there is a man in the Government service anywhere who understands and knows more about the fiscal relations of this Government than does Mr. Sheild. [Applause.]

The time is too short to enter into a discussion of this bill as much in detail as I should like. All that I can do in the time at my disposal is to point out to you some of the principal features of the bill. Then when we reach the stage of reading the bill under the 5-minute rule opportunity will be given so that inquiries may be made and discussions had on special items in the bill which may appeal to the individual Members particularly.

However, while I have the floor today, if there is anything that should occur to the mind of any Member on which I can give any enlightenment, I would be glad to do so. I will give you such information as I am able to give you.

This bill embraces the appropriations for the Treasury and Post Office Departments, as before stated. There are no two departments of Government which more vitally affect the rights, interests, and welfare of the American people than those two departments. May I say in the beginning there has been considerable talk on this floor during this Congress in regard to the condition of the Budget. As far as ordinary expenses of the Government are concerned, we are within the receipts of the Government. In other words, the Budget is balanced so far as the ordinary operating expenses of the Government are concerned. The recovery and relief appropriations that have been found necessary during the past 2 or 3 years, during the depression, have been segregated, and, of course, when you take into consideration the amount of money that has been appropriated for recovery and relief the Budget is out of balance.

It is hoped that as time goes on and as business recovers we can eliminate these extraordinary expenditures and within a very short time bring the Budget into complete balance so far as all expenditures of these departments, both ordinary and extraordinary, are concerned.

On page 3 of the hearings, in the Treasury Department section, you will find a tabulation of the regular receipts and expenditures and the recovery and relief expenditures. This, Mr. Chairman, I think would be informative and enlightening not only to the Congress but to the country at large. I therefore ask unanimous consent to include this tabulation in my remarks so the matter can be studied and so I can avoid the necessity of taking further time in discussing it on the floor.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The matter referred to follows:

A résumé of the financial plan which the General Budget Summary shows for 1936, as compared with 1934 and 1935, is presented below.

[In millions of dollars]

	1934	1935	1936
I. Regular:			
1. Receipts	2,763	3,123	3,422
2. Expenditures:			
(1) Operation and maintenance of regular departments and establishments	1,086	1,235	1,622
(2) Veterans' pensions and benefits	556	610	740
(3) Interest on national debt	757	835	875
(4) Tax refunds (exclusive of processing taxes)	63	68	65
Total regular expenditures	2,462	2,748	3,302
II. Recovery and relief:			
1. Agricultural Adjustment Administration:			
Processing taxes	353	589	570
Expenditures (including refunds of processing taxes)	290	738	472
Excess of expenditures over taxes	−63	+199	−98
2. Other recovery and relief expenditures	3,993	4,472	4,110
Total recovery and relief expenditures	3,930	4,671	4,012
Total expenditures (exclusive of debt retirements)	6,392	7,419	7,314
Net deficit	3,629	4,296	3,892
Debt retirements	360	573	636
Gross deficit	3,989	4,869	4,528

Mr. ARNOLD. There have been some major changes in this bill as compared with the 1935 appropriation bill caused by and based upon certain Executive orders of the President. The Bureau of Industrial Alcohol in the Treasury Department and the Alcoholic Beverage Unit of the Department of Justice have been abolished, and their personnel and duties have been transferred to the Bureau of Internal Revenue under the title "Alcohol Tax Unit." This change was brought about by reason of the fact that the Bureau of Internal Revenue is the great revenue-collecting agency of the Government and because the functions of the agencies above referred to, since the repeal of prohibition, have become the function of collecting revenues. It was thought better to have these agencies in and under the control of the Bureau of Internal Revenue.

A new division has been set up in the Treasury Department known as the "Division of Disbursements." If I have time, I will touch upon this further during the course of my remarks. This, likewise, was created under an Executive order of the President. The purpose of creating this division was for efficiency and economy; and, so far as I can learn and ascertain from the hearings, it has served its purpose well along this line.

The Treasury section of this bill carries $175,761,149. The Post Office section carries $724,264,449. This makes a total of items carried in this bill of $900,025,598 of the regular annual appropriations.

The following tabulation shows, in summary, the comparison of the appropriations in the bill with the appropriations for 1935 and with the Budget estimates for 1936:

Department	Appropriations for 1935	Estimated amount of 5-percent and other pay restoration, indefinite appropriation, sec. 21 (e), Independent Offices Act, 1935	Total appropriations, 1935, including 5-percent and other pay restoration	Budget estimates for 1936	Amount recommended in the bill, 1936	Increase (+) or decrease (−), bill compared with total 1935 appropriations	Increase (+) or decrease (−), bill compared with 1936 Budget estimates
Treasury Department:							
Special items in Emergency and Deficiency Appropriation Acts, 1935	$187,475,000		$187,475,000			−$187,475,000	
Public buildings, sites, and construction (including $65,000,000 in Emergency Act, 1935)	79,564,615		79,564,615	$2,100,000	$2,100,000	−77,464,615	
Refunds of internal revenue and customs collections	52,285,000		52,285,000	49,000,000	49,000,000	−3,285,000	
All other Treasury items	105,791,685	$5,112,595	110,904,280	125,037,484	124,661,149	+13,756,869	−$376,335
Total, Treasury Department	425,116,300	5,112,595	430,228,895	176,137,484	175,761,149	−254,467,746	−376,335
Post Office Department:							
Departmental in Washington, D. C.	3,356,868	194,797	3,551,665	3,731,664	3,700,544	+148,879	−31,120
Field service	666,437,072	27,319,796	693,756,868	721,550,905	720,563,905	+26,807,037	−987,000
Total, Post Office Department	669,793,940	27,514,593	697,308,533	725,282,569	724,264,449	+26,955,916	−1,018,120
Grand total	1,094,910,240	32,627,188	1,127,537,428	901,420,053	900,025,598	−227,511,830	−1,394,455

In addition, of course, there are certain indefinite permanent appropriations with which the committee have nothing to do in hearings on the annual bill, but which become active by operation of law. These amount to something over $1,500,000,000.

There is quite a decrease in the appropriations under the Treasury title of the bill this year under the 1935 bill. This is brought about largely by the fact that there were certain special items contained in the last bill which are eliminated this year. Building items largely have been eliminated. We carry but $2,000,000 in this bill this year for building activities, together with an additional $100,000 to pay for some outside architects' fees. This $2,000,000 is necessitated by the fact that under the Public Building Act of May 26, 1926, some of those projects are unfinished, and it becomes necessary to carry this appropriation along for the continuation of those projects. There are no new building projects provided for in this bill.

I may say in passing that all the appropriations in this bill are on a maintenance and operation basis and simply carry along the regular work in these departments as it has been carried along the current fiscal year. The appropriations for both departments, which are influenced to any appreciable extent by commodity prices, are predicated upon prices prevailing at the time the estimates were prepared and increases are carried to cover such rises occurring prior to the preparation of the estimates. Any considerable future increase in price levels for commodities necessary for the operation and maintenance of either department will require the finding of the additional funds therefor within the appropriation granted or by resort to supplemental appropriation.

A number of consolidations of appropriation accounts was recommended by the Bureau of the Budget. Some of them were approved by the committee and some were not approved. The committee approved those consolidations where we felt it would be to the best interests of the Treasury and would promote efficiency and economy in administration; and where we felt that it would not tend to these ends and that the greater flexibility that would be possible under the consolidations would not be advisable, we did not consolidate.

The permanent appropriations for 1936 I mentioned a moment ago. These amount to $1,529,604,580. It will be noted the principal items apply to the interest on the public

debt and to the public-debt retirement and sinking funds. These permanent items are provided by law to be taken care of without the necessity of carrying them in the annual bill. The permanent appropriations in the Treasury Department are as follows:

Object	Estimated appropriation, 1935	Estimated appropriation, 1936	Increase (+) or decrease (−)
General and special funds:			
Interest on deposits of public money of Philippine Islands		$1,100,000	+$1,100,000
Expenses of loans	$510,522	1,360,280	+849,758
Preparation, custody, and delivery of Federal intermediate-credit-bank securities (reimbursable)	2,139		−2,139
Preparation, custody, and delivery of farm-loan bonds (reimbursable)	17,861		−17,861
Sinking fund	[1] 572,541,000	636,419,000	+63,878,000
Interest on public debt	[1] 835,000,000	875,000,000	+40,000,000
Miscellaneous gifts, forfeitures, etc	[1] 15,000	15,000	
Contingent expenses, national currency (reimbursable)	210,000	175,000	−35,000
Total, general and special funds	1,408,296,522	1,514,069,280	+105,772,758
Trust funds:			
Unclaimed moneys, payment of		10,000	+10,000
Philippine trust fund (customs)	8,200	10,000	+1,800
Philippine trust fund (internal revenue)	315,000	500,000	+185,000
Philippine trust fund, coconut oil tax (internal revenue)		15,000,000	+15,000,000
Education of the blind	10,000	10,000	
National Institute of Health gift fund		5,000	+5,000
Moneys and effects of deceased patients (Public Health Service)		200	+200
Patients' deposits (National Leprosarium)		100	+$100
Total, trust funds	$333,200	15,535,300	+15,202,100
Total, permanent appropriations, Treasury Department	1,408,629,722	1,529,604,580	+120,974,858

[1] Revised.

Among the items eliminated from the 1935 bill are:

Subscriptions to paid-in surplus of Federal land banks	$75,000,000
Payments to Federal land banks account reduction in interest rate on farm mortgages	7,950,000
Emergency Banking Act, Gold Reserve Act of 1934, Silver Purchase Act of 1934, expenses of	4,500,000
Advances to Department of Agriculture (A. A. A.) for financing cotton	100,000,000
Total	187,450,000

These were not necessary to be repeated and were not provided for in this bill.

Eliminating from the 1935 figures the special emergency appropriations made for that year, the public-buildings construction, and the refunds of revenue, and eliminating from 1936 the revenue refunds and the public-building construction, there remains an increase for 1936 over corresponding activities for 1935 for operation for the Treasury Department of $13,756,869, of which approximately $5,300,000 is required for the restoration of the remaining 5 percent of pay cut and other salary restorations, leaving an increase on all other Treasury operations of $8,456,869. This sum is composed of the following principal increases:

Division of Disbursement	$710,700
Bureau of Engraving and Printing	850,000
Coast Guard	2,300,000
Public Health Service	750,000
Collecting internal revenue	2,300,000
Recoinage of silver coins	700,000

The question came up in our committee of a recommendation of the Bureau of the Budget that we reappropriate for 1936 the unexpended balance of the appropriation of $4,500,000 for 1935 for the Gold Reserve Act, the Silver Purchase Act, and the Banking Act of 1933. Your committee did not get the information that we thought we ought to have at that particular time; so, without prejudice, we decided we would not carry that unexpended balance in the appropriation in this bill, but would let the matter pass along and be taken up later in a deficiency bill, at which time we would have more information on which to work.

We feel that through the provisions of the bill we have taken care of the Customs Service in such manner that they are in a position to carry on their work with efficiency and fully perform their functions.

There have been several transfers, as I mentioned a while ago, from permanent annual appropriations which may be discussed when we reach those provisions in the bill under the 5-minute rule.

The Bureau of Internal Revenue has been carried along as it was last year with some additional funds. It seemed necessary or advisable to provide for some new revenue agents, and we did provide in this bill for 750 additional revenue agents and 265 stenographers to aid and assist in auditing income-tax returns and making additional collections. We looked upon that as a good investment. We were told by the Department officials that with the expenditure of some $3,000,000 for this purpose between fifty and seventy-five million dollars of added revenue could be obtained. So we made provision for the addition of $3,000,000 to this service in order to employ these additional revenue agents and pay their expenses. We feel that the Treasury Department should not be handicapped in any way in connection with these activities that have to do with collecting and raising revenues for the Government.

The Coast Guard has been more adequately taken care of in the bill this year to the extent of approximately $2,300,000 over and above the amount necessary for pay restoration. Last year the appropriation for the Coast Guard was entirely too low. It is now operating at an estimated deficiency of some $1,300,000. We provided this year the additional amount for the Coast Guard, which will permit them to go ahead and carry on their functions. There is no provision in this bill, however, for the building of new ships or airplanes. Increases have been made to take care of and operate new ships and planes that have been commissioned and which will be commissioned under certain allotments of money from the Public Works Administration.

The Public Health Service has been likewise well taken care of in this bill. There have been a number of increases; however, the increases that were requested were investigated by us as best we could and it seemed to us they were justifiable. These increases amount to $750,000, aside from the amount necessary to restore full pay, over 1935. The National Institute of Health here in Washington, the narcotic farm near Lexington, Ky., equipment and 6-month operation of the new marine hospital at Stapleton, N. Y., and the hospital for tubercular patients at Fort Stanton, N. Mex., the production of additional serum for treatment of Rocky Mountain spotted fever at the laboratory at Hamilton Mont., and Hot Springs, Ark., clinic. Some personnel and the necessary money to carry on their operating expenses had to be provided. That has been done in this bill.

The sum of $650,000 was provided for the Division of Mental Hygiene. This shows an increase largely for operating the new narcotic farm at Lexington, Ky., on a full-year basis, as against a 70-day basis this fiscal year.

The Division of Procurement is an activity that is comparatively new, and so far as we were able to find from our investigation it has been doing a very, very good service. The supply branch of the Division of Procurement, in charge of Admiral Peoples, has wonderful possibilities in the way of bringing about greater efficiency and economy in government. We are hopeful and believe that this will work out in such a way that the amount of money expended for this activity will be saved many times to the Government in the way of savings from practically all departments of the Government which it serves.

Now, may I speak for a short time on the Post Office Department title of this bill? There are many things in here that should be discussed, but time is going so fast that it is impossible to cover everything.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. I was wondering what provision has been made in this bill, or what provision is in contemplation, to take care of the inspectors of the Alcohol Division who have been working for several months now without compensation or remuneration for their expenses?

Mr. ARNOLD. No provision has been made in this bill to take care of those inspectors who have not been paid since the 1st of December. May I remind the gentleman that this is the 1936 appropriation bill. Provision is made in the bill for this service beginning on the 1st of July 1935, when the fiscal year 1936 begins. We felt that inasmuch as an amendment was added at the other end of the Capitol last year, we did not have authority for the present fiscal year to interfere. The matter should be passed to that end of the Capitol, where it perhaps can be worked out in a satisfactory way.

Mr. TAYLOR of Tennessee. Has the gentleman had any assurances that it will be worked out satisfactorily?

Mr. ARNOLD. I have no assurance along that line. We have confined our recommendations to the fiscal year 1936, which does not begin, as the gentleman knows, until July 1, 1935.

Mr. TAYLOR of Tennessee. I understand that these men who have been working without compensation have received assurances from the Treasury Department that the matter will be taken care of.

Mr. ARNOLD. I think the matter will be taken care of in some way, but just how it will be taken care of I do not know.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. I understood the gentleman to say that no appropriations have been provided in this bill for building projects. Is that due to a reduction in the number of such building projects undertaken or is it due to the fact they are now being financed by P. W. A. funds?

Mr. ARNOLD. They have been financed under P. W. A. allotments recently, as the gentleman knows, except as to the $65,000,000 direct appropriation last year in the deficiency bill. Some building program during the remainder of the recovery and relief program may be financed out of the $4,880,000,000 appropriation which was passed the other day, and there is a general lump sum of $300,000,000 carried in the Budget, which is to be made available for Public Works.

Mr. CHRISTIANSON. So that in making a comparison between the aggregate amount contained in this bill and in corresponding bills of previous years this fact should be taken into consideration?

Mr. ARNOLD. That fact has been taken into consideration; yes.

Mr. CHRISTIANSON. How does the aggregate appropriation in this bill compare with the aggregate as contained in last year's bill?

Mr. LUDLOW. If the gentleman will yield, may I say to the gentleman from Minnesota if he will look on page 3 of the report he will see that very fully set forth.

Mr. ARNOLD. There is a tabulation set forth on page 3 covering that matter, which is inserted in my remarks.

The CHAIRMAN. The gentleman from Illinois has consumed 30 minutes.

Mr. ARNOLD. Mr. Chairman, I yield myself 10 additional minutes.

Mr. CHRISTIANSON. Can the gentleman state whether during the last 5 or 6 years there has been a reduction in the total appropriation carried in this bill or corresponding bills, taking into consideration the fact that formerly they contained building-project appropriations which are now being taken care of by the P. W. A.?

I do not care for exact figures. I wanted to know whether there was any comparable reduction in the total.

Mr. ARNOLD. Yes; eliminating the extraordinary expenditures, there is a remarkable reduction, although I have not the figures right at hand to give the gentleman.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. KENNEY. Did the gentleman's committee consider—and I understand it did not, but I should like to have the information from the gentleman—that cost to the Government of customs inspectors and postal inspectors and agents who performed service in connection with the seizure of millions of dollars' worth of lottery tickets that passed through our mails for certain lotteries abroad?

Mr. ARNOLD. I think the question of lotteries was not discussed before our committee during the hearings.

In the post office title of the bill there are a few things I should like to call to your attention. I submit a comparative statement of receipts and expenditures, fiscal years 1930 to 1936, inclusive:

Comparative statement of postal receipts and expenditures, fiscal years 1930 to 1936, inclusive

	1930	1931	1932	1933	1934	Estimated, 1935	Estimated, 1936
REVENUE							
Sales of postage	$676,980,669.42	$628,517,829.36	$558,870,726.21	$556,345,556.19	$551,339,854.05	$577,655,000	$609,455,000
Box rents	8,538,940.90	8,325,651.81	7,831,960.34	6,859,996.63	6,515,411.11	6,741,300	6,941,300
Money-order earnings	17,495,593.61	16,333,250.04	15,761,716.40	16,615,752.92	18,710,144.19	19,320,000	19,820,000
Postal Savings earnings	1,562,106.84	2,296,569.03	4,066,437.00	6,690,226.80	8,102,624.65	9,000,000	7,250,000
Other	906,787.38	990,083.05	1,641,082.99	1,119,831.94	2,065,131.80	2,283,700	1,533,700
Audited revenue	705,484,098.15	656,463,383.29	588,171,922.94	587,631,364.48	586,733,165.80	615,000,000	645,000,000
Add gross audited deficit	98,215,987.43	146,066,189.66	205,550,611.09	112,374,892.05	44,033,834.86	82,099,053	80,282,569
Total	803,700,085.58	802,529,572.95	793,722,534.03	700,006,256.53	630,767,000.66	697,099,053	725,282,569
EXPENDITURE							
Salaries:							
Postmasters	50,128,054.74	49,553,218.64	48,175,830.98	42,203,983.03	37,531,145.68	40,694,455	42,178,371
Post-office clerks	201,465,587.28	200,081,681.56	198,023,058.66	168,418,282.65	151,203,740.18	170,154,689	177,540,000
Letter carriers	137,584,812.11	136,552,338.27	135,013,331.29	114,155,897.09	103,743,361.67	117,175,005	124,850,000
Rural carriers	106,346,568.23	106,430,450.81	106,290,126.37	93,802,396.45	81,635,342.17	87,463,194	93,960,000
Railway postal clerks	56,577,058.26	55,804,238.84	57,841,708.55	48,560,253.26	44,318,764.34	49,948,622	52,500,000
Motor vehicle	9,155,300.00	9,065,387.00	8,890,960.00	7,593,987.00	6,962,476.00	7,795,446	8,184,378
Inspectors	2,337,589.87	2,351,996.48	2,359,656.93	2,085,528.6	1,933,040.02	2,256,844	2,530,000
Departmental	2,788,695.25	2,908,833.10	2,974,680.31	2,623,203.63	2,361,408.61	2,500,369	2,755,914
Public buildings						11,263,923	13,000,000
Other	2,901,607.26	3,194,810.60	3,245,984.97	2,869,826.19	2,300,033.26	2,921,927	3,024,062
Total salaries	569,285,273.00	565,942,955.30	562,815,338.06	482,313,357.91	431,989,311.93	492,174,474	520,522,725
Transportation of mail:							
Railroads	117,197,761.94	111,634,120.82	103,724,178.21	95,358,969.26	92,477,320.06	91,107,873	92,580,478
Mail messengers	10,065,958.63	10,074,552.60	9,926,374.78	9,560,607.10	7,487,106.95	7,200,000	7,200,000
Ocean mail	23,130,965.43	29,474,904.27	31,390,339.52	34,308,402.98	35,820,714.12	37,343,050	37,318,140
Air mail	13,898,832.41	17,200,255.60	20,154,146.19	18,815,742.24	12,377,236.52	11,947,226	10,640,935
Contractors	14,216,030.82	14,347,674.12	14,723,699.13	14,394,274.91	13,202,284.54	12,635,000	11,690,000
Motor vehicle	4,492,913.00	3,990,153.00	3,616,554.00	3,933,275.00	2,584,050.00	2,571,871	2,556,295
Public buildings						530,450	387,000
Other	4,024,895.87	4,391,703.17	4,238,407.27	3,929,144.96	3,347,875.41	3,515,943	3,489,255
Total transportation	187,027,358.10	191,113,463.58	187,773,699.10	180,300,416.45	167,296,587.60	166,851,413	165,862,103
Equipment and supplies:							
General	14,276,176.65	12,774,468.74	11,897,246.75	9,685,577.62	5,995,472.76	7,728,048	8,702,635
Public buildings						2,684,645	2,569,400

Comparative statement of postal receipts and expenditures, fiscal years 1930 to 1936, inclusive—Continued

	1930	1931	1932	1933	1934	Estimated, 1935	Estimated, 1936
EXPENDITURE—continued							
Rent, heat, and light:							
General	$23,075,118.69	$23,462,427.05	$23,063,719.32	$21,507,228.96	$19,574,958.83	$18,983,495	$18,570,318
Public buildings						1,891,377	2,128,000
Travel expense	5,879,989.57	5,829,552.92	5,618,479.34	4,147,857.02	3,879,725.41	4,106,284	4,156,815
Miscellaneous:							
General	4,156,169.57	3,406,705.36	2,554,051.46	2,051,818.57	2,030,944.13	2,465,258	2,554,973
Public buildings						214,059	215,600
Total supplies and service	47,387,454.48	45,473,154.07	43,133,496.87	37,392,482.17	31,481,101.13	38,073,166	38,897,741
Audited expenditure	803,700,085.58	802,529,572.95	793,722,534.03	700,006,256.53	630,767,000.66	697,099,053	725,282,569
Gross audited deficit	98,215,987.43	146,066,189.66	205,550,611.09	112,374,892.05	44,033,834.86	82,099,053	80,282,569
Adjustments:							
Prior current obligations	974,757.32	479,010.06	1,335,219.70	2,367,600.01	2,633,563.95		
Shipping Board, ocean mail					2,308,334.17		
Public buildings					5,485,981.82		
Adjusted gross deficit	97,241,230.11	146,545,199.72	206,885,830.79	110,007,292.04	54,461,714.80		
Deduct: Act of June 9, 1930:							
Government departments	9,347,505.00	9,886,456.00	9,151,899.00	14,315,414.00	23,094,882.00		
Congress	872,695.00	852,641.00	784,725.00	1,023,615.00	776,000.00		
Newspapers (free in county)	753,263.00	704,579.00	631,647.00	538,221.00	545,227.00		
Public policy (blind, etc.)	478,167.00	524,656.64	483,941.39	549,091.02	521,652.00		
Air-mail subsidy	13,863,174.10	17,167,501.04	20,585,107.31	20,035,482.16	12,992,910.83		
Ocean-mail subsidy	14,355,004.29	18,911,474.60	21,666,102.89	25,228,463.41	28,692,458.00		
Total	39,669,718.39	48,047,308.28	53,304,422.59	61,691,286.59	66,623,129.83	70,000,000	70,000,000
Net postal deficit	57,571,511.72	98,497,891.44	153,581,408.20	48,316,005.45	[1] 12,161,415.03	12,099,053	10,282,569

[1] Surplus.

There has been a lot of talk on the floor of the House in recent months about the cancelation of the air-mail contracts and the carrying of the air mail by the Army during the period from February 19 to May 31, and with respect to the fatalities during that period of time and the expense involved.

Permit me to say that by the cancelation of these contracts and the execution of new ones the cost of operating the air mail since 1933 has been reduced by $10,000,000.

It seems to me the Post Office Department has done a most remarkable work in handling the air-mail situation. Complaint is made with respect to the fatalities while the Army was handling the mail. There were not as many fatalities in the Army Air Corps during the time they were handling the mail as there were during the corresponding period of the previous year. There were some fatalities, of course, and in getting ready to carry this mail and in connection with certain things incident thereto there were 5 pilots and 3 passengers killed and 1 passenger and 5 pilots seriously injured; but in the actual mail flights there were 4 pilots killed and 1 pilot seriously injured and no passengers.

Special tabulation of Air Corps aircraft accidents

Period	Total number of accidents	Total number of fatalities	Major injury	Airplanes	
				Complete wreck	Requiring major overhaul
July–December 1931	210	29	16	58	62
January–June 1932	213	22	11	53	48
Fiscal year 1932	423	51	27	111	110
July–December 1932	223	15	7	63	50

Special tabulation of Air Corps aircraft accidents—Continued

Period	Total number of accidents	Total number of fatalities	Major injury	Airplanes	
				Complete wreck	Requiring major overhaul
January–June 1933	219	31	12	60	50
Fiscal year 1933	442	46	19	123	100
July–December 1933	193	23	6	67	50
January–June 1934 [1]	219	31	8	78	43
Fiscal year 1934	412	54	14	145	39

[1] Period during which air mail was flown. Of the aircraft accidents tabulated for this period, 69 are chargeable to Air Corps air mail operations.

During the same period of time in private and civilian air flying 45 airmen and 56 passengers were killed, 19 airmen seriously injured and 6 passengers seriously injured, and 49 airmen and 26 passengers suffered minor injuries.

So you can see that the fatality rate which we have been led to believe existed was not nearly so serious, after we have had an opportunity to look back and make a survey and see what the actual conditions were, as had been charged.

I submit above table for the RECORD. It is a tabulation of total Air Corps aircraft accidents for the period indicated.

The Air Mail Service, under the new contracts that were entered into after the Army Air Corps ceased carrying the mail, provides a much greater service, with a saving of $10,000,000 a year. Four States that had not formerly been receiving air mail service are being supplied with this service now, and something like 41 additional cities that had not been receiving air mail service under the old contracts are now receiving this service. I submit for the RECORD the following statement, which is very informative on the question of domestic air mail:

Report showing service and amount paid to air mail carriers during the fiscal years 1930-34 and the annual mileage and cost of service under the present contracts

Fiscal year	Authorized route length as of close of fiscal year (miles)	Miles of service		Total weight of mails dispatched (pounds)	Cost of service	Average rate per mile
		Scheduled	Actually flown			
1930	14,907	16,228,453	14,939,468	7,719,698	$14,618,231.50	$0.978
1931	23,488	22,907,169	21,381,852	8,579,422	16,943,605.56	.792
1932	26,745	34,509,483	32,202,170	8,845,967	19,938,122.61	.619
1933	27,679	38,114,425	35,909,811	6,741,788	19,400,264.81	.540
At time of annulment Feb. 19, 1934	25,248	[1] 34,937,691			[1] 14,903,649.12	.42658
1934	28,820	31,223,641	29,111,474	6,476,919	12,129,959.64	[2] .29341
As of service authorized on Dec. 11, 1934, at rates in effect on that date	28,924	[1] 36,108,754			[1] 9,639,324.19	.2669

[1] Authorized miles of service and pay per annum.

[2] Rate at end of fiscal year 1934 under new contracts.

Report showing service and amount paid to air mail carriers during the fiscal year 1934

	Miles of service		Total weight of mails dispatched (pounds)	Cost of service
	Scheduled	Actually flown		
Contract service, July 1 to Feb. 19	25,994,022	24,502,887	4,995,952	[1] $8,998,785.00
Army Air Corps Service	2,295,896	1,719,919	629,150	[2] 2,249,004.31
Contract service May 8 to June 30	2,933,723	2,888,668	851,817	882,170.33
Total	31,223,641	29,111,474	6,476,919	12,129,959.64

[1] Final adjustment pending.
[2] Includes cost of transportation of personnel and equipment and other initial overhead costs necessary in setting up operations and in discontinuing operations in the various parts of the country where service was necessary.

I want now to talk for a few moments about foreign mail. You know contracts were entered into by the former Postmaster General under authority that was granted in the so-called "Merchant Marine Act of 1928", whereby vast subsidies have been given under these contracts to certain shipping interests under the pretext of carrying the mail. We carry the same amount in this bill this year that we carried last year for the reason that these contracts, on their face, are valid. They are entered into by an authority that was empowered by Congress to enter into such contracts, but the whole matter is now being investigated with a view to ascertaining what is the situation and whether or not they were fraudulent in their inception or whether anything of that sort is involved which would warrant a cancelation of such contracts. Until this investigation is concluded and we know what the situation is, your committee felt we should carry the amount along for the fiscal year 1936 as it has been carried in 1935. Here I will insert a table showing the case of ocean mail under these contracts from 1929 to 1934:

Fiscal year	Cost of merchant-marine routes	Cost on weight basis at rate paid American ships	Net cost of merchant-marine routes
1929	$9,304,217.82	$1,685,159.97	$7,619,057.85
1930	13,066,440.87	2,272,738.36	10,793,702.51
1931	18,818,263.76	2,710,645.82	16,107,617.94
1932	22,402,761.54	3,266,544.92	19,136,216.62
1933	26,054,590.35	3,000,457.17	23,054,133.18
1934	29,611,481.99	2,598,962.86	27,012,519.13

We will have to go along and furnish the money to fulfill the obligations of the Government under the contracts until it is determined what will or can be done with them. The amount involved is something like $27,000,000 a year in direct subsidies. I am hopeful that some way can be found whereby we may save this vast expenditure in subsidies for this purpose. I submit herewith a tabulation of foreign and domestic air mail subsidies from 1930 to 1934:

	1930	1931	1932	1933	1934
Air mail subsidy:					
Foreign	$3,967,011.97	$5,784,435.90	$5,887,631.94	$6,005,604.25	$5,651,570.46
Domestic	9,896,162.13	11,383,065.14	14,698,475.37	14,030,877.91	7,341,340.37
Total	13,863,174.10	17,167,501.04	20,586,107.31	20,036,482.16	12,992,910.83

In connection with the domestic air mail contracts that were canceled and with all the stir and ado that was made about them, some few cases have been taken to the courts, and there has not been a single, solitary case finally determined that was decided against the Government. So it seems that the Postmaster General was clearly within his authority and clearly within his rights in canceling these contracts and in executing new contracts, and certainly this has saved the Government quite a lot of money, in addition to providing better and more extended service.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. DIRKSEN. What proportion of that total amount of twenty-seven and a half million dollars is subsidy and what portion is covered by income?

Mr. ARNOLD. The proportion of subsidy I can give the gentleman, but I think he will find all the information in the report.

The amount of subsidy for 1934 was $27,012,519.13. It would have cost us to carry that mail on a poundage basis $2,598,962.86, whereas we paid out $29,611,481.99, which left a net subsidy of the amount we paid over and above what we should have paid if we were carrying the mail on a poundage basis, namely, $27,012,519.13.

Mr. DIRKSEN. How does the net subsidy compare with the subsidy in existence before the contracts were abrogated?

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. ARNOLD. I yield myself 5 minutes additional.

If the gentleman will look on page 21 of the committee report, he will find there the air mail subsidies, both foreign and domestic, for the years 1931, 1932, 1933, and 1934. We carry the amount for foreign air mail in '36 as in '35. We feel that is a good service in the development of trade in the South American republics; these contracts are also under survey by the Post Office Department.

There is another thing that I should call your attention to, and that is the summary of the cost-ascertainment report, which I will ask leave to insert in the RECORD, and the general matter of expense, receipts, and disbursements of the Post Office Department. This report gives most interesting and valuable information.

The CHAIRMAN. Without objection, it is so ordered.

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1934 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures

Fiscal year 1934	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
1	2	3	4	5
Classes of mail:				
First class:				
Other than local-delivery letters	$262,930,752.38	$162,857,649.95		$100,073,102.43
Local-delivery letters	62,545,550.67	42,977,833.92		19,567,716.75
Air mail	5,737,536.00	15,290,032.86	$9,552,496.86	
Total, first class, including air mail	331,213,839.05	221,125,516.73		110,088,322.32
Second class:				
Publications exempt from zone rates on advertising under act of Oct. 13, 1917 (par. 4, sec. 538, P. L. and R.)	1,600,792.30	15,005,639.01	13,404,846.71	
Zone-rate publications:				
Daily newspapers	7,944,479.33	34,218,224.20	26,273,744.87	
Newspapers, other than daily	1,762,981.11	10,258,039.26	8,495,058.15	
All other publications	8,600,241.71	30,694,318.51	22,094,076.80	
Free in county, all publications		7,554,355.43	7,554,355.43	
Total, publishers' second class	[1] 19,972,754.45	97,730,576.41	77,757,821.96	
Transient	1,231,440.03	1,096,846.01		134,594.02
Total, all second class	21,204,194.48	98,827,422.42	77,623,227.94	

[See footnotes at end of table]

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1934 to the classes of mail and special services, not taking into account relative priority, degrees of preferment, and value of service in respect to expenditures—Continued

Fiscal year 1934	Revenues	Expenditures	Excess of apportioned expenditures over revenues	Excess of revenues over apportioned expenditures
1	2	3	4	5
Classes of mail—Continued.				
Third class	$50,146,716.69	$67,445,439.95	$17,298,723.26	
Fourth class:				
Local delivery	1,460,308.25	1,300,836.65		$159,471.60
Zones 1 and 2	32,680,162.03	46,904,173.92	14,224,011.89	
Zone 3	21,528,220.87	26,736,936.20	5,208,715.33	
Zone 4	20,082,936.70	20,774,944.19	692,007.49	
Zone 5	14,047,564.06	13,661,270.76		386,293.30
Zone 6	4,850,630.15	4,808,694.63		41,935.52
Zone 7	2,708,485.63	2,569,404.98		139,080.65
Zone 8	4,222,094.10	3,954,681.37		267,412.73
Library books	94,370.16	251,689.47	157,319.31	
Total, fourth class	[1] 101,904,677.10	120,962,632.17	19,057,955.07	
Foreign:				
Other than air mail	13,026,319.51	38,264,015.57	25,237,696.06	
Air mail:				
Postage revenues	584,126.52			
Service revenues	706,678.31			
Total, air mail	1,290,804.83	7,200,603.84	5,909,799.01	
Total, foreign	[2] 14,317,124.34	45,464,619.41	31,147,495.07	
Penalty:				
For the Post Office Department		3,609,331.22	3,609,331.22	
For other branches of the Government		6,496,371.32	6,496,371.32	
Total, penalty		10,105,702.54	10,105,702.54	
Franked:				
By Members of Congress		633,503.66	633,503.66	
By others		136.82	136.82	
Total, franked		633,640.48	633,640.48	
Free for the blind		62,311.01	62,311.01	
Total, all mail	518,786,551.66	564,627,284.71	45,840,733.05	
Special services:				
Registry:				
Paid registrations	[4] 10,477,303.30	14,139,917.30	3,662,614.00	
Free registrations:				
For the Post Office Department		2,469,906.18	2,469,906.18	
For other branches of the Government		251,750.86	251,750.86	
Total, registry	10,477,303.30	16,861,574.34	6,384,271.04	
Insurance	[5] 5,103,442.83	5,757,846.03	654,403.20	
C. O. D	4,219,852.38	7,023,506.19	2,803,653.81	
Special delivery	7,801,984.10	7,211,737.45		590,246.65
Money order	18,845,072.69	23,705,137.17	4,860,064.48	
Postal savings	8,102,624.65	4,116,790.17		3,985,834.48
Total, special services	54,550,279.95	64,676,591.35	10,126,311.40	
Total, mail and special services	573,336,831.61	629,303,876.06	55,967,044.45	
Unassignable	11,782,871.09	2,202,204.01		9,580,667.08
Total, related	[6] 585,119,702.70	631,506,080.07	46,386,377.37	
Unrelated	2,417,365.97	1,928,104.57		489,261.40
Total, postal operations	587,537,068.67	633,434,184.64	45,897,115.97	
Expenditures from transferred funds:				
Shipping Board, ocean mail		2,567,927.50		
Public buildings, custodial service		5,996,671.33		
Grand total, 1934	587,537,068.67	641,998,783.47	54,461,714.80	
Revenue credits (act of June 9, 1930):				
Penalty matter, other than that of Post Office Department, including registration	23,094,882.00			
Franked matter:				
By Members of Congress	775,785.00			
By others	215.00			
Second-class matter, free in county	545,227.00			
Free matter for the blind	103,552.00			
Publications exempt from zone rates	418,100.00			
Expense credits (act of June 9, 1930):				
Aircraft service		12,992,910.83		
Differential favoring vessels of American registry		28,692,458.00		
Grand total, 1934 (adjusted to the act of June 9, 1934)	612,474,829.67	600,313,414.64		12,161,415.03

[1] Includes $64,260 revenue from second-class application fees.
[2] Includes $229,905.15 revenue from special-handling service.
[3] Includes $1,453,872.84 receipts from foreign countries for handling foreign mail in transit through the United States and $171,830.48 revenue from miscellaneous special services in connection with foreign mail.
[4] Includes $607,912.17 revenue from return receipts for registered mail.
[5] Includes $13,201.12 revenue from return receipts for insured mail.
[6] Service of the United States, exclusive of the Territories and island possessions.

NOTE.—The above segregation of the computed total expenditures chargeable to second class, fourth class, foreign, penalty and franked matter, and to registry service and of the revenues from fourth-class matter have been developed by processes of approximation.

Mr. ARNOLD. It has been claimed that $12,161,415.03, which is the profit or surplus for the year 1934, as disclosed by the tabulation referred to a few minutes ago, by eliminating the nonpostal activities of the Post Office Department, was not a true or proper accounting.

That system of accounting by deducting the nonpostal items was provided by law and has been in vogue since 1930. The former Postmaster General used the same identical system as has been used in 1934. By referring to the tabulation it will be seen the net deficit, after leaving out the nonpostal items, was, for 1930, $57,571,511.72; for 1931, $98,497,091.44; for 1932, $153,581,408; for 1933, $48,316,005.

For 1934 there was a surplus of $12,161,415.03.

Postmaster General Farley and those cooperating with him have brought about an efficiency and economy in postal affairs which has not been equaled in many years. He and those associated with him are to be complimented for their efficient administration.

The CHAIRMAN. The gentleman from Illinois has consumed 45 minutes.

Mr. ARNOLD. I am very sorry that I cannot go into this matter further, but my time has expired. I ask unanimous consent to extend my remarks in the RECORD by including therein certain tables and data along the line of my general discussion.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Chairman, I desire to ask the gentleman from Illinois a question or two.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 minutes.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. CULKIN. The gentleman made an elaborate and brilliant defense of the existing order in the Post Office Department, and I compliment him upon it. Can the gentleman state what was the amount of alleged savings by reason of the reduction in the Post Office personnel? In other words, how much of this saving fell upon the postal employees?

Mr. ARNOLD. I can get that information for the gentleman, but I have not it in my head at the present time.

Mr. CULKIN. Will the gentleman put it in the RECORD?

Mr. ARNOLD. By referring to the tabulation which I have inserted in my speech showing a comparative statement of postal receipts and expenditures he will find the data. Let me say in the time still available to me that here before you is a chart of postal receipts and expenditures from 1914 to 1936. That chart, in colors, you will find in the hearings under the Post Office Department. It is a most interesting chart. It gives the whole history of the receipts and expenditures of the Post Office Department during all of those years, and Members can visualize those receipts and expenditures of each and every year by referring to the chart. [Applause.]

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

There are one or two things that I wish to call to the attention of the Committee as we go along. We had very extensive hearings on this bill. The chairman and the members of the subcommittee went into it very carefully and the bill was marked up, I think, with the thought in the mind of the members of the committee of appropriating just as little as we could and at the same time properly taking care of the needs of the Treasury and Post Office Departments. With reference to most of the items in the bill there has been complete harmony.

I do call attention to a situation that arose as a result of a question propounded by the gentleman from Minnesota [Mr. CHRISTIANSON], and call attention to what the actual appropriations for regular items in the Treasury Department have come to be. Appropriations for the fiscal year 1935, in which we now are, exclusive of special items, amounted to $237,660,000. Appropriations for the fiscal year 1936, as carried in this bill, amount to $175,760,000; but included in the 1935 bill was an item of $78,000,000 for construction of buildings. The comparable item in the present bill is $2,000,000, indicating a reduction on that account of $76,000,000. That means that the general expenses of the Treasury have increased, as indicated by these comparable figures, by approximately $14,000,000. That is, the regular running expenses of the Treasury have mounted in this bill $14,000,000 over the year 1935.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. LUDLOW. Is it not true that $5,000,000 of that is due to restoration of the pay cut?

Mr. TABER. There is no question about that; approximately that. Other items came as a result of the absorption of certain emergency activities into the regular activities of the Department, and I presume that the next bill, unless we have a deficiency this year, will call for other increases as a result of the absorption of emergency activities into regular activities. Frankly, in connection with all these appropriation bills the Government is going to have a very heavy load placed on the Treasury unless the greatest effort is maintained by the Congress to prevent those emergency activities getting onto the regular roll. There is going to be tremendous pressure on every one of you to put those activities onto the regular activities and keep them there when we really ought to get rid of them.

We have some unusual features this year. I call attention, first, to one unusual feature in the Post Office Department, where, in connection with the payment of rewards by the chief inspector for the detection, arrest, and conviction of post-office burglars, robbers, and highway mail robbers, there is an appropriation calling for approximately $20,000. Since July 1 there has been expended by the Post Office Department for the purpose of providing a news ticker for the Postmaster General, a new activity, $75 a month. That it was paid out of a secret fund indicates that it was an attempt to put something over. Of course, they do have such things as news tickers in the White House, and they probably need them, and they have them in the Treasury Department. But the only reason they could possibly have in the Postmaster General's office would be so that the Postmaster General might keep better tab on the political activities of the people throughout the country.

Mr. ARNOLD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ARNOLD. The gentleman is also aware of the fact that they have this so-called "ticket system" in the Department of Justice and in the National Recovery Administration, I presume?

Mr. TABER. I presume that is so.

Mr. ARNOLD. But does not the gentleman think that with the mail robberies and the hold-ups there are throughout the country it is very essential, in the enforcement of the postal laws, that information of that kind be brought to the postal authorities just as soon as possible, so that the inspectors can get word out and head off these criminals, and perhaps aid in bringing them to justice?

Mr. TABER. Now, if there was anything to that I would say "yes", but I think the evidence clearly demonstrates that that is not the situation. I am going to read a little from the committee hearings on page 102 of the Post Office bill, with your permission:

> This is the appropriation from which Postmaster General Farley pays for his news ticker. How about it?
>
> Mr. ALDRICH. Yes, sir. This is a confidential fund.
>
> How much does that news ticker cost?
>
> Mr. ALDRICH. I think it costs $900 a year.
>
> How does that figure into this appropriation?
>
> Mr. ALDRICH. It is an item that was submitted, I believe, to the Comptroller General. The Department wanted to pay for that service from the appropriation for confidential information—

Confidential information over a news ticker!—

> and all information about robberies connected with the Post Office Department comes in immediately on that ticker. It brings indispensable information to the Department.
>
> How many times have you had anything like that?
>
> Mr. ALDRICH. I think we have had only one or two cases concerning which I have been advised since that ticker has been in operation.
>
> How long has it been in operation?
>
> Mr. ALDRICH. Since about July 1.

I yield to the gentleman from Illinois.

Mr. DIRKSEN. Did they have this ticker service in the old Post Office Building, or did they have it in previous administrations?

Mr. TABER. I think that was a new wrinkle that had to go along with the duties of the Postmaster General as chairman of the Democratic National Committee.

Mr. MILLARD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MILLARD. The question of crime, and so forth, should be conferred in the Department of Justice, and not on the Postmaster General. What has he to do with that?

Mr. TABER. If they were actually accomplishing anything that would be different; but this service is not primarily to detect crime.

Mr. CULKIN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. CULKIN. Does the gentleman know that the Postmaster General's attendance at the Post Office Department is sort of a casual week-end attendance, and might it not be well to furnish him with a time clock—let him punch a time clock each morning and evening?

Mr. TABER. I do not know. I doubt if you would get him there if you had a time clock. He has never appeared before the Treasury and Post Office subcommittee in the 2 years I have been a member of it.

Mr. CULKIN. The gentleman would be willing to supply him with a time clock?

Mr. TABER. Oh, yes; I would vote for that.

Mr. LUDLOW. Will the gentleman yield?

Mr. TABER. I yield.

Mr. LUDLOW. The gentleman remembers, does he not, when a distinguished former Postmaster General, Mr. Brown, came before our committee and asked to be provided with an automobile of such liberal dimensions as would accommodate his silk topper?

Mr. TABER. We have already provided General Farley with an automobile of such dimensions that it will take care of his plug hat.

Mr. BLANTON. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. The gentleman from New York knows that, concerning all of the big important work he has accomplished here—and he has accomplished some big things—he has had the respect and confidence and following of the Democrats on this side of the aisle. Why does he want to stop accomplishing big things and go to groveling down in the dirt about these little, infinitesimal, insignificant, picayune matters?

Mr. TABER. Now, the gentleman from Texas does not approve of this item any more than I do.

Mr. BLANTON. But the gentleman can go after and keep in line extravagant bureaus and thereby save hundreds of millions of dollars. Why does he want to waste his time on little $900 items?

Mr. TABER. Because it is contrary to my idea of the right way of doing business.

Mr. BLANTON. The gentleman himself has absolute confidence in the Postmaster General right now, and he is simply making a political speech.

Mr. TABER. Oh, now, I beg to differ with the gentleman. I am frank to say I do not have absolute confidence in the Postmaster General.

Mr. BLANTON. Well, everybody else in the United States has confidence in Jim Farley. What is there about him that has destroyed the gentleman's confidence?

Mr. TABER. I am going to show the House right now why I do not have absolute confidence in the Postmaster General on big figures.

Mr. BLANTON. Will the gentleman tell us some big things that have destroyed his confidence, and not these little, picayune matters?

Mr. TABER. If the gentleman will listen a few minutes longer, he will find some of those.

Now, the Postmaster General made many nice statements last fall just before election, indicating that there was a surplus in the Post Office Department for the first time in a long time. I will say to you frankly that there were less expenditures in the Post Office Department last year, in 1934, than there had been for some previous years. But they did not present the full picture. Let me show you a few items: $65,000,000 out of the $70,000,000 claimed savings of the Postmaster General came about as a result of the Economy Act which was passed by Congress and with which the Postmaster General had only administrative connection. In figuring up Farley's alleged savings they did not take into consideration two or three particular items.

Mr. SIROVICH. Did the gentleman vote for the Economy Act?

Mr. TABER. Yes, I did; and it would have been all right had the administration stuck to economy instead of running to riotous extravagance. That is what is the trouble in the country today, the riotous extravagance of the administration, and not the economy bill.

Mr. SIROVICH. Did not the House override the veto of the President and the Senate on the economy bill?

Mr. TABER. On some of the items we did, and things would have been all right had the administration gone along in an intelligent way in reference to the administration of the economy bill.

Let me point out some of these items: There was an alleged surplus, according to the way the Postmaster General figured it out, of $12,000,000. In figuring this surplus he did not take into consideration an item which is a proper charge against the Post Office Department, $12,000,000 of expense which was carried under the Office of the Supervising Architect of the Treasury, because that was the share properly allocatable to the Post Office Department for its regular operations. He did not take into consideration, further, the item of $8,000,000, the Government's contribution to the 30-year compulsory retirement of 6,723 thirty-year men. He did not take into consideration the actual cost which would have to be paid to the extent of approximately $4,000,000, plus the amount of postage paid on the air mail in connection with the subsidy deductions that he made.

The total of these deductions and charges that should be made against the Post Office Department amounts to $24,000,000. So, even taking out the subsidy, there was an actual deficit of upward of $12,000,000 in post-office operations.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. I would suggest to our splendid, though bilious, friend from New York that he should go at once to a doctor and get some liver medicine.

Mr. TABER. I do not need it. [Laughter.]

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ARNOLD. Can the gentleman tell us when, at any time, the architect's charges in the Treasury Department and the retirement of employees has been charged in Post Office Department expenses under any system of accounting in the past?

Mr. TABER. No; I cannot; but I can tell the gentleman when it is going to be in the future, and that is through the operation of the bill we are now considering as will be found from the statement appearing on page 24 of the committee's report.

Mr. ARNOLD. But the gentleman certainly does not mean to say that employees of the Treasury Department shall be charged to the Post Office Department?

Mr. TABER. I do mean to say that where employees of the Treasury Department are used in connection with the operations of the United States mails, their salaries should be charged to the operations of the United States mails, but not otherwise.

Mr. ARNOLD. Will the gentleman please tell us where the Post Office Department is using employees in the Architect's offices in the operation of the mails?

Mr. TABER. They do not, of course, use architects, but they used people to take care of the buildings occupied by the Post Office Department in the fiscal year 1934, and they used fuel paid for out of the appropriation for the Supervising Architect, and they used a great many other things.

Mr. ARNOLD. Was not that portion chargeable to the Post Office Department proper?

Mr. TABER. It should be chargeable, and it is chargeable, according to the figures that are carried in this bill, but was not in 1934.

Mr. ARNOLD. Yes; it is carried in the bill and is properly chargeable.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HARLAN. Does not the gentleman believe the people of the United States are rather more interested in whether or not the present Post Office Department is being operated economically as compared with its operation under the former Postmaster General rather than in this accounting proposition?

Mr. TABER. Postmaster General Farley seems to think that the accounting proposition is the chief matter of interest. I am sorry the gentleman does not seem to agree with him; I do not agree with him. I do figure, however, that that is probably what they ought to be interested in.

I shall now take up other items and show some of the inefficiency of the administration. I do not know how many Members have rural carriers in their districts, but I want to call attention to this subject. Those Members who have rural carriers in their districts know there have been many consolidations, and unless their experience has been different from mine they have had numerous and vigorous complaints because of the curtailment of the service. From page 191 of the hearings you will learn they made 2,909 consolidations during the year 1934, on which they claim to have saved $1,534,000, or approximately $500 per consolidation. These consolidations were brought about almost entirely by reason of these forced 30-year retirements; and these forced 30-year retirements, because of the Government's contribution to the retirement fund to take care of them, added to the cost of the Government $1,200 apiece; so the loss to the Government by reason of those consolidations has been $700 a piece. Now, that is some of your efficiency! We curtail the service, yet add to the cost of running the Government.

I could give you more instances along the line of closing up some of our rural post offices where the service to our people has been very seriously curtailed.

Mr. KVALE. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. KVALE. Some of the business men in some of the larger cities are not so much interested in economies or in surpluses in the Department when they find out that through restrictions in the Railway Mail Service and in the terminals they are losing a whole business day in the delivery of their first-class mail.

Mr. TABER. I think that is the general rule at the present time. They have established a lot of rules over here at the Department. I do not know whether the other Members have run into this or not, but it takes a couple of days longer for mail to get to our desks, and this is important mail that ought to have prompt attention.

Mr. PIERCE. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oregon.

Mr. PIERCE. Has the gentleman failed to have post offices kept open where he has asked for them, made a protest and a proper showing?

Mr. TABER. I have.

Mr. PIERCE. I have not failed.

Mr. TABER. I may say to the gentleman I have secured the opening of two. There were two others that were very important to my district that they refused to reopen, and these post offices were closed without notice to the people and without absolutely any consideration. It looks like the program of the administration was an attempt to dry up the rural communities by refusing to give them proper mail service. I told them so in my letters to the Postmaster General.

Mr. PIERCE. My experience has been that the Post Office Department has been perfectly willing to keep them open where the people did not get the service through the star routes. Where they get that service, why not close them?

Mr. TABER. It is all right if you can give them decent service, but when you close them and cannot give them a decent service, drying up your country towns, that is the worst thing that can happen to the United States.

Mr. PIERCE. I do not think the gentleman made a proper showing to the Post Office Department.

Mr. TABER. I made just as good a showing as I was capable of making.

Mr. PIERCE. I have watched that matter very carefully.

Mr. DITTER. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Will the gentleman refer to page 21 of the committee report. There is a small item there which I want to inquire about. I should like to know whether the four additional clerks at $1,800 is for the purpose of aiding the Postmaster General in the distribution of special issues to his friends?

Mr. TABER. I have received a lot of complaints from my district about the operations of the philatelic proposition, where stamp dealers are advertising at large prices these stamps which have been distributed by the Postmaster General. There is a general feeling of dissatisfaction with the situation. I have no quarrel with the regular routine operations of the philatelic section, where everybody—your constituents and mine—is given an equal opportunity to go in and get any stamp that is issued, paying for it in the regular way. I do not believe, however, that there should be anything in the nature of special privileges along that line.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 3 additional minutes.

Mr. BOLAND. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. BOLAND. It surely is not the intention of the gentleman to convey to the people of the country the idea that the Postmaster General is dishonest?

Mr. TABER. As far as his actual picking up of money is concerned, or anything of that kind, I have not so stated.

Mr. BOLAND. Does the gentleman wish to tell the people of the country that the Postmaster General is not doing a good job?

Mr. TABER. I believe his assistants are doing a fairly good job along certain lines. I do not think they have paid proper attention to the giving of service to the public and procuring rapid, quick delivery of mail from the sender to destination.

Mr. BOLAND. But the gentleman will admit that the Postmaster General is at least honest?

Mr. TABER. I have not stated that he has stolen any money.

Mr. BOLAND. Is he likely to?

Mr. TABER. If I had said anything of that kind, the gentleman's question would be pertinent, but as long as I did not say that I do not see how the gentleman's question is pertinent.

Mr. BLANTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from New York has 6 years more of this to go through. It is all in getting used to the situation. The gentleman has 6 years more of Postmaster General Farley, so why does he not go along and be a good fellow?

Mr. TABER. Maybe the people of the United States will have a different idea about that matter.

Mr. CULKIN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. CULKIN. For the purpose of permitting the gentleman from New York [Mr. TABER] to summarize, might I ask whether it is not a fact that the efficiency and the morale of the employees of the Post Office Department are at the lowest point in its history?

Mr. TABER. I think that is correct.

Mr. Chairman, I have one more comment to make. The Post Office Department has been operated, I believe, on the basis of trying to provide as little employment for all the

clerks and the carriers as possible, rather than on the basis of trying to give the best service possible to those who need that service. I find right along that the delivery of mail has been curtailed, and that no such efficiency in handling the mail is apparent as has been for generations past. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentlewoman from California [Mrs. KAHN].

Mrs. KAHN. Of all the powers abrogated by Congress, the delegation of the tariff-making power is to me the most flagrant.

Article I, section 8, of the Constitution reads:

> Congress shall have power to lay and collect taxes, duties, imposts, and excises.

A perfectly plain statement of power with no implication of any right to delegate. I wonder, as we surrender power after power, privilege after privilege, prerogative after prerogative, do we realize we are giving away something that does not belong to us? Do we realize we are simply trustees of these powers received from the people to be handed down intact to our successors as we received them from our predecessors? We are not sole owners to do with them as we wish.

I think now we might well recall the Biblical story of Naboth, as we read it in the First Book of Kings, chapter 21. In the ninth century before the Common Era, the Kingdom of Israel was governed by a monarch named Ahab. He was an able and successful warrior, and under his powerful and prosperous rule the nation attained great wealth and material splendor. Urged on by the sycophants who fawned upon him for favor, encouraged by popular approval, which applauded him for everything he did, at the suggestion of these sycophants who desired only to increase their own power, the king made repeated inroads upon the rugged, desert ideals of liberty and justice which the nomadic founders of the state had written into their constitution. Clearly, there was need at that time for a man of vision, of courage, of fearless and heroic character to offer resistance to these arbitrary encroachments upon the liberty of the people. Such a man appeared in Naboth, whose vineyard adjoined the extensive grounds of the king, and upon which the sycophants had cast jealous eyes.

To understand fully what follows, it should be borne in mind that in ancient Israel the rights of a man to unmolested possession of all he had inherited from his fathers, was regarded as sacred and inviolate. When Ahab, therefore, decided to extend his palace grounds and demanded that Naboth surrender his land to him, he knew full well that he was invading one of the most venerated rights of his subjects. But so accustomed had he grown to the apathetic acquiescence of the people in their loss of civil rights, that he expected no opposition to this demand. Imagine his amazement, therefore, when this humble peasant confronted him respectfully and countered his request with the memorable reply, "The Lord forbid it me that I should give the inheritance of my fathers unto thee."

It seems to me we might well ponder, before we surrender any more of the rights of the people, this saying of Naboth, "The Lord forbid it me that I should surrender the inheritance of my fathers unto thee." [Applause.]

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1175) entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 3247) entitled "An act to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMITH, Mr. WHEELER, and Mr. NORRIS to be the conferees on the part of the Senate.

POST OFFICE AND TREASURY DEPARTMENTS APPROPRIATION BILL

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, last year Congress imposed an excise tax on coconut oil. Those of us who supported the tax argued that it would increase the prices of domestic fats and oils and help the farmers of the country, north and south. Our contention was challenged. It was predicted that by stopping the importation of coconut oil from the Philippines we should so narrow the market for domestic fats and oils that our farmers would lose rather than gain.

What has actually happened? The prices of domestic fats, both edible and inedible, have increased to an almost incredible extent. Cottonseed oil has advanced from 3½ cents to 9, lard from 5½ cents to 11, soybean oil from 5 cents to 7½, peanut oil from 4 cents to 9, corn oil from 3½ cents to 9¼, inedible tallow and grease from 3 cents to 5¼.

I am fully aware of the fact that we have had a drought which has curtailed production of fats and oils, but I submit that the reduction of domestic supply would not have raised prices substantially if we had left the floodgates open to a cheap competing product from abroad. I also call attention to the fact that cottonseed oil and peanut oil produced outside the drought area have not advanced more than lard and corn oil.

Again, I say, reducing domestic production, whether the reduction is accomplished by drought or by acreage control, does not lift prices unless the home market is adequately protected. I trust that the authorities empowered to formulate international trade agreements will remember that. If they do not, whatever benefit agriculture may hope to reap from the crop-control program will be offset by the damage done by an unwise tariff policy. It is always well to let the right hand know what the left hand doeth. [Applause.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MCLEOD].

Mr. MCLEOD. Mr. Chairman, there are some figures in the report that I wish to give to the House and to the country to show what is happening to our present Budget system. For instance, in the Post Office bill there are between ten and twelve million dollars in consolidations, and in the Treasury bill there are five and one-half million dollars of consolidations.

This is the first time, at least since I have been a member of the Appropriations Committee, that the practice of consolidation has existed. It is strictly contrary to the intent of the framers of the Budget. If these consolidations continue we will be back in the same position we formerly were in making lump-sum appropriations in such proportions that there will be no semblance of Budget.

Transgressing for a moment, there was a good suggestion that came before our committee: We know that the Post Office Department is not supposed to be, and never was intended to be, a self-sustaining department. Yet, in our desire to reduce the annual deficit in this important Government Bureau, the item of special-delivery service was discussed relative to making that service, which is strictly special, self-supporting. It was admitted in testimony before the committee that if the special-delivery stamp was increased from 10 to 11 cents, this could be accomplished. This change in postage rate cannot be made by the Post Office Department, but must be made by act of Congress.

There was an item of great importance which caused the committee much concern, and that was the confusion and the impossibility of obtaining information, satisfactory information, relative to the tremendous cost of certain commodities used by the Government during the last year.

The outstanding item was that of paper. Some departments of the Government, some departments of the Post Office and various departments in the Treasury Department, admitted that there was a blanket increase in paper of 85 percent over the past year; the increase reached in some departments was 130 percent over last year. It could not be satisfactorily explained by various witnesses of the departments, either of the Post Office or the Treasury, except to say that the codes established by the departments were solely responsible.

Some of the emergency departments of the Government have even refused to buy paper from the Public Printer because they can go out in the market and buy it for less. I hope that the inflationists in the House will study and investigate this situation.

An objection yesterday was raised by some regarding the 5-percent immediate restoration of pay, which resulted in the compromise date being fixed as of April 1, so far as Federal employees are concerned. We see here definite justification for the stand taken by the House. Commodities are increasing, due to the administration's own codes, its own set-up of organizations, as an example, to an extent where the Government itself is beginning to pay for its own folly; cheap mimeograph paper increased 130 percent, while distinctive paper increased this year only 5 percent, even though distinctive paper requires considerable labor, much more labor than is required in the manufacture of mimeograph paper. In forcing the cost of living sky-high the administration's attempt at codifying to raise prices makes the Government not only the buyer but the goat in these transactions.

Yesterday the House of Representatives recognized that this administration is constantly making it more expensive for the people of the country to live, and especially recognized that the meager salaries of thousands of Federal employees were insufficient to cope with the results of this phase of the administration's fallacious doctrine, and, therefore, practically unanimously restored to this deserving group 5 percent of their salary so wrongfully taken away by the administration's vicious and deceptive economy bill.

It is impossible for the people of the country to know where and how much of their money is being spent. Department appropriation bills do not provide this information. If a department needs more money than provided in its annual appropriation bill, it merely draws on one of the enormous unrestricted, free for all, so-called "relief appropriations." It appears as though the day for accounting for the people's money is past and the Budget system is dying—the great system we were so proud of.

As I have already said, it is impossible for even a Member of Congress to find out how much money is to be spent by any of the regular bureaus of the Government so long as the excuse continues that we are in an emergency and so long as the policy continues or is permitted to continue by the people of the country of giving an administrative head full sway, with no strings attached to the Nation's money bags. It will not be possible to ever get back to the normal method of appropriating and spending money by the United States Government, which meant so much and which was found to be so perfect that many of the great nations of the world copied the Budget system devised and perfected by great administrations of prosperous and bygone days.

I think that is all that I desire to say at this time. I have tried to give the Members of the House informative and constructive information which may assist in bringing in corrective measures at an early date. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. BOYLAN]

Mr. BOYLAN. Mr. Chairman, you have heard various subjects discussed in general debate on this bill. I am giong to confine myself to practically one aspect of the Treasury Department part of the bill. As a subcommittee under our able chairman, the gentleman from Illinois [Mr. ARNOLD], assisted by Mr. LUDLOW, Mr. GRANFIELD, Mr. O'NEAL, Mr. TABER, Mr. MCLEOD, and myself, we worked from the early part of December preparing the bill for the hearings and holding the hearings which resulted in the bill as it is now before you. What I want to particularly draw attention to is the part played by the Public Health Service. The Public Health Service of the Federal Government is doing a wonderful and magnificent work under the leadership of Dr. Hugh S. Cummings, Surgeon General. At the second session of the Seventieth Congress I introduced a resolution providing for an investigation of Federal prisons. Up to that time, for 40 years, a committee of Congress had not investigated Federal prisons. A committee of which Mr. COOPER of Ohio was chairman, and on which Mr. TABER, of New York, served, and on which I also had the honor of serving, visited all Federal prisons of the United States. The result of that committee's activities was that we submitted a report to Congress asking for new Federal penitentiaries to be built in the United States, and that Federal farms be established for the treatment of narcotic addicts.

Now, of course, you do not realize the great handicap that narcotic addiction is to any man or woman. A man or woman can be addicted, for instance, to the use of alcohol, but at some particular time they can pull themselves together, stop using it, and start all over again, but with narcotic addiction it is different. After 2 or 3 weeks' use, no matter how strong-minded or how strong-willed you are, without medical help and assistance you are unable to get yourself off the addiction. Congress realized that. Congress realized that there is no condition in which a man is placed that is comparable with that of opium addiction, where food, shelter, raiment, and all those things by which men live, are cheerfully abandoned in order that the addict may secure his favorite drug. Those who are addicted to the use of opium or its derivatives constitute the ultimate market for smuggled or contraband drugs. They are a menace to the local supply of such drugs originally destined for medical and scientific use.

The addict usually commences early; most of them before they reach the age of 25 or 30 years. Those young persons represent a period of life where there exists the greatest urge to accept hazards, and when coupled with a desire for their favorite drug, the possibilities become even greater for their taking extraordinary chances that violate the customary standards of safety. The immediate important causes of addiction to narcotic drugs are related to the previous use of such drugs in medical treatment; in self-treatment for the relief of pain; recourse to drugs during emotional stress; to overcome the effect of drunkenness; and to indulgence for the sake of experience, curiously, or the thrill they expect to get from it. Also through the influence of association with others who are accustomed to their use; contact and association with others who are addicted to the use of such drugs is the more frequent or prominent immediate cause of addiction. The removal of those addicts from the American communities is therefore a step in the direction of preventing further addiction.

The second subsequent change in Federal policy toward this so-called "addiction problem" occurred when, as I told you, the Seventieth Congress adopted a resolution for the investigation of Federal prisons. That went so far as to lead to the establishment of a narcotic farm for addicts about 5

miles out of the city of Lexington, Ky. We also have provided for a farm a short distance from the city of Fort Worth, Tex. This, however, is but in the making. The point that I immediately wanted to call to your attention was the opening of the farm at Lexington, Ky., which will take place around the 1st of May of this year. There, on a beautiful tract of land, consisting of about 1,100 acres, we have erected a series of buildings, with every hospital facility, in order to start the Federal Government, for the first time, in a proper scientific study in the causes of addiction, and to give proper treatment to the inmates who will be confined in that hospital.

In addition to the jurisdiction of the Federal courts in committing addicts to the farm, there is also a provision in the law which was passed providing for voluntary commitments. An addict is permitted to voluntarily enter the institution, with the permission of the superintendent, to undergo treatment. If he is able to pay, in whole or in part, the Government expects that he will make the contribution he is able to. If he is unable to pay at all, the Government will yet admit him and give him the benefit of the treatment. Everything will be done there to try to bring the addicts back to a full sense of their individual responsibility and to return them to the community in such physical condition that they will be able to carry on.

There will be a dairy farm; there will be a truck farm; there will be poultry and hog raising; teaching landscaping; there will also be athletics, both indoor and outdoor. There will be carpenter and machine shops, a clothing shop to make clothing just for the inmates. In other words, all these activities will be used to endeavor to make the institution as self-sustaining as possible, and yet provide employment for the inmates.

I might say that at Fort Worth, Tex., we have purchased about 1,500 acres, where a similar narcotic farm will be established. The control and management and discipline to be maintained for the safe-keeping of the individuals and the protection of the community will be done in a humane and understanding manner. Experiments are to be carried on to determine the best methods of treatment, and research in this field, and the results disseminated to the medical profession and to the general public, to the end that States may make provision for establishing and for helping solve the problem of drug addiction.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. BOYLAN. Yes; I will yield with pleasure to my colleague.

Mr. SIROVICH. The gentleman has stated there will be the general treatment for drug addicts. Have they developed any special treatment for drug addicts?

Mr. BOYLAN. I will say that there is no specific treatment yet developed. It is the purpose of the Surgeon General to try out all forms of treatment, and by the establishment of a very excellent staff, working from five different angles, to devise new methods of treatment. In fact, every experiment will be tried, in order to bring about a cure for this great curse of humanity.

Have I answered the gentleman's question?

Mr. SIROVICH. Yes; thank you.

Mr. BOYLAN. The functions of these institutions make them assume the character of treatment and research centers, of educational and rehabilitation centers with certain custodial features superimposed. I might say that at the present time we have no place for the treatment of female addicts in the United States. In a bowl of the Blue Ridge Mountains, a beautiful setting at Alderson, W. Va., we have established a prison for women. This is on the cottage plan and it is one of the most modern and up-to-date prisons in the United States. I had the pleasure of visiting it, spending a few days there, and inspecting all its facilities. At that particular place they have a small hospital for the treatment of any female addict who may be confined in that institution. It is the plan of the Surgeon General, however, with your support and help, to take a part of the grounds of the farm at Lexington, Ky., and there erect a separate institution for female addicts; and I am hopeful that by the next session we will have this plan before us. I bespeak for it your favorable consideration.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a further question?

Mr. BOYLAN. I yield.

Mr. SIROVICH. Has the gentleman available any statistics or data that would convey to the House the following information: How these confirmed addicts have become drug addicts, whether through the clandestine and surreptitious sale of opium and its derivatives, or through the criminal medicinal use of these drugs?

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Previously in my remarks I stated that many of these drug addicts got their start through receiving drugs in medical treatment. Others took it as a self-treatment for the relief of pain. Others had recourse to the drug in times of great emotional stress; others to overcome the effect of drinking; others for the sake of the experience, the thrill somebody told them they would get from the taking of it; and others through the influence and association of those accustomed to the use of drugs.

Have I answered the gentleman's question?

Mr. SIROVICH. Yes.

Mr. BOYLAN. The authorization and establishment of facilities for the confinement and treatment of persons addicted to habit-forming drugs is a form of specialization that bears a direct relationship to policies respecting enforcement of the so-called "antinarcotic laws" and to the protection of American communities. It bears relationship also to problems in penal and correctional institutions, to the uses of narcotic drugs in medical practice, to research and quest for more accurate and fundamental knowledge concerning the nature of drug addiction and related phenomena, and to the instinctive demand ever present in the American people that the sick and afflicted shall be set in the way of strength and hope.

At this time I want to take occasion to congratulate the Congress for the splendid advanced, humane work they have taken up and brought to a head through the establishment of these narcotic farms.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a question?

Mr. BOYLAN. I yield.

Mr. SIROVICH. Has the number of drug addicts diminished since the repeal of prohibition?

Mr. BOYLAN. That event was so recent that we have not been able to gather any authentic statistics. In fact, I asked a similar question of the Surgeon General, and he stated they were not able even to approximate the number of addicts in the United States, although someone has said that they average about 1 to 1,000 of the population.

In conclusion, Mr. Chairman, I repeat that the Congress has done a splendid work. In the past, unfortunately, drug addicts have been treated more as criminals; they have been treated as inmates of penal institutions and with a harshness and severity that killed any ambition they might have had for a reformation of their lives.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. LUDLOW. Throughout the hearings on this bill and the deliberation incident to its formulation into definite items I have been greatly impressed by the interest of the gentleman from New York [Mr. BOYLAN] in behalf of the most miserable, most distressed, most God-forsaken unfortunates in the world, the drug addicts. I venture to interrupt at this point merely to say for the RECORD that by the helping hand he is extending to these victims for whom the light of life has almost gone out he has proven himself a real friend of humanity. [Applause.]

Mr. BOYLAN. I thank my colleague for his splendid appreciation.

I repeat, Mr. Chairman, the Members of Congress should compliment themselves and feel they have done a real service to humanity. It is not a question of political or partisan

advantage; it is just a question of doing something for humanity, lending a helping hand to a struggling brother, that to my mind gives a greater satisfaction and a greater thrill than any other possible service can give, and that is helping someone who is afflicted and in need and giving them the chance and the opportunity to commence again a new life full of faith, hope, and promise. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Distinctive paper for United States securities: For distinctive paper for United States currency, national-bank currency, and Federal Reserve bank currency, including transportation of paper, traveling, mill, and other necessary expenses, and salaries of employees, and allowance, in lieu of expenses, of officer or officers detailed from the Treasury Department, not exceeding $50 per month each when actually on duty; in all, $531,990: *Provided*, That in order to foster competition in the manufacture of distinctive paper for United States securities the Secretary of the Treasury is authorized, in his discretion, to split the award for such paper for the fiscal year 1936 between the two bidders whose prices per pound are the lowest received after advertisement.

PAPER MONEY

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this provision deals with the paper used for the printing of paper money and paper securities by the Government. I should like to invite the Committee's attention to the fact that every day we have leaving the Bureau of Engraving and Printing about 4 tons of paper money. There are 500 bills to the pound, whether they are $1 bills or $10,000 bills. Some of this money is Federal Reserve notes; some of it is United States notes, silver certificates, and national currency; most of it replaces bills that are worn out and not fit for further use; some of it is new money.

HOW MONEY GETS INTO CIRCULATION

The point to which I desire to especially invite attention is the question of how this money gets into circulation. This distinctive paper is used to print United States Government bonds. Take, for example, a million dollars' worth of Government bonds which are printed and sold to a bank for a million dollars. The bank may take the million dollars' worth of Government bonds, which draw interest, and redeposit those bonds with the Government of the United States through one of its agents and obtain a million dollars in new currency in return, either Federal Reserve notes or national currency, depending on whether it is a national bank or a Federal Reserve bank making the deposit. At the same time it gets the interest on the bonds that are deposited to secure the money.

GOVERNMENT PAYS INTEREST ON OWN CREDIT

I have before me the Federal Reserve Bulletin for January. All Federal Reserve banks hold $2,457,000,000 in Government securities. The average interest rate now paid is 3.1 percent. At 3-percent interest, these banks will receive between $70,000,000 and $75,000,000 a year interest from the United States Government.

These bonds were purchased on Government credit, yet the Government continues to pay this $70,000,000 or $75,000,000 interest, whatever it may be, to these Federal Reserve banks, and all of this on a paid-in capital of only $146,000,000.

PERFECTING AMENDMENTS

The Federal Reserve banks were intended for a good purpose. They were organized to extend loans to commerce, agriculture, and industry. The so-called "perfecting amendments" which have been adopted from time to time by Congress have absolutely converted the real intent of the Federal Reserve System so that no longer are these banks serving the public interest as they should serve the public interest; on the contrary, they have become more in the nature of Government bond brokers who are being subsidized by the Government and the officials paid high salaries, in some cases as high as $30,000 and $50,000, over which this Congress has no control whatsoever.

DALLAS RESERVE BANK

The Federal Reserve Bank of Dallas, Tex., the district in which I live, has in gold certificates and other cash $115,000,000. If this bank were carrying out the duty it was organized to perform, it would probably have outstanding a large amount of discounted bills. Although it has $115,000,000 which you might say is in cash, you will probably be shocked to learn that this bank has outstanding today in loans the small and insignificant sum of $12,000.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Chairman, as I stated, there is outstanding the small, insignificant sum of $12,000 in loans to commerce, agriculture, and industry. All the Federal Reserve banks of the Nation have outstanding only $7,000,000 in bills discounted. I repeat, $7,000,000 is all that these Federal Reserve banks all over the Nation have outstanding in discounted bills. They have in Government securities, as I told you previously, approximately two and one-half billion dollars upon which the Government is paying interest. The banks have approximately three and one-half billion dollars in Federal Reserve notes outstanding, and practically all of this money was obtained by purchasing Government bonds and then redepositing those Government bonds with themselves, calling up the Bureau of Engraving and Printing, referred to here in this bill, and getting money in return for the bonds. They do not pay one penny tax; they do not pay for the use of Government credit. They use the credit of this Nation free of charge. The only charge that is made or assessed against them is the actual cost of printing and the distinctive paper included here in this bill is intended for the purpose of making this paper money. In making the paper money the cost is about 27 cents per $1,000, and that is absolutely the only cost and the only fee that is charged or assessed against these banks for this money.

GOVERNMENT GUARANTY BEHIND PAPER MONEY

These Federal Reserve notes made out of this distinctive paper is not a guaranty by the Federal Reserve banks alone. If you will look at one of these Federal Reserve notes you will notice that the United States Government agrees to redeem this money. In other words, it is a blanket mortgage of the Government on all the property of all the people of this Nation. It is a mortgage or a lien upon the income of all the people. It is just a blank mortgage. For the great privilege that each one of these banks exercises in the way of issuing these blanket mortgages they pay not one penny.

IDIOTIC SYSTEM

If we were starting a country anew and someone should get up as a delegate to the convention and suggest that we have the same kind of monetary system that we have today, he would be thrown out of the window. They would not stand for it. It would be idiotic and imbecilic. We would not put up with this situation if we were starting anew. This system has grown up over a period of 100 years and more. No one person and no one political party is directly responsible. It is just an outgrowth of an old system, amended many times by a Congress that did not give a great deal of consideration to the matter.

Mr. ARNOLD. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is aware of the fact, is he not, that there is a limitation on banks that have the right to issue currency as to how much they may issue?

Mr. PATMAN. I am aware of that fact on the national currency alone. There are three kinds of this paper. You have the national currency, and the gentleman is right with reference to national currency. They are restricted to the capital stock of the national bank, and on Federal bank notes they must pay a tax of one-fourth percent or one-half percent. On Federal Reserve notes there is no limitation and

no tax. The gentleman from Illinois will probably remember that the gentleman from Massachusetts the other day said that the administration compelled these Federal Reserve banks to take $200,000,000 of new money last year, but they would not keep it. They just retired that money.

The reason for this is that on the Federal Reserve bank notes they have to pay this one-fourth of 1 percent semiannual tax. On Federal Reserve notes they do not pay any tax at all, and therefore they wanted to get these notes out of the way because they had to pay this small tax charge.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read down to and including line 22 on page 15.

Mr. ARNOLD. Mr. Chairman, I offer a committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. ARNOLD: Page 13, line 22, strike out the words "resolution numbered" and insert in lieu thereof "resolutions numbered 40 and."

The committee amendment was agreed to.

The Clerk read as follows:

Outfit: For outfits, including repairs to portable equipment at shore units, ship chandlery, engineers' stores, and draft animals and their maintenance, $1,304,455.

Mr. ARNOLD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ARNOLD: Page 20, line 6, strike out the word "outfit" and insert in lieu thereof the word "outfits."

The committee amendment was agreed to.

The Clerk read as follows:

Salaries and expenses: For the Director, two Assistant Directors, and other personal services in the District of Columbia, including wages of rotary-press plate printers at per diem rates and all other plate printers at piece rates to be fixed by the Secretary of the Treasury, not to exceed the rates usually paid for such work; for engravers' and printers' materials and other materials, including distinctive and nondistinctive paper, except distinctive paper for United States currency, national-bank currency, and Federal Reserve bank currency; equipment of, repairs to, and maintenance of buildings and grounds and for minor alterations to buildings; directories, technical books and periodicals, and books of reference, not exceeding $300; rent of warehouse in the District of Columbia; traveling expenses not to exceed $2,000; equipment, maintenance, and supplies for the emergency room for the use of all employees in the Bureau of Engraving and Printing who may be taken suddenly ill or receive injury while on duty; miscellaneous expenses, including not to exceed $1,500 for articles approved by the Secretary of the Treasury as being necessary for the protection of the persons of employees; for transfer to the Bureau of Standards for scientific investigations in connection with the work of the Bureau of Engraving and Printing, not to exceed $15,000; and for the maintenance and driving of two motor-propelled passenger-carrying vehicles, $5,988,247, to be expended under the direction of the Secretary of the Treasury.

AMOUNT OF PAPER MONEY ISSUED TO NATIONAL BANKS

Mr. PATMAN. Mr. Chairman, I move to strike out the last word of this paragraph relating to the Bureau of Engraving and Printing.

I did not answer the gentleman's question a while ago, and I want to take a moment or two to do so now.

The national currency, it is true, is limited to the capital stock of the banks. The capital stock of the national banks of the Nation today aggregates about $1,500,000,000. This would be the limit of currency they could obtain in return for bonds, but with respect to Federal Reserve notes the sky is the limit, because there is no limitation.

The Federal Reserve banks can place an unlimited number of Government securities with the Federal Reserve agents and receive in return Federal Reserve notes. Incidentally the Federal Reserve agent who receives the securities for deposit is chairman of the board of directors of the bank.

UNITED STATES NOTES

Another paper currency that is outstanding that is generally used is the United States note, and the amount of these outstanding is $346,000,000. They were first issued in 1862 and upon this amount of money, $346,000,000, no one is paying interest. If you will take this paper money and look at it, you will find "United States note" at the top of it. No one is paying interest on this money, and if we calculate the interest on the basis of 5 percent, compounded annually, this money has saved the American people $13,000,000,000 during the time it has been in existence.

This is the difference between the money outstanding upon which no one is paying interest and the money outstanding upon which someone is always paying interest.

Mr. HARLAN. Mr. Chairman, will the gentleman yield for a question?

Mr. PATMAN. I yield to the gentleman.

Mr. HARLAN. Just what system of control has the gentleman in mind if we do away with the system of issuing currency and charging interest for it or having an interest-charge control and if we do away with the metallic control? What control does the gentleman have in mind for our paper currency?

Mr. PATMAN. We do not have to do away with the metallic control. If you want to, you can do that domestically, but I think it would interfere with our trade with foreign countries if you did, but I have in mind that the credit of the Nation should be used by the Nation free of charge and that the Government should not pay interest upon its own credit.

Mr. HARLAN. What is the gentleman's system of control?

Mr. PATMAN. The system of control would be through the reserve requirements of banks. If you were to issue, say, $10,000,000,000 in currency in return for $10,000,000,000 in Government bonds, you would immediately say that would be undue or unbridled inflation, and it would be under our present system, because the banks could take that $10,000,000,000 and issue $100,000,000,000 in credit. However, if you changed the reserve requirements of banks at the same time you put money in circulation, you can absolutely prevent any inflation or expansion at all, up to the maximum amount of the deposits.

Mr. KELLER. Will the gentleman make that specific?

Mr. PATMAN. In other words, suppose you were to issue $10,000,000 in return for $10,000,000 of Government bonds; you could say to the banks that hereafter, instead of lending $10 to every $1 you have in your vaults, you can only lend $5 to every $1 in your vaults; and then, if there were still danger of inflation, you could change that to 4 to 1 or 3 to 1 or 2 to 1, or, eventually, reach that stage, which I hope the country will reach one of these days, when there will be a 100-percent reserve requirement for banks. Then, banks can only lend the money they actually have and cannot lend bookkeeping transactions and pencil marks as money which is, in fact, credit. This is what I should like to see the country come to—100-percent reserve requirements for banks.

The other paper money that is outstanding is the silver certificate. You know, most of the money you are handling around the Capitol today is new silver certificates, issued by the Bureau of Engraving and Printing. So, I repeat, that our system should be changed to the extent that the Government will not pay interest on its own credit, and thereby save a billion dollars a year in interest charges.

[Here the gavel fell.]

Mr. MILLARD. Mr. Chairman, I rise in opposition to the pro forma amendment in order to inquire how much longer we are going to continue tonight, as it is apparent we cannot finish the bill today?

Mr. ARNOLD. May I say to the gentleman that we hope to progress far enough tonight so that we can complete the consideration of the bill tomorrow, which will enable us to adjourn over Saturday, and I should like to proceed for, perhaps, 30 minutes.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Suppressing counterfeiting and other crimes: For expenses incurred under authority or with the approval of the Secretary of the Treasury in detecting, arresting, and delivering into the custody of the United States marshal having jurisdiction dealers and pretended dealers in counterfeit money and persons engaged in counterfeiting, forging, and altering United States notes, bonds, national-bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments, as well as the coins of the United States and of foreign governments, and other crimes against the laws of the United States relating to the Treasury Department and

the several branches of the public service under its control; purchase (not to exceed $25,000), exchange, hire, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary; purchase of arms and ammunition; traveling expenses; and for no other purpose whatsoever, except in the performance of other duties specifically authorized by law, and in the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, $675,000, of which sum $25,000 shall be immediately available: *Provided*, That no part of this amount shall be used in defraying the expenses of any person subpenaed by the United States courts to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of witnesses, United States courts": *Provided further*, That of the amount herein appropriated, not to exceed $10,000 may be expended in the discretion of the Secretary of the Treasury for the purpose of securing information concerning violations of the laws relating to the Treasury Department, and for services or information looking toward the apprehension of criminals.

Mr. BLANTON. Mr. Chairman, on page 23; lines 20 and 21, I move to strike out the words "under the authority or with the approval of", which is a pro forma motion.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, while our distinguished colleague from California [Mrs. KAHN] is in the Chamber, I want to refer to her remarks made earlier in the day when she read into the RECORD the story about King Ahab coveting Naboth's little vineyard.

That story as told in chapter 21 of I Kings is one complete story about a selfish, cruel, covetous, powerful, wicked King of Samaria, who, assisted by his wicked, cruel wife, Jezebel, caused poor Naboth to be framed with false accusations and murdered, so that King Ahab might take from Naboth his little home.

During her long and distinguished and valuable service here, all of us Members of the House, on both sides of the aisle, have learned to love our colleague from California [Mrs. KAHN] for her numerous admirable qualities, and I cannot understand her purpose in reading into the RECORD this sermon about greed, and power, and covetousness, and murder, and robbery embraced in this story of King Ahab and Naboth's vineyard.

She spoke of our surrendering power after power, and privilege after privilege, and prerogative after prerogative, and wound up by saying that before we surrender any more rights of the people we should well ponder what Naboth said to King Ahab. We have not surrendered any power, or privilege, or prerogative, except to the President of the United States. I do not see how on earth she can make any application of Ahab coveting Naboth's land to our President.

Mrs. KAHN. Will the gentleman yield? I had no intention of referring to the President in any way, shape, or manner. What I referred to is the abrogation of our rights. The gentleman should not put words into my mouth that I did not utter.

Mr. BLANTON. I am glad the gentlewoman from California has said that, but those who read the RECORD and her quotation from the Bible may misconstrue what she said.

The President of the United States has taken no vineyard from any poor man. He has coveted no property belonging to another. He has denied no poor person in this country anything to which he is entitled. He has been giving to them the necessities of life. When men and women were unable to get food for themselves and their children, it has been the President of the United States who has provided food for them; he has provided lodging for them, he has provided clothing for them; he has done it for the people of San Francisco as well as for other cities in the United States.

When people read the remarks of our colleague, and her quotation from the Bible about King Ahab and Naboth's vineyard, I want them to know that same is not in any way applicable to the chief ruler of this Nation, but that every power this Congress has delegated to our President is being unselfishly and generously used by him for and on behalf of all of the poor people of the United States, and for the best interest of all of our citizens in the land.

Our good friend from California is such a delightful colleague and her service here has been so valuable, and she has merited and retained the confidence and respect and esteem of all of us to such an extent that we do not expect any political attacks from her. We expect these political attacks to come from the old seasoned politicians from across the aisle. In the history of the world, when has there been power less abused or used more in behalf of all of the people than at the present time? The President of the United States is using all of his power and the resources of this Government unselfishly in the interest of the people.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to the most seasoned politician next to the gentleman from Potsdam, who sits across the aisle.

Mr. MARTIN of Massachusetts. I simply rise to inquire what classification the gentleman puts himself in—statesman or politician.

Mr. BLANTON. Sometimes I am forced to be a little of both, when it becomes my duty to answer political attacks.

Mr. MARTIN of Massachusetts. What is he now, when he is attacking the gentlewoman from California?

Mr. BLANTON. I am not attacking anybody. I am trying to keep you fellows from letting somebody else pull your chestnuts out of the fire for you. I want you to do it yourself, and not let it be done by so good a friend of ours as the gentlewoman from California.

Mr. MARTIN of Massachusetts. Does the gentleman think for a minute that we would have a lady do that?

Mr. BLANTON. Without her assurance to the contrary, readers of her remarks and quotation from the Bible in the RECORD might have interpreted it to mean that she was attacking the President, and I am glad her denial is in the RECORD.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. That is all I want to say.

Mrs. KAHN. Mr. Chairman, I rise in opposition to the pro forma amendment. There is an old saying, "I fear the Greeks, even though they bear gifts", and when our very respected and brilliant statesman from the State of Texas begins to throw bouquets when he starts to make a speech I am always wondering what is going to follow. I think the misinterpretation put on the remarks I made a short time ago rests entirely in the mind of the gentleman from Texas [Mr. BLANTON]. I feel quite sure that no right-minded, right-thinking person could interpret what I said as an attack on the President of the United States.

In the use of the simile I was very careful to avoid anything that could reflect upon the President. I was simply appealing to the House of Representatives to stop this delegation of our power. I feel very deeply upon the question of the reciprocal tariff, because that is a delegation of our power that concerns my State more than anything that has been done in this Congress. Among the 200 industries listed as inefficient under the definition of the representative of the Department of Agriculture, when he appeared before the Finance Committee of the Senate, 60 of them come from the State of California. These are all liable to be affected by the reciprocal-tariff agreement, and I simply was using the parable as a plea to the Members of the House of Representatives to stop and think before they again surrender powers that they hold in trust. [Applause.]

Mr. MILLARD. Mr. Chairman, I make the point of order that there is no quorum present. It is too bad to have such speeches as those made by the gentleman from Texas and the gentlewoman from California made in the presence of so few.

Mr. ARNOLD. Oh, I hope the gentleman will not make that point at this time. Let us get along to where we can adjourn, so that we can finish the bill tomorrow.

Mr. MILLARD. Then let us have no more speeches such as the gentleman from Texas indulged in.

Mr. BLANTON. Oh, we are going to answer every attack that is made on the President of the United States from now on until we adjourn, so do not make attacks on him if you do not want to have them answered.

Mr. MILLARD. I withdraw the point of order.

The Clerk read as follows:

General administrative expenses: For architectural, engineering, mechanical, administrative, clerical, and other personal services, traveling expenses, including expenses of employees directed by the Secretary of the Treasury to attend meetings of technical and professional societies in connection with subjects related to the work of the Division of Procurement, Public Works Branch, and transportation of household goods, incident to change of headquarters of all employees engaged in field activities, not to exceed 5,000 pounds at any one time, together with the necessary expenses incident to packing and draying same; advertising, testing instruments, law books, books of reference, technical periodicals and journals, drafting materials, especially prepared paper, typewriting machines, adding machines and other mechanical labor-saving devices, and exchange of same, carpets, electric-light fixtures, furniture, equipment, and repairs thereto, telegraph and telephone service, freight, expressage, and postage incident to the transportation of drawings to and from the office and such other contingencies, articles, services, or supplies as the Secretary of the Treasury may deem necessary and specially order or approve in connection with any of the work of the Procurement Division, Public Works Branch; rent in the District of Columbia and elsewhere, including ground rent of the Federal building at Salamanca, N. Y., for which payment made be made in advance; $920,000, of which amount not to exceed $494,940 may be expended for personal services in the District of Columbia and not to exceed $289,060 for personal services in the field: *Provided*, That the foregoing appropriations shall not be available for the cost of surveys, plaster models, progress photographs, test pits and borings, or mill and shop inspections, but the cost thereof shall be construed to be chargeable against the construction appropriations of the respective projects to which they relate: *Provided further*, That no expenditures shall be made hereunder for transportation of operating supplies for public buildings: *Provided further*, That in no case shall the rates of compensation for the mechanical labor force in the field under this appropriation be in excess of the rates current at the time and in the place where such services are employed.

Mr. ARNOLD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ARNOLD: Page 34, line 16, strike out the word "made" and insert in lieu thereof the word "may."

The committee amendment was agreed to.

The Clerk read as follows:

Repairs to typewriting machines (except bookkeeping and billing machines) in the Government service in the District of Columbia may be made at cost by the Procurement Division, payment therefor to be effected by charging the proper appropriation and crediting the appropriation "Salaries and expenses, Procurement Division."

Mr. ARNOLD. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ARNOLD: Page 42, line 15, after the word "division", insert a comma and "supply branch."

Mr. ARNOLD. That is simply a clarifying amendment, Mr. Chairman.

The committee amendment was agreed to.

The Clerk read down to and including line 20 on page 43.

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. BLANTON] having assumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill, had come to no resolution thereon.

EXTENDING THE FUNCTIONS OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, this afternoon the House voted on the conference report on S. 1175, the bill to extend the functions of the Reconstruction Finance Corporation for 2 years. The bill was sent to conference yesterday, and the conferees worked until late into the night. The House conferees reported that the Senate conferees agreed to a number of changes in the original Senate bill and receded from their differences excepting two.

Day before yesterday the House inserted an amendment in the bill, following the time that it had been reported by the committee, which was designed to effect a measure of protection to real-estate bondholders. The amendment provided that any assistance given to any financial institution by the Corporation shall be conditioned upon the agreement that it will not use the funds so obtained in the reorganization of any real-estate enterprise with outstanding debts of $50,000 or more unless the plan of such reorganization shall have first been approved by the Securities and Exchange Commission, the approval to have regard to the initial investment of creditors and stockholders.

This amendment traced its beginning to the issuance, in the decade preceding 1930, of ten or eleven billions of real-estate securities on large apartment buildings, hotels, and commercial structures in New York, Detroit, Milwaukee, Chicago, and elsewhere, and to the fact that investigation has disclosed that about $8,000,000,000 of those bonds are now in default. Approximately 4,000,000 such bondholders are affected. In the meantime they have been obliged to dispose of their bonds for 8, 12, and 15 cents on the dollar, and many mortgage companies have purchased the bonds for that low price.

The amendment proposed that in reorganizations of these companies, where the Government advances the money for the purpose of reorganization, the actual price paid for the bonds shall be taken into consideration, and those people who acquired these bonds for a few cents on the dollar shall not receive in reorganization the equivalent of 100 cents on the dollar paid by the original purchaser. That amendment was eliminated in conference. Those in charge of the R. F. C. legislation today pleaded for early adoption of the conference report because an emergency was involved, in that otherwise the legislative tenure of the R. F. C. will expire at midnight. It was urged that at another time an appropriate measure could be passed for the protection of these small bondholders. Nevertheless, a number of Members voted against the report just to put the House on notice that they wanted something done to help the common people and the small investors in this type of bonds. Attention was called to the fact that receivers' fees, trustees' fees, fees for the management corporations, and fees for bondholders' protective committees pyramided to such an extent that nothing is left for the bondholders.

I voted against the report because I know that thousands of people in Nebraska bought many building bonds which are worthless today, and that trustees and attorneys have made much money out of the misfortunes of these small investors. Of course, the report was adopted over our protest, but we believe that we made sufficient impression to pave the way for a bill which will bring substantial assistance to the small bondholders in Nebraska and the other States.

NATIONAL DEFENSE

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by the Secretary of War, Hon. George H. Dern, before the Tenth Annual Meeting of the Women's Patriotic Conference, held at the Mayflower Hotel on January 30.

The SPEAKER pro tempore (Mr. BLANTON). Is there objection to the request of the gentleman from South Carolina [Mr. McMILLAN]?

There was no objection.

Mr. McMILLAN. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address delivered by the Honorable George H. Dern, Secretary of War, at the Tenth Annual Women's Patriotic Conference on National Defense, Washington, D. C., January 30, 1935:

To be invited to address this distinguished gathering is an honor which I appreciate most highly. You are meeting in the interest of national defense and you have asked me, as Secretary of War, to discuss briefly one of the most important problems in the world, the problem of peace and war—peace and how to preverve it; war and how to prevent it.

For the past few years our minds have been busy with the depression. That is tremendously important, but, after all, it is temporary. One of these days we shall wake up and find that the depression is gone and that the country is prosperous again.

But the question of war will remain. It is the one overwhelming question that mankind has never solved. It is a question that affects and involves every human being. It is a problem that arose long before the dawn of recorded history, and it is as much of a riddle in our own civilized epoch as it was in the primitive days of savagery. Wise men and philosophers of all ages have wrestled with it. Statesmen and churchmen have cried, "Out, damned spot!" but the spot is still there. No one can deny that, and every person, no matter how lofty his ideals, must be willing to face the facts. If we do not base our arguments on fact, our conclusions are bound to be foolish.

War is not a pleasant theme to discuss, and it is not my purpose to gloss over its hideousness by dwelling on its glory, heroism, and sacrifice. When some idealists say war is wicked, futile, and obsolete, there are other idealists who still ask, "Is life so dear or peace so sweet as to be purchased at the price of chains and slavery?"

You women do not need to be reminded that our country was born in war, and that therefore the results of war are not always wholly bad. If the ancient Greeks had not been willing to fight and die at Marathon, Thermopylae, Salamis, and Plataea, the Persians would have wiped out the beginnings of our western civilization, and Europe would have become an extension of Asiatic civilization. If the Romans had not, in spite of repeated disasters, persisted in defying Hannibal, African Carthage with its gloomy and horrible religion of human sacrifice would have taken possession of Europe. If Charles Martel had not defeated the Mohammedan hosts at Tours in 732, what would have become of Christianity? Were all these critical battles in defense of our civilization great mistakes? Would the world be better off today if there had never been a battle?

There is no doubt that war has played a major part in shaping history. Nevertheless, the desire for peace is universal; and I prefer to speak of the preservation of peace rather than of the glory of war.

There is much superficial talk about peace and war. Extremists for national defense have a habit of dubbing all who do not agree with them "pacifists". In retaliation, those who are active in the peace movement are prone to call the others "militarists". Both are wrong, and both hurt their respective causes by calling names.

A pacifist, strictly speaking, is opposed to war under any circumstances, and hence is opposed to any sort of military establishment, even for defensive purposes. He believes in the doctrine of nonresistance, or turning the other cheek—a fine Christian precept which hardly any Christian practices. There is only a handful of that sort of pacifists in the United States, notwithstanding the fact that we have millions of earnest peace advocates who may be willing to turn the other cheek but do not find anything in the Scriptures that tells them what to do after being smitten on both cheeks.

A militarist, in the strictest sense, believes in wars and battles as the only proper means for settling quarrels between nations. Militarists of this sort are scarce as hen's teeth in the United States, even in the Army and Navy. This type of militarist is largely a figment of the imagination.

Since the extremists of both types are so rare, we may, for all practical purposes, dismiss them from our minds. Let us talk about the rest of us, who are in between.

The human species is a strange paradox. All history proves man to be a fighting animal, and yet his soul yearns for peace. The peace movement did not originate in this generation. Away back in Old Testament times prophets were dreaming of beating swords into plowshares and spears into pruning hooks; and yet if swords have been beaten into plowshares at all, the only reason is that the sword has become an obsolete weapon in this age of artillery and machine guns.

Nineteen hundred years ago the Prince of Peace preached peace on earth. Although we Christians give lip service to that exalted ideal, yet candor compels us to admit that the Christian era is a record of one war after another. Our own peace-loving country has had six major wars and has been at war 1 year in every 8 of its brief existence. This is worse than the record of the world as a whole, which, it has been estimated, has had 1 year of war in every 13 during the same period. It looks as if human nature were not changing very fast. It also appears that democracy is not a cure for war.

And yet most good people (and nearly all people are good people) yearn for permanent peace. Since the human family longs for peace, I cannot find it in my heart to find fault with those who want to limit war. Indeed, to that extent I am a pacifist myself. Although I have never believed in disarming our country while the rest of the world remains armed to the teeth, yet I instinctively sympathize with every attempt to make armed conflict less probable. I hope and believe I am typical of the average American citizen in that respect. I cheerfully give the peace advocates full credit for sincerity of purpose, purity of intention, and devotion to a lofty ideal. We need their inspiration to keep us from sinking into the despair of gross materialism and narrow selfishness.

To avoid the stigma that attaches to the words "pacifist" and "militarist", let us drop those terms and say there is one school which holds that the best way to insure peace is to be prepared for war, and another school which contends that preparedness is either unnecessary or else dangerous because it provokes war. If that is a fair statement, the first thing to catch our attention is that both schools want to prevent war. They both have the same objective but are trying to reach it by different if not opposite routes.

Those who are actively devoting themselves to the cause of world peace should not be condemned or denounced for what they would like to bring about. I sometimes wonder, however, if they are always wise in the kind of campaign they are carrying on against war. Very properly they attack the causes of war, for the way to cure a disease is to remove the cause. But when they attack the United States Army and Navy as one of the causes of war, I wonder if they are acting advisedly, and if they are actually promoting peace.

Patrick Henry said, "I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no way of judging the future but by the past." Is there any experience to warrant the accusation that the United States Army is or ever has been a cause of war? When and where did the Army ever provoke a war? And when I say "Army" I mean our whole national defense establishment, including the Navy.

Did the Army start the Revolutionary War? Hardly, for there was no army until after that war began.

Did the Army start the War of 1812? History has never laid the responsibility for that war for sailors' rights at the door of any but civilian agitators.

Did the Army have any part in instigating the Mexican War? No one has ever said so. The expansionists who brought it on were all civilians.

How about the War between the States? Did the Army incite that? It would be most ridiculous to make such a charge when the Army itself was divided in that conflict, many of its outstanding officers going over to the side of the Confederacy because they put State loyalty ahead of national loyalty.

Was the Spanish-American War incited by the Army? There are plenty of us who remember that those who stirred up that war were not soldiers but crusading civilians in and out of Congress.

There remains only the World War. We do not need to strain our memories very hard to recall that there was hardly an Army officer among those who inflamed the public mind until Congress was forced to declare war.

No; the Army did not cause any of our wars; but it stopped every one of them. The people bring about wars and the Army brings about peace.

Since the Army of the United States has never in the slightest degree been responsible for bringing on a war, where is the experience which justifies the friends of peace in listing the Army among the causes of war? It seems to me they are barking up the wrong tree, and that their conclusion is foolish because their argument is not based on facts. It would be as logical to say that fire departments cause fires, and that the way to stop fires is to disband our fire departments.

Our six major wars were all started by the people, for whenever Congress has declared war it has always been in response to public opinion. The people are therefore a fruitful cause of war. If those who claim that one of the ways to prevent war is to abolish the Army pretend to be consistent, they must also say that another way to prevent war is to abolish the people. That shows the absurdity of the argument and exposes its fallacy.

We may have such confidence in our own pacific intentions as to feel that we do not need an Army, but can we be certain that there are no potential aggressors in the world, no more Genghis Khans or Napoleons, who would look with covetous eyes upon our lands and wealth if we are not able to protect them? Does the history of the world during recent years give any comfort to those who would like to believe that aggressive warfare is a thing of the past, and that force and violence have been relegated to the limbo for forgotten evils?

The Army desires peace just as fervently as do the civilian peace lovers, for soldiers know better than any others what a hellish business actual warfare is. They suffer most from its horrors, and they want none of it if it can be avoided. They have no desire to make widows and orphans of their wives and children. It is a grotesque fallacy that the Army and Navy are always spoiling for a fight and are dangerous trouble makers. Their mission is to keep us out of trouble and to get us out of trouble.

There is another popular fallacy that ought to be exploded. I refer to the hypothesis that military training at colleges and high schools creates a spirit of militarism in the boys. On this subject I can speak from my own experience. When I was a student at the University of Nebraska military drill was compulsory and it was disliked by most of the students, not because they thought it would make them militarists but simply because they regarded it as a nuisance, like higher mathematics and Latin. It took up time that might be more pleasantly employed in talking to the coeds on the campus. It made us obey orders instead of doing as we sweet pleased. It required us to be too confoundedly particular about our appearance, and it necessitated punctuality and politeness. It laid so much emphasis upon doing our work with precision and thoroughness. It is no fun to break a lot of old habits of carelessness that are harmful and acquire new ones that are helpful. In the mind of the average youngster that smacks of tyranny,

and we Americans resent tyranny in any form. And so many of the boys looked for excuses to get out of drill, whilst the rest just tolerated, and felt relieved when they had served their required time and could forget it. I recall only two fellow students out of several thousand who went in for an Army career as a result of the training we received from our popular and efficient commandant, Lt. John J. Pershing, but all were personally benefited and better prepared to do their part if the country needed them.

My own experience was repeated in that of my three sons, all of whom had compulsory military training in high school, and each of them apparently disliked it as I had. It certainly did not make militarists of them, nor of any of our neighbors' boys, any more than the study of Latin and geometry made them Latin scholars or mathematicians. And so I think this is another case of reaching a foolish conclusion, because the argument is not based on facts.

Military training, however, does boys a lot of good. I agree with Principal Fred D. Keeler, of the West High School of Salt Lake City, who said recently:

"R. O. T. C. makes for a democratic school spirit. It calls for a correct attitude of mind toward this work, as well as toward all school work. Most of the requirements of this training are likewise essential to success in civil life. Military training has also for its purpose the development of honest, just, and faithful men. Honor has always been one of a true soldier's virtues. He is taught that truthfulness is the great anchor to which to attach his every word and act."

My observation has been that most of those who denounce the R. O. T. C. system as militarization of our youth have never had a son in an R. O. T. C. unit, but do have vivid imaginations. Perhaps they are like the girl who was crying because she had a sad thought that was just more than she could bear. She feared she might get married some time and might have a baby, and the baby might fall into the river and be drowned.

Personally I am very pleased that those who denounce the R. O. T. C system as militarization of our youth have taken their complaint to the United States Supreme Court. The decision of that tribunal that military training as a required part of a college curriculum is in no sense an infringement of the constitutional rights of any student should settle the matter and end the discussion. The duty of a citizen to bear arms, if need be, in defense of his country is fundamental, and the requirement of some colleges that their students shall devote a small part of their time to preparing to discharge this obligation is entirely reasonable. I regard the Reserve Officers' Training Corps as indispensable to our national defense.

The officers of the United States Army are drawn from all elements of society and constitute a good cross section of American citizenship. They have homes and parents and wives and children just like civilians. They have the same mental, moral, and spiritual reactions as the rest of us. They are patriotic and know the spirit of America. They do not want to be part of a military machine for foreign aggression. They want the Army to be an efficient organization to be used for defense only. They believe in the good old American motto, "Millions for defense, but not one cent for tribute." And they are not convinced that the world as a whole has yet reached the millennium in which national avarice and ambition and prejudice have been outgrown and renounced forever.

And so they feel, as most Americans feel, that, though we covet the lands or wealth of no other country, we had better carry a little burglary insurance for a while yet.

The Father of his Country was wise in his day and generation and much of his advice is still good, despite the fact that industrialism, science, and the machine have completely transformed the country which he knew. On the subject of national defense his philosophy was "in time of peace prepare for war." Surely no one would accuse George Washington of being a truculent, swashbuckling militarist, who wanted an Army so as to be able to stir up a war every now and then. Surely he had seen enough of the hardship and cruelty, the horror and waste of war to be heartily sick of it. But Washington was not a man to blink the facts. Although endued with deep love for his fellowman, he, too, took the world as he found it. He did not expect too much of human nature. He took men as God had made and endowed him—not as an angel from heaven.

He knew that man is imperfect; that he has been and always will be subject to human frailties and limitations. He knew that man, whether individually or in large groups called "nations", is often selfish and foolish; and, knowing these human weaknesses, he felt that war was inevitable. Perhaps he did not claim that preparedness would always prevent war, but he was very certain that when once drawn into a war a prepared nation runs less risk of being defeated than an unprepared nation.

Moreover, Washington was a keen enough observer and knew enough history to understand that there can be no organized society without some form of police power. Even in a small town, where all the residents are presumed to be friends and neighbors, the policeman is still necessary, and in a large city a large armed police force is required to protect the lives and property of the citizens. The Father of his Country might have asked, "If we need protection against our own neighbors and fellow citizens, how can we feel secure against the evil intentions of distant enemies, whose ambitions and jealousies and problems we do not comprehend?" And so he rightly concluded that when domestic crime and violence are abolished within the nations it will be safe to say that there is no danger of international trespasses, but not until then.

He knew, too, as we all know, that the most highly civilized society is still based on force and that it is idle to say that force is obsolete. It is begging the question to say that in our domestic relations we have renounced force and settle our disputes through the orderly processes of the courts. The fact of the matter is that behind every judge there stands the policeman or the sheriff, ready to enforce the court's decrees by force if need be.

The most ardent peace advocate will advance his own hopes faster if he will frankly recognize these facts and quit arguing from false hypotheses.

This does not mean that the peace societies should disband. On the contrary, it will simply release them for more effective activities in behalf of world peace through attacking the real causes of international hostility.

What are some of the causes of war? Trade restrictions which are intended to benefit one country by destroying the industries and impoverishing the workers of another country are one. Indeed, they are in themselves a form of warfare and are liable to lead to armed conflict.

Mutual distrust is another thing that keeps nations jumpy and ready to fly at each other's throats.

Racial and national prejudices are another cause of friction that may generate heat enough to start a conflagration. We ought to cultivate international good will and international good manners. Burke said, "To make us love our country, our country ought to be lovely." We might add that if we want other nations to love our country, our country ought to be lovely.

Lack of some suitable tribunal to adjudicate international disputes sometimes forces recourse to arms.

In these directions the peace organizations can find an outlet for all their energies. Let them begin at home by breaking down our own bumptious sense of superiority, our prejudices against other countries and other forms of government, our selfishness, and our provincialism, so that we shall recognize that peoples of other nations are human beings like ourselves and not some other sort of animal to be hated and feared. A little more fairness and tolerance, a little more Christian charity, a little more friendship and brotherhood—these are the things that will reduce the danger of war.

Let them continue their efforts toward intelligent limitation of armament so as to make invasion more difficult.

Finally, let the efforts toward international cooperation be kept up. A policy of isolation is a dangerous policy so far as preserving peace is concerned. We ought to put ourselves in the right frame of mind to be good neighbors and good world citizens. Intense nationalism such as we are now cultivating in this country is more apt to breed wars than to prevent wars. Any nation that goes strongly nationalistic had better build up its military establishment. Friendly cooperation, not frenzied rivalry, points the road to peace and is the American way.

Surely we want our beloved country to be a good citizen in the community of nations, not selfishly minding her own business only, but performing an honorable part of the world's work. Surely we want the United States loved and honored throughout the world. And if by reason of our justice and benevolence we gain and hold the confidence, admiration, and friendship of all the world, there will be little danger of becoming embroiled in disputes and conflicts. And to be an American then will be an even prouder title than it has ever been before.

Our President, a great humanitarian whose birthday anniversary is being celebrated throughout the land today, has an intimate understanding of the underlying causes of war and is ever alert to further peace. He has a sympathetic understanding of human frailties which lead to armed conflict, and he knows the influence of an adequate defense program in the maintenance of peace. Under his guidance greater strides have been taken during the past 2 years to advance national defense than during the entire remaining period since the World War. The United States Army will continue its mission of preparing for the defense of our country if and when the need may arise, subject always to the authorization and the directives of the proper civil officers of our Government.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4304. An act to amend the Second Liberty Bond Act, as amended, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1175. An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3410. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings.

ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Friday, February 1, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

179. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to authorize the transfer of officers of the Construction Corps of the Navy to the line of the Navy for aeronautical engineering duty only, and for other purposes; to the Committee on Naval Affairs.

180. A letter from the Secretary of War, transmitting draft of a proposed bill to provide relief for disbursing officers of the Army in certain cases; to the Committee on Military Affairs.

181. A letter from the Public Printer, transmitting a report on condition of buildings housing the Government Printing Office (H. Doc. No. 90); to the Committee on Public Buildings and Grounds and ordered to be printed, with illustrations.

182. A letter from the president of the Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of that company for the year 1934; to the Committee on the District of Columbia.

183. A letter from the president the Chesapeake & Potomac Telephone Co., transmitting a comparative general balance sheet of that company for the year 1934; to the Committee on the District of Columbia.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSPECK: A bill (H. R. 5152) to restore vacations to Government employees, and for other purposes; to the Committee on the Civil Service.

Also, a bill (H. R. 5153) to standardize sick leave and extend it to all civilian employees; to the Committee on the Civil Service.

By Mr. CELLER: A bill (H. R. 5154) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof; to the Committee on the Judiciary.

By Mr. FORD of California: A bill (H. R. 5155) authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California; and granting rights-of-way over public lands and reserve lands to the city of Los Angeles in Mono County in the State of California; to the Committee on the Public Lands.

By Mr. HAINES: A bill (H. R. 5156) to provide for the erection of a statue of Abraham Lincoln in the Gettysburg National Cemetery; to the Committee on the Library.

By Mr. RANDOLPH: A bill (H. R. 5157) to establish a Board of Civil Service Appeal and to amend an act entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field service", approved March 4, 1923, and for other purposes; to the Committee on the Civil Service.

By Mr. BUCKLER of Minnesota: A bill (H. R. 5158) providing for payment of $25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

By Mr. DIMOND: A bill (H. R. 5159) to authorize the Postmaster General to contract for air mail service in Alaska; to the Committee on the Post Office and Post Roads.

By Mr. RUDD: A bill (H. R. 5160) to promote the safety of passenger vessels, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. SUMNERS of Texas: A bill (H. R. 5161) to amend section 260 of the Judicial Code (U. S. C., title 28, sec. 375) as heretofore amended; to the Committee on the Judiciary.

By Mr. DOBBINS: A bill (H. R. 5162) providing for punishment for attempts to obtain mail by fraud or by deception; to the Committee on the Post Office and Post Roads.

By Mr. CLAIBORNE: A bill (H. R. 5163) to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. FULMER: A bill (H. R. 5164) to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended, to provide an interest rate of 3 percent per annum on loans to agricultural improvement districts; to the Committee on Agriculture.

By Mr. KNUTSON: A bill (H. R. 5165) to repeal section 701 of the Revenue Act of 1926; to the Committee on Ways and Means.

Also, a bill (H. R. 5166) to direct the distribution of the interest and principal of permanent fund of the Chippewa Indians of Minnesota in accordance with the true purpose and intent of the agreements made pursuant to the act of January 14, 1889; to the Committee on Indian Affairs.

By Mr. McGROARTY: A bill (H. R. 5167) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat. L. 602), by amending certain portions of sections 3 and 6 thereof; to the Committee on Indian Affairs.

By Mr. LEWIS of Maryland: A bill (H. R. 5168) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission, of Maryland, for park purposes; to the Committee on Agriculture.

By Mrs. NORTON: A bill (H. R. 5169) to provide for the coinage of medals to be presented to Senator A. Harry Moore, Capt. John Bogan, Sr., and the members of the crew of the fishing sloop *Paramount;* to the Committee on Coinage, Weights, and Measures.

By Mrs. O'DAY (by request): A bill (H. R. 5170) to provide that religious views or philosophical opinions against war shall not debar aliens, otherwise qualified, from citizenship; to the Committee on Immigration and Naturalization.

By Mr. WOOD: A bill (H. R. 5171) to protect labor in its old age; to the Committee on Labor.

By Mr. FULMER: A bill (H. R. 5172) to provide for the building of a suitable monument and the establishment of a national park in Sumter County, S. C., to be known as the "General Thomas Sumter National Park"; to the Committee on the Public Lands.

By Mr. LUNDEEN: A bill (H. R. 5173) to incorporate the National Veterans Association; to the Committee on the Judiciary.

By Mr. LEA of California: A bill (H. R. 5174) to encourage and regulate the use of aircraft in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDOLPH: Resolution (H. Res. 94) authorizing and directing the Committee on the District of Columbia of the House to investigate all forms of criminal activity in the District of Columbia; to the Committee on Rules.

By Mr. FISH: Resolution (H. Res. 95) authorizing Emanuel Hertz to compile certain data on Abraham Lincoln, and for other purposes; to the Committee on Printing.

Also, resolution (H. Res. 96) directing the Secretary of Labor to transmit to the House of Representatives certain information relating to aliens subject to deportation; to the Committee on Immigration and Naturalization.

By Mr. BLAND: Resolution (H. Res. 97) authorizing an investigation of the *Morro Castle, Mohawk, Havana,* and other marine disasters; to the Committee on Rules.

By Mr. KELLER: Resolution (H. Res. 98) providing for the appropriation of $2,500 for the purchase of a portrait of the late Speaker Henry T. Rainey; to the Committee on Accounts.

By Mr. CONNERY: Resolution (H. Res. 99) to authorize the Committee on Accounts, as a whole or by subcommittee, to investigate the needs of the several standing committees of the House for an additional clerk or clerks by reason of increased work; to the Committee on Rules.

By Mr. KELLER: Resolution (H. Res. 100) relative to the separation and dismissal from service of Government employees; to the Committee on Rules.

By Mr. CELLER: Joint resolution (H. J. Res. 147) authorizing the erection of a monument to Grover Cleveland in Washington, D. C.; to the Committee on the Library.

By Mr. BLOOM: Joint Resolution (H. J. Res. 148) providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, supporting the Costigan antilynching bill and other like measures; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New York, opposing the Federal tax on gasoline; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREWSTER: A bill (H. R. 5175) providing for the examination and survey of Frenchboro Harbor, Maine; to the Committee on Rivers and Harbors.

By Mr. BRUNNER: A bill (H. R. 5176) authorizing the President of the United States to appoint Arthur A. Klein to the position and rank of second lieutenant in the United States Army and immediately retire him with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

Also, a bill (H. R. 5177) for the relief of Joseph Roig; to the Committee on Military Affairs.

Also, a bill (H. R. 5178) for the relief of Gladys E. Faughnan, guardian; to the Committee on Claims.

By Mr. BUCHANAN: A bill (H. R. 5179) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, by including Roger P. Ames among those honored by said act; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H. R. 5180) granting a pension to Ella C. Maddux; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 5181) authorizing the Secretary of the Treasury to refund to creditors' committee of the Progressive Commercial Co. of Philadelphia, Pa., income taxes illegally and wrongfully paid to the Commissioner of Internal Revenue; to the Committee on Claims.

By Mr. DIETRICH: A bill (H. R. 5182) for the relief of Genevieve S. McKibbin; to the Committee on Claims.

Also, a bill (H. R. 5183) granting a pension to Mary Turk Wilmot; to the Committee on Pensions.

By Mr. DUFFEY of Ohio: A bill (H. R. 5184) providing for an examination and survey with a view to the construction of a harbor at and near Marblehead, Ohio; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5185) providing for an examination and survey with a view to the construction of a harbor at and near Put-in-Bay, Ohio; to the Committee on Rivers and Harbors.

By Mr. GILCHRIST: A bill (H. R. 5186) for the relief of Harry Blanchard Trotter; to the Committee on Military Affairs.

By Mr. GOLDSBOROUGH: A bill (H. R. 5187) for the relief of William Zeiss; to the Committee on Claims.

By Mr. HOEPPEL: A bill (H. R. 5188) for the relief of W. F. Yerian; to the Committee on Naval Affairs.

By Mr. JOHNSON of Texas: A bill (H. R. 5189) for the relief of William Edward Tidwell; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 5190) for the relief of John F. Patterson; to the Committee on Military Affairs.

Also, a bill (H. R. 5191) for the relief of the Pokegama Sanatorium; to the Committee on Claims.

By Mr. LEMKE: A bill (H. R. 5192) for the relief of the rightful heir of Joseph Gayton; to the Committee on Indian Affairs.

Also, a bill (H. R. 5193) for the relief of H. M. Pippin; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 5194) granting a pension to Joseph F. Murphy; to the Committee on Pensions.

By Mr. McSWAIN: A bill (H. R. 5195) for the relief of the heirs of Mrs. F. L. Stone; to the Committee on War Claims.

By Mr. MAPES: A bill (H. R. 5196) for the relief of Hasip Kassouf; to the Committee on Military Affairs.

By Mr. MARTIN of Massachusetts: A bill (H. R. 5197) for the relief of Lt. Col. Paul D. Bunker; to the Committee on Military Affairs.

By Mr. RAMSPECK: A bill (H. R. 5198) to place Lt. Comdr. Webster Gross, Supply Corps, United States Navy, on the list of paymasters next after Lt. Comdr. John A. Fields, Supply Corps, United States Navy, with the rank of lieutenant commander, Supply Corps, United States Navy; to the Committee on Naval Affairs.

By Mr. RANDOLPH: A bill (H. R. 5199) granting a pension to Marcellus W. Mace; to the Committee on Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 5200) for the relief of Earl Thomas Dodd; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 5201) extending the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed; to the Committee on Ways and Means.

By Mr. THOMAS: A bill (H. R. 5202) granting an increase of pension to Jennie P. Smith; to the Committee on Invalid Pensions.

By Mr. UMSTEAD: A bill (H. R. 5203) for the relief of Maj. Patrick H. Winston; to the Committee on World War Veterans' Legislation.

By Mr. VINSON of Georgia: A bill (H. R. 5204) granting a pension to Mrs. Carl Rainey; to the Committee on Pensions.

Also, a bill (H. R. 5205) granting an increase of pension to John P. Phillips; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 5206) granting an increase of pension to Hezekiah C. Rice; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

608. By Mr. BACHARACH: Petition of the Society of the Friendly Sons of St. Patrick of Southern New Jersey, requesting the President of the United States to show our disapproval by the Government of the United States of the acts of the Mexican Government by recalling our Ambassador from his post in Mexico; to the Committee on Foreign Affairs.

609. By Mr. BRUNNER: Resolution of the Forest Hills Council No. 2655, Knights of Columbus, 107–15 Metropolitan Avenue, Forest Hills, Long Island, N. Y., regarding the conditions in Mexico; to the Committee on Foreign Affairs.

610. By Mr. BUCKLER of Minnesota: Petition of Lyle E. Gamber and about 125 other citizens of Fergus Falls, Minn., and vicinity, praying for passage of Federal old-age pension law; to the Committee on Ways and Means.

611. Also, petition of Andrew Sorum, president, of Crookston, and Herman A. Kjos, secretary of Thief River Falls, Minn.; and members of Union No. 13, of the Independent Union of All Workers (this union is an organization of employees of the State highway maintenance district 5, including seven counties in the northwestern part of the State of

Minnesota), urging support of the Lundeen unemployment insurance bill; to the Committee on Labor.

612. By Mr. CARMICHAEL: Petition of W. H. Pruitt and others, of Madison County, Ala., favoring passage of the bill to pay the soldiers' bonus and a bill for old-age pension; to the Committee on Ways and Means.

613. Also, petition of Soffie Wiggins and others, of Madison County, Ala., favoring old-age legislation; to the Committee on Ways and Means.

614. Also, petition of W. T. Bynum and others, of Jackson County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

615. Also, petition of P. H. Woodall, Jackson County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

616. Also, petition of J. M. B. Greenhaw and others, of Lawrence County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

617. Also, petition of A. W. Banks and others, of Morgan County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

618. Also, petition of Matt Griffith and others, of Morgan County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

619. Also, petition of Mrs. B. J. Walker and others, of Limestone County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

620. Also, petition of George Ross and others, of Colbert County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

621. Also, petition of M. H. Barton, of Lauderdale County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

622. Also, petition of Ellen Bayless, of Madison County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

623. Also, petition of Jane Jordan and others, of Lauderdale County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

624. Also, petition of George W. Hamilton, of Colbert County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

625. Also, petition of Lily Cameron and others, of Morgan County, Ala., favoring House bill 2856, old-age pension; to the Committee on Ways and Means.

626. Also, petition of Eliza Pearson and others, of Morgan County, Ala., favoring House bill 2856, old-age pension; to the Committee on Ways and Means.

627. Also, petition of Margaret Burnett and others, of Madison County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

628. Also, petition of George Adair and others, of Lawrence County, Ala., favoring House bill 2856, old-age pension; to the Committee on Ways and Means.

629. By Mr. CULKIN: Petition of the New York State Assembly, asking for legislation to abolish the Federal gasoline tax and to surrender to the States the exclusive power to tax such sales; to the Committee on Ways and Means.

630. Also, petition of the New York State Assembly, favoring the Costigan antilynching bill; to the Committee on the Judiciary.

631. By Mr. DUFFY of New York: Petition of the New York State Assembly, urging enactment of the Costigan antilynching law; to the Committee on the Judiciary.

632. Also, petition of the New York State Assembly, urging Congress to abolish the Federal gasoline sales tax; to the Committee on Ways and Means.

633. By Mr. GOODWIN: Petition of the New York State Assembly, memorializing the Congress of the United States to enact legislation for the abolishment of the Federal gasoline tax and to surrender to the States exclusive power to tax such sales; to the Committee on Ways and Means.

634. Also, petition of the New York State Assembly, memorializing the Congress of the United States to enact with all convenient speed the Costigan antilynching bill or other like legislation to prevent the punishment or destruction of persons accused or suspected of crime in any other way or by any other authority than by due process of law; to the Committee on the Judiciary.

635. By Mr. JENKINS of Ohio: Petition signed by 19 citizens of Lawrence County, Ohio, urging and demanding that the old-age pension bill, sponsored by Dr. J. E. Pope, editor of the National Forum, and one introduced by Representative WILL ROGERS be enacted into law; to the Committee on Ways and Means.

636. Also, petition signed by 42 citizens of Lawrence County, Ohio, urging and demanding that the old-age pension bill, sponsored by Dr. J. E. Pope, editor of the National Forum, and one introduced by Congressman WILL ROGERS be enacted into law; to the Committee on Ways and Means.

637. By Mr. KENNEDY of New York: Petition of the Legislature of the State of New York, in assembly, requesting the Congress of the United States to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

638. Also, petition of the Legislature of the State of New York, in assembly, requesting the Congress of the United States to enact with all convenient speed the Costigan antilynching bill, or other like legislation which will prevent the punishment or destruction of persons accused or suspected of crime in any other way or by any other authority than by due process of law and by a duly constituted court of justice; to the Committee on the Judiciary.

639. By Mr. KENNEY: Petition of protest of the legislative committee of the Newark Diocesan Federation of the Holy Name Societies of Newark, N. J., against House bill 2000, relating to birth control; to the Committee on the Judiciary.

640. Also, resolution of Guttenberg Unemployed Association, endorsing House bill 2827; to the Committee on Labor.

641. Also, petition of protest of the Mount Carmel Guild of Diocese of Newark, N. J., against passage of House bill 2000, amending sections 211, 245, and 312 of the Federal Penal Code; to the Committee on the Judiciary.

642. By Mr. LAMBERTSON: Petition of John P. Degand and other citizens of Shawnee County, John William Hayes and other citizens of Doniphan County, Moody R. Beauchamp and other citizens of Doniphan County, and Charlotte Navarre and other citizens of Shawnee County, all of the State of Kansas, urging the passage of House bill 2856; to the Committee on Labor.

643. By Mr. LEWIS of Maryland: Petition of certain persons of Washington County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

644. Also, petition of certain persons of Garrett County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

645. Also, petition of certain persons of Allegany County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

646. Also, petition of certain persons of Frederick County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

647. Also, petition of certain persons of Cumberland, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

648. By Mr. MERRITT of New York: Petition of the National Guard Association of the State of New York in convention assembled at the city of Albany, N. Y., on January 19, 1935, urging the Congress of the United States to eliminate from that portion of the Army appropriation bill affecting National Guard activities for the fiscal year 1935–36 any provision or proviso which in any way might or could affect the right to Federal pay and allowances or Federal recognition of any member of the National Guard of the State of New York qualified to serve therein pursuant to the provisions of the National Defense Act and the military law of the State of New York; to the Committee on Appropriations.

649. By Mr. MOTT: Petition signed by 500 citizens of Linn County, Oreg., urging enactment of the Townsend old-age

revolving pension plan; to the Committee on Ways and Means.

650. Also, petition signed by 190 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

651. Also, petition signed by 153 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

652. Also, petition signed by 242 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

653. Also, petition signed by Fritz Abendroth and 70 other citizens of Hillsboro, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

654. Also, petition signed by 90 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

655. Also, petition signed by 29 members of the Salem Chapter of American War Mothers, Salem, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

656. Also, petition signed by 500 citizens of Linn and Marion Counties, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

657. Also, petition signed by 241 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

658. Also, petition signed by 500 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

659. By Mr. PARKS: Petition concerning old-age pensions; to the Committee on Ways and Means.

660. By Mr. PFEIFER: Petition of the Assembly of the State of New York, Albany, urging the enactment of legislation abolishing the Federal gasoline sales tax; to the Committee on Ways and Means.

661. Also, petition of the Assembly of the State of New York, Albany, favoring enactment of the Costigan antilynching bill; to the Committee on the Judiciary.

662. Also, petition of Inland Water Petroleum Carriers Association, New York City, urging support of Senate bill 204, providing for the construction of four ice-breaking vessels for the Coast Guard; to the Committee on Naval Affairs.

663. Also, petition of Building Contractors Employers Association, Inc., New York City, recommending adoption of an amendment to House Joint Resolution 117, limiting the powers conferred to any governmental agency in the execution of projects contemplated in this joint resolution; to the Committee on Appropriations.

664. Also, petition of the New York County Chapter of the New York State Society of Professional Engineers, urging the administration to assign all construction design to the established private professional organizations in the execution of the four billion Public Works program; to the Committee on Appropriations.

665. By Mr. RUDD: Petition of the Assembly, State Legislature of the State of New York, regarding antilynching legislation; to the Committee on the Judiciary.

666. Also, petition of the Pittsburgh Central Labor Union, Pittsburgh, Pa., concerning the restoration of the 5-percent salary reduction as of January 1, 1935; to the Committee on Appropriations.

667. Also, petition of the Assembly, Legislature of the State of New York, regarding taxation of sales of gasoline; to the Committee on Ways and Means.

668. Also, petition of the Ladies' Auxiliary, United National Association of Post Office Clerks, Branch No. 2, Brooklyn, N. Y., with reference to the salary restoration of 5 percent as of January 1, 1935; to the Committee on Appropriations.

669. By Mr. THOMASON: Petition of citizens of El Paso County, Tex., urging repeal of excise tax of $1,000 on all persons engaged in the sale of liquor in States where such sale is prohibited by State law; to the Committee on Ways and Means.

670. By Mr. TRUAX: Petition of Cecil Bibbs and 30 other citizens of Toledo, Ohio, urging and demanding that the Congress of the United States enact into law the old-age-pension bill as sponsored by Dr. J. E. Pope, as embodied in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma, embracing the following: A Federal pension of $30 to $50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pensions; to the Committee on Labor.

671. Also, petition of the Order of Benefit Association of Railway Employees, Cincinnati Division, No. 137, consisting of 635 railway employees, exclusive of their families, requesting the Honorable CHARLES V. TRUAX, Member of Congress from the State of Ohio, to support to the fullest extent enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce, so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator and covered in the Pettengill bill (H. R. 8100) introduced at the last session of Congress; to the Committee on Interstate and Foreign Commerce.

672. Also, petition of the Mansfield Liederkranz, a singing society, consisting of over 500 members, striving for culture vocally, mentally, and physically, seeing the great suffering and privation in their city and all over this country, due to low wages and unemployment, and whereas this condition can be eliminated only through a bill providing for the establishment of unemployment, old-age, and social insurance, such as House bill 2827, introduced by Mr. LUNDEEN in the House of Representatives, hereby resolve that Congress actively support and enact into law House bill 2827; to the Committee on Labor.

673. Also, petition of the Salem Township Farmers' Institute, by their committee, composed of Altha Morgan, Ivy Hines, and Henry Swisher, urging lower rates for electric current, electrification of rural areas; restoring right to Congress to coin money and regulate the value thereof; passage of Frazier-Lemke refinancing bill, cost of production plus a reasonable profit to the farmer; opposing large appropriations for war; condemning manufacture and sale of intoxicating liquors, etc.; to the Committee on Agriculture.

674. By Mr. WEAVER: Petition of various citizens of the Eleventh Congressional District of North Carolina, asking for the passage of the Townsend old-age-pension bill; to the Committee on Ways and Means.

675. By the SPEAKER: Petition of the Taxpayers Protective League and the Municipal Manager League, of Newark, N. J.; to the Committee on Appropriations.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 1, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who fillest the heavens and earth with glory, we thank Thee for life with its privileges, hopes, and aspirations. Give us the impelling urge to move onward to the stature of the best manhood. Heavenly Father, enable us to realize most deeply the great trust which has been reposed in us. Each day keep us close to Thee and make us conscious of Thy presence. We pray, blessed Lord, that with honest hearts and clear perceptions we may deal justly, love mercy, and walk humbly with Thee. Endue us with new purpose and power, light and grace, and lift us into the largest and noblest life. We rejoice that the temple of our dreams is not among the dead, but in Him who will keep the unity of the world from being shattered and transform the moral thought and life of the man. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 932. An act authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months;

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; and

S. 1226. An act to prohibit the sending of unsolicited merchandise through the mails.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FERNANDEZ. Mr. Speaker, I desire to submit a unanimous-consent request. On yesterday an order was entered that the gentleman from Louisiana [Mr. SANDERS] may address the House for 20 minutes on a matter of national importance in Louisiana.

I ask unanimous consent, Mr. Speaker, that following the gentleman from Louisiana [Mr. SANDERS] I may be permitted to address the House for 20 minutes on the other side of the question, if there be one. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

JOHN M'DUFFIE

Mr. DUFFEY of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DUFFEY of Ohio. Mr. Speaker, in the Senate proceedings set forth in the CONGRESSIONAL RECORD for Thursday, January 31, 1935, my attention is called to an Executive nomination appearing on page 1357, and which reads as follows:

UNITED STATES DISTRICT JUDGE

JOHN MCDUFFIE, of Alabama, to be United States district judge, southern district of Alabama, to succeed Robert T. Ervin, retired.

Hon. JOHN MCDUFFIE, of Monroeville, Ala., was born September 25, 1883, in Monroeville County, Ala. He attended the Southern University, Greensboro, Ala.; graduated at Auburn, Ala., in 1904, and at the University of Alabama Law School, 1908; he was a member of the Alabama Legislature, 1907–11; and solicitor first judicial circuit of Alabama, 1911–19; he was elected to the Sixty-sixth and succeeding Congresses.

It was my privilege to know Hon. JOHN MCDUFFIE at the beginning of the special session of the Seventy-third Congress. I learned to know him well, and to highly respect him for his manly characteristics of honesty and integrity. Many of the Members of this Congress, who have known him longer and more intimately than I, attest to his loyal service to his country; to his faithful adherence to great fundamental principles on which our Government rests; an indefatigable worker, genuine sincerity, a congenial disposition, and the most pleasing personality have endeared him to all who have had the pleasure and opportunity of knowing him. Honored by many of his colleagues in the laudable ambition to be the Speaker of the House of the Seventy-third Congress, he received the warm, enthusiastic support of his personal friends and colleagues.

When he leaves this Congress, perhaps never to return again, he is elevated to the Federal bench in his home State, a position of honor and trust which we his colleagues know that he will fill with great honor and distinction. We regret the loss that comes to this Congress by his departure, but we congratulate him in the privilege and honor which has been bestowed on him by his Government, that he loves and reveres so much. [Applause.]

Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article published in the New York Times, by Arthur Krock, for Friday, February 1, 1935, in part, as follows:

The retirement from Congress of Representative MCDUFFIE, of Alabama, to become Federal judge in the Mobile district merits more than passing mention. His congressional career has in many respects been remarkable, and yet it has, in an important sense, been unsuccessful. From a national aspect there has been no legislator more valuable or courageous. Yet there are several Members of the House better known to the country than he.

Mr. MCDUFFIE is Chairman of the Committee on Insular Affairs, and he was party whip in the Seventy-second House. These are the highest organization positions he has held. He was never majority leader because he had an able colleague in the Alabama delegation, WILLIAM B. BANKHEAD, who was his lifelong friend. He missed the Speakership because John N. Garner, his long-time friend, answered a question from John F. Curry in one way instead of in another. With these interesting, if unsatisfactory, memories, Mr. MCDUFFIE now retires to the Federal bench, accompanied by hearty cheers from bonus and pension advocates, believers in the Government in industry, and foes of economy in general.

Cynics who require a public career to illustrate their belief that courage and ability make hampering equipment for an American politician may well consider that of Mr. MCDUFFIE. Philosophers may, however, counter with the reflection that after all a Federal judgeship is fair reward for good service and that Mr. MCDUFFIE has occasionally longed for its austere and otiose glories.

IS SERVING NINTH TERM

He is serving his ninth term in the House, and he has earned the release, if that is what he deems it. When the Democrats got their scanty House majority in the Seventy-second Congress and Mr. Garner became Speaker Mr. MCDUFFIE was appointed whip. He had entered the contest for floor leadership, but yielded to the Speaker's view that it was wiser to name a northern Member, Mr. Rainey, for that place. The previous spring he had acceded to the pleas of the Bankheads in Alabama to let brother John enter the lists for Senator against Tom Heflin, an effort that proved successful, and had determined to concentrate his ambitions in Congress.

During this term—Mr. Hoover was President—the economy committee was formed, and serving on it with Mr. McDuffie were Lewis Douglas and Joseph W. Byrns. No advocate of frugality in Government costs was more vigorous than the gentleman from Alabama, and, with Mr. Douglas, he evolved proposals to that end which made him many enemies in the ranks of the spenders. Mr. Douglas left the House afterward to become Director of the Budget, and later to find retirement from public life, the logical sequence of steadfast adherence to the views he and Mr. MCDUFFIE had pressed while members of the economy committee.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, in behalf of the minority, I am delighted to join in this deserved tribute to our beloved colleague the gentleman from Alabama [Mr. MCDUFFIE]. I am sure I voice the opinion of all on this side of the House when I say no one is more honored or more respected than this distinguished legislator who has served so many years with great ability and distinction. He was thoroughly honest, conscientious in his work, and possessed in the fullest measure the courage of his convictions. Above all, he was always a perfect gentleman. We are sorry we are to lose such a splendid statesman from these legislative Halls, because we can ill afford to lose a man of his great character and ability at this time; but we rejoice he is going to the judiciary, where we hope he will find contentment and happiness. We know our loss will be the gain of the judiciary, and our friend of many years takes with him the greatest respect of all. [Applause.]

Mr. OLIVER. Mr. Speaker——

The SPEAKER. The gentleman from Alabama.

Mr. OLIVER. Mr. Speaker, the Alabama delegation are touched and deeply appreciate the splendid tribute paid to our beloved colleague, JOHN MCDUFFIE, by the gentleman from Ohio [Mr. DUFFEY] and the gentleman from Massachusetts [Mr. MARTIN]. We also appreciate the gracious

manner in which the Members of the House have received these spoken tributes, as evidenced by the spontaneous applause on both sides of the aisle.

May I say that no one holds a higher or more enduring place in the affections of the people of my State than does the gentleman to whom you have paid this well-deserved tribute today. From early youth his fine qualities of heart, of mind, and of soul have been given unreservedly to high public service. [Applause.]

COMMITTEE ON ACCOUNTS

Mr. WARREN. Mr. Speaker, I ask unanimous consent that the Committee on Accounts may sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ISAAC S. SCOTT

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts, and ask its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Isaac S. Scott, brother of Albert Scott, late an employee of the House of Representatives, $246 to cover funeral expenses of the said Albert Scott.

The resolution was agreed to.

HATTIE P. SHEPHERD

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Hattie P. Shepherd, wife of John H. Shepherd, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not exceeding $250, to defray funeral expenses of the said John H. Shepherd.

The resolution was agreed to.

DAISY M. BRUCE

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Daisy M. Bruce, widow of David L. Bruce, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount, not exceeding $250, to defray funeral expenses of the said David Bruce.

The resolution was agreed to.

TRANSFER OF FOREST RESERVATION LANDS TO THE STATE OF MISSISSIPPI

Mr. COLMER. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes, or so much thereof as may be necessary.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, the State of Mississippi is one of the few States in the Union that does not have a National Guard camp. During the late World War a national cantonment was established near Hattiesburg, Miss., which camp trained two divisions, the Thirty-eighth and the One hundred and first. That camp made an enviable record in the training of these divisions in the war.

The War Department and the State of Mississippi have designated this particular camp site as a desirable location for the National Guard camp of the State of Mississippi, but it so happens that the Forest Service has started to establish a C. C. C. camp there, has purchased a portion of this land, and has other portions of it under option.

The War Department, the National Guard of Mississippi, the Forest Service—in fact everyone is in accord on the fact that this is a desirable location for this camp—and this land should be transferred from the Forest Service to the State of Mississippi. I have introduced, therefore, a bill, after conferring with the Secretary of Agriculture, the Secretary of War, the Chief of Staff, the Chief of the Forestry Division, and all other parties in interest. In fact, this bill was drawn by the Forest Service. It authorizes the conveyance of this land, or so much thereof as may be necessary for the purposes of this National Guard camp in Mississippi; and I now ask unanimous consent for the immediate consideration of this bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MARTIN of Massachusetts. This land is not very valuable, is it?

Mr. COLMER. It is not very valuable. The purchase price paid by the Government was about $2 an acre.

Mr. MARTIN of Massachusetts. About how many acres are involved?

Mr. COLMER. All told, approximately 4,000 acres. Part of this land is under option only.

Mr. MARTIN of Massachusetts. I may say to the gentleman from Mississippi that I am in favor of his bill but am just trying to bring out, for the sake of the record, that the State will be enabled to secure the land, and I wanted to point out that it is not very valuable land, so that we are not taking any chances.

Mr. COLMER. Quite so. It is the purpose of the Forest Service to purchase other lands in this vicinity. I thank the gentleman for his contribution.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi for the immediate consideration of the bill?

There was no objection.

The Clerk read as follows:

H. R. 4983

Be it enacted, etc., That if any of the lands purchased or to be purchased by the United States under the provisions of the act approved March 1, 1911, as amended (U. S. C., title 16, secs. 513–521, inclusive; Supp. VII, title 16, secs. 513–521, inclusive), with the limits of townships 1, 2, and 3 north, ranges 9, 10, 11, 12, and 13, in Forrest and Perry Counties, State of Mississippi, are determined to be chiefly valuable and necessary for National Guard encampment and related military purposes, the Secretary of Agriculture, with the consent and approval of the National Forest Reservation Commission established by section 4 of said act of March 1, 1911, may, and he hereby is, authorized to convey full title to said lands to the State of Mississippi or the War Department of the United States: *Provided*, That there is paid into the Treasury of the United States, or made available by transfer on the books of said Treasury, sums of money equal to the full amounts expended by the Department of Agriculture for the purchase of said lands, and the money so paid into or transferred on the books of the Treasury shall be available for expenditure by the Secretary of Agriculture for the purchase of other lands under the provisions of said act of March 1, 1911, as amended.

With the following amendment:

On page 1, line 7, after the word "with", insert "in", and on line 10, after the word "for", insert the word "a."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

JOHN M'DUFFIE

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, I should feel recreant to every impulse and prompting of my heart if I should refrain on this occasion from saying a word or two about my distinguished colleague and personal friend, the gentleman from Alabama, JOHN MCDUFFIE. He and I came to the Congress at the same time and have served here together.

I have had abundant opportunity to know of his sterling character, his unimpeachable integrity, and his outstanding ability. In this House he has represented consistently the best ideals of his party and has exemplified the principles and tenets of American manhood. His splendid service has been justly conspicuous and he will grace the Federal bench with talent and training which qualify him eminently for its duties. He goes from us with our confidence, our esteem, and our love. God bless him. [Applause.]

INTERCESSION BY THE UNITED STATES IN BEHALF OF OPPRESSED RACIAL OR RELIGIOUS MINORITIES—PRECEDENTS AVAILABLE IN THE CASE OF MEXICO

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York, Mr. CELLER, may be permitted to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the present intolerable persecution of Catholics on our own continent—in Mexico—dismays and frightens all liberty-loving and fair-minded citizens. This reversion to medieval methods and a supposedly outworn point of view forces us to the discouraging, but none the less inescapable, conclusion that we have made very little real progress since the Dark Ages. For, after all, if despite the advance of science and education we can still have outbursts typified by the present situation in Mexico, we have learned practically nothing from many years of experience. To Americans intolerance of any variety is especially obnoxious. The United States was founded essentially as a free country. Complete personal freedom in all phases of our daily lives is an integral part of the American birthright, and it is therefore with actual horror that we witness such a reversion to barbarism.

The fact that the rulers of Mexico, the National Revolutionary Party, are themselves antireligious is no concern of ours. But when these rulers attempt to stamp out and crush the religious freedom of their compatriots the entire aspect changes and we can regard such a policy as a definite threat to the security of our own freedom, not merely where religion is concerned, but personal liberty of every kind. For it is an established fact that dogmatism never remains limited to a small portion of existence; either it is overthrown completely and liberalism takes its place or it grows and strengthens its hold until it has choked liberty from every possible angle. Ten or twelve years ago the Mexican Government merely strove to handicap religion and restrain it within certain specified limits. But now, and this despite the fact that 90 percent of the population is Catholic, it seeks to stamp out religion altogether.

Where previously the number of priests was somewhat limited, we now find some States wherein only 1 priest is permitted for 100,000 worshipers, and in other places no priests whatsoever are allowed. As a result, large portions of the population are entirely without any sort of religious guidance. As has been proven by religious history in the past, such unfair and unwarranted persecution merely serves to stimulate and increase the natural ardor for religion, and as long as religious worship is placed under such difficulties, any sort of internal peace is impossible.

Furthermore, it is reported that our nationals resident in Mexico are being persecuted because of their Catholicism.

The Mexican Government justifies its actions in the usual way, namely, by blaming all the poverty and misfortunes of the populace on the Catholic Church. This identical method is being used by Hitler in Germany in his similar campaign against the Jews. In such cases the authorities in power always maintain that they are doing their utmost to protect the people from the pernicious influence which they are trying to stamp out. In Mexico the drive against religion goes farther than a mere suppression of free worship. It goes so far as to prohibit children from receiving any sort of religious education or instruction whatsoever. Thus the Government invades private domain and endeavors to dictate how children should be brought up by their parents. If allowed to continue, this can but result in a dictatorship so complete that it will invariably sooner or later invade every phase of economic and social, as well as of religious life.

Many times in the past the Government of the United States, through its representatives abroad, has interceded in behalf of an oppressed minority. From a perusal of the historical facts we find that such intercession has been occasioned in the main by persecution of the Jewish race. This is solely because the Jews have in the past as well as at the present time been the most universally persecuted people in the world. With the same alacrity, however, our Government interceded on behalf of other sects. It is interesting to note that in 1870 Secretary of State Fish interceded to protect Christian missionaries in Hawaii. In 1882 Secretary of State Frelinghuysen interceded on behalf of the American Bible Society in Russia. In the Treaty of St. Germain, September 19, 1919, our Government insisted upon stipulations guaranteeing the rights of religious minorities following the World War. And finally, President Roosevelt secured pledges from Russia—the U. S. S. R.—in 1933, guaranteeing against discriminations in respect to passport visas and religious liberties of our nationals.

The history of American intercession on behalf of oppressed racial or religious minorities is indeed worthy of minute review, particularly in the light of the resolution which I have offered, to wit, House Resolution 70, which is in the nature of a protest against the unjust and deplorable policy of the Mexican National Revolutionary Party in regard to the freedom of worship of the Catholics in Mexico. I desire to set forth this resolution and at the same time pay tribute and respect to the Legislative Reference Service of the Library of Congress, and especially to Carl L. W. Meyer, of that service, for his painstaking and thorough study which he submitted to me concerning this momentous topic. I also wish to thank the Director of the Legislative Reference Service, Herman H. B. Meyer, for his helpfulness.

PRECEDENTS

It appears to be a generally established principle that the United States demands for its own nationals abroad the enjoyment of as large privileges of religious freedom as are granted to nationals of other countries.[1]

As regards intercession by the United States in favor of nationals other than those of the United States, it has been observed that "the United States does not undertake to plead the cause of aliens within foreign lands save in cases where their religious persecution is conceived to be directly injurious to the rights of the Nation or of its citizens."[2] In this connection it may be noted that several Secretaries of State, including Secretaries Blaine, Gresham, and Hay, declared that the suppressive measures against Hebrew nationals in Russia and Rumania, forcing numerous destitute people to emigrate to the United States, were directly injurious to the interests of this country in a manner which justified its protest.[3] Instances of this nature and others in which the United States has interceded in foreign countries in behalf of oppressed racial or religious minorities follow:

PERSECUTION OF JEWS IN DAMASCUS

Mr. John Forsyth, Secretary of State of the United States in 1840,[4] having reference to a resolution[5] which had been

[1] In a letter dated Jan. 18, 1906, to Mr. Leishman, American Minister to Turkey, Mr. Elihu Root, Secretary of State of the United States, pointed out that "the President's message to the Sultan and the instructons sent by the Department to the Legation * * * should leave no doubt in the mind of the Turkish Government that the United States confidently and in common justice expects that American (religious, benevolent, and educational) institutions (in Turkey) shall be treated on an equal footing of benefit with those of other states"; Foreign Relations of the United States, 1906, II, p. 1378.

[2] Hyde, Int. Law, vol. 1, p. 382, citing in support of this view Mr. Cass, Secretary of State, to Mr. Williams, Minister to Turkey, Oct. 22, 1860, MS. Inst. Turkey, II, 27, Moore, Dig., VI, p. 333; Mr. Frelinghuysen, Secretary of State, to Mr. Gifford, Dec. 19, 1884, 153 MS. Dom. Let. 470, Moore, Dig., VI, p. 339; Mr. Day, Secretary of State, to the Reverend Mr. Strong, June 3, 1898, 229 MS. Dom. Let. 113, Moore, Dig., II, p. 178.

[3] See below; also Borchard, Diplomatic Protection of Citizens Abroad (1915 ed.), p. 466, citing President Harrison in annual message, Dec. 9, 1891, For. Rel., 1891, XII; Mr. Hay, Secretary of State, to Mr. Wilson, Minister to Rumania, July 17, 1902, For. Rel., 1902, p. 910; and Moore, Dig., VI, secs. 925 and 926. See also Hyde, op. cit., vol. 1, p. 88f.

[4] Mr. John Forsyth, Secretary of State, to Mr. J. B. Kursheedt, chairman of the executive committee of the Israelites of New York, and Mr. Theodore J. Seixas, secretary of the same committee, Aug. 26, 1840, 31 MS. Dom. Let. 203; Moore, J. B., Digest of International Law, VI, 347. The text of Secretary Forsyth's letter to Messrs. Kursheedt and Seixas is also printed in full in Jacob Ezekiel's Persecution of the Jews in 1840, a contribution to the Publications of the American Jewish Historical Society, No. 8 (Baltimore, 1900), pp. 142–3.

[5] For full text of the resolution, see Ezekiel, Jacob, op. cit., pp. 141–2.

adopted August 19, 1840, at a meeting of Hebrews held for the purpose of "uniting in an expression of sympathy for their brethren in Damascus", stated that the heart-rending scenes which had occurred [6] at that city had previously been brought to the notice of the President of the United States [7] by a communication from the American consul at that place, and that in consequence thereof "a letter of instructions was immediately written to our consul at Alexandria." [8] Mr. Forsyth further pointed out that "about the same time our chargé d'affaires at Constantinople was instructed to interpose his good offices in behalf of the oppressed and persecuted race of the Jews in the Ottoman dominions, among whose kindred are found some of the most worthy and patriotic of our own citizens, and the whole subject, which appeals so strongly to the universal sentiments of justice and humanity, was earnestly recommended to his zeal and discretion."

DISCRIMINATIONS AGAINST HEBREWS IN SWITZERLAND

The Swiss Constitution formerly permitted certain discriminations against Israelites. Some of the Swiss Cantons, in conformity with their constitutional rights, refused residence in their territory to believers in the Mosaic dispensation on the ground that the Cantons "did not desire an augmentation of the number of Jewish merchants", a refusal given to many Jews of different countries.[9] Since the discrimination also involved Jewish citizens of the United States, considerable correspondence on that subject ensued between the Governments of the United States and Switzerland.[10]

In 1850 the American Minister to Switzerland was charged with the duty of negotiating a treaty of commerce between this country and the Swiss Confederation. On February 13, 1851, President Millard Fillmore forwarded to the Senate of the United States a proposed general convention signed at Berne, the Swiss Capital, on November 25, 1850,[11] together with a copy of the instructions under which the American negotiators had acted, and a despatch of November 30, 1850, explanatory of the articles of the convention. In his message transmitting the treaty, President Fillmore expressed his objections to the last clause in article 1 of the proposed convention, which read as follows: [12]

On account of the tenor of the Federal Constitution of Switzerland, Christians alone are entitled to the enjoyment of the privileges guaranteed by the present article in the Swiss Cantons. But said Cantons are not prohibited from extending the same privileges to citizens of the United States of other religious persuasions.

The President further pointed out that "it is quite certain that neither by law, nor by treaty, nor by any other official proceeding is it competent for the Government of the United States to establish any distinction between its citizens founded on differences in religious beliefs." After considerable delay the treaty was finally ratified by the President on November 6, 1854,[13] after some of the objectionable provisions had been amended.[14] Still, the provisions in the Swiss Constitution discriminating against Hebrews were not changed at that time, and continued to occupy the attention of the President and of the State Department. On November 5, 1857, Secretary of State Lewis Cass sent the following instructions to Mr. Fay, the United States Minister to Switzerland: [15]

I am directed by the President to instruct you to use all the means in your power to effect the removal of the odious restrictions complained of, which, it is understood, are contained in the laws of but four of the Swiss Cantons. You are requested to inform the Department upon this point, and to state the names of the Cantons in which these laws exist.

Restrictive measures against the Jews were particularly marked in the Canton of Basel, where on November 17, 1851, the following law was promulgated: [16]

1. No Jew, without exception, is permitted to settle, to carry on commerce, trade, or any handicraft in the Canton.
2. Any citizen who admits a Jew into his house, be it for commercial purposes, as clerk or servant, or in any other capacity, or for what other purpose soever, is liable to a fine of 300 francs.
3. Hawking goods or with patterns, dealing in cattle, produce, leather, etc., is prohibited to any Jew, under a fine of from 5 to 20 francs for the first offense, and of confiscation of goods and of the same fine for the second offense.
4. Whoever lets a wareroom, stall, or house to any Jew, during a fair, for a period exceeding 6 days, is liable to a fine of 50 francs for the first contravention and of 200 francs for the second.

On January 18, 1858, Minister Fay's letter to Secretary Cass included the following: [17]

I shall endeavor to present the question in so clear a light as to demonstrate that a more liberal course is required by the dignity, and even by the material interest, of Switzerland herself. I hope also to procure a larger interpretation of the law in favor of our fellow citizens that some practical benefit may immediately result.

Secretary Cass, under date of April 17, 1858, dispatched the following to Mr. Fay: [18]

The President learns with pleasure that your efforts in behalf of the American Israelites in Switzerland have not been relaxed. The removal of the restrictions contained in the cantonal laws so oppressive to Jewish citizens of the United States is, as you are aware, a matter which the President has much at heart, and he indulges the hope that the measures taken by you to secure that result may be successful.

The Swiss Confederation on May 29, 1874, adopted a new federal constitution which accorded full religious liberty to all. Article 50 of this constitution provides that—

The free exercise of worship is guaranteed, within the limits compatible with public order and good morals.[19]

PROTEST AGAINST EXECUTION OF JEW BY MOHAMMEDANS

Mr. Lewis Cass, Secretary of State, in his instructions—July 29, 1857—to Mr. Chandler, Minister to the Two Sicilies, stated that the joining by an American consul in a Mohammedan country with the consuls from other nations in a protest against the conviction and execution of a Jew for blasphemy "meets with the approval of the Government of the United States." [20]

PROTECTION OF CHRISTIAN MISSIONARIES IN HAWAII

In 1870, Mr. Hamilton Fish, Secretary of State of the United States, in his instructions to the American Minister to Hawaii declared [21] that—

it is a matter of regret that the Christian missionaries of the United States and of Hawaii to the Micronesian group should have experienced any obstacle in the prosecution of their calling, and especially that they should have been wronged in their person and property by the savage aborigines. It is hoped that the vessel of war which, it is understood, has been ordered thither, will have the effect of preventing any further outrages upon our citizens.

[6] The facts of this case are given more fully in Dr. Cyrus Adler's book entitled "Jews in the Diplomatic Correspondence of the United States", publication of the American Jewish Historical Society, No. 15 (Baltimore, 1906), p. 4ff.

[7] President Martin Van Buren.

[8] The text of Mr. Forsyth's letter of instructions to Mr. John Gliddon, United States consul at Alexandria, is also printed in Ezekiel, Jacob, op. cit., pp. 143, 144. For text of the resolution adopted by the executive and corresponding committee of Israelites of Virginia to the effect that a letter be addressed to President Van Buren expressing the "acknowledgments of the Israelites of Virginia in common with their brethren throughout the United States and elsewhere, for the prompt and handsome manner in which he has acted in reference to the persecutions practiced upon our brethren of Damascus", and for the text of the letter to President Van Buren, dated Sept. 4, 1840, see ibid., p. 145.

[9] House of Representatives, Executive Documents, 36th Cong., 1st sess., 1859–60, Ex. Doc. No. 76, p. 4.

[10] In compliance with resolutions of the House of Representatives, the President of the United States, in a message, transmitted to Congress "information relative to discrimination in Switzerland against citizens of the United States of the Hebrew persuasion." For text of the message see Ex. Doc. No. 76 (op. cit.), pp. 1–101.

[11] See Malloy, W. M., Treaties, conventions, etc. (61st Cong., 2d sess., Sen. Doc. No. 357), vol. 2, p. 1763.

[12] See Stroock, S. M., Switzerland and American Jews, in Publications of the American Jewish Historical Society, No. 11 (Baltimore, 1903), p. 8.

[13] Malloy, op. cit., p. 1763.—The treaty was finally proclaimed Nov. 9, 1855.

[14] See Stroock, op. cit., p. 23.

[15] House Executive Document No. 78 (op. cit.), p. 12.

[16] Stroock, op. cit., p. 12.

[17] House Executive Document No. 78, p. 16.

[18] Dodd, Walter Fairleigh, Modern Constitutions, a collection of the fundamental laws of 22 of the most important countries of the world, Chicago, University of Chicago Press, 1909, vol. 2, p. 271.

[19] House Ex. Doc. No. 78, p. 22.

[20] Mr. Cass, Secretary of State, to Mr. Chandler, no. 12, July 29, 1857, MS. Inst. Barbary Powers, XIV, 193; Moore, Digest, VI, 348.

[21] Mr. Fish, Secretary of State, to Mr. Pierce, Minister to Hawaii, no. 13, April 6, 1870, MS. Instructions to United States Ministers, Department of State, Washington, D. C., Hawaii, II, 196; Moore, Digest, VI, 333–34.

PROTECTION OF JEWS IN MOROCCO

On July 2, 1878, Secretary of State Evarts transmitted the following to Mr. Felix A. Mathews, United States consul at Tangier: [22]

I transmit herewith a copy of a letter dated the 15th ultimo, addressed to this Department, by Mr. Meyer S. Isaacs, president, and S. Wolf, vice president of the board of delegates of American Israelites, New York, requesting that you be instructed to inquire into the condition of the Jews in that Empire, and to consult for the amelioration of their status. I also enclose a copy of the reply thereto of the Department, by which you will perceive that Mr. Isaacs has been informed that, in view of the fact that the informal friendly offices of the United States have, on similar occasions, been exercised with good results, through their representatives abroad, you would be authorized to act in the sense of his request. You are consequently requested to take such steps toward the accomplishment of the end desired as may be consistent with your international obligations and the efficiency of your official relations with the Government of Morocco.

During the same month Secretary of State Evarts wrote to the said Messrs. Isaacs and Wolf as follows: [23]

It is, as you are, of course, aware, difficult for a foreign government to make the full force of its influence felt in intervening for the protection of native subjects of the State addressed. Nevertheless, in view of the fact that the informal and friendly offices of the United States have, at times before now, been used with good effect, through the informal action of their representatives abroad in the interest of humanity, and of that full religious toleration and equity which form so conspicuous a base for our own enlightened institutions, I shall be happy to instruct the United States consul at Tangier that he is at liberty to act, in the sense of your request, so far as may be consistent with his international obligations and the efficiency of his official relations with the Scheriffian government.

JEWISH PERSECUTIONS IN RUMANIA

In 1870 Mr. Benjamin F. Peixotto, an American Hebrew, was appointed consul of the United States to Rumania for the purpose, among other things, of promoting Jewish emancipation and cessation of anti-Jewish activity in that country. President Grant, on December 8, 1870, handed Mr. Peixotto his credentials, which read in part as follows: [24]

Mr. Peixotto has undertaken the duties of his present office more as a missionary work for the benefit of the people he represents than for any benefit to accrue to himself—a work in which all citizens will wish him the greatest success. The United States, knowing no distinction of her own citizens on account of religion or nativity, naturally believes in a civilization the world over, which will secure the same universal views.

REPRESENTATIONS TO SPAIN CONCERNING THE QUESTION OF RELIGIOUS LIBERTY

In his instructions (Dec. 8, 1876) to Mr. Adee, chargé d'affaires of the United States at Madrid, Secretary of State Hamilton Fish said: [25]

Upon the 23d of November, Sir Edward Thornton called upon me and stated that he was instructed by Lord Derby to read to me, and if I desired it to leave with me a copy of an instruction bearing date October 28, which had been addressed to Mr. Layard, Her (British) Majesty's minister at Madrid, touching religious toleration in Spain, and that Lord Derby expressed the hope that the Government of the United States might instruct its representative at Madrid to make representations in a similar sense to the Government of the King. I transmit, herewith, a copy of this instruction, which was given me by Sir Edward Thorton. * * *

You are instructed to act in concert with Mr. Layard, Her Majesty's minister, in the sense in which he is instructed by Lord Derby, and to take occasion to speak in a similar sense to the minister of state, impressing upon him the deep interest which the question of religious liberty in Spain excites in the United States, and the strong hope that the steps lately taken by the Spanish Government with reference to religious freedom and toleration may not be followed by others of a more retrograde character, and that the rights which the minister of state admits are secured to Protestants by the eleventh article of the constitution may be entirely respected, and that the United States rely upon the good faith of the Spanish Government to promptly and firmly suppress any attempt from any quarter to infringe upon these rights.

INTERCESSION IN BEHALF OF THE AMERICAN BIBLE SOCIETY

On May 27, 1882, Secretary of State Frelinghuysen enclosed to the American Legation at the Russian capital a letter from the American Bible Society concerning the introduction and sale in parts of Russia of copies of the Bible printed by that society.[26] It declared that agents of the society were forbidden to sell the Scriptures from house to house in Estonia, then a part of the Russian Empire, and that copies of the Scriptures published by the society in the Armenian and Syriac languages, imported by way of Tabriz or Constantinople, were excluded from the region of the Caucasus by a Russian ministerial decree. Mr. Frelinghuysen pointed out that the American Bible Society was incorporated under the laws of New York and that—

Apart from its claims in common with other lawful American corporations to the kindly offices of the Government of the United States, there was in this case the unselfish aim of doing good, which commended it to the support of enlightened people.

Mr. Hoffman, the chargé d'affaires, was directed—

To read the instruction to the Russian Minister of Foreign Affairs and to express the hope that the Russian Government would examine into the allegations submitted, and if they were found to be well grounded issue such orders as might be deemed right and best fitted to afford the desired relief.

THE KEILEY CASE

In 1885, the fact that the Austro-Hungarian Government refused to accept the Honorable Anthony M. Keiley, who was married to a Jewess, as Envoy Extraordinary and Minister Plenipotentiary, gave rise to considerable correspondence between the two Governments concerned.[27]

On May 4, 1885, Mr. Thomas F. Bayard, Secretary of State of the United States, wrote to Baron Schaeffer, Austro-Hungarian Minister to the United States, that "I have the honor to inform you that the President has appointed Anthony M. Keiley, of Virginia, one of our distinguished citizens, to succeed Mr. Francis as the Envoy Extraordinary and Minister Plenipotentiary of the United States at Vienna. In communicating this intelligence, I desire to bespeak for Mr. Keiley, through your kind offices, that favorable reception at Vienna which is due to his merits as an American citizen of great ability and character."

Five days later Baron Schaeffer handed Secretary Bayard the translation of a telegram dated Vienna, May 8, 1885, from Count Kalnoky, which is given here in full:

We regret the nomination of Mr. Keiley as Minister Plenipotentiary and Envoy Extraordinary to the Imperial Court and his sudden departure from America, as here, too, like in Rome, prevail scruples against this choice.

Please direct in the most friendly way the attention of the American Government to the generally existing diplomatic practice to ask previously to any nomination of a foreign minister the agrément (consent) of the Government to which he is accredited.

You are therefore requested to earnestly entreat them that the newly nominated Minister may not reach Vienna before our confidential consent to his nomination has taken place.

The position of a foreign envoy wedded to a Jewess by civil marriage would be untenable and even impossible in Vienna.

COUNT KALNOKY.

In a note to Baron Schaeffer dated May 18, 1885, Secretary of State Bayard, after having submitted the matter to the consideration of the President, wrote in part as follows:

The supreme law of this land expressly declares that "no religious test shall ever be required as a qualification to any office or public trust under the United States", and by the same authority it is declared that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

This is a government of laws, and all authority exercised must find its measure and warrant thereunder.

It is not within the power of the President, nor of Congress, nor of any judicial tribunal of the United States, to take or even hear testimony or in any mode to inquire into or decide upon the religious belief of any official, and the proposition to allow this to be done by any foreign government is necessarily and a fortiori inadmissible.

To suffer an infraction of this essential principle would lead to a disfranchisement of our citizens because of their religious belief, and thus impair or destroy the most important end which our

[22] U. S. Department of State, Papers Relating to the Foreign Relations of the United States, 1878, pp. 685–686.

[23] Mr. Evarts, Secretary of State, to Messrs. Isaacs and Wolf, July 1, 1878, 123 MS. Dom. Let. 395; Moore, Dig., VI, p. 349.

[24] Kohler, M. J., and Wolf, Simon, Jewish disabilities in the Balkan States, American contributions toward their removal, with particular reference to the Congress of Berlin, Publication of the American Jewish Historical Society No. 24 (Baltimore, 1916), p. 13.

[25] Mr. Fish, Secretary of State, to Mr. Adee, chargé at Madrid, Dec. 8, 1876, MS. Inst. Spain, XVIII, 52; Moore, Dig., VI, p. 175–6.

[26] Mr. Frelinghuysen, Secretary of State, to Mr. Hoffman, chargé, no. 128, May 27, 1882, MS. Inst. Russia, XVI, 279; Moore, Dig., VI, 335–336.

[27] The quotations below are taken from United States Department of State, Papers Relating to the Foreign Relations of the United States, 1885, p. 48ff. See also Moore, John B., Digest of International Law, vol. IV, p. 480ff.

Constitution of government was intended to secure. Religious liberty is the chief cornerstone of the American system of government, and provisions for its security are embedded in the written charter and interwoven in the moral fabric of its laws.

Anything that tends to invade a right so essential and sacred must be carefully guarded against, and I am satisfied that my countrymen, ever mindful of the suffering and sacrifices necessary to obtain it, will never consent to its impairment for any reason or any pretext whatsoever.

In harmony with this essential law is the most equally potential unwritten law of American society that awards respect and delicate consideration to the women of the United States and exacts deference in the treatment at home and abroad of the mothers, wives, and daughters of the Republic.

The case we are now considering is that of an envoy of the United States, unquestionably fitted, morally and intellectually, and who has been duly accredited to a friendly Government, toward which he is thoroughly well affected; who in accordance with the laws of this country has long since contracted and has maintained an honorable marriage, and whose presence near the foreign government in question is objected to by its agents on the sole ground that his wedded wife is alleged to entertain a religious faith which is held by very many of the most honored and valued citizens of the United States.

It is not believed by the President that a doctrine and practice so destructive of religious liberty and freedom of conscience, so devoid of catholicity, and so opposed to the spirit of the age in which we live can for a moment be accepted by the great family of civilized nations or be allowed to control their diplomatic intercourse.

Certain it is, it will never, in my belief, be accepted by the people of the United States nor by any administration which represents their sentiments. * * *

President Grover Cleveland, in his annual message to Congress of December 8, 1885, referring to the Keiley incident and to the position taken by the Government of Austria-Hungary, stated [28] that:

The reasons advanced (by that Government) were such as could not be acquiesced in without violation of my oath of office and the precepts of the Constitution, since they necessarily involved a limitation in favor of a foreign government upon the right of selection by the Executive, and required such an application of a religious test as a qualification for office under the United States as would have resulted in the practical disfranchisement of a large class of our citizens and the abandonment of a vital principle in our Government. The Austro-Hungarian Government finally decided not to receive Mr. Keiley as the envoy of the United States, and that gentleman has since resigned his commission, leaving the post vacant. I have made no new nomination, and the interests of this Government at Vienna are now in the care of the secretary of legation acting as chargé d'affaires ad interim.

INTERCESSION IN BEHALF OF JEWS IN RUSSIA (1891)

On August 20, 1890, the House of Representatives of the United States adopted a resolution requesting the President to communicate to that body any information in his possession with regard to the enforcement of proscriptive edicts against the Jewish people in Russia.

The President of the United States responded to the said resolution on October 1 of the same year, and accompanied his response with a report which, with reference to the rumors that new measures of repression were about to be put in force, said in part that:

Such a step, if in reality contemplated, would not only wound the universal and innate sentiment of humanity, but would suggest the difficult problem of affording an immediate asylum to a million or more of exiles without seriously deranging the conditions of labor and of social organization in other communities.[29]

Secretary of State James G. Blaine, in his instructions to Mr. Smith, American Minister to Russia,[30] under date of February 18, 1891, included the following statement:

The Government of the United States does not assume to dictate the internal policy of other nations, or to make suggestions as to what their municipal laws should be, or as to the manner in which they should be administered. Nevertheless, the mutual duties of nations require that each should use its power with due regard for the results which its exercise produces on the rest of the world. It is in this respect that the condition of the Jews in Russia is now brought to the attention of the United States, upon whose shores are cast daily evidences of the suffering and destitution wrought by the enforcement of the edicts against this unhappy people. I am persuaded that His Imperial Majesty the Emperor of Russia, and his councilors, can feel no sympathy with measures which are forced upon other nations by such deplorable consequences.

You will read this instruction to the Minister of Foreign Affairs and give him a copy if he desires it.

On April 20, 1891, Mr. Charles Emory Smith, Minister of the United States to Russia, wrote to Secretary Blaine from St. Petersburg, the Russian capital, that—

Within a few days the Russian journals have stated that 150 Jewish families of Moscow have been notified that they must remove from that city, and I am informed that 50 families of this city are about to receive a similar notification. It is probable that these are only the forerunners of further expulsions. No new law has been ordained and none has been required to this end. It is held to be simply an application of the existing law hitherto unenforced. According to the strict letter there are many thousands living here and at the ancient capital of the Empire without legal authority. The number is said to be from 10,000 to 20,000 at St. Petersburg and nearly 100,000 at Moscow. Though destitute of technical right, their residence has had the sanction of long toleration and has acquired the sacredness of an established home, the compulsory abandonment of which would be attended with hardship. It is supposed that the result will be tempered with such degree of consideration and such allowance of time for preparation as here compatible with a measure of this nature. The Government has declared that this new application of the old laws would be made "gently and gradually", and the steps now taken, with those to follow, will show how these terms are to be interpreted.[31]

The plight of the Jewish people in Russia at that time was referred to in President Harrison's message to Congress of December 9, 1891,[32] in which the President said:

This Government has found occasion to express in a friendly spirit, but with much earnestness, to the Government of the Czar, its serious concern because of the harsh measures now being enforced against the Hebrews in Russia. By the revival of anti-Semitic laws, long in abeyance, great numbers of those unfortunate people have been constrained to abandon their homes and leave the Empire by reason of the impossibility of finding subsistence within the pale to which it is sought to confine them. The immigration of these to the United States—many other countries being closed to them—is largely increasing and is likely to assume proportions which may make it difficult to find homes and employment for them here and to seriously affect the labor market. It is estimated that over 1,000,000 will be forced from Russia within a few years. The Hebrew is never a beggar; he has always kept the law—life by toil—often under severe and oppressive civil restrictions. It is also true that no race, sect, or class has more fully cared for its own than the Hebrew race. But the sudden transfer of such a multitude, under conditions that end to strip them of their small accumulations and to depress their energies and courage, is neither good for them nor for us. The banishment, whether by direct decree or by not less certain indirect methods, of so large a number of men and women is not a local question. A decree to leave one country is, in the nature of things, an order to enter another—some other. This consideration, as well as the suggestions of humanity, furnishes ample ground for the remonstrances which we have presented to Russia, while our historic friendship for that Government cannot fail to give the assurance that our representations are those of a sincere well-wisher.

SECRETARY HAY'S NOTE CONCERNING CONDITION OF JEWS IN RUMANIA (1902)

Under the personal supervision of President Theodore Roosevelt, Secretary of State John Hay prepared an extensive note concerning the disabilities of the Jewish people in Rumania, which was dispatched, on July 17, 1902, to Minister Charles S. Wilson, in charge of American interests in Rumania. This note also discussed the proposed naturalization convention between the United States and Rumania. Extracts of the same are given below: [33]

Starting from the arbitrary and convertible premise that the native Jews of Rumania domiciled there for centuries are "aliens not subject to foreign protection", the ability of the Jew to earn even the scanty means of existence that suffice for a frugal race has been constricted by degrees, until nearly every opportunity to win a livelihood is denied; and until the helpless poverty of the Jew has constrained an exodus of such proportions as to cause general concern.

The political disabilities of the Jews in Rumania, their exclusion from the public service and the learned professions, the limitations of their civil rights, and the imposition upon them of exceptional taxes, involving as they do wrongs repugnant to the moral sense of liberal modern peoples, are not so directly in point for my present purpose as the public acts which attack the inherent right of a man as a breadwinner in the ways of agriculture and trade. The Jews are prohibited from owning land,

[28] U. S. Department of State, Foreign Relations of the United States, 1885, p. IV.

[29] U. S. Department of State, Papers Relating to the Foreign Relations of the United States, 1891, p. 738. See also, Moore, Dig., vol. VI, p. 354.

[30] For. Rel., 1891, p. 739.

[31] U. S. For. Rel., 1891, pp. 742–743.

[32] President Benjamin Harrison, Annual Message, Dec. 9, 1891, U. S. For. Rel., 1891, p. XII; see also Moore, Dig., VI, p. 358–359.

[33] U. S. For. Rel., 1902, p. 912ff. See also Kohler and Wolf, Jewish disabilities in the Balkan States (op. cit.), p. 80ff.

or even from cultivating it as common laborers. They are debarred from residing in the rural districts. Many branches of petty trade and manual production are closed to them in the overcrowded cities, where they are forced to dwell and engage, against fearful odds, in the desperate struggle for existence. Even as ordinary artisans or hired laborers they may only find employment in the proportion of one "unprotected alien" to two "Rumanians" under any one employer * * *. Human beings so circumstanced have virtually no alternatives but submissive suffering or flight to some land less unfavorable to them. Removal under such conditions is not and cannot be healthy, intelligent emigration of a free and self-reliant being. It must be, in most cases, the mere transplantation of an artificially produced diseased growth to a new place * * *.

The United States offers asylum to the oppressed of all lands. But its sympathy with them in no wise impairs its just liberty and right to weigh the acts of the oppressor in the light of their effects upon this country and to judge accordingly.

Putting together the facts, now painfully brought home to this Government, during the past few years, that many of the inhabitants of Rumania are being forced by artificially adverse discriminations to quit their native country; that the hospital asylum offered by this country is almost the only refuge left to them; that they come hither unfitted by the conditions of their exile to take part in the new life of this land under circumstances either profitable to themselves or beneficial to the community, and that they are objects of charity from the outset and for a long time—the right of remonstrance against the acts of the Rumanian Government is clearly established in favor of this Government. Whether consciously and of purpose or not, these helpless people, burdened and spurned by their native land, are forced by the sovereign power of Rumania upon the charity of the United States. This Government cannot be a tacit party to such an international wrong. It is constrained to protest against the treatment to which the Jews of Rumania are subjected, not alone because it has unimpeachable ground to remonstrate against the resultant injury to itself, but in the name of humanity. The United States may not authoritatively appeal to the stipulations of the Treaty of Berlin, to which it was not and cannot become a signatory, but it does earnestly appeal to the principles consigned therein, because they are principles of international law and eternal justice, advocating the broad toleration which that solemn compact enjoins, and standing ready to lend its moral support to the fulfillment thereof by its cosignatories, for the act of Rumania itself has effectively joined the United States to them as an interested party in this regard.

Identical instructions along lines of the one just partly quoted were sent on August 11, 1902, by the Department of State to the representatives of the United States to Great Britain, Germany, France, Italy, Russia, and Turkey, to be submitted by them to the ministers of foreign affairs of the countries to which they were accredited. The two opening paragraphs of the said instructions contained the following: [34]

In the course of an instruction recently sent to the Minister accredited to the Government of Rumania in regard to the bases of a negotiation begun with that Government looking to a convention of naturalization between the United States and Rumania, certain considerations were set forth for the Minister's guidance.

It has seemed to the President appropriate that these considerations, relating, as they do, to the obligations entered into by the signatories of the Treaty of Berlin of July 13, 1878, should be brought to the attention of the Governments concerned and commended to their consideration in the hope that, if they are so fortunate as to meet the approval of the several powers, such measures as to them may seem wise may be taken to persuade the Government of Rumania to reconsider the subject of the grievances in question.

THE KISHINEV MASSACRE

During April 19–20, 1903, an anti-Semitic outbreak occurred in Kishinev, Russia, causing the death of 47 Jews and injuries to several hundreds of other people of the Jewish race.[35] In addition, great material losses were caused by this outbreak, 700 houses were destroyed, 600 stores looted, and many families utterly ruined. As a result of these outrages, a mass meeting was held in New York City at Carnegie Hall in protest against the Kishinev affair. The meeting was presided over by Paul D. Cravath, and the speakers included ex-President Cleveland, Mayor Seth Low, Jacob G. Schurman, president of Cornell University, and others.

During the said meeting a resolution was adopted, which read in part as follows:[36]

Resolved, That the people of the United States should exercise such influence with the Government of Russia as the ancient and unbroken friendship between the two nations may justify to stay the spirit of persecution, to redress the injuries inflicted upon the Jews of Kishineff, and to prevent the recurrence of outbreaks such as have amazed the civilized world.

Early in July of the same year President Theodore Roosevelt directed Secretary of State John Hay to instruct the American chargé at St. Petersburg to ask for an audience with the Russian Minister of Foreign Affairs and to make to him the following communication: [37]

EXCELLENCY: The Secretary of State instructs me to inform you that the President has received from a large number of prominent citizens of the United States of all religious affiliations, and occupying the highest positions in both public and private life, a respectful petition addressed to His Majesty the Emperor relating to the condition of the Jews in Russia and running as follows:

Here is set out the petition: [38]

I am instructed to ask whether the petition will be received by Your Excellency to be submitted to the gracious consideration of His Majesty. In that case the petition will be at once forwarded to St. Petersburg.

Subsequently the American chargé at St. Petersburg informed the State Department at Washington that—

The Russian Government, through its Minister of Foreign Affairs, had declined to receive or consider the petition.[39]

TERMINATION OF THE TREATY OF 1832 BETWEEN THE UNITED STATES AND RUSSIA

The treaty of commerce and navigation concluded between the United States of America and Russia on December 18, 1832, was terminated by the United States in 1911, owing in a large measure to discriminations against Jewish holders of American passports by agents of the Russian Government.

On December 11, 1911, Mr. William G. McAdoo, at the hearing before the House Committee on Foreign Affairs on the House Joint Resolution No. 166 concerning the termination of the treaty of 1832, addressing the said committee, said: [40]

The question presented for your consideration is one with which you are so familiar that it scarcely needs presentation on my part. For 40 years Russia has disregarded, as we think, the plain stipulations of this treaty. She has undertaken to apply a rigid test to American citizens seeking to enter Russia. We do not believe that this Government can afford to submit to any such test as applied to any part of its citizens. We believe that every American citizen, whatever his antecedents, is entitled to the benefits of a treaty made for every American citizen and every class of American citizenship. The Government of the United States has on its part strictly observed the obligations of their treaty, and Russia alone has been derelict in performance. It seems that when an American citizen presents a passport to the Russian consul general in New York, or in any foreign capital, for a visa he is immediately asked what is his religion. There are a few other questions also asked, but that seems to be the important one. The minute he confesses that he is a Jew the visa is refused and discrimination is at once made against a certain part of our citizens—a very large and important element of our citizens. Our diplomatic history is full of protests on the part of this Government against this discrimination. Large efforts have been made to get Russia to recede from a position which is utterly and wholly untenable, but without success. The time has now come when we believe that this committee and Congress should take a firm stand on this question and should insist that Russia live up to the treaty or that it be abrogated. We do not believe that any satisfactory result is going to be accomplished any other way.

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[34] U. S. For. Rel., 1902, pp. 42–43. As to the attitude of the powers approached by the United States Government, see U. S. For. Rel., 1903, p. 704.

[35] A more detailed account of the Kishinev affair is given in Oscar S. Straus (former Ambassador to Turkey and former Secretary of Commerce and Labor of the United States) Under Four Administrations, Boston and New York, Houghton Mifflin Co., 1922, p. 170ff.

[36] Straus, Oscar S., op. cit., p. 171.

[37] Ibid., p. 172: For other diplomatic correspondence concerning "outrages perpetrated on Jews in Russia" see U. S. For. Rel., 1903, p. 712ff.

[38] The petition had been proposed by a committee from the B'nai B'rith Order, consisting of Simon Wolf, Adolf Moses, Julius Bien, Jacob Furth, Solomon Sulzberger, and Joseph D. Coons, and headed by their president, Leo N. Levi. This committee had "called upon Secretary Hay and presented to him a statement regarding the massacres in Russia, together with a proposed petition which they wished forwarded to the Government of the Czar"; Straus, op. cit., p. 171. The full text of the petition is reprinted in Adler, C., The Voice of America on Kishineff, Philadelphia, Jewish Publication Society of America, 1904, p. 478ff.

[39] However, in planning the cable as he did, says Mr. Straus, "the President was right in his anticipation. * * * Official Russia was made to realize the aroused indignation and the public protests of the civilized world." (See Straus, op. cit., p. 173.)

[40] United States Congress, House, Committee on Foreign Affairs, hearing (Dec. 11, 1911) on the termination of the treaty of 1832 between the United States and Russia, Washington, Government Printing Office, 1911 (revised edition), p. 4.

The House Joint Resolution No. 166, providing for the termination of the treaty of 1832 between the United States and Russia, is here given in full: [41]

Resolved, etc., That the people of the United States assert as a fundamental principle that the rights of its citizens shall not be impaired at home or abroad because of race or religion; that the Government of the United States concludes its treaties for the equal protection of all classes of its citizens, without regard to race or religion; that the Government of the United States will not be a party to any treaty which discriminates, or which by one of the parties thereto is so construed as to discriminate, between American citizens on the ground of race or religion; that the Government of Russia has violated the treaty between the United States and Russia, concluded at St. Petersburg December 18, 1832, refusing to honor American passports duly issued to American citizens on account of race and religion; that in the judgment of the Congress the said treaty, for the reasons aforesaid, ought to be terminated at the earliest possible time; that for the aforesaid reasons the said treaty is hereby declared to be terminated and of no further force and effect from the expiration of 1 year after the date of notification to the Government of Russia of the terms of this resolution, and that to this end the President is hereby charged with the duty of communicating such notice to the Government of Russia.

The hearings referred to above are supplemented by four appendixes dealing with the following subjects: (1) Diplomatic correspondence respecting the passport question; [42] (2) the passport question, a reprint from the American Jewish Yearbook 5672; [43] (3) brief on the termination of treaties, by Dr. Herbert Friedenwald; [44] and (4) the passport question in Congress, 1879–1909.[45]

On December 18, 1911, President William H. Taft informed the Senate of the United States that—

By instructions which I caused the Secretary of State to transmit to the American Ambassador at St. Petersburg on the 15th day of December 1911, there was given to the Imperial Russian Government, under the date of the 17th day of December 1911, official notification, on behalf of this Government, of intention to terminate the operation of the treaty of commerce and navigation of December 18, 1832, between the United States and Russia upon the expiration of the year commencing on the 1st of January 1912.[46]

STIPULATIONS CONCERNING RACIAL AND RELIGIOUS MINORITIES IN THE PEACE TREATIES FOLLOWING THE WORLD WAR

Article 63 of the treaty of peace between the allied and associated powers and Austria [47] signed at St. Germain-en-Laye on September 10, 1919, contains the following stipulations:

Austria undertakes to ensure full and complete protection of life and liberty to all inhabitants of Austria without distinction of birth, nationality, race, or religion.

All inhabitants of Austria shall be entitled to the free exercise, whether public or private, of any creed, religion, or belief whose practices are not inconsistent with public order or public morals.

The said treaty of September 10, 1919, was signed also by the American delegates, but it failed of ratification by the Senate of the United States. However, another treaty establishing friendly relations was signed at Vienna on August 24, 1921,[48] by the plenipotentiaries of the United States and of the Republic of Austria. This treaty was duly ratified by both powers concerned and proclaimed on November 17, 1921. Article 1 of this agreement provides that:[49]

Austria undertakes to accord to the United States, and the United States shall have and enjoy all the rights, privileges, indemnities, reparations, or advantages specified * * * including all the rights and advantages stipulated for the benefit of the United States in the Treaty of St. Germain-en-Laye, which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States. The United States, in availing itself of the rights and advantages stipulated in the provisions of that treaty, will do so in a manner consistent with the rights accorded to Austria under such provisions.

As far as Germany is concerned, the German delegation in their comments on the conditions of peace which were presented to them at the conclusion of the World War by the Allied and Associated Powers, including the United States of America, issued the following statement:[50]

Germany advocates in principle the protection of national minorities. This protection may be settled to the best purpose within the scope of the League of Nations. Germany, on her part, however, must demand such assurances as are already fixed by the peace treaty for those German minorities which, by cession, will pass over into alien sovereignty. Such minorities must be afforded the possibility of cultivating their German characteristics, especially through permission to maintain and attend German schools and churches, and to publish German papers. A still more extensive cultural autonomy based on national registration (Kataster) would be desirable. Germany, on her part, is resolved to treat minorities of alien origin in her territories according to the same principles.

Again the treaty between the United States and Germany signed at Washington, December 8, 1923, and proclaimed October 14, 1925,[51] in its first article provided that—

The nationals of each of the high contracting parties shall be permitted to enter, travel, and reside in the territories of the other; to exercise liberty of conscience and freedom of worship; to engage in professional, scientific, religious, philanthropic, manufacturing, and commercial work of every kind without interference, * * * and generally to do anything incidental to or necessary for the enjoyment of any of the foregoing privileges upon the same terms as nationals of the State of residence or as nationals of the nation hereafter to be most favored by it, submitting themselves to all local laws and regulations duly established.

ABOLISHMENT OF DISCRIMINATIONS IN SOVIET RUSSIA

Recent correspondence [52] between the President of the United States and Maxim M. Litvinov, People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics, in connection with the recognition of that country by the United States,[53] dealt in part with the discriminations in former years by Russia in respect of passport visas and religious liberty.

On November 16, 1933, President Roosevelt wrote to Mr. Litvinoff:

As I have told you in our recent conversations, it is my expectation that after the establishment of normal relations between our two countries many Americans will reside temporarily or permanently within the territory of the Union of Soviet Socialist Republics, and I am deeply concerned that they should enjoy in all respects the same freedom of conscience and religious liberty which they enjoy at home. * * * We will expect that religious groups or congregations composed of nationals of the United States of America in the territory of the Union of Soviet Socialist Republics will be given the right to have their spiritual needs ministered to by clergymen, priests, rabbis, or other ecclesiastical functionaries who are nationals of the United States of America, and that such clergymen, priests, rabbis, or other ecclesiastical functionaries will be protected from all disability or persecution and will not be denied entry into the territory of the Soviet Union because of their ecclesiastical status.

In a letter of the same date—November 16, 1933—to the President of the United States, Mr. Litvinov, in regard to the "free exercise of liberty of conscience and religious worship", pointed out that according to the Russian decree of January 23, 1918, article 3—

Every person may profess any religion or none. All restrictions of rights connected with the profession of any belief whatsoever, or with the nonprofession of any belief, are annulled.

Article 5 of the same decree provided that—

A free performance of religious rites is guaranteed as long as it does not interfere with public order and is not accompanied by interference with the rights of citizens of the Soviet Union.

As to the matter of passports, Mr. Litvinov wrote to the President that—

I have the honor to inform you that the Government of the Union of Soviet Socialist Republics, while reserving to itself the

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[41] U. S. Congress, House, Committee on Foreign Affairs, Hearing (Dec. 11, 1911), p. 3.
[42] Ibid., p. 105ff.
[43] Ibid., p. 239ff.
[44] Ibid., p. 295ff.
[45] Ibid., p. 304ff. This is a reprint from the American Jewish Yearbook, 5670.
[46] Message of the President of the United States (62d Cong., 2d sess., S. Doc. No. 161), p. 1.
[47] Treaties, conventions, international acts, etc. (67th Cong., 4th sess., S. Doc. No. 348), vol. 3, p. 3176. Similar provisions were included in the treaties with Czechoslovakia, Poland, Hungary, Rumania, and the Serb-Croat-Slovene State; see op. cit., pp. 3563, 3703, 3718, 3727, and 3735.
[48] For text of this treaty, see op. cit., p. 2493ff.
[49] Op. cit., p. 2495.
[50] International conciliation, October 1919, no. 143, Comments by the German delegation on the conditions of peace, p. 1228.
[51] The full text of this treaty is printed in 44 U. S. Stats. at Large, pt. III, p. 2132ff.
[52] United States President, 1933 (Franklin D. Roosevelt), exchange of communications between the President of the United States and Maxim M. Litvinov, Washington, 1933.
[53] See Ibid. See also Moore, Hon. R. W., Recognition of the Union of Soviet Socialist Republics, U. S. Department of State, Publ. No. 557, Washington, Government Printing Office, 1934.

right of refusing visas to Americans desiring to enter the Union of Soviet Socialist Republics on personal grounds, does not intend to base such refusals on the fact of such persons having an ecclesiastical status.[54]

On November 16, 1933, a few minutes before midnight,[55] the President of the United States accorded recognition to the Government of Soviet Russia.

I have set forth in detail these various intercessions by the United States as clear indications of precedents upon which to base the passage of my resolution, House Resolution 70, in the interests of those who worship the Catholic faith in Mexico. This resolution, I feel, expresses the views of the majority of all fair-minded persons, even those who are not directly affected by the existent oppressions and proscriptions.

In conclusion, it is well in this connection to recall the letter written by our great George Washington to the Hebrew congregation in Newport, R. I. He said:

The citizens of the United States of America have the right to applaud themselves for having given to mankind examples of an enlarged and liberal policy, a policy worthy of invitation. All possess alike liberty of conscience and immunities of citizenship. It is now no more that toleration is spoken of, as if it was by the indulgence of one class of people that another enjoyed the exercise of their inherent natural rights. For happily the Government of the United States, which gives to bigotry no sanction, the persecution no assistance, requires only that they who live under its protection should bemean themselves as good citizens, in giving it on all occasions their effectual support. * * * May the children of the stock of Abraham, who dwell in this land, continue to merit and enjoy the good will of the other inhabitants; while everyone shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid.

It is indeed hoped that the Catholics in Mexico shall soon "sit in safety under their own vine and fig tree, and there shall be none to make them afraid."

I herewith set forth a copy of my resolution.

Whereas serious anti-Catholic outbreaks have occurred in Mexico under the regime of the National Revolutionary Party under President General Lazaro Cardenas; and

Whereas the oppressions and proscriptions of Catholics now practiced in Mexico hark back to an age of barbarism; and

Whereas American citizens of Catholic faith have been outraged and insulted, their homes invaded, and their lives placed in jeopardy; and

Whereas a cruel and benighted antireligious policy of the present Mexican Government has not only unduly restricted the number of priests that might officiate in some States, but in other States has outrageously forbidden the ministrations of any priest or prelate; and

Whereas the Chamber of Deputies of Mexico has unanimously voted the expulsion from the country of every archbishop and bishop; and

Whereas the present Mexican Government prohibits public and private religious education of children as a matter of national policy; and

Whereas such anti-Catholic action in Mexico involves the denial of the fundamental rights of every human being, in a spirit contrary to the traditions of American freedom of conscience, religion, and liberty; and

Whereas distinguished Protestant, Jewish, and Catholic laymen and clergy, as well as important religious and interdenominational organizations and societies have emphatically registered protest against such Mexican policies; and

Whereas the Government of Mexico has even encouraged an economic boycott against those professing and practicing Catholicism; and

Whereas Catholics are expelled from public office and are being driven from the professions; and

Whereas Catholics who complain of Mexican intolerance are summarily dealt with: Now, therefore, be it

Resolved, That the House of Representatives, in Congress assembled, deems it fitting and proper to protest the anti-Catholic practices of the present rulers of Mexico; and that it views with gravest concern such primitive and barbaric persecution of helpless men and women who have committed no crime and who have become victims of racial hate; be it further

Resolved, That it condemns the cruelties and insults that have been practiced against our nationals who are Catholics domiciled in Mexico; and be it further

Resolved, That it calls upon the Government of Mexico, in the name of common humanity, to cease denying fundamental and inalienable rights to those who may be resident in Mexico, be they Catholic or non-Catholic.

The SPEAKER. Under the previous order of the House, the Chair recognizes the gentleman from Louisiana [Mr. SANDERS] for 20 minutes.

[54] Exchange of Communications, 1933 (op. cit.), p. 9.
[55] Moore, R. W., op. cit., p. 1.

Mr. SANDERS of Louisiana. Mr. Speaker, I have been allotted 20 minutes, for which I thank the House. Twenty hours would scarce suffice to tell one-half the tale. However, there have been so many rumors and contradictory reports as to what is happening in Louisiana, and so many Members have asked me for information, that I felt constrained to request this time of the House to make this necessarily brief statement. Due to my limited time many things on which you have sought information must necessarily remain unanswered.

On last Monday, January 28, there appeared the following editorial in the Washington Post:

FRUITS OF DICTATORSHIP

Louisiana came very near to a state of civil war on Saturday. Only the fact that National Guardsmen hopelessly outnumbered the "citizen revolters" seems to have averted a battle. Apparently men and women are so deeply aroused over the activities of the Huey Long dictatorship that they are ready to fight to terminate his power.

At a recent mass meeting in Baton Rouge a solemn appeal was made for funds to carry on the fight against dictatorship and to care for the families of any who may be killed or injured in the anticipated struggle. This organization does not appear to be strong enough to cope with the political machine which is strangling Louisiana, and certainly it can accomplish nothing by provoking bloodshed. Yet it indicates the inevitable reaction to unscrupulous dictatorship in an American State.

The formation of battle lines on Saturday constitutes a grave stop, look, and listen sign. When election laws are adjusted to favor a clique in power, when corrupt-practices statutes are repealed, when every State employee becomes subservient to dictation or loses his job, and when citizens are subjected to ruthless reprisals for opposition to the machine, revolt by self-respecting citizens becomes inevitable. The politicians who have brought Louisiana to this sorry plight may well take time for reflection before the course which they are pursuing leads to actual bloodshed.

I have just received a telegram from Louisiana which, as much as any other incident, reveals the tenseness prevailing in that State today. I wish to read in part the message I have just received by wire from Louisiana:

Here is true and exact story of the blackjacking and beating of Leon M. Trice, 119-pound Associated Press photographer, by Joe Messina, one of HUEY LONG's bodyguards, and by others this morning: Trice had been assigned to take pictures of arrival of Senator LONG. He went to the L. & N. depot, where at least 20 armed members had assembled to meet the Senator. Several of these gunmen at least are ex-convicts, recently pardoned by Governor Allen. They belong to LONG's secret service force, known as the "Bureau of Criminal Identification." No one told Trice not to take pictures or give him any warning. As Senator LONG was approached by an A. P. reporter, Trice raised his camera to take the picture. Joe Messina, one of LONG's bodyguards, who had come with LONG on the trip, hit him on the back of the head with a blackjack twice, grabbed his camera, aided by several other gunmen, and they commenced kicking it around. Trice tried to save his camera, begging them, "Please don't break my machine." The boy was almost unconscious at the time from the blows. As he raised up he was struck several times in the face, his lips and his face bruised. Messina by this time had been joined by several other gunmen. LONG shouted, "Give it to him, Joe." With Trice down, LONG and his crowd rushed to automobiles and dashed from the depot. At the hospital, doctor said that had the blackjack blows been one-half inch lower, Trice would have been killed. Regardless of what accounts reach Washington, this is an absolutely true version of the affair.

That unrest, contrary to some reports that have been published, is not objection to any particular tax; neither is this unrest brought about by big business fomenting revolution. Such a charge is not serious and is not considered seriously by anyone in Louisiana. The situation that exists in that State goes much deeper than any such theories as these.

Fundamental questions of government are involved in Louisiana today. The dominant faction in that State, under the leadership of the spokesman for that faction, has shown a steadily increasing distrust of and profound contempt for democratic institutions and for the orderly processes of democratic government. This had not become apparent at the last election some 3 years ago, but since that time there has been going on in Louisiana a steady encroachment upon the rights of popular self-government. Although the spokesman for the faction in power invariably proclaims himself as the champion of the common man, there has nevertheless been a persistent, well-ordered program by which the rights of the people have been and are being steadily curtailed.

Locally elected officials have by legislative act been superseded by officials designated by the executive. Powers that were formerly distributed among the sixty-odd parishes—counties—of the State, numerous departments of State government, have been concentrated into the hands of the chief executive.

To give you a few instances, and a few only: The corrupt practices act in that State has been repealed. The election laws of that State have been so altered that complete power is now lodged in the hands of the executive, giving complete control over all election machinery. I have time to give you only a few instances as illustrative and to call to your mind what is going on in Louisiana today. Under the laws passed by the State legislature within the past few weeks every policeman on every police force in every city, town, village, and hamlet today is hired and fired by the State machine. Every fireman in the State of Louisiana in every city, town, village, and hamlet within the last few weeks has been put on the pay roll of the State machine, not paid by the State but hired and fired by the State.

For decades and generations in Louisiana, as in every other State, there have been attempts to take schools out of politics and to eliminate them from political control. Within the past few weeks over 15,000 school teachers in the State of Louisiana have suddenly found themselves transferred from the nonpartisan control of school boards in the various communities, and today by legislative act they hold their jobs at the mercy of the State machine. Every assessment of each individual taxpayer and business institution in the State of Louisiana is raised or lowered indefinitely by a tax assessment control board, controlled by the State machine.

Through a combination of laws, including the complete control by the State machine of every State bank through the State banking examiner, plus the control of the debt moratorium commission, who is also the State bank examiner, every business in the State is completely at the mercy of the State machine. Add to this a horde of secret State police, unknown to the public as to identity, practically unlimited in number, with practically no check upon the number hired or the amount spent for such, and with no earthly duty to perform save to play politics, secure political information, and play the part usually reserved for the private spies and informers of dictatorships. These are only a few of the many instances of the concentration of power that has been effected in Louisiana during the last 12 months. There has been no such concentration of power in the hands of any American executive since the signing of the Declaration of Independence.

This process of concentration of powers has been gradual but has been gaining momentum and growing with increasing acceleration. Many of these moves have been popular with the individual members of the faction in power because the actual operation of these laws have almost invariably been directed at officials of the opposing political faith, thus resulting in increased power and more jobs for the faction in control.

Entire communities that had grown to accept the right of election as a part of their American birthright have suddenly found themselves deprived of what they had heretofore regarded as an inalienable right of citizenship. Thus, Baton Rouge, a community which is as restrained, level-headed, and tolerant as can be found anywhere in this country, suddenly found itself stripped of its right to select its own officials by the action of a hostile legislature, dominated by the machine, only to have these officials appointed by the executive.

A survey of the situation will satisfy any reasonable investigator that democratic institutions and the orderly processes of democratic government are rapidly disappearing in Louisiana. The American ideal of a democratic government, with all power lodged in the people, with each community electing its own officials, is being displaced by the Asiatic conception of government of an all-powerful chief executive, who rules the whole people for the benefit of the dominant faction or class. The Asiatic conception of government underlies the Hitler government in Germany and the Stalin government in Russia. The name or title of the ruler is immaterial, whether he be called shah or khan, dictator, or have no title at all. The theory is that of an all-powerful chief executive, with the power of government concentrated in one office, and the purpose of his rule is the rule of the many for the benefit of a dominant class.

It is useless to state that this Asiatic conception of government is entirely foreign to the spirit of American democracy, and, unfortunately, it is this Asiatic conception of despotic government which is exemplified in the political practices put into effect by the dominant faction in Louisiana today.

The increasing perception of this basic fact is the cause of the growing unrest among the people of Louisiana.

The frequent use of the militia in Louisiana indicates one of two facts:

(a) Either the militia is being used where no just cause exists; or

(b) There is frequent and alarming unrest among the people necessitating the use of the militia.

The fact is that in Louisiana the State Militia has become merely the arm of the dominant political faction. Any community in Louisiana in which there is decided opposition to the present regime lives in daily and hourly expectation of a declaration of martial law in that community, to be followed by complete annihilation of that community's right of local government. This is what is actually happening on this day and hour in Baton Rouge.

Martial law in Baton Rouge! Martial law in placid, easy-going, peaceful, law-abiding, tolerant, loyal, courageous, patient, long-suffering Baton Rouge!

So peaceful and law abiding is her citizenry that crimes of violence are almost unknown there. Mobs and riots are things unknown to our people. There is no excuse, no possible justification for this great outrage upon one of the finest American cities to be found on this continent.

Mr. BURDICK. Mr. Speaker, will the gentleman yield for a question?

Mr. SANDERS of Louisiana. I yield.

Mr. BURDICK. Newspaper reports carried the information that a band of citizens had taken possession of some public building before any militia was called out. Is this true?

Mr. SANDERS of Louisiana. I am going to touch upon that in just a moment and I trust I shall answer the gentleman.

Why should this thing be? Why have we martial law in Baton Rouge today?

I will tell you why. Because the people of Baton Rouge, through long years of persecution, oppression, coercion, and attempted bribery and intimidation, patiently, steadfastly, without excitement, and without turmoil, grimly and persistently, in the face of overwhelming odds, and with a heroism worthy of the highest traditions of America, have gone to the polls on election day and voted their convictions, instead of the bidding of a dictator.

The dictator found that he could not buy, he could not bribe, he could not bulldoze, he could not intimidate the spirit of this intrepid people, and so like every dictator since time began he has set out to destroy what he cannot control.

That is why we have martial law in Baton Rouge today.

Unable to elect officials there, the dictator of the State had the laws changed by a complacent legislature, so that he might appoint. Because this little community had refused to bow the knee to Baal, swiftly and without warning, its citizens found themselves stripped of their suffrage, and helpless before a foe they knew to be ruthless, vicious, and corrupt.

Excitement! Of course there was excitement. Is there any community anywhere in this Nation from Maine to California, from Canada to the Gulf, that could submit to being deprived of what it considered its inalienable rights of American citizenship without excitement, murmur, or protest? If there be such a community, then it deserves not the name of America, and as for me, I want none of it.

Under this greatest of all possible provocation, what happened? The parish and city governments taken over by a

powerful foe, long successfully resisted, the streets filled with State police, rumors in the air, our people did what any people would have been expected to do. They held a meeting. Where did they hold it? In some dark and hidden corner as conspirators? When did they hold it? At midnight under the cover of darkness?

No; by the grace of God, they met in open daylight on the afternoon of the very day that the rape of the parish and city governments was consummated, and they met in that traditional meeting place of American citizens—in the parish courthouse. It is said that some carried weapons. Under the circumstances this is not surprising, but they carried them openly, and the Constitution guarantees to our American citizens the right to carry arms. This, be it remembered, was before martial law had been declared.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman may have 10 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. SANDERS of Louisiana. I yield.

Mr. BLANTON. At the time when the gentleman had honest elections in his district, with these very intolerable conditions mentioned by him at issue, the gentleman was elected to this Congress by a handsome majority. I want to ask the gentleman, with these intolerable conditions now existing and with the election machinery taken over, would the gentleman have any chance at any future election? [Laughter.]

Mr. SANDERS of Louisiana. I will answer the gentleman by stating that nobody knows what is going to happen in Louisiana within the next 12 months.

Mr. BLANTON. If the conditions are as bad as the gentleman depicts, I think we ought to furnish the gentleman with a pretty good-sized bodyguard to look after him. [Laughter.]

Mr. SANDERS of Louisiana. I will answer the gentleman in this way. Down in my country, sir, I need no bodyguard—or anywhere else. [Applause.]

Mr. BLANTON. I shall tender the gentleman my services if he needs any help. [Laughter.]

Mr. SANDERS of Louisiana. I thank the gentleman.

I wish to call the attention of the House to this fact: There was no mob action and there was no violence there. The people met and they discussed this most unusual and most un-American incident, and then, of their own motion, they dispersed peacefully and went to their homes. Is there any community that would have taken this situation without comment, without protest, and without discussion and excitement? If there be such in this Nation, it deserved not the name of American, and as for me, I want none of it. [Applause.]

Mr. BURDICK. Will the gentleman yield?

Mr. SANDERS of Louisiana. I yield.

Mr. BURDICK. My criticism was not so much leveled against the citizens in the first instance, but I wanted to find out whether the gentleman is speaking about the machine in Louisiana or a dictator—I do not know which he means.

Mr. SANDERS of Louisiana. The dictator who is in control of the machine.

Mr. BURDICK. Who is the dictator?

Mr. SANDERS of Louisiana. HUEY LONG—I did not know that the gentleman had any doubt on that subject. [Laughter.]

Mr. BURDICK. If that is the purpose of the gentleman's discussion, if it is only leveled against one who is a Member of the United States Senate, I want to raise a parliamentary inquiry.

The SPEAKER. Does the gentleman from Louisiana yield to the gentleman from North Dakota to make a parliamentary inquiry?

Mr. SANDERS of Louisiana. I decline to yield.

The SPEAKER. The gentleman from Louisiana declines to yield further.

Mr. SANDERS of Louisiana. Martial law in Baton Rouge! This is the fruit of the determination of that community to exercise its God-given right under the American Constitution of voting as it pleases.

Martial law in Baton Rouge! There had been no violence there. The only violence, be it noted, that has happened in Baton Rouge was the shooting down in cold blood of George Alessi. Who is George Alessi, and how was he shot?

George Alessi is of the finest type of American citizen of Italian descent. Plain, blunt, outspoken, fearless George Alessi. My personal friend, and I am proud of his friendship. An outstanding business man of the thriving little city of Independence. A member of the police jury of the parish of Tangipahoa. I wish to read to you his statement, in part, as given to the press:

> As we passed the Baton Rouge Airport we saw a crowd gathering, and we stopped. I did not have any gun. There were about 100 men on the north side of the airport when a number of automobiles containing National Guardsmen came onto the field. Not having any gun myself, I, with others who were like situated, started going toward the woods so I could protect myself behind the trees; I saw two men in plain clothes standing near a tree. One of them pulled his pistol and pointed it at me. I told him I was not armed, but he shot me anyway. The bullet passed through my body. The pain was so great I could not stay on the ground. As I raised up with my hands outward a man fired at me with a shotgun. I don't know whether he shot once or twice.

We hear a lot of talk about an investigation of an alleged "plot."

It is highly significant of conditions in Louisiana that there has not been one word said by State authorities about any investigation into the attempted murder of George Alessi.

Judge W. Carruth Jones, one of the district judges in Baton Rouge, is a fearless and competent jurist, a man of unimpeachable integrity. The prosecuting official, Judge Odom, is a man of character and ability, one of the best prosecuting attorneys in the State. Should these local authorities conduct an investigation and secure conviction in this dastardly outrage, it is only too melancholy a fact to state that in all human likelihood an executive pardon would stay the hand of justice and free the culprit. A member of the State machine in Louisiana is above the law, save and except the will of the dictator. Specific instances abound which could be cited.

The fact that George Alessi is an outspoken opponent of the dictatorship in Louisiana has probably put him outside the protection of the law. He is beyond the pale.

This talk of a plot to assassinate the principal spokesman of the dominant faction in Louisiana is nothing new. We have similar tales of alleged "plots uncovered" in nearly every election and in practically any instance when the use of the National Guard is thought to be necessary.

There was an alleged "plot" uncovered at Bunkie, in central Louisiana, during the last judicial campaign; I forgot who the assassins were supposed to be. There was another alleged "plot uncovered" in Alexandria recently, when someone threw a rotten egg at the chief spokesman for the State administration. I forget who the plotters were supposed to be, but, as a result of the uncovering of that particular "plot", the chief of police of Alexandria, Mr. Clint O'Malley, an outspoken political opponent of the State machine, was removed from office and his job filled by a supporter of the present regime. During the election in New Orleans last fall there was quite a hullabaloo about another alleged "plot", all directed against the same inveterate plottee. I do not remember who these "plotters" were and do not know that their names were ever made public, but an obliging legislature punished the plotters by turning over a number of jobs formerly held by the city authorities to the chief executive.

It is to be noted that none of these plotters have ever been brought to trial. The technic has always been the same. Announcement of an alleged "plot", followed by a radio skit based upon the Soviet radio-trial propaganda with which we are all familiar, and then the passing of summary

laws to punish certain political opponents in the name of law and order. It is also to be noted that in each case the faction in power takes a bunch of jobs to which opponents have been elected after each "plot" has been uncovered and fills them by appointment.

Human nature changes little. Some 2,000 years ago Nero used to uncover plots against his person as the excuse to rid himself of Romans who were too popular with the people or who had money and jobs that he wanted. Judging the future by the past, I would say that this alleged "plot" in Baton Rouge recently announced will make it necessary (?) for those in power to put out of office men elected by the people who had the courage and fortitude to fight the machine, filling them by appointment, thus punishing their political opponents, at the same time rewarding the faithful, and all in the name of law and order.

The SPEAKER. The time of the gentleman from Louisiana has again expired.

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana be allowed 15 minutes additional.

The SPEAKER. Is there objection?

Mr. MILLARD. I reserve the right to object. I have no objection, provided the gentleman's opponent has the same time.

The SPEAKER. That is a matter to be determined later by the House. Is there objection?

There was no objection.

Mr. SANDERS of Louisiana. Mr. Speaker, I repeat, it is unlikely that there will ever be a court trial of any of those named in this radio skit. Should there be a trial of any political enemy of the present regime in Louisiana, I make this statement with full knowledge of its tremendous import; I make it not hastily but reluctantly. Standing here in my official capacity, as a Representative of my people in the Capitol of the United States of America, within a stone's throw of the hallowed shrine of the immortal Declaration of Independence and of the great Constitution of our Nation, I say to you that in the event of a trial of political enemies of the present regime in Louisiana, that a fair trial is an impossibility, that conviction would be foreordained and predetermined, and that any official or any judge who stood in the way would be removed and superseded by others obedient to the dominant faction, upon orders of the chief executive or by the Supreme Court of Louisiana.

The paper reports that I have read name the following, who have been mentioned by the machine as having some connection with this so-called "plot": John Fred Odom, Henry Sherburne, Sidney Dubroca, Dallas Gross, Fred Parker, and F. C. O'Rourke.

John Fred Odom has been district attorney, which is the prosecuting official of East Baton Rouge Parish, elected by the people, ever since 1916, or nearly 20 years, with a record of criminal enforcement excelled by none in the State and equaled by few. The esteem in which he is held by those who know him best is shown by his tenure of office.

Henry Sherburne has held high public elective office in the parish of Iberville for more than a quarter of a century. He served as assessor of that parish by election for 20 years, and has been sheriff there for the past 7 years, being elected without opposition. Sidney Dubroca has been the sheriff of the parish of West Baton Rouge for 23 years. Both of these officials have been elected time and time again, the chief law-enforcement officers of their respective parishes, by the people of their home communities. Dallas Gross, a private citizen of Baton Rouge, lost the business that was his rather than give up his political convictions. Fred Parker has been a deputy sheriff for the past 3 years, but refused to allow his name to be submitted to the State administration to be approved as a deputy in compliance with a recent law, because of his convictions as to the nature of the political machine in power in Louisiana. Fred O'Rourke has never held any public office. He is not an officer or executive of any oil company, neither is he the agent of anyone to foment revolution. He is an honest, hard-working workingman, one of those who earn their bread by the sweat of their faces, fearless and outspoken, accustomed to speaking his opinions on any matter under heaven in public or in private.

These men are all my friends and I am proud to call them such. Brave, outspoken opponents of the present regime in Louisiana, they are typical of all that is best in the manhood of Louisiana. These men are not now and never have been conspirators.

The situation in Louisiana poses a question of tremendous import—important not alone to Louisiana but to every State in this Union, to every Member of this Congress.

There is being constructed and forged in Louisiana today a despotism, alien in its every feature, to American tradition. Do not tell me about the Constitution. Of what avail is a constitution in the face of overwhelming force? There is being used in Louisiana today a State militia. It is being utilized by the dominant faction to overpower the strongholds of democratic government and to scatter and stamp out the flames of the watchfires of democracy. Do not say that that is impossible. Why should it be an impossibility? When the American Constitution was given to us there were many people in America that preferred a monarchy to a republic.

There are many people today who contrast the superficial superiority of a dictatorship, with its speed in decision and efficiency in operation, with the apparently relatively slow and tedious processes of democracy. They overlook the outstanding lesson from the history of the ages, that in the long and painful upward climb by the toiling masses—the workmen, the men who earn their living by the sweat of their brows, and who depend upon their daily labor to feed and clothe themselves and their families—in the long ascent from the valley of despair up to the yet far-distant sun-kissed heights—in that agonizing upward climb the helping hand to the toiling masses has ever come from democratic institutions, from those who believe in the widest possible diffusion of power among its people, whose watchword and battle cry is "Equal rights for all, special privileges for none"; while the foe, the willing tool and powerful ally of special privilege, has ever been the dictator, willing to enslave humanity for his own advancement.

Of what avail is a constitution? What availed the Constitution of Greece against Philip of Macedon and the Macedonian phalanx? Of what avail was the Constitution of the French Republic against Napoleon's dream of empire when backed by the French Army? Of what avail is the Constitution of Louisiana against the dominant faction in control of the State militia? There is no power in Louisiana today, no force that can possibly withstand the State militia. Of course, who wants to precipitate civil war of that nature anyway? But do not answer me by saying that what I am telling you of the erection of a despotism in America is an impossibility. Of what avail the Constitution of the United States itself against a strong, determined force trying to overwhelm it?

The only possible answer is equal or superior force plus determination to utilize it if necessary. It is not what is written on the printed pages of a book but what is written in the hearts and minds of men that determines their destinies. I tell you gentlemen who sit upon my left there is an edifice being constructed in Louisiana today that is the very antithesis of the concept of that great Republican President, Abraham Lincoln.

The conflict now being fought in Louisiana presages a conflict that will soon be fought throughout the United States. The question is a fundamental one. Shall we discard democracy and set up a government by dictatorship? In the old days he was called a king. Today he is called by many names; but call him whatever name you will, the conception of this type of government is utterly and entirely opposed to the American ideal, contrary to the very fundamentals of American traditions, and certainly contrary to the conception of the type of government pledged by the great Republican President, Abraham Lincoln: "A government of the people, by the people, for the people."

And the American people might do well, in the light of the experience through which Louisiana is passing, to pon-

der this immortal saying of that great Democrat, the author of the Declaration of Independence, Thomas Jefferson:

> Sometimes it is said that man cannot be trusted with the government of himself. Can he, then, be trusted with the government of others? Or have we found angels in the form of kings to govern him? Let history answer this question.

[Applause.]

The SPEAKER. The Chair recognizes the gentleman from Louisiana [Mr. FERNANDEZ] for 20 minutes.

Mr. FERNANDEZ. Mr. Speaker, I sincerely regret that it is necessary to occupy the floor today to discuss Louisiana politics in the National House of Representatives, but I deem it my duty to my people to give to the Congress of the United States the other side of the question.

Now, my friends, my distinguished colleague from Louisiana [Mr. SANDERS] is unnecessarily alarmed at conditions in Louisiana today, just as he was when I was a candidate for the National House of Representatives last September, and he appealed, with all of his eloquence, to the President of the United States to have the State militia withdrawn and, if necessary, to send Federal troops into New Orleans. In a few moments I will quote the Congressman's telegram.

While our present distinguished Speaker of the House was majority leader, the gentleman from Louisiana also appealed to him to send an unofficial committee into Louisiana to watch my election. It is needless for me to tell you what the present distinguished occupant of the chair replied to the gentleman from Louisiana. But I say, sincerely and honestly, Mr. Speaker, that the gentleman is unnecessarily alarmed, and I intend to prove it, if I have the time.

I will now endeavor to answer some of his statements in a chronological order. The gentleman from Louisiana, among other things, stated that we have a dictatorship in Louisiana; that constitutional government is gone. Why, Mr. Speaker, we have 100 delegates in our State house of representatives, and we have 39 State senators in the upper branch of the legislature. Just as happens in the case of the Democratic majority in the United States House of Representatives, the delegates in the State legislature confer in caucus before legislation is presented on the floor of the house and senate. It is not one man who controls; it is a majority of the 100 men in the State house of representatives and the majority of the State senators—all elected by the people of the State.

While we are talking about dictatorship, Mr. Speaker, permit me to say that I have had perhaps a little more experience in politics than my distinguished friend. I had the honor of being a member of the constitutional convention of 1921 under Governor Parker. Call him a dictator if you will, but ex-Governor Sanders, father of my colleague, at that time was just as much a dictator in the affairs of the administration of Governor Parker as Senator LONG is in the affairs of Governor Allen today. I served in the house of representatives under Governor Fuqua. No person who was informed on the then-existing conditions will deny that Governor Fuqua was dictated to in his politics and in his policies by the then ex-Governor, J. Y. Sanders. We may as well be frank about these things.

The gentleman from Louisiana read a telegram to the effect that a newspaper reporter was assaulted by one of the Senator's bodyguards. Mr. Speaker, this is the fourth time this newspaper reporter, Mr. Trice, has been in trouble, and I can prove this statement. I leave it to the Members to form their own conclusions as to why he was beaten up, if he were; and I have no reason to doubt that he was.

My friend the gentleman from Texas [Mr. BLANTON] propounded a question to the gentleman from Louisiana [Mr. SANDERS] about elections. Permit me to say to my good friend from Texas that we had an election in the Congressman's own district long before any so-called "dictatorial" State laws were passed; two judges were running for office—Judge Ott, supported by the Long faction, and Judge Tycer, supported by the faction of my colleague. It is needless to tell you that in some of the parishes in the congressional district of the distinguished gentleman from Louisiana [Mr. SANDERS] the Long candidate won and is sitting on the court in that district today. That is not all the elections we have had; I will come to the others later.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. BLANTON. That was just what I was fearful of; that if the conditions are as our friend depicted them, the power that is exerted there now can elect all of the judges and all other officials.

Mr. FERNANDEZ. Before I conclude, Mr. Speaker, I expect to prove by the words of our opponents, the newspapers, that elections in Louisiana are fair and square.

The gentleman from Louisiana stated that the corrupt-practice law was repealed. I complied with the corrupt-practice act, my distinguished colleague the gentleman from Louisiana [Mr. MALONEY] complied, and, I think, all of the candidates on the Long side complied with the corrupt-practice act; but I had to complain to the grand jury in New Orleans to get my opponents to comply with the corrupt-practice act. The district attorney, Hon. Eugene Stanley, not a political friend of LONG's, told me that this specific act should be repealed; and I believe every sane man and every sane attorney in Louisiana agrees that that special act should have been repealed.

Fault is found also, Mr. Speaker, about the school teachers' being under a political machine. That act, passed by the Louisiana Legislature, provided nothing more than that the school boards throughout the State should submit to the State board of education their budgets; that is all.

To talk about the firemen and the police departments of all of the cities of Louisiana being controlled by Senator LONG is ridiculous. The only thing the legislature requires the police and fire departments and the sheriffs to do is to report the names, the addresses, and the qualifications of the patrolmen, the sheriffs, and the firemen in the State; that is all it provides.

The gentleman talks about members of the bureau of identification going around as secret service men without uniforms. I recall that during the incumbency of the distinguished gentleman's father, Mr. Sanders, as Governor of Louisiana, he was the creator of the game wardens law in the State of Louisiana which gave to our State that system of having policemen around the State with badges as conservation agents; that is where the system had its genesis.

Mr. SANDERS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. SANDERS of Louisiana. Is there any distinction between a game warden and a member of the criminal-identification bureau?

Mr. FERNANDEZ. They were used for the same purpose during that administration as Governor Allen uses them, and the gentleman knows it.

Mr. Speaker, may I say that if you had a bond of the State of Louisiana in your pocket today you could get 99½ cents for it. In comparison with the bonds of the city of New Orleans under the regime of Walmsley and the faction of Sanders and Sullivan and the rest of the "outs" who are trying to get in, the city of New Orleans bonds are selling at 94 and 95. [Applause.]

Mr. Speaker, I do not want to take up too much time of the House. I think the gentleman from Louisiana is unduly alarmed. I hope to prove that he was unduly alarmed in my election. He had no opposition. I fought the city machine, and by the grace of God and the help of Senator HUEY LONG I was elected to Congress. [Laughter and applause.]

Mr. KVALE. Will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Minnesota.

Mr. KVALE. From the gentleman's conduct on the floor, there is an indication that there was a slight amount of his own ability involved in the equation.

Mr. FERNANDEZ. Mr. Speaker, I ask unanimous consent to insert in the RECORD an article appearing in the Times-Picayune of Thursday, August 23.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The article referred to is as follows:

[From the New Orleans Times-Picayune, Aug. 23, 1934]

SANDERS APPEALS FOR HOUSE WATCH ON ELECTION HERE—ASKS CONGRESS COMMITTEE INVESTIGATE "INCONCEIVABLE CONDITIONS"

Special to the Times-Picayune

BATON ROUGE, LA., August 22, 1934.—A request that an unofficial committee of Members of the National House of Representatives personally visit Louisiana to observe the conditions under which the congressional primaries are being held was telegraphed today by Congressman J. Y. SANDERS, Jr., to Congressman JOSEPH W. BYRNS, of Nashville, Tenn., House majority leader.

In his telegram Congressman SANDERS says the "conditions under which the primary election on September 11 for two Members of Congress in the New Orleans districts will be held are inconceivable", and asks that Congressman BYRNS, as ranking Democratic Congressman, name an unofficial committee to come to the State.

CONDITIONS INCONCEIVABLE

"I am confident", the telegram says, "that on September 11 the people of our State will overwhelmingly repudiate this effort by LONG to Hitlerize our State."

The telegram follows:

"Conditions under which the primary election on September 11 for two Members of Congress in the New Orleans districts will be held are inconceivable. Registration lists are held by the militia behind machine guns. A subservient legislature, at the dictation of Senator LONG, and despite the courageous opposition of a handful of independent legislators, has broken down every safeguard around the election laws, placing LONG and his creatures in control of every precinct in the State, and have attempted by statutory enactment to put the militia and the political machinery of the State all under his control and above the jurisdiction of the courts.

CALLS FOR INQUIRY

"He has passed laws attempting to place the military above the civil. I am confident that on September 11 the people of our State will overwhelmingly repudiate this effort by LONG to Hitlerize our State, but regardless of what action the people in Louisiana may take, whether the House of Representatives will permit an election so conducted to remain uninvestigated and without protest, is a question that involves the integrity of the House of Representatives and its continuance as a representative body. Since the sad death of Speaker Rainey leaves the House without a Speaker, I am taking the liberty of urging that you, in your capacity as majority leader of the House, appoint an unofficial committee of House Members and request them to personally visit Louisiana and see for themselves a condition which otherwise would seem too preposterous to be possible.

"J. Y. SANDERS, Jr.,
"*Member of Congress.*"

[From the New Orleans Times-Picayune, Sept. 9, 1934]

SANDERS APPEALS TO ROOSEVELT TO STOP GUARDS' USE—SAYS MOTHERS DISTRESSED AT MOBILIZATION OF BOYS FOR POLITICAL PURPOSES

By the Associated Press

BATON ROUGE, LA., September 8.—Congressman J. Y. SANDERS, Jr., of the Sixth Louisiana District, today telegraphed President Franklin D. Roosevelt protesting calling of the Louisiana National Guard by Gov. O. K. Allen "to be used solely as an arm of his political machine at the polls on election day." Congressman SANDERS said in his message that there is no breach of the peace and "no possible justification for calling out the National Guard." His telegram follows:

"President FRANKLIN D. ROOSEVELT,
"*Washington, D. C.:*

"Senator LONG, through his Governor, has mobilized National Guard in Louisiana, threatening martial law without any just cause or provocation, and to be used solely as an arm of his political machine at the polls on election day. Many of our National Guard are boys who have been called from their classes in high schools and junior colleges. Mothers and fathers of these boys are distressed and outraged that their boys should be so used for political purposes. Use of National Guard for partisan purpose in this manner is almost sure to precipitate rioting and possible bloodshed.

"On behalf of the mothers and fathers of these boys and the law-abiding citizenry of this State, I urge that you take such action as may be necessary to avoid possible impending tragedy and to prevent the misuse of the arms and equipment of National Government solely for the advantage of a political faction and to intimidate independent voters.

"There is no breach of the peace or disorder and no possible justification for calling out the National Guard."

Mr. FERNANDEZ. Mr. Speaker, I am not going to take the time of the House to read this article. I will read a headline and subheadline of it. This is the Times-Picayune, August 23: "SANDERS appeals for House watch on election here." That is my election. That is the headline which asks a congressional committee to investigate inconceivable conditions. It states that "a request that an unofficial committee of the National House of Representatives personally visit Louisiana to observe the conditions under which congressional primaries are being held was telegraphed by Congressman SANDERS to Congressman BYRNS, majority leader."

Mr. Speaker, I am going to follow this up, and I am going to prove that it was the fairest, the most honest, and squarest election ever held in the State.

Here is an editorial in the New Orleans Item of September 13, 2 days after the election. I quote from the editorial:

Regardless of that it is idle to go behind the votes of the people themselves in an election so carefully scrutinized as this one was.

That is the opposition paper and the paper that fought me and Senator LONG's organization.

Mr. Speaker, I ask unanimous consent to insert two editorials in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FERNANDEZ. The editorial in the Times-Picayune of September 13 is as follows:

PRIMARY PURPOSES

The results of Tuesday's primary in New Orleans are deeply disappointing to lovers of decent and democratic government everywhere. The four candidates on the dictator's ticket received pluralities in the very city which so stingingly defeated his municipal candidates last January. By the nearly equal division of the city vote, all four of his candidates in the current race secured nominations that insure their election. The royal grip upon New Orleans thus is tightened by the votes of its own people.

The election here was peaceful and orderly throughout, with the royal army held discreetly in the background. We see no cause for questioning the general fairness of the count or the genuineness of the local verdict. Several reasons can be offered for the amazing reversal, but none of them are creditable to the New Orleans electorate and their post-mortem recital at this time could serve no useful purpose. We can only admit and accept, with such grace and philosophy as we can muster, the fact that slightly more than half the New Orleans voters who cast their ballots Tuesday registered their submission to the Long dictatorship, and their ascquiescence in its works and methods. Their submission amounts, for all practical and political purposes, to sanction of the abuses and usurpations under which we suffer.

Elsewhere over the State the dictatorship did not fare so well, though Judge Ott, its reputed candidate for the first circuit court of Appeal, defeated Judge Tycer. Representative SANDLIN, anti-LONG, was renominated in the Fourth Congressional District with a decisive majority. Representative WILSON, of the fifth, led the field and enters the second primary with a substantial plurality over the runner-up. In the Sixth District, represented by J. Y. SANDERS, Jr., anti-LONG, there was no contest, and Representative MONTET, of the Third District, likewise was unopposed. In the seventh, Representative DEROUEN won handily over a share-the-wealth opponent, and in the eighth Representative DEAR polled an emphatic majority over an ardent and obedient follower of the dictator. Judge Porter won the nomination for supreme court justice in the third supreme court district. Thus the royal drive for complete ownership of Louisiana's delegation in the Federal House, and for control of the Louisiana Supreme Court, encountered serious reverses and fell considerably short of its objective. Despite the temporary defection and set-back here in New Orleans, the fight against dictatorship has developed new strength and vigor in the State outside.

The editorial appearing in the New Orleans Item of September 13 is as follows:

THE CITY ELECTION

Nothing remains in the way of political amenities connected with the strange campaign in the districts of which New Orleans is part but to congratulate the four winners on the Long ticket.

Since we think the voters of the city made a mistake in the bestowal of their ballots, it might be in order to commiserate with them on their choices. But that may be premature, and therefore may as well be postponed until the practical results are observed. These belong to the future. We hope they won't be as bad as they might.

Regardless of that, it is idle to go behind the votes of the people themselves in an election so carefully scrutinized as this one was. They have a right to their preferences. They have chosen to ignore or accept the provocations and aggressions upon them and to take their chances on worse developments of the same nature. Their course surprised us, but it lay within their privilege.

No definite explanation of it could be entirely trustworthy. We don't doubt that one factor in it was the usual swelling of the great State pay rolls in and about the city. In times as hard as these that sort of thing counts even more than at ordinary seasons.

We suppose, also, that the lop-sided, totally unchecked, and therefore entirely misleading, inquisition conducted by Mr. LONG con-

tributed considerably to the result. We think it very likely that a great many uncritical voters were influenced by it.

Another factor to which we should assign much effect was LONG's incessant insistence that the pending constitutional amendments, the $2,000 homestead exemption, and the like were an issue in this campaign. Of course, they were not. But the uninformed and credulous were evidently affected by this consideration.

Those points were not systematically met and persistently controverted by the city organization. The city organization, in fact, showed little talent in most other directions in meeting the assaults upon it.

The net result was that each of the four Long candidates pulled through with a small city majority. We say nothing of the majorities in the rigidly regimented suburban parishes, because their vote was for the statehouse machine, fully anticipated by all informed observers. The striking factor was the margin the Long candidates got in the city, small though it was in some cases.

This phase of the case must have astonished most observers in detail as well as in general. It was remarkable that any of them got a city majority at all. And it is noteworthy that the organization candidates who were expected to make the best city showing fell behind the others.

Judge Gleason and Commissioner Williams were commonly expected to get the largest margins because their districts included all the city precincts. But, as a matter of fact, a majority of 2,605 was counted against one of them and 1,418 against the other.

The organization counted confidently on landing Mr. Racivitch against Congressman FERNANDEZ in the downtown wards by a handsome majority. But one of the largest of the city majorities was recorded against Racivitch—about 2,800.

It seemed for some reason to be the general impression on both sides of the fence that Mr. Blancand, in the uptown district, was in for the hardest bumping. Yet in spite of this Mr. MALONEY's city majority against him was the smallest recorded—only 60.

As a whole the election was a strange reversal of form.

Mr. Speaker, I say that the gentleman is unnecessarily alarmed.

Mr. BLANTON. Will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Texas.

Mr. BLANTON. When the gentleman has been so ably representing himself, and has the ability to represent himself in the elections, if he had not had the endorsement of the powers that be down there, could he have been elected?

Mr. FERNANDEZ. No. I am frank to say that unless I had the support of one organization or the other in Louisiana I would not have been elected.

Mr. BLANTON. If the gentleman had been against what was known as the "Long machine", would he have been reelected?

Mr. FERNANDEZ. I am frank to say I could not have been, because the people are with Senator LONG.

Mr. TRUAX. Will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Ohio.

Mr. TRUAX. The so-called "Long machine", I believe, stands for a redistribution of wealth?

Mr. FERNANDEZ. Yes; and is generally known throughout the United States.

Mr. TRUAX. I wonder if the gentleman can answer whether that had anything to do with the popularity of the Senator?

Mr. FERNANDEZ. Of course. We did organize these share-the-wealth societies, but I will talk to the gentleman in the cloakroom how those things are done and it might help him back in his district.

Mr. Speaker, I believe these issues ought to be fought out in Louisiana. May I give some election returns, not in New Orleans but in north Louisiana and in central Louisiana, in an election just 4 months ago? Talk about a rebellion! Talk about constitutional government! I believe in a majority vote. Nobody is prevented from going to register; nobody is prevented from voting. Every citizen who wanted to vote had the opportunity.

Look at these returns, and I will take in some of the territory represented by some of the gentlemen here in Congress who do not agree with me with reference to political matters in Louisiana, but I am happy to say we all agree on policies of national consequence. We all follow the Democratic leadership.

This is in reference to the election of September 11: "Long candidate overwhelmingly elected in Louisiana for supreme court justice." In the district of the supreme court justice who was elected in September is embraced the whole of the city of New Orleans and the parishes of St. Bernard, Jefferson, and Plaquemines. We elected a railroad commission besides, which took in the parishes of St. James, St. John the Baptist, and St. Charles. Our candidate was overwhelmingly elected. We went away from New Orleans. We had a special election. I think it was in October or November. A little farther up in the State and away from New Orleans the first supreme court district comprises the parishes of Rapides, Grant, Avoyelles, Lafayette, Evangeline, Allen, Beauregard, Jefferson Davis, Calcasieu, Cameron, and Acadia. In north Louisiana, central Louisiana, and south Louisiana the candidates endorsed by the Long organization were swept into office.

Let me refer to my distinguished colleague's own district. The judge that he and his friends supported was defeated and the Long candidate elected. You cannot controvert the record. Those parishes, Mr. Speaker, embracing the supreme court district, are in part of the congressional district of my colleagues, Mr. DE ROUEN, Mr. DEAR, and Mr. MONTET.

Now, Mr. Speaker, I ask unanimous consent to insert in the RECORD a newspaper report of the Universal Service, dated August 24, saying that the President does not believe that the activities of Senator LONG and his followers justify interference by the Federal Government.

Mr. RICH. Mr. Speaker, reserving the right to object, I object to any more newspaper articles being inserted in the RECORD at this time.

Mr. BLANTON. Regardless of what we may think about the Louisiana situation, we are nevertheless personal friends of our colleague JOE FERNANDEZ. Why does not the gentleman allow him to put in his complete reply, which is only fair?

Mr. RICH. Mr. Speaker, the gentleman has a number of newspaper articles, and it is my duty to try to preserve the integrity of the RECORD.

Mr. FERNANDEZ. This is the last one, and I just wanted to follow up and prove what I have been stating.

Mr. TABER. Mr. Speaker, reserving the right to object, if the gentleman will permit, I feel rather strenuously opposed to inserting such articles in the RECORD, but in a matter of this kind, where there seems to be such extreme feeling, all of them ought to have opportunity to put their matter in the RECORD, and I hope the gentleman will not object.

Mr. RICH. Mr. Speaker, I am not trying to interfere with the gentleman in this particular case, but my remarks have reference to all newspaper articles. I withdraw my objection in this instance.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The matter referred to follows:

[From the New Orleans Times-Picayune, Aug. 25, 1934]

ROOSEVELT PLANS NO INTERFERENCE IN STATE AFFAIRS—PRESIDENT UNWILLING TO INTERVENE IN LOUISIANA SITUATION

By Universal Service

WASHINGTON, August 24.—President Roosevelt does not believe the activities of Senator HUEY LONG and his followers in Louisiana justify interference by the Federal Government, he explained today.

The Chief Executive feels the United States has a right to step in when it is proved conclusively that the constitutional right of free franchise has been violated. He pointed out that a municipality is a creature of the State and the latter may prescribe any form of government for a city that it may wish.

By the Associated Press

BATON ROUGE, LA., August 24.—Informed that President Roosevelt planned no interference in the political war raging in Louisiana, Senator HUEY P. LONG tonight commended the President for his stand and then continued to grind his ax for the official head of Mayor T. Semmes Walmsley, of New Orleans, whom the kingfish has sworn to oust from politics.

President Roosevelt said in his Washington press conference he saw no reason for Federal interference in the bitter struggle now current between Senator LONG and Mayor Walmsley over elections and political supremacy in New Orleans, where the machines of the two Louisiana leaders are working behind armed forces.

"Roosevelt knows his business", said LONG. "He's no damned fool. I'm that way about the Federal Government. He's running it and I haven't bothered him in that."

[From the United States Daily, Aug. 27, 1934]

The President, going into detail in explaining the attitude of the Government in regard to the situation in the State of Louisiana, where he pointed out that the Federal Government could not interfere with a State legislature's treatment of a municipality and only in the case of interference with the franchise of the people of the State, of which there had been no evidence, could Washington step into the preserves of the "Kingfish."

For a full half hour the men stood while the President talked, answered questions, and suggested topics himself, with all of the zest and good humor that characterized his most affable conferences. Pencils were busy right up to the concluding: "Thank you."

Mr. FERNANDEZ. I want to say to my distinguished friend that I was simply trying to prove up my remarks, and this is the only way I can hope to convince the House that my statements are correct and that the gentleman from Louisiana [Mr. SANDERS] is unnecessarily alarmed over conditions in the city of Baton Rouge and in the State.

I have no further desire, Mr. Speaker, to wash our political linen up here any further; but I may say, Mr. Speaker, that my head may waver and my feet may falter, but never shall I do anything against the honor or glory of the fair State of Louisiana for my own political advancement or aggrandizement. [Applause.]

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4442, the Treasury and Post Office Departments appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Bureau of Accounts, $92,380.

Mr. HILL of Alabama. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question.

The chairman of the committee is doubtless aware of the fact that there are quite a few new rural routes and rural-route extensions that have been approved by the Post Office Department and that the Department would like to put into effect, but have not been able to do so on account of a lack of funds. I should like to ask the chairman of the committee whether or not the committee has considered this matter of new rural routes and the extension of old routes, and what the purposes and thoughts of the chairman are with reference to additional funds so that the new rural routes may be established and these extensions provided for.

Mr. ARNOLD. May I say to the gentleman from Alabama that when we reach that paragraph of the bill a committee amendment will be offered to take care of all the extensions and all the new routes that have been approved, with some leeway for additional routes and extensions.

Mr. HILL of Alabama. In other words, all new routes that the Department now desires to establish and all extensions that the Department wishes to put into effect will be taken care of by the necessary funds, and, in addition thereto, the amendment will carry sufficient money so that the Department can make other extensions and, if need be, create some new routes. Is that correct?

Mr. ARNOLD. That is true. This will take care of all the approved routes and extensions.

Mr. WOOD. Mr. Chairman, if the gentleman will permit, is it not a fact that since the Department has abolished so many routes and made so many consolidations they have reduced the number of rural carriers in the United States from 45,000 to 37,000, and does the gentleman think it is necessary for any additional appropriations to be made for the extension of the routes that have been consolidated and extended?

Mr. ARNOLD. Yes; it is necessary to use some additional funds for that purpose.

Mr. WOOD. Is it not a fact that through the consolidation and extension of these routes they have reduced the number of rural carriers from 45,000 to some 37,000?

Mr. ARNOLD. There has been quite a reduction, but there is no money available under the 1935 appropriation bill, except a very small amount to carry out the new routes that have already been approved and the extensions that have already been approved by the Department, and the purpose of the amendment that I shall offer will be to enable the Post Office Department to establish these new routes and make the necessary extensions.

Mr. WOOD. Does the gentleman mean an extension that is occasioned by the consolidation of two or more routes?

Mr. ARNOLD. Any extensions of existing routes. Some of them, of course, arise by reason of consolidations and some of them do not.

Mr. FORD of Mississippi. Mr. Chairman, has the gentleman's committee any information about the amount it will propose as an amendment for the purpose of carrying out these extensions?

Mr. ARNOLD. I may say to the gentleman that will be taken up when we reach that section of the bill. There is a paragraph specifically applying to rural carriers and when we reach that paragraph the amendment will be offered.

The Clerk read as follows:

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, laborers, and substitutes, $162,000,000.

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 50, line 14, strike out "$162,000,000" and insert in lieu thereof "$163,000,000."

Mr. MEAD. Mr. Chairman, let me say, in explanation of the amendment I have just offered, that the appropriation included in the bill is $162,000,000, as against last year's appropriation of $146,500,000, which was later increased to $163,491,078 to take care of partial-pay restorations and promotions. This year's appropriation will not allow sufficient money for filling approximately 700 clerical vacancies which now exist, and which the Department would be justified in filling at this time. If the appropriation is increased a million dollars, it will permit the filling of these vacancies and provide proper pay for these substitutes as contemplated in the law. It will give better service to the public also. In the President's Budget message, on page 675, the estimated expenditures for 1936 are $170,950,000; but this bill provides only $162,000,000. The reason for this saving to a large degree can be found in the practice of the Department, a practice forced upon the Department either by the Budget or by reduced appropriation. This is the practice of working substitutes as regulars in the Postal Service and classifying them as substitutes. They have approximately 700 clerks filling regular positions, working 8 hours a day, at positions that cannot be vacated; they are paying those men substitute pay, although they have been working as regulars in some instances for a year or more, and have been classified as substitutes for as long as 8 or 9 years. I say that is a subterfuge; it is contrary to the spirit of the law to continue men on the roll of substitutes after they have been filling positions formerly held by regulars in the service. If these substitutes were actually substitutes, then this appropriation would be reasonable; but because these substitutes are actually regulars and the Department is paying them but $1,400 a year, when they are entitled to a promotion to at least the lower-grade pay of regulars of $1,700, it is an unfair, unjust, and unwarranted economy. We ought to stop this practice. If we do not stop it this year, we will have to stop it next year, when the number will be increased. We cannot make a saving by expecting men to work year after year in the role of substitutes at $1,400 a year, when they are actually working as regulars, and they never will be substitutes again. They ought to be appointed to the regular roll and given at

least $1,700 a year, the pay of the regular in the lowest grade. It is unjustifiable and unreasonable.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. CONNERY. Do I understand from this that the substitutes are being put into regular positions, doing the regular work and being paid the substitute pay?

Mr. MEAD. Denied appointments; that is just what has occurred. The gentleman is correct.

Mr. CONNERY. And the gentleman is offering an amendment to take care of that?

Mr. MEAD. This amendment will at least give the Department a sufficient amount of money to take care of them if the Department wills to do so. At the hearings on this particular item this practice was brought to the attention of a representative of the Department, and here was the answer he gave:

We call that "holding vacancies."

In other words, denying promotion where it is due.

That is where we have not certified that we have dropped those places. We hold them because we feel that the vacancies will have to be filled. We could have regular men in those places. We have substitutes employed regularly for 8 hours.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ARNOLD. Mr. Chairman, the amendment offered by the gentleman from New York increases this appropriation $1,000,000. Provision is made in the amount carried in the bill for filling something like 610 vacancies. An effort has been made, of course, on the part of the Post Office Department to run the business of the Department as economically as possible and at the same time do full and complete justice to the employees. From the report that comes to us through the hearings, with the filling of these additional vacancies, which the amount of money that is provided in the bill will fill, there is no reason why $1,000,000 should be added to this amount. We are carrying a recommendation in this bill just as it came to us from the Bureau of the Budget. They say that will handle the situation satisfactorily, and I insist that this amendment be voted down, and I further insist that the amount of money that we are carrying in this provision will handle the situation adequately.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. CONNERY. The gentleman said that these are the exact figures demanded by the Bureau of the Budget. The gentleman from New York [Mr. MEAD] in his explanation said the Post Office Department had demanded this million dollars from the Budget, and we all know that the Postmaster General, Mr. Farley, has been striving for economy. If in his striving for economy he realizes the necessity for $1,000,000 more, certainly the Budget should have given the Appropriations Committee that million dollars more.

Mr. ARNOLD. Of course, I do not know about that part of it. I do know the recommendation the Department made for the Budget. The Budget comes here as the recommendation of the President. The Budget thoroughly investigated the matter, and after that they made the recommendation as to the amount of money they thought necessary for this particular service. That was approved by the President of the United States, and we are carrying it in the full amount approved by the Budget.

Mr. BLANTON. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. BLANTON. The Budget is the financial agent of the President to carry out the President's wishes.

Mr. CONNERY. The President has a lot of things on his mind, and if the President was convinced that men were doing regular work at a substitute pay his recommendation might have been different.

Mr. BLANTON. The Postmaster General is close to the President, and the Budget is the President's agent, and I am sure the Postmaster General would not have any trouble in getting approved all the funds he needs.

Mr. CONNERY. I do not think he is so close. He asked for this increased amount, and they did not give it to him.

Mr. MEAD. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MEAD. In the President's budgetary message it shows that they ask for $170,950,000 and they gave $162,000,000. I want to say that I talked this over with the Post Office Department today, and they will not be able to appoint one of these men with this reduced appropriation. They will not be able to fill one vacancy, but will continue the practice of using substitutes in regular work for $1,400 a year.

Mr. TABER. Mr. Chairman, this appropriation calls for $162,000,000, an increase of approximately fourteen and one-half million dollars. Now, the total number under the 30-year retirement clause of June 1933 of clerks in the second-class offices, which this item is supposed to cover, has been 1,691. The average retirement for a year runs approximately to 1,100.

Without another dollar every substitute who has been listed any length of time will be taken care of as the result of this appropriation. I do not believe it is necessary in order to take care of the substitutes that this be added to. I believe they will have plenty of money to get along in a decent shape and do the work of the Department with $162,000,000, and I hope that the position of the Budget will be sustained.

Mr. LUDLOW. Will the gentleman yield?

Mr. TABER. I yield.

Mr. LUDLOW. On page 38 of the hearings Mr. Burke, a representative of the Post Office Department, says: "We are asking for $162,000,000." I think all of us want to be just to the substitutes. I know they have a hard lot and I have fought consistently for them, and we have put in this bill $15,500,000 more for these employees than was carried last year.

Mr. CONNERY. I am informed by my colleague from California that they have laid off old men doing messenger work and put substitutes in their place.

Mr. TABER. The regular pay for a messenger is on a different scale, and if they are putting in substitutes as messengers they are probably carrying them along at about the same rate. There is no point in breaking up this situation and the action of the Budget in order to take care of the messengers. They are not supposed to be carried in the same grade as clerks.

Mr. CONNERY. The fact remains that not a single regular can be appointed unless this appropriation goes through?

Mr. TABER. Yes; they can. There are many of them who will be appointed. We were told that a large number of the substitutes would be cleared up by this situation.

Mr. BLANTON. Who ought to know more about this than Mr. Burke, who appeared for the Department and asked for $162,000,000 and got exactly that sum?

Mr. TABER. It seems to me we are going just as far as we ought to go, because I do not think there is any question but what the substitutes of long service, who have been hanging on for 6 or 7 years, will be pretty generally taken care of. I do not see any reason for permitting the substitutes who have only just come on to be made regulars on account of sympathy, because they should learn their business first, as the others did.

Mr. MEAD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MEAD. The gentleman from New York made a statement a moment ago about natural retirements and the filling of vacancies; but does the gentleman remember that as a result of the economy bill we involuntarily forced out of service thousands of men who were only 30 years in the service, and we have boiled the personnel down to the minimum? Therefore, we cannot contemplate additional retirements of any great degree in the future.

Mr. TABER. The retirements were made not under the Economy Act but under an appropriation bill that was passed along about the 1st of June 1933. Those 30-year retirements have been made and practically all cleaned up. They were supposed to do that only in cases where the Department did not need to fill a vacancy. I do not believe

that they were intended to interfere with or did interfere in any way with the regular operations, where there was plenty of work to keep the clerks employed who were then on the roll. There will be normal retirements of somewhere around a thousand this year, and those vacancies can be filled, and the substitutes who have been waiting a long time can be made regulars.

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I move to strike out the last word. I simply want to call the attention of the House to some of the testimony before the committee in regard to the question under discussion. In that regard I should like to ask the gentleman from New York [Mr. MEAD] what would be the average pay for a substitute working 8 hours a day at 65 cents an hour?

Mr. MEAD. It would be $1,400 or $1,450 a year.

Mr. McLEOD. And is it not a fact that the testimony before the Appropriations Committee on the Post Office Department brought out the fact that in most instances substitute employees were 100 percent employed but received only the salary of substitute employees?

Mr. MEAD. Yes; and Mr. Burke, if you will refer to page 56 of the hearings, in answer to a question asked by the gentleman from Michigan, said:

> Yes. He is working 8 hours per day out of a scheduled 10 hours. We feel in all cases where we have a full-time job for a man, 8 hours per day out of a scheduled 10 hours, we should, if possible, make him a regular carrier, instead of continuing him as a substitute.

And then when you asked him if he will have any left after he makes a few promotions which he contemplated, he said:

> Yes; there will be still 700.

I say to you that there is no possibility of promoting all those men with the appropriation we are making available.

Mr. ARNOLD. Will the gentleman yield for just a moment?

Mr. McLEOD. I yield.

Mr. ARNOLD. Permit me to say that we have a normal turnover in this service of something like 2,000 a year. With that normal turnover of 2,000 it will permit these substitutes to come in.

Mr. MEAD. Will the gentleman yield right there?

Mr. McLEOD. Yes; I yield.

Mr. MEAD. We cannot expect a normal turnover in the Post Office Department for the next 5 years, for the reason that we eliminated all surplus employees that we possibly could under the retirement plan, and every post office in every city in the United States was given instructions by the Department to weed out all aged employees, who under natural law would not be retired for 5 or 10 years.

Mr. McLEOD. Let me say to the gentleman, in walking over to the House Office Building this morning with a Member of Congress, he cited the case of an individual who graduated from high school with him 17 years ago, who went on the substitute rolls of the Post Office Department, and is still on the substitute rolls even though his record is 100-percent efficient. This individual is still receiving an average of $1,400, where he should receive at least the minimum of a regular.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. FITZPATRICK. Is it not a fact that there are thousands of substitutes today who have been on the substitute rolls for 5 or 6 years?

Mr. McLEOD. Oh, longer than that. Moreover, the substitutes in the larger post-office areas cannot obtain other employment while they maintain the status of a substitute carrier.

Mr. Burke testified in the hearings, at page 36, as follows:

> Substitutes at practically all offices have plenty of work. In fact, we are getting complaints from some offices that the substitutes have too much work.

Meaning that they are working the maximum number of hours and receiving the minimum pay. That, of course, is contrary to the whole set-up of this so-called "program of uplift and assistance" to deserving individuals who are attempting to get along and who are loyal employees or servants of the Federal Government.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Indiana [Mr. LUDLOW], a member of the committee, has read to you from the hearings a statement by Mr. Burke that he has only asked for $162,000,000. That is exactly the amount that this committee gave him.

Where is there a man in this Government service who is more efficient and more conversant with the needs of this Department than Mr. Vincent Burke? He is one of the finest public officials there is in the Government today. He knows exactly everything about the needs and necessities of that Department. Who ought to know more about it, he and the committee or somebody who is not on the committee? Who ought to know more about it, the distinguished gentleman who is chairman of this committee and the members of that committee, who held the hearings and have voted this bill out and who marked it up after conducting the hearings, or someone not on the committee?

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. ARNOLD. I call the gentleman's attention to the fact that the amount we carry in this bill will give $15,500,000 more than they have for the current fiscal year.

Mr. BLANTON. Certainly. Attention was called to that by the gentleman from New York [Mr. TABER]. It is more than the appropriation for the fiscal year by $15,500,000.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. CONNERY. The gentleman spoke about Vincent Burke. I agree entirely with the gentleman that there is not a finer or abler man; and, by the same token——

Mr. BLANTON. If the gentleman admits that, then he admits himself out of court.

Mr. CONNERY. By the same token there is not a brighter man in the United States Government; and he is so bright that he knows that when the Bureau of the Budget asks for $162,000,000 that it would be very bad taste on his part to ask the Appropriations Committee for more, even though he knew the Post Office Department ought to get it.

Mr. BLANTON. Now, my good friend from Massachusetts says he is in favor of Vincent Burke. Then follow his recommendations.

Our good friend the gentleman from New York [Mr. MEAD] is the close personal friend of every postal clerk and city letter carrier in the United States, he is the close personal friend of every rural carrier in the United States, he is the close personal friend of every railway mail clerk and of every substitute in every post office in the United States, and he is their personal spokesman here on this floor to fight their battles for them. They expect him to do it and we expect him to do it. And we are their true and tried friends also. But, granting all that, we must stand by these committees, we must stand by the President, we must stand by the Budget, if we expect to keep this Government out of bankruptcy.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MEAD. Of course, the gentleman must have in mind that the mere making available of this money does not necessarily imply its expenditure. The gentleman knows the Department will not spend it improperly.

Mr. BLANTON. My friend the gentleman from New York knows that if the occasion does not arise to expend it for the purpose intended that it will be used for promotions, promotions that Congressmen will go down there and insist be made; I imagine my friend from New York would be just as insistent down there as any of the rest of us—and he has a powerful influence down there—would be just as insistent for promotions, and they may be undeserved, and I do not say this in any unkind way; I do lots of things for my friends

that possibly I ought not to do, and they do things for me that possibly they ought not to do. Friendship leads us to do lots of things, but we must stand by our committee.

We must back our committee, who held these hearings and worked long before Congress assembled. The Committee on Appropriations started holding hearings on some bills in the month of December and were away from home during the Christmas holidays in order to do so. We must back up the President and keep the finances of this Government within the President's financial program.

There is no more loyal American than my friend from Massachusetts [Mr. CONNERY], and I know he is going to back his President and his President's Budget.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAY. The gentleman from Texas has spoken very highly of Vincent Burke. I rose simply to call attention to the fact that Mr. Burke is a Kentuckian.

Mr. BLANTON. That is one of his numerous virtues I failed to mention.

[Here the gavel fell.]

Mr. HOEPPEL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the doctrine advanced here by the distinguished gentleman from Texas that we should follow the directions of the President and the Director of the Budget in instances of this kind certainly will not receive my approval. I am not interested in what the President or the Director of the Budget submits to me, if such is contrary to the welfare of our postal employees and other workers. I know that in my district substitutes are being employed 9, 10, 11, and even 12 hours a day, yet the Department will not appoint these men to regular positions because of the fact that if it did they would receive the regular salary and be employed according to the 8-and-10 law. I do not approve of enslaving our substitutes by making them work long hours and curtailing their pay in the name of economy in order that the Post Office Department may show a saving in its administration. The same condition prevails in the Railway Mail Service. I have personal friends who have been substitutes for years and who are not appointed to existing regular vacancies because the Department apparently desires to economize. I think it is high time we provided sufficient funds for the Post Office Department to pay these men the rate they should be paid.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. The gentleman says he is not interested in what the President sends us.

Mr. HOEPPEL. I am not interested in what the President sends, if, in my opinion, it is not in the interest of the people.

Mr. BLANTON. Is not the gentleman interested in what the President wants?

Mr. HOEPPEL. I am interested in my people and what they want.

Mr. BLANTON. The gentleman is interested in this $24,000,000,000 Townsend scheme and this other hooey scheme for the redistribution of the wealth that is now fooling so many people in the country.

Mr. HOEPPEL. If we enact the Townsend pensions, instead of the insignificant $30 a month which the Director of the Budget has submitted to us, we will find it is not "hooey."

Mr. BLANTON. Is the gentleman going to join hands with a $24,000,000,000 organization which states it will cause a revolution and wreck the Government unless it has its say?

Mr. MEAD. Will the gentleman yield?

Mr. HOEPPEL. I yield to my friend from New York.

Mr. MEAD. I may say, Mr. Chairman, that Mr. Burke has been brought into this discussion by others rather than by me; but inasmuch as he has been lauded very highly, I call him as a witness. With regard to vacancies in the carrier service only, the following testimony appears at page 56 of the hearings on the Post Office Department section of the bill:

Mr. ARNOLD. How many of these 995 vacancies will you be able to take care of?

Mr. BURKE. Of these 995 vacancies on December 16, we are approving the appointment of about 280 as regulars.

Mr. HOWES. And we will approve more as the necessity comes up.

Mr. MCLEOD. There will still be 700.

It is these 700 I am pleading for. They have been serving as substitutes for 1 year, 2 years, 3 years, and up to 10 and 12 years; and they ought to be given the honest pay they are earning.

Mr. HOEPPEL. I agree with the gentleman from New York. The cases I mentioned are personally known to me, and these men are entitled to permanent employment instead of substitute work. Vacancies exist due to retirement and death; but despite the fact that vacancies exist, the Post Office Department will not fill them.

Mr. LUDLOW. Will the gentleman yield?

Mr. HOEPPEL. I yield to the gentleman from Indiana.

Mr. LUDLOW. The part of the bill to which the gentleman from New York addressed himself is not before the House at all.

Mr. MEAD. The same situation occurs in connection with the clerical force and the carrier force.

Mr. HOEPPEL. While I have the time, I should like to call attention to a further fact. We are not giving our post-office employees the consideration that we should, so far as appointments are concerned. We are very prolific and free in the appointment of men to offices here in the various emergency bureaus, and they sit around in these facilities, doing little or nothing. They do not know what it is all about, yet they continue to draw fabulous salaries. If we are going to economize, let us begin with the patronage profiteers in Washington.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. HOEPPEL. I yield to the gentleman from Wisconsin.

Mr. SCHNEIDER. While we are economizing in connection with the expenses of these employees who are entitled to promotion, we are very liberal in this bill a little further on in a contribution of some $29,000,000 as a subsidy to the shipping interests. If we want to economize, we ought to economize by cutting down these colossal sums which we are giving to the shipping interests.

Mr. HOEPPEL. I regret that I cannot agree with the gentleman. I am in favor of subsidies to our American-owned shipping interests as a matter of national defense.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, this is a very important matter, and as was well stated by the gentleman from Wisconsin [Mr. SCHNEIDER] just now, it does not seem to me it is good economy to economize at the expense of men who are giving a loyal service to the Government. It is also un-American to ask a man to work as a regular for a substitute's pay. That is like making an officer out of a man and paying him a private's pay. It is all wrong.

The gentleman from New York [Mr. MEAD] said, in connection with the carrier force, that they were putting 280 of the substitutes to work and leaving 700 men who have been going along as substitutes for years in many instances in the same position. You know these men and I know them. Every one of you know them in your post offices in your home cities. You know the work they do and the hours they keep. If it is a carrier, he is out in the snow, rain, and sleet. He gets the mail to you on time and you kick if it does not arrive on time. These men are giving a loyal service to the United States Government.

The gentleman from Texas [Mr. BLANTON] spoke about Mr. Burke coming before the Appropriations Committee and asking for the one hundred and sixty-two million and no more. If I am not mistaken, Mr. Chairman, there is a regulation in effect in all the departments which forbids an official of the department coming before the Appropriations Committee and asking for a higher figure than that given by the Budget; so, of course, Mr. Burke when he came in, no matter what was in his heart, no matter how he felt toward these men, no matter what the necessity was for rais-

ing the appropriation, could not say to the Appropriations Committee that it should increase the appropriation a million dollars.

There is no such restriction, however, upon Members of the Congress, so the gentleman from New York [Mr. MEAD] can say it, I can say it, and every other Member here can say it.

Mr. DONDERO. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Michigan.

Mr. DONDERO. Do not the substitute carriers do the work of the regular carriers?

Mr. CONNERY. Yes.

Mr. DONDERO. Why should they not receive the same salary?

Mr. CONNERY. They should. They only get fourteen forty instead of the regular pay.

Mr. MAY. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Kentucky.

Mr. MAY. How about adding this million dollars to these people who are doing a good work and taking it off of the $39,000,000 which has been allotted to the shipping subsidies in future sections of the bill?

Mr. CONNERY. I have not discussed the ship-subsidy feature of this bill, but I remember a distinguished Senator from Washington on the floor of the United States Senate 2 years ago bringing out the fact that it cost $110,000 to carry 1 pound of mail under one of these ship subsidies. This has not anything to do with the present administration. That was an act of a past administration. Of course, I am not in favor of any such subsidy as that.

May I say especially to the gentleman from Texas [Mr. BLANTON] that that was started by the Republican administration and the Democratic administration is doing away with that kind of graft.

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from Massachusetts [Mr. CONNERY] knows that I am just as much against all subsidies as he is. I have as many postal employees in my district as any other Member. I am their friend. However, I am here to tell you that, comparably, they are paid as well as any other employees in the State of Texas, and the people whom they serve are becoming alarmed about their pay being above what other people get for a comparable service. You might go too far in their behalf and create a prejudice against them. Do not do for them so much that you will create a prejudice against them in the hearts and minds of the people whom they serve.

Mr. CONNERY. May I say to the gentleman from Texas [Mr. BLANTON]—and this is an old argument between the gentleman from Texas and myself—that I am striving—and I hope the gentleman from Texas will strive—to bring the wages in industry in Texas up to the wages in Massachusetts.

Mr. BLANTON. Down in Texas we do not believe in working just 30 hours a week. We believe in doing a good, honest day's work.

Mr. CONNERY. That is what we do in Massachusetts; but we want decent pay, and not the wages which are paid in Texas.

Mr. MEAD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. MEAD. We are not providing one dollar for the payment of any substitute who is doing a substitute's work. We are providing ample money for the Department to take care of the substitutes who are appointed regularly.

Mr. CONNERY. I hope the amendment of the gentleman from New York [Mr. MEAD] will be agreed to.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. MEAD and Mr. CONNERY) there were—ayes 97, noes 14.

So the amendment was agreed to.

The Clerk read as follows:

City delivery carriers: For pay of letter carriers, City Delivery Service, $116,750,000.

Mr. TAYLOR of Tennessee. Mr. Chairman, I move to strike out the last word. I am particularly interested in the paragraph referring to the village carrier, and I should like to know what the differential in pay is between the city carrier and the village carrier.

Mr. MEAD. A village carrier receives $1,250 or $1,350, I believe it is, and a city carrier, in the lower grade, receives $1,700 and advances automatically each year $100 in salary until he attains the maximum of $2,100.

Mr. TAYLOR of Tennessee. The village carrier does practically the same character of work as a city carrier, does he not?

Mr. MEAD. There is a difference. Some years ago we had a special bill passed that permitted carrier service in small villages that could not qualify for city delivery service by reason of population.

Mr. TAYLOR of Tennessee. I understand that, but the village carriers do the same service and work the same number of hours.

Mr. MEAD. It is practically the same service, but, of course, if the cost of village delivery service were increased, I fear there would be a tendency on the part of the Department to refrain from giving this service to the villages.

Mr. TAYLOR of Tennessee. But, certainly, there is not such a sufficient difference in their work to justify such a large differential in salary.

Mr. MEAD. Last year the House passed a bill with respect to the village carriers increasing them $150 a year and that bill died in the Senate.

Mr. TAYLOR of Tennessee. I thank the gentleman for his information.

Mr. MEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 51, line 15, after the word "service", strike out "$116,750,000" and insert in lieu thereof "$117,750,000."

Mr. MEAD. Mr. Chairman, this is a similar amendment to the one I offered on page 50 of the bill. This amendment pertains to the carrier force in the City Delivery Service; the amendment we adopted a moment ago applies to the clerical force in first- and second-class offices.

This will permit the Department to pay substitutes who are performing regular duty the salary prescribed for a regular carrier. It will in no wise help the substitute who is not working as a regular, although the substitute is called upon to furnish his own uniform, to show up two or three times a day at the post office, to study the scheme plan, and to become familiar with postal rules and regulations, for which he receives no pay whatsoever.

This will permit the Department, when its judgment so decrees, to pay substitutes who are working as regular carriers the pay prescribed for such work for regular carriers. There are approximately 600 who will not be taken care of unless we provide the money for the Department. In view of the fact we have just made it possible to take care of the substitutes in the clerical force, I can see no reason why the committee should not accept this amendment, in order that we may take care of the substitutes in the carrier force.

This will call for no additional expenditure except to pay a substitute, when he is performing the duties of a regular employee, the minimum wage prescribed by law for that particular task.

This is an honest amendment. It is not a subterfuge to save money on the poorest and most pathetic class in the Federal service. [Applause.]

We treated the substitutes in the Postal Service miserably when we enacted the economy bill. We denied them the right to work, because in the economy bill we held that all the money saved by reason of retirement, resignation, sick leave, or absence from duty on the part of the regulars must be impounded in the Treasury. Therefore, the substitutes were unable to work.

Furthermore, any employee of this Department that was a veteran, who served his country in the World War and was

disabled, had his compensation reduced because he was employed by the Federal Government—a most unjust act.

So we found the substitutes denied charity by the various public-relief agencies because they were working for Uncle Sam, denied work in the post offices because the money had to be saved, and denied compensation because they were supposed to have a Federal job.

Mr. Chairman, I am ashamed of the treatment we accorded the postal substitutes, and here is our opportunity to be on the square with them. [Applause.]

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I yield.

Mr. COCHRAN. Is it not true there are substitutes on the list today who have been substitutes for 5 or 6 or 7 or 8 years?

Mr. MEAD. Yes; there are substitutes who have been there for 10 or 12 years, and some of them made as little as $1.50 a week. I am not pleading for them in this amendment, much as I should like to do so; I am only asking that the substitute, once he is appointed regular, be given the salary of a regular carrier.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I yield to the gentleman from Ohio.

Mr. SWEENEY. Is it not true that this will affect 30,000 substitutes, approximately?

Mr. MEAD. This will permit of the promotion of six-hundred-and-some-odd substitutes who, unless this money is provided, will have to work as regulars for $1,400 a year. In a way it will help the entire substitute group.

Mr. SWEENEY. In the aggregate, how many of them are there?

Mr. MEAD. There may be 25,000 substitutes in all the service, but this particular amendment only applies to substitutes in the city letter-carrier service.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, in this item we are carrying this year $12,750,000 more than was carried for this purpose in 1935. There has been a turnover in this service of something like a thousand. This will enable the filling of these places and promote these men whom the gentleman from New York and all of us is so much interested in.

There are 995 vacancies that will be taken care of. Of these vacancies, 280 have been already taken care of.

I am as much in sympathy with the postal employees as any man in this House. At the same time, while I want to do them justice, I want to protect the Treasury of the United States, and see at the same time that these men shall receive justice.

The gentleman from New York has asked for another million dollars over the amount recommended by the Bureau of the Budget and over the amount recommended by the President of the United States through the Budget. The committee added a million dollars to the amount carried in this bill a few months ago, and now another million is wanted. We must consider the Treasury of the United States. We must consider the recommendations of the President through his Bureau of the Budget in these matters.

These men that the gentleman from New York has been talking about should be well taken care of and will be better taken care of under this bill for 1936 to the extent of $12,750,000. With the vacancies to be filled and with the turn-over in the service the employees covered by this item will be taken care of by permanent employment very rapidly, and I ask that the Committee vote down this amendment.

Mr. CONNERY. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. CONNERY. I read from the hearings. The gentleman from Illinois [Mr. ARNOLD] asked:

How many of these 995 vacancies will you be able to take care of?

Mr. Burke answered:

Of these 995 vacancies on December 16 we are approving the appointment of about 280 as regulars.

Mr. ARNOLD. That is out of the 1935 appropriation. That will leave 705 to be taken care of out of this appropriation.

Mr. CONNERY. Mr. Burke says 280 will be taken care of, and that leaves 700.

Mr. ARNOLD. The 700 will be taken care of out of the 1936 appropriation and many more through the turn-over of employees in the service.

Mr. McLEOD. Mr. Chairman, I refer the gentleman to the hearings on page 56, and I quote from Mr. Burke's own testimony, a man who seems to have the confidence of the Membership of this House. We all have faith in him, and I quote Mr. Burke where he testified there are 995 vacancies and that 280 can be deducted from that number. The question was asked as to whether the substitutes were getting more money or less than the regulars. Mr. Burke replied that they are getting less and that their average salary is $1,400 or $1,450 as against $2,100, if they had the status of regulars.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. McLEOD. Mr. Chairman, I move to strike out the last word, to complete my statement, which will merely be the insertion of the testimony of Mr. Burke in response to some questions that I asked him during the hearing on this bill. The substitute carrier is getting $1,400 to $1,450, as against $2,100, which he is entitled to, when he does the work of regular appointees. He said that there is some saving in money by this form of procedure, but that it causes some complaint and that there is considerable merit in the complaint on the part of the substitute.

Mr. McLEOD. He does the work but does not get the pay?

Mr. BURKE. Yes. He is working 8 hours per day out of a scheduled 10 hours. We feel that in all cases where we have a full-time job for a man, 8 hours per day out of a scheduled 10 hours, we should, if possible, make him a regular carrier, instead of continuing him as a substitute.

Mr. McLEOD. Why not take care of that in this bill?

Mr. BURKE. With the money that we are setting up here we will be able to take care of the meritorious cases.

Mr. ARNOLD. How many of these 995 vacancies will you be able to take care of?

Mr. BURKE. Of these 995 vacancies, on December 16 we are approving the appointment of about 280 as regulars.

Mr. DUFFEY of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. Yes.

Mr. DUFFEY of Ohio. In my district some of the substitutes are paid as low as $2.50 a month. Does not the gentleman believe that if an added million dollars is given to this appropriation, that is comparable with other millions of dollars that we have given for legitimate purposes in this Congress.

Mr. McLEOD. I want to repeat what Mr. MEAD said. It would be only right if we could properly take care of that group of people that the gentleman has in mind, but this does not affect those people in any large sense. This merely takes care of the individuals who are doing 8 hours a day and not getting the pay they are entitled to get. The substitutes who are not supplied with sufficient work to bring their work up to 8 hours a day are not helped by this amendment. They should receive more compensation, there is no question about that, because they are not permitted to take on other employment if they want to keep their Federal status. They are not permitted in some cities to take funds or assistance from the various welfare departments, and yet many of them are strictly entitled to welfare aid.

Mr. DUFFEY of Ohio. Do they not have to go to the post office early in the morning and wait around hoping that somebody will be at home sick?

Mr. McLEOD. They are supposed to report once a day.

Mr. HOEPPEL. If you pass this amendment, it will be possible for these substitutes who are working 9 or 10 or 11 hours a day to work only 8 hours a day, and in that same ratio you will be giving additional employment to other substitutes.

Mr. McLEOD. Yes; and that would be consistent with the codes advanced by the present administration. But this amendment is intended to give the substitute what he is entitled to for the work that he is doing. He is being denied his proper compensation.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment. It is all right to talk about adding a lot more money to this appropriation, but why should we give more than the Department specifically says it needs? Mr. Burke, representing the Postmaster General's office, said, on page 56 of the hearings:

We will take care of the meritorious cases among the vacancies.

And when he can do that, what earthly sense is there in our boosting this appropriation up into the sky just for the sake of making a gesture? We are supposed to sit here as the Congress of the United States and appropriate the funds necessary to run the Government and not throw away the people's money so that bureaucrats can go ahead and play with the money, regardless of the needs of government. Those who are promoting this amendment are in favor of turning a million dollars over to the bureaucrats, not to fill vacancies which exist but to provide funds for the bureaucrats to play with, without restraint, and I am opposed to that sort of program.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLANTON. The gentleman quoted Mr. Burke, who said that the money that this bill provides the Department with will take care of the meritorious cases. Then if we vote this extra million dollars, it will be to take care of the unmeritorious cases, will it not, as a logical conclusion?

Mr. TABER. Absolutely, and make the Department subject to political pressure.

Mr. BLANTON. And the money in this amendment will be for unmeritorious cases.

Mr. TABER. Absolutely. That is what it is for—not for the meritorious cases.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SCHNEIDER. I think the gentleman will not go so far as to say that the head of the Department would expend this money for employees who are not entitled to it? These substitute employees are entitled to promotion to any permanent position in case there is a vacancy, and they should have this pay. The question of meritorious employees does not enter into it. The civil-service regulations and the law establishing these positions require that the permanent positions be filled.

Mr. TABER. I cannot yield any further. The situation is just this: The number of clerks and carriers available in any office is dependent upon determination by the Department of the needs. When a department says they can take care of all meritorious cases and fill all vacancies that ought to be filled, they mean that they can fill all positions where there is need for them. Why do we want to put this million dollars up there to be played with?

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I move to strike out the last three words. I should like to get some information from the gentleman from New York [Mr. MEAD]. The gentleman from Illinois [Mr. ARNOLD] stated that Mr. Burke said this would put 280 to work; that is, the present appropriation. I understood the gentleman from Illinois [Mr. ARNOLD] to say that this present appropriation, without the amendment which the gentleman from New York [Mr. MEAD] has offered, will take care of these 700.

Mr. ARNOLD. May I say to the gentleman that the 280 came on in December out of the 1935 appropriation. That was last December. They have already gone on.

Mr. CONNERY. Now, what about the 700?

Mr. ARNOLD. The 700 will be taken care of out of this appropriation that we are carrying in this bill.

Mr. CONNERY. I should like to hear what the gentleman from New York [Mr. MEAD] has to say about that.

Mr. MEAD. I cannot identify which one it is with regard to the hearings, but Mr. Burke said:

Of those 995 vacancies on December 16 we are approving the appointment of 280 regulars.

Then Mr. MCLEOD said:

There will still be 700.

Mr. Burke answered:

We want to be careful to see that we are not falling into an extravagance by filling these vacancies. That is why it is a slow process.

Very slow. Sometimes it takes several years. Then he goes on to say that they will take care of additional meritorious cases, but he does not mention the fact that he can take care of these 700. I took the matter up with the Department, and I put these figures before them, and I say to the gentleman that the information I got, without mentioning any names, from authentic, reliable sources, is that they cannot take care of these 700 cases with this appropriation.

I want to say further to the gentleman there is not any need to be worried about extravagance, because everybody knows that they have been reducing their deliveries in business and residential sections. They have not only been doing that but they have been making every possible saving in the present Post Office administration, so much so that they have developed a surplus of $12,000,000. I am not willing for them to do that at the expense of the substitutes in the Postal Service. [Applause.]

Mr. ARNOLD. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. ARNOLD. The gentleman from New York [Mr. MEAD] says this is confidential information. Presumably it comes from someone in the Department. The gentleman owes it to this House to tell us where that information comes from, so that we can judge something as to the merits of that position.

Mr. CONNERY. I do not think the gentleman is under any obligation to give the House any confidential information which he has.

Mr. ARNOLD. I think it is manifestly unfair to this committee and to this House if there are people in the Post Office Department who come to us and tell us one thing and then go to others and tell them something else.

Mr. CONNERY. I am sure the gentleman from New York [Mr. MEAD] will impart quietly to the gentleman from Illinois the information he has.

Mr. ARNOLD. It is not the gentleman from Illinois only who is interested. It is this House that is interested.

Mr. CONNERY. He can get it from the same person or persons from whom the gentleman from New York got it.

Mr. MEAD. I will tell the gentleman publicly. But as Chairman of the Post Office Committee I happen to know something about the operations of the Post Office Department. I took these matters up with Department representatives, who presented information to the committee of which the distinguished gentleman from Illinois [Mr. ARNOLD] is chairman. I quoted figures to them and received figures from them which, in my judgment, verify the statements that I have made.

Mr. ARNOLD. Will the gentleman yield further?

Mr. CONNERY. I yield.

Mr. ARNOLD. I think, in fairness to the House and in fairness to the committee, the gentleman from New York should state the names of those people. If they are coming to us with one statement of facts and going around behind our backs to other people with a different statement of facts, we ought to know who they are. The Post Office Department ought to know who they are; and if anyone in that Department is giving out contradictory information, we should know who they are and the Department should know.

Mr. MEAD. The gentleman may be attempting to build up a straw man, and perhaps this may be an effort to draw a herring across the trail. I am pleading for the substitutes in the Post Office Department, and I am not going to be taken off the track by any statement about the activities of my committee or Department representatives. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. I want to conclude my statement. First I will yield to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. No man on this floor is more interested than I am in seeing that all postal employees receive just treatment at our hands and that they are paid adequate salaries. And I believe that if you would submit the matter to your constituents back home they, by a large majority, would say that postal employees now are fairly treated and receive adequate pay.

When there are millions of men now in the United States who have no jobs at all and cannot get any work and have nothing with which to support their families, and Congress has voted $4,000,000,000 to help them get work, we are forced to look at this matter from the standpoint of 120,000,000 people. I believe that Mr. Burke in the Department has just as much interest in them as any man on this floor, and I believe he will look after them properly with the money which he has requested and which the committee has allowed him.

Mr. CONNERY. The gentleman knows, and I know, that Mr. Burke has all the interest anyone could have in the employees; he has their interests very much at heart because that is the type of man he is; but, I repeat, that Mr. Burke is under orders from the Post Office Department when he comes before the Appropriations Committee not to ask for a cent more than the Budget has allowed. Mr. Burke, deep down in his heart, must realize that the substitutes should not be put on as regulars and paid substitute pay. The gentleman from New York [Mr. MEAD] wants to put these substitutes on as regulars where they have been and pay them regular pay, which they should receive.

Mr. McLEOD. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. McLEOD. In order to justify the stand the gentleman is taking, and to satisfy the gentleman from Texas in the question he has just asked, I quote the following from page 57 of the hearing:

Mr. McLEOD. Would the money included here take care of more than the 280 you are approving?

Mr. BURKE. Yes, sir.

Mr. McLEOD. Then, if it becomes necessary to certify more than the 280, you will have money with which to do it?

Mr. HOWES. We will have money to provide for some of it.

Mr. CONNERY. Some of it; only some of it; that is it. We want to take care of all of those 700 men whom they have been using on regular jobs but paying substitutes' pay. Let us pay a man a decent day's wage for a decent day's work. I hope the amendment is adopted.

Mr. MEAD. Mr. Chairman, if the gentleman will yield, I may say that no postal substitute has spoken to me; and I doubt very much whether any postal substitutes have spoken to any Member of the House about this amendment.

[Here the gavel fell.]

Mr. MOTT. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am very much gratified by the action of the House during the last few minutes. I am glad at last to see this display of independence on the part of this branch of the Congress. I think if the attitude exhibited here during the past half hour keeps on that in time we may be able to restore ourselves to something resembling a real legislative body. I do not know how it may impress others, but to me it is significant that in the amendment just adopted providing an additional million dollars for salaries of underpaid post-office clerks we have actually taken legislation into our own hands and have succeeded in passing it over objection of a bureau chief.

In my opinion, Mr. Chairman, we have been paying too much attention to bureaus and to the opinions of bureau chiefs and we have been putting entirely too much faith in the infallibility of the Budget. We all know that the Budget Bureau time after time has made mistakes, mistakes which it has been obliged afterward to admit. The trouble with the House has been that invariably it has supinely followed the recommendations of the Budget, even when it knew the Budget was wrong. And the Budget, I may say, has done some very wrong things. Just at the last session of Congress the Bureau of the Budget, in cooperation with the Department of Agriculture, attempted to take away from us or to drastically cut the appropriations of nearly all of the agricultural experiment stations of the country. We had to plead for days with the Appropriations Committee, and it was only after a long, hard fight, in which almost the whole country joined us, we were able to get those appropriations restored.

The Budget Bureau is by no means infallible. Its judgment certainly should not be law. Its opinion should carry weight with us, of course, but it is the business of this body to make the law.

Now, there are Members of the House who know a great deal more about some of the items in this bill than the bureau chiefs do or than the Budget makers do. I venture to say that the gentleman from New York [Mr. MEAD], the Chairman of the Post Office Committee of the House, knows more about the particular items in this bill upon which he is offering his amendments and upon which he is now giving us information than do either the Bureau of the Budget or the Post Office Department itself. [Applause.] And I think we should weigh well what he has to say while this bill is being considered and that we should begin now to pay a little attention to the opinions of our own Members and should cease to be influenced by departmental opinion.

In my estimation, the gentleman from New York is absolutely right. The substitute carriers deserve the small consideration which he is fighting now to give them. The amendment we have just adopted will enable the Post Office Department to fill 700 clerical vacancies which could not otherwise be filled, and which we all know ought to be filled. It will enable employees doing the work of regular clerks to receive the legitimate pay of regular clerks. The amendment now pending will do the same thing for 600 city letter carriers who have been working as regulars 8 hours a day for years, but who have been receiving substitutes' pay because during all those years neither the Post Office Department nor the Bureau of the Budget have seen fit to do them justice by providing enough money to pay them the regular and legal salary. I sincerely trust this amendment, like the preceding one, may be adopted. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

Railway postal clerks, travel allowance: For travel allowance to railway postal clerks and substitute railway postal clerks, $2,350,000.

Mr. MEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEAD: On page 53, line 7, after the word "clerks", strike out "$2,350,000" and insert in lieu thereof "$3,250,000."

Mr. MEAD. Mr. Chairman, this is an amendment to take care of the travel pay of the employees in the Railway Mail Service. Up until the passage of the Economy Act the travel allowance of railway mail clerks was $3 per day for their lodging and meals. They had to be away from home 10 hours before they were entitled to travel pay. The economy bill, however, in an effort to penalize some employees more than others, not satisfied to deduct 15 percent from their pay, unwilling to agree that reducing their pay for night work on the trains by 50 percent was a sufficient toll for them to pay, not satisfied with denying them automatic promotions, went beyond reason, in my judgment, and reduced the travel allowance of these men from $3 to $2 a day.

The travel allowance of Members of Congress, of the Postmaster General, of supervisors in the various departments of the Government, has been restored to the full amount. It has been restored to all except the railway mail clerks, and in an effort to save a few dollars we are going to continue the penalty on them, force them when away from home to eat in soup kitchens, and stay perhaps in flop houses, places

certainly beneath the dignity of the men who work for the greatest and the richest Government on earth. But before I stand silently by and see this happen I will at least make an effort to be fair to these loyal clerks. [Applause.] I hope to see enough money provided so that if the Department wants to give them the $3-a-day travel allowance, it will be possible to do so.

If the administration is eager to do justice to these employees of the Railway Mail Service, a sufficient appropriation should be provided.

The law reads that the Postmaster General may provide a traveling allowance not in excess of $3 a day. The appropriation in the bill provides that under no circumstances, unless he be a miracle man, could he give them over $2 a day. I am only attempting, Mr. Chairman, to make this appropriation consistent with the law; and under the amendment I have offered the Postmaster General may or may not provide a decent pittance for these men when they are away from their homes. I ask you in a sense of justice and fair play to support this amendment, and I want you to know that we are not depriving the Department of any effort which they may make toward economy. We are only making it possible for them to be consistent with the law which the Congress of the United States enacted some years ago. If we do not adopt this amendment, we are treating these employees unfairly, for we have restored the travel allowance to the heads of departments, to the supervisors, and to the inspectors, and deny it to those who are given the lowest amount for travel allowance.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say to the gentleman from New York [Mr. MEAD] that a few years ago we had something similar to this in the Veterans' Committee in connection with an allowance for men in the Veterans' Bureau who traveled around the country defending cases for the Government on veterans' insurance. I brought out at that time an instance where a man from the Veterans' Bureau trying such cases came back and owed himself $800 after his tour of the United States trying cases for the Government. This was after making allowance for the amount given him by the Government.

As I understand the amendment offered by the gentleman from New York [Mr. MEAD], the Postmaster General is now authorized to give these men $3 a day, but under the present appropriation he cannot give them anything except $2. An example of this is where a man travels from Boston to Albany in the Railway Mail Service. He has to stay over in Albany for a day. Under this appropriation he is given $2 for this day. I do not know where anyone in the country can get a decent, clean room and three square meals a day for $2, especially when he is not permanently renting a room but is on a tour of duty in Albany or some place else.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. The amendment offered by the gentleman from New York is a just amendment and should be passed. May I ask the gentleman whether it is not a fact that most of the Federal employees today are not receiving adequate wages? In other words, the United States Government says that a married couple must have at least $2,500 a year; yet we have thousands of men and women who are compelled to work for the Federal Government and who are receiving less than $900.

Mr. CONNERY. The distinguished gentleman from Pennsylvania, being a member of the Labor Committee, knows we have had plenty of testimony before that committee to show the need for raising all wages of workers in the United States. The United States Government, I may further say, set a very bad example in the Economy Act, because as soon as we cut the wages of the Federal employees the United States Steel Corporation and similar large corporations put in a 15-percent cut on their employees the same day.

Mr. MEAD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. MEAD. Let us get some official information in the RECORD. On page 139 of the hearings Mr. Donaldson, representing the Department, makes the following explanation:

> That takes into consideration the rate of $2 per day paid to railway postal clerks under the law for traveling allowances. While the law provides a rate of $3 a day, the rate is fixed at $2 under the Economy Act, and we are asking for the same amount, assuming that the Economy Act will be carried forward into the next year.

Now, Mr. Chairman, the Economy Act is not carried forward, and I am simply complying with the law.

Mr. CONNERY. May I say, in closing, I hope the amendment of the gentleman from New York [Mr. MEAD] will be agreed to.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the attitude of the committee and the House seems to indicate that the Membership of the House has been convinced by the extravagance program of the President that they do not have to pay any attention at all to the recommendations of the Bureau of the Budget or to the testimony of the different department heads. I appreciate, under those circumstances, it is almost useless for committees to go ahead and go through with hearings on these appropriations. I appreciate that the attitude of the President himself, with his tremendous extravagance program, has brought about this situation, and, frankly, I do not believe it is going to be of any use whatever for anybody to urge economy while this program is going on.

In view of this situation, I believe it is up to the Membership of the House, in view of the fact that they do not care to pay any attention to the facts brought out in the hearings, to go ahead and vote just as they please.

For myself, I shall continue to vote for economy, even though the administration and the majority of this House have become demoralized by the extravagance program of the administration and the Democratic Party.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment of the gentleman from Massachusetts.

Mr. Chairman, this is the first time during my service with him for many years that I have seen the gentleman from New York [Mr. TABER] retreat under fire. These amendments seem to have him on the run.

About the best thing left to be done is for the chairman of the subcommittee in charge of this bill, the gentleman from Illinois [Mr. ARNOLD], whose committee has given weeks of careful, patient study to this matter, to move that the Committee rise, and then ask that this bill be recommitted to a joint session of the legislative Post Office Committee and the Labor Committee, and allow the gentleman from New York [Mr. MEAD] and the gentleman from Massachusetts [Mr. CONNERY] to rewrite the whole bill.

Mr. CONNERY. I wish that would be done. We would take care of the matter.

Mr. BLANTON. We should let the gentlemen from New York and Massachusetts call in the gentleman from California [Mr. HOEPPEL] to distribute all Government resources.

Mr. Chairman, this shows you what organization will do. These postal employees are thoroughly organized. I could get up here and go along with my friend from New York and vote for a million-dollar increase here and a million-dollar increase there and a million-dollar increase somewhere else, and then have a solid organization behind me on anything I want from them at home.

Mr. SHORT. Does not the gentleman believe in organization?

Mr. BLANTON. The gentleman from the Joplin district evidently does, for he is going along with it and voting for all of these million-dollar amendments.

Mr. SHORT. I am for it 100 percent.

Mr. BLANTON. The only man on the Republican side who has stood up here against these several million-dollar inroads made on the Treasury has been the gentleman from New York [Mr. TABER], and now you seem to have him intimidated. You have had a solid Republican vote en masse here for all of these million-dollar amendments.

Mr. TABER. I am still going to vote against this one.

Mr. BLANTON. But even the gentleman seems to have capitulated.

Mr. TABER. But I know that the other side of the House has yielded with respect to these amendments.

Mr. BLANTON. They seem to have whipped the gentleman from New York until they have taken the fight out of him on these million-dollar amendments. [Laughter.]

Mr. HOEPPEL rose.

Mr. BLANTON. I want to tell my friend from California what is going to happen. If he will go back to California and tell all of his constituents that he has voted for all these million-dollar amendments, over the request of the Department and against the Budget of the President, he will have all the postal employees for him; but there will be lots of voters in his district back in California who will say, "Mr. HOEPPEL, we believe you ought to have stood by the President and upheld his financial program."

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. HOEPPEL. I may tell the gentleman from Texas that during my campaign I criticized various features of the new deal, including the destruction of cattle and crops, and in all my speeches I said I would stand with the President when I thought he was right, but when I thought he proposed legislation which was against the best interests of the people, I would vote for the people. This amendment, in my opinion, is in the interest of the people.

Mr. BLANTON. If the gentleman made a campaign against the President he is the only so-called "Democrat" in this House who was reelected on such a platform. [Laughter.]

Most of the Democrats I know anything about, and most of those whom I had anything to do with helping to come back here, came back here because they were backing the President. It was a campaign of standing behind the President that brought them back here.

Mr. HOEPPEL. I pledged my constituents that I would support the President in his security program, which he advanced here on June 8, but little did I realize he would submit to us a starvation pension for our aged citizens.

Mr. BLANTON. I am going out to California this summer and look over the gentleman's constituents. I want to see how they look. [Laughter and applause.]

[Here the gavel fell.]

Mr. KVALE. Mr. Chairman, just a moment ago, when I yielded to the Chairman of the Committee on the Post Office and Post Roads to offer his amendment, I had intended to offer an amendment at line 4, page 53—which is the previous paragraph—to strike out the word "service", for the purpose of discussing the service which the railway mail clerks give us.

I had hoped that the Chairman of the Post Office and Post Roads Committee would offer an amendment to the salary provision similar to the one he offered to the travel-pay item, and I wonder if we cannot still return to it for that purpose, because the hearings disclose that the funds which are provided in this bill are $100,000 below what was requested through the Budget, and inadequate to meet the cost of paying these men and filling additional positions as the added needs of the service require.

The service now is notoriously undermanned. If any Member wants to go through an unusual experience, if he comes from a metropolitan area, let that Member go down to a terminal, or let him ask permission to ride on a railway mail car, let him see the tremendous tasks which these men, overburdened with work, are asked to assume day after day as part of their duties. Let him see how these sacks and piles of mail accumulate in the terminals and then he will wonder, as I have wondered, why there has not been a mass protest from the business—the commercial, the industrial, and the financial groups in the larger cities, where mail is being delayed in many instances a full business day over what might normally be expected from the Postal Service.

You will then see the need for giving proper and prompt attention to this undermanned and overworked and overburdened Railway Mail Service.

I have not prepared such an amendment, but I had hoped that the Chairman of the Committee on the Post Office and Post Roads, in line with the other amendments which he has offered, would also give attention to this need, because it is an actual need facing us today, and I think we will have to meet it very shortly. As I previously stated, I shall be surprised if there does not soon come a mass protest and organized objections on the part of the industrial, the business, the commercial, and the financial groups whose need is for prompt and efficient mail-delivery service. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the pro forma amendment.

I would, at this time, like to pay a tribute to the work and the time that the distinguished Chairman of the Subcommittee on Appropriations [Mr. ARNOLD] has put on this bill. I do not want any misunderstanding about my feeling on that matter, but I always separate my personal feeling and admiration for a man in Congress and the work that he does from the principles in which I believe—decent wages, the rights of the workers to get what is coming to them.

I thoroughly understand it is the job of the distinguished chairman of the subcommittee, as well as the Appropriations Committee, to keep down the expenses of government as much as they can and at the same time to be as fair and as just as they can.

We understand the functions of the Bureau of the Budget. They usually pare down what the departments ask, and many times just demands are not acceded to by the Bureau of the Budget.

I do not think my friend the gentleman from Texas would want any railway mailman who arrives in a town for his day's stopover to be obliged to go to what the gentleman from New York calls a "flop house" or go to a cheap restaurant to get something to eat. If the gentleman from Texas would go on one of these railway mail cars and see how they have to work, see that they have no time, throwing mail continually into this box and bag and into that box and bag, no chance at all for rest, he would agree that these splendid Americans are entitled to three square meals and a decent lodging.

Mr. BLANTON. There are many splendid Americans now living on $2 a day. And you would be surprised to know just how many splendid Americans there are just now who would be glad to get $2 per day allowed on expenses in addition to their wages.

Mr. CONNERY. I do not know how any splendid American can live on $2 a day and remain a splendid American. [Laughter and applause.]

Mr. SHORT. I am surprised that our friend from Texas, who voted for the $4,000,000,000 bill, can come in here and quibble over giving these railway men an extra dollar a day.

Mr. BLANTON. That bill was to employ 3,500,000 unemployed Americans and pay them at least $50 per month, so that they could earn an honest living, and many of them are in the Joplin district of Missouri.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DUNN of Pennsylvania. Is it not a fact that when we send a committee abroad to investigate various things we do not compel them to live on $2 a day?

Mr. CONNERY. The gentleman from Pennsylvania is correct.

Mr. KVALE. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. KVALE. I want to say that my criticism was not leveled against the committee or the chairman of the subcommittee, who is a splendid chairman, but to the short-sighted policy that wants to wring a little economy out of this group and deprive them of what they really ought to have.

Mr. CONNERY. The postal employees are something like the men in uniform during the war. They might be called the "peace-time army" representing the United States Gov-

ernment. Every householder, every man, every woman, every child, to whom mail is delivered, looks to them as representatives of the United States Government. They are entitled to decent pay.

Mr. MEAD. Mr. Chairman, I think it would be a contribution to this debate if it were brought out now, in view of what has been brought out by several Members, that our travel allowance has been restored in full by the Budget. I commend the Bureau of the Budget on its good judgment. And I might say to the gentleman that the distinguished chairman of the subcommittee, whom I also admire, will not have the difficulty he is experiencing now next year when he brings this same appropriation bill out, because we will have repealed the last item of the Economy Act.

Mr. DUFFEY of Ohio. And is it not true that in another department of the Government an allowance of $4 a day is given?

Mr. CONNERY. Yes.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. ARNOLD. Does not the gentleman from New York [Mr. MEAD] know that the Bureau of the Budget has nothing to do with the travel pay of Members of Congress, and does not the gentleman from New York know that that matter is fixed entirely by the Membership of the House, without any recommendation or reference of any kind from the Bureau of the Budget? The gentleman from New York ought not to make a statement of that kind.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BLANTON. I believe that the gentleman from Massachusetts will admit that with respect to many postal employees, after many Members of Congress pay all of their expenses and demands made on them, there are postal employees who at the end of the month, out of their salaries, have just as much left over as a Member of Congress has out of his. Is not that true?

Mr. CONNERY. I believe that the postal employees in many cases have more left out of their salaries than the average Congressman; but neither the Members of Congress nor the postal employees are getting the salaries to which they are entitled, and the Congress ought to raise those salaries.

Mr. COX. And is it not apparent to the gentleman that the Committee of the Whole is emasculating a piece of legislation that was very carefully constructed, and that it is time to desist?

Mr. CONNERY. I do not think so. I think we are merely asking the passage of amendments which will insure decent pay and decent living and decent traveling allowance for men in the Postal Service. I hope the amendment of the gentleman from New York [Mr. MEAD] will be agreed to.

Mr. MEAD. And the gentleman from Georgia [Mr. Cox] very eloquently pleaded for our rights only a few days ago.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. ARNOLD. Mr. Chairman, permit me to make a statement with regard to the amendment of the gentleman from New York [Mr. MEAD]. In 1925 this maintenance allowance to railway mail clerks was increased from $2 a day to $3. Members should not get the idea that that is a travel pay. It applies to railway mail clerks when they have been out on their runs more than 10 hours, and was intended to cover the lodging of the railway mail clerk at the other end of the line, when it was impossible for him to get back to his home. It was never intended to supplant the board or keep of a railway mail clerk while he was on regular duty or when he was at home any more than salaried employees are given an allowance beyond their salary for keep or board. When the Economy Act was passed that allowance was reduced to $2 per day. The amount was not fixed arbitrarily at $3 a day or $2 a day, but it does empower the Postmaster General to fix an allowance to help in paying for maintenance for the time they are out on their runs exceeding 10 hours at not to exceed $2, as fixed by the Economy Act, and, prior to the economy act, not to exceed $3 a day. Let me call attention further to the fact that each employee in this whole service has had his wage fully restored by this bill. The 15-percent cut that was made by the economy act has been restored. They will get 100 percent of their salaries. I do not know what other people might think about it, but it occurs to me that we ought to give some heed to the President's recommendation through the Bureau of the Budget. Those men have made a thorough study and investigation of that matter. Those men are more capable of determining these questions than we are here on the floor of the House.

They have all of the facts and all of the information at their disposal. We have just such information that we gain here on the floor of the House. It is true that the provision reducing the allowance to $2 a day expires at the end of this fiscal year. The Bureau of the Budget came to us with their recommendation that this matter be continued with a limit of $2 per day during the fiscal year 1936, and your Committee on Appropriations is submitting the matter to you just as it came to us through the Bureau of the Budget. Members should not lose sight of the fact that the travel pay and travel allowance of all Government employees has been permanently reduced $1 per day. That is not temporary at all. That is permanent law. We are simply asking here, under the recommendations of the Bureau of the Budget, that this limitation of $2 be kept in effect during the fiscal year 1935, and it is not intended to pay all of the expenses of the men, their board and lodging, while they are out. It is simply intended as a contribution to them to assist them, to some extent, in paying for their lodging while they are out on their service more than 10 hours on a run.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MEAD].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 91, noes 25.

So the amendment was agreed to.

The Clerk read as follows:

Electric- and cable-car service: For electric- and cable-car service, $360,000.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on the division on the last vote we had this afternoon, we now see the result of the support that was given by the majority to the extravagant program of the President last week.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Foreign Mail Service, Merchant Marine Act: For transportation of foreign mails under contracts authorized by the Merchant Marine Act of 1928 (U. S. C., title 46, secs. 861–889; Supp. VII, title 46, secs. 886–891x), including the cost of advertising in connection with the award of contracts authorized by said act, $28,850,000: *Provided*, That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: After the word "company", in line 10, page 55, strike out the period and insert a comma and the following words: "or any other contract authorized by the Merchant Marine Act of 1928, unless and until the investigation ordered by the President on July 11, 1934, reveals to the satisfaction of the President that such contract is fair and that it is free from fraud or corruption practiced either by officials administering the Merchant Marine Act or the owner or operator of the ship or ships with whom such contract was made."

Mr. LEHLBACH. Mr. Chairman, I make a point of order against the amendment that it is legislation on an appropriation bill and not a limitation.

The CHAIRMAN. The Chair will hear the gentleman from New Jersey on the point of order.

Mr. LEHLBACH. Mr. Chairman, the paragraph under consideration appropriates for the foreign mail service under

the Merchant Marine Act, for transportation of foreign mails under contracts authorized by the Merchant Marine Act of 1928, including the cost of advertising in connection with the award of contracts authorized by said act, $28,850,000. The proviso is—

That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

As a general proposition, this is legislation; because, if under the guise of limitation, an amendment is proposed which imposes upon any official of the Government duties not heretofore imposed upon him expressly by law, it is legislation, and therefore not in order on an appropriation bill. As I heard the amendment read, it does impose upon the President and those who act in his behalf a duty to review again the provisions of existing contracts which otherwise is not imposed upon them by law.

The fact that it is not a limitation that is immediately ascertainable is also emphasized by the language in the amendment which, as I recall it, makes it contingent upon the outcome or completion of a certain investigation which may or may not be completed during the time this money is available that is here appropriated.

If by reason of the fact there is a proviso which says that money may not be taken out of this appropriation for the payment of a certain contract numbered 56 involving the Seatrain Co. the amendment should be considered in order, I make the further point of order that the amendment is not germane to the proviso to which it is attached, which deals only with the Seatrain contract and does not deal with the merchant marine contracts, generally.

In other words, Mr. Chairman, I base my point of order on two grounds: That the amendment constitutes legislation upon an appropriation bill, and that the amendment is not germane to the proviso to which it relates.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Oklahoma offers an amendment, on page 66 of the bill, after the proviso ending in line 10. This paragraph of the bill relates to the foreign mail service under the Merchant Marine Act. The proviso states that no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

The gentleman from New Jersey made a point of order, first, as to it being legislation upon an appropriation bill, and, secondly, as to its germaneness.

The Chair is of the opinion, after fully studying the amendment and the proviso which it proposes to amend, that the amendment is not germane to the proviso in this paragraph, and, therefore, sustains the point of order.

Mr. KVALE. Mr. Chairman, I move to strike out the last word.

I wonder if the chairman of the subcommittee could tell us why the limitation is only against one contract, specifically no. 56, with the Seatrain Co., and still permits the Seatrain Co. and the United States Government to enter into other contracts? This contract, as I understand it, is tied up in the Court of Claims, but if the one contract is proven invalid why is it the committee, through this specific limitation, still leaves the Seatrain Co. open to make other contracts?

Mr. ARNOLD. No payment has been made under the Seatrain contract, and the question involved is whether or not the Seatrain Co. is engaged in foreign commerce or is engaged in coastwise commerce. If it is engaged in coastwise commerce, then it is not entitled to benefits under the Merchant Marine Act; if it is engaged in foreign commerce, perhaps it would be. This Seatrain Co. operates a car ferry from New Orleans to Habana, touching, I believe, some place in Florida. For this reason the committee a few years ago held the matter up with a limitation in the bill that none of the money could be used to pay on that contract, thinking that it was improper and illegal. The matter is now being threshed out in the Court of Claims, and we want to continue that position until the matter is judicially determined.

Mr. KVALE. Pending the disposition of that legislation, I wonder why the prohibition is only against the one contract and not against any contract that may be entered into with that company? My recollection may be faulty, but it seems to me that the appropriation bills in 1929 or 1930, when the proviso was first inserted, referred to "any contract with the Seatrain Co.", and not to contract no. 56.

Mr. ARNOLD. There have been no contracts entered into by the present administration under the Merchant Marine Act.

Mr. KVALE. I thank the gentleman. That is what I wanted to bring out. The hearings are not enlightening on that point.

Mr. ARNOLD. And we have assurances that there will be none until this matter as to the legality of the contracts that are now in operation under the Merchant Marine Act is determined.

Mr. BLAND. The matter has been taken up, and reports have been made by the Interdepartmental Committee and the Cabinet Committee, and is now before the President at the present time.

Mr. KVALE. Mr. Chairman, I withdraw the pro forma amendment.

The pro forma amendment was withdrawn.

Mr. BURDICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BURDICK. Do I understand the ruling of the Chair to be that in a bill of this kind where a contract is excepted because we have reason to believe it was unfairly entered into that we cannot offer an amendment to include other contracts similarly entered into?

The CHAIRMAN. In answer to the gentleman, the Chair will say that the rule is that where you have one specific proposition, such as there is in this proviso, you cannot offer an amendment which would make it a general proposition.

Mr. MASSINGALE. Mr. Chairman, I offered an amendment, reading as follows:

Amendment offered by Mr. MASSINGALE: After the word "company" in line 10, page 55, strike out the period and insert a comma and the following words: "or any other contract authorized by the Merchant Marine Act of 1928, unless and until the investigation ordered by the President on July 11, 1934, reveals to the satisfaction of the President that such contract is fair and that it is free from fraud or corruption practiced by officials of the Merchant Marine Act, or the owner or operator of the ship or ships with whom such contract was made."

The bill (H. R. 4442) to which this amendment was offered was a bill making appropriation for the Treasury and the Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes. As is suggested in the amendment, the words to be inserted follow the word "company" on line 10 of the bill.

I wish to call attention to the fact that the bill itself asks for $28,850,000 for carrying the mail under the so-called "Merchant Marine Act contracts of 1928", with the expressed provision:

That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

This amendment forbids the payment of any money on any other contract made under the Merchant Marine Act of 1928, unless and until the President of the United States determines that such contract is fair and that it is free from fraud or corruption practiced by any party to the contract.

In this connection, I desire to call attention to a few facts: Accompanying the bill there was distributed to the members a report submitted by the Committee on Appropriations, making appropriations for the Treasury and Post Office Departments, for the fiscal year ending June 30, 1936. In this report the following language is used by the Committee on Appropriations:

Under Executive order of the President of July 11, 1934, the Post Office Department is investigating both the Merchant Marine Act contracts and the foreign air mail contracts. A study is also being made for report to the President by an interdepartmental committee on the general subject of merchant-marine policy. Pending these reports and action upon them by the President, the Budget has recommended the continuance of the current appropriations for both foreign air mail and Merchant Marine Act contracts. The current obligation, if no change is made in these contracts, is approximately $7,000,000 for the air mail contracts, and

on the basis of expenditures for 1934 the cost on the Merchant Marine Act contracts would be $29,600,000. If the maximum of service as called for by the Merchant Marine Act contracts were permitted to be utilized, the cost in 1936 would be $32,851,000.

In view of the existing contract obligations and uncertainty as to what conclusions may be reached as the result of these studies or what action may be taken with respect to any of these contracts, the committee has approved the recommendations of the Budget to continue the amount of the 1935 appropriations. If any readjustments are effected in any of the contracts that will effect economies in the expenditures of these sums, the Government will get the benefit of the savings.

It requires only a casual glance at this report to see that under the direction of the President, the Post Office Department is investigating the Merchant Marine Act contracts, and the committee further states that, pending these reports, and action upon them by the President, the Budget has recommended the continuance of the current appropriations for the Merchant Marine Act contracts, with the statement that on the basis of 1934 expenditures the cost for carrying mail under the Merchant Marine Act contracts would be $29,600,000; then the committee states that in view of the existing contract obligations and in view of the uncertainty as to what conclusions may be reached as a result of the investigation, or what action may be taken with respect to any of the Merchant Marine Act contracts, the committee has approved and recommends the continuance of the appropriation, and states that if any readjustments are effected in any of the contracts that will effect economies in the expenditures of the sums appropriated the Government will get the benefit of the saving.

The report of the committee shows that the cost of carrying the mail under Merchant Marine Act contracts is $29,611,481.99, whereas on weight basis paid to other American ships the cost would be $2,598,962.86. This means that it costs the Government $27,012,519.13 more to have the same mail carried by the merchant-marine ships than to have it carried by other American ships.

The mere reading of the report of the Committee on Appropriations carries conviction to my mind that the contracts that were entered into for carrying the mail on merchant-marine ships were corrupt, and so viewing it, I offered the above amendment.

The amendment was offered, not as any criticism of the Committee on Appropriations, but it was offered for the reason that, in my judgment, no Member of Congress ought to sit by and see the public money, to the extent of $28,850,000, expended on contracts which the committee's report shows to be suspicious and even tainted with fraud or corruption.

Let me ask why it is that the bill itself expressly provides that no part of the money appropriated shall be paid on contract no. 56 to the Seatrain Co. and not include all other contracts that might be fraudulent. I think it is certainly logical to state that if the Committee on Appropriations had not entertained the idea that the contracts were not fair contracts, it would not have called attention in their report to the fact that the contracts were then under investigation; and when the committee was fair enough to do this for Congress, it appears to me to be obligatory on the part of somebody to specifically raise the question of whether or not we, as Members, would sanction a further appropriation of the money of the Government of the United States on these contracts.

It is elementary among lawyers that when a party to a contract ascertains that there is fraud in the making of the contract, then the proper procedure for him to take, in order to clear his own skirts and to be released from the binding force of that contract, is to take steps to rescind the contract or to be released from it.

No less an authority than the Supreme Court of the United States has used this very apt language regarding the question of repudiation of contracts when fraud is discovered:

> Where a party desires to rescind upon the ground of a mistake or fraud, he must, upon the discovery of the facts, at once announce his purpose, and adhere to it. If he be silent, and continue to treat the property as his own, he will be held to have waived the objection and will be conclusively bound by the contract, as if the mistake, or fraud, had not occurred. He is not permitted to play fast and loose. Delay and vacillation are fatal to the right which had before subsisted.

The above language is found in the case of *Grymes* v. *Sanders et al.* (93 U. S. 62). In fact, it is of common general knowledge that a person cannot overlook fraud, or dilly-dally about it when he discovers its existence in any contract. He must assert his rights unless he expects to shut up his mouth and pay.

It occurs to me that with the express statement from the Appropriations Committee that the contracts for which appropriation is sought to be carried on are fraudulent and were not fairly entered into, Congress is deliberately closing its lips to the fraud that was practiced upon the Government of the United States, and at the same time is opening the purse of the Treasury of the United States to the persons who perpetrate the fraud, to walk up and help themselves. So far as I am individually concerned, I am not going to do it.

A committee was appointed sometime back for the purpose of investigating these contracts, and the hearings fill 9 volumes of reasonable size and in all these investigations contain a total of 4,180 pages.

Of course, I have not read all the reports, and I confess that most of the information I have is newspaper information, but I do know this: Out in our part of the world, the newspapers in Oklahoma carried black headlines apprising the people of the facts brought out in the hearings of the committee on investigation of the air mail and ocean mail contracts. The information was startling, and it was difficult for any person to believe that a contract was entered into for carrying the mail that involved as much as several thousand dollars for carrying an ordinary common letter bearing a 2- or 3-cent stamp on it. In addition to that, the papers carried the further announcement that a lot of the ships that were sold to the corporations, organized for the purpose of getting mail contracts, were sold by the Government to these corporations for practically nothing and after the purchase of the ships, the Government entered into the mail-carrying contracts which are under consideration and for which the appropriation is asked in this bill. The papers also contained the information that money was borrowed at a small rate, one-half of 1 percent, by these ship corporations, from the Government, and our people could not believe such a statement as that because they had been in the habit of paying 10 percent for their money.

Opposition to my motion was made upon the ground that I did not know anything about the contracts or was not informed as to them. I grant that I do not have any intimate knowledge of just exactly who made the contracts or what induced the making of them, and I do not think the volunteer information that the merchant marine may be a necessary adjunct to our Navy in time of war justifies or excuses fraud in any form.

In fact, according to my conception of right and wrong, fraud can never be justified. If the Government of the United States wishes to subsidize ships, and it has a right to do it, they should all be subsidized alike, and Congress should quit authorizing the making of contracts that an ordinary person cannot understand. If we want to subsidize a particular ship or particular ships, according to tonnage, then let it be a fixed amount to each ship and not conceal or cover up by paying unreasonable and extravagant amounts of money for carrying a few letters.

In order to show that the newspapers out our way were not wholly in error, I quote the following from page 100 of the hearings before the special committee of the United States Senate on investigation of air mail and ocean mail contracts, at the second session of the Seventy-third Congress, pursuant to Senate Resolution No. 349. A statement was made by the chairman and is as follows:

> The CHAIRMAN. While we are waiting for the witness, I should like to put into the record a little reference to the amounts paid the Export on mail per pound. This is for the Export only at this time and not for all the companies.
>
> August 20, 1929, 11 ships carried 1 pound of mail for which they were paid $115,335.
>
> From July 1929 to June 20, 1930, 1 pound of mail was carried for which a payment was made of $125,820. These records are given in the report of the Postmaster General. This is a letter

from the Postmaster General transmitted in response to Senate Resolution 85, Document No. 69, and I have just read from page 412.

From July 19, 1930, to June 20, 1921, there were 8 pounds of letters carried, and the payment was $125,820.

From August 10, 1928 (this is on p. 43) to June 15, 1929, there were 3 pounds of letters carried at a cost of $243,980, or $81,326 per pound.

On pages 413 and 414 of the same report we find from January 15, 1930, to June 14, 1930, 4 pounds of letters were carried and the payment was $265,310, an average of $66,328 per pound.

From August 15, 1928, to June 10, 1929 (p. 415 of the same report) there were 4 pounds of mail for which the Government paid $350,725.

For the total year 1929 the mail pay to the Export Steamship Co. was $1,209,187. The average per pound in that total payment for that time was $66,083. The remaining information in connection with it can be found in Senate Document 69, Seventy-second Congress, first session.

The total for the year 1932 for the Export, according to a report which has been supplied to us but has not yet been established by the Post Office Department, the total paid to the Export for the mail contract was $1,498,030.

For certain ships appearing under branch A, these ships received $125,820 for 9 pounds of letters, or an average of $13,980 per pound.

Branch B steamers received a total of $121,990 for 6 pounds, or an average of $20,333 per pound.

The total for 1933, according to the report from the Post Office Department, for the Export Steamship Co. was $1,498,030.

Senator KING. Is that the calendar year or fiscal year?

The CHAIRMAN. Fiscal year.

Senator KING. Up to June 30?

The CHAIRMAN. Yes, sir.

Senator KING. Those were under contracts made prior to March 4?

The CHAIRMAN. All made prior to March 4. The contract which was originally made was altered or amended March 20, 1931. The original contract, which had been made in 1928, was amended by the Postmaster General, giving an increased classification, raising the amount given to certain vessels—class-4 vessels—from $2.50 to $4 per mile.

Senator KING. What is the date of that amendation of the contract?

The CHAIRMAN. March 20, 1931.

The chairman was of opinion that on the evidence taken in the first 100 pages of the investigation 11 ships carry 1 pound of mail for which they were paid $115,335; that another pound of mail was carried for which $125,820 was paid; and another 8 pounds of letters were carried and the Government paid $125,820 for these; that from August 10, 1928, to June 15, 1929, 3 pounds of letters were carried which cost $243,980, or $81,326 a pound; that from January 15 to June 14, 1930, 4 pounds of letters were carried and the payment was $265,310, or an average price of $66,328 a pound; another instance was from August 15, 1928, to June 10, 1929, 4 pounds of mail were carried and cost the Government $350,725, and thus it goes.

Now, all these apparent robberies committed in the merchant-marine mail-carrying contracts may have redounded to the good of the Government of the United States in opening new markets and mail routes for steamship corporations, but the only justification that I have heard so far for the letting of these contracts is that we might use these ships as an auxiliary to the Navy in case we have another war.

I mention the fact that somebody that represented the merchant marine, the Shipping Board, or some other agency of the Government did not treat all of the shipowners alike; that some of them had to pay exorbitant (?) rates of interest as much as one-half of 1 percent per annum, for money borrowed from the United States; and now let me quote page 130, of volume 1, of the special committee, supra:

The CHAIRMAN. What was the lowest rate of interest charged on the export ships that they purchased from the Shipping Board?

Mr. NEVIN. Purchase of ships?

The CHAIRMAN. I mean borrowed money.

Mr. NEVIN. We borrowed—one loan at one-half of 1 percent, based on the Treasury's interpretation of the Merchant Marine Act provisions——

The CHAIRMAN. You borrowed one at three-eighths of 1 percent, did you not?

Mr. NEVIN. Yes, sir.

The CHAIRMAN. How much was the amount you borrowed at three-eighths of 1 percent? Have you that record there?

Mr. NEVIN. $1,725,000.

The CHAIRMAN. And how much at one-half of 1 percent?

Mr. NEVIN. The same amount.

The CHAIRMAN. The same amount?

Mr. NEVIN. Yes, sir.

The CHAIRMAN. How much at 1½?

Mr. NEVIN. The same amount.

The CHAIRMAN. How much at 1¼?

Mr. NEVIN. The same amount.

The CHAIRMAN. That was the four big ships for which the loans were made?

Mr. NEVIN. Yes, sir.

The CHAIRMAN. And that constituted the bulk of the loans now owed the Government?

Mr. NEVIN. Yes, sir.

The CHAIRMAN. And that is the interest which is now being paid?

Mr. NEVIN. Yes, sir. We paid 5½ percent during the cost of the construction.

The CHAIRMAN. That averages about seven-eighths of 1 percent on that interest, is it not?

Mr. NEVIN. The last time I figured it, I thought it figured close to 1 percent. I was considering the 5 and—

The CHAIRMAN. A little less than 1 percent. Now, if you had borrowed all that money at 5½ percent instead of at the rate it was borrowed during the time—I do not know whether you have these figures or not, but they were furnished by the Shipping Board—it would have cost you, in addition to interest you actually paid, $2,853,000. Have you those figures or have you computed them?

Mr. NEVIN. No, sir.

And in the same connection, I quote the following from pages 155 and 156 of the same hearing:

The CHAIRMAN. You don't know whether you think it is wrong for one company to receive money at one-eighth of 1 percent, and another company to have to pay 5½ percent and up?

Mr. BAKER. I don't know what the facts are. I know there is a difference in the rate for construction loans for ships engaged in foreign trade as against construction loans for ships engaged in coastwise trade.

The CHAIRMAN. I understood you to say to Senator MCCARRAN you were not willing to state you thought it was wrong for one company to get money for one-eighth of 1 percent and others to have to pay a great deal more.

Those latter excerpts from the testimony taken at these hearings show, at least to my mind, that somebody was favored by the Government of the United States, or some agency of the Government of the United States, when these contracts were made and this money borrowed.

And as I said before, the people out our way do not understand such transactions, and they will not understand why Congress is voting to ratify such contracts. Evidently some agency or person represented the Government of the United States when these contracts were made, and it was the duty of such representative of the Government to see that fair contracts were entered into. Somebody evidently failed to properly represent the Government in the making of these contracts.

The public thinks that these contracts were saturated with fraud; and from the report made by the Appropriations Committee accompanying the bill under consideration, I think the public has a proper conception of these contracts. My position is that no appropriation should be made in furtherance of the contracts; and if the merchant marine ships want to carry the mail of the United States Government, they should be permitted to carry it without any obligation on the part of the Government to pay what appears to be exorbitant and unconscionable rates for carrying it. I am satisfied that these ships will carry the mail and risk the Government's paying what it is worth to carry it after the conclusion of the investigation.

So, Mr. Chairman, in view of the wording of the bill itself, which excepts one fraudulent contract from the operation of the appropriations, and in view of the further fact that the Appropriations Committee itself reported that other contracts were at least suspicious, it occurs to me that there is nothing left for the Congress to do but to refuse an appropriation for any of the merchant marine mail-carrying contracts until the President completes his examination and advises the Congress just what, in the light of the facts, should be done.

The Clerk read as follows:

Contract Air Mail Service: For the inland transportation of mail by aircraft, as authorized by law, and for the incidental expenses thereof, including not to exceed $19,100 for supervisory officials and clerks at air mail transfer points, and not to exceed $39,965 for personal services in the District of Columbia and incidental and travel expenses, $10,700,000.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word. I only want about 2 minutes to call attention to the need of enlarging the domestic Air Mail

Service by increasing the route mileage and the airplane mileage. This provision in the bill carries $10,700,000 for the inland transportation of mail by aircraft. This includes $1,200,000 for further extension and additional schedules.

It appears, however, that no further extensions can be made without additional legislation. In the Air Mail Act of the Seventy-third Congress it was provided that the maximum air mail route mileage should be 29,000 miles and the airplane mileage 40,000,000 miles.

As early as last December the route mileage was exhausted, so it will be impossible for the Department to make any further extension of routes, even though any part of the $1,200,000 should be available for that purpose.

A bill has been introduced, and I call the attention of the able Chairman of the Post Office Committee to its provision to increase the air mail route mileage from 29,000 to 35,000 miles and increase the airplane mileage from 40,000,000 to 45,000,000 miles.

I think the demands made for the service are very encouraging, and I trust when the gentleman calls his committee together to consider the legislation that the result will be the reporting of an amendment making provisions which will meet the growing demand for the use of airways.

Mr. MEAD. I want to say to the gentleman that the committee will begin hearings next Tuesday on the air mail and it will have the commissioners appointed by the President before it. The committee will be glad to hear the gentleman from Colorado, and I will say that I am in sympathy with the object of increasing the route mileage.

Mr. MARTIN of Colorado. I thank the gentleman for his statement.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Rural Delivery Service: For pay of rural carriers, auxiliary carriers, substitutes for rural carriers on annual and sick leave, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof, $94,000,000.

Mr. ARNOLD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. ARNOLD: Page 56, line 3, strike out "$94,000,000" and insert "$94,300,000."

Mr. ARNOLD. Mr. Chairman, this amendment is designed to extend to some extent the rural mail service. One hundred thousand dollars of this it is contemplated will be used for the establishment of new routes and $200,000 will be used to expand existing routes. There is pending in the Department a number of applications for routes that have been already inspected and approved. It will take this amount of money to establish those new routes and the extension of routes. I think it will leave them possibly between $50,000 and $75,000 more for the establishment of new routes and extensions that have not been approved, new routes that might come in on applications hereafter presented, but this money will take care of all approved new routes and all approved extensions of existing routes. Your committee went into the matter very carefully. We are convinced that this additional money should be made available here for that purpose.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. MARTIN of Massachusetts. Was there any evidence before the committee that it is the purpose of the Department to consolidate the rural mail routes? What is to be the policy in the future?

Mr. ARNOLD. The days of consolidation are not entirely passed. They can consolidate only where the carrier is entitled to retirement. They cannot consolidate routes and take a carrier off any place, unless that carrier is entitled to retirement. There are many routes yet in the country that are not up to the standard of what the Department thinks they might eventually go, but those routes will remain as they are, according to my information, until such time as it is necessary to retire the carrier, and then the matter of consolidation will be taken up.

Mr. MARTIN of Massachusetts. Are these consolidations determined entirely on mileage or do they take into consideration the volume of business handled?

Mr. ARNOLD. I think probably they take into consideration more the condition of the roads they have to go over.

Mr. MARTIN of Massachusetts. Does the gentleman not think that the volume of business ought to be considered?

Mr. ARNOLD. I do not think the volume of business that a rural carrier handles enters into it very materially. It might to some extent. The normal route now is fixed at 30 miles. It was 24 miles until the last session of Congress. A number of routes in the country run 45 and 50 and 60 miles. That altogether depends on the condition of the highways to be traveled, with respect to the length of these routes that are finally consolidated.

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. WEARIN. Do I understand the gentleman to say that this amount will take care of all of the applications for rural-route extensions now pending with the Department?

Mr. ARNOLD. I do not know that it will take care of all those now pending. It will take care of all of those that have been approved. There is quite a number of them.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FORD of Mississippi. Mr. Chairman, I have just sent an amendment to the desk exactly as the one offered as the committee amendment by the gentleman from Illinois. Therefore I withdraw my amendment. I think the committee amendment should be adopted. It is evident that in the past 2 years economy has been uppermost in the minds of those in charge of the Post Office Department, and while there is no one that favors economy in government more than I, nevertheless I do not feel that the rural service should be neglected, but that the people living in the rural sections of our country are entitled to have their mail delivered just as the city people have theirs delivered. The rural routes have contributed wonderfully and materially to the development of our country. In the past 2 years there have been many consolidations of rural routes, and this, in my opinion, has greatly disrupted our rural service. I know of many instances where rural routes have been consolidated over the protest of all of the patrons of the route, as well as the Congressman, and I know that the service is greatly impaired as a result of the consolidations, but it seems to be the policy of the Post Office Department to consolidate regardless of the wishes of the patrons. During the past year the Post Office Department has approved a large number of extensions of routes, so as to give service to a large number of people that have been walking miles to get their mail, but they have been unable to start the mail over the extensions because of lack of funds. We can render a great service to our people by voting for this amendment, and I hope my colleagues will all join in favoring its adoption. [Applause.]

Mr. MEAD. Mr. Chairman, I move to strike out the last word.

Mr. CARPENTER. Mr. Chairman, before the gentleman begins his remarks, will he yield to me for a moment?

I understood that we passed a bill at the last session of Congress, sponsored by the gentleman's committee, that would stop this consolidation and would freeze the routes as they were then.

Mr. MEAD. There was no restriction as to the length of routes in the bill. The provisions in the bill call for an extension of standard routes from 24 to 30 miles. In other words, a carrier would be called upon to take care of 30 miles for the same salary he formerly received for taking care of 24 miles. In addition to that, his pay was reduced from $30 per annum per mile in excess of the standard route to $20 per annum per mile in excess of the standard route, and, in addition to that, we increased his equipment allowance from 4 cents to 5 cents per mile. In the long run it is a reduction in income to the personnel and a saving to the Department.

Mr. CARPENTER. Was that contemplated to stop this consolidation?

Mr. MEAD. It was assumed that as a result of the saving the Department would let up on the consolidation of rural routes.

Mr. CARPENTER. But the Department did not follow that out? They continued to consolidate?

Mr. MEAD. Yes; in order to save money and keep within the appropriation.

Mr. Chairman, I am in favor of the amendment submitted by the chairman of the subcommittee. This amendment proposes to give to the Department the right to give service on all of the extensions and all of the new routes that have been so far approved by the Department. It is a meritorious amendment. I believe it also provides a sufficient sum of money for contemplated extensions which will be approved during the coming fiscal year. In the last 2 or 3 years the development of the rural service has been retarded by reason of efforts to economize. This amendment will improve the postal service in the rural communities. It will provide the Department with a sufficient amount of money to bring the Rural Delivery Service up to date.

By adopting this amendment we are assuming the proper prerogative of the House. The Department was advised by the Budget not to make any recommendations for new service. New services, of course, are necessary and essential. Everybody in a rural community knows that. This is an instance where the committee and the Congress are rising up to their rightful position and dictating the policy rather than to be taking orders from the Bureau of the Budget. I congratulate the subcommittee. I commend its chairman for presenting this amendment. It is a deserving amendment. Like the amendments I offered, it permits the Department to carry on a program unmolested by diminished or inadequate appropriation.

[Here the gavel fell.]

Mr. TARVER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Of course, I am delighted that the amendment has been submitted by the chairman of the subcommittee having charge of this appropriation, to provide some relief for patrons of the Rural Free Delivery Service, who have not been able to procure necessary extensions in the last several years.

I want to point out that the hearings disclose there are 2,761 extensions that have already been approved, and that it will require $217,000 to install those extensions. Those are already approved. The sum of money that is added to the appropriation by the amendment offered by the gentleman from Illinois [Mr. ARNOLD] will therefore probably not be sufficient to take care of any additional extensions hereafter found warranted by the Department, if any part of it worth mentioning is used to establish new routes, but will probably take care of those which have already been found justified. However, this appropriation does not become available until July 1 of the present year. These extensions already having been found justified, and having been approved for future installation, I wish to inquire now of the gentleman from Illinois, chairman of the subcommittee, if he would have any objection to the addition to his amendment of these words, "of which amount the sum of $300,000 shall become immediately available"? If that language should be added to the gentleman's amendment, the Department would not have to wait until the 1st of July in order to install these extensions that have already been approved.

I can conceive of no reasonable objection to the addition of that language and the making of this fund immediately available for that purpose. May I inquire of the gentleman from Illinois [Mr. ARNOLD] if he would object to an amendment of that character?

Mr. ARNOLD. I do not think it is advisable to do that. As I understand it, the Post Office officials told us they would proceed just as rapidly as they could to put these new routes and extensions into operation. I would rather not agree at this time to the amendment.

Mr. TARVER. I judge from the remarks of my colleague that he, in reality, has no objection, so I intend to offer the amendment for the consideration of the Committee.

Mr. Chairman, I move to amend the amendment offered by the gentleman from Illinois by striking the period at the end thereof and adding a comma and the words:

Of which amount the sum of $300,000 shall become immediately available.

I ask recognition in favor of the amendment I have proposed.

The Clerk read as follows:

Amendment offered by Mr. TARVER: At the end of the committee amendment insert a comma and the words "of which amount the sum of $300,000 shall become immediately available."

The CHAIRMAN. The gentleman from Georgia [Mr. TARVER] is recognized for 5 minutes.

Mr. TABER. Will the gentleman yield?

Mr. TARVER. I yield.

Mr. TABER. Would not the effect of this amendment be to reduce by one-third the additions to rural routes that could be effected, because it would make it immediately available, and result in much less service being put on than if the item was not available until the 1st of July?

Mr. TARVER. I cannot conceive of how that result might follow. I think the gentleman will find on either page 188 or 189 of the hearings, the testimony of Mr. Burke relative to this subject matter, in which he gives the exact number of rural-route extensions that have already been approved, and he estimates the probable cost of placing them into effect at about $217,000. The chairman of the subcommittee, the gentleman from Illinois [Mr. ARNOLD], states that the purpose of his amendment is to enable the Department to put into effect the extensions that have already been approved. If that is the purpose, then why, in the name of common sense, should we ask the farmers of the country, who will be benefited by this service, to wait until the 1st of July before extensions already authorized or approved could be made effective? Why not make the amount of money which is proposed to be made available by this amendment for this purpose immediately available? What conceivable objection could exist to such course? I do not understand that the effect of my amendment would in any way decrease the chances of securing additional extensions to the Rural Free Delivery Service.

Mr. TABER. Just look at this situation: If you make the money go over a longer period, there can be less done.

That is the effect of it. It will mean that a great many of the extensions that could be made if the money was left so it was available until July 1 cannot be made.

Mr. TARVER. Does not the gentleman think, in view of the statements made by the gentleman from Illinois [Mr. ARNOLD] as to the purposes of this addition to the appropriation, that if it should be adopted by the House with this additional language added the Department would consider it its duty immediately to install these extensions that have already been approved?

Mr. TABER. I doubt if the Department would be able to do that.

Mr. TARVER. Certainly there is no reason to postpone the installation of additional service which has been authorized in some instances as far back as 2 or 3 years. There is no reason for further delay. The Department, under the statement of the gentleman from Illinois [Mr. ARNOLD], will certainly install the approved extensions as soon as the money is made available, which should be now instead of July 1; and future maintenance of such service, even if the additional appropriation should not be sufficient to include the rest of this fiscal year, will certainly be provided.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Georgia to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. CARPENTER. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I wonder how many members of the Committee have not received this kind of a letter from some constituents living on a rural route:

If you knew the conditions out here we do not believe that you would take our rural route away from us.

We Members of Congress are so connected with the Post Office Department, especially the Members of the majority party, that this post-office proposition is always on our doorsteps. People out in the rural districts cannot see any justification for these consolidations and curtailments of service when the Government is spending so much money for everything else. Whenever in our little towns and villages with only one rural route a vacancy occurs the Department steps in there arbitrarily and consolidates that route with another. This means the death knell of that village; and the Member of Congress does not know anything about it until the consolidation has occurred. He is not conferred with, and it does not make any difference how long the Member of Congress has known those people out there or how many letters he writes to them he cannot convince them that he was not the one who did it.

The people in the rural communities feel that instead of curtailing this service more rural carriers ought to be employed. They feel that instead of adding to the mileage and thereby increasing the salary of a rural carrier who already receives a good salary that the work should be divided up as much as possible and the service extended. In many of my counties there are even bankers, lawyers, and business men who would like to have one of these rural carrier jobs.

When you go down to the Department about it they talk to you about the "Budget", and they say: "We would like to do it, but the Budget will not let us"; and this you are to explain to your constituents. How are you going to explain to your constituents that we have to economize $4,000,000 in the Post Office Department here in Washington when your constituents read in the morning paper the next day after they receive your letter that the Government is spending $65,000,000 for new post-office buildings all over the country?

We recognize the fact, of course, that because of modern means of conveyance, good roads, and so forth, there can be some consolidations. These country folks are practical people. Why, instead of sending out these inspectors who slip into a little town at night, speak with the postmaster, get out before morning, and make a report stating that the people do not need the service or can get along without it—why instead do they not consult with the people affected along the routes and talk with them and ascertain their wishes? As I say, those folks are reasonable and recognize the fact that a consolidation may be practical, but they resent being ignored.

I commend the committee for having brought in this amendment. I am for the amendment, because it will mean the establishment of a lot of extensions that are needed. I have had the experience in asking for extensions and have received in reply a letter saying there were only 15 or 25 families to be accommodated and 1 and sometimes 2 to be discommoded. Therefore your application is turned down—and you are left to go out there and try to explain this to these people.

These are some of the things with which we Congressmen are confronted. I think we ought to do something about these consolidations and extensions so that we can give the service these people are entitled to and which they want.

[Here the gavel fell.]

By unanimous consent, the pro forma amendment was withdrawn.

The committee amendment was agreed to.

The Clerk read as follows:

OFFICE OF THE THIRD ASSISTANT POSTMASTER GENERAL

Manufacture and distribution of stamps and stamped paper: For manufacture of adhesive postage stamps, special-delivery stamps, books of stamps, stamped envelops, newspaper wrappers, postal cards, and for coiling of stamps, and including not to exceed $22,100 for pay of agent and assistants to examine and distribute stamped envelops and newspaper wrappers, and for expenses of agency, $4,207,150.

Mr. MILLARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLARD: Page 56, line 11, after the figures at the end of the line, insert:

"*Provided*, That no part of this appropriation shall be used for the manufacture and distribution of any postage stamps that shall not be fully perforated and gummed and ready for sale at post offices or other places where postage stamps are sold."

Mr. ARNOLD. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. ARNOLD. Mr. Chairman, I make the point of order that the amendment is not a limitation but is a direction to do a certain thing. It therefore becomes legislation and is not a proper amendment.

The CHAIRMAN. The Chair is ready to rule.

It is the opinion of the Chair that this amendment is in order. It is clearly a limitation upon the appropriation, and the Chair therefore overrules the point of order.

Mr. MILLARD. Mr. Chairman, the amendment proposes a prohibition which will in the future make it impossible for an officer or employee in the Post Office Department to issue or distribute incomplete stamps or stamps in any way different from those on sale to the public in the regular way through the recognized distributing agencies.

Someone has suggested that there should be a law enacted in reference to this matter. The gentleman from New York said there was no law, and he is correct. I could not offer an amendment putting law into this appropriation bill, because it would be then subject to a point of order. This is the best that can be done in an appropriation bill.

While I am not myself a serious philatelist and have no profound knowledge of the subject, I know that a stamp which differs even in the smallest detail from the usual run is considered by collectors, because of these differences, of great value. This is the basis of the complaint, to which I called the attention of the House on Monday, made by the philatelic societies throughout the country against the distribution, by the head of one of the executive departments, of imperforate sheets of stamps which are not available to the public but which have a tremendous value in the philatelic market.

In this connection it is interesting to note the value in the philatelic market of a stamp having only the most minute imperfection. The following are examples taken from Scott's special United States catalog for 1935:

Number	Description	Price
250a	1894 issue, 2¢, triangle I imperforated horizontally	$100
250b	1894 issue, 2¢, pair imperforated between	200
289a	1898 issue, 8¢, velvet brown imperforated horizontally	500
295a	1901 issue, 2¢, carmine and black center inverted	2,700
296a	1901 issue, 4¢, chocolate and black center inverted	1,200

Perhaps the most famous example of the value of an unusual stamp is that of the air mail stamp on which the plane was inadvertantly printed upside down.

These quotations barely scratch the surface, but they give a splendid example of the vast fortunes which could be amassed by irresponsible persons in whose hands might fall the imperforate sheets of stamps which have caused so much comment. There is nothing to prevent the estates of the persons now in possession of these sheets, even if their present owners do not wish to take advantage of their sale value, selling them for exorbitant prices. This will be the natural consequence when the sheets fall into the hands of the next generation, where the interest in stamps exists only insofar as their money value is concerned. There is proof that some of these imperforate sheets of stamps issued by the Postmaster General have already been placed on the market for sale in several parts of the country.

Imperfect stamps have until recently been issued through error or oversight only, and the stamps thus distributed are of particular value because of their scarcity. Great care has always been exercised by the Bureau of Engraving and Printing against the removal from the Bureau of unfinished or incomplete stamps, though careful investigation fails to indicate there is a law prohibiting such a removal. In my opinion, such a law should be passed by the Congress, for I am informed that the Bureau, in the printing and issuance

of stamps, merely acts as a manufacturer with a contract and executes the orders of the Postmaster General just as instructed.

The seriousness of removals from the Bureau is exemplified by the following story, which I have been unable to verify as to fact, but which serves to illustrate my point:

I am told that one of the finest of the designers of United States stamps at the Bureau had been considered entitled to retain a proof copy of each of his designs. This privilege was rescinded by the Bureau, however, and the designer offered the Director his resignation. His services were so valuable that a special concession was made in his case, and for a while he was again permitted to retain a single proof copy of his designs. At a later date the privilege was again taken from him, and this time he resigned rather than to forfeit his privilege. The Bureau thereby lost a skilled designer who could only be replaced with difficulty, and probably not at all.

Stamp collectors are belligerent because some few officials of the Federal Government and their friends should be in a position to purchase at their face value or have presented to them by the head of one of the executive departments stamps printed on imperforate sheets that the general public cannot buy except at tremendous cost. They have somewhat the same feeling about men in public office that the English people have for the Prince of Wales. When the Prince was in Australia, the strikers on their railroads would not allow passenger trains to run, but they offered to make a special concession in his case and let the Prince's train go through. When informed of this, the Prince inquired, "Will the public be allowed to ride with me?" The response was in the negative, and the Prince replied, "Then I will not ride." He did not take advantage of his high office, and the American people expect and demand the same fair play from their own executives.

[Here the gavel fell.]

Mr. MILLARD. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MILLARD. In offering the amendment to the appropriation bill I feel that moneys made available for the manufacture and issuance of stamps for the Post Office Department should be restricted so as to make it prohibitive for incomplete or imperfect stamps, so far as humanly possible, to be distributed, unless such distribution is made to the general public when any person desiring them may be given the opportunity to make his purchase in the open market.

I hope that the Committee will accept the amendment and that the House will pass it.

Mr. Chairman, I submit, this amendment should receive the unanimous support of the Committee.

Mr. ARNOLD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. MILLARD].

Mr. Chairman, it is clearly to be seen that this amendment is offered because of some feeling on the part of the gentleman from New York [Mr. MILLARD] by reason of the stir that has been raised in the past few weeks in the press and on this floor in regard to some stamps.

As I understand the situation, the Post Office Department has not been acting differently or doing other than previous Postmasters General have done in matters of this kind. Of course, it is unfortunate that one of these sheets did get into the hands of a man who tried to commercialize it and took the matter up with some of these philatelic agencies, intending thereby to reap profit for himself. It created quite a little stir. So far as I know, there is only one of these sheets that has gone into the channels of commerce.

Mr. Chairman, there is no necessity at all for an amendment of this kind, and I hope that the Members will vote it down. The purpose of the amendment is a direct reflection and attack upon the Postmaster General. If the Members believe in upholding the Postmaster General, who has been one of the best, most competent, and thoroughly efficient men ever to hold that portfolio, they should vote down this amendment. On the contrary, if they are willing to go along and join with the opposition to assail and assault the Postmaster General, hoping to gain some partisan advantage, because perhaps some little slip was made and one of these sheets was inadvertently sold, go ahead and vote for the amendment. So far as I am concerned, I intend to oppose the amendment, and I do not propose to give aid and comfort to the gentlemen on the other side of the aisle who have been trying to make a mountain out of a molehill with references to some of these stamps.

Mr. SHORT. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from Missouri.

Mr. SHORT. Does not the gentleman feel that the amendment would prevent the recurrence of such an unfortunate situation?

Mr. ARNOLD. May I say to the gentleman that it has been the policy of Postmasters General in the past to give the original run or specimen stamps to high officials in the Government. It has been the policy of Postmasters General in the past to make up an album of some of these specimen stamps, containing many stamps, and deliver them to the delegates to the International Postal Convention, and no complaint was ever made before.

Why should this matter be taken up at this time and the House asked to vote a direct reflection upon the present Postmaster General? Partisanship is the motive back of it all.

Mr. BACON. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from New York.

Mr. BACON. Assuming it has been done by previous Postmasters General, does not the gentleman think it is a bad policy and that now is the time to stop it for all time in the future?

Mr. ARNOLD. I think it is a bad policy to commercialize these stamps, but this is a case where there was no commercializing of these stamps. Inadvertently only one sheet in question was sold for its face value, $6, and an attempt was made to place it on the market by the gentleman who was fortunate enough to buy it. The Government received full pay for the stamps. I am not concerned about the rivalry of stamp collectors. No wrong has been done, no law violated.

Mr. MILLARD. Will the gentleman yield?

Mr. ARNOLD. I yield to the gentleman from New York.

Mr. MILLARD. I did not offer this amendment for any political reason but did present it for protection of the stamp collectors of the Nation.

Mr. ARNOLD. I understood from what the gentleman stated and from what he said on the floor of the House the other day what is back of this. The gentleman is after the Postmaster General.

Mr. MILLARD. I am not after the Postmaster General.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Postmaster General is just as much in favor as is the gentleman from New York [Mr. MILLARD] of stopping irregularities, and he will stop them. I do not believe in issuing sheets of unperforate and ungummed stamps, but no harm came from it. There was nothing dishonest about it. The Government did not lose one penny. The Postmaster General paid for them unperforated and ungummed just as much as he, you, or I would have paid for them gummed and perforated.

The Postmaster General probably followed the custom of previous Postmasters General with respect to buying and distributing new issues of these stamps.

There is nothing unusual about a man in the Government service wanting to keep as a memento something incident to his service. I have known of Members here who have sat in an office chair for 20 years; and when they left and the chair was condemned and sold as useless, these Members would have the chair bought and sent down to their homes. When this youngster here from Missouri whom you Republicans are using on the front lines so much gets older and goes back

to Joplin 20 or 30 years from now, he will want to buy and take his chair with him.

The gentleman from New York [Mr. MILLARD] has absolute confidence in the Postmaster General, in his honesty, in his integrity, and in his every single act with respect to this Government. This is just a hamstringing proposition.

I do not blame you fellows on the other side. I feel sorry for you. You fellows used to sit in your palatial committee-chairmanship offices and had all your prerequisites. We Democrats would have to come and kneel down to you for every little thing we wanted. We used to jump on your administration about this and that, but we did it about big matters. We did not do that about little inconspicuous, insignificant matters. I feel sorry for you, Senator. It is quite a come-down to you, but be patient and do not lose your equilibrium. There are plenty of big things for us to fight about for this Government and in the interest of all the people. If we could combine our forces across the aisle and fight against the big waste and big extravagance prevalent for many years in these bureaus that ought to stop, we would be getting somewhere.

Mr. SHORT. Mr. Chairman, will the gentleman yield there?

Mr. BLANTON. The gentleman has not been here long enough to find out much about it, but after he has been here 5 or 6 or 10 years and is able to do something besides orate and sermonize, he will then probably be able to enlighten us on these things.

Why cannot you fellows be good sports and go along with us and help us to stop extravagance wherever we find it and let us stop waste and not devote our time to little picayune matters about stamps that are paid for just as you and I pay for them? The Government has not lost a dollar, but on waste of hundreds of millions of dollars and on extravagance of hundreds of millions of dollars let us Democrats and Republicans get together and make a common fight against them.

Mr. SHORT. Will the gentleman yield?

Mr. BLANTON. I would rather yield to your straw boss over there from Massachusetts, because he knows more about it, but I yield to my friend from Joplin.

Mr. SHORT. I know that our good friend from Texas is a very hard-working and able gentleman who watches the Treasury and is sincere when he states he wants to put an end to extravagance, but it amazes me that he can vote to give the President $5,000,000,000 and then come here this afternoon and object to voting $1,000,000 to these poor railway mail clerks.

Mr. BLANTON. That was a bill to provide work for 3,500,000 unemployed heads of families in the United States, and some of it is to feed starving constituents in the gentleman's district down in Missouri. Our railway mail clerks and all of our postal employees have good jobs, good pay, short hours, and the retirement privileges on pay when they get old. They are not suffering.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I have been here quite a little while, and this is the first time I have heard gentlemen on the Democratic side of the aisle come before the House and say to us that they know something wrong has been done, that they are sorry it has been done, but that no remedy should be applied to stop it.

Is it not time we took the bull by the horns and ourselves wrote legislation into this bill that will stop wrong being done in the future? Everyone who has spoken here has said that something wrong had been done. Now, let us go on and do right. Let us pass this amendment offered by the gentleman from New York [Mr. MILLARD] and say to the Postmaster General, just as the gentleman from Illinois and just as the gentleman from Texas say, that we should not do wrong any more, and let us fix it so it cannot be done any more.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLANTON. You are going to have a solid Republican vote for this amendment, are you not?

Mr. TABER. And every gentleman on the Democratic side who wants to see the right thing done is going to vote for this amendment. Those who want to see things run wild and want to see the gentleman from Texas go along and favor doing things that ought not to be done, and that he knows ought not to be done, will vote against it. I have never seen Members on the Democratic side get up and say that it was wrong and that the amendment is right and then vote the other way. There is no excuse for that kind of thing back home. [Laughter and applause.]

Mr. MILLARD. Mr. Chairman, I move to strike out the last two words.

I simply want a moment to recall to my friend from Illinois, whom I respect and admire very much, the fact that my secretary called up the former head of this Department of Philately, and he said that no ungummed or imperforate stamps had ever been issued during the 12 years he was at the head of that Department. The stamps you are talking about now that were issued before were gummed and perforated, and they are not valuable.

You further say that there is only one instance which the Postmaster General admits, and that is the case in Norfolk, Va., and yet the Scott Stamp Co. had an offer of these stamps by a man from Washington for $20,000, and they are willing to give the name to the post-office inspector. They have sent for the inspector twice, but he has not been there.

I received in the mail this morning an anonymous letter, to which I paid no attention; but in the next mail I received a letter which states:

DEAR SIR: I can't tell you how interested stamp collectors are in your resolution to have an investigation—

This is no investigation, but a resolution of inquiry—

into the promiscuous handing out of favors by the Post Office Department in the form of imperforate sheets.

Suppose you know that Barney Gimble, the Philadelphia department-store owner and "palsy-walsy" of Farley, received 10 sheets of the 2-cent park issue, for which I would have gladly given $20,000 a sheet. I could make at least $100,000 profit.

Yours truly,

ROBERTA ROE.

This letter came this morning, and I have other evidence of other stamps being on sale. If you want this to go on, then vote against this amendment. The people in my county do not want it to go on.

This is no reflection on the Postmaster General. He just did something that was unethical that he did not understand. I do not charge him with any violation of law but with doing something that was unethical that should be stopped.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. I yield.

Mr. HOOK. Will the gentleman tell me what good this country is getting out of a bunch of stamp collectors? [Laughter.]

Mr. MILLARD. Well, these stamp collectors paid into the Government Treasury last year about $3,000,000 that the Government would not have received otherwise. President Roosevelt is one of them. There are 9,000,000 of them in our country, and they are among our best citizens.

Mr. HOOK. Are we helping the Nation by putting over such an amendment?

Mr. MILLARD. I think you are; because you are helping 9,000,000 people of the Nation to get a square deal.

Mr. HOOK. Or is the gentleman simply trying to pull something smart for the Republican side of the House?

Mr. MILLARD. I am not doing that at all, and I leave it for people on the other side of the aisle to decide whether you should be for the amendment or not.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. I yield.

Mr. KLEBERG. I simply want to put myself on record as being one of the Democrats over here who does not think that all of this hullaballoo over this small matter of the creation of a new misdemeanor or a new crime or a new kind of high treason amounts to a hill of beans. I do not

think the Postmaster General did wrong in giving out a few unperforated, ungummed, unmarketable stamps to a few gentlemen worthy of high trust who are his friends. This, too, after the Postmaster General paid for them.

May I say to my friend that if these stamps had gone out in the usual way they might have brought a higher figure at a later day from stamp collectors. The financial, economic, business, and social structure of the Nation has received no injury or shock except through the reverberation that has come from that side of the aisle.

Mr. MILLARD. I want to say that the gentleman has a different conception from mine. There are 9,000,000 stamp collectors in this Nation who have rights. I personally would not object if these stamps were given only to the President of the United States. But he gave them to the Secretary of the Interior, to the President's Secretary, Louis Howe, to his three children, and others, and they are worth thousands of dollars, and I think that practice should be stopped. [Applause.]

Mr. BLANTON. If I can forgive the President for appointing the Secretary of the Interior, the gentleman ought to forgive the Postmaster General for giving him the stamps. [Laughter.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MILLARD].

The question was taken; and on a division there were 52 ayes and 73 noes.

So the amendment was rejected.

The Clerk read as follows:

Temporary details: Section 214 of part II of the Legislative Appropriation Act, approved June 30, 1932, is hereby continued in full force and effect during the fiscal year ending June 30, 1936; and for the purpose of making such section applicable to such fiscal year the figures "1933" shall be read as "1936."

Mr. LEHLBACH. Mr. Chairman, I make the point of order against the paragraph that it is legislation. It says:

Two hundred and fourteen of part II of the Legislative Appropriation Act approved June 30, 1932, is hereby continued in full force and effect during the fiscal year ending June 30, 1936.

That is legislation. That is continuing the act of 1932, which by its terms expires in 1935.

Mr. ARNOLD. I think it is true that this is subject to a point of order, but may I say that this gives additional employment to a great number of employees. It cannot possibly hurt anybody. It does not affect their wages but it does give some of them more work to do. I do not think it ought to go out, and I ask the gentleman to withdraw his point of order.

Mr. LEHLBACH. It gives the Department the power to switch a man from a clerk to a carrier or from a carrier to a clerk temporarily. Under the terms he could put a clerk after a service of 2 weeks on the street and then come back and serve as clerk again. It is a bad practice, and there is no reason for continuing it.

Mr. ARNOLD. Mr. Chairman, the gentleman understands that this is merely a temporary transfer. There are places where the business might be seriously impaired if they could not make a temporary transfer for a few days now and then. That is all this does. It is in the interest of economy. It does not hurt any of the employees in any way, shape, or form, but does give some of them additional work, and it promotes efficiency.

Mr. LEHLBACH. It does not give anybody additional work. It saves the Government's paying for a substitute.

Mr. ARNOLD. It permits a clerk, if he is not at work, to take some other work temporarily, such as a rural carrier route, or something of that kind, and keeps the work of the Post Office Department going. It has been found most beneficial.

The CHAIRMAN. Does the gentleman from New Jersey insist upon the point of order?

Mr. LEHLBACH. I do.

Mr. TRUAX. The gentleman from Illinois states that this provision has been found beneficial to the employees. Is it not a fact the employees concerned do not approve of this provision which has been in effect since the act of 1932, the so-called "Hoover Economy Act"?

Mr. ARNOLD. I do not know whether it has been found satisfactory to all employees or not. I know some of the employees have expressed themselves to me as being entirely satisfied with it.

Mr. TRUAX. I understand that the employees affected are opposed to this provision and claim it does not provide more employment.

Mr. ARNOLD. Of course, it will go out on a point of order, if the gentleman from New Jersey insists upon it.

The CHAIRMAN. The gentleman from New Jersey insists upon his point of order, and the Chair sustains the point of order.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Without objection, the Clerk will correct the spelling of the word "Executive" on page 65.

There was no objection.

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 4442, the Treasury and Post Office appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. ARNOLD. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? [After a pause.] If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time. was read the third time, and passed.

On motion of Mr. ARNOLD a motion to reconsider the vote by which the bill was passed was laid on the table.

PRESENTATION OF VIEWS IN CONNECTION WITH FOREIGN-TRADE AGREEMENTS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, we have heard considerable discussion during the week between the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from Ohio [Mr. HARLAN] in reference to reciprocal-trade agreements and the rights of individuals to be heard in respect thereto. I have secured a copy of the announcement of the policy of the Department with reference to hearings, and so forth, and I ask unanimous consent that I may place it in the RECORD at this point.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. From what department?

Mr. COCHRAN. The State Department. It includes the proclamation of the President and the order of the State Department.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

EXECUTIVE ORDER

PUBLIC NOTICE AND PRESENTATION OF VIEWS IN CONNECTION WITH FOREIGN-TRADE AGREEMENTS

Whereas section 4 of the act of Congress approved June 12, 1934, entitled "An act to amend the Tariff Act of 1930", provides:

"SEC. 4. Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the pro-

visions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate":

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, acting under and by virtue of the authority vested in me by the aforesaid section, prescribe the following procedure with respect to the giving of public notice of the intention to negotiate trade agreements and with respect to the granting of opportunity on the part of interested persons to present their views:

1. At least 30 days before any foreign-trade agreement is concluded under the provisions of the act, notice of the intention to negotiate such agreement shall be given by the Secretary of State. Such notice shall be issued to the press and published in Press Releases of the Department of State, the weekly Treasury Decisions, and Commerce Reports.

2. Persons desiring to present their views with respect to any such proposed agreement shall present them to a committee to be known as the "Committee for Reciprocity Information." Said committee, hereinafter referred to as the committee, shall consist of members designated from the personnel of their respective departments or offices by the Secretary of State, the Secretary of Agriculture, the Secretary of Commerce, the National Recovery Administrator, the Chairman of the Tariff Commission, the special adviser to the President on foreign trade, and the heads of such other Federal departments or offices as may be named from time to time by the Executive Committee on Commercial Policy. The committee shall function under the direction and supervision of, and its chairman shall be designated from among the members of the committee by, the Executive Committee on Commercial Policy.

3. The form and manner in which views may be presented, the place at which they shall be presented, and the time limitations for such presentation shall from time to time be prescribed by the committee, which may designate such subcommittees as it may deem necessary.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 27, 1934.*

DEPARTMENT OF STATE,
July 3, 1934.

The Committee for Reciprocity Information held its first meeting today under the chairmanship of United States Tariff Commissioner Thomas Walker Page. The committee has been established by Executive order to receive information and views from persons interested in any proposed foreign-trade agreement negotiations under the act of June 12, 1934. The membership of the committee is as follows: Thomas Walker Page, vice chairman, United States Tariff Commission; Robert Frazer, American consul general, Department of State; Leslie A. Wheeler, in charge Division of Foreign Agricultural Service, Department of Agriculture; Henry Chalmers, Chief Division of Foreign Tariffs, Department of Commerce (acting); John Lee Coulter, former member of the United States Tariff Commission and now connected with the Office of the Special Adviser to the President on Foreign Trade; and H. D. Gresham, Acting Chief Imports Division, National Recovery Administration (acting).

The committee at today's meeting adopted the following regulations for the guidance of persons desiring to present their views in connection with any proposed trade agreement:

"COMMITTEE FOR RECIPROCITY INFORMATION, WASHINGTON

"PUBLIC NOTICE

"Form and manner of presenting views in connection with proposed foreign-trade agreements and time limits for such presentation prescribed

"Pursuant to section 4 of the act of Congress approved June 12, 1934, entitled 'An act to amend the Tariff Act of 1930', and Executive Order No. 6750, of June 27, 1934, the following form, manner, and time limitations with respect to the presentation of information and views by persons interested in the negotiation of any foreign-trade agreement are prescribed;

"Form and manner of presentation: Information and views shall be presented to the chairman, Committee for Reciprocity Information, United States Tariff Commission, Washington, D. C., in the form of written statements. Such statements shall be duly sworn to and shall be either typewritten or printed, in sextuplet, and each of the six copies shall be legible. If the statements relate to duties or other trade restrictions affecting more than one product, each product must be treated separately and statements with respect to each product shall begin on a separate page.

"Supplementary oral presentation: Supplementary views may be presented orally only upon application to the chairman and after written statements have been submitted in proper form. Such application may be made in writing to the chairman and shall set forth concisely the reasons therefor. Also, the application shall state whether it is desired to present supplementary information and views concerning tariffs or other trade restrictions of the foreign country with respect to which the Secretary of State has given public notice of intention to negotiate a foreign-trade agreement or concerning tariffs or other trade restrictions of the United States. The committee will consider the application and inform the applicant whether or not it is approved.

"Oral statements shall be made under oath.

"Any oral presentation of views hereunder shall not be in the nature of a public hearing.

"Time limitations: The time limits within which information and views in writing and applications for supplemental oral presentation of views shall be submitted, as well as the time for supplemental oral presentation of information and views, will be prescribed by the committee in connection with each proposed foreign-trade agreement and will be made public in behalf of the committee by the Secretary of State simultaneously with his notice of the intention to negotiate each proposed agreement.

"WASHINGTON, D. C., *July 3, 1934.*"

THE REPUBLICAN PARTY—ITS PRESENT OPPORTUNITY AND RESPONSIBILITY

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a radio address delivered by a former Member of the House, Mr. Robert Simmons, of Nebraska.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by former Congressman Robert G. Simmons, of Nebraska, at Cooper Union, New York City, and broadcast over the network of the American Broadcasting System, January 31, 1935.

The address is as follows:

Permit me first to thank you for the honor you do me in asking me to speak here. We of the West are not dead or dying, dismembered, or discouraged. Faith in ourselves, in our form of government, in our future, still dominates our thinking and acting. I come from that section of America where the Republican Party in the last election demonstrated that it can take a licking and come back fighting, and where it is on its way back to strength and power.

The prime purpose of a political party must be to serve the best interests of this Nation. Our first concern should be to be right. We must base our appeal to the American people upon principles of government that are sound. The Republican Party should not win on any other basis. We must again chart the course of America, with the basic purpose of developing free government and protecting the liberties and rights of the individual citizen.

There are some principles that cannot be compromised. Either we shall have a government based upon the liberty and initiative of the individual, or we shall have a planned society under some form of authoritarian government or dictatorship based upon force, and necessarily admitting that we no longer have the capacity of self-government.

The reactionary party in America, as elsewhere, is that party which would take this Nation back to a system of centralized government, government by men and not laws; by decrees and edicts and force. The liberal party is that party which believes in solving our problems and going forward under a government of laws and not the whims or decrees of minor and major officials. A true liberal is one who moves away from, not toward, the age-old discarded system of government domination, direction, and control of the individual citizen.

Since the war, nation after nation has turned from democratic government to some form of dictatorship. These movements have all started during an economic crisis and in the name of reform. They have first had a great national hero; then a strong centralized government, which, gradually, or speedily, encroached upon the rights of the individual citizen and local self-government, until in the space of a few years a large part of the world's population has lost all semblance of free government.

In America principle of government has given away to the expedient of passion. Constitutional government is yielding to mob psychology and individual liberties are being surrendered to bureaucratic supervision and control. Only the vigilance of an aroused and understanding citizenship will prevent America going the whole way toward a complete loss of our individual freedom.

We are told these days that the purpose of things now being done is to make for a fuller, a more abundant life. The first essential for an abundant life for an American citizen is the maintenance of the liberty of the individual—liberty of thought, action, deed. Huxley said, "An economic paradise may be a military hell."

There are those who would have us believe that the Constitution of the United States is the dead rigid hand of the past, thwarting our will, retarding progress, and condemning us to a slow national death. To me it is the practical framework for the maintenance of those living, vital, eternal truths of self-government that have been evolved by civilized man's age-old effort to better rule himself. Its prime function is to protect the individual citizen from the tyranny of government and the despotism of the strong and powerful. In its effect upon the individual citizen there is no essential difference between the despotism of one person and the despotism of a million.

The Republican Party was born in a crisis and led in a fight to free a people from bondage to other people. It can and will have a rebirth by leading in a fight to free our people from bondage to their Government and the tyranny of those the Government has put over them.

The obligation to maintain and live within constitutional powers rests as heavily upon the President and the Congress as it does upon the Supreme Court. The Republican Party must insist upon Congress and the legislatures of the various States performing their constitutional function of lawmaking.

We need in America a revival of the spirit of the pioneer, who dared and suffered, who fought and died, for the realization of an ideal and the preservation of a nation.

We have a constant challenge for a platform and a program. The Republican Party has stood for certain definite principles. It has always been the party of sound money, of a balanced budget, and national economy.

The Republican Party has always been for a decrease in taxes. Under a Republican administration and by a Republican Congress in both branches the amendment to the Federal Constitution providing for income taxes was submitted to the several States. These taxes are levied upon the principle of taxing those best able to pay.

The Republican Party has always been for a reduction of the national debt. The Republican Party reduced the debt from $26,000,000,000 to $16,000,000,000 from 1920 to 1930. That constitutes a world record in debt reduction.

The Democratic Party is now engaged in increasing that debt to a new and all-time high. Add to the total of Federal governmental expense the normal operating costs and interest burdens of our State, county, city, school, and other public-taxing agencies, increased as they have been and as they must be in order to meet their compulsory contribution to aid the Federal spending program, and you reach a total of spending and a total of debts and taxes that stuns and retards normal business growth and expansion, diminishes employment, takes from the people their purchasing power for necessities and luxuries, blights the lives of our people, and constitutes a burden that no government can long endure. We need now a revival of those principles of economy, reduced spending, and Government sanity so well exemplified by the administration of Calvin Coolidge. Such a restoration would, to use his words, "directly affect millions of taxpayers, release large sums for investment in new enterprises, stimulate industrial production and agricultural consumption."

The Republican Party has always been the party of progress. We must urge the adoption of liberal and constructive policies based on sound political and economic principles.

The Republican Party has never been the party of ballyhoo or demagoguery. It has believed in a government of laws and not of men. It has never believed in predatory wealth or the abuse of public trust. It presents a record of half a century fighting and correcting these evils.

A Republican President, Theodore Roosevelt, led in the movement for the conservation and development of the Nation's resources. A Republican President, Herbert Hoover, established the program of public improvements to give employment to labor, organized the Better Homes Association, and laid the groundwork for the whole movement of home and slum improvement. He recommended the initial Home Loan Act.

The Republican Party has fostered and advanced the initiative of the individual citizen. Measure the development in wealth and character, in material advantages, moral stamina, and religious precept during the 70 years of dominant Republican leadership in America. Let that be the answer to those who say we have failed to serve this Nation.

During the years of Republican administration, from 1922 to 1932, American labor reached its highest period of wages, protection, and independence of action. As a result of policies adopted by Republican Congresses and approved by Republican Presidents, organized labor not only prospered but lived at peace with its employers in all major industries. Contrast those 10 years with the period of industrial strife, strikes, and dissension that has marked the last 2 years of Democratic administration.

Not only was there industrial peace, but the United States Government, under the civil-service policy initiated, sustained, and strengthened by every Republican President, went a long way toward the goal of merit in Government service. Witness the prostitution by the present administration of the civil service to partisanship. Not only should we return to the civil-service standards, but going beyond that we should encourage the setting up of a system whereby Government service may become career work for those who enter it.

There is rightly much concern about social programs and social legislation for the care of the aged and unfortunate, for the protection of women and children, the advancement of education; leadership in the cultural and religious development of our people, has always had and always will have the support, thought, and aid of Republicans, both State and National. Theodore Roosevelt and Herbert Hoover laid the foundations for practically all the legislation we have today in the protection of children's welfare. The child-labor amendment to the Federal Constitution was submitted to the States by a Republican Congress.

The President's last message reflects the attitude of the whole country toward the sick, the aged, the unemployed, and the unfortunate. It is a continuance of that program of social reform which has been going on under Republican Presidents since the foundation of the party. The Republican Party of today wants a progressive, sane development of social policies. The Democratic Party does not have a monopoly on the humane, the sympathetic, the forward-moving ideals of this country. There is no basic difference between us in the social ideals. But there is a basic difference in the mechanics for solution of these problems between Republicans and the administration now in power. We believe the problems of a sick country can and should be solved by aiding and strengthening local units of government by working through existing agencies and preserving self-government inviolate. This administration has sought to solve these problems by ignoring existing agencies and the setting up of a new and vastly more expensive system of government, with its bureaucratic domination, direction, and control from Washington.

The Republican Party has always stood for the protection of industry, agriculture, and labor through the protective tariff. The Agricultural Adjustment Act and the National Recovery Act are both of necessity dependent upon the maintenance of the Republican tariff structure. The Democratic Party during these 2 years has vindicated the Republican tariff policy.

On the question of monopoly, remember that Republican administrations passed the Sherman Act, created the Interstate Commerce Commission, the Power Commission, and the Radio Commission. By contrast the Democratic Party has set up under the N. R. A. the most complete and astonishing, powerful, and far-reaching series of business monopolies that the world has ever known. They have not only effectually suspended the Sherman Antitrust Act but have used the power of the Federal Government to supersede and nullify the antitrust and antimonopoly laws of the 48 States. Let us fight monopolies, but recognize that Government protected and fostered monopolies can be and are just as inimical to the welfare of the country as private monopoly, and far more difficult to eradicate.

The Republican Party needs men and women of stamina who will stand up and say that these fundamental principles are what the Republican Party has always stood for, and on the basis of a record of service it will continue to build for the good of our country.

The solution of two basic problems is necessary before there can be national economic recovery. The first is to stop the ever-increasing unemployment in the country and put men back to work in private industry. The second is to stop the ever-mounting burden of national debt and assure the business man, farmer, and laborer alike that they may look forward to the time when the burden of debt and taxes will not continue to mount, and with some hope that there may be a decrease. Increasing the indebtedness and taxes is a major contributing factor to our increased unemployment.

The entire program of this administration is a program each step of which results in augmenting and not diminishing the problem they are trying to solve. We shall solve that problem by adopting a policy toward business, agriculture, and labor that will encourage men and women to take reasonable chances and put men back to work in private industry. With men going back to work there will be increasing consumption of the products of farm and factory, and with that increased consumption will come better times.

President Roosevelt should frankly outline the permanent financial policies of his administration. The American people will go a long way toward solving the problems of recovery if the attitude of the Government is a known and not an unknown quantity in the equation. Uncertainty of business, political, and governmental programs and policies is now the largest influence in retarding recovery. That uncertainty and doubt must be supplanted by certainty and confidence.

The Democrats adopted a platform at Chicago pledging a reduction of governmental expenditure, a balanced Budget, and a sound currency, the elimination of unnecessary Government activities, the curbing of bureaucracy, the break-down of monopolies, a general decentralization of government, the protection of the rights of the individual, and a revitalizing of the power of local governments. That program received the endorsement of the people of this country. I am ready to put the Republican Party on record as willing and able to do that which the Democratic Party promised in 1932 and have deliberately refused and signally failed to do.

The Republican Party must insist that the various agencies of this administration that stifle business, control labor, and dominate agriculture are to be but temporary agencies and not permanent. Whatever good there may be in them can be preserved through State and local agencies and machinery.

Our forefathers, but recently released from tyranny and despotism, guarded well the Government that they were building. But, as time went on, we came to feel secure. Generations that did not know despotism came into control; our people came to believe that because we had grown and prospered, that because liberty had been ours, it would continue unaided. We turned from giving thought to government to giving thought to everything but government. We became more interested in slogans and fantastic promises than in facts and principles of government.

Across the north entrance door of Nebraska's great capitol, carved in imperishable marble, are these words, "The safety of the State is in the watchfulness of the citizen." We need a revival of that watchfulness of the citizen.

Within the month that great American, Senator BORAH, said that the best way to oppose communism and fascism in America is to teach Americanism to our people, young and old, to encourage their study of economics and history, and to build in our citizenship an understanding of the principles of government upon which this Nation is founded. The Republican Party must lead these forces of an aroused and understanding public.

We need now to start with the field run of those who believe in the principles of the Republican Party, and in the 4,000 counties of this Nation strengthen and build from the ground up; and on that basis we can and should not only rebuild our organization but also from our basic membership secure the inspiration and

determine the position of the Republican Party on all issues before the American people. Party leadership and national organization must be subordinated to the demands and desires of our party membership. The party which believes that governments derive their power from the consent of the governed should strengthen its organization and secure its inspiration and authority for its leadership on that basis.

A democracy cannot long exist without an opposition party. The Republican Party has as great a responsibility out of power as in power. That responsibility is to give the people an understanding of the policies which are being urged or adopted. The public forum of the United States must be transferred from Washington to the country schoolhouse; from the Senate to the town hall; from the CONGRESSIONAL RECORD to the public press in every town of America. As now controlled, Congress is not an adequate forum. Witness the spectacle this month of the Speaker of the House forcing an adjournment because Members desired to exercise what should be a right—to express their views on vital public issues.

In and out of Congress and in every rural and urban community the Republican Party has voices to whom the people will listen. These voices must be brought into action in the day-to-day battle of opposition by a common citizenship to those measures which prompt the destruction of that system of government under which this Nation has grown.

On the average the western farmer is the greatest individualist in the United States. He believes in constitutional government and individual liberty. He wants to run his own business, to operate his own farm. He asks no special advantages; he asks only an even break with the rest of the citizenship of America. Depressions hit him first; recovery reaches him last. Eastern Republicans and Democrats alike refused for years to recognize the necessity of the solution of the agricultural problem as a national problem. Your common disturbance now has been caused in part by that distress we have had in the West for years. Various methods have been offered as a solution by western agriculturists. They have never been accepted.

The western farmer is not satisfied with the present program as a permanent program. You must aid us, under our leadership, to solve this problem upon the basis of assuring the farm population freedom from Government domination, direction and control of their industry, both in producing and marketing. Our farming population will not permanently submit to an economic structure, planned or otherwise, that does not give to them and their families a standard of living, a return for their labor and invested capital, and a comparative opportunity for cultural development equal to that received by labor and capital in the industries. That end will be achieved by aiding and encouraging cooperative marketing, directing the efforts of the Government toward increasing consumption rather than toward reducing production, and by protecting the right of the American farmer to supply America's needs from America's fields.

It would be well if some now in power in Washington would go to the battlefields of Lexington and Concord, live through the history of those battles, and there stand with bared head before the bronze statue of the embattled farmer, and in that presence receive a baptism of the spirit of those who built our America.

Tammany's political methods have been transplanted from New York City into every State in the Union. Tammany methods were used to control and win the election of 1934, including the direct and indirect benefits granted by the Federal Government by way of subsidies, payments, relief benefits, salaries to a horde of employees, and public improvements initiated and promised. In return, openly and unashamed, Democratic leaders, major and minor, demanded votes and got them.

We have now a proposal for the expenditure of $4,800,000,000 to give employment to persons on relief, a program obviously inadequate, for it promises nothing to the unemployed person who still manages to hold his head up and carry his own burden. It is a proposal to place the money, not in the hands of the President personally, but in the hands of an army of political employees, Democratic henchmen, machine politicians, all well trained in the Tammany art of controlling elections.

The program is not to be undertaken until July 1 of this year. We are assured that it will be in its full bloom of benefits to the country in the spring and summer of 1936. That means, first, that 2 years after this administration was swept into power it is still making promises and starting new programs to relieve distress and start recovery, admitting its others have not succeeded. It means, also, that in every State, county, city, and village in America Democracy's political machine will be in a position to effectively influence and to attempt to control the 1936 election by the expenditure of Government money. Three and a half million voters are to be added to the public pay roll. This $4,800,000,000 fund must be spent to relieve unemployment and to carry out the high purposes for which it is to be appropriated. It must not be permitted to become a $4,800,000,000 campaign fund for the Democratic Party in 1936. These three and a half million voters must be free to vote without compulsion or fear of loss of jobs. The Republican Party, in Congress and out, can serve a great purpose in trying to prevent the slimy hand of the spoilsman from controlling this fund and these votes. We should constantly, day after day, call it to the attention of the American people, to prevent the blighting effect which such misuse of public funds would have on the continuation of free government.

Abraham Lincoln was faced not only with the solution of the economic problems of a distracted people; but also, when civil war came and constitutional government was put to its supreme test, Abraham Lincoln insisted upon and rigidly followed a punctilious observance of constitutional methods, powers, and restrictions in his every act. Seventy-five years ago in this building he pled for the right of people everywhere to live their own lives and for the preservation of America's constitutional government. Let us here now face our problems with that same great purpose, that same great courage, and that same great confidence in and loyalty to our form of government that remained with him through those bitter years. Let us here dedicate ourselves again to that system of government for which he gave that last great "full measure of devotion."

Let us brush aside the accumulated debris of past contests and campaigns, freely admit our mistakes, adopt a forward-moving, liberal platform based on sound principles and not on an appeal to votes. Let us forego, if need be, temporary party gain for the permanent good of our common country. Let us follow those policies that experience shows bring the greatest good to the mass of our people, assure to them comfort and security without the loss of individual liberty in thought or word or deed. Let us fight the growth of dictatorship. Let us protect the rights of the States and strengthen local governments and preserve their proper functions. Let us recognize that legitimate prosperity can only result from individual thrift and industry and common honesty both by nations and individuals. Let us recognize that in private as well as in governmental affairs legitimate obligations must be met and promises kept. Let us recognize that with all of America's complex and ramified industrial, social, and religious life all of our people cannot be fitted into a common pattern down to the minute details of individual conduct and life and ruled by Government standards promulgated by the edict of Washington bureaucrats. Let us recognize the right of the individual citizen to live his own life in his own way, for that is the American way. Let us progress in America and continue to encourage the development of social policies and the solution of social problems, but do that without placing dominating power over the individual in a centralized Government in Washington. Let us expose and fight corruption wherever it occurs. Let us promote education, desire the advancement of religion, and aid in every proper governmental way the physical, mental, and moral development of the American people.

Under the leadership of those who believe in the principles of the Republican Party this Nation can and will again go forward and upward in the progress of a people working out the successful realization of our ideals of freedom of the individual under constitutional government. To furnish that leadership, outspoken, frank, and unafraid, is not only our supreme task but our supreme responsibility.

URGE RECONSTRUCTION FINANCE CORPORATION TO GIVE RELIEF TO DELINQUENT TAXPAYER

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to insert in the RECORD a letter to the gentleman from New York [Mr. CELLER], who delivered an address on the floor yesterday.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. RABAUT. Mr. Speaker, under unanimous consent, I insert in the RECORD my letter to the gentleman from New York [Mr. CELLER], who delivered an address on the floor yesterday.

The letter is as follows:

FEBRUARY 1, 1935.

Hon. EMANUEL CELLER,
House of Representatives, Washington, D. C.

DEAR MR. CELLER: I was very interested yesterday in your remarks concerning section 12 (a), wherein authorization was to have been given to the Reconstruction Finance Corporation to make loans "to any institution the business of which is that of lending money to taxpayers at an interest rate not exceeding 4 percent per annum, plus a service charge of not in excess of 2 percent, for the payment of real-estate taxes, water rates, or special assessments on real estate, against the security of tax liens, or any interest therein held by the taxing authority", and was equally sorry to learn that no such provision was to be found in the Senate bill, and that the conferees accordingly eliminated this provision.

Your assurance, however, as a member of the Judiciary Committee, that this relief measure would be forthcoming in the form of a new bill, will indeed be encouraging news to the thousands of property owners throughout this country, and especially in my home city, Detroit, where income from property during the past years has not been sufficient to meet the ordinary expenses of property, such as taxes, insurance, waters bills, and repairs.

I am in hearty accord, and will enthusiastically support such a proposed measure, but feel that it should give further relief to the taxpayer than that which is set forth in the original proposal. The further relief I suggest should reduce the high interest rates and penalties now assessed against the property of the delinquent taxpayer (as to interest and penalties on past-due taxes) to an amount not to exceed a maximum of 6 percent per annum, this maximum rate covering both interest and penalty, to be set by the bill as a controlling factor to govern those cities, towns, municipalities, counties, etc., deriving the benefits of relief from such proposed legislation.

I write you in the interest of the many people of my district and city suffering through no fault of their own, and who are being penalized by these excessive charges over which your bill would have control. The cities, too, would be fortunate in receiving the huge sums that naturally would come to them under this proposed legislation.

It is my hope that your recommendation on this matter will contain the suggestion herein made.

With kind personal regards, I am,

Yours very truly,

LOUIS C. RABAUT.

NATIONAL DEFENSE—REORGANIZATION OF DEPARTMENTAL CONTROL

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of national defense, and to include extracts from a recent address by Maj. Gen. James G. Harbord.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, national defense is a composite idea and has many aspects and angles and problems and, necessarily, a large number of instrumentalities to accomplish national defense. It is not only the traditional policy of America, stated in numerous State papers of Presidents and Secretaries of State, that our armed forces upon land and sea and in the air are merely for defense, but it is the solemn and sincere resolution of the hearts of the men and the women of this whole Nation, that this American Republic, dedicated to the principles of human liberty, shall never engage in a war of aggression.

We have a huge continent still undeveloped in a large measure, and easily capable of supporting a population five times as numerous as our present population. Within this continental area we have every variety of soil and resource, so that we are self-sufficient; and if other nations will let us alone, then we will let them alone. The economic urge will never be sufficient to drive us beyond our own frontiers in the effort to take possession of the lands of other peoples. It may be that a very small group here and there of selfish internationalists, seeking to enlarge unduly their already swollen fortunes, would grasp for their private purposes the mineral resources, the oil resources, the forest resources, and, perhaps, the soil resources of certain parts of other lands; but these small groups are infinitesimal, and they do not either speak or reflect the deliberate conviction of the great masses of our people, who, believing in the proposition of "America for Americans", also accord to the peoples of other nations the same right to enjoy their own blessings undisturbed by any selfish aggravation from us.

NATIONAL DEFENSE IS ALL COMPREHENDING

Consequently, Mr. Speaker, a true conception of national defense would deal not only with land forces, such as troops in our Army and the various weapons used by land forces, but also deal with every form and kind of defensive force and weapon and agency, whether operating upon the surface of the sea or under the sea, as in the case of submarines, and in the air, whether by heavier-than-air craft or lighter-than-air craft. This same conception of national defense may ultimately include the forces of radio activity. Consequently, when we speak of the National Defense Act, which by a limited conception of the nature of national defense was applied to the Army only, we have unduly restricted the thought, and have not comprehended every factor entering into an adequate national defense. Furthermore, a proper national defense would include not only fighting forces and the weapons employed by fighting forces, but every internal economic organization and industrial center, and should also include certain external activities, such as diplomatic agencies of our country, in seeking to make and confirm friendships with the peoples of other lands and exercising every wise and prudent influence to assuage and ameliorate enmities, jealousies, and envies against us that may grow up among the peoples based upon a misconception of the true attitude of the great-hearted, altruistic, and humanitarian masses of America.

THE THREEFOLD FORCES OF DEFENSE

Let us now consider the forces and agencies at present necessary to accomplish adequate national defense and operating in (a) the air, (b) upon the water, and (c) upon the land. I submit that I have arranged these agencies in the order of their actual present importance and priority, and I further submit, with much confidence, that developments in the next few years will be such as to convince any and all who may now hold a contrary view that this is now the true order of importance among our defense agencies. Looking back into the history of the human race we find that wars were originally restricted to combat between land forces exclusively; but gradually the ancient peoples, having learned something about the construction of boats and the navigation thereof upon the seas, especially upon such a land-locked body of water as the Mediterranean Sea, began to employ boats as agencies of warfare, either of defense or of aggression, as the case might be. Finally Greece came to realize that the language of the oracle was correct in saying that her best defense would consist of "wooden walls." This had reference to ships, small though they were, propelled by oars and with very slow speed, limited range, and low carrying power. Despite the inadequacy of these early ships, they could move far more rapidly, and therefore proved far more effective, than the armaments moving but a few miles a day by marching upon the ground. These ships were especially valuable in battle because of their mobility and their capacity to present themselves at every point of approach by the enemy if such enemy had to come over water, however narrow the intervening water might be. These ships could carry the war into the enemy's country. They could cross great rivers, straits, bays, gulfs, and even narrow seas, and attack the seaports and coast cities and towns of the enemy country, and especially cut off enemy sources of supply, raid enemy commerce, and compel an enemy not supplied with naval strength equal to the aggressive nation to submit to harsh terms and conditions of peace.

WAR METHODS CHANGE WITH THE ADVANCE OF SCIENCE

As mankind made progress in the arts in the mastery over Nature, eventually sailing ships appeared and supplanted the galleys of Greece and Rome, for the simple reason that such sailing ships could move more swiftly, carry larger fighting crews and greater cargoes, and transport larger numbers of land troops to attack the enemy land forces.

The defect of these sailing ships was obviously their dependence upon the presence of wind and the direction of wind, although this was partially overcome, as explained in the language of the poet, "Some ships sail east and some sail west, while the self-same breezes blow."

HARD TO GIVE UP THE SHIP

Many decisive and spectacular battles influencing the course of history and affecting the lives of nations and the fortunes of dynasties were fought from sailing ships, and so impressive were these victories that many of the old school of admirals thought that none could ever advance beyond the ships and the tactics of Nelson and the other great sea fighters of his class. Consequently, they were slow to confess that boats propelled by steam could ever be effective in fighting. The progress of science and invention could not be stopped by the reactionary and self-sufficient thinking of the old admiralty authorities. Finally steam did supplant the "wooden walls" and the canvas sails, and, ultimately, these "wooden walls", even within the lifetime of a few persons now living, yielded to the logic of "steel walls." There was a lot of romance clinging around those old ships, with every sail spread to the breezes and the pictures and paintings of those craft now adorn the walls of many who love the traditions of the sea. But the *Merrimac* steamed among the old wooden craft and forever crushed in the heartless mill of fact the sentiment that clung about those beautiful sailboats.

Progress continued until coal as a fuel yielded to oil, and perhaps within the lifetime of many of us now living oil as a fuel for the steam engine will be supplanted by some form of internal-combustion engine, such as the Diesel engine. When this shall have been accomplished, can any man in the light of history's lessons and comprehending the possibilities of scientific development say that the last word has yet been spoken in the construction of surface fighting craft? Will

surface ships never yield to the more effective and more economical agencies operating upon the surface, concealed by the water, or operating in great altitudes of air, possessing power to climb more than 10 miles high and course with a speed of 300 miles an hour, all now within the realm of accomplished fact?

The wise and prudent industrialist, being compelled by economic laws to manufacture goods in the most effective and economical manner, is constantly seeking to make application of the latest developments of science, the leaders of industry, the heads of great manufacturing establishments who fail to keep abreast of the latest progress in science and in art soon drop into discard and bury themselves and their businesses in the waves of bankruptcy.

Why did the galleys prove superior to even the powerful Greek phalanx and the Roman legion, those trained and disciplined land troops? Was it not because of the greater speed and mobility and range of the boat moving within the yielding element of water? The lessons of history, pointing and proving this powerful truth, are forcibly and graphically described by Admiral Mahan in his brilliant work, first appearing in 1889, under the title of "The Influence of Seapower Upon History." Suppose Admiral Mahan were living today. In 1889 neither Admiral Mahan nor any other person then living could foretell what would take place on December 23, 1903, when Wilbur Wright and Orville Wright first demonstrated that man could construct a craft that would rise by its own power into the air and could be guided and controlled by a human pilot and landed back upon mother earth with greater certainty than could even the old sailboats when they set out be sure of returning to the home port at a given time. Admiral Mahan and his contemporaries could not foresee that the Wright brothers would make the age-old dream of man come true. Through all the ages men have enviously watched birds fly, and though men had imitated by machinery every form of animal locomotion upon the surface of the earth he had not been able to accomplish mechanical locomotion in the air. And yet the common sense of mankind said that it could be done. It said that the mere instinct of birds, being an evolution of countless generations of creatures that felt the necessity for self-preservation and to gain a livelihood to climb into the air could not ultimately be greater than the scientific accomplishments of the brain of civilized man. Greek mythology, even thousands of years ago, relates the fiction of man's imagining that Daedalus affixed wings to his body with wax and accomplished flights so high that the sun melted the wax and left the foolish adventurer to drop to his death.

APPLY ADMIRAL MAHAN'S LOGIC TO PRESENT CONDITIONS

Suppose that Admiral Mahan could have foreseen that a mighty flying boat would move with a speed 10 times as great as the fastest ship that he ever knew up to 1889, and could mount miles high into the air, and could go out at least a thousand miles from its land base, over either land or sea, and could from its dizzy heights drop with marvelous accuracy tons of explosives upon enemy ships, or enemy cities, or enemy bases of supplies, or enemy concentration of land troops, and then could return to its base, unless sooner shot down by another flying boat sent out by the enemy. What do you think that Admiral Mahan would have said to that? What conclusions would Admiral Mahan have drawn as to the influence of such a flying boat upon the destiny of nations? When we realize that this flying boat can be multiplied by thousands and that 1,000 of such flying boats can be built at the cost of a single sea-surface battleship, then we get some conception of what such a scientific and military philosopher as Admiral Mahan would think about this mighty instrumentality of warfare.

READJUSTMENT IS THE LAW OF PROGRESS

I venture my belief that Admiral Mahan would advise his countrymen that it would be no longer safe to depend upon "wooden walls" or "steel walls", but that his America, pursuing her policy of diplomatic isolation and possessing all her mighty resources of wealth and power, should place her chief and primary reliance upon these great agencies of aircraft, both lighter-than-air and heavier-than-air.

HOW HABIT ENSLAVES MAN'S THINKING

Unfortunately, history shows another fact that must be taken into account in this problem. This other fact is that with most people habits of thought acquired in early life and in school, when taught by great minds regarded by youth as the masters of all truth, are more controlling upon the conduct of people than habits of conduct themselves. In other words, thinking controls action, and many now in places of power were taught to believe that the sea fighters of the generation of Admiral Mahan and the land fighters of the generation of Lee and Grant, or even of Dewey and Sampson and Schley and Shafter, were the last word in military truth, and that the bold and presumptuous innovations of a later day could never even partially supplant the weapons and tactics then employed. Can we not come down even a little nearer to the present time? Can we not say that those who formed their habits of military thinking in the school even of Foch and of Haig and of Hindenburg, when aircraft was almost in its infancy and available almost exclusively for observation, cannot now reconstruct their thinking in the light of the developments of this day, and therefore cannot, or will not, admit what I believe Admiral Mahan would have cheerfully admitted, namely, that if a flying boat can soar through the air 10 times as fast as a surface sea craft and rise almost to invisible heights and carry tons of death-dealing explosives, then such craft would bear the same relative superiority to sea-surface craft as has been demonstrated sea-surface craft bears to land forces moving upon their feet with hardly one-tenth the speed of battleships.

Those who acquired habits of thinking as to military forces and practices before the accomplishment of the Wright brothers, and even those who obtained their conception of military agencies when aviation was in its infancy, seem now to be unable to construct a new mental equation and to introduce the new and mightly factor of powerful and swift aircraft.

THE CONSERVATIVE MIND OF PROFESSIONAL SOLDIERS

We recall the words of Lloyd George with reference to fixity of thinking of the professional military mind. We civilians do not presume to know the niceties of military organization and details of administration that the trained soldier knows. We are not presumed to understand the problems of tactics and of logistics as the trained soldier knows them, because he has devoted much of his life to their study; but the mind of the civilian who is open to the lessons of history, who comprehends the possibility of scientific development, who sees with unblinked vision what is going on about us this very day, and can make a practical application of these great forces to the inevitable fight for national defense, surely such civilians are not to be discounted as irresponsible dreamers.

THE WARNINGS OF ARTHUR BRISBANE

Some of these ultraconservative professional soldiers and sailors scoff at the manifest truths that are proclaimed in thunder tones by Arthur Brisbane. Some of these professional authorities upon warfare, whether on land or on sea, have never been in the air even as passengers to understand, even in that slight way, what superiority these swift and powerful fighting planes, in the hands of pilots trained by flying officers who are giving their lives to the development of the tactics of air warfare, possess as destructive agencies in war and, therefore, possess as very powerful instrumentalities in the accomplishment of our national defense.

THAT SHIFTING FIRST LINE OF DEFENSE

A generation ago there was formulated the phrase that "the Navy is the first line of defense." That statement is still being pronounced and proclaimed by many as a fundamental fact in the problem of national defense. But what is the Navy? The Navy, in the conception of Admiral Mahan, consists of a group of boats called "a fleet." Now, those who believe what Admiral Mahan believed in his day, namely,

that the fleet is the first line of defense and that fleets have been the most powerful agencies influencing the course of history and the destiny of nations, have realized that to make these fleets themselves secure and to make them effective as fighting agencies they must be supplemented by another fleet, and not a fleet of boats such as Admiral Mahan conceived, but a fleet of flying boats, basing upon sea-surface boats and operating from thence for the defense not only of the country, but for the defense of the surface Navy itself.

SURFACE SHIPS AND LAND FORCES STILL NECESSARY

I would not be understood as saying that we can dispense with a fleet or fleets of surface craft by no means. The progress of science does not abrogate any particular weapon of warfare, but rather multiplies the number of fighting agencies. The surface fleet is necessary, but, I submit, with great diffidence and with great respect for those who may differ from me that the surface fleet would be powerless and defenseless and helpless without an air fleet to accompany it.

HOW HARD TO MODIFY EARLY TEACHING

I have known some old soldiers of great distinction and of splendid service who got their training before flying was accomplished, and who still think of warfare in terms of marching men only. These great, old soldiers ignore even the powerful factors of trucks and tractors and tanks. They still like to think of charging squadrons of cavalry with sabers raised high; they still like to think of artillery rushing upon the battlefield drawn by six horses and unlimbering in full sight of the enemy. They view with uncomprehending eye and, perhaps, even with hostile and jealous eye, the fact that charging cavalry and horse-drawn artillery would be the most vulnerable instrumentalities possible in the light of present-day machine guns and high-powered automatic rifles, numerous 1-pounders, and long-distance artillery firing from concealed positions, and obtaining their range by radio from observer pilots in the air. Still a few officers of an older generation, long since retired, have retained pliability of mind sufficient to understand the mastering influence of air power, as witness Lt. Gen. Robert Lee Bullard. It is gratifying to note the progress that is being made in military thinking along these lines. A belief, a conviction in the supremacy of air power is rapidly possessing the thinking of military leaders, as it long ago impressed many forward-looking civilians.

GREAT PROGRESS AMONG MILITARY MINDS

The superiority of air-fighting craft moving hither and thither with mighty speed over land and sea, however high and rough the mountains, and however high and angry the ocean's billows, is gradually being forced upon the thinking of all men charged in any degree with responsibility for our national defense. I repeat that we dare not think of dispensing with land troops and surface ships. These must be increased in numbers and in effectiveness, and their organizations must be perfected. I know that air power alone is insufficient to defend this Nation, but I believe with solemn conviction that the first line of defense from now henceforth, until perhaps some other great agency of destruction, such as radio activity, may be discovered, shall be in the air, just as prior to this time, the first line of defense was on the surface of the sea. We must have our lines of defense instantly ready to take to the air and go far out beyond every point of our 9,000 miles of frontier. We must ultimately have for war use numerous airships that can maintain their stations in the air almost indefinitely to keep a constant lookout for the approach of enemy aircraft from every possible direction. From these high observation posts information as to the movement of, the direction of, and the number of approaching enemy aircraft can be radioed back to the air forces grouped upon their bases along our frontiers, and then these argosies of the air can rise and go out to meet the enemy air fleets that would be seeking to destroy our cities, our centers of supply and of munitions, and trying to break the morale of our people and to destroy their will to fight and to defend our Nation.

NEW CONDITIONS TEACH NEW LESSONS

I am speaking only of the relative importance of air forces and of sea forces and of land forces in formulating the machinery of national defense, and of national defense only. Long ago our people realized, with Admiral Mahan, what was then the superiority of the Navy as an agency of defense. Then we had to organize and maintain a Navy, always too small but constantly growing stronger, to hold back the approach of enemy fleets and transports toward our shores, so that there might not be again repeated what happened in August 1814, when an enemy fleet landed its troops on the shores of Chesapeake Bay and marched overland to Washington and destroyed the Capitol Building and the White House and our then young Capital City, all emblems of the power and the sovereignty of this then young Republic.

MAHAN'S TEACHING BROUGHT UP TO DATE

Just as in the days of Admiral Mahan, we needed a Navy to check and hold back and thus prevent invasion by the enemy until our land forces could be assembled and ready to repel the first enemy troops that should place their feet upon American soil, so today we must have our mighty fleet of the air, able to be shifted from one side of the continent to the other in a few hours and able to rush hither or thither, as the information may come through the mysterious agency of ether, to tell what must ultimately be our great Headquarters Air Force where and when the enemy is approaching.

TO REFUSE PROGRESS IS TO COURT DEFEAT

The Army upon the land which neglects to avail itself of the developments of scientific progress is courting certain defeat. The Army that would now depend upon the support of horse-drawn field artillery and of scouting cavalry and of fighting cavalry, such as did the armies of Lee on the one side and of Grant on the other side, would be just as sure to meet defeat as would an army equipped with pikes and crossbows only in the face of rifle and cannon.

The land army must be motorized to move more swiftly, to be set free from the vulnerable transporting agencies of the horse, and must be mechanized to hurl its missiles of death and destruction with greater speed and power and distance, in order to be able to accomplish its mission as one of the three great factors in our national defense.

REORGANIZATION OF DEFENSE ADMINISTRATION

I will enter only briefly into the discussion of what conclusions these facts must bring to the scientific and logical mind as to the proper organization of all defensive agencies. Most of the professional soldiers and sailors of high command still declare with great energy and, of course, with sincere conviction that the present organization of an army upon the land and of a navy upon the sea, each separate and distinct, each with a separate department, and each with a representative in the President's Cabinet, is the ideal organization for national defense.

Those who support these views insist that air force is but an auxiliary of the land forces on the one hand and of the surface sea forces on the other. They fail to recognize the almost self-evident fact that aircraft, which moves 10 times as swiftly as sea-surface craft and a hundred times as fast as land forces, must be certainly of a very high degree of efficiency in warfare. They admit that there is a justification for separation of the land forces and surface sea forces. They predicate this classification upon the fact that there is a difference between land and water, and that troops marching upon the land or moving and fighting upon the land should have a different department in the governmental organization from troops moving and fighting in vessels propelled upon the surface of the sea. If this classification and distinction is sound, then with far greater force must it ultimately be argued by those in Congress and in the country, charged with responsibility of setting up by law that organization most effectively accomplishing national defense, and by those in civil life who pay the taxes and who foot the bill, now fast approaching a billion dollars a year, for the maintenance of these defense forces, that the instrumentalities operating in the air are of necessity so distinct and different from land forces and surface sea forces as to justify a separate organization, a separate and distinct system of training and fighting, and a separate rep-

resentation in the Cabinet of the President, who, under the Constitution, is the Commander in Chief of all fighting forces seeking to accomplish the national defense, whether these forces fight upon the land, or upon the sea, or under the sea, or in the air, and, if in the air, whether in lighter-than-air or heavier-than-air craft.

SINGLE DEPARTMENT OF NATIONAL DEFENSE

But, Mr. Speaker, disclaiming any qualification to advise upon technical organization and training and fighting, whether upon land or upon the sea, yet claiming the right to exercise the authority reposed in one as a Member of Congress, charged upon his oath with the duty of accomplishing national defense by the most effective and most economical ways and means, I venture to offer my conviction that, ultimately, the logic of this situation will force upon the minds of the Members of Congress—perhaps not of this Congress, perhaps not of the next Congress, but, ultimately, upon the minds of some future Congress—the conclusion that all the fighting forces of the Nation, organized solely for the defense of the Nation, in order to accomplish economy, in order to accomplish effective cooperation in training and in fighting, must be under a single authority, and in a single department, such as might be described by the words "department of national defense", and presided over by a single secretary with appropriate under secretaries.

SUPERMAN NOT NECESSARY TO BE SECRETARY OF NATIONAL DEFENSE

I am well aware of the oft-repeated argument that no single man has the ability, the power, and the experience sufficient to be the secretary of such single department of national defense, but I am also aware of the argument advanced by those who support the present dual division of our national forces, that when there is conflict of interest, when there is jealousy, rivalry, and envy among the two services, when they fail to cooperate in accomplishing economy in peace and efficiency in training and effectiveness in war, then the President, as the Commander in Chief, can and must, and will step in to become, in that instance, the secretary of the single department of defense and command by his single will both the Army and the Navy. Those who support this view fail to recognize that its weakness rests upon the fact that the President is seldom a man with any military experience and that he is certainly never elected upon the basis of his equipment as a military man, but is elected upon political and economic issues. Furthermore, under the present system, when there is lack of cooperation or harmony between the War Department and the Navy Department, the President is extremely reluctant to decide a controversy as between the Secretary of War and the Secretary of the Navy.

To decide in favor of one would constitute such a reflection upon the other that it would force his resignation and thereby bring about a Cabinet crisis. The President should not, therefore, be charged with the responsibility of settling these disputed details growing out of mutual jealousies and rivalries. The President should have one single Cabinet officer who would be his adviser upon the whole problem of national defense. In such a case the Congress and the public sentiment of the country would demand that he select to be secretary of national defense a man of great ability, experience, and vision. Under such an organization there would be unity of command running from the top to the bottom of every fighting organization in our Nation. When the secretary of national defense spoke he would speak as the deputy commander in chief. If such deputy commander in chief proved incompetent and unfit, the President could and would replace him and him alone, without bringing on a Cabinet crisis.

THREE COORDINATE DIVISIONS OF A SINGLE DEPARTMENT

Then, ultimately, there would be forced upon the Congress, which is charged with setting up by law our fighting agencies and with supplying the money to maintain them, by the very logic of the situation, the conclusion that we would have one form of organization for the land fighting forces, another form of organization for the sea surface fighting forces, and another form of organization for the air fighting forces, and that all three of these must be subordinated to a single minister of war, the secretary of national defense; and that they will be compelled by law and by the command of this single will to cooperate in business matters, and in training in time of peace, and to cooperating in fighting in time of war.

It cannot be said that a man of sufficient ability cannot be found among all our 130,000,000 citizens to be secretary of national defense. We select the President by popular vote, and those who argue for the maintenance of the existing establishments say that this President, thus chosen, is able to exercise unity of command to compel cooperation between the Army and the Navy in peace and in war. That argument, while theoretically sound, is, as a matter of fact, in view of what we see taking place every day, and what we know has taken place in our lifetime, to be actually unsound. We know there is jealousy and envy between the Army and the Navy; we know that their joint boards have not functioned as they should, because they try to function by mutual consent; we know that they have been compelled in recent years by the force of popular sentiment and by the logic of events, to set up certain boards for cooperation; and every such board constitutes a confession that, instead of being two independent agencies cooperating by mutual consent and comity, they ought to be under a single administration, and subject to the will of a single, responsible Cabinet officer. Such able men are to be found, capable of being secretary of national defense. Such a man in the early days was John C. Calhoun; such a man—in his prime—is Elihu Root; such a man was Dwight W. Morrow; such a man was John W. Weeks. I hesitate to mention the names of men now living who possess, as I believe, the amplest experience, the broadest practical judgment, the greatest natural ability, and that profound knowledge of history, sufficient to enable them to function as secretary of national defense to the great credit of themselves, to the greatest saving to the Treasury, and to the promotion of the greatest efficiency of all of our fighting forces, whether upon land or upon sea or in the air.

There has been called to my attention by the Honorable J. Mayhew Wainwright, formerly Assistant Secretary of War, and formerly an honored and useful Member of this House of Representatives, an address delivered by Maj. Gen. James Harbord, United States Army, retired, on January 3, 1935, at the Town Hall and before the Civic Forum and League for Political Education, in New York City. I have found the reading of this address very suggestive and stimulating, and I am therefore appending it, with the consent of the House, as a part of my remarks in order that it may become thus available to the Members of the Congress and to the people of the whole country.

[From the Civic Forum and the League for Political Education at the Town Hall, 123 West Forty-third Street, New York City]

AGAIN WE DREAM WHILE CLOUDS GATHER

(Address by Gen. James G. Harbord in Civic Forum series, Town Hall, Jan. 3, 1935)

It is 16 years since the bells rang out and the whistles shrieked the achievement of a great peace. After 4 years of war on a scale of which Napoleon never dreamed, there was to be a peace such as the world had never known before. "A war to end wars" had been the battle cry of millions of men. Faith in the accomplishment of that high ideal deepened the flush on the faces of the returning soldiers who marched up Fifth Avenue. The hope of it had quickened the last heartbeats of many who did not return.

Today the bells and deep-toned sirens no longer sound in tribute to peace. Instead, throughout an uneasy world, hammers ring against the steel of armaments. The shrill whistles of drill sergeants can be heard by those who listen closely. But our country does not listen closely. She is dreaming again, as she was in 1914. It is true that but once in her peaceful history has she fought in Europe. But that history repeats itself is based upon many centuries of unchanging human nature.

While she dreams, the causes which drove her irresistibly toward that former conflict—for which she was so ill prepared—are stronger than ever. They are incessantly spurred by the world-wide economic situation. If the world was too small for the United States to remain neutral in 1917, think of its comparative size today. The globe has been shrunken into a neighborhood by the increased speed of communications and the greater dependence of nations upon one another.

The United States insists she shall have unhampered passage upon the oceans of this contracting world. Freedom of the seas is an offspring of the doctrine of neutrality. It is a principle of our foreign policy enshrined in our history. As a nation of 5,000,000 people, Americans fought for it in the past; and as a nation of 124,000,000 they may some day think it worth fighting for again.

Other great maritime powers hold exactly the opposite view. "In war", they say firmly, "the neutral flag may—and frequently does—protect enemy property." The view was expressed with characteristic forcefulness and clarity by William Pitt, one of the greatest statesmen who ever spoke our tongue. In 1801 he described freedom of the seas as a monstrous and unheard of principle by which an enemy is insured against the effects of your own hostility.

That pronouncement practically sums up the attitude of the maritime powers of today. While the passing of 134 years has many times multiplied the volume of our ocean traffic, the idea Pitt expressed survives unchanged in the minds of many statesmen. The freedom of the seas was not won by President Wilson at Versailles. In any important future war belligerents will instantly look to America as a source for munitions and supplies. We will demand our right to respond to the extreme limit of our neutrality with any goods not contraband. Adverse belligerents will cling to the right of capture, the right of blockade, jurisdiction of their own prize courts, and national control of their strategic maritime localities. Our shipping will be in the same difficulties as in the troubled years between 1914 and 1918. The climax will come no less, and perhaps even more swiftly.

The vast resources of the United States which lull into a false sense of security are among the most potent factors which might lead to embroilment in international controversies. A granary needs more watchmen than a poorhouse. Our country is the wealthiest on the earth in food supplies, metals, oil, manufactures, and agricultural products, and will never cease to attract envious eyes in a world in which nations struggle for economic advantage. Its treasure is equal to half that of all the other six great powers combined. In 1932 the National Industrial Conference Board estimated our national wealth to be $247,300,000,000. Most of this is concentrated within our continental limits. The largest part of our industrial assets are centered in the Northeast and the Great Lakes region.

Our country is rich not only in material assets, but also—more doubtfully—in promissory notes. A stupendous amount is owed us by foreign countries. On January 4, 1934, our Government had on its books official obligations of other nations totalling more than $12,710,000,000. All except $416,000,000 of that was coming from European countries—if we use the word "coming" in the very loose way of meaning still due. About one-third was owed by Great Britain, our heaviest debtor and our greatest commercial competitor. Stated in another way, every individual American has a stake of $1,012 in our governmental loans abroad. Payments are in default in nearly all cases.

Settlement negotiations have failed repeatedly. Nonpayment of war debts is about the only issue on which practically all Europe seems to be in complete accord. In America public opinion runs in the other direction. Notwithstanding our Government's attitude on its gold coupons American citizens generally have the old-fashioned notion that debtors should make good their word. We are not willing to cancel. There is not much we can do about it, except hope. If this stupendous sum were due from one country, we could, and probably would, bring effective pressure to bear. This indebtedness looms as a conflict of interests—with its own possibilities. No one loves us more because he owes us money.

Besides these governmental debts abroad, we have foreign investments, direct and portfolio, which reach a larger total than the so-called "war debts." Thirteen billion seven hundred and ninety-nine millions in such investments are about evenly distributed in Canada, South America, and Europe, with smaller amounts in Africa and the Far East. In those countries where returns on our private loans are in default, we are proceeding cautiously. It is our policy, as in the case of the war debts, not to stir up trouble. Our ultimate interests seem to be best served in this way at present. Yet the hard fact remains that our industry, trade, and prosperity are—to the extent of more than $13,000,000,000—bound up in other countries. We are interested in keeping the peace, for this reason. But a war in which any of those countries went to pieces would mean material loss to us. It would make it harder for us to stand idly by and smile a disinterested international smile.

Then there is our foreign commerce. In 1931 the United States had 11.5 percent of the world's total trade, ranking next to the British Commonwealth of Nations, which had 23.7 percent. It is true that the amount of our goods consumed at home always has far outshadowed our exports. Even in the peak year of 1929 our exports were but 9.8 percent of our total production. This holds out the possibility of following a purely nationalistic policy, if that should be to our best interests.

The trouble is that policy becomes increasingly less adequate to our interests. More than 100 years ago Washington, soldier of the successful Revolution, looked forward to an entirely self-supporting America, going its own way serenely in safe and glorious isolation. Wise as he was, he could not have dreamed of the new era of mechanical invention that was soon to dawn; that rapid transportation and telegraphic contact by radio and cable would make isolation impossible, and that America would be compelled to take a part in world affairs. The increase of our exports by four times their value in the last 30 years is one of the manifestations of this new day. That increase will continue.

A great sea and air traffic is being developed in the service of this trade. American owned and operated ships now ply practically all important routes from the United States to the principal ports of the world. They carry about 31 percent of the total dry cargoes of our foreign ocean commerce. The gross tonnage of our merchant marine is approximately twice what it was in 1914. Although the sea-borne commerce of our country was accelerated by the war, it originated long before Europe was thrown into turmoil by the murder of an Austrian archduke inspecting a little city in the Balkans. Its expansion is closely linked with our industrial growth. The steady increase in the manufacture of new units even in the depression shows that under private ownership American shipping can and will compete with vessels under foreign flags. An effect from this upon our foreign responsibilities is unavoidable.

Extensions of air lines from the United States to foreign points grew from 152 miles in 1926 to 22,790 miles in 1934. The carrying of passengers, express, freight, and mail along these sky lanes has introduced a problem in international relations unknown 10 years ago. In an American passenger plane flying over the border between Uruguay and Argentina bound for Brazil a Frenchman is murdered by a Swede. Who takes jurisdiction in the case?

Such are some physical and economic factors containing seeds of potential discord which may take root if subjected to enough heat. If our outlook is to extend to a national life not limited to our own boundaries, we cannot disassociate ourselves from the repercussions of world affairs. International commitments by which our foreign policy is guided are less tangible, but are nevertheless pregnant with possibilities. So long as treaties are made by the President by and with the consent of the Senate, provided two-thirds of the Senators present shall concur, our foreign policy will be apt to reflect the will of the majority of our people. It will be hesitant at times and inconsistent at others, but trampling upon it will rouse to anger our usually apathetic countrymen. From the American viewpoint on international obligations, treaties are not mere scraps of paper.

I already have spoken of freedom of the seas as a principle for which the United States has fought, and still cherishes as worth fighting for. The Monroe Doctrine is another one. The present tendency is to interpret the Monroe Doctrine as an understanding between ourselves and other nations denying them any right of intervention in Latin American countries. We thus become in a sense the guarantors of non-American rights in Central and South America. Between us and Latin America countries the Doctrine is currently interpreted as an understanding for cooperation against any non-American threat, with an agreement against intervention by force in any case.

The danger of armed European aggression in South America probably has disappeared. It has been replaced by a peaceful penetration through trade and by European colonization. Are South American economic interests and ours so mutual and complementary that they would not permit the formation of powerful groups or interests, antagonistic to our trade and consequently hostile to us as a result of such peaceful penetration? Our present liberal attitude could hardly be expected to stand the strain of hostility toward us, fostered by foreign influence in any of the large South American countries.

Our policy of nonrecognition of territorial changes in the Orient resulting from armed action, enumerated by Secretary Stimson, was early adopted by the present administration and seems to have been generally approved in America and also in European nations. It appears to commit us as favoring the territorial status quo, even though that status quo, itself, resulted from force in the past. The avowed programs of Nazi Germany and the militant Fascists also are against it. Freezing European frontiers will be serious for at least a hundred years after the Treaty of Versailles. For the future the point we must keep in mind is that any attempted territorial changes in Europe will cause invaded nations to call on us for a statement of our position. We appear to have definitely alined ourselves for boundaries as they now exist.

About our right to control immigration and exclude certain immigrants there is no more doubt in the mind of the average American than there is in regard to freedom of the seas, the Monroe Doctrine, and the nonrecognition of territorial changes by force. Our immigration law, especially if ungraciously enforced, does not add to the number of our friends.

When Americans go abroad on peaceful errands they expect the protection of their Government, and it rightly assumes the obligation. At the beginning of last year 429,209 Americans were living in other countries. Half of them were in western Canada; about 100,000 were in Europe; and the remainder were distributed fairly equally among Mexico, South America, the West Indies, and Asia. Protection of this group parallels to a great extent the protection accorded our foreign commerce. Many in it represent American business and trade.

Almost any kind of an American will agree that our citizens should be permitted to travel freely on the seas and in foreign countries, enjoying the same privileges that are granted citizens of other countries. We insist on our right of "open door" accessibility to sources of raw material and world markets, subject to the reserved rights of each nation. Finally, we expect to invest our money and conduct our business abroad under a safeguard from foreign laws equal to that granted other nationals.

This brief summary of a few of the influences at work is ample evidence that through her vast resources, her commerce, her war debts, foreign investments, and her policies, the United States is in a give-and-take relationship with a restless world, no matter how aloof she may wish to be. A glance at a few obvious facts will show just how restless that world is.

The last few months have seen several armed conflicts. Bolivia has fought with Paraguay over the Gran Chaco oil resources. France has completed her conquest of Morocco. There has been revolution and civil war in Spain. Japan has fought against China, and China has fought not only the Japanese but her own Communists.

There have been threats of war in half a dozen disagreements: Italy with Jugoslavia over the freedom of the Adriatic; between France and Germany over the Saar and other differences; Russia against Poland and Germany over the Ukraine; Japan with Russia over control of the northeast Asiatic coast; Japan and China for control of North China; Jugoslavia against Hungary for the murder of their king.

All the great nations of Europe are engaged in the economic struggle for protection of their own industries and the suppression of alien competition. The British Empire and Japan are contesting for empire and world markets. We can only hope that the present balance of antagonistic forces in Europe can be maintained until a leader appears who can negotiate satisfactory settlements. The hope grows dimmer with every passing month. Before such a leader appears one of the sparks caused by the constant friction may fall into the powder. Fears of war are born in Europe. There rusts and corrodes the key to world peace, while the nations bicker.

With the possible results of violent collisions between nationalistic ambitions we are only too familiar from the long and sad experience of the past. Under the troubled surface throughout the world today, however, a new foment bubbles. It spills over beyond national boundaries to imperil continued peace. Nearly every country is seething with social unrest.

Fascism, socialism, and communism are rival philosophies of government each carrying its own dangers to the institutions for which the United States has fought since the days of the American Revolution. All these "isms" believe that democracy has served its purpose and is on the way out. All join in criticizing our national institutions. They bore into us from without and from within. While small groups in our country clamor for more radical methods, we are frankly experimenting with the redistribution of political, social, and economic power. Those who are anxious that such experiments may go on, presumably under the aegis of the Constitution, may find it vital to be able to defend them from outside interference.

Such are some of the sour notes which catch the ear now, jangling out of tune in the great world orchestra. How much chance is there that we can write a new score on clean white paper and change this discordant hubbub into a swelling symphony of peace? The best way to decide the odds in favor of that consummation, so devoutly to be wished, is to consider the results of efforts that have been made for international agreements. The futility of expecting peace through solemn pledges alone is well illustrated by what has followed the Briand-Kellogg and the Nine-Power Pacts.

By the former agreement all nations renounced war as an instrument of national policy. Since that great dramatic renunciation the expenditures and organization of practically every large nation—for nonaggressive self-defense, of course—have increased rapidly. Germany, France, Italy, Japan, Russia, and England are all better prepared to fight today than 10 years ago. Japan has been at war in Manchuria, and France in Morocco. The rumbles from Germany are far from reassuring. There is more talk of war, and more money is spent getting ready for it than before war was outlawed. The mention of the odious outlawed act called "war" is avoided quite simply by omitting a formal declaration before the shooting begins. It saves the pacifist face and stimulates the belief that the soldiers are playing "ring around the rosie", if the real name of the game is not announced.

The nine-power past was to bring new and sweeter pacifism to the Pacific Ocean. Negotiation between the signers was to settle any dispute over far eastern questions. Any signatory has the right to call a conference. But for the last 3 years a major conflict between two signers, involving important interests of two others has gone on, but no signer yet has sent out invitations for a formal talk.

The value of European nonaggression pacts is open to question so long as they do not include all interested parties in a given region. They are generally multilateral, and provide that no party shall invade the other's territory nor join with any third nation who might do so. Germany and Poland have signed a nonaggression agreement which—so long as Germany covets the Ukraine—virtually cancels the Russo-Polish one. So long as Germany is out of the eastern European pacts and Bulgaria and Hungary are out of the Balkan pacts, the general effect of the agreements is simply to array superior force against those nations. Nonagression pacts as a practical matter may actually prevent solution of national economic and political differences and tempt outsiders to use force as the only way of escaping restraints.

International disarmament negotiations have been under way for more than 8 years. This worthy endeavor started with the preparatory commission in 1926 and reached its climax in the General Disarmament Conference of 1932. For the last 2 years it has been in practically continuous session through its general commission or subsidiary committees. Its principal value has been in disclosing the following principles: No nation will disarm that feels itself insecure. None will give up essential elements of its national defense for any compensation, the value of which has not been established by experience. All nations are reluctant to surrender sovereign rights to any international league. General disarmament agreements between nations are impractical; regional agreements are more promising.

To date no agreements have been reached, no convention signed; and the disarmament talks appear to have widened the breach between France and Germany. Ending the conference without agreement would lessen the League's prestige and mean the resumption by Germany of its liberty of action on armaments. To keep the conference going without Germany shows how impractical are the methods by which it is striving for its ideals.

Repeated knocks from hard experience have put deep crimps into the fond belief of the first decade after the war—that the problem of international peace could be settled by frank conversations between foreign secretaries running all over the world visiting one another. The general disarmament conference did not blow away war clouds. The London Economic Conference did not end the depression. The Montevideo Conference was considered successful because no blows were exchanged openly. Conferences appear to be going out of style.

Post-war liberalism has given way to a general feeling that little is to be hoped from international cooperation. Are hard-headed statesmen swinging again to the idea that treaties and pacts are scraps of paper which may only feed the flames when a match is applied? International yearnings are being replaced by a policy of strictest nationalism with force to back it. The visible growth of armaments is proof enough. I grant the fact that each nation must be prepared to look out for itself, in its turn, engenders a further feeling of insecurity and tends to discourage peace. But I am talking of things as they are, not as we would like to see them. Throughout the world there is a typical pre-war psychosis, easily distinguished from the post-war relaxation and desire for reconstruction.

In a situation so full of possibilities for an outbreak of violence that ultimately might involve us it is not safe for the United States to be so afraid of preparedness that no other large nation will be afraid of her. It is high time to face facts on how we would stand if we were dragged into war.

Here are some facts: The United States has fewer soldiers in its active Army and air force per mile of frontier than any other power. Its 13 for each mile compares with 47 for Russia and Germany, for example, and 210 for France. We have far fewer active and reserve soldiers in our Army and Air Corps for every thousand square miles of our territory than any other large country. Our 116 for every thousand square miles makes a poor showing, indeed, against the 13,995 in Germany, 14,958 in Japan, 32,019 in France, and 54,034 in Italy. The figures in both cases are for the mother country only, exclusive of colonial possessions.

The same discouraging disparity is shown in the number of active and reserve soldiers for each 1,000 of population. The 5.2 average of the United States sets the low for all great powers, the averages for other countries ranging rapidly upward to totals of 154 for Italy and 162.4 for France.

The national defense expenditures of other nations in proporportion of their expenditures for 1933, including only appropriations made for and spent in that year, the United States is behind all but Germany and Russia. Our preparations for defense that year represented 13.4 percent of our total expenditures; those of France, 29.42 percent; Italy's, 30.21 percent; and Japan's, 36.9 percent.

A downward trend is shown in our national defense expenditures since 1930, while those of other powers, except the British commonwealth of nations, have shown a sharp upward climb. When I speak of Germany's outlay in this connection I refer only to that which appears on the war department budget. A great deal of apprehension has been felt in Europe as to military preparations in Germany not shown in open accounts.

Summing up our position, we are second at sea, fourth in the air, and last in land armed forces of all the great nations of the world.

That summary is alarming to all who are familiar with our military requirements in the event of war and who realize the present precarious state of peace. In view of our geographic situation and our national feeling against anything even remotely resembling militarism, let us consider only the irreducible minimum for safety.

The rock-bottom safety factor is to have a strong enough army and navy to hold off an invader until we can mobilize our people and our resources in case of attack. In a future war we might not have allies keeping the enemy in check until we train civilians in hastily assembled camps and transform our peace-time factories into munitions works. The now historic "hands across the sea" may be extended with rifles in them.

Our immediate needs for defense are to guarantee our mobilization against interference from any source by any means; to provide for a rapid and efficient mobilization of the Nation's man power, industry, and resources; and to guarantee the security of our critical overseas areas. Those are factors which enable a peaceful nation to hold off attack. An ultimate safety factor would be the preparation, behind this first shock protection, for the subsequent employment of the offensive in overwhelming strength. In the long run we could not safely rest with the mere repulse of attackers pounding at our gates.

The defense of our coast and overseas possessions requires sea power enough in both the Atlantic and the Pacific to cover critical

areas against the primary onslaught, and to hold off the enemy until naval reinforcements sufficient to establish superiority of strength can arrive from the ocean where no immediate danger threatens. I am deliberately avoiding an emphasis on the possibility that we might be attacked on both the Atlantic and the Pacific at the same time, so that none may say that I am exaggerating reasonable hazards.

Under favorable conditions the major elements of the fleet could be assembled and transferred from ocean to ocean through the Panama Canal in 20 days. That is less time than it would take to form and dispatch an important convoy against us from either Asiatic or European ports. We cannot hope to equal the strength of all possible naval combinations, but our national-defense interests do demand a navy equal to that of our strongest possible single opponent. We haven't that today, although we seem to be moving toward it.

Beginning in 1922, when we voluntarily gave up more naval tonnage than any other nation in order to reach an agreement on naval ratios, we followed for 11 years the policy of encouraging disarmament by example. To indicate our strong desire for curtailment we went to the length of not replacing over-age and obsolete ships. We fell far behind the two other great naval powers, Great Britain and Japan. We have faithfully observed our obligation to maintain the military status quo in our possessions west of Hawaii. We are mandatory for no territory in that region.

Even idealistic America decided she was playing a lone hand by 1933 and that her policy was seriously weakening her safety and prestige. Her awakening was followed by the authorization and appropriation for some 37 vessels of various types, leaving us 102 vessels of all types short of our authorized treaty strength. Although we still will be considerably below Great Britain and only about equal to Japan in 1936, the Vinson building law gives the Navy, for the first time in our history, a business-like replacement program for ships, and a logical and orderly plan for the procurement of naval aircraft and personnel.

This law looks forward to the gradual building of the Navy to full treaty strength of under-age ships. We hope that will never be necessary—that in future international conferences agreements will be reached under which other nations will reduce their naval tonnages to our level in existing ratios. All we would need to do then would be to balance our naval force and replace ships as they become over-age. If other nations insist on holding their navies at present full treaty strength, and in view of Imperial Japan's denunciation of the naval treaty, national safety demands our following the Vinson building plan to completion. In the meantime it gives us something to bargain with in future conferences looking toward armament reduction. Our reductions can take the form of curtailing the program, rather than scrapping good ships.

We need more than a Navy and its complementary air equipment, however, to provide an adequate covering force for protection of our national mobilization. The Regular Army and the National Guard also are essential.

While the lessons of the World War were fresh in our minds the National Defense Act of June 4, 1920, authorized a peace strength Regular Army of 17,728 officers and 280,000 enlisted men. General Staff studies, in attempts to carry out the requirements with every possible reduction in cost, have arrived at an absolute minimum slightly lower—14,063 officers and 165,000 enlisted men. But Congress has gone below that absolute minimum. By successive cuts in appropriations it has reduced the Regular Army to an average approximate strength of only 12,000 officers, 118,750 enlisted men, and 6,500 Philippine Scouts, which last we shall lose probably this year.

When it is considered that the Regular Army is not only the guard against surprise attack but also the nucleus around which a citizen army would have to be built in time of emergency, the gravity of present conditions becomes more apparent. Four peace strength infantry divisions (one for each of the four army commands), three peace-strength cavalry divisions, a mechanized cavalry brigade, and a general headquarters air force, with some auxiliary units is the least that safety demands as an initial covering force.

Without neglecting its other equally important missions, the present Regular Army could not provide that force. General MacArthur, Chief of Staff, made that clear in his testimony in June 1934 on the Thompson bill hearings when he said:

"Three major missions we cannot now perform. I must choose which of these missions I will attempt, well knowing the failure of one may result in failure in all. We must keep our outposts; we must stop the invader, and we must mobilize. Today I would be unable to do so. Any two I might accomplish, but all three, impossible."

In a sudden major emergency, after decision has been made to use troops in addition to those of the Regular Army, we have to depend first upon the National Guard. Here, again, the United States is lacking. The National Defense Act provided a total National Guard of 435,800 officers and enlisted men by 1924. Each succeeding Congress has failed to appropriate necessary funds. The War Department attempted to get enough for a guard of 250,000, and the Chief of the Militia Bureau tried for one of 210,000. Both attempts failed. Since 1930 appropriations have limited the guard to 190,211.

The Officers' Reserve Corps could supplement our commissioned personnel, but there is no reserve from which trained enlisted men could be quickly drawn. There are approximately 6,000 men in our enlisted Reserve Corps—a mere handful. The shortage of Regular Army reserves is a great deficiency in our defense. The National Guard might have more time to fill up gaps with local volunteers, but its efficiency would be directly affected by the number of untrained men it had to use.

An Officers' Reserve Corps of 120,000 active Reserve officers is essential to meet the needs of emergency mobilization. Last reports showed a total of about 113,000. By all means we should keep up our work of the Reserve Officers' Training Corps and our citizens' military training camps to augment the number of men with some groundwork of military schooling who can and will step forward if a call to arms should sound.

The tremendous size which adds to the greatness of our country adds also to the difficulty of protecting it. We have sea and land frontiers of more than 8,000 miles, second only to those of Russia among the world powers. For guarding them—with fewer soldiers per mile than any other great nation, remember—it is impractical to hold the bulk of our Army in a central position. It would be too far from the possible danger points. We must maintain four zones, each necessarily organized, garrisoned, and supplied as a possible independent theater of operations.

The problem is further complicated by the Panama Canal, our overseas possessions, and aviation. The Canal is a vital point for the whole maritime world. Not only must it be defended, but we must be able to keep open the lines of communication to and from it. To make that certain, our possessions in the West Indies, as bases near the entrance to the Caribbean, must be guarded from any act of war.

Hawaii must have a covering force capable of sustained and separate action. On it—in this day of aircraft, especially—depends the security of our west coast and west-coast trade. And while we retain a holding in the Far East, Hawaii is an advanced base essential for the protection of our far eastern possessions. We cannot be too strong in Hawaii.

The importance of Alaska is growing constantly, and its defense problems—air, land, and naval—must be calculated independently of our continental needs. It has a maximum resident strength of only 4,000 white men qualified for military service. The economic resources of Alaska and Kurile Islands regions are gazed upon covetously by others. Polar flying and improved navigation aids have reduced the protection climate once afforded. The time may come unexpectedly when keeping a few hundred men in Alaska to protect her from foreign invasion will not be enough.

The strategic value of the Philippines depends on our far eastern policy. So long as that policy insists on equal trade opportunities with China, with freedom of transit for our goods and purchases to and from Asiatic ports, a base in the western Pacific is demanded. The present choice of our statesmen seems to be to surrender this advantage, but the ultimate decision will not be made for 10 years. In the meantime, it is our obligation to protect and police these islands and our sea trade routes. We could not do it in a war with the defensive means now available. From a military standpoint the Philippines, now indefensible because of the treaty of 1922, are neither an asset nor a liability. In the event of a foreign war those islands would be at the disposition of the victor, no matter who occupied them in the meantime.

Aviation enables us to strike swiftly at an enemy, but it makes it possible for an enemy to strike at us with equal speed. It cuts down our geographic isolation. Only at our peril can we fail to take it into account. Aviation has its balanced place. It may start the next war. Conservative and well-informed opinion is that aviation alone can never win a major war.

A move is under way now to correct the present deplorable condition of our Army Air Corps. A program calling for a total of 2,320 planes—almost double what the Army now has—offers a patriotic opportunity to the present Congress. It is to be hoped that Congress will grant the increase.

I have indicated some of the more obvious gaps in our permanent defense structure that would invite an active enemy. One might think that with so little of a permanent nature on which to rely, we would be ready at an instant's notice to draw upon our much-boasted resources. But not yet! Despite the fact that history shows we cannot depend on volunteers, despite the essential urgency of speed in the unhappy event of war, we have not yet on our statute books an authorization for the Commander in Chief, the President, to call men to the colors, by selective service. We must still depend on our legislators to pass the laws after the threat arises—while precious days are wasted. In April 1917 Congress provided no adequate funds for more than a month after it declared war.

As with men, so with material. Industrial organization, so vital in modern war, must keep step with the mobilization of men. The War Department and our industries now cooperate in peacetime planning so far as possible. But that is not nearly so far as is found possible in other strong nations. "Ultimately", many say in serene self-confidence, "we could turn out materials and supplies faster than other countries." Ultimately is a long, long road in a crisis. Other countries are better equipped to meet war demands at the outset. After 19 months in the World War, no American-built airplane was on the front when the armistice was signed on November 11, 1918. Only a few shots were fired from American-built artillery. What might happen before we really got started? A law enabling the President to mobilize industry without delay is as necessary as a law permitting him to mobilize men. If possible, the profit motive should not be allowed to enter. The reiteration of this axiomatic fact wins the front page for some statesman nearly every week. When men are offering their lives, industry should be ready to give its services without gain.

Our advance arrangements for assembling materials for war are inadequate enough, but the current munitions investigation may cause misinterpretations which will cripple them. The amount of munitions sold abroad by American firms is trivial. There is in this country not a single manufacturing concern exclusively engaged in ordnance production nor in any other such property described as munitions except to an insignificant extent.

A perspective is hard to maintain amid wild claims and counter claims. We have even heard the argument that collusion by munitions men was indicated in the World War, because the French and Germans did not fire on coal and iron fields. A little thought will throw light on that. Naturally each side desired to save such fields, believing it had a chance to take them for its own use, an accomplishment that would have ended the war in a hurry. The strategy of General Pershing's plan for the final drive in 1918 was to cut the Germans off from those precious stores of coal and iron. The French were influenced, of course, not only by the great war value of the territory but also by the reluctance to bombard Alsace Lorraine, where the population was largely French, and to recover which was never absent from French hearts.

Other powers maintain large enough subsidized and government-owned munition plants to meet their needs. The United States, in time of war, depends almost entirely on private manufacture. Curtailment of this manufacture by denying its outlets would work to our disadvantage and to the advantage of possible enemies. Prohibiting the exportation of arms, munitions, or implements of war favors the powerful aggressor, who prepares for a short war of conquest by accumulating supplies. It handicaps the nations who do not make elaborate plans.

In all our major wars in the past we have had to obtain munitions from foreign shores. In the Revolutionary War they came from France and Holland; in the Civil War from France, Great Britain, Belgium, and Austria; in the Spanish-American War from Great Britain; in the World War from France and Great Britain.

The question of exclusive Government manufacture of arms in our country was thoroughly examined and completely rejected when war was imminent 18 years ago. An exhaustive study of nationalization was made, and in the matter of comparative costs found that the Government, with no selling expense, no taxes, no insurance, except to pay fire and accident losses at actual cost, and borrowing money as only the Government can borrow, beat the purchase price on articles made by private enterprise by about 11 percent. The Government now operates six manufacturing arsenals in a small way. These at full capacity could produce less than 5 percent of our requirements for a major war. This nationalized industry to handle the major war load would have to be immediately expanded to 19 times its present capacity. A conservative estimate of the value of those six arsenals is $163,000,000. One hundred percent capacity for war-time need would mean first cost of $3,097,000,000 for plant. Capitalize it at 3 percent and you have an annual carrying charge of $92,910,000 on plant and equipment. That takes no account of amortization or obsolescence or a pay roll of several million dollars per year. This vast establishment during a long interval of peace would, I venture to believe, never be operated. Witness several similar idle "elephants" surviving from war days—for example, the $65,000,000 nitrate plant at Muscle Shoals idle for 15 years. If you nationalize rifles, why stop short of nationalizing the machinery, the raw materials, the powder, and for the powder the cotton, nitric acid, and alcohol?

We cannot escape quarrels and conflicts by minding our own business. Our business is too extensive and far-reaching. It interferes with the business of too many other nations. We have invaded all markets and penetrated all continents. The more we expand our industrial establishments and agricultural plant, the more we shall require those outlets, which Europe and Asia must also secure as they further enlarge productivity through efficient practices and surplus-creating equipment.

We may point to the past in evidence that we have never waged a war of conquest. But the fact remains that our occupancy of markets once dominated by other powers constitute economic invasion and curtails their opportunity to sell goods, increase employment, improve living standards, and provide income for their several populations.

From the days of Rome the wars of trade and the trade of war have proceeded side by side. We are too rich, we are too powerful in commerce and industry to confide our destiny to bare hands and the protection of mere treaties. International faith perished on the borders of Belgium, and international honor as represented by war debts is buried in the vaults of the United States Treasury. As the greatest creditor nation in history, we have suddenly become the most unpopular. Our wealth, our shrewdness, and our competitive strength thwart universal plans and ambitions. We cannot keep our flag at home when we send our goods and our salesmen abroad. And if we are not prepared to defend our trade and our citizens, they must ultimately yield right-of-way and outlets to those powers whose present position and future growth depend upon the export of goods they cannot domestically absorb.

We cannot determine by a pacifist policy whether or not we shall have another war. Our commercial policy may at any moment involve us in complications that demand ultimatums and an iron hand. If the time ever comes when we are unable to enforce our just rights, American industry will be prostrated by discriminatory treaties, further defaulted obligations, and exclusion from irreplaceable markets.

It is a dangerous thing to be rich and defenseless. Therefore, our country, whatever its inclination, must maintain a military and naval strength imposing enough to discourage affront and aggression—sufficient to protect the liberties and property of its subjects, and modern enough to cope with any emergency or armament that challenges our safety.

The better we are prepared for war the less we are likely to face it. Experience does not confirm the dictum that "right is might", without an enforcing agency. The Incas and the Montezumas and the Ming emperors stand in spirit beside me tonight to testify how perilous it is to create vast empires and confide their safety to Providence. And the incredible rise of the Japanese people from a recently insignificant and impotent estate to a challenging position in world affairs—an achievement consummated within the short span of my own lifetime—warns us that no generation can ever anticipate with what new and suddenly potent forces the next must cope.

If we desire to prosper in peace, then we must be stronger than those who plan to profit by war. Our defenses, by land and sea, must be so impressive that no power will be encouraged to provoke our enmity. I know of no insurance policy that may be purchased as cheaply. Those who protest at the consequent burden upon national income will be well advised to consider the alternative cost of impotence against an effective enemy. And those who shrink at the thought of bearing arms for the defense of the Nation would be wise to contemplate the compulsory service which a successful enemy would extract from our youth if this should ever become a conquered province.

We dare not disarm at a moment when racial hatreds and megalomanias, world over, are trooping to the colors—while enlarged fleets, armies, and air squadrons everywhere inform us that ancient grudges are feeding fat again through Europe and Asia—and the tramp of training millions shakes the world. The battlefields on which we thought the last great war had been fought were sowed with dragon's teeth, and the Almighty alone knows when and what the harvest will be.

Earnest, sincere men and women by the thousands feel sure that we would be on better terms with the rest of the world if we demonstrated pacific intentions by abolishing even our present inadequate Military Establishment—in brief, that being unable to defend ourselves will protect us from violence. But helplessness did not save Belgium any more than it saved Peru and Mexico from the Spaniards or China from the Manchus.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. KRAMER. Mr. Speaker, I ask unanimous consent that the Committee on Un-American Activities have until February 15 within which to file its report.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. MARTIN of Massachusetts. Reserving the right to object, will that mean any additional expenditure on the part of the Government?

Mr. KRAMER. No; none whatever in addition to those which have already been appropriated. I may say to the gentleman that the members of the committee on the minority side are in accord with this request.

Mr. MARTIN of Massachusetts. It is simply to file the report of the committee?

Mr. KRAMER. That is all. There are certain necessary elements that have been asked for by some members of the committee, and we will not be able to obtain that for 2 or 3 days. For that reason, and for other reasons discussed in the report, it is necessary to ask for this additional time.

Mr. BLANTON. There will be no additional employees employed under this former appropriation?

Mr. KRAMER. None except the stenographers necessary to make the report.

Mr. BLANTON. And only the present stenographers are continued on?

Mr. KRAMER. That is all.

Mr. BLANTON. And only to make the report?

Mr. KRAMER. That is all.

Mr. BLANTON. And for no other purpose?

Mr. KRAMER. For no other purpose.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPUBLICAN INDUSTRY

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of unemployment relief.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. AMLIE. Mr. Speaker, the objection to this measure comes from the spokesmen of the Republican Party. They state that they object to the measure only because of its broad delegation of power to the executive branch of the

Government. They hasten to add that they are not against relief, that they are not against public works, and that their principal objection to the bill is due to the fact that it does not specify the various projects for which the appropriation in question is to be used.

In my opinion, the people of the country are not going to be greatly impressed by the objection of the spokesmen of the Republican Party. They are not going to be impressed, because they have not forgotten the history of the Republican Party and the record of these same spokesmen during the past 5 years of the depression.

During the first session of the Seventy-second Congress we had before the House of Representatives the so-called "Garner public-works bill". This bill provided for an appropriation of approximately one and a half billion dollars for public works. Mr. Speaker Garner had gone to the various Government departments and inquired of them what work projects they had under contemplation for the near future. He took these various items and included them in one bill. His bill merely telescoped into a period of 1 year projects which under the normal course of events would probably have been put through during the ensuing 3 years. Each and every project with the amount involved was set forth in the Garner bill. This bill, therefore, was not subject to the objection that these same Republican spokesmen have made against the present measure. Nor was there any lack of demand for relief in 1932. According to the October 1934 issue of the magazine Fortune, there were 11,500,000 unemployed wage earners in the United States during 1932. When the Garner bill came up for consideration in the House, it was branded as a piece of "pork barrel" legislation by the spokesmen of the Republican Party. It was denounced as a piece of "pork barrel" legislation by virtually every Republican newspaper in the country.

Mr. SNELL, who was floor leader of the Republican Party in the House of Representatives, said—June 7, 1932, page 12227:

> Title I provides for $100,000,000 to be placed in the hands of the President to be distributed as a gratuity to anyone needing it and asking for it. That is going further than the Federal Government has ever gone in any matter of relief, so far as I know, in the history of the country. The reason I am opposed to that primarily is that the minute you start that you are never going to stop it. In my judgment, the $100,000,000 will probably be used before next fall, and by the time we get back here we will be asked to put up two or three or four hundred million more, and you will have a heavier tax burden than ever placed on our people.
>
> Furthermore, the minute you hang up the advertisement that we have a hundred-million-dollar fund which any man can get who says he is in need, you absolutely stop all sources of private contributions to charity. That has been the experience, even in local communities.

So, with 11,500,000 unemployed in the United States, the spokesman of the Republican Party felt that it was a problem to be handled through private contributions to charity. He objected to the appropriation of $100,000,000 because the then Republican President would probably spend it all by the ensuing December, at which time he was fearful that the Congress might be called upon to appropriate three or four hundred million more to care for the unemployed. What a perfectly terrible thought this was; and the method that the spokesman for the Republican Party proposed to follow to avoid this situation was simply not to start appropriating anything to care for the unemployed. At least it must be said for the spokesmen of the Republican Party in 1932 that their plan was perfectly simple and readily understandable. This, after all, was a rather curious position for the spokesmen of the Republican Party to have taken in 1932, particularly since President Hoover was elected in 1928 standing squarely on the proposition of a large public-works program in case of an economic depression.

I have recounted this brief congressional history of June 7, 1932, because the leaders of the Republican Party in my State saw to it during the next few months that I was not given any opportunity to forget. As a Member of the House of Representatives elected on the Republican ticket I voted for the Garner bill (p. 12243–12244, CONGRESSIONAL RECORD, 1st sess. 72d Cong.).

Immediately the leaders of the Republican Party and the Republican press from one end of the country to the other set up a great hue and cry about "pork barrel" legislation. In the State of Wisconsin the regular Republicans based their campaign primarily upon their opposition to public works, particularly their opposition to the La Follette grade-elimination program.

I confess I am not greatly impressed by the sincerity of the leaders of the Republican Party when they state that they object to House Joint Resolution 117 on the ground that the funds involved are not appropriated for specific projects and purposes.

I am also sure that the people of the country will not be impressed by the argument of the Republican spokesmen—particularly the unemployed people. When I was last a Member of this House the Republicans made up almost one-half of the total Membership of the House. They are now less than one-fourth, and I venture the prediction that the Republican Party will never again have as great a Membership in this House as they have at the present time.

ADMINISTRATION BILL INADEQUATE

It is difficult to state how many people are unemployed at the present time. Estimates are available from various sources. These estimates place the number of unemployed from eleven to fourteen million.

Since this depression began the most accurate figures on industrial unemployment have been furnished by the American Federation of Labor. On last October 7 the American Federation of Labor released the following estimates based on the first 3 months of 1934:

Persons employable (United States census figures)	48,829,920
Wholly unemployed or on temporary part time	16,846,322
Totally unemployed	9,326,514
On temporary and part-time jobs, including Government-financed projects	7,519,808

While the A. F. of L. estimates may be reasonably adequate, so far as industrial unemployment is concerned, these same figures do not take into adequate consideration the extent of other types of unemployment, including the large measure of unemployment now prevalent in rural sections. That is to say, the large number of farm boys and girls who stay at home on the farm, although they are in no sense needed to carry on the operations of the farm.

A year ago there were 11,000,000 people in the United States who applied for C. W. A. work. It would be safe to say that there are at least one-half million more unemployed today who were employed a year ago, and probably a million more, due to the natural maturing of young people.

It would perhaps be safe to say that there are in the United States today approximately 12,000,000 employable unemployed. Of this number approximately 1,000,000 single people and about 5,000,000 heads of families are on relief. There are approximately 20,000,000 people today who are dependent upon Federal relief for a living.

When we take into consideration this situation, it begins to be apparent how wholly inadequate the administration program is. When the President talks about putting the unemployed to work and liquidating the F. E. R. A. by July 1, one cannot help wondering whether the President, though a humane man, has any clear conception of the present unemployment situation.

In his message to the House the President talked about one and one-half million people on the Federal relief roles who are unemployables. Under present requirements for employment this figure is undoubtedly low. Although under circumstances such as existed during the World War, this estimate would no doubt be high.

It would still be safe to say that there are 12,000,000 unemployed people who are employable.

The administration expects to put three and one-half million people to work on public-works projects at $50 per month. This figure seems to be tacitly accepted by the administration spokesmen in the House, and for that reason I am using it. The administration also expects that the employment of three and one-half million people on public-works projects would give employment to an equal number

of people in industry fabricating and transporting the material to be used on the public-works projects.

This assumption is no doubt made because it has been commonly supposed that for each job directly provided on public-works jobs another job would be provided in industry manufacturing and transporting the materials.

At the public-works hearings held here 3 years ago it was commonly estimated that 80 percent of the money spent on public-works projects would go to labor either directly or indirectly. It seems to me, however, that this is a sanguine figure. If we accept it, however, it means that approximately 7,000,000 people would be given work either directly or indirectly at slightly less than $50 per month.

If it is expected that three and one-half million people, who are to be given work in industry fabricating and transporting the materials to be used on public-works projects, are to be paid an average of $50 per month, it is easy to see what is going to become of the American tradition of high wages.

The person is naive indeed who believes we can have 7,000,000 people working for $50 per month without having the general wage level reduced to approximately the same standard.

This general program raises a great many interesting questions. If we are to adopt the general idea of work battalions in the United States, can we also proceed to establish and maintain codes for the purpose of maintaining prices? If prices are not to be maintained, then what policy are we to follow regarding the general debt structure of the country? These are only a few of the questions that legislators ought to ask themselves.

And it should be noted further that the administration plan contemplates making provisions directly and indirectly for only 7,000,000 people on this bare subsistence basis. It leaves out of calculation altogether approximately 5,000,000 unemployed people. The administration's plan tacitly assumes that these 5,000,000 people can go on indefinitely living on past savings. Unfortunately, there is an end to the ability of the unemployed to live on their savings or the wages and contributions of their friends and relatives. This has been very notably demonstrated in my own State of Wisconsin where the percentage of people on relief during the past few months has gone up from 12 to 20 percent of the total population of the State. From the foregoing it will be seen that the administration's plan—if correctly disclosed in the President's message to Congress—is less than 50 percent adequate as an unemployment measure.

TEN MILLION DOLLARS NEEDED FOR ADEQUATE PUBLIC-WORKS PROGRAM

If the unemployed are to be given work directly and indirectly through public-works projects, we must expect to spend a minimum of $10,000,000,000 for the current year.

If this were to be proposed, however, the reactionaries of the country, Republican as well as Democratic, would immediately raise the hue and cry that this would result in wild inflation. This, however, does not follow. During the period of the World War we spent a sum in excess of $10,000,000,000 a year during the entire 4 years of the war. We are today faced with a situation far more critical than the one which existed at that time.

I am not greatly impressed with the sincerity of the business groups that raise the cry of inflation. In most instances these groups are not opposed to inflation providing they are the beneficiaries of the particular inflationary measure contemplated. The international bankers did not hesitate to unload approximately $12,000,000,000 of foreign securities on the investors of the United States following the termination of the World War. These securities are today largely worthless. To the extent to which American manufacturers were able to find foreign markets, by sacrificing the savings of American investors, we had an inflation during the period of the twenties. The bankers were willing to join in this raid by American business on American investors because of the commissions they received.

At the present time the Government is spending approximately $180,000,000 a month for relief. The American retail business men and the American manufacturers do not object particularly to these Government expenditures so long as this money is spent with the American retailers for privately manufactured goods. In short, when any expenditure of money by the Federal Government is proposed it is objected to on the ground that it is inflationary only by the particular business group that does not share in the business thus created.

If American business men and the Members of this House were really sincere in their efforts to provide for the unemployed, it could be done with the amount of money provided for in this joint resolution.

FIVE BILLION ADEQUATE IF UNEMPLOYED ARE PERMITTED TO CONTRIBUTE OWN LABOR

This $5,000,000,000 a year would be adequate for relief if the unemployed were permitted to contribute their own labor toward their own support.

At the present time it has been estimated that we are spending approximately $180,000,000 a month for relief. Approximately 75 percent of this amount goes for direct relief, while 25 percent goes for made-work projects.

If we were to dispense with the made-work projects and simply try to take care of the unemployed by relief methods, it is estimated that this could be done for $145,000,000 a month.

This plan would, of course, completely ignore the welfare of the people on relief. It would subject all of the unemployed to the demoralization which results from enforced idleness. It is the plan supported by American business as evidenced by the recent conference held at White Sulphur Springs, W. Va. At this conference American business came out definitely for the dole as a solution for the problems of the unemployed in the United States. This is the program of the reactionaries in both the Democratic and Republican Parties.

If we were determined to provide for the same kind of care for the unemployed but were willing to sacrifice the retailers, we could take care of the people who are now on relief on present relief standards by means of mass purchases and distribution at a cost of approximately $115,000,000 a month. But, as stated, this would leave the retail business man and the jobber completely out of the picture. It would be politically unwise for any group to sacrifice the business man who performs the functions of distribution in our economic system.

These business men are in close touch with the average American voter. They deal with the voting public constantly. The American retail business man is not against Government expenditure on the ground that it might result in inflation, providing these expenditures go through the regular retail channels. I am not advocating this method. I am merely calling attention to the fact that present relief standards could be maintained at a saving of approximately $30,000,000 a month, providing we were willing to leave the American retail business man out of the picture.

But there is another way in which the unemployed could be maintained on present relief standards at a substantial saving. This could be accomplished if we were to permit the unemployed to contribute their own labor and services toward their own support and maintenance through a national self-help movement. It has been ascertained that the people who are now unemployed could be taken care of at present relief levels for approximately $75,000,000 a month.

But, of course, such a plan would deprive both the American manufacturer and the American retail business man of what they feel to be their share of Government expenditures. From the foregoing it is perfectly clear that the American business man is opposed to Government spending on the ground that it is inflationary only so long as he does not get a lion's share of the money spent.

When it has been proposed to permit the unemployed to contribute their labor toward their own support it has been immediately branded as socialism. I have heard many Members in the House speak with righteous indignation of the fact that the F. E. R. A. has made approximately 2,000,000 mattresses for the use of the unemployed. This, in the opinion of many Members of this House, is a terrible offense.

They are not concerned with the fact that a year ago we had approximately 2,000,000 families in the United States who had no mattresses of any kind on which to sleep. These people ought to realize that these unemployed do not have the means with which to buy mattresses in the usual course of trade and that relief allowances are not sufficient to provide for items of this kind. The same thing could be said of other necessities that have been manufactured during the past year by various State units operating in conjunction with the F. E. R. A. If we are willing to do justice by the 12,000,000 employable unemployed, we should give them the opportunity to contribute their own labor toward their own support. The $4,800,000,000 provided for in this bill would be adequate to give the unemployed of this country a decent standard of living if it were to be used in this manner, provided, of course, that the operation of such a plan were not sabotaged by the vested interests. Three years ago the Republican Party took the stand that the unemployed were in the plight they were in because of their own failures and shortcomings. In the past 3 years there has been a complete change in public opinion on this subject. The public opinion of the United States today recognizes that the plight of the 12,000,000 unemployed is due to no fault of their own. This same public opinion recognizes that it is the duty of the Federal Government to make adequate provisions for the well-being of these people.

What is more, public opinion is beginning to recognize that we are entering an era where abundance is possible for every citizen of the country. As time goes on this sentiment is bound to find increasing favor.

We are now called upon to consider a measure which the President of the United States says is adequate to discharge our duty to the unemployed people of this country. But if the money appropriated is to be spent for public works in the manner indicated by the President's message, then even the most casual analysis shows that the amount provided in the proposed plan offers no promise of abundance in the future, nor is the amount provided more than half enough to meet the obligation which an awakened public opinion requires of us here and now. If for every dollar that we appropriate in this measure for the unemployed 50 cents is to go to satisfy the demands of American business, then it becomes our duty to appropriate $2 where $1 might otherwise be sufficient. We should either increase the amount of this appropriation to $10,000,000,000 or else we should provide that this sum is to be used for the lease or purchase of idle factories, natural resources, and raw materials, and thus permit the unemployed to contribute their own labor toward their own support through the manufacture and distribution of those things required by a decent American standard of living.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GRAY of Indiana, for 1 week, on account of important business.

To Mr. VINSON of Georgia, for 5 days, on account of important business.

To Mr. DIRKSEN, for 7 days, on account of business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 92. An act to prohibit the making of photographs, sketches, or maps of vital military and naval defensive installations and equipment, and for other purposes; to the Committee on Military Affairs.

S. 403. An act to amend the act of Congress approved March 1, 1899, entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous and unsafe buildings and parts thereof, and for other purposes", and to further amend said act by adding at the end thereof new sections nos. 5 and 6; to the Committee on the District of Columbia.

S. 406. An act to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 411. An act to authorize an annual appropriation of $10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City; to the Committee on Foreign Affairs.

S. 462. An act to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest in the State of Oregon; to the Committee on Agriculture.

S. 464. An act to add certain lands to the Malheur National Forest in the State of Oregon; to the Committee on Agriculture.

S. 575. An act to amend the Mining Act of May 10, 1872, as amended; to the Committee on Mines and Mining.

S. 619. An act to amend section 27 of the Merchant Marine Act, 1920; to the Committee on Merchant Marine, Radio, and Fisheries.

S. 736. An act for the relief of Louise Fox; to the Committee on Foreign Affairs.

S. 753. An act to carry out the findings of the Court of Claims in the case of the Wales Island Packing Co.; to the Committee on Claims.

S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; to the Committee on Foreign Affairs.

S. 1226. An act to prohibit the sending of unsolicited merchandise through the mails; to the Committee on Post Office and Post Roads.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House, pursuant to its order previously entered, adjourned until Monday, February 4, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

184. A letter from the president of the Georgetown Gas Light Co., transmitting a detailed statement of the business of the Georgetown Gaslight Co., together with a list of stockholders, for the year ended December 31, 1934; to the Committee on the District of Columbia.

185. A letter from the president of the Washington Gas Light Co., transmitting a detailed statement of the business of the Washington Gas Light Co., together with a list of stockholders, for the year ended December 31, 1934; to the Committee on the District of Columbia.

186. A letter from the president of the Capital Transit Co., transmitting report covering the operations of the Capital Transit Co. for the calendar year 1934, with balance sheet as of December 31, 1934; to the Committee on the District of Columbia.

187. A letter from the president of the Washington Interurban Railroad Co., transmitting report covering the operations of the company for the calendar year 1934; to the Committee on the District of Columbia.

188. A letter from the Secretary of War, transmitting, pursuant to section 1 of the Rivers and Harbors Act approved January 21, 1927, and section 10 of the Flood Control Act, approved May 15, 1928, a letter from the Chief of Engineers, United States Army, dated January 28, 1935, submitting a report, together with accompanying papers and illustrations, containing a general plan for the improvement of Kanawha River, W. Va., Va., and N. C., for the purposes of navigation and efficient development of its water power, the control of floods, and the needs of irrigation (H. Doc. No. 91); to the Committee on Rivers and Harbors.

189. A letter from the president of the Potomac Electric Power Co., transmitting a report of the company for the year

ended December 31, 1934; to the Committee on the District of Columbia.

190. A letter from the president of the Washington Railway & Electric Co., transmitting a report of the company for the year ended December 31, 1934; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 617 A bill to correct the military record of Lake B. Morrison; without amendment (Rept. No. 40). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 972. A bill for the relief of John Costigan; without amendment (Rept. No. 50). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 1846. A bill for the relief of Daniel W. Seal; without amendment (Rept. No. 41). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 2117. A bill for the relief of Cora A. Snyder; without amendment (Rept. No. 42). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 2294. A bill for the relief of Thaddeus C. Knight; without amendment (Rept. No. 43). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 3071. A bill for the relief of Second Lt. Charles E. Upson; without amendment (Rept. No. 44). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 3266. Authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.; without amendment (Rept. No. 45). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 3722. A bill for the relief of Samuel Kaufman; without amendment (Rept. No. 46). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 2128. A bill for the relief of Rossetta Laws; without amendment (Rept. No. 51). Referred to the Committee of the Whole House.

Mr. KVALE: Committee on Military Affairs. H. R. 2678. A bill for the relief of Carl L. Bernau; without amendment (Rept. No. 52). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 5207) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; to the Committee on Indian Affairs.

Also, a bill (H. R. 5208) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont.; to the Committee on Indian Affairs.

Also, a bill (H. R. 5209) to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation; to the Committee on Indian Affairs.

Also, a bill (H. R. 5210) to provide funds for cooperation with School District No. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children; to the Committee on Indian Affairs.

Also, a bill (H. R. 5211) to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indian Affairs.

Also, a bill (H. R. 5212) to authorize appropriations for the completion of the public high school at Frazer, Mont.; to the Committee on Indian Affairs.

Also, a bill (H. R. 5213) to provide funds for cooperation with School District No. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children; to the Committee on Indian Affairs.

Also, a bill (H. R. 5214) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation; to the Committee on Indian Affairs.

Also, a bill (H. R. 5215) to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

Also, a bill (H. R. 5216) to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children; to the Committee on Indian Affairs.

By Mr. BRUNNER: A bill (H. R. 5217) to classify certain positions in the Railway Mail Service, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 5218) to postpone the effective date of certain restrictions respecting air mail contracts; to the Committee on the Post Office and Post Roads.

By Mr. BUCK: A bill (H. R. 5219) to postpone the effective date of certain restrictions respecting air mail contracts; to the Committee on the Post Office and Post Roads.

By Mr. CONNERY: A bill (H. R. 5220) to protect honorably discharged soldiers and sailors of the World War who are in the classified civil service of the United States, and other civil-service employees; to the Committee on the Civil Service.

By Mr. DEROUEN: A bill (H. R. 5221) to amend the Agricultural Adjustment Act with respect to rice, and for other purposes; to the Committee on Agriculture.

By Mr. FENERTY: A bill (H. R. 5222) directing the Secretary of State not to enter into any reciprocal trade agreements or understandings with any nation engaging in religious or racial persecution; to the Committee on Foreign Affairs.

By Mr. KRAMER: A bill (H. R. 5223) to provide disability compensation for the citizens of the United States who have no means of support; to the Committee on Labor.

By Mr. CONNERY: A bill (H. R. 5224) to provide that the holders of the Medal of Honor, Distinguished Service Cross, or Navy Cross shall be employed in the civil service without examination; to the Committee on the Civil Service.

By Mr. McSWAIN (by request): A bill (H. R. 5225) to provide relief for disbursing officers of the Army in certain cases; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5226) to amend the act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes, approved April 15, 1926, so as to equalize the allowances for quarters and subsistence of enlisted men of the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 5227) providing for the appointment of an additional justice of the United States Court of Appeals for the District of Columbia, and for other purposes; to the Committee on the Judiciary.

By Mr. SADOWSKI: A bill (H. R. 5228) to stabilize and standardize money and labor prices by the establishment of a labor-hour monetary system, to guarantee work to all at all times, to give normal prosperity, prevent depressions, and for other purposes; to the Committee on Ways and Means.

By Mr. BOILEAU: A bill (H. R. 5229) directing the Secretary of the Interior to investigate, hear, and determine claims of the individual members of the Stockbridge and

Munsee Tribe of Indians of the State of Wisconsin; to the Committee on Indian Affairs.

Also, a bill (H. R. 5230) to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians; to the Committee on Indian Affairs.

By Mr. HOEPPEL: A bill (H. R. 5231) to amend section 2 of the act of May 25, 1930 (46 Stat. 375); to the Committee on Naval Affairs.

By Mr. THOMASON: A bill (H. R. 5232) to amend the National Defense Act; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 5233) to authorize the appropriation of $100,000,000, or so much thereof as may be necessary, to locate and construct through the States of Virginia, North Carolina, Tennessee, Kentucky, and West Virginia, and the District of Columbia, a highway to be known as "Eastern National Park-to-Park Highway"; to the Committee on Roads.

By Mr. BUCKLER of Minnesota: A bill (H. R. 5234) to provide for an annual survey to protect crops from damage by grasshoppers; to the Committee on Agriculture.

Also, a bill (H. R. 5235) to authorize the appropriation of not more than $594,800 for the payment of drainage charges due on the public lands within the counties of Beltrami, Koochiching, and Lake of the Woods, in the State of Minnesota; to the Committee on the Public Lands.

By Mr. LLOYD: Joint resolution (H. J. Res. 149) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DIRKSEN: Joint resolution (H. J. Res. 150) to prevent rent profiteering in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FISH: Concurrent resolution (H. Con. Res. 7) protesting against religious persecution in Mexico; to the Committee on Foreign Affairs.

By Mr. FENERTY: Concurrent resolution (H. Con. Res. 8) directing the Government of the United States to call upon the Government of Mexico to cease denying fundamental rights to American citizens resident in Mexico, regardless of religious convictions or affiliations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 5236) for the relief of Louis Prince, alias Louis Archibald Trudeau; to the Committee on Naval Affairs.

By Mr. BLOOM: A bill (H. R. 5237) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased; to the Committee on Claims.

By Mr. COLDEN: A bill (H. R. 5238) granting a pension to Melissa P. Seneker; to the Committee on Invalid Pensions.

By Mr. COSTELLO: A bill (H. R. 5239) granting a pension to Mary L. Head; to the Committee on Invalid Pensions.

By Mr. CRAWFORD: A bill (H. R. 5240) for the relief of Floyd L. Green; to the Committee on Military Affairs.

By Mr. DELANEY: A bill (H. R. 5241) for the relief of Samuel R. Kirschner; to the Committee on Military Affairs.

By Mr. EDMISTON: A bill (H. R. 5242) to authorize the Secretary of War to convey to the American Legion, Kanawha Valley Post, No. 58, at Montgomery, W. Va., all right, title, and interest of the United States in and to certain lands in Kanawha County, W. Va.; to the Committee on Military Affairs.

By Mr. LLOYD: A bill (H. R. 5243) for the relief of Theophilus Steele; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 5244) authorizing the Secretary of War to convey to the University of Oregon certain lands forming a part of the Coos Head River and Harbor Reservation; to the Committee on Military Affairs.

By Mr. QUINN: A bill (H. R. 5245) for the relief of Elizabeth Leiding; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 5246) granting a pension to Frank House; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 5247) granting a pension to Leah Kesterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5248) granting a pension to Harvey Dodge; to the Committee on Invalid Pensions.

By Mr. SABATH: A bill (H. R. 5249) for the relief of Martin M. Philipsborn; to the Committee on Claims.

By Mr. SADOWSKI: A bill (H. R. 5250) granting a pension to Belle Hockensmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5251) for the relief of Azun Khan; to the Committee on Claims.

By Mr. SPENCE: A bill (H. R. 5252) authorizing the President of the United States to appoint Sgt. Samuel Woodfill a captain in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. TOLAN: A bill (H. R. 5253) granting a pension to Grace Walcott Fleming; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 5254) granting a pension to Marion M. Luther; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

676. By Mr. ANDREWS of New York: Memorial of the Senate of New York, memorializing Congress to enact such laws to authorize the promulgation of such rules by the Department of Justice or the Interstate Commerce Commission to compel manufacturers of firearms to mark such firearm manufactured with a serial number which will be plainly visible, such serial number to be registered with the Department of Justice as to its consignee at the time of its shipment by the said manufacturer, the consignee to record with the Department of Justice immediately at the time of sale the serial number and to whom such firearm was sold, the Department of Justice thereafter to inform the duly authorized police department of the State involved as to the type of firearm, serial number, name of consignee, and the name of the purchaser; to the Committee on Interstate and Foreign Commerce.

677. Also, resolution adopted by the Erie County Board of Supervisors, Buffalo, N. Y., recommending the construction of sewage-disposal system for the entire Niagara frontier, the cost to be borne in its entirety by the Federal Government, the funds to come from the proposed $4,800,000,000 bill for public works and relief projects; to the Committee on Appropriations.

678. Also, resolution adopted by the Order of Benefit Association of Railway Employees of Buffalo, N. Y., supporting enactment of legislation to modify fourth section of Interstate Commerce Act as recommended by the Federal Coordinator of Railroads; to the Committee on Interstate and Foreign Commerce.

679. Also, petition of the National Guard Association of New York State, asking Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities for the fiscal year 1935–36 any provision which in any way might affect the right to Federal pay or Federal recognition of any member of the National Guard of the State of New York; to the Committee on Appropriations.

680. Also, resolution adopted by the Senate of New York State, memorializing the United States Congress to enact legislation to take all profits out of war or put the business of manufacturing munitions of war solely in hands of the United States Government; to the Committee on Ways and Means.

681. Also, petition of the Common Council of the City of Lockport, N. Y., recommending approval of the proposed improvement of the Barge Canal in western New York; to the Committee on Rivers and Harbors.

682. Also, memorial of the Legislature of the State of New York, memorializing Congress to eliminate the Federal tax on gasoline; to the Committee on Ways and Means.

683. By Mr. BACON: Petition of the St. Lawrence Council, Knights of Columbus, Sayville, Long Island, N. Y., protesting against the policy of oppression and persecution by Mexican Government; to the Committee on Foreign Affairs.

684. By Mr. BELL: Petition of citizens of Jackson County, Mo., urging adoption of House bill 2856; to the Committee on Ways and Means.

685. By Mr. BOILEAU: Resolution of the Antigo Division, No. 122, Order of Benefit Association of Railway Employees, favoring enactment of legislation as recommended by the Federal Coordinator and covered in House bill 8100 of the Seventy-third Congress; to the Committee on Interstate and Foreign Commerce.

686. By Mr. BRUNNER: Resolution of the Arleigh Regular Democratic Club, Inc., 22–45 Thirty-first Street, Astoria, Long Island, N. Y., urging Congress to enact necessary legislation in order that the Home Owners' Loan Corporation can continue to make new loans; to the Committee on Banking and Currency.

687. By Mr. BUCKLER of Minnesota: Petition of M. A. Jenson, secretary-treasurer, Roseau, Minn., and members of the Roseau County Farm Holiday Association, urging the immediate passage of the Frazier-Lemke farm-mortgage refinancing bill; to the Committee on Agriculture.

688. Also, petition of C. J. Nord and M. M. Jorgenson and other members of the Wolverton Townsend Old Age Revolving Pension Club, all citizens of Wolverton, Minn., praying for support of the Townsend old-age-pension bill; to the Committee on Ways and Means.

689. By Mr. CONNERY: Petition of the City Council of the City of Lynn, Mass., recording itself as endorsing and favoring the passage of the workers' unemployment and social insurance bill (H. R. 2827); to the Committee on Labor.

690. Also, petition of the grand executive council of the Massachusetts Grand Lodge of the Order of the Sons of Italy in America, favoring old-age-pension legislation; and that such legislation be made applicable to noncitizens as well as citizens, provided that such noncitizens be residents of the United States of America for not less than 10 years prior to the passage of such legislation; to the Committee on Ways and Means.

691. By Mr. CRAVENS: Petition of citizens of Pike and Montgomery Counties, Ark., requesting passage of the Townsend old-age-pension plan; to the Committee on Ways and Means.

692. By Mr. CULLEN: Petition of the Legislature of the State of New York, urging the Federal Government to enact such laws through the Congress or to authorize the promulgation of such rules by the Department of Justice or the Interstate Commerce Commission to compel every manufacturer of firearms to mark such firearm manufactured with a serial number which will be plainly visible, such serial number to be registered with the Department of Justice as to its consignee at the time of its shipment by the said manufacturer, the consignee to record with the Department of Justice immediately at the time of sale the serial number and to whom such firearm was sold; the Department of Justice thereafter to inform the duly authorized police department of the State involved as to the type of firearm; to the Committee on the Judiciary.

693. Also, petition of the Legislature of the State of New York, requesting Congress to enact the Costigan antilynching bill; to the Committee on the Judiciary.

694. Also, petition of the Senate and Assembly of the State of New York, urging Congress to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

695. By Mr. FULMER: Petition of the House of Representatives of South Carolina, James E. Hunter, clerk, favoring legislation introduced by LINDSAY C. WARREN, of North Carolina, making Irish potatoes a basic commodity, believing that such legislation is necessary to protect the welfare of the potato growers of South Carolina, and that such legislation will stabilize production of potatoes and will assist in the orderly marketing of this crop from South Carolina; to the Committee on Agriculture.

696. By Mr. HEALEY: Petition of the Board of Aldermen of the city of Somerville, Mass., protesting against the outrageous conduct of the Government of Mexico toward the freedom of worship, the press, and rights of assembly and education, and calling for the Government of the United States to sever diplomatic relations with the Government of Mexico; to the Committee on Foreign Affairs.

697. By Mr. KIMBALL: Petition of citizens of Third District of Michigan, favoring passage of legislation for the Townsend plan of old-age pensions and a national transaction sales tax calculated to produce revenue to meet requirements of such pensions; to the Committee on Ways and Means.

698. By Mr. MARTIN of Colorado: Petition of the General Assembly of Colorado, urging consideration of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

699. By Mr. MEAD: Petition of the Senate of the State of New York, requesting the Federal Government to abolish the gasoline sales tax, and to surrender to the States the power to tax such sales in the future; to the Committee on Ways and Means.

700. Also, petition of the Senate of the State of New York, requesting Congress to act with all convenient speed on the enactment of the Costigan-Wagner antilynching bill, or other like legislation; to the Committee on the Judiciary.

701. By Mr. McLAUGHLIN: Petition urging the Government of the United States to establish a national arboretum at Nebraska City, Nebr.; to the Committee on Agriculture.

702. Also, petition to establish a national arboretum in southeastern Nebraska; to the Committee on Agriculture.

703. Also, petition urging the allocation of the necessary funds for the construction of the Florence bridge across the Missouri River, Public Works Administration Docket 8837; to the Committee on Interstate and Foreign Commerce.

704. By Mr. O'MALLEY: Memorial of the Wisconsin State Legislature, urging Congress to enact the pending $1,000,000,000 Home Owners' Loan Corporation bill " at the earliest possible moment "; to the Committee on Banking and Currency.

705. By Mr. SABATH: Resolution of the supreme board of directors, Knights of Columbus, protesting conditions in Mexico and urging the United States Government to make representations of protest to Mexico; to the Committee on Foreign Affairs.

706. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin, memorializing the Congress of the United States to enact the pending $1,000,000,000 Home Owners' Loan Corporation bill; to the Committee on Banking and Currency.

707. Also, joint resolution of the State of Wisconsin, memorializing Congress to enact a highway-safety program; to the Committee on Roads.

708. By Mr. SUTPHIN: Petition of the New Jersey Farm Bureau, resolving that the Agricultural Adjustment Act be amended so as to prohibit any farmer from receiving benefit payment for crop reduction unless the acreage taken out of production is not used to grow cash crops or is devoted only to soil-improvement crops; to the Committee on Agriculture.

709. By Mr. TARVER: Petitions of J. G. Gilbert and 20 other citizens, Mrs. F. B. Wood and 33 other citizens, Kate Bagwell and 19 other citizens of Floyd County, and Cynthia Maples and 36 other citizens of Walker County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

710. Also, petitions of Victoria Williams and 19 other citizens, Maymie Byars and 18 other citizens of Floyd County, W. H. Roberts and 36 other citizens of Murray County, Mrs. J. M. Maxwell and 19 other citizens, W. E. Holt and 16 other citizens of Chattooga County, C. J. Ellies and 14 other citizens, and Miss Frances Bragg and 14 other citizens of Douglas County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

711. Also, petitions of C. B. Ward and 82 other citizens of Bartow County; G. W. McGovin and 21 other citizens of Floyd

County; Thrower H. Maeger and 32 other citizens of Whitfield County; J. P. Brown, of Bartow County; Nora Taylor and 16 other citizens of Whitfield County; C. H. Moody and 29 other citizens of Polk County; and Sallie Poole and 36 other citizens of Haralson County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

712. Also, petitions of Bessie Moody and 14 other citizens of Polk County, J. A. Reese and 14 other citizens of Gordon County, John W. Cole and 14 other citizens of Haralson County, Mollie McFerren and 19 other citizens of Murray County, and C. I. Garner and 14 other citizens of Chattooga County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

713. By Mr. TRUAX: Petition of Townsend Club, No. 6, of Toledo, Ohio, by their president, George W. Steele, and secretary, A. B. Jones, urging the enactment into law of the Townsend old-age revolving pension plan; also the bill introduced for financing same; to the Committee on Labor.

714. Also, petition of William C. Bruckman and other citizens of Mansfield, Ohio, requesting that Congress enact into law an adequate unemployment insurance bill; to the Committee on Labor.

715. Also, petition of the Lions Club of Arcanum, Ohio, supporting the petition of the General Edward Sigerfoos Post, No. 156, of the American Legion of Arcanum, and the Ladies' Auxiliary of the General Edward Sigerfoos Post, No. 156, of the American Legion of Arcanum, Darke County, Ohio, and resolving that if such a movement receives favorable consideration in the erection of a building or some suitable memorial it should become the home of the General Edward Sigerfoos Post and the Ladies' Auxiliary of the Edward Sigerfoos Post of the American Legion of Arcanum, Darke County, Ohio, and the Arcanum Public Library; to the Committee on Appropriations.

716. Also, petition of members of the German Sick and Supporting Benefit Society, of Mansfield, Ohio, seeing the great suffering and privation in their city and all over the country due to low wages and unemployment, and seeing that due to the above circumstances thousands of members of societies and fraternal orders are suffering from sickness through undernourishment and are not able to pay their dues, causing the loss of their established surety and the ruination and destruction of societies and fraternal orders throughout the United States of America, do hereby resolve to petition their Congressmen to actively support to the fullest extent House bill 2827, and that a copy of this resolution be transmitted to each of their Congressmen and Senators; to the Committee on Labor.

717. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress to enact a highway safety program; to the Committee on Roads.

718. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to enact the pending $1,000,000,000 Home Owners' Loan Corporation bill; to the Committee on Banking and Currency.

719. By the SPEAKER: Petition of 19 citizens of San Miguel County, N. Mex., sponsoring the old-age-pension bill introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

720. By Mr. O'MALLEY: Memorial of the Wisconsin State Legislature, urging Congress to enact a highway safety program; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, FEBRUARY 4, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Lord, in the stillness of this morning hour, we come to Thee for peace and the comfort of a quiet mind, that we may see beyond the things that seem to be and know each other as Thou knowest us.

Let kindly thoughts be clothed in words that shall bless and cheer the hearts of men who look to us with eyes of hope for guidance in these troublesome days. Remove from us all fear save only that of wounding Thee; give us the strength that comes to those who, as they walk with Thee, learn the true meaning of the discipline of self; keep us so serene above the fret of care, the dusty clouds and dissonances of life, that our patient strivings, being blest of Thee, may bring refreshment unto all Thy people.

We ask it in the name of Jesus Christ our Lord. Amen.

WILLIAM G. MCADOO, a Senator from the State of California, appeared in his seat today.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Thursday, January 31, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes; and

H. R. 4983. An act to authorize a transfer of forest reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, and it was signed by the Vice President.

SIGNING OF AN ENROLLED BILL

The VICE PRESIDENT. The Chair announces that under authority of the order of the Senate of Thursday last he signed, after the adjournment of the Senate on that day, the enrolled bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes, said bill having previously been signed by the Speaker of the House of Representatives and reported by the Committee on Enrolled Bills as having been examined and found truly enrolled, and that it was delivered to the committee to be presented to the President of the United States.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on January 31, 1935, that committee presented to the President of the United States the enrolled bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Glass	Maloney
Ashurst	Caraway	Gore	Metcalf
Austin	Carey	Guffey	Minton
Bachman	Clark	Hale	Moore
Bailey	Connally	Harrison	Murphy
Bankhead	Coolidge	Hastings	Murray
Barbour	Copeland	Hatch	Neely
Barkley	Costigan	Hayden	Norbeck
Bilbo	Couzens	Johnson	Norris
Black	Cutting	Keyes	Nye
Bone	Davis	King	O'Mahoney
Borah	Dickinson	Lewis	Pittman
Brown	Donahey	Logan	Pope
Bulkley	Duffy	Lonergan	Radcliffe
Bulow	Fletcher	McAdoo	Reynolds
Burke	Frazier	McCarran	Robinson
Byrd	George	McGill	Russell
Byrnes	Gerry	McNary	Schall

Schwellenbach	Steiwer	Trammell	Wagner
Sheppard	Thomas, Okla.	Truman	Walsh
Shipstead	Thomas, Utah	Vandenberg	Wheeler
Smith	Townsend	Van Nuys	White

Mr. DUFFY. I have been requested to announce that my colleague [Mr. LA FOLLETTE] will be detained today because of illness, and I ask that the announcement which I now make stand for the remainder of the day.

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines upon business of the Senate.

Mr. LEWIS. I announce the absence of the Senator from Louisiana [Mr. OVERTON], occasioned by illness; the absence of the Senator from Illinois [Mr. DIETERICH] and the Senator from Louisiana [Mr. LONG], who are necessarily detained; and I again announce the absence of the Senator from Maryland [Mr. TYDINGS] and the Senator-elect from Tennessee [Mr. MCKELLAR], they having not as yet returned from their duties as members of the Philippine Commission.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

REPORT OF EMPLOYEES' COMPENSATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the United States Employees' Compensation Commission, transmitting, pursuant to law, the annual report of the Commission for the fiscal year ended June 30, 1934, which, with the accompanying report, was referred to the Committee on Education and Labor.

REPORT OF NATIONAL ACADEMY OF SCIENCES (S. DOC. NO. 17)

The VICE PRESIDENT laid before the Senate a letter from the President of the National Academy of Sciences, transmitting, pursuant to law, the annual report of the academy for the fiscal year ended June 30, 1934, which, with the accompanying report, was referred to the Committee on the Library.

REPORTS OF PUBLIC UTILITY COMPANIES IN THE DISTRICT

The VICE PRESIDENT laid before the Senate the following letters, which, with the accompanying reports, transmitted pursuant to law, were referred to the Committee on the District of Columbia.

A letter from the president of the Capital Transit Co., transmitting a report covering the operations of the company for the calendar year 1934, with balance sheet as of December 31, 1934;

A letter from the president of the Washington Interurban Railroad Co., transmitting a report covering the operations of the company for the calendar year 1934;

A letter from the president of the Washington Railway & Electric Co., transmitting a report of the company for the year ended December 31, 1934;

A letter from the president of the Potomac Electric Power Co., transmitting a report of the company for the year ended December 31, 1934;

A letter from the president of the Washington Gas Light Co., transmitting a detailed statement of the business of the company, together with a list of its stockholders, for the year ended December 31, 1934;

A letter from the president of the Georgetown Gaslight Co., transmitting a detailed statement of the business of the company, together with a list of its stockholders, for the year ended December 31, 1934;

Two letters from the president of the Chesapeake & Potomac Telephone Co., transmitting the following reports:

A report of the company for the year ended December 31, 1934, containing the actual figures, to be substituted for the report heretofore submitted; and

A report showing the comparative general balance sheet of the company for the year ended December 31, 1934.

PETITIONS AND MEMORIALS

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Indiana, which was referred to the Committee on Banking and Currency:

Concurrent Resolution 1

A concurrent resolution concerning the continuance of the Federal Home Loan appropriations

Whereas the Federal Home Loan Act, by virtue of which remedial loans have been extended on liberal terms to worthy but temporarily distressed home owners, has been of inestimable value in raising the morale of small debtors and affording them the necessary opportunity to amortize their indebtedness over a longer period of years and saved the homes of many of our most stable and worthy citizens; and

Whereas under the courageous and enlightened leadership of President Franklin D. Roosevelt, this salutary remedy has been successfully applied to the gradual amortization of a burdensome debt; and

Whereas the administration of the Home Loan Act in this State, under the wise and humanitarian guidance of the Honorable E. Kirk McKinney, has redounded to the credit of the State and placed many a burdened debtor under lasting obligations to him; and

Whereas a discontinuance of the appropriation at this time would seriously jeopardize the magnificent and worthy cause which has so far been carried on: Therefore be it

SECTION 1. *Resolved by the House of Representatives of the General Assembly of the State of Indiana (the senate concurring)*, That the Congress of the United States is hereby respectfully requested to provide as speedily as may be consistent with its other duties for the continuance of a fund which will be adequate to carry on the Home Owners' loans until all manageable debts have been completely amortized.

SEC. 2. The clerk of the house of representatives is hereby instructed to send a copy of this resolution to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and the President of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Indiana, which was referred to the Committee on the Judiciary:

Concurrent Resolution 2

A concurrent resolution concerning the passage of a Federal anti-lynch law

Whereas the lynching of citizens of this Republic has placed an indelible stain on our civilization and is a reprehensible practice which is abominated and deplored by the best citizens in all parts of the country; and

Whereas the practice of lynching cannot be successfully suppressed unless and until the Federal Government has enacted adequate laws to circumvent and restrain those who indulge in this infamous crime against civilization and common decency: Therefore be it

SECTION 1. *Resolved by the House of Representatives of the General Assembly of the State of Indiana (the senate concurring)*, That the Congress of the United States be, and is hereby, respectfully requested to enact an antilynch law at its earliest possible convenience in order that the practice of lynching in defiance of law may be successfully eradicated and suppressed.

SEC. 2. The Clerk of the House of Representatives is hereby instructed to send a copy of this resolution to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and the President of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Appropriations:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress of the United States to enact the pending billion dollar Home Owners' Loan Corporation bill

Whereas, because of the depletion of its funds, the Home Owners' Loan Corporation has been compelled to discontinue receiving applications for loans by distressed mortgagors; and

Whereas there are still a great many home owners in this and other States who are facing foreclosure of mortgages on their homes unless Federal relief is provided; and

Whereas there is now pending in the Congress a bill appropriating $1,000,000,000 to the Home Owners' Loan Corporation to extend the benefits provided in the act of Congress creating said corporation: Now, therefore be it

Resolved by the senate (the assembly concurring), That this legislature respectfully urges the Congress of the United States to enact the pending bill herein referred to at the earliest possible moment; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of Congress and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROU,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution memorializing the United States not to join the World Court

Whereas for 140 years this Nation has been proud to follow the principles of George Washington when he said, "Against the insidious wiles of foreign influences the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of representative government"; and

Whereas President Monroe enunciated an honorable and successful foreign policy when he said, "We owe it, therefore, to candor and to the amicable relations subsisting between the United States and those (European) powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety"; and

Whereas Thomas Jefferson, with his usual foresight and judgment uttered these prophetic words, "We have a perfect horror at everything like connecting ourselves with the politics of Europe. * * * Peace is our most important interest"; and

Whereas we are a self-contained and self-sustaining Nation consuming over 92 percent of our own production, and do not need to fawn upon foreign nations for economic or political favors; and

Whereas we can easily become a member of the World Court and become, whether we will it or not, subservient to the League of Nations, but may find it almost impossible to get out of the entanglements that will inevitably follow; and

Whereas our participation in the World War, with its ghastly cost in lives and money and shattered hopes was a sufficient lessen to us to stay far away from foreign strife; and

Whereas membership in the Court is merely entering the League of Nations by the back door: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorializes the United States Senate to vote against joining the World Court and thereby retain our national self-respect; and be it further

Resolved, That duly attested copies of this resolution be sent to the Vice President of the United States and to the Senate and the Wisconsin Members thereof.

J. W. CAROU,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution memorializing the United States Senate to vote against membership in the World Court

Whereas the Senate of the United States has before it for consideration the question of whether or not this Nation shall join the Permanent Court of International Justice, commonly known as the "World Court"; and

Whereas the people of this country have twice overwhelmingly repudiated the League of Nations and have emphatically shown that they want no part in the political intrigues and the turmoil of the intense nationalism of European nations with its concomitant imperialistic endeavors and ambitions; and

Whereas neither the farmer nor the laborer is anxious that we go international. To their minds our struggle is to restore the American standard of living rather than to enmesh ourselves with the debasements of the standardized poverty of Europe; and

Whereas our membership in the World Court would be the first step toward joining the League of Nations, either voluntarily or involuntarily, for the reason that the Court is part and parcel of the League, being legally created by the League, financed by the League, and a vital factor in the development of the League's power and influence; and

Whereas the whole League-Court controversy is so involved with reservations, amendments, conditions, and protocols that the average citizen is completely muddled as to just how far the internationalists now hope to commit this country; and that no qualification can be so drawn as to retain complete freedom of action, and accordingly the wisest thing is to keep clear of European political jealousies and entanglements altogether; and

Whereas the avowed purpose of the World Court is to promote and enforce world peace, and yet in several instances it has utterly failed to accomplish this; and

Whereas by joining the World Court this Nation will give up its traditional policy of a century and a half of independence from European affairs and will be subject to the embroilments of European politics and strife; and

Whereas under the existing Bryan and Root Treaties we have taken definite steps toward world peace in a way that commits the parties thereto unequivocably to peace; and

Whereas we still have recourse to the Hague tribunal for settlement of such international disputes as this Nation would be willing to submit to foreign arbitration; and

Whereas the proponents of the World Court are either idealists who have not faced the reality that the World Court and League of Nations are one and the same, with a background colored by the machinations of realists of the highest order, the politicians of Europe; or international bankers who selfishly desire to see a cancelation of the war debts and hope to see such cancelation brought about under the jurisdiction of the World Court: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully memorializes the United States Senate to continue the traditional and honorable policy of this Nation and stay out of foreign entanglements and their resulting intrigues, and to stand by the mandate of the people which has declared against our becoming a member of the League of Nations, and to vote against becoming a party to the Permanent Court of International Justice; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to the Senate of the United States, and to both Wisconsin Members thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROU,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

A concurrent resolution to memorialize Congress in favor of legislation making Irish potatoes a basic commodity under the agriculture laws of the United States

Whereas there has been introduced in Congress by Congressman LINDSAY C. WARREN, of North Carolina, a bill making Irish potatoes a basic commodity in order that the interests of the southeastern potato growers may be protected: Therefore be it

Resolved by the house of representatives (the senate concurring), That we favor such Federal legislation. We believe that such legislation is necessary to protect the welfare of the potato growers of South Carolina; that such legislation will stabilize the production of potatoes and will assist in the orderly marketing of this crop from South Carolina; be it further

Resolved, That certified copies of this resolution be sent to the President of these United States, to the Presiding Officers of both branches of Congress, to each of the United States Senators and Representatives from South Carolina, and to Congressman WARREN, of Washington, N. C.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S. C., January 25, 1935.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the House of Representatives and concurred in by the Senate of South Carolina.

JAMES E. HUNTER, Jr.,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was ordered to lie on the table:

A concurrent resolution to petition the Congress of the United States to hasten action on the pending seed loan bill

Whereas it is recognized by the agriculturists and persons engaged in farming that farmers who do not plant at the right time are more than likely to suffer a great loss in the production of crops; and

Whereas this is particularly true in the production of cotton under bollweevil conditions, as is done now in the greater portion of the Cotton Belt, and especially in South Carolina, a delay of 2 or 3 weeks oftentimes resulting in the loss practically of the entire crop: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States is respectfully and earnestly petitioned to hasten its action on the seed loan bill so that the farmers who are to receive loans under this bill may be able to employ the funds to the best advantage, and realize the most from the use of the same. Attention is called to the fact that after the bill is passed applications are to be made, considered, passed upon, approved, funds advanced, fertilizers to be ordered and shipped, and the fertilizers should be in the ground between the 15th of March and April 1. We feel that if the loans are to be made it is not only to the interest of the persons who are to be benefited thereby but to the interest of the Government as well that immediate action be taken upon the pending measure.

Resolved further, That copies of this resolution be forwarded to the clerks of the respective branches of Congress, to the two United States Senators, and to the Members of the House of Representatives from this State.

IN THE HOUSE OF REPRESENTATIVES,
Columbia, S. C., January 30, 1935.

I hereby certify that the foregoing and attached is a true and correct copy of a resolution adopted by the House of Representatives and concurred in by the Senate of South Carolina.

[SEAL] JAMES E. HUNTER, Jr.,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Agriculture and Forestry:

Joint resolution requesting that the Congress of the United States, without further delay, pass the Frazier-Lemke farm refinance bill, S. 212 and H. R. 2066

Whereas unless immediate relief is given hundreds and thousands of additional farmers will lose their farms and their homes, and millions more will be forced into our cities and villages and the army of the unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness, and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas the Frazier-Lemke refinance bill, being S. 212 and H. R. 2066, in the Congress of the United States, provides for the liquidating and refinancing of agricultural indebtedness at a reduced rate of interest through the Farm Credit Administration and the Federal land banks; and

Whereas the Frazier-Lemke bill has the endorsement of 22 State legislatures, and in addition the lower houses of the States of New York and Delaware and of many commercial clubs, chambers of commerce, bank organizations, and of business and professional men and women, as well as the great majority of the farmers of this Nation; and

Whereas the enactment of this bill will have a vital effect not only upon agriculture but upon all classes of industry; and

Whereas agriculture is the basic industry of this country and there can be no recovery until agriculture is put upon a sound basis: Now, therefore, be it

Resolved by the house of representatives (the senate concurring):

SECTION 1. That it is the sense of your memorialists, the members of the General Assembly of the State of North Carolina, that the Congress of the United States should enact the Frazier-Lemke bill without further delay.

SEC. 2. That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator LYNN J. FRAZIER and Congressman WILLIAM LEMKE.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

In the general assembly, read three times, and ratified this the 31st day of January 1935.

A. H. GRAHAM,
President of the Senate.
R. G. JOHNSON,
Speaker of the House of Representatives.

Examined and found correct.

L. W. LEGGETT,
For Committee.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Missouri, which was referred to the Committee on Finance:

Whereas due to the long-continued depression, thousands of American veterans of the World War are unemployed and without the means of adequate support and are unable to provide the necessities and comforts of life for themselves and their families, through no fault of their own; and

Whereas it is the policy of the national administration in its recovery program to bring about a distribution of public funds and thereby accomplish wide-spread reemployment; and

Whereas the payment of the remainder of the amounts due on the veterans' adjusted-compensation certificates held by veterans of the World War will result in a distribution of money to every community in the United States, which money will find its way into channels of trade through the purchase of necessities and comforts of life, the payment of debts, the building and repairing of homes, the rehabilitation of small business enterprises, and through many other needed expenditures; and

Whereas the American Legion and Veterans of Foreign Wars have in their respective national conventions overwhelmingly approved the immediate cash payment of said certificates; and

Whereas such certificates constitute a just obligation of the Government to the veterans of the World War: Now, therefore, be it

Resolved, That it is the sense of the house of representatives of the fifty-eighth general assembly that the Congress of the United States immediately pass such legislation as is necessary for the immediate payment of the balance due on such adjusted-compensation certificates, with the remittance of interest and other charges against the principal sum of such certificates; and be it further

Resolved, That the chief clerk be directed to transmit a copy of this resolution to the President of the United States, the Vice President of the United States, and the Speaker of the House of Representatives thereof, and also that a copy of the same be submitted to every United States Senator and Representative in Congress from Missouri.

J. A. BAUER,
Chief Clerk House of Representatives.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Finance:

House Joint Memorial 1

(By Representatives Hoefnagels, Armstrong, Baker, Becker, Childress, Clennan, Coloroso, Constantine, Crowley, Day, Divers, Graham, Griffith, Guerrero, Hallen, Hughes, Jansen, Jones, Johnston, Keating, Lowderback, McAuliffe, McDonald, McKinney, Mulvihill, Nevin, Nolan, O'Toole, Pitcock, Plummer, Tinsley, Vignol, and Wood)

Whereas the problem of old-age security has become a leading public issue; and

Whereas the people of the State of Colorado have become conscious of the need for Federal legislation aiming to make dependent old age more secure; and

Whereas many thousands of the people of this State have endorsed and recommended a plan known as "the Townsend old-age revolving pension plan", tending toward the accomplishment of these aims and the security of persons of this State in their old age: Now, therefore, be it

Resolved by the house of representatives of the thirtieth general assembly (the senate concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to give consideration to the said "the Townsend old-age revolving pension plan" or other suitable plan if, as, and when the same is presented for its consideration; be it further

Resolved, That copies of this memorial be forwarded forthwith to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of Colorado.

MOSES E. SMITH,
Speaker of the House of Representatives.
RAY H. TALBOT,
President of the Senate.
ED C. JOHNSON,
Governor of the State of Colorado.
JOHN T. DOYLE,
Chief Clerk.
[SEAL] M. J. WALSH,
Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was referred to the Committee on Finance:

House Joint Memorial 7

To the honorable the Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully petition your honorable body as follows:

Whereas at the close of the World War it was determined that all veterans who had served as members of the military or naval forces of the United States at any time after April 5, 1917, and before November 12, 1918, were entitled to adjusted-service certificates, which said certificates were based upon time service rendered as provided for by the World War Adjustment Compensation Act; and

Whereas we, your memorialists, believe that such compensation should be paid immediately:

Therefore, your memorialists petition and memorialize the Senate and House of Representatives of the United States of America, now in session in Washington, D. C., to immediately approve a measure paying the face value of said adjusted-service certificates in full.

The secretary of the State of Washington is hereby authorized and directed to transmit without delay a copy hereof to each branch of Congress, and to each Senator and Representative in Congress from the State of Washington.

Passed the house January 21, 1935.

ROBT. F. WALDRON,
Speaker of the House.

Passed the senate January 22, 1935.

VICTOR A. MEYERS,
President of the Senate.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Washington, which was ordered to lie on the table:

House Joint Memorial 4

To the honorable the Senate and House of Representatives of the Congress of the United States of America:

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully petition your honorable bodies as follows:

Whereas the Legislature of the State of Washington is overwhelmingly Democratic; and

Whereas the Democratic State platform adopted at Walla Walla, Wash., May 26, 1934, declared that munitions and the instrumentalities of war should be produced by the Government, with all private gain eliminated, as preparedness is a governmental function and should be freed from the motive of private profit; and declared further that in time of war property as well as man power should be subject to conscription; and

Whereas the cost of warfare is the greatest drain upon our national wealth, wealth which might otherwise be used to elevate substantially our standards of education and culture: Now, therefore, be it

Resolved, That your memorialists respectfully urge the Congress of the United States to provide ample funds fully to investigate the methods of munition makers, to the end that the lives of our young men shall not be sacrificed to material greed; be it further

Resolved, That a copy of this resolution be transmitted to the House and Senate of the United States and to Senator HOMER T. BONE.

Passed by the house January 16, 1935.

ROBERT F. WALDRON,
Speaker of the House.

Passed by the senate January 17, 1935.

VICTOR A. MEYERS,
President of the Senate.

I hereby certify that the foregoing is a true and correct copy of House Joint Memorial No. 4.

W. R. HOLCOMB,
Chief Clerk House of Representatives.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York favoring the enactment of legislation to compel every manufacturer of firearms to mark such firearm manufactured with a serial number which will be plainly visible, such serial number to be registered with the Department of Justice, etc., which was referred to the Committee on the Judiciary.

(See resolution printed in full when presented today by Mr. WAGNER, p. 1417.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the House of Representatives of the State of Nebraska opposing the ratification of the World Court protocols, which was ordered to lie on the table.

(See resolution printed in full when presented today by Mr. NORRIS, p. 1418.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho favoring the passage of old-age-pension legislation, which was referred to the Committee on Finance.

(See resolution printed in full when presented by Mr. POPE on Jan. 30, 1935, p. 1206, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho favoring the enactment of such legislation that in the event of war in which the man power of the Nation is drafted, all other resources likewise be drafted, and also favoring adequate Federal control and regulation of the manufacture of war materials, which was referred to the Committee on Military Affairs.

(See joint memorial printed in full when presented today by Mr. POPE, p. 1418.)

The VICE PRESIDENT also presented letters in the nature of petitions from Lauritz Jacobson, of Oakland, Calif., and Pasquale Caputo, of Brooklyn, N. Y., praying for the adoption of the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Martin Stonek, chairman of 300 members of Czechoslovak workers' organizations in Detroit, Mich., praying for the passage of House bill 2827, to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a petition from John B. Trevor, president of the American Coalition, and on behalf of the board of directors of that organization, praying that the Senate support any resolution which has been or may be offered to promote the severance of diplomatic relations with the Union of Socialist Soviet Republics, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a letter from Roy Greene, consulting electrical engineer, Pittsburgh, Pa., favoring the universal electrification of railroads, which was referred to the Committee on Interstate Commerce.

Mrs. CARAWAY presented petitions numerously signed by sundry citizens of the State of Arkansas, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

Mr. FLETCHER presented petitions signed by about 1,100 citizens of the State of Florida, praying for the immediate payment at full face value of adjusted-service certificates of World War veterans with all interest charges on pending loans on such certificates refunded by the Government to the holders thereof, which were referred to the Committee on Finance.

Mr. WALSH presented letters and papers in the nature of petitions from the City Council of Woburn; the Democratic Crusaders of Ward 4, of Boston; the Grand Executive Council, Massachusetts Grand Lodge, of the Order of the Sons of Italy in America, of Boston; Lodge Trinacria, No. 1599, Order of Sons of Italy in America, of Boston; West End Lodge, No. 1435, Order of Sons of Italy in America, of Boston; Loggia Salerno, No. 1333, Order of Sons of Italy in America, of East Boston; Loggia Vittorio Veneto, No. 1035, Order of Sons of Italy in America, of Fall River; Lodge Silvie Resnati, No. 856, Order of Sons of Italy in America, of Greenfield; E. R. A. Workers Union, of Lexington; Lodge Regina Elena, No. 1625, Order of Sons of Italy in America, of Lynn; Lodge Francesco de Sanctis, No. 1411, Order of Sons of Italy in America, of Natick; Lodge Leonardo da Vinci, No. 1365, Order of Sons of Italy in America, of North Cambridge; Orient Heights Lodge, No. 1332, Order of Sons of Italy in America, of Orient Heights; Lodge Roma Intangible, No. 1295, Order of Sons of Italy in America, of Quincy; Winchester Lodge, No. 1580, Order of Sons of Italy in America, of Winchester; and sundry citizens of Boston, Haverhill, Falmouth, Plainville, and Somerville, all in the State of Massachusetts, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also presented letters and papers in the nature of petitions from the First Congregational Church, of Amherst; the Peace Action Council of the Community Church, of Boston; the trustees of the Massachusetts Congregational Conference and Missionary Society (representing 622 Congregational and Christian churches in Massachusetts), Boston; the Nautilus Club, of Provincetown; the Executive Board of the Student Union, Springfield College, of Springfield; the League of Women Voters, of Williamstown; and of sundry citizens of South Ashfield, all in the State of Massachusetts, praying for continuance of the investigation of the munitions industry, which were ordered to lie on the table.

He also presented letters, resolutions, and papers in the nature of petitions of Lewis V. Dorsey Post, No. 112, of Abington; the Tenth District Council, of Brockton; Chatham Unit No. 252, of Chatham; Oscar Smith Mitchell Post, No. 140, of Hull, Lawrence Post, No. 15, of Lawrence, all of the American Legion Auxiliary; Curtis Guild Auxiliary to Post No. 1538, Veterans of Foreign Wars of the United States, of Chelsea; Francis A. Walsh Auxiliary to Overseas Post, No. 240, Veterans of Foreign Wars of the United States, of Lynn; Veterans of Foreign Wars Auxiliary to Michael Romanuk Post, of Stoughton; and Mrs. Alfred N. Douglas, of Plymouth, all in the State of Massachusetts, praying for the adoption of the legislative programs of the American Legion and of the Veterans of Foreign Wars, which were referred to the Committee on Finance.

He also presented letters, resolutions, and papers in the nature of petitions from the New Bedford Board of Commerce, of New Bedford; the directors of the Brockton Chamber of Commerce, of Brockton; Veterans of Foreign Wars of the United States, Department of Massachusetts, of Boston; Second Division Post, No. 2045, of Boston; Danvers Post, No. 2359, of Danvers; Norfolk County Council, of Needham; and Alexander Scammell Post, No. 1822, of Plymouth, all of the Veterans of Foreign Wars; the City Council of Fall River; American Legion Auxiliary Unit to John E.

Harkins Post, No. 42, of Holden; Ladies' Auxiliary, Leominster Post, No. 1807, Veterans of Foreign Wars, of Leominster; Malden Post, No. 74, Jewish War Veterans of the United States, of Malden; and Herbert F. Akroyd Post, No. 132, of Marlboro; Medford Post, No. 45, of the American Legion; the directors of the Chamber of Commerce of Marlboro; Worcester County Council, American Legion Auxiliary, of Millbury; and of sundry citizens, all in the State of Massachusetts, praying for the enactment of legislation providing for immediate cash payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

Mr. KING. I have a number of communications protesting against certain features of the employment and relief bill now under consideration by the Committee on Appropriations and communications from the American Federation of Labor. I ask that they be noted in the RECORD and referred to appropriate committees.

The VICE PRESIDENT. The papers will be received, noted in the RECORD, and appropriately referred.

Mr. KING presented a letter from Clayton Jenkins, secretary of the Provo, Utah, Chamber of Commerce, favoring the continuance of the tariff on copper when such tariff expires in June 1935, which was referred to the Committee on Finance.

He also presented resolutions adopted by the Association of Western State Engineers, at Salt Lake City, endorsing the principle of cooperation between the States and the United States Geological Survey on a dollar-for-dollar basis in connection with continuous records of available water supply; favoring comprehensive snow-survey investigations in the watersheds of western streams by Federal agencies; also an immediate increase in intensity-recording precipitation gages, particularly in the mountainous regions; commending the United States Bureau of Reclamation for its exceptional service to the Nation, and urging the making of adequate appropriations for reclamation work; and also favoring the handling with greater dispatch funds made available under an emergency act for irrigation, drainage, and levee districts, which were referred to the Committee on Irrigation and Reclamation.

He also presented a letter from Ora Bundy, engineer and contractor, Ogden, Utah, favoring the spending of the $4,000,000,000 proposed to be appropriated under the work-relief program through private contractors, which was referred to the Committee on Appropriations.

He also presented a letter from William Green, president of the American Federation of Labor, embodying a resolution adopted at the October session of the American Federation of Labor, favoring the passage of the so-called "King-Dies bill", relative to the immigration of alien seamen, which was referred to the Committee on Immigration.

He also presented telegrams and letters in the nature of memorials from L. S. Corey, vice president and general manager of the Utah Construction Co., of Ogden; Walker Bank & Trust Co., Salt Lake City; Orval W. Adams, Salt Lake City; Associated General Contractors (Intermountain Branch); the Salt Lake City Chamber of Commerce; Morrison Knudson Co., Salt Lake City; Ryberg Bros., Salt Lake City; B. D. Palfreyman, construction contractor, of Provo; and the Colorado Construction League, of Denver, Colo., remonstrating against the administration of the proposed $4,000,000,000 work-relief program through Government agencies by day labor rather than through contractors, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by a convention of the Utah State Federation of Labor, favoring the making of certain amendments to the so-called "Wagner-Peyser Act" relative to a national system of public employment offices, which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by Local No. 6, National Federation of Post Office Clerks, Salt Lake City, Utah, favoring the enactment of legislation extending the annuities of post-office clerks to their widows, which was referred to the Committee on Civil Service.

He also presented a resolution of Local No. 6, National Federation of Post Office Clerks, Salt Lake City, Utah, favoring the enactment of legislation providing a graduated hourly wage for substitute postal clerks and carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Utah State Federation of Labor, Salt Lake City, Utah, favoring a reduction of the Federal excise tax on beer, which was referred to the Committee on Finance.

Mr. WAGNER presented a resolution adopted by the Supreme Board of Directors of the Knights of Columbus at a meeting held in New York City on January 13, 1935, protesting against alleged religious intolerance in the Republic of Mexico, which was referred to the Committee on Foreign Relations.

He also presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on the Judiciary:

STATE OF NEW YORK,
IN SENATE,
Albany, January 24, 1935.

Senate Concurrent Resolution 34

(By Mr. Baldwin)

Whereas the comparatively uncontrolled market of firearms within the State has made it possible for almost any person to purchase any type of firearm; and

Whereas persons irresponsible and criminal have been able to purchase firearms illegally within the State, with consequent tragic results to organized society; and

Whereas due to the constitutional inability of the State, by reason of the commerce clause contained in the United States Constitution, to register the sale of firearms at their point of manufacture, it has been impossible to pass laws which would effectively stop the illegal sale and possession of firearms; and

Whereas the State legislature could enact effective laws in this regard for the benefit and safeguarding of the public were the Federal Government to pass enabling laws permitting the State so to act: Now, therefore, be it

Resolved (if the assembly concur), That the Federal Government be, and hereby is, respectfully memorialized to enact such laws through the Congress or to authorize the promulgation of such rules by the Department of Justice or the Interstate Commerce Commission to compel every manufacturer of firearms to mark such firearm manufactured with a serial number which will be plainly visible, such serial number to be registered with the Department of Justice as to its consignee at the time of its shipment by the said manufacturer, the consignee to record with the Department of Justice immediately at the time of sale the serial number and to whom such firearm was sold; the Department of Justice thereafter to inform the duly authorized police department of the State involved as to the type of firearm, serial number, name of consignee, and the name of the purchaser; and be it further

Resolved, That a copy of this concurrent resolution be, upon passage, sent to the Clerk of the House of Representatives at Washington, the Secretary of the Senate of the United States, the Attorney General of the United States, the Chairman of the Interstate Commerce Commission, and each Member of the House of Representatives and the Senate elected from this State.

By order of the senate.

JAMES J. REILLY, *Clerk.*

In assembly January 28, 1935.
Concurred in without amendment.
By order of the assembly.

HOMER W. STOREY, *Clerk.*

Mr. KEYES presented the following joint resolution of the Legislature of the State of New Hampshire, which was referred to the Committee on Finance:

STATE OF NEW HAMPSHIRE,
A. D. 1935.

Joint resolution relating to taxation by the Federal Government of net income from the sale of liquor by the State

Whereas the Legislature of the State of New Hampshire has deemed it expedient to control the traffic in intoxicating liquor in this State by the establishment of a State liquor monopoly and a system of State-operated retail liquor stores; and

Whereas the aim and purpose of this regulatory system is the protection of the public health and the welfare and morals of the citizens of this State and not the collection of revenue or production of profit; and

Whereas the operation of this system has tended to achieve the ends toward which it was aimed and has met with general satisfaction and approval among the citizens of this State; and

Whereas certain officials and representatives of the Government of the United States now claim, or threaten to claim, that the amount of net income from the operation of this system over and above the amount necessary to pay operating expenses may be taxable to the Federal Government in the same way in which the net income of a private corporation is taxable in accordance with

the provisions of the United States Internal Revenue Act: Now, therefore, be it

Resolved by the senate and house of representatives in general court convened, That it is the sense of this general court that the United States Internal Revenue Act should be so far amended as to make it clear that such net income, if any there be, from the operation of this system of liquor control is not taxable to the Federal Government as aforesaid; and be it further

Resolved, That a copy of this resolution be transmitted to each of the Senators and Representatives in Congress of this State and to the Speaker of the House of Representatives of the Congress of the United States and to the President of the United States Senate and to the President of the United States.

AMOS W. BLANDIN,
Speaker of the House of Representatives.
CHARLES M. DALE,
President of the Senate.

Approved January 29, 1935.

H. STYLES BRIDGES, *Governor.*

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Military Affairs:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial 3

(By Herrick and Powers)

To the honorable Senate and House of Representatives of the United States in Congress assembled:

We, your memorialists of the Legislature of the State of Idaho, respectfully represent:

That war is a relic of barbarism and is justifiable only as a measure of defense; that recent investigations by a committee of the United States Senate demonstrates that the Federal Government should assume control and regulation over the manufacture of all materials manufactured for war; that one of the ways to prevent war is to remove any profit therefrom to any group or individual.

We would therefore most respectfully and earnestly urge upon your honorable body the passage of legislation that in the event of war in which the man power of the Nation is drafted, all other resources likewise be drafted, and we further respectfully urge upon you the passage of appropriate legislation that will give to the Federal Government adequate control and regulation for the manufacture of all war waterials: Be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That the secretary of the State of Idaho be authorized and he is hereby directed to forward copies of the foregoing memorial, to the Vice President of the United States, to the Speaker of the National House of Representatives, and to Senator WILLIAM E. BORAH and Senator JAMES P. POPE.

This house joint memorial passed the house on the 22d day of January 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 26th day of January 1935.

G. P. MIX, *President of the Senate.*

I hereby certify that the within House Joint Memorial No. 3 originated in the house of representatives during the twenty-third session of the Legislature of the State of Idaho.

GEO. F. RUDD,
Chief Clerk of the House of Representatives.

Mr. TOWNSEND presented the following concurrent resolution of the Legislature of the State of Delaware, which was ordered to lie on the table:

IN REFERENCE TO THE WORLD COURT

Whereas there is pending before the Senate of the United States a proposal for participation of the United States in the World Court of the League of Nations; and

Whereas it is deemed inadvisable and detrimental for this Nation to participate in the affairs of the League of Nations and other foreign entanglements; and

Whereas whenever the people of this Nation have been given a chance to express themselves on this question, they have been opposed to any such participation by the United States: Therefore be it

Resolved by the Senate of the State of Delaware (the house of representatives concurring therein), That the General Assembly of the State of Delaware does hereby protest against any proposal of participation by the United States in the World Court;

That a copy of this resolution be sent to our Senators and Representatives from Delaware in the Congress of the United States.

Mr. NORRIS presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Whereas the rapid destruction of our forest and entirely inadequate reforestation efforts are bringing our State and Nation face to face with the serious dangers involved in wood shortage, rapidly increasing soil erosion, loss of subsoil moisture, and destruction of wildlife, not to mention the aesthetic values and opportunities for recreation lost by our lack of trees and shrubs; and

Whereas the United States Government has established a national arboretum near Washington where trees and woody shrubs from different parts of the world may be brought together, tested, and compared to determine their relative merits for timber production, ornamental, and other purposes. There the laws of tree growth, reproduction, water conduction, nutrition, etc., and their relation to soil and other environmental conditions can be studied to excellent advantage; and

Whereas the Forest Service of the United States Department of Agriculture said in its recent report to Congress on the forest problem of the United States: "Since many of the results to be obtained in arboreta are applicable only in the climatic regions within which the arboreta are located, there should be arboreta in all such regions"; and

Whereas Nebraska City, Nebr., would be an ideal location for a national arboretum that would furnish the whole Middle West with the inspiration and information needed for a reforestation program, and Nebraska City has the additional advantages of having near it a great variety of terrain, so that within the bounds of the five hundred to a thousand acres needed could be found hill and valley, dry land and streams, as well as being already widely known as the home of J. Sterling Morton, the founder of Arbor Day: Be it therefore

Resolved, That we, the House of Representatives of the State of Nebraska, do hereby urge the United States Government to establish a national arboretum at Nebraska City, Nebr., and thus create an institution which will go far to assure the permanent success of the forestry program so badly needed in the Middle West.

Mr. NORRIS also presented the following resolution of the House of Representatives of the State of Nebraska, which was ordered to lie on the table:

Resolution memorializing the Senate of the United States in opposition to the United States entering the World Court

Whereas the United States Senate is now discussing the proposal that this Nation shall enter the World Court and subject its citizens to foreign interferences in disputes involving international policy; and

Whereas it has been the policy through the history of this Nation for its citizens to reach their own decisions and conclusions in matters involving international affairs, through their duly elected representatives;

Whereas this House believes a majority of the citizens of Nebraska strongly oppose the entrance of the United States into foreign entanglements: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska, in fiftieth regular session assembled:

1. That this house goes on record as unalterably opposed to United States participating in the World Court.

2. That the chief clerk of this house be forthwith directed to forward the copies of this resolution, properly authenticated and suitably engrossed, to the President of the United States, to the Vice President of the United States, and to each Senator representing the State of Nebraska in the National Congress, to the end that our Senators from Nebraska will vigorously oppose any Federal legislation or the inauguration of any executive policy which will pave the way for or be construed as entrance on the part of the United States into the World Court.

REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 24) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital, reported it without amendment and submitted a report (No. 35) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 547) for the relief of Alfred W. Kliefoth, reported it without amendment and submitted a report (No. 36) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 823. A bill for the relief of Benjamin H. Southern (Rept. No. 37); and

S. 1095. A bill for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany (Rept. No. 38).

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 56) for the relief of Patrick J. Mulcahey, reported it with amendments and submitted a report (No. 39) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 255) for the relief of

Margaret L. Carleton, reported it without amendment and submitted a report (No. 40) thereon.

Mr. CUTTING, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 16) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico, reported it without amendment and submitted a report (No. 41) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONERGAN:

A bill (S. 1569) to amend the act of June 18, 1934, with respect to loans by production credit associations to oyster planters; to the Committee on Banking and Currency.

By Mr. MINTON:

A bill (S. 1570) granting to certain enlisted men of the Army, honorably discharged for disability, the pay of retired warrant officers; to the Committee on Military Affairs.

By Mr. MURRAY:

A bill (S. 1571) granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River; to the Committee on Irrigation and Reclamation.

By Mr. ASHURST (by request):

A bill (S. 1572) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended; to the Committee on the Judiciary.

By Mr. NORRIS:

A bill (S. 1573) placing the Post Office Department upon a basis of efficiency and economy, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. WAGNER:

A bill (S. 1574) for the relief of Gustav A. Ringelman; and

A bill (S. 1575) to correct the naval record of John Vigeland; to the Committee on Naval Affairs.

By Mr. FRAZIER:

A bill (S. 1576) making it a crime to represent oneself to be an Indian, and providing punishment therefor; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 1577) for the relief of Skelton Mack McCray; to the Committee on Claims.

A bill (S. 1578) for the relief of Beryl M. McHam; and

A bill (S. 1579) correcting the military record of Eugene Nash (together with accompanying papers); to the Committee on Military Affairs.

A bill (S. 1580) granting a pension to Jessie May Hopkins (together with accompanying papers); to the Committee on Pensions.

A bill (S. 1581) for the relief of Samuel C. Sparks; to the Committee on Naval Affairs.

A bill (S. 1582) for the relief of Frederick E. Dixon; to the Committee on Post Offices and Post Roads.

By Mr. LEWIS:

A bill (S. 1583) making an appropriation for the reopening, operation, and maintenance of the Naval Training Station, Great Lakes, Ill.; to the Committee on Appropriations.

A bill (S. 1584) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of T. D. Randall & Co., of Chicago, Ill.; to the Committee on Claims.

By Mr. CONNALLY:

A bill (S. 1585) for the relief of Stefano Talanco and Edith Talanco; to the Committee on Claims.

By Mr. BACHMAN:

A bill (S. 1586) for the relief of E. Elmer Mynatt; to the Committee on Claims.

A bill (S. 1587) granting a pension to Thomas A. Yadon; to the Committee on Pensions.

A bill (S. 1588) for the relief of Stewart H. Butten (with accompanying papers); to the Committee on Military Affairs.

By Mr. BURKE:

A bill (S. 1589) authorizing the purchase of United States Supreme Court Decisions and Digest; to the Committee on the Judiciary.

A bill (S. 1590) to provide for the issuance of route certificates to carriers on star routes, fixing the compensation of such carriers, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. TRAMMELL:

A bill (S. 1591) to amend section 702 of the Merchant Marine Act, 1928, relating to the requisitioning of ships in time of national emergency; to the Committee on Commerce.

A bill (S. 1592) for the relief of Edward M. Canady; to the Committee on Military Affairs.

A bill (S. 1593) for the relief of Lyman D. Drake, Jr.;

A bill (S. 1594) for the relief of the American Trust Co., of Jacksonville, Fla.;

A bill (S. 1595) for the relief of the Citizens Bank & Trust Co., of Tampa, Fla.; and

A bill (S. 1596) for the relief of the Llewellyn Machinery Corporation; to the Committee on Claims.

A bill (S. 1597) granting a pension to Mary E. Vail;

A bill (S. 1598) granting a pension to Annie W. Austin;

A bill (S. 1599) granting a pension to Frank T. Douglas;

A bill (S. 1600) granting a pension to May Barnes;

A bill (S. 1601) granting a pension to Elise M. Lum; and

A bill (S. 1602) granting a pension to Lillian G. Avery; to the Committee on Pensions.

A bill (S. 1603) for the relief of Adam Paul Small;

A bill (S. 1604) to provide for the better administration of justice in the Navy;

A bill (S. 1605) authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force;

A bill (S. 1606) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges issued by the Navy Department;

A bill (S. 1607) to amend section 109 of the Criminal Code so as to except officers of the Naval and Marine Corps Reserve not on active duty from certain of its provisions;

A bill (S. 1608) to correct the naval record of Edward Houstoun;

A bill (S. 1609) for the relief of the present leaders of the United States Navy Band and the band of the United States Marine Corps;

A bill (S. 1610) authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina; and

A bill (S. 1611) to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States, at Quantico, Va.; to the Committee on Naval Affairs.

By Mr. STEIWER:

A bill (S. 1612) to authorize the Secretary of the Interior to sell and convey Indian land, Umatilla Reservation, Oreg.; to the Committee on Indian Affairs.

A bill (S. 1613) for the relief of Andrew J. McCallen; to the Committee on Military Affairs.

A bill (S. 1614) granting a pension to Viva W. Emerson (with accompanying papers); to the Committee on Pensions.

By Mr. HATCH:

A bill (S. 1615) to prohibit the shipment and transportation in interstate or foreign commerce of cannabis and its derivatives and compounds; to the Committee on Interstate Commerce.

A bill (S. 1616) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. CUTTING and Mr. HATCH:

A bill (S. 1617) to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free; to the Committee on Finance.

By Mr. AUSTIN (for Mr. GIBSON):

A bill (S. 1618) for the relief of Frank C. Allen; to the Committee on Claims.

A bill (S. 1619) for the relief of Earl E. Robinson; to the Committee on Naval Affairs.

By Mr. NEELY:

A bill (S. 1620) for the relief of Clay W. Leps; and

A bill (S. 1621) for the relief of Mrs. Charles L. Reed; to the Committee on Claims.

A bill (S. 1622) granting compensation to Ella R. Trussell; to the Committee on Finance.

A bill (S. 1623) for the relief of Herbert E. Guthrie; and

A bill (S. 1624) for the relief of Albert Kimble; to the Committee on Military Affairs.

A bill (S. 1625) granting a pension to Hosea F. Dearth; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 1626) for the refunding of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

A bill (S. 1627) for the relief of Eugene J. Pettus; to the Committee on Military Affairs.

A bill (S. 1628) authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska; to the Committee on Post Offices and Post Roads.

By Mr. WHEELER (by request):

A bill (S. 1629) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes;

A bill (S. 1630) to provide dismissal compensation for railroad employees displaced from service, and for other purposes;

A bill (S. 1631) to amend the Interstate Commerce Act, as amended, and for other purposes;

A bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes;

A bill (S. 1633) to amend the Interstate Commerce Act, as amended, and for other purposes;

A bill (S. 1634) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

A bill (S. 1635) to amend the Interstate Commerce Act, as amended, and for other purposes; and

A bill (S. 1636) to amend the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate Commerce.

By Mr. WHEELER:

A bill (S. 1637) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 1638) granting a pension to Edmund W. King; to the Committee on Pensions.

A bill (S. 1639) for the relief of Maj. Wilbur Rogers; to the Committee on Military Affairs.

A bill (S. 1640) for the relief of Dan Meehan; to the Committee on Claims.

(Mr. HARRISON introduced Senate bill 1641, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. COPELAND:

A bill (S. 1642) for the relief of Sophie Caffrey; to the Committee on Claims.

A bill (S. 1643) to repeal certain provisions relating to publicity of income-tax returns; to the Committee on Finance.

A bill (S. 1644) to correct the naturalization record of Gennaro Brancaccio; to the Committee on Immigration.

A bill (S. 1645) to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; to the Committee on Commerce.

A bill (S. 1646) for the relief of Harry Siegel; to the Committee on Military Affairs.

A bill (S. 1647) for the relief of Raymond Grove; to the Committee on Naval Affairs.

A bill (S. 1648) granting a pension to Louise Stockwell; to the Committee on Pensions.

By Mr. KING:

A joint resolution (S. J. Res. 49) authorizing the use of public parks, reservations, and other public spaces in the District of Columbia, and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Shrine Committee, Inc., and for other purposes; to the Committee on the District of Columbia.

EXEMPTION FROM COTTON-GINNING TAX

Mr. HARRISON. Mr. President, I am introducing a very important bill that affects the cotton farmers of the South. It seeks to remedy some of the defects which have been found to exist as a result of the past year's experience. I ask that the bill be referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. The bill will be received and referred as requested by the Senator from Mississippi.

The bill (S. 1641) to exempt a limited quantity of cotton produced by small producers from the cotton-ginning tax under the Cotton Act of 1934, to authorize transfers or assignments of exemption certificates under such act outside the county, to provide for the payment of compensation to operators of cotton gins who incur additional expenses by reason of the operation of such act, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

H. R. 4983. An act to authorize a transfer of forest reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes; to the Committee on Agriculture and Forestry.

FINANCING AND MANAGEMENT OF RAILROADS

Mr. WHEELER submitted the following resolution (S. Res. 71), which was referred to the Committee on Interstate Commerce:

Whereas the investing public and the Government itself have already invested billions of dollars in the railroads and railways and their affiliated and subsidiary companies and services and may be solicited to make large additional similar investments in the near future; and

Whereas recent and pending legislation has made and purposes to make huge amounts of Government funds specifically available to aid in the construction, equipment, maintenance, financing, refinancing, reorganization, and rehabilitation of railroads and railways and their affiliated and subsidiary companies and services; and

Whereas the safety of all private, institutional, and Government investments and loans, past and future above referred to, as well as the availability on fair and equitable terms of sufficient credit to enable the railroads and railways and such affiliates and subsidiaries adequately to serve the public requires both (a) thorough knowledge by the public of methods and practices employed in connection with railroads and railways and such subsidiaries, and in connection with their construction, equipment, maintenance, management, control, organization, creation, acquisition, consolidation, merger, credit, financing, distributions to securities holders, refinancing, readjustments, reorganizations, receivership, bankruptcy, liquidation, rehabilitation, and matters related thereto, and (b) adequate legal protection by congressional legislation or otherwise based upon such knowledge: Now, therefore, be it

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make, and to report to the Senate the results of a thorough

and complete investigation of the financing, refinancing, reorganizations and readjustments, consolidations, mergers, acquisitions, and dispositions, receiverships and bankruptcies, credit arrangements and activities, securities operations and activities, dividend or other financial policies, corporate management and control, voting trusts, trusts under indentures and similar instruments and other agency and depositary arrangements, management, service, equipment and supply contracts and arrangements, intercorporate relationships and transactions, and matters and practices related to any of the foregoing or related to the protection of Government funds, investors or railroad credit, in respect of interstate railroads, railroad holding companies, railroad affiliates, and railroad subsidiaries, any corporation or person which is or has been affiliated with any of the foregoing, banking, legal, engineering, accounting, and other professional corporations, persons or groups occupying a fiduciary or contractual position or relation with any of the foregoing, and any member of the family of any such person, and any officer, agent, or director of any such corporation or group.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth Congress, to employ such experts and clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

INQUIRIES INTO DISASTERS AT SEA—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the resolution (S. Res. 63) to collate and make available to the Senate the results of inquiries into the *Morro Castle* and *Mohawk* steamship disasters, which was referred to the Committee on Commerce and ordered to be printed.

WITHDRAWAL OF PAPERS—MARGARET THOMPSON

On motion of Mr. HALE, it was

Ordered, That the papers accompanying the bill (S. 584) granting an increase of pension to Margaret Thompson, Seventy-fourth Congress, first session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

WITHDRAWAL OF PAPERS—JOANNA A. SMALL

On motion of Mr. HALE, it was

Ordered, That the papers accompanying the bill (S. 588) granting an increase of pension to Joanna A. Small, Seventy-fourth Congress, first session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

ADDRESS BY POSTMASTER GENERAL FARLEY BEFORE AMERICAN IRISH HISTORICAL SOCIETY

Mr. WAGNER. Mr. President, I ask to have printed in the RECORD a very able address delivered by the Honorable James A. Farley, Postmaster General of the United States, at the thirty-seventh annual dinner of the American Irish Historical Society of New York on January 26, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Neither time nor custom shall ever alter the abiding truth that success is dependent upon unity of purpose and willingness to sacrifice. This is true not only of persons but also of nations. We who are the citizens of these United States and who, therefore, are these United States, may well look back and inquire into the reason why we who had no power should find ourselves ranked with the powerful and why we who sat at the feet of older nations should find them now seated at our feet. The answer lies within the two dominant forces which flowed through our national life at its birth and which have activated its blood stream ever since, and sent it rushing through every channel of development. These two forces were: First, a strong purpose, and, secondly, consecrated readiness to sacrifice in achieving that purpose. One without the other would have been helpless; together they attained the goal and made us a nation apart from other nations—free, sovereign, and independent. And yet these two dynamic traits never exist apart from individuals. We grew into nationhood because within our borders there were hearts on fire with purpose and wills ablaze with sacrifice. These individuals belonged to no one race in particular. They belonged to all. I honor and respect all of the races of men which have contributed to the growth and glory of the United States of America, but on this particular occasion, because I am addressing a society which held its first meeting years ago in the old Revere House in Boston, I wish to speak of the one people whose history your society studies, and to which people all America graciously acknowledges an indebtedness, namely, the Irish.

The point I wish to emphasize is an interesting paradox which may briefly be stated thus: The Irish people who were most denied the right of nationality were those who have most helped others to achieve nationality; they who were denied sovereignty were those who fought to make others sovereign. In other words, the Irish were like slaves who fought to make others free, or poor men who worked that others might be rich.

If we search for the profound reason why they who were nationless became the nation-makers, I think it must be found in the lofty conception they have of their ancestry. Has it ever struck you that other races are content to have their origin traced back to a monkey in a tree, but the Irish proudly insist on tracing their ancestry to a king on a throne? Other people may look down to the beast, but the Irish looked up to the sovereign in his castle. Other peoples will admit they are descended from a cave man, but you have yet to find an Irishman who denied he was descended from a king. That is why the Irish are political, and that is why they are politicians in every land. In their veins flows the proud heritage which they claim and the zeal to infuse others with that heritage. Not even the denial of sovereignty and national rights in their own land could extinguish the fire and flame of those ideals. If they could not be free in their own land, then they would go to other lands to make them free. Only the poor know the value of food and clothing, only the sick who are deprived of health know the value of being whole, and only the Irish who were denied their freedom know the value of being free. Only the nationless know the worth of a nation, and for this reason they by nature are politicians. For this reason, here and everywhere, they have always devoted their talents to the establishment and protection of every nation to which they have given their loyalty.

Don't blame men of Irish blood throughout our land for being politicians. Blame the long line of Kelleys, and Burkes, and Sheas before them whose lives were bound up with America. Blame the Celts whose names are found in the role of the minutemen who fought at Lexington and Concord and who were found among the colonists.

In the political order Americans of Irish descent have cast their lot with one or the other of the major political parties. For most of the time, at least during the last half century, the party which most of them chose has been in the minority. And what appeals to me is not so much that occasionally they win, but that it could never be said that they were cast down by defeat. They were the race who had unity of purpose in their knowledge and plan of what America should be, and what she should stand for; they were also the race who were prepared to sacrifice to attain that end, for they had already eaten the bread of sacrifice and had drunk of the wine of Calvary.

The fact that the Irish were among the first influences that our Nation recognized is an undisputed one, and no one knows it or has done more to spread the knowledge of it than this society itself. There is a tradition that "the bit o' green" first touched American soil with the arrival of Brendan in the sixth century, and that the Darien Indians spoke a language akin to that of the primitive Irish, and that an eighth-century people in Florida were speaking the Irish tongue. Nor can we fail to acknowledge that Icelandic sagas of great antiquity chronicled the western voyaging of Irish monks and that the Scandinavians knew the elusive island as "Ireland it Milka" or Ireland the great. From the arrival of William of Galway with the great discoverer in 1492, through the plantation period under James the First and Cromwell, the influx to America from Ireland was great. Colonial records have listed the large numbers of Irish who settled and colonized the new land.

It is not surprising, therefore, that in the two great crises which threatened America the Irish were first and strongest in the ranks. It is not my purpose to enumerate anew the many facts which point to the outstanding record of the Irish people during our Revolutionary and Civil Wars, for these have filled numerous books.

Suffice it to mention but a few. Nearly 40 percent of the soldiers in the Revolutionary Army were born in Ireland; they not only swelled the ranks but they led the ranks, and no fewer than 19 generals in the Continental Army were of Irish birth or blood. The first armed attack for American independence on land was made by Maj. Gen. John Sullivan, and the first armed attack on sea was made by Jeremiah O'Brien. No wonder Lord Mountjoy arose before the English Parliament to explain the cause of England's defeat in these remarkable words: "America was lost by Irish emigrants."

It is rather interesting to note that the first daily newspaper in America, the Pennsylvania Packet, was edited by John Dunlap, of Philadelphia, who was born in Tyrone, Ireland, in 1747. The first American writer in political economy was Matthew Carey, born in Armagh in 1761; the first Presbyterian Church in New England was founded by James MacGreggor, who was born in Ireland in 1677; the first Republican Methodist Church in North Carolina and Virginia was founded by James O'Kelley, who was born in 1735. The first Roman Catholic bishop, John Carroll, was a cousin of an Irishman, Charles Carroll, of Carrolton, Md., who was one of the Catholic signers of the Declaration of Independence, the wealthiest of those who signed it and the one destined to outlive all his fellow signatories. It was this same Charles Carroll who laid the foundations of the Baltimore & Ohio Railroad when in his ninety-first year. And to come immediately up to date, there are 16 ancient Irish names mentioned in the new Senate and 69 in the Membership of

the new House of Representatives, an excellent progeny of the 10 Irish who signed their names to the Declaration of Independence.

These and other great contributions of the nationless nation makers have found their poetic expression in the language of one of Ireland's exiled songsters, John Boyle O'Reilly:

"No treason we bring from Erin—nor bring we shame nor guilt!
The sword we hold may be broken, but we have not dropped the hilt!
The wreath we bear to Columbia is twisted of thorns, not bays;
And the songs we sing are saddened by thoughts of desolate days.
But the hearts we bring for freedom are washed in the surge of tears;
And we claim our rights by a people's fight outliving a thousand years."

When we understand the deeds of those who have gone before us, then we shall be better able to understand ourselves; when we understand ourselves, we shall better realize what is expected of us and better prepare ourselves for it. Where there is so much unkindness, there is need for kindly people. Where there is so much selfishness, there is need for the unselfish. Where there are men who are so often guided by self-interest, there is need of those who have a passion for principle. Where there is a disposition to give a man a number instead of a name, there is need of a people who prize their independence. Where there is injustice, there is need of a people who have justice bred in their bones such as the Irish. If you point the finger of scorn at a few cases of political injustice among the descendants of the Irish, may I ask why are you so scandalized? Why do those few instances of political injustice stand out so conspicuously, if it be not because you expected something better of them? The measure of your scandal is the measure of the high repute in which you hold them! The few pieces of counterfeit money must not blind us to the value of money. There is no escape from the fact that we are what we are today, because Ireland loved justice. Never in an hour of danger to the Republic has she failed to rush to its defense. And never, in the ordinary affairs of life, taking them one after another, has she failed to measure up to the highest standards of private and communal obligations. It is our duty, then, to place before the present generation the record of the past, and to recall the deeds and devotions of those who were consecrated to a strict and impartial justice. Perhaps we can do no better than to seek out the foundation of their love of justice and build upon it. It is all very well to be modern, but the modern has been built upon the past. And just as a person cannot think without going back into the storehouse of his memories as the basis of new thoughts, so neither can a nation think without going back into its national experience for the basis of its newer achievements. Tradition is a memory. The waters of Greece and Rome wash upon the shores of modern art and law; so, too, the sacrificial blood of our ancestors bears fruit in our national lift at this very hour. And of all the great heritages of the past, there is none more sacred than justice. That virtue made Ireland political-minded; it sealed her with the seal of freedom and fired her with the passion of making others free. Our day must hearken back to her conception of justice as the foundation of patriotism. We must love our Nation, as Decatur said, "Whether right or wrong"—but we must labor unceasingly to make her forever right. Our Nation must be right, always right, because always just. The greatest contribution that we of Irish blood can make to our country is to do our part with unfaltering zeal to keep her just.

But how be just? Ireland had the secret. Her people built their lives on the principle that no man can serve anything lower unless he has first learned to serve something higher. The great achievements in art, in war, in peace, are all the byproducts of a love of something nobler than any of them. Mankind has always been served best by those who feel the duty of serving something more august. The greatest influences in the world have always been exercised by those who do not moralize directly. The soldier who loves duty more than life serves his country best. As the poet has put it in speaking of human affection: "I could not love thee dear, so much, loved I not honor more."

All of which brings me back to my starting point: Why has Ireland been the nationless nation-maker? Why have the Irish been so devoted to their country? The answer is: Because they were more devoted to God.

FOREIGN TRADE AND MONEY

Mr. LEWIS. Mr. President, I present an address delivered by George N. Peck, special adviser to the President on Foreign Trade, at the annual meeting of the Illinois Agricultural Association, at Quincy, Ill., January 30, 1935. The address touches the matter of foreign trade. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Production is the source of wealth, but failure to use or dispose of your product at fair prices means poverty. This principle applies to both factory and farm. If you cannot sell you must curtail both your production and your standard of living. I know of no alternative. Of the two, I prefer to sell, if selling is humanly possible.

Everybody is agreed we should have foreign trade. The question is what we shall export, what we shall import, and how it can be accomplished.

I think the way to trade is to trade—trade commodities it is to our national advantage to dispose of for commodities we can use and with countries with which we can effect trade. I want to trade now and not await the millennium when all currencies may be stabilized to a common standard and all trade barriers reduced to a common basis. In this connection I refer you to President Roosevelt's message to the London World Economic Conference, on July 3, 1933, when he said:

"I do not relish the thought that insistence on such action (stabilization) should be made the excuse for continuance of the basic economic errors that underlie so much of the present world-wide depression." * * * "The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of currencies of other nations." * * * "We must rather mitigate existing embargoes to make easier the exchange of products of which one nation has and the other has not."

There are as many people in the world with human necessities and desires as before the depression.

There is no lack of productive capacity.

There is one great obstacle—the break-down of the money system in international trade.

Nevertheless, we want to trade, we can trade, and Congress intended that we should trade. The declaration of policy of the Reciprocal Trade Agreements Act of 1934 reads as follows: "expanding foreign markets for the products of the United States * * * by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, * * *."

To accomplish this purpose it authorized the President to enter upon reciprocal trade agreements with other countries and, as a bargaining weapon, empowered him in such agreements to make changes up to 50 percent in existing tariff duties. It further authorized him to withhold the benefits of such tariff changes from any country "because of its discriminatory treatment of American commerce or because of other acts or policies which in his opinion tend to defeat the purposes set forth in this section." These are broad bargaining powers. They were meant to be so. The emphasis of the bill is upon trade, trade of goods for goods, on a reciprocal basis. I think that this approach is the correct one.

For the purposes of my talk this evening I shall try to discuss the subject of foreign trade and money in the simplest possible manner and in the following order:

1. What trade is and what money is.
2. What our studies show about foreign trade and investments in the past.
3. A glimpse of the activity of England (the world's greatest foreign trade financing and trading nation) since the middle of the last century.
4. What other nations have done.
5. What we have done.
6. Finally, my own views on what we should do now.

TRADE AND MONEY

Foreign trade usually is regarded as an extremely complicated and mysterious subject. This is true on the surface, but its fundamentals are very simple, indeed, as simple as the housewife's budget.

Trade is defined by the dictionary as follows: "Act or business of exchanging commodities by barter, or by buying and selling for money." We all know that barter is the simplest form of trade. Horse trading, a horse for a horse, is a familiar example. Sometimes you don't want another horse but a cow. Sometimes you want money for your horse instead of another horse or a cow, because you want clothing or shelter either now or later.

This brings us to money. What is money? The dictionary says: "In a comprehensive sense, anything customarily used as a medium of exchange and measure of value, as sheep, wampum, copper rings, quills of salt or of gold dust, shovel blades, etc.; hence in economics, anything having a conventional (i. e. generally recognized) use either as a medium of exchange or a measure of value, or as a measure of value alone." It is not, however, a measure of constant value.

Money, in other words, is a convenient medium for effecting exchanges of goods. Usually it is more convenient to sell your horse for so much money and with that money buy the cow you want, but the net result of such a transaction is the same as though you had simply swapped a horse for a cow.

Foreign trade is no different in principle from any other kind of trade between individuals. We raise more cotton than we can use. On the other hand, we need rubber but do not grow it. We therefore sell cotton to England, who needs it, and buy rubber, which we need, with the proceeds; it is the same as if we swapped so much cotton for so much rubber without using money at all. Money is simply used as a measuring rod for determining how much rubber we shall get for the cotton we send abroad, and as a convenient medium to facilitate the transaction.

These are very simple examples, but they illustrate the fundamental exchange of goods for goods which is the basis for all

trade. Many other things come into trade. The exchange of services is fully as important in modern civilization as the exchange of goods. An individual exchanges his services, let us say, a plumber for food, clothing, lodging, and perhaps a radio. The exchange is vastly facilitated by the use of money, but the result is the same as though money had not figured in the picture.

In international trade transportation and shipping constitute the principal service items.

Money and capital are also objects of trade and can be exported and imported. When you go abroad you exchange your American money for English pounds to enable you to buy in England the things there you need or want. For these pounds you have given your American dollars which in turn will enable some Englishman to buy things he wants from this country. You can also send your money or capital abroad by lending it to foreigners for use in their own affairs or by investing it in foreign securities. In theory capital sent abroad in this manner eventually comes back; in practice that is not always the case. You can also send it abroad by establishing branch factories or offices in foreign countries. Besides these, enormous sums are exported from the country in remittances sent abroad by immigrants, and by contributions made through charitable organizations and others. All these activities represent money and capital going out of the country and fall under the head of what is known as "capital movements", or "export of capital."

The important thing about money is that it is of very little use to you except as you exchange it for something you want. As long as it is used as a means for exchanging things you have for other things you want, goods and services for goods and services, it is useful. This is all very elementary, but today conditions in international trade have thrown us back to first principles and it is worth reminding ourselves that international trade consists of the exchange of goods, services, and capital for other goods, services, and capital. If, as a nation, we send out of the country more goods, services, and capital than we receive in return, it is clear that we are becoming poorer ultimately.

OUR PRESENT SITUATION

As special adviser to the President on foreign trade, last winter I started a series of studies to discover where the United States stood as a result of its foreign-trade activities in recent years. These studies were made public in my letters to the President of May 23 and August 31, 1934.

The results were startling. Since they were distributed widely and the conclusions published recently in the I. A. A. record, I shall discuss them tonight only very briefly. Taking the period from 1896 to 1933, it appeared that as a nation we have shipped ($24,000,000,000) more goods than we have been paid for currently, even after deducting $19,000,000,000, which during that period was either spent abroad by our tourists or was sent abroad by our immigrants, by charitable organizations, and others. This unpaid balance of $24,000,000,000 is represented mainly by long-term and non-liquid obligations of foreigners to us and by our direct investments in foreign countries.

The discounts and commissions alone from this financing amounted to about $1,190,000,000 since 1914.

A significant feature is that the movement of capital almost exceeded the movement of merchandise. The proportion of our dollar settlements used for security transactions increased from 7.6 percent in 1923 to 41.6 percent in 1933. This means that assuming 100 represents the total dollar settlements of all kinds of the United States with the rest of the world, 7.6 percent in 1923 was absorbed in our security transactions, which increased to 41.6 percent in 1933. On the other hand, 72.3 percent was for commodity and service transactions in 1923, and only 41.8 percent in 1933.

These figures speak for themselves.

WHAT ENGLAND HAS DONE

Before taking up specific questions of our own foreign trade policy it is instructive to consider the experience of England in foreign trade.

England not only has achieved an important degree of recovery but she has for centuries been the predominant trading and financial nation of the world with a greater stake in foreign trade than any other country, and her national existence depends on it to a greater extent than any other nation.

Following the Napoleonic wars, England abandoned the mercantilist theories of the eighteenth century and decided that her national interest lay in becoming primarily a world financial, manufacturing, and trading nation. Her large supplies of coal and iron, her advanced stage of industrialization, as compared to the rest of the world, and the relatively small importance of her agriculture, enabled her to do this. Accordingly, she abandoned her policy of protection, repealed her corn laws about the middle of the last century and established free trade.

At the same time, as a means of exploiting her position and financing the extensive international trade in which she was engaging, both as a result of her industrial transition and the aggrandizement of her empire, she adopted a monetary policy which subsequently became the basis of the international gold standard.

The theory of the gold standard was that gold would act, not only as an automatic bookkeeper but also as an automatic governor of foreign commercial and financial transactions. No other controls were believed to be necessary, since a so-called "natural" international division of labor would cause all nations to make, sell, and buy just what they should. This equilibrium, it was thought, if disturbed, would be restored quickly through shifts in the flow of goods and corresponding shifts in the free flow of gold. England remained well in advance of other nations of the world in industrial development throughout the nineteenth century, and in consequence her position as the financial capital of the world and her employment of the gold standard on the whole suited the other nations, including the United States, which in turn gradually adopted the gold standard as a part of their own national policies.

The spread of industrialization, however, rendered England's position more and more precarious. The shattering economic effects of the war and the shift of gold to the United States imperiled England's position as banker to the rest of the world. Following the war strenuous efforts were made, not only by England but by the United States and European nations, to restore the gold standard which had previously been the foundation of international finance. On the face of things, the attempt by the late twenties seemed successful, but the situation was unreal and, therefore, unlasting. England was no longer the financial center of the world. The United States had greatly increased its gold supply and the process of industrialization was proceeding with startling rapidity throughout the other nations of the world, due in part to our own ill-advised lending policy. The old conditions, upon which rested so-called "natural" trade and the gold standard, no longer existed.

Even before the general depression England was beginning to be aware of the possibility that a vital change in her national policy might be in order and in November 1929 the Macmillan committee was appointed by Parliament—

"To inquire into banking, finance, and credit, paying regard to the factors, both internal and international, which govern their operation, and to make recommendations calculated to enable these agencies to promote the development of trade and commerce and the employment of labor."

The committee's report was presented to Parliament in June 1931 and resulted in a dramatic change of England's national economic policy.

(1) England revived protection, both for her industry and her agriculture.

(2) She went off gold in September 1931 and adopted a managed currency both to correct her internal price levels and to meet the new conditions in her foreign trade and financial situation. The changed attitude toward gold is summarized in the following excerpt from the Board of Trade Journal, February 18, 1932, from which I quote:

"In previous years it has been the practice to include in the summary of the 'balance of trade' for the year the excess of imports over exports of merchandise and bullion, but during the past year it became evident that the recorded movements of gold were in large part not connected intimately with trade transactions. It appears desirable, therefore, to regard the movements of gold bullion and specie as more closely related to the movement of capital than to the movement of commodities by way of trade."

The conclusion reached by England as regards the place of gold in international trade is confirmed by our own studies of the same question to which I have referred.

(3) She returned to the practice of keeping detailed books upon her foreign commercial and financial transactions, country by country, a system which she had abandoned with the adoption of the supposedly automatic gold standard.

(4) She proceeded to strengthen and build up her economic relations with her various dominions upon a basis of mutual interest through the Ottawa agreements and other arrangements.

(5) She further adopted a policy of making similar special commercial and financial arrangements with other nations wherever she could upon a basis of mutual interest—"Buy from those who buy from us."

(6) Along with free trade and the gold standard, she moved away from the unconditional most-favored-nation policy, which she had been instrumental in advancing in previous decades, and declared for a conditional most-favored-nation policy.

I pause for a moment to mention the difference between the conditional and unconditional most-favored-nation policies, for there is an important distinction which is not always recognized or understood.

Most-favored-nation treatment means that we promise to nations with whom we make commercial agreements that we will extend to them as favorable treatment, with respect to tariff duties and the like, as we do to any other country, and they in turn promise to give us corresponding treatment as regards our goods. Sometimes, however, two nations make tariff bargains whereby they extend special tariff and other concessions to each other on a quid pro quo basis.

Under the conditional most-favored-nation policy we would stand prepared to give those same concessions to any third nation, provided that nation makes to us corresponding concessions, whereas, under the unconditional most-favored-nation policy, we automatically extend those same concessions without demanding specific equivalent concessions from the third nation.

In theory the unconditional most-favored-nation principle is designed to reduce tariff and other barriers to trade. In practice, however, it is noteworthy that the attempt of many nations to make it the basis of their foreign-trade policies has been accompanied by their increasing use of devices such as quota systems, exchange controls, trick classification of commodities, etc., which, in effect, defeat the purpose of the unconditional most-favored-nation theory and lead to a multiplication of the trade barriers which it was meant to reduce.

England's new policy is based upon a frank recognition of the fundamental changes in world conditions, and has resulted in a definite improvement in England's specialty of foreign trade and a material contribution to her national recovery. Thanks to the exact knowledge she has of her trade relations with every individual nation, and to her organization for overseas trade, she is able to act with precision when occasion demands; witness the Roca agreement with Argentina and the recent Anglo-German agreement.

England is not only gaining a greater share of world trade but is also obtaining payment, in part at least, upon her large foreign investments. Recent statements by the British Chancellor of the Exchequer and other officials indicate that the results of England's change of policy have proved highly gratifying to her.

The moral of all this should be obvious, for England's example is an impressive one. When England saw her national interests threatened by theories such as free trade, the gold standard and the unconditional most-favored nation policy, she did not hesitate to depart from them even though they had long served her purpose.

WHAT OTHER NATIONS HAVE DONE

Similarly other nations have been prompt to protect their national economy and to make their foreign trade serve their general national purposes by various measures such as high protective tariffs, quota systems, exchange controls, and special agreements. Some nations have gone in frankly for state trading. Other countries have exerted government controls of varying degrees over foreign trade and have extended active assistance to their nationals, depending upon their individual problems.

Foreign trade generally has become increasingly the affair of governments rather than of individual traders. Trading has assumed more and more a bilateral character, as special agreements between countries have multiplied. These agreements have taken many forms—barter transactions, exchange agreements, clearing agreements, special tariff agreements, general commercial treaties.

In the past 5 years more than 400 trade agreements of one sort or another have been entered upon between various nations of the world. We have knowledge of over 200 bilateral agreements, not counting barter transactions, and not counting the many hundreds of unilateral actions, from the benefits of which the United States is excluded. It is reasonable to assume that these agreements could not and would not have been made unless the nations making them felt that they were to their mutual advantage. Furthermore, reliable figures show that the greatest gains in international trade have been made by the nations which have pursued the policy of making special agreements and that these gains have been made largely at the expense of the United States.

WHAT WE HAVE DONE

The United States has not kept up with the procession. To some extent we have taken action similar to that taken by Great Britain. It is in the field of effective organization of our foreign trade and of making foreign-trade agreements to correspond with our present needs that we have lagged and fallen behind.

As minor examples of the successful employment of bargaining power by the United States prior to the enactment of the Reciprocal Trade Agreements Act I would point out that in 1933 and early in 1934 when we were giving quotas for the importation of liquor into this country following the repeal of the eighteenth amendment, some rather adventageous trades were made.

For example, Spain agreed to take, during 1934, approximately 17,500,000 pounds of tobacco in exchange for an enlarged wine quota. In previous years Spanish tobacco purchases had been very irregular and averaged much below these figures.

Italy also contracted for 1,250,000 pounds of tobacco. This bargain was made in spite of the Italian program to reduce to a minimum imports of American tobacco. France took 20,000 tons of apples during the first quarter of 1934—the largest quantity ever sold to that country, even under unrestricted trade, and over four times the quota which we had been allowed for the previous quarter. In addition, larger imports were authorized for the second quarter of 1934 as an indirect result of the original agreement. It is reported, however, that since we discontinued giving quotas governing the importation of liquors, France has reestablished the barriers against our apples.

In the summer of 1933 the North Pacific Emergency Export Association was formed for the purpose of disposing of some of the surplus wheat in that section. The results of its activities have been the exportation of about 28 million bushels of wheat and flour to more than 40 countries. Although the price of no. 1 white wheat at Portland, Oreg., in July 1933 was 26 cents under Chicago's December futures, since that time, except during the period of the longshoremen's strike on the Pacific coast, the price has rarely been more than 15 cents under Chicago and for some time was as low as 6 cents under Chicago.

Another promising field for trade has been presented through the presence in this country of a representative of important foreign interests who desires to purchase various food commodities from this country for cash. The problem has been one of price, for his principals insist upon purchasing at competitive world prices. Clearly we must expect to sell on this basis if we are to have the advantage of this market.

This problem is not new to you; neither is the thought which it suggests, that we might well have two prices—American prices for goods consumed in the United States and competitive world prices for goods sold abroad. Conditions are such in most foreign nations that to make this effective, the consent of foreign governments to such negotiations may be required. Nevertheless, such consent is likely to be given and when it is, it should dispose effectively of any charge of dumping in cases where this practice is followed.

Furthermore, recently active negotiations have been in progress looking toward the trade of American cotton and other farm commodities to Europe, on what amounts to a goods-for-goods basis. A fairly complete arrangement has been worked out by American cotton exporters with Germany whereby Germany takes American cotton up to three-quarters of a million bales, paying for it 25 percent in cash and the rest by the importation of a wide range of German goods customarily imported into the United States, under appropriate safeguards to prevent damage to the American market. This agreement is now awaiting governmental approval. Moreover, negotiations have been carried on for a year or more by American packers with Germany looking toward greater exports of lard to Germany, payment for which would be assured by car-marking the proceeds of German wine and beer sent to the United States. These negotiations are reported as nearing a successful conclusion. I believe these are all steps in the right direction. I cite them as examples of how Government action or Government assistance in bargaining can assist in the promotion of export and import trade.

There are many possibilities in this field if we would avail ourselves of them. However, to make this bargaining power effective, certain things must be done.

And now I come to—

WHAT I THINK WE SHOULD DO

In speeches which I delivered recently in Chicago, New York, and Washington I advocated a five-point program for our foreign-trade policy. It consisted of:

1. Recognition by us that foreign trade has become a definite and direct concern of governments and that unless our foreign-trade interests receive backing and assistance similar to that given by other governments to their traders, we will not be able to compete with them on equal terms.

2. In order to develop consistent and effective foreign-trade policies, the present 50 or more organizations in our governmental set-up dealing with foreign-trade activities should be tied together and should function under unified direction.

Some progress has been made in this direction, but further steps are necessary. I would favor the establishment of a permanent board of foreign trade, composed of men experienced in the various fields of agriculture, industry, transportation, finance, and government, with powers adequate to deal comprehensively with our foreign commercial and financial transactions, who would devote their full time to this field of our national activity.

3. Accurate and up-to-date records of our commercial and financial relations with each individual country must be kept as we must know how we stand on our trade and international balances at any given time if we are to steer our course intelligently.

This work already has been started in the Department of Commerce in cooperation with the Office of Special Adviser to the President on Foreign Trade and is affording a most useful guide, not only in the consideration of our foreign-trade problems in themselves but also as they are related to our national economic policy as a whole. In this connection I must emphasize the fact that foreign policy and foreign-trade policy must be based upon and conform to the requirements of our domestic situation. Unless it does this it becomes unreal and correspondingly harmful to our actual interests. I cannot state this too forcefully.

4. As international trade cannot move on a one-way street and as we must increase imports if we are to be paid for increased exports, we should pursue a policy of selective exports and imports, sending abroad, preferably in manufactured form, those products we can best produce, particularly those agricultural products which are the backbone of our foreign trade and of our domestic prosperity, taking in return those raw materials which we need and such other products the importation of which will do the least violence to our domestic economy.

Much has been said as to the necessity of accepting imports as a matter of national policy. I agree completely with this point of view, but I believe that we should decide for ourselves what imports we will take, and in what quantities and from what countries, in exchange for the goods we choose to send abroad in our national interest.

In my opinion this can best be determined by making individual arrangements with individual nations, country by country, rather than through attempting to apply some blanket formula, such as a horizontal reduction of our tariffs, whether that be accomplished through general tariff legislation or, through generalizing tariff concessions granted under the Trade Agreements Act. We have been brought up on protection. If we are to abandon any measure of that protection it should be only in exchange for tangible advantages to us. Foreign nations will scramble to preserve and increase their trade in the United States upon any fair basis. I desire only what is fair, but fair to our agriculture, industry, labor, and to America.

To pursue this policy of selective exports and imports it will be necessary for us to abandon the unconditional most-favored-nation policy, adopted under the Harding administration, and to return to the traditional American policy of extending conditional most-favored-nation treatment only, which prevailed from 1789 to 1922.

Much is claimed for the point that if the total volume of world trade only can be increased, the foreign trade of the United States automatically will be restored. This does not follow unless as a nation we take active steps to promote our interests. I think that we need not wait upon general world recovery to accomplish our

national recovery. If we can stage our own national recovery and build up our own national trade we shall have done much to restore world recovery and world trade.

5. I indicated the need of Government action to an extent necessary to clear up our foreign exchange problems.

Perhaps the most potent factor in the congestion of our international trade is that of exchange restrictions imposed by about 35 nations. This means simply that, more or less arbitrarily, these countries have prevented the payment of current and other indebtedness by delaying of forbidding transfer of funds. I shall not discuss the reasons given for such action or the varying degrees of justification except to say I think they were defensive and not retaliatory. I shall discuss the effect and possible remedies.

The effect is that such countries are using the money due exporters and investors, without their consent and against their will, and that payment is being made finally upon the terms of foreign governments, at their discretion, often without interest, and with charges and discounts fixed by them or at best regulated as a result of reluctant agreement.

Now, as to remedies. I said in Chicago some weeks ago, and I repeat, that in the case of countries exercising exchange controls against us the satisfactory solution of the exchange problem should be made a prerequisite to the negotiation of any general trade agreement. I do not regard reasonable business requirements as coercion. When our nationals fill their part of a contract and their foreign customers theirs, and the foreign government intervenes, I think that our nationals have a right to ask our Government to act on their behalf. This is a matter upon which only government can act effectively. No bank or business man, no group of banks or business men can solve this problem themselves without the active help of government.

I have stated these five recommendations before, and shall doubtless do so again. I feel that they represent the starting point for a truly American foreign-trade policy, based upon studies of facts which cannot be ignored. The adoption of these recommendations will enable us to go forward. This, indeed, would be a "new deal" in American foreign trade. The way to trade is to trade.

EMPLOYMENT FOR GRADUATES OF EDUCATIONAL INSTITUTIONS

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 67), submitted by Mr. WALSH on January 30, 1935, was read, and the Senate proceeded to its consideration, as follows:

Whereas one of the most tragic results of the depression is the effect it has had upon the lives of young men and women emerging from our educational institutions; and

Whereas there are several million young people between the ages of 18 and 30 who have graduated from grammar schools, high schools, preparatory schools, trade and normal schools, domestic-science schools, art schools, music conservatories, colleges, universities, and professional schools who have in large numbers entered into a work-world where no opportunities have been open to them to obtain a start in business or to commence the practice of their professions; and

Whereas this large group may become demoralized and disheartened, and thus constitute a dangerous addition to the discontented and radical-minded elements, and also offer a challenge to the system which permits the minds and ingenuities of its youth to be wasted; and

Whereas it is the duty of the Federal Government to use every possible means of opening up opportunities in private industry and in the Government service for these young people so that they may be rehabilitated and restored to a decent standard of living and insured proper development for their talents: Be it therefore

Resolved, That the Secretary of Labor is hereby directed to—

1. Furnish the Senate at earliest convenience with an estimated statement of the number of young men and women between the ages of 18 and 30 who have emerged from educational institutions and who are at present without permanent employment and what, if any, study has been made of this problem by any department of the Government.

2. Inform the Senate whether or not, in the opinion of said Secretary, it would be feasible to create a special division of the Department of Labor, or a special bureau in the Public Works Administration, the duties of which would be to maintain contact with other governmental departments and agencies, the labor departments of the several States, and private employers, for the purpose of ascertaining administrative and professional employment that would be available to young men and women coming out of our educational institutions, to which each department and agency of the Government would be required to submit a list of positions deemed suitable for young men and women of this class.

3. Advise the Senate as to the feasibility of the Secretary of Labor, through this division or bureau, receiving applications from such unemployed young men and women as are now desirous of obtaining employment and assigning them to such positions as may be available, according to their character, qualifications, and fitness.

4. Report any appropriate suggestions or recommendations for proper legislation relating to the classifying of this group and allocating to its qualified members available positions in the Government service likely to arise as a result of relief legislation now pending before the Congress.

5. That the Civil Service Commission is hereby directed to submit to the Senate information concerning what steps, if any, said Commission has taken to encourage men and women of this group to classify in the civil service by taking examinations therefor, and advise the Senate in the event that nothing has been done upon the feasibility of encouraging young men and women to enter the civil service; also as to what means, in the opinion of said Commission, would be best adapted by legislation or otherwise to promote the classification of members of this group in the civil service.

Mr. WALSH. Mr. President, I should like to modify the resolution by striking out, on page 3, paragraph 4 of section 1, being lines 9 to 13, inclusive. The modification is made at the suggestion of the leader on this side of the Chamber. I believe with the modification suggested there is no objection to the resolution.

The VICE PRESIDENT. The Senator from Massachusetts modifies the resolution as suggested by him.

Mr. McNARY. Mr. President, I am not clear about the modification. In reading the resolution it occurred to me that paragraph 4 of section 1 should be eliminated. I am not clear whether that has been done by the Senator from Massachusetts. Is that the modification to which the Senator referred?

Mr. WALSH. That is the modification.

Mr. McNARY. That is the whole of paragraph 4 of section 1?

Mr. WALSH. Yes; it is being eliminated.

Mr. ROBINSON. It is the fourth paragraph of section 1 that is being eliminated. I am sure it is the language to which the Senator from Oregon refers.

Mr. McNARY. Yes; on page 3, paragraph 4, of section 1. If that modification be made I have no objection.

The VICE PRESIDENT. The proposed modification will be stated.

The LEGISLATIVE CLERK. On page 3, section 1, after line 8, it is proposed to strike out:

4. Report any appropriate suggestions or recommendations for proper legislation relating to the classifying of this group and allocating to its qualified members available positions in the Government service likely to arise as a result of relief legislation now pending before the Congress.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified.

Mr. KING. Mr. President, I ask the Senator from Massachusetts as to the propriety of section 2. Why should the Civil Service Commission, without instructions from Congress, or why should Congress instruct it to become an advocate of activities and policies that do not pertain to it at all?

Mr. WALSH. All that section 2 does is to ask the Civil Service Commission to inform the Senate what steps, if any, the Commission has taken to inform young men and women who are graduates of our educational institutions of the opportunities for taking civil-service examinations for which they are qualified. It merely asks for information.

Mr. KING. The latter part of the section is what I had particularly in mind. The Commission is to advise us as to the feasibility of what has been done in the way of encouraging young men and women to enter the civil service.

Mr. WALSH. What objection is there to the Civil Service Commission's advising us whether any steps have been taken to bring to the attention of this group the benefits of the civil service and the opportunities for taking the examinations?

Mr. KING. I do not believe it is the function of the Civil Service Commission to become an educator along that line. Whenever there are vacancies to be filled, the Civil Service Commission advises, through newspapers in all parts of the United States, the steps to be taken in order to enable citizens to enter the civil service. It seems to me that is as far as it should go.

Mr. WALSH. I assume they can so state in their reply.

Mr. KING. They will become propagandists in favor of the Civil Service organization and extending its powers and authority.

The VICE PRESIDENT. The question is on agreeing to the resolution as modified.

The resolution as modified was agreed to.

The preamble was agreed to.

THE CALENDAR

The VICE PRESIDENT. The calendar is in order. The clerk will state the first order of business on the calendar.

The bill (S. 396) to amend section 1180 of the Code of Laws for the District of Columbia, with respect to usury, was announced as first in order.

Mr. ROBINSON. I understand there is an agreement that the bill shall not be taken up at this time.

The VICE PRESIDENT. That is the understanding of the Chair, and under that understanding the bill will be passed over.

That concludes the calendar.

ADDITIONAL APPROPRIATIONS FOR FEDERAL COMMUNICATIONS AND OTHER COMMISSIONS—CONFERENCE REPORT

Mr. ADAMS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 7, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

That the House agree to the amendment of the Senate amending the title of the joint resolution.

ALVA B. ADAMS,
CARTER GLASS,
FREDERICK HALE,
Managers on the part of the Senate.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. B. OLIVER,
ROBERT L. BACON,
Managers on the part of the House.

Mr. FLETCHER. Mr. President, will the Senator state to just what the conferees agreed to?

Mr. McNARY. Mr. President, I think this is the appropriate head under which it might well be considered, but what is the nature of the conference report?

Mr. ADAMS. It is on the deficiency bill providing appropriations for the Federal Communications Commission, the Securities Commission, and the Mediation Board, a short deficiency bill, which also includes the amendment known as the "McCarran amendment" relating to the restoration of pay. It is an agreed report of both Houses.

Mr. McNARY. Will the Senator discuss the changes made and the agreement that has been reached?

Mr. ADAMS. The only change made was in the amount appropriated for the Securities Commission. The Budget recommended $975,000 for the Securities Commission. The House reduced that amount to $825,000. The Senate stood for the Budget recommendation. The conference report represents a compromise between the two, fixing the amount at $900,000.

Mr. ROBINSON. Mr. President, an amendment was inserted by the committee at my instance making a small amount available for the services of the District of Columbia-Virginia Boundary Commission.

Mr. ADAMS. That amendment was adopted by the Senate, and it was acceded to by the House.

Mr. ROBINSON. That is the information I desired.

Mr. ADAMS. The amount was $4,000.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. ADAMS. I do.

Mr. NORRIS. Will the Senator permit an inquiry? He may have answered the question, but there was so much conversation about me that I did not hear it if he did. What was done with the McCarran amendment?

Mr. ADAMS. The McCarran amendment, as finally submitted to the Senate, was adopted. It provided for the restoration of the 5-percent pay cut as of April 1. The House instructed their conferees to agree to the Senate amendment.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Surg. Louis L. Williams, Jr., to be senior surgeon in the United States Public Health Service, to rank as such from April 8, 1935; and

Passed Asst. Surg. Lucius F. Badger to be surgeon in the United States Public Health Service, to rank as such from March 26, 1935.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following nominations:

Franklin B. Atwood, of Massachusetts, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service; and

Cabot Colville, of California, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service.

Mr. PITTMAN also, from the Committee on Foreign Relations, reported favorably, without reservation, the following treaties and conventions:

Executive A, Seventy-second Congress, second session, a treaty of naturalization between the United States of America and Albania, signed at Tirana, April 5, 1932;

Executive D, Seventy-second Congress, second session, a convention between the United States of America and Sweden, signed at Stockholm on January 31, 1933, exempting persons possessing the nationality of both parties who habitually reside in the territory of one of them and who are, in fact, most closely connected with that party from all military obligations in the territory of the other party;

Executive S, Seventy-third Congress, second session, a supplementary extradition treaty between the United States and Bulgaria, signed at Washington June 8, 1934;

Executive A, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States and Estonia, signed on October 10, 1934;

Executive B, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and Switzerland, signed at Washington January 10, 1935;

Executive C, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States and Latvia, signed on October 10, 1934;

Executive D, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States and San Marino, signed on October 10, 1934; and

Executive E, Seventy-fourth Congress, first session, an extradition treaty between the United States and the Kingdom of Iraq, signed at Bagdad on June 7, 1934.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of Brig. Gen. Frank Crandall Bolles, United States Army, to be major general from December 1, 1934, vice Maj. Gen. Preston Brown, United States Army, retired November 30, 1934; Brig. Gen. Lytle Brown, United States Army, to be major general from February 1, 1935, vice Maj. Gen. Briant H. Wells, United States

Army, retired January 31, 1935; and several other nominations for appointment, by transfer, in the Regular Army.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

THE CALENDAR—POSTMASTERS

The VICE PRESIDENT. The calendar is in order.

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations of postmasters are confirmed en bloc.

That completes the calendar.

LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate resume legislative session.

The motion was agreed to; and the Senate resumed legislative session.

THE FOREIGN DEBTS

Mr. LEWIS. Mr. President, I desire to pay heed to a public declaration coming from a branch of the foreign press commenting on a speech I made in the Senate last Thursday touching the foreign debts and our relationship to South and Central America.

On last Thursday, occasioned by a publication, as well as some observations tendered here in the Senate, I made free to call attention to the fact that if our foreign debtors should issue small bonds to the amount of their indebtedness, and transmit those bonds to the United States in the form of payment, these bonds could then be sold to our own people, and to that extent the bonds could be extended to whatever generations were necessary that could give relief to and lift the burden from the foreign nations, while at the same time providing some expression of payment to ourselves.

Two spokesmen for foreign nations assert that the method suggested was not practicable and would not accomplish the purpose; that some other suggestion would have to be made in order to enable these foreign lands to pay their debts, in view of their condition of finance, saying they cannot pay with money.

Mr. President, I meet that by replying that since our debtors show a spirit of desire to make some form of payment and give some form of compensation for the very large sums we have advanced, I suggest that it would be wise, and I tender it as a suggestion to our debtors, and also make the suggestion to this honorable body, that each of these foreign debtors ascertain in their own lands the holders of the Liberty bonds of the United States of America and the possessors in their own lands of the securities issued by our industrial and domestic plants and organizations of America, such as railroads, banks, and utility companies, exchange their own bonds to their own people for these securities and Liberty bonds of America and the other securities held which were issued by the different American business institutions, then turn over those bonds and securities of the United States to the United States, returning to us the vast numbers of Liberty bonds and the great numbers multiplying the sum of the securities they hold upon the industries and institutions of America; and these, sir, our own securities, received by them from their people in exchange for their bonds—and these American securities, returned to us, can then be credited upon the debts of these foreign nations, and in this manner the immediate interest which is now due from the debtor nations would be at once paid. This method of payment adopted exempts the payment to the United States of cash from the treasuries of the debtor nations.

It may interest you to know that $2,000,000,000 could, by this ordinary system of an equitable exchange, be returned at once to the United States of America. The interest now due would be paid off; and in addition, sir, apart from that contribution, that sum of money that could now be paid would pay the demand of the soldiers and the sums that are due by this country in interest which, exacted just now by necessity, could be at once paid off, and this country relieved of the burden.

I make free to call attention this morning to the fact that the public press, incidentally with this comment upon myself, announced a rapprochement between France and England which now is to release Germany of its obligations to either France or England upon the debts which are known to exist between that country, Germany, and France, and England. This release, sir, could have been made by these two generous lands only with the knowledge on their own part that they are now receiving, from whatever source we need not now comment, enough to meet their own obligations. This advance of new friendships assures Germany money to increase by purchase, machines of aviation, and exempts Germany from payment of reparations. In view of that fact, sir, it is timely, therefore, that steps be taken by the debtors to the United States to make some requittal of their obligations to us; and, since the opportunity is now afforded, I take the liberty to make the suggestion such as I am making here, as I stand honored by the Senate with its attention. I present this thought to the broad statesmanship of these great lands—I will not note by expression the condemnation of self-christened "statesmen" of foreign nations in different parts of the world who find it agreeable to condemn anything any Member of the United States Senate says, particularly if the observation remarks on payment of foreign debts due. In this we make no criticism nor advert opposingly to any of our debtors as nations in any sense.

I have tendered my proposition, sir; I tender it here for consideration, that it may be considered, I trust, by those who may find it very agreeable to take some step to revive confidence from the United States and the admiration from its citizenship.

ADJOURNMENT TO WEDNESDAY

Mr. ROBINSON. Mr. President, the Senate has so dispatched its business that very little remains on the calendar. It is thought that one or more important measures may be ready to report on next Wednesday. I therefore move that the Senate stand adjourned until Wednesday next at 12 o'clock.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 12 o'clock and 33 minutes p. m.) the Senate adjourned until Wednesday, February 6, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 4, 1935

FOREIGN SERVICE

CONSUL OF THE UNITED STATES

Samuel S. Dickson, of New Mexico, now Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

PUBLIC HEALTH SERVICE

The following-named assistant surgeons to be passed assistant surgeons in the United States Public Health Service, to rank as such from January 4, 1935:

Benton O. Lewis	Henry L. Wollenweber
Charles T. Meacham, Jr.	David C. Elliott

APPOINTMENT IN THE REGULAR ARMY

CHIEF OF COAST ARTILLERY

Col. Harry Lee Steele, Coast Artillery Corps, to be Chief of Coast Artillery, with the rank of major general, for a period of 4 years from date of acceptance, with rank from January 21, 1935, vice Maj. Gen. William F. Hase, Chief of Coast Artillery, died January 20, 1935.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. James Edgar Macklin, 2d, Infantry (detailed in Quartermaster Corps), with rank from October 24, 1929.

TO ORDNANCE DEPARTMENT

First Lt. Joseph Milton Colby, Cavalry (detailed in Ordnance Department), with rank from October 1, 1934.

First Lt. William James Latimer, Jr., Field Artillery (detailed in Ordnance Department), with rank from October 1, 1934.

TO FIELD ARTILLERY

Col. William Fitzhugh Jones, Quartermaster Corps, with rank from November 1, 1933.

TO COAST ARTILLERY CORPS

Second Lt. Earl Sipple Eckhart, Infantry, with rank from June 10, 1932.

PROMOTIONS IN THE REGULAR ARMY

TO BE MAJOR

Capt. George Ralston Middleton, Field Artillery, from January 21, 1935.

TO BE CAPTAIN

First Lt. James Longstreet Whelchel, Coast Artillery Corps, from January 21, 1935.

TO BE FIRST LIEUTENANT

Second Lt. David Haytor Buchanan, Infantry, from January 21, 1935.

PROMOTIONS IN THE NAVY

MARINE CORPS

Col. Thomas Holcomb to be a brigadier general in the Marine Corps from the 1st day of February 1935.

Lt. Col. Charles F. B. Price to be a colonel in the Marine Corps from the 1st day of February 1935.

Maj. Karl I. Buse to be a lieutenant colonel in the Marine Corps from the 1st day of February 1935.

Capt. Donald J. Kendall to be a major in the Marine Corps from the 8th day of January 1935.

Capt. Lewis B. Reagan to be a major in the Marine Corps from the 1st day of February 1935.

First Lt. Lawrence R. Kline to be a captain in the Marine Corps from the 8th day of January 1935.

First Lt. William W. Paca to be a captain in the Marine Corps from the 26th day of January 1935.

First Lt. Shelton C. Zern to be a captain in the Marine Corps from the 1st day of February 1935.

First Lt. John E. Curry to be a captain in the Marine Corps from the 1st day of February 1935.

Second Lt. Louis C. Plain to be a first lieutenant in the Marine Corps from the 29th day of May 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 4, 1935

POSTMASTERS

GEORGIA

Robert E. Wilson, Homerville.

ILLINOIS

James D. Larry, Sr., Melrose Park.

MASSACHUSETTS

Henry L. Pierce, Barre.
Esther K. Whitcomb, Bolton.
Celia R. St. John, Cohasset.
Merritt C. Skilton, East Northfield.
Douglas H. Knowlton, South Hamilton.
John W. Mitchell, South Lancaster.

MISSOURI

W. Rufus Jackson, St. Louis.

NEVADA

Ernest H. Bath, Carson City.

NEW HAMPSHIRE

Harry Frank Smith, Center Harbor.
Charles E. Tanner, Milton.

SOUTH DAKOTA

Nicholas DeBilzan, Andover.
Fred C. Wetterberg, Arlington.
Milton W. Butts, Belle Fourche.
Ernest A. Schlup, Hudson.
Charles R. Dean, Rockham.
Mary V. Breene, Seneca.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 4, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Who is the King of Glory?

Our God and our Father, He is the King of Glory. This new weekday we pause in Thy name. We praise Thee that the Eternal One is love. It is the supreme and the undying truth of the world. Heavenly Father, much there is to bear and impossible to understand, yet no affliction, anguish, privation, or peril shall ever be able to stagger or confuse the divine care. Thou art destined to dominate the turbulent waters and hush the seas of human life into peace. In Thy holy name we pray that Thou wilt heal the sore in heart by giving them power and faith to look to others. Merciful Lord, bind up that which is broken and rekindle the sacred fires. To those who have lost courage, hope, or desire and have failed and fear to fail again, be Thou their rich and abundant portion. Graciously bless our Speaker and the Members of the Congress. May they always retain that vision, strength, and purity of soul that walks in the light. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, February 1, 1935, was read and approved.

BOARD OF VISITORS, UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication:

FEBRUARY 1, 1935.

Hon. JOSEPH W. BYRNS,
Speaker House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Pursuant to law, I am notifying you and also sending notice thereof to Chairman BUCHANAN of the designation of the following members of the Committee on Military Affairs of the House of Representatives to be members of the Board of Visitors of the Military Academy for the Seventy-fourth Congress: JOHN J. MCSWAIN, Representative from South Carolina; LISTER HILL, Representative from Alabama; ANDREW J. MAY, Representative from Kentucky; R. EWING THOMASON, Representative from Texas; CHARLES I. FADDIS, Representative from Pennsylvania; CHARLES A. PLUMLEY, Representative from Vermont; DEWEY SHORT, Representative from Missouri; and L. C. ARENDS, Representative from Illinois.

With very great respect, I am, yours truly,

J. J. MCSWAIN, *Chairman.*

CRIMINAL ACTIVITY IN THE DISTRICT OF COLUMBIA

Mr. O'CONNOR, from the Committee on Rules, submitted the following report on House Resolution 94, which was referred to the House Calendar and ordered printed:

The Committee on Rules, having had under consideration House Resolution 94, reports the same to the House with the recommendation that the resolution do pass.

PERSONAL PRIVILEGE

Mr. BLANTON. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the question of personal privilege.

Mr. BLANTON. As a basis for the question of personal privilege I read the following from the newspaper, the Record Ledger, Tujunga, Calif., issue of Thursday, January 24, 1935.

The heading is:

JOHN MCGROARTY reports an old-age-pension plan now before Congress.

And the subheads are:

Townsend-plan measure in committee—Administration has altogether different idea, by JOHN STEPHEN MCGROARTY, Member of Congress for Eleventh California District.

The article is dated from Washington, D. C., and, quoting the article from Congressman MCGROARTY, reads as follows:

On Wednesday, January 16, I introduced in the House of Representatives an old-age-pension bill which was cited as the "Townsend old-age revolving pension plan." It is the bill approved by Dr. Townsend himself, officially designated as H. R. 3977.

A vicious attack was made on the bill already on the floor of the House by Representative THOMAS L. BLANTON, of Abilene, Tex. He held up the measure to ridicule and declared himself unalterably opposed to it. However—

And I want the Speaker to notice this:

However, it remains to be seen whether or not the Honorable BLANTON may change his mind. One way to cause him to change his mind is for all Texans residing in California to go after him in the mail and by telegraph. The thing to do is to get the people of BLANTON'S district to organize Townsend clubs in numbers and strength on a parallel with our clubs at home.

Now, I want the Chair to notice this statement:

This man is probably in the same boat with other Members of Congress who have a burning desire always to return to Washington and continue in the pleasant, easy, and well-paid service of the Government as a Congressman.

Notice this statement particularly, if the Chair please:

BLANTON might have a change of heart and of mind if made aware that he might stand no more chance than a jack rabbit to come back to Congress against the wishes and will of his constituents. Let the order of the day in the Townsend clubs be to contact all Texans, who, in their turn, shall contact their folks in the panhandle.

The article then proceeds with a lot of other statements which I do not care to take the time of the House to read or with which I do not wish to encumber the RECORD, but these statements call on Californians to write friends in every single district in the United States and ask them, in substance, to try to force Members to come over to this plan.

Mr. RANKIN. Mr. Speaker, I make the point of order that the article the gentleman has read does not state a question of personal privilege.

Mr. BLANTON. Yes, it does, Mr. Speaker. I call the Chair's attention again to this paragraph especially:

This man probably is in the same boat with other Members of Congress who have a burning desire always to return to Washington and continue in the pleasant, easy, and well-paid service of the Government as a Congressman. BLANTON might have a change of heart and of mind if made aware that he might stand no more chance than a jack rabbit to come back to Congress.

Certainly that paragraph reflects upon every Member of this House in his representative capacity.

Now, Mr. Speaker, I have been deluged with letters, thousands of them, some from every part of California, and some from other States, which are abusive, threatening, and insulting, incited by this published article.

Mr. RANKIN. Mr. Speaker, a point of order.

Mr. BLANTON. Mr. Speaker, I refuse to yield to my friend from Mississippi.

The SPEAKER. The Chair is ready to rule on the point of order.

Rule IX reads as follows:

Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings; second, the rights, reputation, and conduct of Members, individually, in their representative capacity only; and shall have precedence of all other questions, except motions to adjourn.

The gentleman from Texas has raised a question of privilege by reason of the publication which he has already read. The Chair finds in the publication this language:

This man is probably in the same boat with other Members of Congress who have a burning desire always to return to Washington and continue in the pleasant, easy, and well-paid service of the Government as a Congressman. BLANTON might have a change of heart and of mind if made aware that he might stand no more chance than a jack rabbit to come back to Congress against the wishes and the will of his constituents.

The Chair may state that this presents a rather close question, but in view of the statements which the Chair has read it seems to the Chair there is an implication that the gentleman from Texas [Mr. BLANTON] might resort to any sort of method necessary to bring about his return to Congress. The Chair thinks that the statement affects the gentleman's reputation and conduct in his representative capacity, and for that reason the Chair overrules the point of order and recognizes the gentleman from Texas [Mr. BLANTON] for 1 hour.

Mr. BLANTON. Mr. Speaker, my colleague the gentleman from California, Mr. JOHN STEVEN MCGROARTY, and myself are good friends. We have been friends ever since we have known each other. I have now a kindly feeling for him. I would not do one thing on earth to hurt him; and as long as I stay in this House, I will never do anything to hurt one of my colleagues back in his home district.

I have been receiving for the last week a deluge of letters every day and in every mail from California, and within the last few days I have been receiving them in stacks from my own district in Texas. These letters were incited by his article he published in California. Some of these letters impugn my motive for standing up against the Townsend old-age-pension plan, asserting that I have not sympathy for the aged or the unemployed and the aged who cannot get jobs, asserting that I do not know the problems which daily confront them, that I am cold-hearted and cold-blooded, and some of them go so far as to state emphatically that I have sold out to the moneyed interests of the land simply because I refuse to vote for the $24,000,000,000 Townsend bill that would wreck this Government.

I received a letter yesterday morning from a friend in Texas stating that the gentleman from California [Mr. MCGROARTY] was causing letters to be sent in my district seeking to organize it against me and put me out of Congress. I went to him immediately and told him about it. I did not know then about the article he had published in California. He very kindly wrote me this letter.

May I ask the Clerk to read this?

The SPEAKER. Without objection, the Clerk will read the letter.

There was no objection.

The Clerk read as follows:

WASHINGTON, D. C., *February 3, 1935.*

HON. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR COLLEAGUE: I learn with deep regret indeed that rumors have reached you to the effect that I am engaged in efforts to undermine you in your district, with the avowed purpose of defeating you in the next election.

The rumors are utterly without foundation. I have never made such efforts and would not be guilty of them. In the first place, it would be an impertinence on my part and certainly it would not be to my credit.

From my observation of you in the House of Representatives since I became a Member of that historic body, I am free to say that your district is most effectively represented by you. All of your colleagues and mine whom I have met regard you as one of the most useful men in the Congress of the United States, which is my own opinion of you.

I do not hesitate to say that, in my judgment, your defeat in your district at the next election, or any succeeding election, would be a serious loss, not only to your constituents but to the Nation itself.

Please accept the expression of my high esteem and good will.

Faithfully yours,

JOHN STEVEN MCGROARTY.

Mr. BLANTON. That letter, Mr. Speaker, shows that we are good friends, even if we do differ on the Townsend plan, and I appreciate it highly, for it should convince these strangers who are writing me these insulting letters that I do not deserve annihilation at their hands.

This article, which my friend Mr. MCGROARTY has published in California, causes people seeing it everywhere, who do not know me, to say these unkind things about me, and to write me insulting, threatening letters. All of you who know me and who have served with me during the last 18 years will know that such threats of defeat will not cause me to vote against judgment.

Here is what my friend Mr. MCGROARTY states further in this letter he published out in California:

Everybody familiar with the provisions of the Townsend plan will see at once that the President has another idea altogether concerning old-age pensions * * * will not propose a pension exceeding $30 per month. Let it be known to all friends of the Townsend plan that they cannot expect action until at least 30 days have elapsed. Those 30 days will be employed by us in arguments before the Ways and Means Committee, to which the bill has been referred. If the committee, after 30 days, fails to send the bill to the House, then we shall have to secure the signatures of 218 Members to discharge the committee as far as this bill is concerned, and thus bring it to the House for debate and action. The new rule requires 218 signatures.

If a bill is presented to carry the President's old-age-pension plan into effect, we shall move to amend the bill by substituting the Townsend plan for the President's plan.

My office is visited every day by news writers and photographers wanting copy and pictures.

Let me again tell the folks at home that the battle will be hard fought, both for and against. The best way to help us who are carrying on the fight here in Congress is for the people of our various congressional districts to contact by mail or telegraph Members of Congress in other districts of the country in all of the States. There are in southern California people from every State in the Union who must have kinfolk, friends, and acquaintances in the States from—

It is this article that our good friend Mr. MCGROARTY published in California that is causing all of us to get letters, propaganda letters, from all of the United States. Until I received this newspaper I wondered what was causing them to be written.

I do not have any unkind feelings toward our friend for causing this trouble, for I feel sure that he had no intention of doing any of us any injury. It was zealousness for his cause and for his bill, and I gladly forgive him the trouble he has caused me.

I picked out of my mail this morning, from the number of letters received from California, a cross section of the letters, one each from different towns in California, just to give you an idea of what they contain. As I stated, this is just a cross section which will typify the big stack I have received this morning.

Here is one from William Justema, 140 North Central Avenue, Glendale, Calif. From it I quote:

Unless you wake up you might as well start to write your political obituary.

Here is one from Laura L. Anderson, 309 North Euclid Avenue, Pasadena, Calif. She says: "Any man against the Townsend plan is no better than a bandit." And she says:

We do not hail the President's plan and we do not plan to accept it. We have higher ideals for the American people than the President's plan. Adopt the Townsend old-age plan immediately.

Mr. BELL. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Missouri.

Mr. BELL. Did the gentleman say "bandit" or "banker"?

Mr. BLANTON. B-a-n-d-i-t.

Mr. HOUSTON. What is the difference?

Mr. BLANTON. Oh, I know what some people think. Some bankers are crooks and have robbed people. But some are honest and good citizens. Some bankers have taken care of poor people in their sections all of their lives, and some are poor now themselves, having lost everything they previously had. All are not bandits. Some are public benefactors, and I can prove this by my good friend from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. RICH. I think, possibly, the reason they are objecting to the President's plan is the fact that from the census, as I figured it last week, it will only require $2,400,000,000 to pay the old-age pensions, but if we accept the Townsend plan, as I believe the gentleman estimated a week ago, $24,000,000,000 will be required.

Mr. BLANTON. Twenty-four billion dollars; yes. I did not yield on that. I yielded to let the gentleman say whether or not all bankers are bandits—are they?

Mr. RICH. Some of the finest people in the world have been in banks that have closed——

Mr. BLANTON. That answers it.

Mr. RICH. And are doing everything anyone could do to help this country become prosperous.

Mr. BLANTON. Then there are some bankers who are not bandits?

I would prefer not to be diverted while I quote from a few of these various letters received this morning.

Here is a letter from Los Angeles from Lillian L. Glancy, 2036 Browning Boulevard, Los Angeles, and I will read a sentence from her letter:

I would advise you for future election coming on that you get in behind this plan.

All of them contain a threat, thinking that if I get scared about my job I will change my mind. When I am busy here attending to the business of the people I never think about elections. The elections will take care of themselves. If you will do your duty here and attend to the business of your constituents, you need not ever be afraid of elections back home. The people will take care of you.

Here is one from A. E. Eames, 115 El Oviado Street, Arcadia, Calif.:

For your own good, get in touch with Dr. Townsend.

[Laughter.]

The people are determined that this bill shall become a law and they will see to it that Representatives are sent to Congress who will carry it out.

Mr. PIERCE. Will the gentleman yield for just one question.

Mr. BLANTON. Always, to the Governor.

Mr. PIERCE. Does the gentleman think he has a monopoly on getting these letters? [Laughter.]

Mr. BLANTON. No; certainly not. All of us are getting them. I am letting you know what started it.

Mr. PIERCE. I received hundreds this morning.

Mr. BLANTON. Certainly; it is this article that was published in California by our good friend "John."

You know, I think a lot of JOHN MCGROARTY. He is a splendid, good fellow. I know he stands high in California. He has had many honors conferred upon him. He has an honorary degree of Doctor of Literature, and Doctor of Laws, and Pope Pius XI conferred upon him the Knight of St. Gregory, and King Alfonso XIII of Spain conferred upon him the Knight Commander of Isabella the Catholic. He has had a wonderful theater built out there to do him honor.

Mr. COLDEN. He is poet laureate of the State of California.

Mr. BLANTON. Yes; he is the poet laureate of the State of California, and a splendid, good fellow, but, John, you ought not to write a letter like this back to California.

The people sent these men here believing they would represent them according to their best judgment. A man here in Congress, when these questions come up, cannot write back home and find out the wish and will of all of his constituents. This would be impossible. He cannot be led away by propaganda. He has got to do his best under his own judgment and that is what the people sent him here for. They have confidence in him and they believe they can rely on his judgment.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. COX. I am sure the gentleman entertains a deep feeling of sympathy for these good people, and if the gentleman agrees with me——

Mr. BLANTON. Why, I have the deepest sympathy for all of them. I am in favor of the old-age pension along the lines suggested by the President. I will gladly vote for it whenever it comes up, but I am not going to vote for something that will add $24,000,000,000 to the annual expenses of this Government, when our annual total revenues are only $3,700,000,000.

Mr. COX. If the gentleman agrees with me in the view that the Government would not last 24 hours with this measure enacted into law, I trust he will either state something in the RECORD to sustain that position or else will do so in an extension of his remarks.

Mr. BLANTON. I will do that in a moment, but first I want to give you a slant on these letters I received this

morning. I am just reading one from each of the different towns in California.

Here is one from Mary L. Hughes, 912 Curtis Street, Berkeley, and one from Rosa B. Sturtevant, 1021 Sixtieth Street, Oakland, Calif.

They say:

The Senators and Representatives who fight it will never go to Washington again.

We who vote against the Townsend plan will never come back.

Mr. MANSFIELD. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MANSFIELD. The Townsend plan you say will cost twenty-four billions a year, which nobody is going to pay.

Mr. BLANTON. Yes; they say that. The gentleman knows that whenever the Government spends $24,000,000,000 it comes from the pockets of the people. Sooner or later it comes out of the pockets of the people by taxation.

The total revenue last year from income taxes, inheritance taxes, excise taxes, nuisance taxes, taxes on tobacco and cigars and cigarettes, all liquor taxes, gasoline, increase of postage, 2-cent tax on bank checks, and all other taxes, all amounts to only $3,700,000,000.

Suppose we were to pass the Townsend plan and add $24,000,000,000, do you know what would happen? You would have to raise in all $28,000,000,000 to pay all Government expenditures, and you only get $3,700,000,000 to pay it with. You would not be able to pay these people 10 cents on your obligations.

We would be like some States and cities, not able to pay. We would be like Chicago, that let its teachers, who teach their children, go for 3 years without a dollar's pay. There would not be any money to pay these aged people, and no money to pay anybody else.

You would have Government warrants discounted in a way that would make them almost worthless.

Back in my State I know a time when the legislature spent a great deal of money, was reckless about it, and the State did not have income enough to pay its warrants; teachers and officials, who had worked hard, could not get the money for their warrants; judges on the bench, who worked hard, could not get their pay and had to discount their State warrants.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. Not just now. I have letters mentioning the gentleman's name [laughter], and when I read them I will yield.

Here is another letter, from Mrs. F. B. Kellogg, 109 North Street, Alhambra, Calif. She says that "Texas people better wake up." She says that "a man who votes against the Townsend plan is not much of a man." [Laughter.] Any one of you gentlemen who votes against the Townsend plan, who votes against paying $24,000,000,000 for old-age pensions" is not much of a man", she says, no matter whether you are strongly in favor of old-age pensions or not.

No matter how deeply concerned you are in your hearts about the aged men and women of your district, no matter how much it affects you, no matter how sympathetic you are with them, you are not "much of a man" if you do not vote for this Townsend plan.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I am going to just as soon as I mention the gentleman. Here is another letter from J. T. Gotcher, 701½ Marine Street, Ocean Park, Calif., mailed at Santa Monica, and he says:

I know you have been a good fighter in the past. The time has come when the people want to be heard.

Here is another one from Mrs. L. M. Scherb, 415 North Plum Ave., Ontario, Calif. She says:

We all can and will vote, and you will find out we are wide awake.

There is another threat, that if I do not change my mind I shall have to stop associating with you friends of mine here in the House. Here is another one from Mrs. Laura Waggaman, 1314½ Third Avenue, Los Angeles.

Change your mind before it is too late.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. In just a moment. I am going to mention the gentleman in just a minute. Here is one from an old Texan living out in California, Rev. W. Z. A. Wright, division manager of the old-age pension plan, living at 1214 G Street, Modesto, Calif. He says:

There is no man so blind as he who can see and won't see. Mr. HOEPPEL, of California, knows that he knows this bill.

Now I yield.

Mr. HOEPPEL. The peculiar thing in reference to this Townsend pension is that the laugh is going to be on the most of us unless we really examine into the proposition and act intelligently.

Mr. BLANTON. I want to ask the gentleman two questions.

Mr. HOEPPEL. I shall be glad to answer any questions the gentleman may ask.

Mr. BLANTON. Do you believe that Townsend-plan bill has any chance on earth of passing? Please answer "yes" or "no." Do you? Do you believe it has any chance on earth of passing?

Mr. HOEPPEL. If I may judge from the attitude taken by this Congress in enacting legislation for and in the interest of the bankers to the exclusion of the people, then I shall say that it cannot pass until the Congress changes its attitude.

Mr. BLANTON. Does the gentleman not think that that kind of a remark, if he leaves it in the RECORD, will cause hundreds of thousands of people in the United States who read the gentleman's remarks to think Congress has more concern about the bankers than it has about the people? And I guarantee that 95 percent of my colleagues in this House have no interest whatever in bankers. They are for all of the people.

Mr. HOEPPEL. Our legislation does not show that.

Mr. BLANTON. That is the gentleman's opinion. They are for the people back home.

Mr. HOEPPEL. Our legislation does not prove that.

Mr. BLANTON. The gentleman preaches that gospel. Another question I want to ask the gentleman: Down deep in your heart, do you believe that this Townsend pension has any chance whatever to pass and be paid by the Government, 100 cents on the dollar, to the extent of $200 every month to every person over 60 years of age?

Mr. HOEPPEL. Does the gentleman refer to this Congress or to a subsequent Congress?

Mr. BLANTON. I am talking about this Congress this year. Do you, down in your heart, believe it is possible to pay them $200 a month?

Mr. HOEPPEL. Yes; I covered this, I believe, quite completely in my speech of January 29.

Mr. BLANTON. Do you believe that this Government has any chance on earth to raise and pay them $200 a month this year?

Mr. HOEPPEL. If the Membership follows the leadership that the gentleman is apparently attempting to serve, certainly, it will not be enacted.

Mr. BLANTON. All right. That answers it. I cannot yield further.

The gentleman continually attacks the leadership of this House and the leadership in the White House. I am glad to be identified with both.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Mr. Speaker, I do not want to take up any further time except to read a few more letters.

The SPEAKER. The gentleman declines to yield.

Mr. BLANTON. Continuing to read from the letter of the Reverend Mr. Wright, division manager of the old-age pension plan, he says:

Mr. HOEPPEL, of California, knows that he knows this bill is a good bill. I am a Texan, too, and was one of the earliest settlers in the Abilene country. In fact, I lived in Taylor County 2 years before it was organized as a county, and was one of the first settlers in Abilene when it was a town of tents. My father kept the first hotel in Abilene. It was in a large tent. I went through the schools there in the early days of Abilene, happened to be living there when the first spade of dirt was turned to commence the building of Simmons College, which is now a university. You

have made some foolish statements concerning the Townsend plan. Public opinion and sentiment have changed toward our political leaders in Washington so much in the last 30 days that it is out of the question to even think of any who vote against the Townsend bill being reelected to any office in Washington or any office in our Government. A word to the wise is sufficient.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Just a moment and then I shall yield. My friend from California [Mr. HOEPPEL] speaks of the leadership of this Congress in a criticizing way. My friend from California [Mr. MCGROARTY] spoke of being against the President's plan. I want to tell you about our leadership in this Congress. The President in the White House, Franklin D. Roosevelt, is my leader. I am following him 100 percent. He is my leader and I am proud to follow him. I am proud he is my leader.

The Speaker of this House, JOE BYRNS, of Tennessee, is my leader. I am following him. I have confidence in his judgment. I believe in him. I am not ashamed to follow JOE BYRNS, of Tennessee. I am following my leader, ED TAYLOR, of Colorado, with whom I am now serving my nineteenth year in this House. I am proud of him. The leadership of this House is worth following. It is a leadership that is not running this Government in behalf of the predatory wealth of the country. It is a leadership that is running the country in behalf of all the people, the poor people and the rich alike.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HOEPPEL. I do not know whether the gentleman is consistent in his remarks. I understand the gentleman from Texas is opposed to the issuance of tax-exempt securities, yet he is going to follow the President in regard to the further issuance of tax-exempt securities.

Mr. BLANTON. I am against tax-exempt securities. I will prove that I am consistent on that. I introduced a resolution to require the Secretary of the Treasury to give us the names and the amounts of every tax-exempt bondholder in the United States who holds over $50,000, and the amount of his holdings. The committee unanimously asserts that just now my resolution should not pass.

Am I fighting my committee? No. I am accepting their judgment, that right now they want to pursue that question in another way, as the passage of my resolution just now might interfere with the plans of the administration. I have enough confidence in the Democratic members of the Ways and Means Committee and in the Republican members of that committee, that when they act unanimously on a proposition of that kind and show me good reason for holding that matter back, I will go along with the committee. I do not put my judgment up against all of theirs, as the gentleman from California does; and try to tear them all to pieces.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HOEPPEL. Regardless of whether the gentleman is for the Townsend plan or not, I should like to have it known that, so far as I am concerned, I want to see the distinguished gentleman from Texas continue his membership in this House, as I consider him a very valuable and outstanding leader, but only this morning I received a letter from a constituent in the gentleman's district, which says:

HOEPPEL, tell us when we should put the steam on BLANTON.

[Laughter.]

I will state, further, that I am for the gentleman from Texas [Mr. BLANTON], and I want him to continue as a Member of this House, but, recognizing his ability and his understanding and his deep interest and sympathy with the distressed people of the Nation, I do hope that he will at least examine into this measure a little more definitely, and come out on the floor and fight for it instead of opposing it.

Mr. BLANTON. I cannot yield further, because I do not want to take so much time. When the gentleman from California [Mr. HOEPPEL] and our good friend from California, JOHN MCGROARTY, who represents the district adjoining Mr. HOEPPEL, come back 2 years from now, they will find me here helping them. This "steam" process does not work. This "steam" process never has changed a vote in this House. After all, we Members have got to stand up here and do our duty as we see it. JOHN HOEPPEL would not have any confidence in me, neither would JOHN MCGROARTY, if I let a little steam pressure change my vote. The people back home would not have any confidence in me.

Let me tell you something, my colleagues from California, if you keep on persisting in promising these people something they cannot get, and something they could not get if you passed the bill, when you go back to them this next summer they will say, "Why did you not pass my bill?" You will say, "Oh, we could not do it; it was not feasible." They will blame you for leading them to believe you could pass it. I do not mislead them. I want their confidence. I want them to believe in me. That is why when I know a bill cannot pass, when I know it is economically unsound, I am the first man to get on this floor and tell them so and take the consequences. If it puts me out of Congress, let it put me out. I will take my medicine.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. No; I cannot yield further. I am going to read a couple of letters more and then conclude. This is one from C. C. Caves, 222 South Main Street, Pomona, Calif., and from it I quote:

Soon the people of your district will become enlightened. Save this country from communism.

They seem to be preaching the doctrine that unless you pass this bill this country will be turned over to communism. Not so. We will save them from communism.

Here is another letter from Harriet M. Dillingham, 407 South Bartlett Street, and it reads:

We voters demand your whole-hearted—yes, your body-and-soul—support for the Townsend plan.

Demand it! They want our body-and-soul support for this Hoeppel-McGroarty-Townsend plan. [Laughter.]

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. In just a moment. Here is one from Bell, Calif., from H. E. Thomas and Anna C. Philleo, president and secretary of Townsend Club No. 2 of Bell:

This economic system gives a few men complete charge of all jobs of the country, with full power and authority to say who shall work and who shall not, and power and authority to determine who are the ones to beg and borrow and steal and starve, or be supported by makeshift provisions like the P. W. A. and the F. E. R. A., and so forth. We believe it is time to require our Government shall cease temporizing with our distressed and spending millions and millions for something that gives no relief.

Here is one from San Diego, Calif. This is from Joseph Schaffer, of 3629 Cottonwood Street, San Diego, Calif. He says:

It is you smart boys up there who say it can't be done.

[Laughter.]

He has a sticker on this letter—one of the kind of stickers they paste on automobiles, walls, and so forth—which reads:

Politicians get money from the rich and votes from the poor.

Is that the doctrine that is preached out there—that politicians get money from the rich and votes from the poor? Do the politicians do that way out in California? [Laughter.]

Here is one from Burbank, Calif., from Mr. J. G. Estes. He is a committeeman, and lives at 918 North Verdingo Street. His letter contains this statement:

The fight is on! Throw your power to assist us.

It is a demand from him that we better throw our power behind it instead of against it. I am not going to take further time to read more of these letters, but here is one from Modesto and one from Pasadena, and another from Whittier, Calif. This presents merely a cross-section of the stacks I have received from California this morning. This is the steam that you talked about. Well, it has been put on. Do you see any process of my changing?

Mr. HOEPPEL. The steam has not yet been generated.

Mr. BLANTON. Oh, yes; it has. Not only has it been generated but the fire is out, and the water has gotten cold.

Mr. HOEPPEL. The Townsend plan is as perpetual as Vesuvius. In my opinion, it is going to overwhelm this Congress unless we enact it.

Mr. BLANTON. You could just as easily bridge the Pacific Ocean as pay $200 per month to all people over 60 years of age. It is impossible.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. TABER. Has the gentleman received only one letter from each writer?

Mr. BLANTON. This is merely a cross-section of the deluge I received this morning from California.

Mr. TABER. Most Members receive six or eight letters from each writer.

Mr. BLANTON. Oh, I have been deluged with them for the last week, because I was mentioned in the article our friend published in California.

I want to suggest to my friend Mr. HOEPPEL, and to my good friend Mr. MCGROARTY, if you will get some copies of a letter I wrote to some of my constituents at Mineral Wells and send them out to your constituents in California, it will be the best thing in the world for this Government and for them. It will show to the people that this plan is absolutely uneconomic and unsound and impossible.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I must conclude. It is impossible. I repeat, this Townsend dream is a gold brick that you are trying to hand the people back home, and it is fooling them and is cruel, because it will disappoint them.

I thank you for your time and consideration. [Applause.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 88) entitled "An act making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935."

TAX-EXEMPT SECURITIES

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted an adverse report on House Resolution 73, which is as follows:

[H. Rept. No. 55, 74th Cong., 1st sess.]

DIRECTING THE SECRETARY OF THE TREASURY TO FURNISH THE HOUSE OF REPRESENTATIVES CERTAIN INFORMATION WITH RESPECT TO TAX-EXEMPT SECURITIES

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted the following adverse report (to accompany H. Res. 73):

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 73) to direct the Secretary of the Treasury to transmit to the House of Representatives information with respect to certain persons and corporations who own tax-exempt securities issued by the Federal Government, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following adverse report from the Secretary of the Treasury:

THE SECRETARY OF THE TREASURY,
Washington.

DEAR MR. DOUGHTON: Reference is made to your letter of January 26, 1935, enclosing a copy of House Resolution 73, introduced by Representative FISH, of New York, and a copy of House Resolution 74, introduced by Representative BLANTON, of Texas, each of which directs the Secretary of the Treasury to transmit to the House of Representatives information with respect to certain persons and corporations who own tax-exempt securities issued by the Federal Government. You state that the Committee on Ways and Means will be pleased to receive any comments or recommendations I may care to make with respect to the proposed legislation.

Section 257 of the Revenue Act of 1926 (44 Stat. 51), regulating the furnishing of information contained in income-tax returns, provides as follows:

"(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

"(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

"(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be."

Section 22 (b) (4) of the Revenue Act of 1932 (47 Stat. 178) excludes from gross income interest on the securities of the United States or of its possessions. However, every person owning any such securities is required to submit in his return a statement indicating the number and amount of the securities owned by him and the income received therefrom. From the tax returns there is compiled for statistical purposes a statement reflecting the total amount of tax-exempt securities owned and the income derived therefrom by all taxpayers with incomes of $5,000 or more per annum and this information could very conveniently be furnished, but to provide the information sought by the resolutions mentioned above with respect to individual taxpayers would require an examination of each and every tax return filed for the period for which such report is desired.

For the taxable year 1932 the individual returns filed to August 31, 1933, totaled 3,760,402, while the returns of corporations for the same year amounted to 481,368. For the taxable year 1933 the individual returns decreased slightly to 3,660,105, and the corporation returns were 472,174. The resolutions do not indicate whether the information is desired for a particular taxable year or for a period covering a number of taxable years. In any event it is at once apparent that the compilation of the data desired would require considerable time and involve great additional expense. It would necessitate a large expansion in the clerical force and would greatly handicap the Bureau at the present time. Numerous returns are located in the offices of the collectors of internal revenue throughout the country; others are in the hands of revenue agents who are making audits of the books and records of the taxpayers; and a great many are in process of review in the local offices of the Bureau of Internal Revenue.

For the reasons enumerated above I recommend that House Resolution 73 and House Resolution 74 be not adopted.

Very truly yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

Hon. ROBERT L. DOUGHTON,
Chairman Committee on Ways and Means,
House of Representatives.

In addition to the provisions of existing law cited by the Secretary of the Treasury, the committee also directs attention to section 3167 of the revised statutes which provides as follows:

"SEC. 3167. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or to make known in any manner whatever not provided by law to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court; and if the offender be an officer or employee of the United States he shall be dismissed from office or discharged from employment."

House Resolution 73

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The names and addresses of all persons and corporations who own tax-exempt securities in the amount of $100,000 or over issued by the Federal Government; the amount of such holdings held by each individual or corporation; kind of securities held in each case; and the interest paid on such securities per annum.

Mr. COOPER of Tennessee. Mr. Speaker, this is substantially the same type of resolution that was reported adversely by the committee a few days ago and, on a record vote of the House, was laid on the table. It is my purpose to make a similar motion with reference to this resolution.

Mr. FISH. Will the gentleman yield me 5 minutes? One of these resolutions is my own resolution.

Mr. COOPER of Tennessee. Mr. Speaker, it is my purpose to move to lay the resolution on the table, which cuts off debate. I have promised the leader on this side, and many Members, that we would not consume very much time on this matter, because it is identical with the matter on which the House has already acted.

Mr. FISH. It is not identical at all.

Mr. COOPER of Tennessee. It is practically identical. The same question is involved. I yield to the gentleman if he wishes to ask a question.

Mr. FISH. May I say to the gentleman first that it is not identical at all, because the other resolution included tax-exempt securities issued by States and municipalities, which is an entirely different thing. This one has to do with tax-exempt securities issued by the Government of the United States. I do not desire to ask the gentleman any questions, but I thought I might have 5 minutes to speak on my resolution.

Mr. COOPER of Tennessee. Mr. Speaker, I am sorry. I am acting under the direction of the committee. This is a unanimous report from the Ways and Means Committee, and I am bound to follow the directions of that committee.

Mr. Speaker, I move that the resolution be laid on the table.

The SPEAKER. The gentleman moves that the resolution be laid on the table.

Mr. FISH. Mr. Speaker, I shall ask for a division.

The question was taken; and, on a division (demanded by Mr. FISH), there were—ayes 132, noes 27.

Mr. FISH. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-nine gentlemen present; not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 243, nays 109, not voting, 79, as follows:

[Roll No. 13]

YEAS—243

Allen	Dies	Kenney	Ramspeck
Andrew, Mass.	Dingell	Kerr	Randolph
Arends	Disney	Kinzer	Ransley
Arnold	Ditter	Kleberg	Rayburn
Ashbrook	Dobbins	Knutson	Reed, Ill.
Ayers	Dockweiler	Kocialkowski	Reilly
Bacharach	Dorsey	Kopplemann	Rich
Bacon	Doughton	Kramer	Richardson
Barden	Doutrich	Lambeth	Robertson
Beam	Doxey	Lamneck	Robinson, Utah
Beiter	Drewry	Lea, Calif.	Rogers, Mass.
Bell	Driscoll	Lee, Okla.	Rogers, N. H.
Binderup	Duffey, Ohio	Lehlbach	Rogers, Okla.
Blackney	Duncan	Lewis, Colo.	Romjue
Bland	Eagle	Lloyd	Rudd
Blanton	Eaton	Luckey	Sanders, La.
Bloom	Eckert	McAndrews	Sanders, Tex.
Boehne	Edmiston	McClellan	Sandlin
Bolton	Eicher	McCormack	Schulte
Boylan	Faddis	McGrath	Scrugham
Brennan	Farley	McGroarty	Sears
Brown, Ga.	Fenerty	McKeough	Seger
Brown, Mich.	Ferguson	McLaughlin	Shanley
Brunner	Fernandez	McLean	Short
Buchanan	Fiesinger	McMillan	Sirovich
Buck	Fitzpatrick	McReynolds	Sisson
Buckbee	Flannagan	Maloney	Smith, Conn.
Bulwinkle	Ford, Calif.	Mansfield	Snell
Burch	Ford, Miss.	Martin, Mass.	South
Caldwell	Fuller	Mason	Spence
Cannon, Mo.	Gassaway	Massingale	Stack
Carden	Gifford	May	Starnes
Carmichael	Gillette	Meeks	Stewart
Cartwright	Gingery	Merritt, Conn.	Sutphin
Cary	Gregory	Merritt, N. Y.	Taber
Casey	Haines	Millard	Tarver
Cavicchia	Hamlin	Mitchell, Ill.	Taylor, Colo.
Chandler	Hancock, N. Y.	Montet	Terry
Chapman	Harlan	Moran	Thom
Church	Hartley	Nelson	Thomas
Citron	Hennings	Nichols	Thompson
Claiborne	Hess	Norton	Tolan
Cochran	Higgins, Conn.	O'Brien	Tonry
Coffee	Higgins, Mass.	O'Connell	Treadway
Cole, Md.	Hill, Ala.	O'Connor	Turner
Cole, N. Y.	Hill, Samuel B.	O'Leary	Turpin
Connery	Hobbs	Oliver	Umstead
Cooley	Holmes	O'Neal	Vinson, Ky.
Cooper, Tenn.	Hook	Owen	Walter
Corning	Hope	Palmisano	Warren
Cox	Huddleston	Parks	Weaver
Crosby	Igoe	Parsons	Whelchel
Cross, Tex.	Imhoff	Pearson	Whittington
Crowe	Jacobsen	Peterson, Fla.	Wigglesworth
Cullen	Jenckes, Ind.	Peterson, Ga.	Williams
Cummings	Jenkins, Ohio	Pettengill	Wilson, La.
Daly	Johnson, Tex.	Peyser	Wilson, Pa.
Darden	Johnson, W. Va.	Plumley	Wolcott
Darrow	Jones	Powers	Woodrum
Delaney	Kahn	Quinn	Zimmerman
Dempsey	Kee	Ramsay	

NAYS—109

Amlie	Fish	Lemke	Ryan
Andresen	Fletcher	Lord	Sauthoff
Boileau	Focht	Ludlow	Schneider
Buckler, Minn.	Gasque	Lundeen	Scott
Burdick	Gearhart	McFarlane	Secrest
Burnham	Gehrmann	McGehee	Shannon
Carlson	Gilchrist	McLeod	Smith, Wash.
Carpenter	Goodwin	Maas	Stefan
Carter	Gray, Pa.	Mahon	Stubbs
Castellow	Greenwood	Mapes	Sweeney
Christianson	Greever	Marcantonio	Taylor, S. C.
Colden	Guyer	Martin, Colo.	Taylor, Tenn.
Collins	Gwynne	Maverick	Thomason
Colmer	Harter	Michener	Thurston
Costello	Hildebrandt	Miller	Tobey
Cravens	Hill, Knute	Mitchell, Tenn.	Truax
Crawford	Hoeppel	Monaghan	Utterback
Crosser, Ohio	Hoffman	Mott	Wallgren
Culkin	Houston	Murdock	Wearin
Deen	Hull	Patterson	Werner
Dietrich	Johnson, Okla.	Perkins	Withrow
Dondero	Keller	Pierce	Wolfenden
Driver	Kimball	Pittenger	Wolverton
Dunn, Miss.	Kloeb	Polk	Wood
Dunn, Pa.	Kniffin	Rankin	Woodruff
Ekwall	Kvale	Reece	
Engel	Lambertson	Richards	
Englebright	Larrabee	Robsion, Ky.	

NOT VOTING—79

Adair	Ellenbogen	Lanham	Schaefer
Andrews, N. Y.	Evans	Lesinski	Schuetz
Bankhead	Frey	Lewis, Md.	Smith, Va.
Berlin	Fulmer	Lucas	Smith, W. Va.
Biermann	Gambrill	McDuffie	Snyder
Boland	Gavagan	McSwain	Somers, N. Y.
Brewster	Gildea	Marshall	Steagall
Brooks	Goldsborough	Mead	Sullivan
Buckley, N. Y.	Granfield	Montague	Sumners, Tex.
Cannon, Wis.	Gray, Ind.	Moritz	Tinkham
Celler	Green	O'Day	Underwood
Clark, Idaho	Greenway	O'Malley	Vinson, Ga.
Clark, N. C.	Griswold	Patman	Wadsworth
Cooper, Ohio	Hancock, N. C.	Patton	Welch
Crowther	Hart	Pfeifer	West
Dear	Healey	Rabaut	White
DeRouen	Hollister	Reed, N. Y.	Wilcox
Dickstein	Kelly	Russell	Young
Dirksen	Kennedy, Md.	Sabath	Zioncheck
Duffy, N. Y.	Kennedy, N. Y.	Sadowski	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Marshall (for) with Mr. O'Malley (against).

General pairs:

Mr. Mead with Mr. Wadsworth.
Mr. Lanham with Mr. Hollister.
Mr. Bankhead with Mr. Crowther.
Mr. Schaefer with Mr. Brewster.
Mr. Steagall with Mr. Cooper of Ohio.
Mr. Vinson of Georgia with Mr. Reed of New York.
Mr. Granfield with Mr. Welch.
Mr. McSwain with Mr. Tinkham.
Mr. Montague with Mr. Dirksen.
Mr. Sabath with Mr. Andrews of New York.
Mr. Ellenbogen with Mr. Russell.
Mr. Dear with Mr. Pfeifer.
Mr. Celler with Mr. Lucas.
Mr. Hart with Mr. Biermann.
Mr. DeRouen with Mrs. O'Day.
Mr. Clark of North Carolina with Mr. Duffy of New York.
Mr. Sullivan with Mr. Brooks.
Mr. Berlin with Mr. Patton.
Mr. Sirovich with Mr. Adair.
Mr. Smith of Virginia with Mr. Young.
Mr. Kennedy of New York with Mr. West.
Mr. Sumners of Texas with Mr. Healey.
Mr. Griswold with Mr. Snyder.
Mr. Green with Mr. Evans.
Mr. Boland with Mr. Cannon of Wisconsin.
Mr. Fulmer with Mr. Buckley of New York.
Mr. Underwood with Mr. Gavagan.
Mr. McDuffie with Mr. Wearin.
Mr. Hancock of North Carolina with Mr. Kelly.
Mrs. Greenway with Mr. Wilcox.
Mr. Somers of New York with Mr. White.
Mr. Smith of West Virginia with Mr. Utterback.
Mr. Gambrill with Mr. Schuetz.

Mr. JOHNSON of West Virginia changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

On motion of Mr. COOPER of Tennessee, a motion to reconsider was laid on the table.

TAX-EXEMPT SECURITIES

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted an adverse report on House Resolution No. 74, which is as follows:

Resolution

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The names and addresses of all persons and corporations who own tax-exempt securities, issued by the United States Government, in the aggregate amount of $50,000 or over; the amount of such holdings held by each individual or corporation; kind of securities held in each case; and the interest paid on such securities per annum.

Mr. BLANTON. Mr. Speaker, this report is identical with the last report. Could we not have the report printed in the RECORD without reading it at this time?

Mr. COOPER of Tennessee. Mr. Speaker, that is true. I ask unanimous consent that the report may be printed in the RECORD in full and not read at this time.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The report is as follows:

[H. Rept. No. 56, 74th Cong., 1st sess.]

DIRECTING THE SECRETARY OF THE TREASURY TO FURNISH THE HOUSE OF REPRESENTATIVES CERTAIN INFORMATION WITH RESPECT TO TAX-EXEMPT SECURITIES

Mr. COOPER of Tennessee, from the Committee on Ways and Means, submitted the following adverse report (to accompany H. Res. 74):

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 74) to direct the Secretary of the Treasury to transmit to the House of Representatives information with respect to certain persons and corporations who own tax-exempt securities issued by the Federal Government, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following adverse report from the Secretary of the Treasury:

THE SECRETARY OF THE TREASURY,
Washington.

DEAR MR. DOUGHTON: Reference is made to your letter of January 26, 1935, enclosing a copy of House Resolution 73, introduced by Representative FISH, of New York, and a copy of House Resolution 74, introduced by Representative BLANTON, of Texas, each of which directs the Secretary of the Treasury to transmit to the House of Representatives information with respect to certain persons and corporations who own tax-exempt securities issued by the Federal Government. You state that the Committee on Ways and Means will be pleased to receive any comments or recommendations I may care to make with respect to the proposed legislation.

Section 257 of the Revenue Act of 1926, 44 Stat. 51, regulating the furnishing of information contained in income-tax returns, provides as follows:

"(b) (1) The Secretary and any officer or employee of the Treasury Department, upon request from the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, or a select committee of the Senate or House specially authorized to investigate returns by a resolution of the Senate or House, or a joint committee so authorized by concurrent resolution, shall furnish such committee sitting in executive session with any data of any character contained in or shown by any return.

"(2) Any such committee shall have the right, acting directly as a committee, or by or through such examiners or agents as it may designate or appoint, to inspect any or all of the returns at such times and in such manner as it may determine.

"(3) Any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and the House, as the case may be."

Section 22 (b) (4) of the Revenue Act of 1932, 47 Stat. 178, excludes from gross income interest on the securities of the United States or of its possessions. However, every person owning any such securities is required to submit in his return a statement indicating the number and amount of the securities owned by him and the income received therefrom. From the tax returns there is compiled for statistical purposes a statement reflecting the total amount of tax-exempt securities owned and the income derived therefrom by all taxpayers with incomes of $5,000 or more per annum and this information could very conveniently be furnished, but to provide the information sought by the resolutions mentioned above with respect to individual taxpayers would require an examination of each and every tax return filed for the period for which such report is desired.

For the taxable year 1932 the individual returns filed to August 31, 1933, totaled 3,760,402, while the returns of corporations for the same year amounted to 481,368. For the taxable year 1933 the individual returns decreased slightly to 3,660,105, and the corporation returns were 472,174. The resolutions do not indicate whether the information is desired for a particular taxable year or for a period covering a number of taxable years. In any event it is at once apparent that the compilation of the data desired would require considerable time and involve great additional expense. It would necessitate a large expansion in the clerical force and would greatly handicap the Bureau at the present time. Numerous returns are located in the offices of the collectors of internal revenue throughout the country; others are in the hands of revenue agents who are making audits of the books and records of the taxpayers; and a great many are in process of review in the local offices of the Bureau of Internal Revenue.

For the reasons enumerated above I recommend that House Resolution 73 and House Resolution 74 be not adopted.

Very truly yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

Hon. ROBERT L. DOUGHTON,
Chairman Committee on Ways and Means,
House of Representatives.

In addition to the provisions of existing law cited by the Secretary of the Treasury, the committee also directs attention to section 3167 of the Revised Statutes, which provides as follows:

"SEC. 3167. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or to make known in any manner whatever not provided by law to any person the operations, style of work, or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law any income return, or any part thereof or source of income, profits, losses, or expenditures appearing in any income return; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding 1 year, or both, at the discretion of the court; and if the offender be an officer or employee of the United States he shall be dismissed from office or discharged from employment."

House Resolution 74

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the following information: The names and addresses of all persons and corporations who own tax-exempt securities, issued by the United States Government, in the aggregate amount of $50,000 or over; the amount of such holdings held by each individual or corporation; kind of securities held in each case; and the interest paid on such securities per annum.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. COOPER of Tennessee. I yield to the gentleman from Texas.

Mr. BLANTON. I want to say to my colleagues that this resolution was introduced by myself. I thought that this information regarding ownership of existing tax-exempt securities should have been gotten, and that we Members and the country were entitled to have it, hence I introduced the resolution; but the committee thinks that just now it is unwise to pass the resolution. I am convinced that just now they are right. I am perfectly willing to go along with the committee and wait later for the information, and allow the matter to be tabled at this time. Later we expect to get the information through the committee.

Mr. COOPER of Tennessee. Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

On motion by Mr. COOPER of Tennessee, a motion to reconsider was laid on the table.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1936

Mr. OLIVER, from the Committee on Appropriations, submitted a privileged report on the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes (Rept. No. 53), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BACON reserved all points of order.

PERMISSION TO ADDRESS THE HOUSE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that on Thursday next immediately after the disposition of business on the Speaker's table I may be permitted to address the House for 30 minutes.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, may I ask the gentleman from Massachusetts his reason for not speaking in general debate?

Mr. CONNERY. May I say to the gentleman from Colorado that I should like to have this time early in the day and

right at the start of the session because it is a very important matter which I want to discuss.

Mr. TAYLOR of Colorado. Of course, every Member should like to do the same thing.

Mr. CONNERY. In 12 years I have made this request just twice. I have never asked to speak under this sort of request except when I thought it was something very important.

Mr. OLIVER. Mr. Speaker, reserving the right to object, since it is possible that we may be able to pass the bill making appropriations for the Departments of State, Justice, Commerce, and Labor by Thursday night, I am wondering if it would be inconvenient to the gentleman to amend his request by making it Friday instead of Thursday.

Mr. CONNERY. Mr. Speaker, I will amend my request to address the House on Friday instead of Thursday.

Mr. TAYLOR of Colorado. Mr. Speaker, I will not object, but I think it is very unfortunate to start this kind of practice.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that on Friday next, after disposition of business on the Speaker's table, he may be permitted to address the House for 30 minutes. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, is that on the 30-hour week?

Mr. CONNERY. No.

Mr. BLANTON. We always like to hear the gentleman on any subject, although I am against his 30-hour-week bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JOHN M'DUFFIE

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the appointment to the Federal bench of the United States of the gentleman from Alabama [Mr. McDUFFIE], Chairman of the Committee on Insular Affairs, and I also wish to state that my colleague from the Philippines [Commissioner DELGADO] fully agrees with the sentiment which I shall express in this regard.

The SPEAKER. Is there objection?

There was no objection.

Mr. GUEVARA. Mr. Speaker, the meritorious appointment to the Federal bench of the distinguished gentleman from Alabama, Mr. McDUFFIE, Chairman of the Committee on Insular Affairs of this House, is a matter of gratification and yet of deep sorrow to the Filipino people.

It is gratifying, for it is an acknowledgment of the ability and high integrity of the gentleman from Alabama. The Filipino people therefore cannot help rejoicing over his appointment as Federal judge, an honor bestowed only on those who have distinguished themselves in the legal profession. It is a sorrow to the people of the Philippine Islands, because they will be deprived of the unselfish and patriotic services of our beloved colleague Mr. McDUFFIE.

It is not inopportune at this time to state briefly the value of the gentleman from Alabama to the cause of the American and Filipino peoples. Public Act No. 127, Seventy-third Congress, commonly known as the "Tydings-McDuffie law", bears Mr. McDUFFIE's distinguished name. In the formulation of this bill—which is now a law—he devoted himself with an interest which characterized him as an American who had at heart the honor, prestige, and pride of his Nation. He is responsible for the addition of a new and glorious chapter in the history of the American people by sponsoring Public Act 127, Seventy-third Congress. This law enabled the people of the Philippines to draft their own constitution and institute, therefore, a government better suited to their genius and traditions. It also fixes the date when independence, to which the United States is committed, is to be granted. This action, culminated through the painstaking efforts of the gentleman from Alabama, is unparalleled in the history of mankind. His endeavors found response in a sympathetic Congress and administration, and their fruitful results will never be forgotten by the Filipino people.

This House will lose a valuable, intelligent, and brilliant Member. But the Nation will gain on its Federal bench a man mentally qualified for the position and gifted with high character and honesty. Justice will be safe in his hands, and through him the citizens within his judicial district will find a full and impartial administration of justice.

Now, Mr. Speaker, just a few more words of a personal nature. I have been associated with the gentleman from Alabama [Mr. McDUFFIE] ever since I was elected to this House in 1923. My closest relationship with him, however, started when he became the Chairman of the Committee on Insular Affairs. I found in him a man who prizes the fulfillment of his duties more than anything else; but the quality I most admire in him is his profound devotion to American ideals, traditions, and principles. He inspired me to love America and the American people and to look to the future with confidence and to hope that the best interests of the Filipino people will be safeguarded by the United States in the days to come.

Mr. McDUFFIE, on behalf of the Filipino people and myself, we wish you success in your new office and assure you once more that your name will forever be in the heart of every Filipino. Our gratitude for what you have done for our country is boundless. Our only hope is that the day will come when we can show you our appreciation and gratitude.

EFFICIENCY OF THE CORPS OF ENGINEERS IN PUBLIC WORKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, in connection with the proposal to spend approximately $5,000,000,000 for public works in order to produce employment and at the same time construct public improvements that are socially useful and of lasting benefit, it would be well for us to profit by experience. General Johnson in his article in the Saturday Evening Post of January 26, 1935, gives an interesting item of experience. He says:

> If it were all to have been done over again, I would have written the statute to provide for an administrator with a small advisory board of the best construction experts in the country, but I would have used as executive officer Gen. Edward Markham, now Chief of Engineers of the United States Army.
>
> I would have built the whole decentralized territorial organization upon the basis and the pattern of the existing system of the Engineer Corps, supplementing each district engineer with a staff of civilian engineers, architects, and construction experts. It would have saved enormously in overhead. It would have accelerated speed. It would have removed worry about speculation, favoritism, and graft.

Of course, General Johnson is correct about the organization of the Corps of Engineers. However, the fundamental and intrinsic value of that organization is derived from the hearts and souls of its individuals. An organization is what its individuals make it. The United States Army is what it is primarily because of the quality of its officers and soldiers, particularly its subaltern officers. The Army Engineer organization is our best governmental organization because its members are trained and imbued with the one idea of faithfulness to public trust. Take the same organization and fill the individual positions with gangsters or incompetents and the organization would collapse. The more competent the individuals of an organization the better the organization; but unless the individual executives are trained and imbued with the essential elements of public service, in the way that Army Engineers are trained and developed, no organization could approach in excellency the Army Engineer organization. If General Johnson means by "the basis and the pattern" the use of the Army Engineer personnel as well as its organization, then he has it right.

It is my hope that the administration in its difficult task of expending usefully, economically, and efficiently some $5,000,000,000 of public money for public improvements will make the maximum use of the Army Engineers. An ideal organization for the purpose would be one built upon "the basis and the pattern" of the Army Engineers individually and collectively, that is the Army Engineer organization itself. If an Assistant Secretary of War should be placed in charge, he could direct the vast activities necessary, by using

in toto the Army Engineer organization. His small "advisory board" could be "the best construction experts in the country", namely, Army Engineer officers each supplemented with a staff of civilian engineers.

These times are like war times. Appropriations are being made in much the same way as they are made in war times. Why could not these public works be executed as construction is done in war? During the World War the Army Engineer organization expanded in record time from 277 officers to 8,000 officers. It immediately undertook work in magnitude many times greater than its greatest peacetime work. This organization was conceived and designed for just such a purpose. It is ready on instant notice to take on any quantity of construction work and expand as fast as may be necessary to accomplish the improvements desired with dispatch and efficiency. In conclusion let me say that whoever administers the vast sum being appropriated for public works, if he does not wish to travel a rough road, would do well to adopt the Army Engineers and their organization in toto, and to make the officers of the Corps of Engineers the controlling elements in both the distribution and the expenditure of the funds.

SHALL PRIVATE BUSINESS BE CRUSHED BY THE OCTOPUS OF BUREAUCRACY?

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members, the accepted axiom that if you give some individuals an inch they will be asking for a mile is typically illustrated here in the city of Washington, where the emergency bureaucrats holding high, sinecure, patronage positions are continually endeavoring to develop their individual activities, regardless of the effect which it may have upon the Nation's welfare.

I wish to register my individual protest against the expenditure of as huge an amount of money as is provided in House Joint Resolution 117, if such expenditures are to be made through the medium of day labor under the auspices of the incompetents who appear to infest the various emergency bureaus here in Washington.

If we are to maintain American wage standards and an American standard of living, and, most essential, if we are to maintain the morale of our workers, I would strongly urge that expenditures made under the authority of House Joint Resolution 117 be made, as much as practicable, on a strictly competitive basis, in accordance with existing business practices; that is, the posting of proposals and the execution of contracts predicated upon a just wage scale and a fair profit to the contractor.

BOULDER DAM STRIKING EXAMPLE OF PRIVATE EFFICIENCY

The remarkable record of efficiency in the construction of Boulder Dam under private auspices is in striking contrast to the wasteful inefficiency of the Reedsville subsistence homestead project. The Boulder Dam project, one of the largest in history, will be completed 2 years ahead of schedule, thereby affording the residents of the lower Colorado Basin two full seasons of flood control and protection not originally contemplated.

During the last year in the emergency highway-construction program the construction industry completed $400,000,000 worth of highways throughout the country in record time. Its enormous facilities should be utilized by the Government in its work program to rout unemployment and to end depression. Governmental competition in the private construction field would not only bring disaster to the construction industry, with consequent economic distress to the thousands of its employees, but it would entail unnecessary delay in the execution of the projects and thus lessen and jeopardize the efficacy of the entire program. The work program must be put into effect with all possible speed in order to relieve the distress of our people. To this end efficiency demands that we utilize immediately existing facilities and that, instead of crippling an industry of such vital importance as is the construction industry, the Federal Government join hands with private industry for their mutual benefit and the best interests of the Nation.

HOME OWNERS' LOAN CORPORATION

Mr. FITZPATRICK. Mr. Speaker, will the Chair inform the House whether or not the Home Owners' Loan Corporation bill is coming up today or when we may expect it to come up? The reason I ask this question is because on Friday afternoon and Saturday morning it was published in the Washington papers that this measure was going to be indefinitely postponed. It would be a very serious matter to have it postponed, because there are thousands of good citizens losing their homes every day that this bill is held up, and I would appeal to the Speaker and to the Congress to get this bill before the House as soon as possible so as to save the thousands of homes throughout the country that are threatened with foreclosure. [Applause.]

The SPEAKER. The Chair will state to the gentleman from New York that the bill cannot come up today, because it has not been reported by the committee having it under consideration.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL

Mr. BACON. Mr. Speaker, may I ask the gentleman from Alabama [Mr. OLIVER] if it is his purpose to take up this afternoon the bill making appropriations for the Departments of State, Justice, Commerce, and Labor?

Mr. OLIVER. It is; and I should like to ask the gentlemen who want time to let the gentleman from New York [Mr. BACON], as well as myself, know about it, so that we may yield them time today and tomorrow.

Mr. BACON. That will be entirely satisfactory. I have had some requests for time, and I wanted to be in position to inform the Members of the House with respect to the matter.

ADDITIONAL APPROPRIATIONS

Mr. BUCHANAN. Mr. Speaker, I call up the conference report on House Joint Resolution 88, making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 7, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$900,000"; and the Senate agree to the same.

That the House agree to the amendment of the Senate amending the title of the joint resolution.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. B. OLIVER,
ROBERT L. BACON,
Managers on the part of the House.

ALVA B. ADAMS,
CARTER GLASS,
FREDERICK HALE,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to House Joint Resolution No. 88, making additional

appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On nos. 1, 2, 3, and 4, relating to the Senate: Appropriates $140,000 for miscellaneous items, $75,000 for expenses of inquiries and investigations, and inserts the paragraphs prescribing when salaries of Senators filling vacancies or succeeding appointees to the Senate shall start, all as proposed by the Senate.

On no. 5: Appropriates $4,000, as proposed by the Senate, for additional expenses of the District of Columbia-Virginia Boundary Commission.

On no. 6: Appropriates $900,000 instead of $825,000, as proposed by the House, and $975,000, as proposed by the Senate, for salaries and expenses (exclusive of printing and binding) for the Securities and Exchange Commission.

On no. 7: Inserts the section, proposed by the Senate, eliminating, effective April 1, 1935, the remaining 5-percent reduction in compensation of officers and employees.

Inserts the amendment of the Senate amending the title of the joint resolution.

J. P. BUCHANAN,
EDWARD T. TAYLOR,
W. B. OLIVER,
ROBERT L. BACON,
Managers on the part of the House.

Mr. BUCHANAN. Mr. Speaker, if there are no questions, we may as well vote on the report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON LABOR

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Labor which is holding hearings on unemployment-insurance legislation may be permitted to sit while the House is in session until further notice.

Mr. BACON. Mr. Speaker, reserving the right to object, may I ask the gentleman what bills his committee is considering?

Mr. CONNERY. This is a subcommittee which is considering the Lundeen bill and other unemployment-insurance bills.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I think it is rather unusual to request such permission "until further notice."

Mr. CONNERY. They expect to have these hearings for about 10 days.

Mr. O'CONNOR. Why not ask permission for 1 week?

Mr. CONNERY. The gentleman from Pennsylvania [Mr. DUNN] is chairman of the subcommittee; and in view of the gentleman's statement, I will ask the permission for 10 days.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WASHINGTON'S BIRTHDAY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on February 22, Washington's Birthday, immediately after the reading of the Journal and disposition of matters on the Speaker's table, someone may be designated by the Speaker to read Washington's Farewell Address in the House.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I may say to my friend from Mississippi that I had the honor of reading that address a few years ago.

Mr. RANKIN. So did I.

Mr. CONNERY. And the gentleman from Mississippi should be commended for his patriotic devotion in this matter, especially since that wonderful victory in another body a few days ago, keeping America out of trouble.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. Under the rules of the House, this is Consent Calendar day. The Clerk will call the first bill upon the calendar.

ANNUAL REPORT OF THE INTERSTATE COMMERCE COMMISSION

The first bill on the Consent Calendar was the bill (H. R. 4005) to amend section of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 21 of the Interstate Commerce Act, as amended, is amended to read as follows: "The Commission shall, on or before the 1st day of January of each year, make a report which shall be transmitted to Congress and copies of which shall be distributed as are the other reports transmitted to Congress."

Mr. JENKINS of Ohio. Reserving the right to object, I think there must be some Members here who would like to know the reason for this amendment.

Mr. RAYBURN. It is for the reason that Congress does not meet in December.

Mr. JENKINS of Ohio. I withdraw the reservation.

The Clerk read the following committee amendment:

Page 1, line 5, strike out "1st" and insert "3d."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO REPEAL CITIZENSHIP STATUS OF CERTAIN ALIEN SEAMEN WHO HAVE NOT BECOME NATURALIZED AS CITIZENS

The next bill on the Consent Calendar was the bill (H. R. 67) to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision eighth of section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide a uniform rule for the naturalization of aliens throughout the United States", as amended by section 1 of the act entitled "An act to amend the naturalization laws and to repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes", approved May 9, 1918 (U. S. C., title 8, sec. 376), is hereby repealed.

SEC. 2. This act shall take effect 90 days after its enactment.

Mr. JENKINS of Ohio. Reserving the right to object, I will ask the gentleman from Virginia [Mr. BLAND] to explain the necessity for this change, and I will ask him if there are any changes proposed that will loosen up or let down the bars of immigration?

Mr. BLAND. On the contrary, the effect of this bill will be to tighten up the bars. I have information not contained in the hearings that at the Port of New York alone these 3-year certificate men filled 8,970 jobs that would have been filled by American labor if the law which we seek to repeal had not been on the statute books.

Mr. JENKINS of Ohio. The bill proposes that if these men are employed on these jobs they must be citizens.

Mr. BLAND. That is true. At the present time, notwithstanding the provisions of the Merchant Marine Act of 1928, which requires that on ocean mail vessels two-thirds of the crew shall be American citizens a crew may be made up of aliens entirely, and for this reason; if one-third of the crew is permitted to be aliens the other two-thirds may be these 3-year certificate men and you will have 100 percent aliens. Notwithstanding the fact that the law requires that 66⅔ percent shall be Americans.

Mr. JENKINS of Ohio. I notice the report says the bill was passed twice previously. If that is true, is this bill now in the exact language of the other bills?

Mr. BLAND. The bill now before the House is in the exact language of the bills passed heretofore. The bill passed the House in the Seventy-second Congress without objection. It passed the House in the Seventy-third Congress without objection. In other words, this bill has passed the House in two Congresses by unanimous consent.

Mr. COCHRAN. If the gentleman will yield, I am in sympathy with this bill. If you could get a law authorizing 100-percent Americans on a vessel I would be in favor of it.

The gentleman knows that all it requires to file a declaration of intention is to walk into the United States Court, go to the clerk's office, tell the people there the name of the ship you came over on, sign your name, and regardless of whatever conditions may arise, that man is a declarant. A man can arrive in the United States this morning and in half an hour be taken to a Federal building and declare his intention to become a citizen, and nobody can stop him.

Mr. BLAND. That may be true, but we have nothing to do with that.

Mr. COCHRAN. Then what protection have you?

Mr. BLAND. In this bill we are seeking to prevent those men who, in addition to that, may have had 3 years of service on American ships from being classed as American citizens.

Mr. COCHRAN. The mere fact that they file a declaration to become American citizens means nothing, because they can do it within half an hour after they arrive in the country.

Mr. BLAND. That is true; but under the existing law, passed in 1918, those men, if they serve 3 years on an American merchant ship or an American fishing ship, are then declared by statute to be American citizens for the purpose of the American merchant marine.

Mr. COCHRAN. Then we ought to repeal the law.

Mr. BLAND. This bill seeks to repeal that law.

Mr. COCHRAN. We should repeal it and put more teeth in the law and keep them off altogether.

Mr. BLAND. This bill does that so far as the proportion of 66⅔ required to be American citizens under the Merchant Marine Act of 1928.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. BLAND. Yes.

Mr. KVALE. Can the gentleman tell us a little about the circumstances that led to the writing of the law in the first place?

Mr. BLAND. It was written in 1918, reported from the Committee on Immigration and Naturalization, at a time when we were building a merchant marine for war purposes, and when it was evidently thought we did not have the men to go on the ships. A very large fleet was being constructed in 1918, and the law was passed to man those ships, when we were in war. The law ought to have been repealed long ago, and when the Merchant Marine Act of 1928 was passed requiring that 66⅔ percent of the crews should be American citizens, it was not in the contemplation of the committee that that 66⅔ should be made up of these so-called "3-year-certificate men."

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. BLAND. Yes.

Mr. BACON. I think the gentleman is to be heartily commended for bringing in this legislation. I am informed by reliable people in the merchant-marine business in the United States that today there is absolutely no difficulty in getting 100-percent American crews. I was told by one big ship man today that he had applications from many college graduates for positions on his boats as seamen, and I think we have an opportunity at this time to build up a real merchant-marine service, manned by 100-percent Americans.

Mr. BLAND. If this bill, which passed the House in the last Congress, had gotten through the Senate and had been on the statute books, many of the men who were employed on the *Morro Castle* could not have been employed there.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. Does not the gentleman think it advisable to remove this advantage given to aliens wherein the existing law provides it is not necessary for them to file a declaration of intention previous to the expiration of their 3 years' service?

Mr. BLAND. This does away with the whole thing. They have to become naturalized citizens. If this bill passes, they have not only to file a declaration of intention but must become American citizens, going through the second process.

Mr. WOLCOTT. I understand they have to be American citizens before they can go on the American merchant marine.

Mr. BLAND. Not necessarily, but before they can be classed in the 66⅔ percent.

Mr. WOLCOTT. They must file their declaration of intention?

Mr. BLAND. They must become American citizens if this bill becomes a law.

Mr. WOLCOTT. They are outside of the 66⅔ percent, then, although they have filed their intention to become citizens.

Mr. BLAND. Outside of that, but they could come in as an additional one-third under the Merchant Marine Act. That act would have to be amended as to that provision to prevent that.

Mr. WOLCOTT. Then, instead of giving the job to aliens, this is raising the number of American citizens in the quota.

Mr. BLAND. Yes. Last year from the port of New York over 8,000 jobs that went to these men would have gone to American citizens, naturalized or natives. Multiplied by the other ports in the country, it can be seen what that would amount to.

Mr. BACON. I am informed that one large shipping institution employs 100-percent American citizens.

Mr. BLAND. I understand that is true, but we want to reach those who do not.

Mr. KVALE. Mr. Speaker, I am thinking of these aliens who have filed their declaration to become citizens. They have had 3 years' experience. It seems to me that they should not be thrown out in the cold and treated as aliens, because eventually they intend to become citizens. They are also in need of employment, and I wish the gentleman would let the bill go over without prejudice so that I could satisfy myself along this line.

Mr. BLAND. This does not prevent their going into the one-third, but the evidence before the Committee on Immigration and Naturalization shows that those men never intend to become American citizens. This is confirmed by information that has come to the Committee on Merchant Marine, Radio, and Fisheries.

Mr. KVALE. I am not pleading their cause, but I am thinking of the others who do intend to become American citizens.

Mr. BLAND. What we want to do is to carry out the purpose of the Merchant Marine Act that they shall be naturalized or native American citizens.

Now, if a ship is not operating under an ocean mail contract or with a construction loan, the only law that is applicable to that ship is that 75 percent of the deck crew shall understand the orders of the officers. It does not affect them; also that 65 percent of the deck crew shall be able-bodied seamen. It does not prevent the employment on that class of ship. It only relates to ships operating with an ocean mail contract or with a construction loan.

Mr. KVALE. Mr. Speaker, I will withdraw my reservation of objection.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That subdivision "Eighth" of section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide a uniform rule for the naturalization of aliens throughout the United States", as amended by section 1 of the act entitled "An act to amend the naturalization laws and to repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes", approved May 9, 1918 (U. S. C., title 8, sec. 376), is hereby repealed.

SEC. 2. This act shall take effect 90 days after its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I should like to inquire if the Speaker is in a position to inform the House whether there will be any bills taken up under suspension this afternoon?

The SPEAKER. I believe there is one and, perhaps, two.

Mr. SNELL. Can the Speaker tell us what they will be, at the present time?

The SPEAKER. Unless unanimous consent is secured, one is a bill offered by the gentleman from Virginia [Mr. BLAND], making authorization with reference to control of germs which are affecting oysters.

There is another bill to which the attention of the gentleman has been called by the gentleman from New Mexico [Mr. DEMPSEY].

CONSENT CALENDAR

BRIDGE ACROSS SNAKE RIVER, CLARKSTON, WASH., AND LEWISTON, IDAHO

The Clerk called the next bill, H. R. 2030, authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I do this just to state that the policy on the Republican side with reference to bridge bills is going to be that we will have no opposition and do not intend to oppose any bills where municipalities or States or other political subdivisions are asking permission to build a bridge. We might be compelled at some time or other to object to permits to private individuals or to concerns who are asking for them for the purpose of peddling them around to sell.

I take it from the title of the bill that this is one in which two States are interested?

Mr. CHAPMAN. It authorizes the State of Washington and the State of Idaho to construct a free highway bridge.

Mr. JENKINS of Ohio. With that information, we have no objection and I will withdraw my reservation of objection.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the States of Washington and Idaho be, and are hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Snake River, at a point suitable to the interests of navigation, between Clarkston, Wash., and Lewiston, Idaho, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. There is hereby conferred upon the States of Washington and Idaho all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS ELEVEN POINTS RIVER, OREGON COUNTY, MO.

The Clerk called the next bill, H. R. 2874, granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42 in Oregon County, Mo., at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Page 1, line 5, after the word "bridge", insert the words "and approaches thereto."

Page 2, line 1, after the word "navigation", insert the words "at or near Alton, Mo."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS ST. LAWRENCE RIVER NEAR ALEXANDRIA BAY, N. Y.

The Clerk called the next bill, H. R. 3018, to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y., authorized to be built by the New York Development Association, Inc., a corporation organized under and by virtue of the membership corporation law of the State of New York, its successors and assigns, by an act of Congress approved March 4, 1929, and heretofore extended by an act of Congress approved February 13, 1931, and further heretofore extended by an act of Congress approved April 15, 1932, and heretofore further extended by acts of Congress approved February 14, 1933, and February 26, 1934, are hereby further extended 1 and 3 years, respectively, from March 4, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

On page 2, line 2, after the word "by", strike out the words "an act" and insert in lieu thereof the word "acts."

Page 2, line 3, after the figures "1932", strike out the words "and heretofore further extended by acts of Congress approved."

Page 2, line 6, after the word "from", strike out the words "March 4" and insert in lieu thereof "February 26."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS ARKANSAS RIVER NEAR KEOTA, OKLA.

The Clerk called the next bill, H. R. 3057, granting the consent of Congress to the State of Oklahoma for constructing a bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Oklahoma to construct, maintain, and operate a bridge and approaches thereto across the Arkansas River at a point approximately 15 miles north of the town of Keota and suitable to the interests of navigation, in section 9, township 10 north, range 24 east, south of the town of Sallisaw, in the counties of Sequoyah and Le Flore, in the State of Oklahoma, and conformable to United States Public Works Highway Project No. NRS 412-B (1935), in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

On page 1, line 4, after the word "a", insert the words "free highway."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended to read: "A bill granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma."

BRIDGE ACROSS DAN RIVER AT DANVILLE, VA.

The Clerk called the next bill, H. R. 3983, to legalize a bridge across the Dan River at Danville, Va.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, can the gentleman from Virginia tell us why it is necessary to get authorization at this time? I understand from the report that this is the reconstruction of an old bridge.

Mr. BURCH. They are reconstructing an old bridge.

Mr. WOLCOTT. Is this authorization requested to comply with a mere technicality?

Mr. BURCH. It results from a technicality in the law.

Mr. WOLCOTT. They went ahead on the assumption they had the authority because they had authority to build the original bridge; is that right?

Mr. BURCH. The gentleman is correct.

Mr. CHAPMAN. This is a Federal-aid bridge.

Mr. TRUAX. Mr. Speaker, reserving the right to object, is this a free bridge or a toll bridge?

Mr. BURCH. It is a free bridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the bridge (known as the "Union Street Bridge") now being reconstructed across the Dan River at Danville, Va., if completed in accordance with the plans accepted by the Chief of Engineers and the Secretary of War as providing suitable facilities for navigation and operated as a free bridge shall be a lawful structure, and shall be subject to the conditions and limitations of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906 (U. S. C., title 33, secs. 491 to 498, inclusive), other than those requiring the approval of plans by the Secretary of War and the Chief of Engineers before the bridge is commenced.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS WACCAMAW RIVER AT CONWAY, S. C.

The Clerk called the next bill, H. R. 3891, to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C., authorized to be built by the State of South Carolina, by an act of Congress approved February 10, 1932, heretofore extended by an act of Congress approved May 12, 1933, are hereby further extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ERADICATION OF MARINE ORGANISMS INJURIOUS TO SHELLFISH

The Clerk called the next bill, H. R. 4018, to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, and I think I shall object, and I shall give my reasons:

In the first place this bill calls for an authorization of $500,000. We who are charged with the responsibility of handling the Consent Calendar bills think that, because of the large amount involved the bill requires full debate, and have heretofore usually had a standard beyond which we seldom go. The purpose of the Consent Calendar is to expedite the passage of meritorious bills to which there is no objection. I think this bill is one that could well come up under suspension of the rules when we can have more time to discuss it.

Another ground of objection is that I notice as a reason given for favorable consideration is the fact that heretofore we have spent $10,000,000 for the eradication of the European corn borer and $5,000,000 for the eradication of the Mediterranean fruit fly. I do not think either of those are good reasons for the expenditure of the money asked to be authorized in the pending bill. For if no more real value is received from this expenditure than was received from those expenditures, all of us should be against it.

For these reasons, Mr. Speaker, I am opposed to the consideration of the bill at this time.

Mr. WARREN. Mr. Speaker, reserving the right to object, I am, of course, very strongly for this bill; and I hope the gentleman from Ohio will be when he hears it discussed. But I want to concur in what the gentleman from Ohio has just said, that never should any Member of this House permit a bill carrying $500,000 to go through by unanimous consent. I think the gentleman is correct in objecting to it; but we will take it up under suspension in just a few minutes.

Mr. JENKINS of Ohio. I may say to the gentleman from North Carolina that personally I shall have no objection to the bill after legitimate and careful consideration; but the bill carries too great an authorization to pass by unanimous consent.

Mr. TRUAX. Mr. Speaker, if the gentleman from North Carolina will withhold his objection, and referring to the $10,000,000 that was spent for the eradication of the European corn borer, I happen to have had something to do with that in the State of Ohio and am sorry to inform my friend from Virginia that the eradication was a failure. I fear very much that this may have a similar result.

Mr. BLAND. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 4018) to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to enable the Secretary of Commerce to meet the emergency caused by the rapid increase and continuous spread of the leech, starfish, borers, and other pests injurious to oysters, clams, and scallops in the waters of the Atlantic and Gulf States, by conducting such investigations and experiments as may be necessary to determine the best methods of controlling these pests; by the immediate application of such measures of control as in his judgment may be effective, including payments for the removal of various pests of oysters, clams, and scallops in such amounts and under such regulations as he may prescribe.

The SPEAKER. Is a second demanded?

Mr. LEHLBACH. Mr. Speaker, I demand a second.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, the situation which is brought to the attention of the House in this bill may be considered as analogous to a raging fire. The problem which immediately confronts one in the latter case is to put out the fire and then to find remedies against a repetition of the fire. The particular pests to which this bill is now more particularly directed are the wafer or leech in the South Atlantic and Gulf waters, the starfish in the North Atlantic and mid-Atlantic waters, and the screw borer or drill in the mid-Atlantic waters. The starfish and the screw borer or drill extend along practically the entire Atlantic coast. There have been in the past attempts to control some of these pests. They do not know State lines, they refuse to recognize boundaries, and they have been spreading until now a large area has been destroyed.

Let me call attention first to the situation as it exists in the Florida waters. In 1906 the wafer or leech appeared in the Indian River in Florida. This pest is about the size of a nickel and is really a round, flat worm. It has the thickness of a sheet of paper or about that thickness. In 1906 when it first appeared it destroyed the beds in Indian River. It did not appear again until 1916, and then it destroyed the oysters in that area. In January 1932 an examination was made of beds for other purposes in Apalachicola Bay, Fla., where are to be found the largest and most valuable oyster beds in the State. At that time they found none of these pests, but by December of that year it had made its appearance and destroyed very large and valuable beds.

At the end of 1934 this pest, which was found in Apalachicola Bay in the fall of 1932, had destroyed 800 acres of the most valuable oyster beds down there. They were absolutely destroyed. The witnesses who appeared before the committee said there was not a living oyster to be found in these 800 acres. It has found its way west as far as the State of

Texas. It has been found in Alabama. It has found its way north as far as Pamlico Sound, in the State of North Carolina.

It is not migratory in character, but it propagates itself very much as does the oyster, and that is by a floating organism or spawn in water which attaches itself to hard substances. It attaches itself to the barnacles and shells on the bottom of vessels plying those waters, and having been found north as far as Pamlico Sound and as far west as Texas, if it continues its ravages and its depredations with the same degree of speed it has in the past, it may soon sweep the Atlantic coast and destroy the oyster beds. The operation of this pest, and, in fact, all of the other pests, is of greater force against seed oysters than against the larger oysters, though it destroys both. With the seed oysters it will destroy a larger number in a shorter space of time.

The starfish is found in Massachusetts, Connecticut, and on down the coast. It has five points; it is a shellfish. It fixes itself upon the outside of the oyster, and feeds upon the oyster. It has been doing considerable damage. The screw borer or drill is a marine snail that implants itself upon the shell of the oyster, drills a hole, and destroys the oyster. Some of the largest beds in Virginia, New Jersey, and other States have been destroyed in this way.

You ask me what is the remedy? As to the wafer or leech, that can be conquered by taking up the shells.

Mr. McFARLANE. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Texas.

Mr. McFARLANE. May I ask the gentleman whether or not we tax these oyster beds in any way that might help to put money back in the Treasury that we would take out under this program? It looks like we ought to make this proposition self supporting.

Mr. BLAND. The United States has no tax on these beds any more than it has upon farm lands or various other things that have been menaced in the past and for which relief has been granted when it is a problem, not local in character but national in scope.

Mr. CULKIN. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from New York.

Mr. CULKIN. These oysters are an essential and necessary element in the national diet?

Mr. BLAND. The Nation as a whole does not recognize the importance of the oyster as a food. It is an important part of the food supply of the Nation. There is available information, through the Bureau of Fisheries, which shows its value as a food.

May I add right here that with all of the appropriations that have been made for agriculture and for every other thing in the Government, only $12,000 is appropriated annually for the study of oysters and the correction of pests on fish.

Mr. COCHRAN. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Missouri.

Mr. COCHRAN. I am in full sympathy with the gentleman's effort. The time to start is now. In looking at the hearings held by the Committee on Appropriations just completed, I note that the Bureau of Fisheries make absolutely no comment in reference to this condition which exists along the Atlantic seaboard and in the Gulf States. This is too important a matter to let drift, and the sooner they get to work the better it will be for all concerned.

Mr. BLAND. The hearings before the Committee on Merchant Marine, Radio, and Fisheries, which have been made available today, show that Mr. Jackson, Deputy Commissioner of the Bureau of Fisheries, and several representatives of that Bureau were present. The distribution of the money which would be used in this appropriation is set up by Mr. Jackson.

Mr. COCHRAN. I am sorry that is not in the report. I think it would have helped the gentleman's cause.

Mr. CALDWELL. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Florida.

Mr. CALDWELL. Is it not a fact that the condition which prevails in connection with the oyster industry was not called to the attention of the Bureau of Fisheries until after the Budget had been made up and until after the hearings had been held?

Mr. BLAND. Yes; that is true. The hearings we held were the outgrowth of a group of meetings of various representatives along the Atlantic coast held 2 days before, when the evidence that was presented showed that the situation was so menacing that we immediately introduced a bill and held hearings within 2 days.

Mr. BACON. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from New York.

Mr. BACON. Supplementing what the gentleman said, may I call attention to the fact there was no authorization of law which would have permitted the Committee on Appropriations to go into this situation. If this bill is passed, there will be an authorization of law, and then the Committee on Appropriations may make the necessary appropriation.

Mr. BLAND. I may say to the gentleman from New York [Mr. BACON] that the reason we did not immediately go to the Committee on Appropriations was that we recognized that there was no existing law and that there should be law in order to authorize the Committee on Appropriations to make an appropriation.

Mr. BACON. For this reason the Bureau of Fisheries did not call the situation to our attention.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I reserve the balance of my time.

Mr. LEHLBACH. Mr. Speaker, I do not care to take up any time myself with respect to this bill except to say that I am in hearty accord with it, and I think that there exists very substantial reasons for the speedy enactment of this bill. While the ravages of this wafer or leech at the present time is more particularly felt in southern waters, yet, as the gentleman from Virginia explained, in a short time it will embrace the entire Atlantic coast; and if something is not done, it will probably cause destruction of the oyster permanently on the Atlantic coast of the United States.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. May I ask if the report indicates whether or not this is contrary to the financial policy of the administration?

Mr. LEHLBACH. I do not think this was referred to the Bureau of the Budget, and I do not know whether that policy is now in existence with respect to every bill as it has been in years past. In any event, I do not know whether the Budget has ever been asked to consider this proposition or not. Undoubtedly, before an appropriation is made, and after the authorization which is all this bill contains, the Bureau of the Budget will be consulted.

Mr. JENKINS of Ohio. If the gentleman will permit, I should like to ask the chairman of the committee whether or not during the hearings or at any other time it was brought out whether this bill is in accordance with the financial program of the administration?

Mr. BLAND. I may say to the gentleman that if my house were burning down I would not wait to ask the Bureau of the Budget to approve methods of stopping the fire. This was not considered by the Bureau of the Budget. We consider ourselves a legislative committee, and it is not necessary to submit our bills to the Bureau of the Budget.

Mrs. KAHN. Will the gentleman from New Jersey yield so that I may ask the gentleman from Virginia a question?

Mr. LEHLBACH. Yes.

Mrs. KAHN. Why is the authorization confined to investigation on the Atlantic coast and among the Gulf States and does not include the Pacific coast?

Mr. BLAND. I will say to the gentlewoman from California that I asked the question at the committee hearing:

Are any of these pests found on the western coast?

Dr. PRYTHERCH. Not according to our records. The borer has been carried, I believe, to the west coast in shipments of oysters from the Atlantic coast, but it does not constitute at the present time a very serious problem out there.

The CHAIRMAN. But it may grow and may develop?

Dr. PRYTHERCH. Yes. They spend a great amount of time in caring for their beds, and most of the beds are bare at low tide, and they are enclosed in dikes, where they can easily collect the drills that are on the oysters.

There was a different situation on the Pacific coast. There was no request from the Pacific coast and the evidence showed that this condition did not exist then on the Pacific coast but showed further that unless this menace were met the Pacific coast would also be threatened.

Mr. SUTPHIN. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield to my colleague from New Jersey.

Mr. SUTPHIN. I understand that part of this money is going to be used to eliminate the starfish and borer, which is more destructive to oysters in the northern waters at the present time than the leech.

Mr. LEHLBACH. Yes; and I would like to say, Mr. Speaker, before I yield any further time, that the oyster and other shell fishermen, with respect to their beds, occupy precisely the same position as the farmer to his land and crops. He pays the same taxes on his property as the farmer; he is entitled to the protection of the Government against a destruction of his crop and of the value of his land just precisely as is the farmer. The products of his labor and of his holdings are just as valuable to the people of the country as the products of the holdings and the labor of the farmers.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. BLAND. It appeared from the evidence, as the gentleman recalls, that the oyster industry is the second largest fishing industry in the United States, ranking second to salmon.

Mr. LEHLBACH. Yes.

Mr. Speaker, I now yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, as an oyster grower for many years, I wish that I might have a longer time to tell about this industry that needs assistance. It is the second largest fishing industry ranking next to the salmon industry. At the present time the situation is most discouraging.

In the olden times nearly all the harbors and rivers along the coast were natural oyster beds, but in recent years, since the manufacturing plants have emptied poisonous matter into the bays, it is becoming difficult to find proper places to propagate the oyster. When you spend a lot of money on your leases and suddenly find your product with a little worm boring quietly into it and practically ruining your whole bed, you realize the need of assistance. When you find coming in from the ocean vast hordes of these five-fingered things called " starfish ", creeping over the beds, you again need immediate aid; and it should be given by State or Federal funds.

As someone has already said, these pests do not know State lines. One of my own towns last year spent a lot of money, and my State also spent a lot of money to eradicate these pests. The E. R. A. furnished some funds and millions of bushels of starfish were removed from certain areas. It does not seem right for one town or one State to have to put up its money when such pests do not recognize State lines.

This is a matter for the Federal Government, and, as I have often said before, it has been a disgrace that in years past, with all the money appropriated here for agriculture, the fishermen, and especially the shell fishermen, have received so little.

For 2 or 3 years I followed carefully Professor Goldstoff's experiments on the oyster. He found out many things of great interest. We have had to learn through hard experience and at much expense how to raise oysters, and now need help to protect them from all these various pests that infest them.

It is time for Congress to give greater recognition to the shell fisheries and the other fisheries as well. Twelve thousand dollars is all that has been allowed for this very important industry.

There are many things pertaining to the industry that ought to be discussed here. I am sure you would prefer to pay 30 cents for a half dozen fairly good-sized oysters on the shell than pay 30 cents for a plate of soup. When the oyster is in good condition there is nothing that compares with it as a delicious food. The oyster is food par excellence. Mr. Speaker, I am pleased to speak sincerely about this matter from my own long and bitter experience. This is an industry that needs help and needs it bady, and it is an industry that ought to be preserved.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CULKIN. The gentleman has been in the business of fighting these pests in the oyster trade?

Mr. GIFFORD. Yes; the fight has been a losing one. We can simply stand by and watch the devastation. There has not been very much that we have been able to do. Research has, indeed, helped much; and this $12,000, may I tell the House, has done much in showing how to raise the seed from the spawn. But the industry needs money now to stop this conflagration, as the gentleman from Virginia has expressed it.

Now, we do not want this leech, so-called, to get up North if it can be prevented. We have troubles enough with the borer and the starfish without having any more pests.

Mr. Speaker, I see that my time has expired. I wish I could have had time to speak at length on the value of this most important industry. [Applause.]

Mr. LEHLBACH. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, I am sorry that I must be the one to oppose this measure. In the first place recently we have heard considerable criticism and condemnation about the manner in which the $4,000,000,000 Public Works bill was passed. I think we would be liable to the same criticism if we passed this appropriation of $500,000 for the benefit of the oyster growers, without more information as to the manner in which this money is to be expended.

As I noted a while ago in the report, it cites precedents of former appropriations made by Congress for the relief of certain industries and for the eradication of certain diseases or pests with reference to the plant industry and the livestock industry.

The first item cited is that of 1925 for the eradication of the foot-and-mouth disease, appropriating $3,500,000. That was an open and shut proposition. It was purely and simply a process of eradication by killing the diseased animals by thorough disinfection. This is no such proposition.

The second remedy listed is for the eradication of these borers which pertain to oysters—not corn. They say this, " The borers have a tendency to climb above the beds for laying eggs so that hundreds of thousands of borers may be collected in this way, and then removed from the traps when lifted from the water and shaken."

I asked the sponsor of the bill, " How in the name of everything that is sensible and reasonable are you going to guarantee a permanent eradication in that way? "

We had the same thing to contend with in the European corn borer. I was secretary of the International Association for the Eradication of the Corn Borer. I was one of the committee of three. There were two others, Dean Curtis, of the College of Agriculture at Ames, Iowa, and the other George Christie, director of the experiment station at Purdue, Ind., and our committee of three obtained an approval by President Coolidge for $10,000,000 appropriation which Congress granted. The plan was to spend 80 percent of the appropriation with the farmers themselves, as is proposed in this case by the oyster farmers.

But when the appropriation was made the administration was turned over to bureaucrats in the Department of Agriculture, and instead of spending $8,000,000 with the farmers, as the committee proposed and as President Coolidge approved, the first act of the bureaucrats in the Department of

Agriculture was to expend $3,000,000 with the International Harvester Co. and with Mr. Ford and John Deere for machinery. This machinery was used only about 2 months, and the greater part of it today is stored in Government Army warehouses. What assurance have we that this appropriation, if granted, will not be handled in the same manner by the bureaucrats in the Bureau of Fisheries.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. JENKINS of Ohio. I agree with the gentleman thoroughly in his diagnosis of this proposition, that the corn-borer eradication was a total failure. Am I correct in the thought that practically nine-tenths of the endeavor to eradicate the corn borer was carried on in the State of Ohio?

Mr. TRUAX. I would not say whether 90 percent was used there.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. LEHLBACH. Mr. Speaker, I yield the gentleman 1 minute more.

Mr. TRUAX. Mr. Speaker, I am in sympathy with the problems of these oyster growers, but I think this proposition should be given more time and study, and that the Bureau of Fisheries should present to us a workable, practical program, which will accomplish something besides merely giving something else to do to the bureaucrats of the Bureau of Fisheries.

Mr. LEHLBACH. And what will become of the oysters in the meantime?

Mr. TRUAX. What has become of them in the past?

Mr. LEHLBACH. This pest is just recent, and time is of the essence in stopping it.

Mr. TRUAX. I think this whole thing is undertaken too hastily. I beg with the gentleman to give us more time to work out a real program.

This is a bill to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in Atlantic and Gulf States. We are told that the oyster industry is a phase of agriculture, that the fishermen farm the seas, the lakes, the rivers. Even so, that does not make it an industry as important to the Nation as a whole as agriculture is. If this bill were to benefit the farmers as a class or American agriculture as a whole, then I should support it. Since, however, it benefits only a very small and specialized class of producers I cannot justify it from an economic standpoint, from the viewpoint of the American taxpayer, nor can I approve of the method in which it is being railroaded through the House of Representatives. If it is of benefit to agriculture, why was it not included in the appropriation bill for the Department of Agriculture or why was it not included in the appropriation bill for the Department of Commerce where it could be given careful consideration and approval or disapproval of the Committee on Appropriations?

Webster defines shellfish, "Any aquatic invertebrate animal having a shell, esp., a mollusk or a crustacean." The word "mollusk" is defined as "any kind of a large phylum containing most of the animals popularly called shellfish except crustaceans and having a soft unsegmented body protected in most cases by a calcareous shell. It comprises the slugs, snails, mussels, clams, oysters, whelks, limpets, cuttlefishes, etc." The word "mollusk" is further defined by Webster as "Mollusca, a kind of soft nut." Far be it from me to even refer or to allude to Members of this body who are asked to vote for a $500,000 authorization to relieve and save the noble oyster now in deep, dire distress, without even dotting an "i" or crossing a "t", as belonging to that latter specie.

Some may justify their vote for this bill by recalling lines 5 and 6 of the bill, "the sum of $500,000 or so much thereof as may be necessary." Not I, however, I beg to state, since past experience and observation teach me that Federal bureaucrats invariably spend the last dollar alloted to them by Congress. If we are to authorize $500,000 to relieve the oyster, why not be equally solicitous for the clams, mussels, snails, lobsters, shrimp, and so forth. I admire the benevolence of the committee, and respect their generosity, but decry the ease with which such appropriations are obtained and the method of legislating. Like a bolt out of the clear sky we are asked to authorize the sum of $500,000, by unanimous consent of the Members, to stop the "continuous spread of the leech, starfish, borer, and other pests injurious to oysters, clams, and scallops in the waters of the Atlantic and Gulf States." Then when objection is interposed, we are asked to suspend the rules of the House of Representatives and pass this bill by a two-thirds vote of the membership.

This in the face of Nation-wide unemployment, with universal bankruptcy confronting farmers and small business men. This with the knowledge that 20,000,000 people are on State and Federal relief and that every dollar is needed to feed the hungry and clothe the naked. Had a practical, workable plan been presented, then a vote for this bill might be justified, but no such plan is offered; no official recommendation from the United States Bureau of Fisheries, who is to administer the funds if finally enacted, has to my knowledge been received. The proponents say that it is an emergency and that quick action is necessary. I deny this and challenge their statement that it is an emergency. I predict that this sporadic and ill-considered attempt to eradicate the shell borer will be fully as abortive as the $10,000,000 experiment in 1927 to eradicate the European corn borer.

On page 3 of the report to accompany H. R. 4018 we are informed: "These pests are found in all Atlantic States, and in Gulf waters, though in some areas devastation is more pronounced than in others. This pest is migratory, and also it is possible may be carried on the bottom of vessels." These two statements prove my contention that no workable, practical plan is now devised. The fact that the pest has existed for years in all waters bordering the Atlantic States and in Gulf waters, and that the pest migrates on the bottom of vessels, proves conclusively that human agencies, traps, and contrivances will be no more successful in stopping this aquatic nuisance by the Bureau of Fisheries than were the ill-fated efforts and endeavors of the bug hunters and bureaucrats of the Department of Agriculture in stopping the migrations of the European corn-borer moth.

The word "barnacles" has several times been injected into this debate. That is a word I understand and particularly when applied to this bill. The authorization by this Congress of $500,000 to relieve the American oyster, while national discord brews and human revolt foments, will simply be another one of the many, many barnacles fastened on American taxpayers by an all-too-willing legislative body.

Mr. LEHLBACH. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, I shall not need more than 3 minutes as all that I know about the matter has been told by others. Complaints are coming to me from the Texas coasts of the pests now destroying oysters there. The drill of which you have heard has been in existence there for several years, but the leech or wafer is just beginning to make its appearance. I attended the committee hearings during the hearings on the bill, and from the evidence developed there, as well as that which has been sent to me from Texas, I am thoroughly convinced that some steps must be taken, else one of our most valuable industries will soon be destroyed. There are other enemies in the way of pollution by oil, acid, and various other substances that have destroyed the oyster beds in great part.

Mr. KLEBERG. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. KLEBERG. To suggest another great difficulty which we found under the coordination bill passed by the last Congress, and that is the oversalinity of many of these waters, which has killed out gigantic beds all up and down the Texas coast.

Mr. MANSFIELD. I am informed that that is correct; and unless the Congress takes the necessary steps to protect

that industry, it is going to deteriorate until people who like to eat oysters all over this land will be very much disappointed in a few years.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. CULKIN. Is it not true also that the destruction of the beds will wipe out and destroy a group of citizens who work hard, whose means of livelihood is hazardous, and whose whole investment will be destroyed if this is not done?

Mr. MANSFIELD. The gentleman is correct. A question was asked a while ago by the gentlewoman from California [Mrs. KAHN] why this bill does not extend to the Pacific coast. These pests have not yet become known there. They were not known in the western portion of the Gulf of Mexico until recently, but as sure as time goes on I believe they will make their appearance in the Pacific waters in the next year or two if they are not stopped.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BLAND rose.

Mr. TABER. Mr. Speaker, before the gentleman from Virginia begins, will he yield to me for a moment?

Mr. BLAND. Yes.

Mr. TABER. I have been reading the report of the gentleman's committee, and there is nowhere in that report any statement that the expenditure of this fund will in any way accomplish the removal of the pest, nor is there any statement that would justify such a large expenditure of funds. Can the gentleman supply that?

Mr. BLAND. I should be glad to have the gentleman read the hearings on the bill. Although we have tried to get the hearings every day, unfortunately they were not available until this morning, when they were sent in from the Government Printing Office. The Bureau of Fisheries presented at the hearings a statement showing the way in which this money will be expended. That break-down will appear in the hearings.

For eradication and investigation of the leech in the waters of Florida and Alabama: Control—dredging, $150,000; replanting, $85,000; scientific investigation and direction, $15,000. Then for the starfish control, $110,000; scientific investigation and direction, $16,700. For control of the borer, $90,000; scientific investigation and direction, $10,600. Then for study and prevention of mortality of oysters from other causes in Louisiana, $15,000; supervision, $6,100.

The matter is fully covered.

I had just about reached the point when I was on the floor before of discussing the remedy for this pest. Since I left the floor I have been asked what the remedy would be.

First, in the Florida waters the evidence shows that the 800 acres that are now totally destroyed constitute a breeding ground from which this parasite emanates, and from which it may spread from the Florida waters up and down the coast. Now, to remedy this condition it will be necessary, where the oysters have been entirely destroyed, to remove the shells and grind them into lime, or otherwise dispose of them. Where they have been partly destroyed the remedy is to take the oysters up and carry them into fresh water, because the salinity of the waters seems to increase this pest very materially. It was recognized in 1906, reappeared in 1916, and appeared again in 1932.

As to the starfish, which plants itself on the outside of the oyster, there are two remedies that present themselves now. One is the taking up of the oyster and removal of the starfish and throwing the oyster back into the water. The other is by the use of a mesh which is dragged over the bottom with a tangle web which catches in the starfish and removes it from the body of the oyster. Of course, it is hoped that by scientific investigation and study of these problems further and speedier remedies may be found. As to the screw borer or drill, it is a marine snail that appears on the shell of the oyster. It can be removed by throwing the oyster against a screen made with a mesh sufficiently small to catch the oyster, throwing it to one side. The borers, which are smaller, pass through the mesh, and they are collected in that way. Another remedy is by means of wire bags which are suspended over the oyster beds. By "bag" I mean a trap made of chicken wire or mesh.

One of them was brought before the committee. It had been used in the State of New Jersey. The borers on rising collect in these traps and gather with the shells or oysters in the trap. On the removal of the bag from the water the borers can be shaken out. One of the bags or traps presented before the committee had a large number of these borers on the inside of the wire mesh. This situation is vastly different from that which exists with the corn borer. We are dealing with a thing on the outside; something that can be discovered and something that can be detected. Permit me to add also that 80 percent of this work which is done in the eradication of these pests will go to people who are now out of employment, the very people who are suffering from these pests that are spreading along our coast. From 80 to 86 percent of this work, according to the testimony before the committee, will go to those people.

Mr. ROBERTSON. Will the gentleman yield?

Mr. BLAND. I yield to my colleague.

Mr. ROBERTSON. I do not have a copy of the committee report. Is this bill endorsed by the Bureau of Fisheries?

Mr. BLAND. Absolutely. Dr. Jackson, Dr. Galtsoff, and Dr. Prytherch, and several other representatives of the Bureau of Fisheries, appeared before the committee.

Mr. TRUAX. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. TRUAX. The gentleman will admit that any attempts to eradicate these pests must be with pests that live and exist under water?

Mr. BLAND. That is true.

Mr. TRUAX. Then how can the gentleman ever be sure that the pest has been completey exterminated? If we allow only one of the parasites to remain there, there will be propagation.

Mr. BLAND. We fight human diseases. We fight spinal meningitis and we fight smallpox and everything else, never with the assurance that even in those cases of final eradication, but at least with the hope that we may get the malady under control. Then the States can carry out the remedies that shall be discovered by the Bureau of Fisheries, and complete the work of control or complete eradication.

Mr. TRUAX. We had great hopes of final eradication of the corn borer and tuberculosis in cattle and eradication of the foot-and-mouth disease. The gentleman, in my judgment, has failed to prove his case justifying this vast expenditure for plans that are as yet unworkable and unknown.

Mr. BLAND. I hope the House does not agree with my distinguished friend from Ohio.

Mr. CULKIN. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. CULKIN. May I observe that the gentleman from Ohio is speaking of the corn borer which is a pedestrian. The borer which the distinguished gentleman from Virginia speaks of is a swimmer.

Mr. BLAND. The corn borer is a great deal more concealed than the screw borer or drill. It is more concealed than any of these seafood pests except the wafer or leech.

Mr. CULKIN. One is a swimmer and the other is a pedestrian. The gentleman from Ohio [Mr. TRUAX] does not seem to know that.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. JENKINS of Ohio. I have made numerous inquiries in Ohio of those who were on guard watching out for the corn borer, and I have never yet seen anybody in Ohio who has ever seen a corn borer.

Mr. BLAND. We can produce samples of these pests and let you see them. In those bags that were presented to the committee I could show the gentleman how the screw borer or drill had been caught in those webs. They were presented to the committee.

Mr. JENKINS of Ohio. I think that is one very good reason which the gentleman has stated in favor of his proposition, but I should like to ask the gentleman another question. Who furnished this break-down of figures?

Mr. BLAND. The Bureau of Fisheries.

Mr. BLANTON. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. BLANTON. I am with the gentleman and have been all along. Is not this business just as important to these people as the farms are to the farmers of the United States?

Mr. BLAND. Yes. It means everything in the world to them. It means far more than that. It means the preservation for this country of one of the greatest industries it has. Our fishermen have furnished men who have gone into the Navy of the United States and fought its battles in every war in which we have been engaged. Whenever this country has been at war and men for the Navy have been needed, it has been to the water that we have turned for our sailors. I ask that you vote for this bill.

Mr. Speaker, I ask for a vote.

The SPEAKER. The question is, Shall the rules be suspended and the bill pass?

The question was taken, and the Speaker announced that in the opinion of the Chair two-thirds had voted in favor thereof.

Mr. TRUAX. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 315, nays 38, not voting 78, as follows:

[Roll No. 14]

YEAS—315

Amlie	Cravens	Hancock, N. Y.	McGroarty
Andresen	Crosby	Hancock, N. C.	McLaughlin
Andrew, Mass.	Cross, Tex.	Harlan	McLean
Andrews, N. Y.	Crosser, Ohio	Harter	McMillan
Arnold	Crowe	Hennings	McReynolds
Ashbrook	Culkin	Hess	McSwain
Bacharach	Cullen	Higgins, Conn.	Maas
Bacon	Cummings	Higgins, Mass.	Mahon
Barden	Darden	Hildebrandt	Maloney
Beiter	Darrow	Hill, Ala.	Mansfield
Bell	Deen	Hill, Knute	Mapes
Blackney	Delaney	Hill, Samuel B.	Marcantonio
Bland	Dempsey	Hobbs	Martin, Colo.
Blanton	Dies	Hollister	Martin, Mass.
Bloom	Dietrich	Holmes	Massingale
Boehne	Dingell	Hook	Maverick
Boileau	Ditter	Houston	May
Bolton	Dobbins	Huddleston	Meeks
Boylan	Dockweiler	Hull	Merritt, Conn.
Brennan	Dondero	Igoe	Merritt, N. Y.
Brooks	Dorsey	Imhoff	Michener
Brown, Ga.	Doughton	Jacobsen	Millard
Brown, Mich.	Doutrich	Jenckes, Ind.	Mitchell, Ill.
Brunner	Drewry	Jenkins, Ohio	Monaghan
Buchanan	Driscoll	Johnson, Tex.	Montet
Buck	Driver	Johnson, W. Va.	Moran
Buckler, Minn.	Duncan	Kahn	Mott
Bulwinkle	Dunn, Miss.	Kee	Murdock
Burch	Dunn, Pa.	Keller	Nelson
Burnham	Eagle	Kenney	Norton
Caldwell	Eaton	Kerr	O'Brien
Cannon, Mo.	Eckert	Kimball	O'Connell
Cannon, Wis.	Edmiston	Kleberg	O'Connor
Carden	Ekwall	Knutson	O'Leary
Carlson	Englebright	Kocialkowski	Oliver
Carmichael	Faddis	Kopplemann	O'Malley
Carter	Farley	Kramer	O'Neal
Cartwright	Fenerty	Kvale	Owen
Cary	Ferguson	Lambertson	Palmisano
Casey	Fernandez	Lambeth	Parks
Castellow	Fiesinger	Lamneck	Parsons
Cavicchia	Fish	Larrabee	Patman
Chapman	Fitzpatrick	Lea, Calif.	Patton
Christianson	Flannagan	Lehlbach	Perkins
Citron	Ford, Calif.	Lemke	Peterson, Fla.
Claiborne	Fuller	Lesinski	Peterson, Ga.
Cochran	Gasque	Lewis, Colo.	Pettengill
Coffee	Gearhart	Lewis, Md.	Peyser
Colden	Gehrmann	Lloyd	Pfeifer
Cole, Md.	Gifford	Lord	Pierce
Cole, N. Y.	Gilchrist	Lucas	Pittenger
Colmer	Gillette	Lundeen	Plumley
Connery	Gingery	McAndrews	Powers
Cooley	Goodwin	McClellan	Quinn
Cooper, Tenn.	Greenwood	McCormack	Rabaut
Corning	Greever	McFarlane	Ramsay
Costello	Gregory	McGehee	Ramspeck
Cox	Gwynne	McGrath	Randolph
Rankin	Schulte	Taylor, Colo.	Wearin
Ransley	Scott	Taylor, S. C.	Weaver
Rayburn	Scrugham	Terry	Welch
Reece	Sears	Thom	Werner
Reed, N. Y.	Seger	Thomas	West
Reilly	Shanley	Thomason	Whelchel
Rich	Shannon	Thompson	White
Richards	Sisson	Thurston	Whittington
Richardson	Smith, Conn.	Tinkham	Wigglesworth
Robertson	Smith, Va.	Tobey	Williams
Robinson, Utah	Smith, Wash.	Tolan	Wilson, La.
Rogers, Mass.	Snell	Tonry	Wilson, Pa.
Rogers, N. H.	South	Treadway	Withrow
Romjue	Stack	Turner	Wolcott
Rudd	Starnes	Turpin	Wolverton
Ryan	Steagall	Umstead	Wood
Sadowski	Stefan	Utterback	Woodruff
Sanders, La.	Stubbs	Vinson, Ky.	Woodrum
Sanders, Tex.	Sumners, Tex.	Wallgren	Zimmerman
Sandlin	Sutphin	Walter	Zioncheck
Sauthoff	Tarver	Warren	

NAYS—38

Allen	Eicher	Kniffin	Rogers, Okla.
Arends	Engel	Luckey	Secrest
Ayers	Fletcher	Ludlow	Short
Beam	Focht	McLeod	Sweeney
Binderup	Gassaway	Mitchell, Tenn.	Taber
Carpenter	Gray, Pa.	Nichols	Taylor, Tenn.
Church	Hoeppel	Patterson	Truax
Collins	Hoffman	Polk	Wolfenden
Crawford	Johnson, Okla.	Reed, Ill.	
Duffey, Ohio	Kloeb	Robsion, Ky.	

NOT VOTING—78

Adair	Disney	Hart	Pearson
Bankhead	Doxey	Hartley	Russell
Berlin	Duffy, N. Y.	Healey	Sabath
Biermann	Ellenbogen	Hope	Schaefer
Boland	Evans	Jones	Schneider
Brewster	Ford, Miss.	Kelly	Schuetz
Buckbee	Frey	Kennedy, Md.	Sirovich
Buckley, N. Y.	Fulmer	Kennedy, N. Y.	Smith, W. Va.
Burdick	Gambrill	Kinzer	Snyder
Celler	Gavagan	Lanham	Somers, N. Y.
Chandler	Gildea	Lee, Okla.	Spence
Clark, Idaho	Goldsborough	McDuffie	Stewart
Clark, N. C.	Granfield	McKeough	Sullivan
Cooper, Ohio	Gray, Ind.	Marshall	Underwood
Crowther	Green	Mason	Vinson, Ga.
Daly	Greenway	Mead	Wadsworth
Dear	Griswold	Miller	Wilcox
DeRouen	Guyer	Montague	Young
Dickstein	Haines	Moritz	
Dirksen	Hamlin	O'Day	

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Mead with Mr. Wadsworth.
Mr. Lanham with Mr. Cooper of Ohio.
Mr. Bankhead with Mr. Crowther.
Mr. Schaefer with Mr. Brewster.
Mr. Vinson of Georgia with Mr. Frey.
Mr. Granfield with Mr. Guyer.
Mr. Montague with Mr. Dirksen.
Mr. Sabath with Mr. Marshall.
Mr. Boland with Mr. Stewart.
Mr. Sullivan with Mr. Hartley.
Mr. Celler with Mr. Buckbee.
Mr. Disney with Mr. Hope.
Mr. Jones with Mr. Burdick.
Mr. DeRouen with Mr. Kinzer.
Mr. Doxey with Mr. Schneider.
Mr. Kennedy of New York with Mr. Young.
Mr. Underwood with Mr. Russell.
Mr. Spence with Mrs. O'Day.
Mr. Somers of New York with Mr. Mason.
Mr. Miller with Mr. McKeough.
Mr. McDuffie with Mr. Healey.
Mr. Schuetz with Mr. Sirovich.
Mr. Green with Mr. Pearson.
Mr. Smith of West Virginia with Mr. Wilcox.
Mrs. Greenway with Mr. Haines.
Mr. Gavagan with Mr. Ellenbogen.
Mr. Clark of North Carolina with Mr. Berlin.
Mr. Dear with Mr. Adair.
Mr. Fulmer with Mr. Buckley of New York.
Mr. Dickstein with Mr. Gambrill.
Mr. Griswold with Mr. Evans.
Mr. Kelly with Mr. Hart.
Mr. Biermann with Mr. Hamlin.
Mr. Daly with Mr. Goldsborough.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATION BILL, 1936

Mr. OLIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state

of the Union for the consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes.

Pending this motion, Mr. Speaker, I ask unanimous consent that general debate may continue without limitation this afternoon, the time to be equally divided, one-half to be controlled by the gentleman from New York [Mr. BACON] and one-half by myself, if this is agreeable to the gentleman from New York.

Mr. BACON. That will be entirely agreeable.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. The question is upon the motion of the gentleman from Alabama.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, with Mr. ROGERS of New Hampshire in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, I received in the mail this morning a report from the Federal Power Commission on electric-power rates.

I have not had the opportunity of giving this extended study, but it appears that the information contained therein will be of extreme value to the American people.

Likewise, I should like to note here that this Commission, headed by Hon. Frank R. McNinch, has some of the ablest and most practical utility and power experts in the country. The selection of the personnel appears to be an excellent one. The following is the personnel:

Federal Power Commission: Frank R. McNinch, chairman; Basil Manly, vice chairman; Claude L. Draper, commissioner; Herbert J. Drane, commissioner; Clyde L. Seavey, commissioner.

Electric Rate Survey: Basil Manly, commissioner in charge; William E. Mosher, director; Arthur R. Wellwood, assistant director; Arthur M. Dunstan, supervisor reviewing section; Lester S. Ready, chief consulting engineer; Walter H. Dunlap, supervisor compiling section; Edward P. Roll, supervisor rate-checking section; M. M. Samuels, editorial division.

The report is sent to both Houses of Congress in response to a joint resolution submitted last year. It contains no conclusions of any kind but has a vast amount of factual data from which any reasonable person can draw conclusions.

The report shows two different classes of residential consumers, representing a study of 191 American cities. Ninety-three of these are cities of 100,000 or more population, and 98 of them are from fifty to one hundred thousand. They constitute approximately 49 percent of all residential consumers, both urban and rural, in the United States.

When this Commission was authorized to make this survey as of July 1, 1934, and secure from the utilities the various rates all over the country, the past 6 months have shown some 60, or approximately one-third, of the utilities in 191 cities have reduced their rates.

Well, gentlemen, there is only one reason:

They were charging too much and reduced their rates in fear of our Government.

But, to go on with the study of rates: It was found that there was no such thing as a uniform electric rate. The report shows to date, for only residential, there are some ten to twelve thousand different rate schedules. This is due:

First. To regulations, or lack of regulations, of the various State governmental bodies.

Second. To tradition, laziness, and a desire to "cover up."

Third. To what is called the "readiness to serve", which determines the capacity of the plant, the transmission and distribution system, and thus the investment of the company. It is the basis of the investment charges in which each and every customer properly shares.

Fourth. Character and density of the population, geographical conditions, accessibility to fuel or water power, and seasonal usage enter into the cost.

In their report they have a chart of the 191 cities mentioned, showing the cost of electricity for residential service. The lowest in the 25-kilowatt-hour classification is in Cleveland, Ohio, and the cost of this service is 88 cents, serviced by the Cleveland Department of Public Utilities, a municipal plant. The highest in that same classification is Miami, Fla., which is $2.76, or more than three times as much. It is serviced by the Florida Power & Light Co., which is a subsidiary of a holding company. Note the difference in private and public ownership.

An illustration in another classification is at Tacoma, Wash., the price for this residential service would be $6.40 for 500 kilowatt-hours. It is serviced by the Tacoma Department of Public Utilities, a municipal plant; and the highest in that same classification is Yonkers, N. Y., which is $28.35, or about 4 times as much, and the service is supplied by the Yonkers Electric Light & Power Co., a subsidiary of a holding company.

Jacksonville, Fla., for instance, a municipally owned plant, has one of the highest rates and that is due to the fact that approximately 65 percent of the city budget is handled out of the utilities profits. Whatever the city needs for their budget they take. The tax rate is naturally lower than it should be, and utilities rates higher than they should be. Therefore, the only conclusion is that the Jacksonville utilities, paid for by all the people, are keeping up taxpayers, probably a disproportionate burden, no doubt giving relief mainly to big taxpayers. This appears to be a case where municipal ownership of utilities is being used for paying taxes.

An argument is made by private utilities that they pay taxes, but Jacksonville is an example of the utilities paying 65 percent of the city taxes.

The facts I state are official, but the conclusions mine. In this connection, I also desire to submit to you certain additional, plain, ordinary facts, submitted by the Department of Commerce (Bureau of the Census) in a booklet "Central Electric Light and Power Stations, 1932."

National average cost per kilowatt-hour in 1932 for domestic (residential) service: For municipal plants, 4.7 cents; for private plants, 5.6 cents. (Pp. 60 and 61, col. 6, bottom of page; also p. 66.)

For small light and power (commercial): Municipal-plant rate, 2.6 cents; private-plant rate, 4.3 cents. (Pp. 60 and 61, col. 4; also p. 68.)

Average charge for street lighting: Municipal-plant rate, 2.1 cents; private-plant rate, 4.7 cents. (See pp. 60 and 61.)

These are just facts, but everyone must conclude that it means what it says, that municipal ownership gives cheaper rates.

Every American by now knows the Power Trust, of its practices, the holding-company racket; and the only thing in the picture that looks good are the commissions that have been appointed by the Federal Government and nearly all of the States in order to regulate, investigate, and to compile factual data.

The Power Trust has heretofore shrewdly organized and, with able lawyers and propagandists and plenty of other people's money, have had their way until just recently. It cannot be denied that the Federal Trade Commission has slowed them down and that the Power Commission will now help in putting things straight.

If the Power Trust, or any part of it, cared to violate a State law or impose upon the people of a certain State, they would use a holding company. If they wished to get out of the way of the Federal Government, they used a cor-

poration incorporated under the laws of a certain State and operated wholly within that State. The private power industry has been nationally controlled, owned, and operated by private interests and by a few individuals, so why should not the people change this to operation either for or by the public interests? Heretofore the utilities and power companies—and I particularly now refer to gas and electricity—have enjoyed undisputed monopoly with little or no regulation.

I desire here to insert a table of rates on page 19 of the report:

Minimum and maximum charges for typical amounts of electricity

CITIES OF 100,000 POPULATION AND OVER

Number of kilowatt-hours	Cities with lowest bills	Service supplied by—	Amount	Cities with highest bills	Service supplied by—	Amount	Percent difference
15	Cleveland, Ohio	Cleveland Electric Illuminating Co.	$0.60	Miami, Fla.	Florida Power & Light Co.	$1.71	185
	do	Cleveland Department of Public Utilities.	.60				
	Columbus, Ohio	Columbus Division of Electricity [1]	.60				
25	Cleveland, Ohio	Cleveland Department of Public Utilities [1]	.88	do	do	2.76	213
40	do	do.[1]	1.31	do	do	4.18	219
100	Tacoma, Wash.	Tacoma Department of Public Utilities	2.40	Jacksonville, Fla.	Jacksonville Municipal Plant [1]	7.00	192
250	do	do.[1]	3.90	Yonkers, N. Y.	Yonkers Electric Light & Power Co.	15.85	306
500	do	do.[1]	6.40	do	do	28.35	343
	CITIES OF 50,000 TO 100,000 POPULATION						
15	Cleveland Heights	Cleveland Electric Illuminating Co.	$0.60	York, Pa.	Edison Light & Power Co.	$1.66	176
	Holyoke, Mass.	Holyoke Gas and Electric Department [1]	.60				
	Lakewood, Ohio	Cleveland Electric Illuminating Co.	.60				
	do	Cleveland Department of Public Utilities [1]	.60				
25	do	do.[1]	.88	New Rochelle, N. Y.	Westchester Lighting Co.	2.36	168
				Mount Vernon, N. Y.	do	2.36	168
40	do	do.[1]	1.31	Atlantic City, N. J.	Atlantic City Electric Co.	3.60	175
100	Madison, Wis.	Madison Gas & Electric Co.	2.73	New Rochelle, N. Y.	Westchester Lighting Co.	7.31	168
				Mount Vernon, N. Y.	do	7.31	168
250	Springfield, Ill.	City Water, Light, and Power Department.[1]	4.80	New Rochelle, N. Y.	do	16.31	240
				Mount Vernon, N. Y.	do	16.31	240
500	do	do.[1]	7.30	New Rochelle, N. Y.	do	28.81	295
				Mount Vernon, N. Y.	do	28.81	295

[1] Municipal plants.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. McFARLANE. Does not the gentleman think that whereas holding companies place these power companies altogether out of the control of the States that we had better regulate them?

Mr. MAVERICK. I think we ought to abolish holding companies, of course; but I think a great deal better thing would be eventually to work into Government ownership of all public utilities. [Applause.]

I believe an important thing has come before us, something that is far more important than many of the things we have considered. Also there is not the slightest doubt on earth that the American people want public control at once of all utilities—power, transportation, communication, and otherwise—and prefer new organizations to be financed, owned, and operated by themselves rather than be hooked by private profiteers.

I do not believe in the immediate taking over of utilities, but I do believe in public regulation of private utilities and public ownership where it can be done without economic waste, and a gradual acquisition by the American people of their own public resources should be our policy.

Now, a great deal has been said by the Power Trust propagandists, that industrial power is obtained more cheaply through private companies than through municipal companies. It is only fair to admit this is true.

But this is largely due to the fact that the biggest power companies in the biggest industrial centers are privately owned and the industrial power users have paid rates which in some cases just about cover the cost of generating and transmitting the current they use, leaving the burden of profit and speculation to be carried by the domestic consumers.

My information is that the industrial power users pay an average cost to the municipally owned plants of 1.7 cents per kilowatt-hour, while that paid to the private utilities is 1.5 cents per kilowatt-hour. This is the heavy industries that use approximately 60 percent of the kilowatt-hours. That is not a fair comparison, as there are only 1,990 municipally owned plants, and they are of the smaller type, only five plants being in cities over 250,000 population. Consequently, they do not have the chance to sell the large users. If they did have the chance to compete with large privately owned utilities, with this increased amount of volume, their cost would be substantially lower. Even with this handicap, the municipal plant sold for domestic service for residences cheaper than private utilities. Also, cities give many free services, have loans to pay off, and in many cases give free street lighting, do water pumping, and so on.

Now, it is not my desire to tell something that every child knows, and that is, we—I do not mean Congress, but all the people—are the Government. And every time I speak of the Government I mean the people of the United States.

And we must agree to certain facts, among these is that regulation is here forever, and the old idea of letting the boil burst is over. Also, with the acquisition of forests, the building of dams, the creation of such groups as the Tennessee Valley Authority, we can see that cooperative public ownership is here to stay.

Whether one is reactionary or liberal, all must agree that hundreds of millions have been stolen from the American people by crooked combines and dishonest propaganda, that the holding company helped in the process, and that the holding company must go.

And if we are not blind, we can certainly see the trend of the times. The trend is toward an industrial and agricultural democracy where there will be some fairer system of the distribution of wealth. [Applause.]

The Congress of the United States must consider the policy of whether we favor Government ownership or not. I do not say that we can go ahead and acquire these various utilities and power companies all at once.

However, I believe we are gradually getting to the point where we will have Government ownership—let me repeat, ownership by the people. If we do not, I believe everyone will admit we must have Government regulation. Take, for instance, the Tennessee Valley Authority, both as a shining

example of Government ownership and regulation by comparison, by sale of cheap power and the bringing down of rates. The T. V. A. is going to affect 6 or 7 States, and the idea is gradually going to spread all over the country.

Mr. CONNERY. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Massachusetts.

Mr. CONNERY. The other gentleman from Texas spoke about State regulation. Have we not had the experience of many instances where the utility boards in the States did not subscribe to the wishes of the people, and it is only since President Roosevelt started the Tennessee Valley proposition that we are getting any action at all on rates?

Mr. MAVERICK. Yes; and a further step ahead was made with the Power Commission, when they started to investigate, and 60 utilities reduced their rates before the report was made.

Mr. CONNERY. That would favor the gentleman's idea that there should be Government ownership of all public utilities of the sort which directly affect the people?

Mr. MAVERICK. Many of the State bodies, I cannot say have proved corrupt but have certainly proved inattentive to the needs of the people; and it has become necessary, because of grave abuses, to enact national legislation, to create the Power Commission, and to put enough teeth in the law to protect the people. Of course people say that the Government should not be in business. I believe also that the Government should not compete with private business, but the competition of the Tennessee Valley Authority is public business and has pushed down rates to a reasonable level.

The Government of the United States is not concerned with speculative profits in any way. They do not have to make a good showing on Wall Street; so that the Government can go into the power business and conduct it without the necessity of advertising, promotion fees, the prostituting of our schools and colleges, and, again, speculative profits. When we have reasonable rates, this forces the private companies down to the same reasonable level; therefore, I say that this report, which is a preliminary report with many more to be issued, is for information for all the people, and is an excellent thing from an educational viewpoint. This is really constructive, and we should encourage things of this kind.

Mr. BOYLAN. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from New York.

Mr. BOYLAN. What has been the experience in the gentleman's own State with reference to the regulation of these public utilities?

Mr. MAVERICK. Sad, indeed. My State, from the standpoint of the regulation of utilities, is one of the worst in the United States because it has no utilities commission at all. I believe the States of Delaware and Texas are the only two States in the Union that have no utilities commission. We have a railroad commission, which attempts to control oil and the railroads, but that is not relevant here. They let the Power Trust alone.

Mr. BOYLAN. Does not the gentleman think that he ought to recommend that his own State do something?

Mr. MAVERICK. Yes. I think there ought to be a lot of things done in Texas, but we have done so many other things right you will have to forgive us for doing one thing wrong. [Applause.]

Mr. McFARLANE. Mr. Boylan has asked you about your State utilities. What about your city?

Mr. MAVERICK. Now, do not get me into too much local politics. I can say to the gentleman, however, that we have a very large and efficient privately owned public utility, with one of the best managers in the United States. However, if anyone from my city should ask me, I would suggest that he inquire into the local rates and compare them with other rates shown in the report of the Federal Power Commission. Many of my people want municipal ownership, but that is up to them.

Mr. LLOYD. Will the gentleman yield?

Mr. MAVERICK. I yield to the gentleman from Washington.

Mr. LLOYD. When we were considering the Tennessee Valley Authority Act, it appeared that the private companies had paid practically nothing over a great many years upon the building of their plant. The gentleman spoke of the rate in Tacoma, Wash., as being the cheapest in the United States. I may offer the further suggestion that included in the rate is amortization of both plants so that they are practically paid for at the present time. That is, practically speaking, they do not owe a cent of indebtedness.

Mr. MAVERICK. I thank the gentleman very much for his observation. Your city has an enviable record, and I am glad to know the facts, and in connection with the fact that your municipality has practically paid off its obligations this, of course, has been through its profits. If that had been a privately owned utility, they would have taken the profits and paid them out on common stock, and that is the reason municipal ownership is the proper thing. In this connection may I say that the report of the Power Commission is a fair one, whereas most of the reports of privately owned utilities are unfair. They juggle figures; they have hundreds of different rates; they misrepresent the amount of taxes paid.

Gentlemen, the Power Commission is a regulatory body which will give us the facts—which will establish a yardstick—upon which we can form our conclusions.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that every Member may have 5 legislative days in which to revise and extend his remarks in connection with general debate on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I want to direct the attention of the Members of the House, and particularly the attention of my colleagues from the South, to some matters which vitally affect the welfare of the southern cotton farmers and especially the small tenant farmers.

It is, unfortunately, very difficult to approach a discussion of any pending national problem with any hope of arousing interest in any procedure that is being followed for its solution by authorities of the administration without making some sort of attack upon those who are trying to solve that problem. In other words, so long as a Member of Congress is willing to concede that those administrative authorities who are dealing with the problem are sincere and able, the disposition on the part of his listeners, if he undertakes to discuss that problem, is to say, "Well, if that is true, let them work it out. There is no need of interference by Congress."

I wish to discuss a problem today in which I feel that Congress should concern itself, and at the same time to announce my confidence in both the ability and sincerity of those departmental authorities who are trying to solve it. It is a problem the burden for whose solution properly rests on Congress and cannot be properly transferred to any administrative authority, however sincere and able that authority may be. I refer to necessary changes in procedure under the Bankhead Act.

Probably no legislation ever enacted by Congress has occasioned in its administration more bitter complaint. Going, as it did, into an entirely new field, it was to be expected that it would be found inadequate in many particulars, and that in its administration thousands of mistakes would be made. However, it was also to be expected that as mistakes were demonstrated, they would be corrected. If administrative mistakes, they should be corrected by the Department of Agriculture. If legislative mistakes, they should be corrected by Congress. My purpose today is to insist upon Congress to take action to correct demonstrated legislative mistakes in that measure and also to insure, by proper legislation, the correction of administrative errors.

Those of us who come from the South will recall the innumerable complaints of farmers against certain features of the Bankhead Act and its administration during the recent marketing season. The dissatisfaction of a large, if not a major, portion of our cotton farmers became so acute, with the balloting on the act to determine whether it should be continued in the offing, that it was deemed necessary that vigorous steps be taken to prevent an adverse vote. Assurances issued from the Secretary of Agriculture and on down through other officials of the administration of that Department, and particularly through the county agents who were in close contact with the farmers, that adequate steps would be taken to correct injustices that had been demonstrated. The President himself issued a statement shortly before the election on the Bankhead Act, indicating that legislation would be enacted to provide for an exemption of 2 bales in cases where the 5-year base average was 2 bales or less, but that statement was unfortunately not explicit in stating whether the exemption should be to the farmer with such an average or to the farm. Through all of these efforts, however, most farmers who had complaints became impressed with the belief that amendatory legislation would be passed taking care of their particular situation. It was largely on account of this feeling that the cotton farmer voted for a continuance of the Bankhead Act by a vote of around 9 to 1.

What were some of the complaints that had arisen? It is impossible to detail them all, but Congressmen from the South are familiar with them. Secretary Wallace noted one of them when he issued a statement in which he said that some sort of appellate procedure should be provided from the apportionments made by county committees. County committees are not infallible. Undoubtedly, the great majority of them acted with the most intense desire to be just and do a hard job well. And yet mistakes were necessarily made. Dependent largely upon what each farmer reported himself for their information as to his average production, they were deceived by some who got more than their share, to the injury of others who had honestly reported their yield and who, when an entire county's allotments as made by the county committee had to be cut in order to keep within that county's total allotment, which would not have been necessary if all farmers had made honest reports, had their allotments cut by a certain fixed percentage, applicable to all alike. Thus the honest men suffered and the rascal benefited. Also, some county committeemen did not have the high regard for their duties that most of them did.

I have had called to my attention instances in which county committeemen were guilty of partiality toward themselves, their relatives, their close friends. Whenever they gave any person a greater allotment than he was entitled to receive, they necessarily took away from some other person who was entitled to it part of what was his. And necessarily, where discriminations did occur, where county committeemen were unfair, the ones who benefited by their unfairness were the prominent, the influential, and the strong, and those who suffered were the poor and the weak. When, in exceptional cases, a county committeeman was of this type, he followed literally the scriptural injunction, that "unto every one that hath shall be given, * * * but from him that hath not shall be taken away even that which he hath."

I have said that in a program of this magnitude mistakes were necessarily made. We all expected them to be made; but we also expected them to be corrected when it was shown that they had been made. We did not expect, for example, that when a county committeeman rented—as in one instance about which I have been informed—a few acres of a 320-acre farm and gave to himself an allotment for those few acres greater than he accorded the operator of the entire remainder of the farm, there would be no way in which such an injustice could be corrected; and that when complaint was made, the complainant would be merely told that he must go back to his county committee, and that from no other source could he obtain redress. When the marketing season began and complaints of this character came pouring in to me, I took up with the Secretary of Agriculture, and with the chairman of the State allotment board in Georgia, the question of some appellate procedure by which manifest errors when clearly shown might be corrected. I was assured that the State allotment board would have control of such procedure. The chairman of the State allotment board called me on the long-distance phone and advised me to send these complaints to him. I sent him many hundreds in which the errors claimed were clearly pointed out. I believe that our Georgia chairman wanted to do what he could to correct these injustices; but finally, under departmental instruction, it narrowed down simply to writing the complainant a consoling letter and informing him that the action of the county committee was final. In other words, no appellate procedure was provided. I understand the department now claims it has authority to provide for consideration of appeals from the decisions of county committees without additional legislation. If so, it had that authority last year and did not exercise it.

However much in good faith the Department may be, we cannot, with full knowledge of what was done last year, discharge our duties to those farmers who did not get fair treatment unless we amend the Bankhead Act and provide for some procedure by which, when an injustice is done a farmer, he may have the right of review. In my State a man cannot have a judgment for $5 rendered against him in a justice court without having the right to carry his case by appropriate procedure from the justice court to the superior court and from the superior court to the court of appeals itself. Is it fair that where, by an unjust decision of a county committee, he is rendered liable for the payment, in order to market his cotton, of a large amount in taxes or compelled to purchase at $20 a bale certificates of exemption from others, he should not have the privilege of having his case reviewed by any authority anywhere? Perhaps his complaint is not well founded, but do you southern Congressmen not know that in many cases great injustices were done, which, under the procedure established, nobody had the power to correct unless the authority making the error, the county committee, would voluntarily correct it?

There are many hardships brought about under the law. A tenant living in 1933 on a farm where he produced 10 or 12 bales of cotton may have moved—as thousands of tenants move every year—to a farm with a 5-year base average of two or three bales, which even then may have had to be shared with other tenants. Perhaps he had a large family, trained only in raising cotton. By the necessary reduction in his allotment under the Bankhead Act, such tenants in many instances last year were brought to the verge of destitution. Congress should at least consider amending the law so as to provide for some consideration for the man as well as the farm.

Whether the Bankhead Act will be perpetuated and will accomplish its purposes is yet to be determined. It is at least a highly debatable question. I offered some observations regarding the wisdom of the act when it was passed through this House, and I am not yet convinced that a policy of rigid crop reduction is best calculated to help our farmers. However, they have indicated their desire that it be continued for this year, and I certainly feel that it is a matter as to which the wishes of the farmers themselves should control. But when they expressed their wishes, they were relying upon assurances that had been given that the law would be materially changed. One thing that ought to be remedied is the practice of a minority of our farmers in dealing unfairly with tenants. A vast majority of the cotton farmers have not only not been unfair but have been cooperating with the administration in every possible way to make its policies successful.

But occasionally we have the man who will do things like this: Landlord A calls in tenant B in the fall of 1934 and says: "Well, Bill, you've been with me for 10 years and I have been mighty well satisfied with you as a tenant; but under the Bankhead Act, I will only be allowed to raise 10 bales of cotton on this farm. I can raise that much with my own force, and if I need a little help at times I can hire it. So, Bill, I cannot rent to you for 1935." And when Bill

went out looking for land to rent elsewhere he could not find any. Now, there are thousands of "Bills" in the South today who have been evicted from their occupation of a lifetime through no fault of their own, and have nowhere to go and no way to make a livelihood for themselves and their families. Are we going to try to do anything for them? Are we willing to amend the Bankhead Act and give a little more consideration to the man instead of all consideration to the land?

Now, the purpose of these remarks is simply this: Every farmer in the South expected the Bankhead Act to be amended by this Congress. They were assured that it would be before they ever voted on it in December of last year. For more than a month I have been continually urging the Chairman of the Committee on Agriculture to begin hearings on a bill to amend the act. We all know that the cotton farmer must know as soon as possible just what he is going to be allowed to do for 1935. He cannot wait until planting time for that information. He must be able to properly pitch his crop and make his plans. Within the last few days information has reached me that the Secretary of Agriculture does not want Congress to amend the law. He takes the position that the Department can make any necessary changes by regulation. The Department of Agriculture cannot change the law. If it could or should undertake to do so, this Congress is not justified in shunting its duties over to the Department of Agriculture. The constituents of Southern Congressmen are expecting them to make necessary changes in the Bankhead Act. You, my brethren from the South, cannot afford to go home and tell your farmers that the Department of Agriculture wanted to do that for you, and you decided to let them have the responsibility. The responsibility is yours. It may be a tough job, but you not only ought to undertake it, but you ought to do it without further delay. Let us all urge the Committee on Agriculture to immediately begin hearings in this matter. Do we want to wait as last year until the last of April before we let the farmer know what to expect?

The small cotton farmer, the tenant farmer, has suffered in the administration of the Bankhead Act. We all know it; and while he may not be influential, and may not in some instances even be able to pay his taxes so as to qualify himself to vote, we are not discharging our duty if we leave his salvation to the Department of Agriculture, and fail to see that the promises, express and implied, that were made to him before he voted on the Bankhead Act are observed.

Even high authorities in the administration of the Bankhead Act realize the injustices that have come about in its enforcement. I have not even attempted to discuss them all.

Mr. Chairman, at this time I ask unanimous consent that I may include in my remarks a letter written by the chairman of the State allotment board of Georgia, outlining defects in the administration of the Bankhead Act and suggesting remedies for those defects.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The letter is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Athens, Ga., December 15, 1934.

Hon. M. C. TARVER,
Member of Congress,
Dalton, Ga.

DEAR CONGRESSMAN TARVER: As chairman of the State board of review in connection with the voluntary-control plan, and chairman of the State allotment board in connection with the administration of the Bankhead Act in Georgia, I have the following observations and suggestions to make with reference to future programs. Knowing that you are interested in working out the most satisfactory plan, I am making these observations and suggestions with the hope that they will be of help in the working out of a more satisfactory plan for 1935.

One of the suggestions I have made is, of course, that already named by the President, and I think this most vital.

1. Consideration should be given both the man and the land in arriving at a basis for contract or cotton allotment under the Bankhead Act. I would suggest 50 percent consideration for the land and 50 percent consideration for the man. This would iron out a great many of the difficulties and troubles that we now have. The present program calls for consideration only on the land in arriving at a basis for contract or cotton allotment.

2. I think a minimum allotment should be allowed a small farmer, which interpretation should include large farm acreages with small cotton-producing units. Each farmer or producing unit should be allowed at least two bales to be ginned tax free. It is not enough to say that at least 2 bales should be allowed per farm as a minimum, since there may be on a farm as many as 20 farm units, in which case a minimum of 2 bales would mean nothing.

3. There are evidences of county allotments being too small and other county allotments too large. A recheck and revision should be made by the Bureau of Crop Estimates to correct these evident errors in allotments. This, likewise, would go a long way toward helping out in such counties where injustices have been done because of incorrect county allotments.

4. The selection of community and county committees for future programs should be made by the farmers prior to the handling of any future contracts or allotments under a compulsory allotment plan, such as the Bankhead Act. The county committees and community committees that have served in the past programs had to be hurriedly selected, and this was done by a relatively small number of farmers within a county. There should be given a larger preference for the selection of these committeemen.

5. The committeemen who serve should be those whose principal, if not entire, income should be from farming. Such as the following should not be permitted to serve as committeemen: Political officeholders or those who have offered for political office within the past 2 years; ginners; warehousemen; cotton buyers; bankers lending money to farmers; supply merchants; and fertilizer salesmen. Many men under the above classifications have served as committeemen without fear or favor, but it has been a source of criticism and questioning among farmers that has been hurtful to the program and should be avoided in the future.

6. No tax-exemption certificates should be allowed to be sold by a producer unless such producer can show to the satisfaction of the county committee that he had a crop failure during the current year and is entitled to the tax exemption as crop insurance. The fact that many producers received tax-exemption certificates in excess of the requirements for marketing their crop was not understood by other producers who had to buy, and it was a source of great dissatisfaction to the producers in general.

7. I am convinced that for at least the year 1935 we need a compulsory program, along with the voluntary, in order that the object sought in adjusting surplus may be achieved in the shortest time and the most equitable way to all cotton producers concerned, for if we do not have the compulsory plan it will take longer to adjust this surplus, and the burden of accomplishing it will be borne by the big-hearted and generous farmers, while the selfish will receive returns which they have not had any part in making possible.

Trusting that these suggestions along with the many others that you have received will be of help to you in arriving at a just and equitable program, I am,

Respectfully yours,

G. V. CUNNINGHAM,
Chairman State Allotment Board and
Chairman State Board of Review, State of Georgia.

Mr. TARVER. No administration in history has ever made more earnest and sincere efforts to help the farmer than the one now in power. I conclude, as I began, with a tribute to the sincerity and ability of those dealing with the problem; but I also conclude with the insistence that we are part of this administration and that to fail to deal with that portion of its problems properly coming within the sphere of our duties is either a confession of incompetency or a breach of trust.

Mr. NICHOLS. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. From the gentleman's remarks I can see he has made quite a study of this matter. I should like to ask the gentleman whether or not in his opinion it would be advisable to amend the Bankhead law so as to make the base of crop control an acreage base rather than a lint-pound base?

Mr. TARVER. Suggestions have been made along that line which, in my opinion, ought to be carefully studied. The chairman of the State allotment board of my State suggests that in future apportionments 50 percent of the farmer's allotment ought to be allocated according to the 5-year base-production average of the farm in accordance with existing law and 50 percent in accordance with the 5-year base-production average of the man himself. In other words, that one-half of the allocation ought to be allocated according to the previous production of the farmer himself, and one-half according to the previous production of the farm on which he is located. All those matters should receive the consideration of the Committee on

Agriculture, but I am concerned over the fact that, despite the promises which were made to our farmers last fall, no steps are being taken, although we have been here more than 30 days, to work out the necessary amendments to the law.

Mr. BOILEAU. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The Committee on Agriculture did give thorough consideration to that subject last year, including the question of the limitation of acreage, and it was decided upon the overwhelming opinion of experts that if we limited merely the acreage the cotton farmers could almost double and in some cases more than double their production on the same land in acreage, which would defeat the entire purpose of the bill; so it was necessary to give a great deal of attention and consideration to the average production of the individual farmer.

Mr. TARVER. Let me suggest to my colleague that when the Committee on Agriculture was giving consideration to this problem last year they did not have the benefit of the experience in the enforcement of the Bankhead Act, which has since come about. They were dealing with a matter which had never been tried in the history of the country, and they certainly ought to be willing to give consideration to the entire subject matter in the light of the experiences, some of them rather harrowing, that have come about in the efforts to bring about enforcement of the law in an impartial way.

Mr. BOILEAU. I agree with the gentleman in that respect.

Mr. TARVER. I thank my colleague.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. CRAWFORD. Does the gentleman feel that the tying of the quota to the ownership of the land encourages racketeering and manipulation against the share-cropper and the farm tenant?

Mr. TARVER. It has undoubtedly resulted in very serious injury to the tenant population of the South.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. TARVER. There is a minority of our farmers—not, I am glad to say, anything approaching a majority, but a minority—who are owners of land and who are trying to take the selfish view that they ought to act entirely in their own interest and without regard to those who have been tenants on their lands, and there is a disposition on the part of this minority to turn their tenants loose on the world without any home, without any land to cultivate, and to reserve for themselves and their hired labor the privilege of cultivating and marketing such cotton as may be allocated to their particular farms.

In order to do justice to this class of our people, the allocation ought not to be entirely to the farm; at least, a portion of it, in my judgment, ought to be allocated to the farmer without regard to the question of his ownership of land.

Mr. CRAWFORD. From the gentleman's study of this question as applied to cotton, does he feel that the same conditions will likely prevail in all other crops to which compulsory control is applied?

Mr. TARVER. I have given no study to the problem insofar as it involves the production of other crops. My interest in the matter has actually been somewhat limited to my concern over the future of the cotton farmer. I would not feel qualified to answer the gentleman's question intelligently as to tobacco, for example, of which very little is produced in my district.

Mr. CRAWFORD. Does the gentleman think the same principle would likely apply as between landowners in other parts of the country?

Mr. TARVER. It occurs to me that might be very probable.

Mr. CRAWFORD. Does the gentleman know of any cases in the South where what you might call speculative lessees have rented lands and then stepped up these lands and rented to others and then to others and then to others, with no thought of working the lands, but simply to gather unto themselves the benefits that might flow; in other words, dealing in leases rather than the actual operation of the land?

Mr. TARVER. No; I will say to my colleague that I have not had my attention called to any cases of that particular character.

Mr. CRAWFORD. When the gentleman spoke of the $20 per bale benefit payment that some tenants are having to make——

Mr. TARVER. Where the tenant or any other cotton farmer produces cotton in excess of the amount allocated to him and desires to market it, he must either pay the tax which is levied by the Bankhead Act or must purchase from some farmer who has certificates allocated to him in excess of his production the certificates necessary for his cotton in order to authorize its marketing; and these certificates were sold, under restrictions fixed by the Secretary of Agriculture during the last season, at 4 cents per pound, or $20 per bale.

Mr. CRAWFORD. If cotton should advance to 18 or 20 cents per pound, would that certificate value likely go up?

Mr. TARVER. The certificate value, as I have stated, was fixed, and is authorized to be fixed under the terms of the act, by the Secretary of Agriculture. He might fix it at 4 cents a pound or at any other price which would appeal to him as being fair and just.

Mr. CASTELLOW. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. CASTELLOW. What is the gentleman's opinion as to the probability of securing legislation which would remedy the evils of which complaint has been, and is being, made?

Mr. TARVER. I cannot conceive that there is any possibility that we shall not carry out the promises which were made by county agents all over the South and by other authorities in the Department of Agriculture to the farmers that amendatory legislation would be enacted by the Congress. Except for the promise of the President with regard to the two-bale exemption, I know of no specific promise that has been made, but certainly the propaganda which was circulated was of such a character as to impress every farmer dissatisfied with the administration of the Bankhead Act with the idea that legislation would be enacted which would take care of his particular case; and in view of these representations made to practically all of the farmers in the South before they voted to continue the Bankhead Act, it is inconceivable to me that Congress should now adopt the attitude of saying that we will not consider any amendatory legislation at all, but will undertake to transfer this burden of bringing about corrections in the Bankhead Act to the Department of Agriculture. I think it would be a breach of faith. [Applause.]

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration H. R. 5255, making appropriations for the Departments of State and Justice and for the Judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1936, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted:

To Mr. LUCAS, indefinitely, on account of death in family;

To Mr. LANHAM, for today, on account of illness;

To Mr. MORITZ (at the request of Mr. HAINES), for 3 days, on account of the serious illness of his father;

To Mr. CAVICCHIA, for 1 week, on account of death in his family;

To Mr. MEAD, for several days, on account of attending a funeral; and

To Mr. BEITER, for several days, on account of attending a funeral.

ACTION NECESSARY ON TOWNSEND OLD-AGE REVOLVING PENSION PLAN

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STUBBS. Mr. Speaker, there are few persons who will question the statement that unemployment relief and old-age security indisputably are woven together, and it is my opinion that when we locate the solution to one of these problems we also will have discovered the solution to the other.

I dare say that every patriotic legislator in the Nation today is deeply concerned over the best method of obtaining relief from unemployment and eliminating the fear of poverty among those citizens past the age of industrial usefulness. I agree with the philosophy which refuses to accept an army of unemployed and insecure old age as necessary evils of our future. It is my opinion that we will solve the problem in a practical fashion. To do this, however, means the cooperation of every citizen. As legislators it is our particular duty to inspect every plan that comes before us with care and diligence, and treat every proposal with the same courtesy, study, and consideration that we might give to one of our own.

You will agree with me, I am confident, when I state that the suggested solution known as the "Townsend old-age revolving pension plan" is the foremost proposal of its kind before us today. It is an unusual plan, even its most avowed advocate will grant, because of its extraordinary features. The operation of this plan would involve the collection and the expenditure of a stupendous sum of money.

The fundamental truth, however, is that the size of the sum involved does not matter if the plan is fair and workable.

It will be the duty of the Members of Congress to determine if this plan is an equitable and a workable one so I bring it to your attention today, because you have shown your faith in my honesty and sincerity many times and in many ways, and I feel that it is my duty to you and to my people back home to discuss the matter briefly.

This program, known sometimes as the "revolving pension plan", is remarkable for its simplicity. It would provide $200 monthly for every person over the age of 60 years who is a citizen of this country and who does not have a record of having participated in a major crime. The money with which to operate the plan would be raised by a tax on business transactions.

According to William L. Austin, Director of the United States Bureau of the Census, there are 10,385,026 persons in this country who are 60 years of age and over. Of this number, of course, there are thousands who would not apply for a pension, and additional thousands who would not be eligible because of a criminal record and indefinite proof of citizenship. The total over 60 years of age includes 6,633,905 who are over 65 years of age, 3,863,200 who are over 70 years of age, and 1,913,196 persons who are over 75 years of age. Federal figures show that year by year the total number of persons over the age of 60 years is increasing numerically and in ratio to the total population. For instance, in 1890 persons over the age of 60 constituted 6.2 percent of the population. The percentage was boosted to 6.4 percent in 1900, to 6.8 percent in 1910, to 7.5 percent in 1920, and in 1930 persons over 60 years of age represented 8.5 percent of our total population.

In other words, gentlemen, our present-day problem of old-age security has been creeping upon us for at least 40 years to our own definite knowledge, and we failed to realize our danger. In addition it is very easy to note that we can anticipate a larger number of persons over 60 years of age, and that as a consequence our problem will be increased as time progresses rather than alleviated. That is, the problem will increase unless we act quickly. The crisis is here. We need drastic action.

There are those who laugh at the Townsend old-age revolving pension plan. I cannot agree with their doubtful sense of humor—a sense of humor which strikes terror into the hearts of 10,386,026 old persons. I particularly disagree with anyone who laughs at a proposal before studying it from every conceivable angle. Only the well-informed should question anyone or anything. Few persons have taken the trouble to study this proposal before registering an opinion. Those who laugh are not laughing at a legislative movement; they are laughing at 20,000,000 persons who are active supporters of this plan.

This old-age security plan is no laughing matter for the old folks over 60 years of age. Statistics show that most persons over that age—I believe the figure is 4 out of 5—are dependent upon others for their very existence. Of all persons who cherish independence and deserve independence it is the older person who has been cast aside by our machine age.

This revolving pension plan has been placed before Congress in the form of a bill, H. R. 3977, and is sponsored by the Honorable JOHN STEVEN MCGROARTY, a distinguished citizen, a man of sterling honesty and integrity, and a man whom I am proud to call my friend, my colleague, and my fellow Californian.

I have just returned from a meeting of the Ways and Means Committee, where Dr. Townsend, the originator of this plan, is testifying. He and the committee are straightening out many controversial points in the bill, dealing with the method of taxation, the delegation of authority, the manner of distributing the pension money, penalties for falsification, and other matters concerning the general workability of the bill. It is a fundamental principle of democracy that legislators should be given the opportunity to act on legislation, particularly if a large proportion of the citizenry favors the proposed legislation, and I hope that the 20,000,000 people who are interested in this bill will not be disappointed. I sincerely trust that Dr. Townsend and his associates will be able to convince the Ways and Means Committee that the bill is meritorious in order that it may be reported out of committee and thus give the Members of the House of Representatives an opportunity to act on the measure.

BUSINESS BEFORE THE HOUSE

Mr. OLIVER. Mr. Speaker, the gentleman from New York [Mr. BACON] and I have promised several Members time who did not find it convenient to speak this afternoon. For that reason the Committee rose earlier than it otherwise would. I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow. The day will be devoted to general debate.

Mr. MARTIN of Massachusetts. Does the gentleman think that is necessary?

Mr. OLIVER. Tomorrow will be devoted to general debate, and on Wednesday the gentleman from New York and I will make short statements relating to the bill, and we hope to pass the bill some time Thursday.

Mr. MARTIN of Massachusetts. The gentleman says that general debate will continue through tomorrow, and will he ask to come in at 11 o'clock on Wednesday?

Mr. OLIVER. As I said, tomorrow will be devoted to general debate only.

Mr. BACON. Reserving the right to object, I think there are other matters which will come up tomorrow, and I think the gentleman from Alabama is correct in asking that the House come in at 11 o'clock tomorrow.

Mr. MAPES. Reserving the right to object, there are committee meetings scheduled for tomorrow, and some of us have other engagements made far in advance which will make it impossible to be here at 11 o'clock tomorrow. The gentleman from New York states that other business may come before the House. I should like to ask what that business may be?

Mr. OLIVER. I have no information. Perhaps the gentleman from New York can answer the gentleman.

The SPEAKER. There has been a report filed from the Committee on Rules, but the Chair has no information as to whether it will be called up tomorrow or not.

Mr. MAPES. Mr. Speaker, I dislike to object, but it would inconvenience several people to have the House meet at 11 o'clock.

Mr. OLIVER. If any business should come up at 11 o'clock, I would ask the Speaker that it lay over until after 12 o'clock, when the Committee could rise so that it might be considered if such was the will of the House.

Mr. MAPES. That is rather a difficult matter to handle. It would seem to me the gentleman could run a little later in the afternoon with less inconvenience to Members than to have the House meet at 11 o'clock in the morning.

Mr. OLIVER. We could have run this afternoon later, but some of the Members who were to speak were not prepared to go on today.

Mr. MAPES. They will be tomorrow.

Mr. OLIVER. Unless the gentleman has some good reason, I hope he will not object to the request.

Mr. MAPES. I have a very good reason personally, and in addition to that I know there are some meetings of committees scheduled for tomorrow that will be interfered with if the House meets at 11 o'clock.

The SPEAKER. Is there objection?

Mr. BOILEAU. Mr. Speaker, I reserve the right to object. I do not like to object, but the Committee on Agriculture tomorrow has an important hearing, and but one meeting has been held so far for the purpose to which the meeting is to be devoted. In view of the temporary absence of the chairman to get permission of the committee to sit during the sessions of the House, I do not see how we could conduct the business we have before us in half an hour, inasmuch as the committee is scheduled to meet at 10:30 o'clock in the morning. Inasmuch as nothing more than general debate is to be indulged in tomorrow, I do not see why committee meetings should be inconvenienced just to allow Members to talk on any subject under the sun.

Mr. OLIVER. Mr. Speaker, I withdraw the request.

NATION'S FAITH IN THE GODLY

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech I delivered.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, by myself, delivered Sunday, July 7, 1934, at the Washington Memorial Chapel of the National Washington Memorial Church, Valley Forge, Pa.:

I feel here today, as a layman, somewhat diffident. To an extent, I have a sense of embarrassment, in the same way, perhaps, that Abraham Lincoln once experienced on a certain occasion after his defeat following the great debates between him and Stephen A. Douglas. He was in the city of Chicago one evening and was invited to make an address. Upon reaching the place where the address was to be made, he found it to be an assemblage of writers, and he said:

"Here I am before a group of writers. I am not a writer, and I am embarrassed almost as much as I was one night in the city of Springfield. I turned a corner rapidly, and as I did so, I ran into a woman. As we backed away after having collided, she looked at me and said, 'Oh, what an ugly man.' I said to her, 'But, lady, I can't help that.' Then she took another look at me and said, 'Well, but you might have stayed at home.'"

I have always felt that when laymen attempt to function within the sacred walls of a church; maybe, after all, it would have been better if they had stayed at home.

However, I am glad to be here for many reasons. I feel honored that the Governor of the great State of Missouri selected me to represent him on this occasion. I know that of the Congressmen who represent our State, any one of the others would have perhaps been a wiser selection.

I remember one night, many years ago—to be exact, in 1908—I was seated in front of a little hotel in Cork, Ireland. Presently there rang out some church-bell chimes that were so beautiful they sounded to me as chimes had never sounded before.

I turned to a bystander and asked, "What chimes are those?" He answered, "Those are the famous bells of Shandon." "Are they the ones described in the poem as the bells of Shandon that sound so grand on the pleasant waters of the River Lee?" I asked, and he replied in the affirmative.

I then turned to the young man with me and said, "Let us go to that church and get nearer those chimes."

It was a hot evening, and he said: "I don't want to go; I am tired; you go." It was but a short distance to the church, but still he persisted in his refusal to accompany me. Finally I said to him: "You should come with me. If your mother were here, she would go, and she would pray a couple of hours after reaching the church."

That seemed to appeal to him, and he walked up the hill with me to the church.

When we reached its portals, I looked around and looked within it, and something about its appearance caused me to make further inquiry. As a gentleman came by I asked him: "What church is this?" He said: "Why, this is a Church of England, an Episcopal Church."

Knowing that the poem, The Bells of Shandon, had been written by a Catholic priest, Father Francis Mahoney, also known as "Father Prout", I had presumed that the bells were in a church of his faith. When I learned that the church was an Episcopal one, and that the poem was inspired by the beauty of the chimes themselves, with no thought of denominationalism, the bells were dearer than ever to me.

My selection to be here today was made by Gov. Guy B. Park of Missouri. He sent me the letter written to him by Mr. C. C. Wilson, Jr., secretary of the vestry of the Washington Memorial Chapel, and asked me to represent Missouri on this day. Again I had a thought, growing out of Mr. Wilson's letter, similar to the thought I had the day I learned the denomination of the church whose bells had inspired the writing of the Bells of Shandon by a Catholic priest. In Mr. Wilson's letter to Governor Park he said, "No denominationalism should be considered in making your appointment."

If I had no other reason to want to be here, these would be sufficient: First, that it is the desire of the managing body; second, that I have been selected by the Governor of my State, who is a follower of the teachings of Alexander Campbell, while I am an humble member of the Roman Catholic Church.

FAITH AND PATRIOTISM

To me the linking of religion and patriotism, such as is done in services of this kind, is very beneficial to our civilization and contributes to the perpetuation of the ideals of the Republic.

In the early days of this Republic, in the crucial period when Valley Forge played so important a part, Washington frequently offered prayers for divine guidance.

When Jefferson, who had been a rector in the Episcopal Church, came to establish a university, he caused the motto to be inscribed above its portals: "Ye shall know the truth, and the truth shall make ye free."

We have already proved the truth of Madison's statement—that governments do better without kings and nobles than with them; and likewise the wisdom of his words that "the merit will be doubled by the other lesson that religion flourishes with greater purity without than with the aid of government."

I mention these three men—Washington, Jefferson, and Madison—for the reason they were foremost in a period of outstanding patriots.

Later on, in a most tragic period in the life of the Republic, Abraham Lincoln cried out: "I am fighting this fight in the Jeffersonian, Washingtonian, Madisonian way."

Let the story of Valley Forge, with its sufferings, privations, and patriotism, be so imprinted on the minds of all Americans that in future crises of government, should they arise, they may say, in the same spirit that inspired Lincoln: "Yes; again we are fighting in the Jeffersonian, Washingtonian, Madisonian, Valley Forge way."

In representing the great State of Missouri on this Missouri's Day at the Washington Memorial Chapel, I can think of nothing more appropriate than to read the preamble to the constitution of our State:

"We, the people of Missouri, with profound reverence for the Supreme Ruler of the Universe, and grateful for His goodness, do, for the better government of the State, establish this constitution."

Missouri came into the Union on August 10, 1821, as the twenty-fourth State. It completed the first half of the 48 States to be admitted.

In the early days of this Republic there was a profound reverence for religion on the part of those who participated in its formation.

I am sure that this Government will never be destroyed by those who believe in God nor by those who go to church. If it is destroyed, it will be destroyed by those who lack proper reverence for the basic truths of religion. Hence I feel that nothing could be more beneficial than celebrations of this kind, not only to perpetuate the inspiring memories of those who participated in the formation of this Republic but to aid in keeping the Republic in the pathways of the fathers.

THE RELIGION OF WASHINGTON

How beautiful is the thought of George Washington in prayer while leading his forces as Commander in Chief. There is the story of how Isaac Potts came upon Washington in a thicket at Valley Forge one day. Washington was upon his knees in prayer. Isaac ran to his wife and said: "All's well; all's well! George Washington will yet prevail. Thee knows that I always thought that the sword and the gospel were utterly inconsistent and that no man could be a soldier and a Christian at the same time. But George Washington has this day convinced me of my mistake."

He then told his wife what he had seen, and added: "If George Washington be not a man of God, I am greatly deceived, and still more shall I be deceived if God do not, through him, work out a great salvation for America!"

Throughout this historic country and on the highways leading into it I have found many mute evidences of Washington's devotion

to religion. Just outside of Washington City, on the old Fairfax Road, stands the Falls Church, which bears the inscription: "Of this church George Washington was a member and a vestryman." In Christ Church at Alexandria is still to be seen Washington's family pew, a sacred shrine to patriotic visitors.

In driving over route 40, which for a long way through the mountains covers the old Braddock Trail, I came upon a monument on the roadside near the fragment of the old trail that Braddock as general and Washington as colonel passed over in 1753. I got out of my automobile to read the inscription on the monument. It read: "Here lies General Braddock, who was killed in the French and Indian war. The funeral services were read by Col. George Washington."

A GOVERNMENT OF LAWS

The governments in Europe, immediately preceding the American Revolution, were in a chaotic state. The framers of our Constitution had before them the historic records of misgovernment in Europe for centuries. They prepared a document that was to give us a government of laws, not of men.

Today the world's governments are in peril. Consider the ideals of one country where, according to press dispatches, 90 men were executed after a 3-minute hearing. Let us hope that there will never come a day in America when men will be executed for mere differences of political opinion.

European apologists say that the government was within its revolutionary rights when it summarily put to death this great number of men; but they also admit that it would have been wiser to have taken measures in advance that would have obviated the necessity of such action.

The founders of our Government did that very thing; they gave to the United States a constitutional form of government which provided an orderly procedure for the protection of all rights to life, liberty, and property, and for the prosecution of all offenders against these rights. The arch enemy of America is the man who, acting as an agent for the people, takes away, directly or indirectly, any of the constitutional rights of the American citizen.

The Constitution provided a way to amend its provisions. And no one can say, with the record of the enactment and repeal of the eighteenth amendment before us, that the way provided is slow or cumbersome. The eighteenth amendment was enacted and made a part of the Constitution a very short time after the movement to have it adopted was inaugurated; and within 1 year after Congress voted its resubmission to the electorate, the American people themselves responded and took it out of the Constitution.

THE LESSON OF VALLEY FORGE

Hence those who complain that the Constitution is too rigid and inflexible can change it, if they wish, but it should be done in the way the fathers intended—by amendment, submitted to the whole electorate. It was never intended that constitutional rights, guaranteed to the citizen, should be set aside by mere legislative acts or manifestoes of the Chief Executive.

Those of Valley Forge—who marched barefooted through the snow, leaving bloodstains as they walked along; who had to ford the river on a wintry day; who slept at times on frozen ground, unsheltered; amongst whom sickness was a daily ordeal, many dying without proper care—those brave men suffered that this Government, this Republic, should come into existence. The enemy from within did everything to degrade Washington, but Washington never faltered. He faced a common enemy and likewise he faced the Tories from within. Let us hope that we of this day and our posterity shall be moved in our efforts and desire to perpetuate the Republic by the same brand of patriotism that moved our ancestors in its formation and in their efforts to establish for us a constitutional democracy, dedicated to the highest ideals of freedom, justice, and opportunity.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 4304. An act to amend the Second Liberty Bond Act, as amended, and for other purposes.

ADJOURNMENT

Mr. OLIVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 5, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

191. A letter from the Acting Secretary of Commerce, transmitting drafts of certain bills recommended for consideration at the present session of Congress; to the Committee on Interstate and Foreign Commerce.

192. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. OLIVER: Committee on Appropriations. H. R. 5255. A bill making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; without amendment (Rept. No. 53). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 94. Resolution authorizing and directing the Committee on the District of Columbia of the House to investigate all forms of criminal activity in the District of Columbia; without amendment (Rept. No. 54). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 140. Joint Resolution to provide for the completion of the publication of the writings of George Washington; with amendment (Rept. No. 57). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOBBINS: Committee on the Post Office and Post Roads. H. R. 5218. A bill to postpone the effective date of certain restrictions respecting air mail contracts; without amendment (Rept. No. 59). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 3721. A bill for the relief of Angelo J. Gillotti; without amendment (Rept. No. 58). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 2192. A bill for the relief of Harry B. Walmsley; without amendment (Rept. No. 60). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 5032. A bill to correct and complete the military record of Carl Lindow, known also as Carl Lindo; without amendment (Rept. No. 62). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 5133. A bill for the relief of Nellie Oliver; without amendment (Rept. No. 61). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 3102) granting a pension to Emma M. Pearson, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OLIVER: A bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

By Mr. CELLER: A bill (H. R. 5256) to provide for the construction of four vessels for the Coast Guard designed for ice-breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

By Mr. DREWRY: A bill (H. R. 5257) to amend section 7 of the act approved May 29, 1934 (48 Stat. 811); to the Committee on Naval Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 5258) authorizing the Reconstruction Finance Corporation to make loans for

financing buildings that were in the course of construction at the inception of the present emergency, where the owners have been unable to obtain funds through the usual channels or from the general public; to the Committee on Banking and Currency.

By Mr. SAMUEL B. HILL: A bill (H. R. 5259) to provide for the construction of a post office at Newport, Wash; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5260) to provide for the construction of a post office at Colville, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. HOPE: A bill (H. R. 5261) authorizing the appropriation of $1,000 for the erection of a tablet or marker at or near Meade, Kans., to commemorate the Lone Tree Massacre; to the Committee on the Library.

By Mr. HUDDLESTON: A bill (H. R. 5262) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLER: A bill (H. R. 5263) to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt"; to the Committee on the Library.

By Mr. KENNEY: A bill (H. R. 5264) to aid the several States and Territories and the District of Columbia in meeting emergency educational problems; to the Committee on Education.

Also, a bill (H. R. 5265) to extend the time for naturalization of alien veterans of the World War, and to authorize naturalization of certain veterans of countries allied with the United States during the World War, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. KNIFFIN: A bill (H. R. 5266) to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve Force, for the purpose of promotion to chief warrant rank"; to the Committee on Naval Affairs.

Also, a bill (H. R. 5267) to authorize the transfer of officers of the Construction Corps of the Navy to the line of the Navy for aeronautical engineering duty only, and for other purposes; to the Committee on Naval Affairs.

By Mr. LLOYD: A bill (H. R. 5268) to amend section 617 of the Revenue Act of 1932, approved June 6, 1932, as amended and supplemented; to the Committee on Ways and Means.

By Mr. LUCKEY: A bill (H. R. 5269) placing the Post Office Department upon a basis of efficiency and economy, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. O'CONNELL: A bill (H. R. 5270) to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

By Mr. RANDOLPH: A bill (H. R. 5271) to preserve from extinction the American eagle, emblem of the sovereignty of the United States of America; to the Committee on Agriculture.

By Mr. SCHNEIDER: A bill (H. R. 5272) to authorize the conveyance by the United States to the State of Wisconsin of a portion of the Eagle Bluff Lighthouse Reservation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEFAN: A bill (H. R. 5273) placing the Post Office Department upon a basis of efficiency and economy, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SWEENEY: A bill (H. R. 5274) extending the classified civil service to include special-delivery messengers; to the Committee on the Civil Service.

By Mr. WOOD: A bill (H. R. 5275) to protect labor in its old age; to the Committee on Labor.

By Mr. QUINN: A bill (H. R. 5276) to limit the amounts that may be loaned by national banking associations upon shares of stock of corporations used as collateral security for such loans; to prohibit loans upon shares of "watered" stock of public-service or other corporations; to prevent abnormal stock-market booms and the stock-market panics, bank failures, and industrial depressions that inevitably follow; to the Committee on Banking and Currency.

Also, a bill (H. R. 5277) to define and regulate the value of the dollar, to establish a 2-commodity or bimetallic unit of value, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. UNDERWOOD: A bill (H. R. 5278) to establish the Bureau of Veterans' Affairs in the Department of the Treasury, with the Commissioner of Veterans' Affairs at the head thereof; to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such Bureau; to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes; to the Committee on Expenditures in the Executive Departments.

Also, a bill (H. R. 5279) to adjust and equalize benefits for veterans and widows and dependents of veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. BLAND: A bill (H. R. 5280) to provide for the inclusion of Warner Hall, Gloucester County, Va., in the Colonial National Monument, Va., and for other purposes; to the Committee on the Public Lands.

By Mr. HANCOCK of New York: A bill (H. R. 5281) to provide for the protection of dogs trained in the service of the blind; to the Committee on the Judiciary.

By Mr. LLOYD: A bill (H. R. 5282) to extend the provisions of the Forest Exchange Act to lands adjacent to the Mount Baker National Forest, in the State of Washington; to the Committee on the Public Lands.

By Mr. McSWAIN: A bill (H. R. 5283) to amend section 2 of the act entitled "An act to regulate the making of property returns by officers of the Government", approved March 29, 1894, as amended (U. S. C., title 31, secs. 89 to 92) (giving to facts stated in certificates charging officers with loss of Government property the same status as if they had been ascertained by the General Accounting Office); to the Committee on Expenditures in the Executive Departments.

By Mr. ROMJUE: A bill (H. R. 5284) to require bidders for carrying mail on star routes to be residents within the delivery zone of such routes; to the Committee on the Post Office and Post Roads.

By Mr. ELLENBOGEN: A bill (H. R. 5285) to amend an act entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes", approved June 16, 1934; to the Committee on the Judiciary.

By Mr. FULLER: A bill (H. R. 5286) to prohibit the acceptance of Postal Savings deposits in communities where adequate banking facilities are available; to the Committee on the Post Office and Post Roads.

By Mrs. NORTON (by request): A bill (H. R. 5287) to amend the act of March 4, 1933, relating to the regulation of banking in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BINDERUP: A bill (H. R. 5288) placing the Post Office Department upon a basis of efficiency and economy, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. GEARHART: A bill (H. R. 5289) to authorize the erection of a Veterans' Administration hospital in the State of California; to the Committee on World War Veterans' Legislation.

By Mrs. GREENWAY: A bill (H. R. 5290) for the relief of certain claimants in cases of contracts connected with prosecution of the World War; to the Committee on Military Affairs.

By Mr. LAMBERTSON: A bill (H. R. 5291) to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEA of California: A bill (H. R. 5292) to provide for the measurement of vessels using the Panama Canal, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 5293) to prevent profiteering in time of war and to equalize the burdens of war and thus to promote the national defense; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5294) requiring the War Department to follow a uniform procedure in selecting trainees from the Officers' Reserve Corps for active-duty assignments; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5295) requiring the War Department to make the award of the Purple Heart Medal decoration to any soldier upon presentation of proof of wounds if such proof is such as is acceptable to the Veterans' Administration when a claim is filed for compensation; to the Committee on Military Affairs.

By Mr. ROGERS of Oklahoma: A bill (H. R. 5296) to provide Federal aid for public schools, and for other purposes; to the Committee on Education.

By Mr. WOLCOTT: A bill (H. R. 5297) to amend section 22 (g) of the Federal Reserve Act relating to loans to executive officers of member banks; to the Committee on Banking and Currency.

By Mr. McGRATH: Joint resolution (H. J. Res. 151) authorizing and requesting the President to invite the countries of the world to participate in the San Francisco Exposition of 1938, at San Francisco, Calif.; to the Committee on Foreign Affairs.

By Mr. CITRON: Joint resolution (H. J. Res. 152) for the preservation and restoration of the frigate *Hartford* as a national museum and making Hartford, Conn., its home port; to the Committee on Naval Affairs.

By Mr. ROGERS of Oklahoma: Joint resolution (H. J. Res. 153) authorizing the issuance of a special postage stamp commemorating the romantic settlement of various Indian tribes in Oklahoma and honoring the famous Indian Chief Sequoyah, inventor of the Cherokee alphabet; to the Committee on the Post Office and Post Roads.

By Mr. McGRATH: Joint resolution (H. J. Res. 154) to define foreign policies of the United States; to the Committee on Foreign Affairs.

By Mr. O'CONNOR: Joint resolution (H. J. Res. 155) relating to the continuance on the pay rolls of certain employees in cases of death of Representatives, Delegates, and Resident Commissioners; to the Committee on Accounts.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

Memorial of the Legislature of the State of New York, regarding the manufacture of firearms; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5298) granting a pension to Nettie B. Shores; to the Committee on Pensions.

By Mr. CARPENTER: A bill (H. R. 5299) granting a pension to Faye E. Gulley; to the Committee on Pensions.

By Mr. DUNCAN: A bill (H. R. 5300) for the relief of Joy Sturgis; to the Committee on War Claims.

By Mr. EKWALL: A bill (H. R. 5301) granting a pension to Myrtle J. Buzan; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 5302) granting a pension to Roy E. Proskey; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 5303) for the relief of Charles W. Eaton; to the Committee on Naval Affairs.

By Mr. GOLDSBOROUGH: A bill (H. R. 5304) for the relief of George E. Titter; to the Committee on Claims.

Also, a bill (H. R. 5305) for the relief of Cecil Lodge, No. 125, Ancient Free and Accepted Masons; to the Committee on Claims.

Also, a bill (H. R. 5306) to provide for a survey of the waters of the Chesapeake Bay and its tributaries with reference to depletion of the supply of certain fish; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 5307) for the relief of Mallery Toy; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 5308) granting a pension to Elizabeth Hammer; to the Committee on Invalid Pensions.

By Mr. HARLAN: A bill (H. R. 5309) for the relief of Robert Green; to the Committee on Naval Affairs.

By Mr. JENKINS of Ohio: A bill (H. R. 5310) granting a pension to David Jones; to the Committee on Invalid Pensions.

By Mr. KELLY: A bill (H. R. 5311) for the relief of John Brown; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 5312) granting a pension to Joseph B. Geiter; to the Committee on Invalid Pensions.

By Mr. KLOEB: A bill (H. R. 5313) granting a pension to Effie P. Chiles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5314) granting a pension to Anna E. Routson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5315) granting a pension to Hazel Corene Covault; to the Committee on Pensions.

Also, a bill (H. R. 5316) granting an increase of pension to Cecelia A. Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5317) for the relief of Paul Winters York; to the Committee on Military Affairs.

Also, a bill (H. R. 5318) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James A. Sherbundy; to the Committee on Claims.

By Mr. KRAMER: A bill (H. R. 5319) for the relief of Hilbert R. Hall; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 5320) granting a pension to Fred E. Ricketts; to the Committee on Pensions.

By Mr. McANDREWS: A bill (H. R. 5321) for the relief of Charles E. Names; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 5322) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 5323) to tax the Donner-Hanna Coke Corporation; to the Committee on Ways and Means.

By Mr. NELSON: A bill (H. R. 5324) granting an increase of pension to Mamie F. Presley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5325) for the relief of Ira L. Reeves; to the Committee on Military Affairs.

Also, a bill (H. R. 5326) granting a pension to Hattie Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5327) granting a pension to Ethel Kapp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5328) granting a pension to Belle Hockensmith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5329) granting a pension to Willie A. McDonald; to the Committee on Pensions.

By Mr. REILLY: A bill (H. R. 5330) granting a pension to Jennie Bowen; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5331) granting a pension to Mary E. Brummett; to the Committee on Pensions.

Also, a bill (H. R. 5332) granting a pension to Ollie G. Collins; to the Committee on Pensions.

Also, a bill (H. R. 5333) granting a pension to Rebecca A. Wilder; to the Committee on Pensions.

Also, a bill (H. R. 5334) for the relief of Robert Chadwell; to the Committee on Military Affairs.

Also, a bill (H. R. 5335) granting an increase of pension to Joseph Woods; to the Committee on Pensions.

By Mr. ROGERS of New Hampshire: A bill (H. R. 5336) for the relief of George D. Johnson; to the Committee on Naval Affairs.

Also, a bill (H. R. 5337) for the relief of Wilson G. Bingham; to the Committee on Military Affairs.

By Mr. SHORT: A bill (H. R. 5338) granting a pension to Stillman Garrett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5339) granting a pension to Nancy Ellen Satterlee; to the Committee on Pensions.

By Mr. SMITH of Connecticut: A bill (H. R. 5340) for the relief of Carmine Sforza; to the Committee on Claims.

Also, a bill (H. R. 5341) granting Stanley Harrison the privilege of filing application for benefits under the Emergency Officers' Retirement Act; to the Committee on Naval Affairs.

By Mr. SNYDER: A bill (H. R. 5342) granting an increase of pension to Emma C. Love; to the Committee on Invalid Pensions.

By Mr. STEAGALL: A bill (H. R. 5343) for the relief of W. L. Horn; to the Committee on Military Affairs.

By Mr. SWEENEY: A bill (H. R. 5344) for the relief of Daniel E. Craig; to the Committee on Military Affairs.

Also, a bill (H. R. 5345) granting an increase of pension to L. Z. Phillips; to the Committee on Pensions.

Also, a bill (H. R. 5346) granting an increase of pension to Daniel E. Craig; to the Committee on Pensions.

By Mr. TARVER: A bill (H. R. 5347) for the relief of Bertha Moseley Bottoms; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5348) for the relief of William W. Perryman; to the Committee on Military Affairs.

Also, a bill (H. R. 5349) for the relief of M. E. Parmalee; to the Committee on Military Affairs.

By Mr. WELCH: A bill (H. R. 5350) granting a pension to Katherine Mueller; to the Committee on Pensions.

Also, a bill (H. R. 5351) for the relief of Rose Teiermeyer; to the Committee on Claims.

By Mr. MERRITT: A bill (H. R. 5352) for the relief of Ferry Wilson; to the Committee on Claims.

By Mr. WOOD: A bill (H. R. 5353) for the relief of Northrop Banks; to the Committee on Military Affairs.

Also, a bill (H. R. 5354) granting a pension to Irma Mendenhall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5355) granting a pension to Missouri Pettis Benton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

721. By Mr. BELL: Petition of citizens of Jackson County, advocating the adoption of House Resolution 2856, introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

722. Also, resolution of the Aubuchon-Dennison Post, No. 186, of the American Legion; to the Committee on World War Veterans' Legislation.

723. By Mr. BOYLAN: Senate Concurrent Resolution No. 34, adopted by the Assembly and Senate of the State of New York, referring to the enactment by Congress of a law compelling manufacturers of firearms to mark such firearms with a serial number, etc.; to the Committee on the Judiciary.

724. By Mr. BRUNNER: Resolution of United Polish Societies of Jamaica, Jamaica, N. Y., in the interest of the 8,000 home owners who have applied for loans, urging Congress to enact such legislation as will take care of as many of those distressed cases who are in urgent need of mortgage relief as are worthy of consideration; to the Committee on Banking and Currency.

725. Also, resolution of the Rego Park Democratic Club, Elmhurst, Long Island, N. Y., urging Congress to allot an additional sum of money to the Home Owners' Loan Corporation to carry on its activities; to the Committee on Banking and Currency.

726. Also, resolution of the Central Queens Allied Civic Council, Inc., Jamaica, Long Island, N. Y., urging Congress to make an additional appropriation to continue the activities of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

727. Also, resolution of the Jackson Heights Community Council, Jackson Heights, N. Y., through its secretary, Miss Rose L. Robilotta, asking that the Home Owners' Loan Corporation continue to make loans, and that the Federal Housing Act of 1934 be amended so that the interest charged mortgagees be 4 percent; to the Committee on Banking and Currency.

728. By Mr. BUCKBEE: Petition of Harriet Faxon and other residents of DeKalb County, Ill., requesting the passage of House bill 2856, which would provide for a Federal old-age pension system; to the Committee on Ways and Means.

729. Also, petition of John Good and other citizens of Morris, Ill., requesting the passage of the bill introduced by Representative ROGERS of Oklahoma (H. R. 2856) to provide for a Federal old-age-pension system; to the Committee on Ways and Means.

730. Also, petition of Lee Portee and other residents, of De Kalb County, Ill., requesting the passage of the bill introduced by Representative ROGERS of Oklahoma (H. R. 2856) to provide for a Federal old-age-pension system; to the Committee on Ways and Means.

731. By Mr. BUCKLER of Minnesota: Petition of Fred McGregor, Martin Mossefin, James Heng, and 153 other citizens, of Crookston, Minn., praying for passage of the Townsend old-age-pension bill; to the Committee on Ways and Means.

732. Also, petition of Ole Gullickson, vice chairman, and other members of the Beltrami County (Minn.) Farmer-Labor Association, all residents of Beltrami County of Minnesota, praying for legislation to pay the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

733. By Mr. COLDEN: Communication from William Messenger, Los Angeles, Calif., regarding unemployment and the general business depression throughout the country, and suggesting measures for the relief of such conditions; to the Committee on Ways and Means.

734. By Mr. CRAWFORD: Petitions of numerous citizens of Lake Odessa, Corunna, and Saginaw, Mich., urging the enactment of the McGroarty old-age-pension bill (H. R. 3977); to the Committee on Ways and Means.

735. By Mr. DEMPSEY: Petition of the Legislature of New Mexico; to the Committee on Ways and Means.

736. By Mr. DEROUEN: Petition of citizens of Allen Parish, La., endorsing the old-age-pension bill (H. R. 2856) by Representative WILL ROGERS; to the Committee on Ways and Means.

737. By Mr. FULMER: Concurrent resolution of the House of Representatives of the State of South Carolina, the Senate concurring, urging the United States Senators and the Members in the National House of Representatives from South Carolina, to assist in lowering the present high Federal tax on liquor; to the Committee on Ways and Means.

738. By Mr. HOEPPEL: Resolution of the Council of the City of Los Angeles, urging support of the joint resolution, providing for Nation-wide telephone investigation by the Communications Commission; to the Committee on Interstate and Foreign Commerce.

739. By Mr. JENKINS of Ohio: Petition presented by 15 citizens of Jackson County, Ohio, urging and demanding that the old-age-pension bill, sponsored by Dr. J. E. POPE and Representative ROGERS, of Oklahoma, be enacted into law; to the Committee on Ways and Means.

740. By Mr. KENNEY: Petition of Senate and House of the State of New Jersey, urging Congress refrain from en-

tertaining legislation which has for its purpose the removal from the Newark Metropolitan Airport of the metropolitan air-mail service; to the Commttee on the Post Office and Post Roads.

741. Also, petition of New Jersey State League of Municipalities, endorsing the bill (H. R. 2803) to provide for additional funds for the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

742. Also, petition of the New Jersey Farm Bureau of Trenton, N. J., resolving that the Agricultural Adjustment Act be amended so as to prohibit any farmer from receiving benefit payment for crop reduction unless the acreage taken out of production is not used to grow cash crops or is devoted only to soil-improvement crops; to the Committee on Agriculture.

743. By Mr. LAMNECK: Petition of Pauline H. Knight and other citizens, of Columbus, Ohio, urging that the Nye munitions' investigation be continued; to the Committee on Military Affairs.

744. Also, petition of Mrs. Myron S. Siebert and other citizens, of Columbus, Ohio, urging for the continuance of the Nye munitions' investigation; to the Committee on Military Affairs.

745. By Mr. LANHAM: Petition of a number of citizens of Johnson County, Tex., favoring the old-age-pension bill (H. R. 2856); to the Committee on Ways and Means.

746. By Mr. LUCKEY: Resolution memorializing the Congress of the United States to establish an arboretum at Nebraska City, Nebr.; to the Committee on Agriculture.

747. By Mr. McCLELLAN: Petition of residents of Desha County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

748. Also, petition of residents of Drew County, Ark., regarding House bill 2856 by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

749. Also, petition of residents of Arkansas County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

750. Also, petition of residents of Lincoln County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

751. Also, petition of residents of Cleveland County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

752. Also, petition of residents of Dallas County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

753. Also, petition of residents of Jefferson County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

754. Also, petition of residents of Lonoke County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

755. Also, petition of residents of Grant County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

756. Also, petition of residents of Hot Springs County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

757. Also, petition of residents of Saline County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

758. Also, petition of residents of Garland County, Ark., regarding House bill 2856, by Representative ROGERS of Oklahoma; to the Committee on Ways and Means.

759. By Mr. MARTIN of Colorado: Petitions of residents of Colorado in behalf of House bill 2858, by Representative ROGERS of Oklahoma, providing a national system of old-age pensions (the Pope plan); to the Committee on Ways and Means.

760. By Mr. MEAD: Petition of the Senate of the State of New York, requesting the Federal Government to enact laws to control the uncontrolled market of firearms; to the Committee on the Judiciary.

761. Also, Petition of the Erie County Board of Supervisors, New York State, complimenting Buffalo's Representatives in Congress for their continued support of the Niagara River sewage-disposal project; to the Committee on Rivers and Harbors.

762. Also, petition of the City Council of Lockport, N. Y., requesting that the Erie Barge Canal, both western and eastern sections, be improved; to the Committee on Military Affairs.

763. By Mr. MILLER: Petition of Mr. and Mrs. Williston Bates and other residents of Randolph County, Ark., asking for the enactment of an adequate old-age pension law; to the Committee on Ways and Means.

764. Also, petition of Cleve Davis and others, of Lawrence County, Ark., asking for the enactment of an adequate old-age-pension law; to the Committee on Ways and Means.

765. Also, petition of Mary Foreman and others, of Izard County, Ark., asking for the enactment of an adequate old-age-pension law; to the Committee on Ways and Means.

766. Also, petition of David M. Rosier and others, of Fulton County, Ark., asking for the enactment of an adequate old-age-pension law; to the Committee on Ways and Means.

767. Also, petition of M. W. Sargent and 1,734 other citizens, of Sharp County, Ark., asking that an adequate old-age-pension law be enacted; to the Committee on Ways and Means.

768. By Mr. PLUMLEY: Petition of W. M. O'Brien and some 20 other individuals, of Waterbury, Vt., registering their opposition to the passage by Congress of the Black-Connery bill or any other bill designed to reduce to 30 hours the working hours per week in industry; to the Committee on Labor.

769. By Mr. ROGERS of New Hampshire: Joint resolution adopted by the Legislature of the State of New Hampshire, asking Congress to amend the Internal Revenue Act so that the net income, if any there be, derived from the operation of a State system of liquor control should be clearly exempt from taxation by the Federal Government; to the Committee on Ways and Means.

770. By Mr. ROMJUE: Petition of State Council of Pennsylvania, Junior Order United American Mechanics, asking for legislation making it mandatory upon all aliens in the United States to immediately declare their intention of citizenship; that all aliens be required to register at once in their respective counties to proper authority; that any alien failing to register, when required by law, or failing to declare such intention of citizenship 90 days therefrom be subject to deportation as undesirables by the United States Department of Labor; to the Committee on Immigration and Naturalization.

771. Also, petition of State Council of Pennsylvania, Junior Order United American Mechanics, opposing the United States being made a haven for diseased, criminal, communistic, anarchistic, or illegally entered aliens; to the Committee on Immigration and Naturalization.

772. Also, petition of the House of Representatives of the Fifty-eighth General Assembly of the State of Missouri, through its chief clerk, favoring the passage of such legislation as is necessary for the immediate payment of the balance due on World War adjusted-service certificates, with remittance of interest and other charges against the principal sum of such certificates; to the Committee on Ways and Means.

773. By Mr. SANDERS of Texas: Petitions of citizens of Wood, Rusk, Panola, Smith, Upshur, and Gregg Counties, Tex., urging passage of old-age-pension legislation as embodied in House bill 2856, by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

774. By Mr. SNELL: Petition of residents of northern New York, relating to legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

775. Also, petition of the Legislature of the State of New York, memorializing the Congress of the United States to enact with all convenient speed the Costigan antilynching

bill or other like legislation which will prevent the punishment or destruction of persons accused or suspected of crime in any other way or by any other authority than by due process of law and by a duly constituted court of justice; to the Committee on the Judiciary.

776. Also, petition of the Legislature of New York State, memorializing the Congress of the United States to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; to the Committee on Ways and Means.

777. By Mr. SNYDER: Petition of H. C. Stickel and 30 residents of Dawson, Fayette County, Pa., and vicinity, favoring old-age pensions; to the Committee on Ways and Means.

778. By Mr. TABER: Petitions of A. Peters and 19 other citizens of Catoosa County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

779. Also, petitions of J. A. Massey and 15 other citizens of Dade County; Omer Peter Roberson and 14 other citizens of Floyd County; Sarah Pace and 19 other citizens of Floyd County; Margaret Jenkins and 14 other citizens of Dade County; Kiggie Nelson and 6 other citizens of Bartow County; Ella Cash and 15 other citizens of Haralson County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

780. Also, petitions of Mary M. Edwards and 17 other citizens of Chattooga County; Emma Smith and 6 other citizens of Floyd County; Walter L. Rogers and 16 other citizens of Murray County; Mrs. Malley Rich and 9 other citizens of Murray county; J. F. McDonald and 14 other citizens of Haralson County; D. W. Long and 2 other citizens of Gordon County; Mrs. J. A. Beaver and 10 other citizens of Walker County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

781. By Mr. TURNER: Petitions (56) from National Old Age Pension Association and the Non-Partisan Voters' Secret League, regarding House bill 2856; to the Committee on Ways and Means.

782. By Mr. WALLGREN: Memorial from the Legislature of the State of Washington, approving immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

783. By Mr. WIGGLESWORTH: Petition of mayor and city council of the city of Brockton, Mass., urging the immediate reopening of the shoe code in justice to shoe workers; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 5, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord God, Thou who art the abiding reality of the universe, we wait at Thy mercy seat in prayer. Everything that is best is here: the supreme pattern of character and where is inspired the essential principle of a good life. Send us forth with the ideal that we shall help the world while in the world we stay. May we never allow our conscience to be dulled or our affections chilled toward our fellow men where the lamp of happiness glows dim and gray. Do Thou enable us to hold to the realities of power, greatness, and everlasting joy by avoiding the false and flattering things of life. O Father of Light, O Spirit Divine, touch our souls that we may breathe the ampler air of meditation and devotion; delight the inner eye with constant vision of the pure and beautiful; lead us to drink afresh of the eternal fountain and rejoice in the glory of a golden sun and a purple sky. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF MEMBER

The SPEAKER laid before the House the following communication, which was read by the Clerk:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D. C., February 5, 1935.

The SPEAKER THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

SIR: There is on file in this office a certificate of election in due form of law showing the election of Hon. CHARLES A. HALLECK as a Representative to the Seventy-fourth Congress from the Second Congressional District of the State of Indiana to fill the vacancy in that district.

Yours very truly,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. SNELL. Mr. Speaker, the gentleman from the Second Congressional District of the State of Indiana, Mr. CHARLES A. HALLECK, is present and desires to take the oath of office.

Mr. HALLECK appeared at the bar of the House and took the oath of office.

OLD-AGE PENSIONS ARE NOT YET A REALITY

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, there is a tremendous and well-nigh unanimous sentiment today in every section of the country for genuine old-age pensions. Therefore I want to examine how much that sentiment has been able to crystallize itself into laws.

What old-age pension laws do we have today? What are their provisions? Do they provide old-age pensions? Are they genuine? Or do they exist in name only?

With this information before us we can then establish what old-age-pension laws we should have and what the prospects for obtaining them are.

STATE OLD-AGE PENSIONS AS THEY EXIST TODAY DO NOT PROVIDE REAL SECURITY FOR THE AGED

There are 28 States in the Union and 2 Territories, Alaska and Hawaii, which have old-age-pension laws. In 8 of these 28 States the laws exist only on the statute books. No old-age pensions whatever are being paid. In 10 other States very little is paid out on old-age pensions, so that in 18 States out of the 28 old-age-pension laws exist only on paper and not in reality.

Even in the other States the old-age-pension laws are inadequate. In these 10 States, 6 provide for an age limit of 70 years and 4 for an age limit of 65 years. And note this: There is not a single State or Territory in the Union which provides for old-age pensions at 60 years.

The best old-age-pension laws in the Nation are those of the States of New York and Massachusetts. These States do not establish a specific maximum pension, thus permitting persons to receive as much as is needed for a decent and healthy life. For instance, in the city of New York the pension is higher than elsewhere in the State, because the cost of living is higher in larger cities. The average pension for the State of New York as a whole for 1933 was $22.16; for New York City the average probably amounts to around $40.

EVEN THE BEST OF THE STATE OLD-AGE-PENSION LAWS HAVE SERIOUS DEFECTS

But even the old-age-pension laws of New York State and of Massachusetts have serious defects. They do not give a pension until a person is 70 years of age and provide that the pensioner must have resided in the State for at least 10 years.

According to the census figures of 1930 New York State had 373,878 persons 70 years of age and over, and therefore eligible. Of these only 51,228, or 13.7 percent, were receiving pensions in 1933. The total amount of old-age pensions paid out by the State of New York in 1933 amounted to $13,592,080.

Let me give some more figures: Of the 28 States I have mentioned, 14 States provide a minimum age limit of 70 years, 13 a minimum age limit of 65 years, and 1 a minimum age limit of 68 years; 15 States provide for a maximum pay-

ment of $30, 6 States for a maximum of $25, 2 States for a maximum of $20, and 3 States provide for less than $20 per aged person.

PENNSYLVANIA HAS NO OLD-AGE-PENSION LAW IN ANY REAL SENSE

Now, what about my own State, Pennsylvania? Pennsylvania does have an old-age-pension law, because our supreme court said we could not have one. It will therefore be necessary to amend the constitution of the State of Pennsylvania before it can have a real old-age-pension law.

Pennsylvania does have an old-age-assistance law. It was passed in January 1934, but did not take effect until December 1, 1934. To be eligible for old-age assistance in Pennsylvania a person must be at least 70 years old, must be a citizen for at least 15 years, and must have lived in Pennsylvania for at least 15 years prior to the date of making application. The maximum amount allowed is $30 per month.

It is an unsatisfactory law. The age limit is far too high and the residence requirement is far too long. But even most of those who have qualified under this inadequate law will be unable to receive a pension, because the legislature refused to appropriate a sufficient amount to pay these pensions.

THE UNITED STATES CENSUS FIGURES PROVE THE LACK OF ECONOMIC PROTECTION IN OLD AGE

Let me give a few more figures. According to the 1930 census there were 6,663,805 persons 65 years of age and over in the United States and 3,836,200 persons 70 years of age and over. By 1933 that number had increased considerably. Compare with these figures the fact that in 1933 there were only 180,003 persons in the United States who were receiving pensions, and that the total amount of pensions for all the States in the Union amounted to only $31,192,492.

THE THREE CHIEF DIVISIONS OF THE ADMINISTRATION'S SECURITY PROGRAM

And now let us examine, in the administration's economic-security bill pending before Congress, those provisions which are designed to give security in old age.

The bill's provisions for old-age security are divided into three parts:

First. Straight pensions for those who are now aged.

Second. Federal old-age insurance for all employees under 60 years of age and making less than $250 per month.

Third. To nonmanual employees who make more than $250 per month the Government will sell an annuity to begin when the insured reaches 65 years of age.

THE OLD-AGE-PENSION PROVISIONS—MY OBJECTIONS TO SOME OF THESE PROVISIONS

Let me review all three provisions very briefly.

The first is a straight old-age-pension plan which is designed to give pensions—I say pensions and not insurance—to those who are now old. These pensions are to be provided and paid under State laws. The Federal Government will contribute one-half of the expenditures of each State for such pensions, but not in excess of $15 per month for each person.

In order to participate in the Federal grant, States must pay pensions to every citizen 65 years of age or over, but—and this is very important—the 65-year age limit does not apply until January 1, 1940; that is to say, until 1940 a State may have a pension law providing for payments to those who are at least 70 years of age.

THE AGE LIMIT MUST BE REDUCED TO CARE FOR THE VICTIMS OF INDUSTRY

Mr. Speaker, I emphatically object to this provision. We have always provided for the veterans of wars. We must now provide for the veterans of industry. Most large industrial concerns refuse to employ persons over 45 years of age. What are they to do? How are they to find a job? How are they going to live? Are they to starve? A man of 45 is too young to be thrown on the scrap heap.

Old-age pensions should begin at 60—not at 65; and let me emphasize that the bill as now drawn does not even guarantee that the State laws will pay pensions to those at 65. Under the present draft, until 1940 State laws can provide, as they do now provide in most instances, that pensions shall not begin until 70 years of age.

That, I say, must be changed. I am willing to give the States sufficient time to change their laws and to adopt new ones, but we do not need to wait until 1940 in order to reduce the limits of the present laws from 70 to 65 years.

I propose that the act of Congress shall give the States 1 or 2 years to reduce their age limit. That age limit should be 60 years and not 65. As now drafted, the law of Congress would prohibit Federal contributions to those who are between 60 and 65 years. That must be changed.

If the Federal law does not compel the States to have their payments begin at 60, it should at least permit the States to do so. That is the very least to which our aged are entitled.

MORE LIBERAL CONTRIBUTIONS ARE NECESSARY

Further, the law should not fix a maximum pension, but should provide that the pension payments should be sufficient to insure healthy and decent living conditions for the aged. If a limit must be fixed, let it be $40 for cities, with a Federal contribution of one-half—$20 per month—per pensioner.

OLD-AGE INSURANCE—ITS BENEFITS SHOULD BEGIN AT 60

Second. The second part of the Federal program provides for compulsory old-age insurance by the Federal Government for employees less than 60 years of age. Under this insurance system those who are now young would, by their own and by the contribution of their employer, pay for their security when they become aged. When they become 65 years of age they would be entitled to an annuity payable every month, the amount of the annuity to depend on the amount of the contribution made.

This system is planned to take effect in January 1937, with a contribution of 1 percent from all those who are employed, to be divided equally between employer and employee. That contribution is to be increased every 5 years by another percent, so that in 1957 it would be 5 percent of the salary received, equally divided between employer and employee. This compulsory-insurance system should provide for benefits to begin at the age of 60 and not at the age of 65. That is the one change upon which those who favor security for our aged should insist.

Third. Under the third phase of the plan the Federal Government will sell annuities to those who have an average income of more than $250 per month. If they desire, they will be permitted to buy annuities from the Government and receive a life pension at the age of 65. In this case also the age limit should be reduced to 60 years.

THE SECURITY PROGRAM SHOULD BE LIBERALIZED, BUT EVEN AS IT STANDS IT IS A GREAT STEP FORWARD TOWARD ECONOMIC AND SOCIAL PEACE AND SECURITY

The bill now pending in Congress is sound in principle and sound in most of its provisions. Even if no amendments are made to it, it will be a tremendous step forward. It will bring security to hundreds of thousands of aged who are now on relief rolls, 700,000 of them over 65 years of age, or who are dependent upon the charity of children who can ill afford to support them. I say that even if the proposed law is not amended it will force every State in the Union to make liberal changes in their laws in favor of the aged.

The Federal program is a great step forward. It can be made even more forward looking, more beneficial, if the age limit is reduced to 60 years. The Federal contribution should be increased from $15 to $20 per aged person, so that States may be able to pay $40 per month in cities where the cost of living is high.

Ladies and gentlemen, we are on our way. We are swiftly moving forward. I ask each and everyone of you to give us your assistance.

If that is done, the poorhouse will at last be abolished. At last men and women of older years will be able to spend their days in decency, in peace, and in security in their own homes.

ROBERT E. LEE

Mr. LEE of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a speech I made last night to the Daughters of the Confederacy on Robert E. Lee.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LEE of Oklahoma. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech I made at the Confederate Memorial Hall, Washington, D. C., February 4, 1935, at the presentation of a painting of Robert E. Lee, by Mr. Albert Fawcett Duggan, to the Robert E. Lee Chapter No. 644, of the United Daughters of the Confederacy:

What more could a speaker ask than to have an audience composed of the Daughters of the Confederacy and be assigned the subject of Robert E. Lee?

Being a southerner, my chest swells with pride at the mention of the name of Robert E. Lee; and because my own name is Lee, I take particular pride in delivering this address. I have been told by my father, who was born at Monroe, N. C., that we belonged to the same family of Lees. I have never traced the lineage back to prove it or to disprove it. I have been content to believe it. He belonged to the South, and we are all a part of that South. Therefore he belongs to all of us. We can scarcely honor him, but we honor ourselves by honoring him.

Today Mr. Albert Fawcett Duggan, of North Dakota, has presented this chapter of the Daughters of the Confederacy with a painting of Robert E. Lee. I do not know, sir, where you received the inspiration that caused you to select the hero of the South for your subject. You may have gleaned it from the reluctant testimony of historians, you may have caught it from the admissions of military critics, or you may have received it by the fireside of a southern cabin. It may have come from the sweet lips of your mother. It may be the heritage of a grandfather who wore the gray, or perchance it may have come from the soul of the black mammy nurse who crooned you to sleep in the chimney corner.

No matter whether you first heard of him as Gen. Robert Edward Lee, or as "Mars Robert", you have this day honored your craft and glorified your colors.

Mr. Duggan, it is my pleasure to express the gratitude of this chapter for your gift. You have done a noble thing. Your own character is reflected by your deed. We can take a man's gage by the house he builds, by the book he reads, by the music he loves, and by the portrait he paints.

You are greater by having painted Robert E. Lee. Did you not feel the breath of the man as you fashioned that noble brow? Was there not the strength of leadership in the strong lines of his nose? While you were painting his eyes, tell us, did you not peer into those windows and catch a glimpse of that great white soul? And while you were mixing the colors for the lights and shadows that made that handsome beard did you not sense the classical features underneath it that told of culture and courage dating back for generations?

May I here acknowledge that many of the facts and quotations used herein were taken from The Noble Enemy, an oration by my friend, Hicks Epton, of Wewoka, Okla. Much of the imagery and some of the figures of speech were inspired by that oration.

Who were the forebears of Robert E. Lee? One was a crusader who bore arms with Richard the Lionhearted. Another was companion of King Charles II. His own father was Governor of Virginia, "Lighthorse" Harry Lee, the unquenchable flame of the American Revolution.

Robert E. Lee was born in Virginia. The placid Potomac knew his whistle as he imitated the call of the bobwhite. He grew to young manhood in the culture of the Old South. The strumming of the old banjo and the songs of the plantation darkeys were familiar to his ears. He had seen the dark corn tassel and ripen under the soft blue of Virginia skies as the seasons passed.

Then he went to West Point. There the blood of his fathers tingled in his veins as he marched in grand review. On graduation day only one cadet stood ahead of him in a large class of over a hundred.

Then came the Mexican campaign to try the metal of the soldier. He himself was unseasoned, so far as campaigning was concerned, and leading raw recruits crossed the Mexican border. The fine trappings of West Point were not needed here. The fine precision of close-order drill was forgotten. On he led his men leaving the Rio Grande, crossing the seared sands of Mexico, through cactus and mesquite; on they went with dry canteens and parched lips, with scarce a foe to oppose them except the blazing heat of the sun.

At last they faced Cerro Gordo, a beetle-browed mountain, a natural fortress, an impregnable pass, coxcombed with cannon. Forty-two engines of death frowned down upon Lee and his men, and 13,000 Mexican warriors lay securely behind those guns. Every rock and boulder bristled with bayonets and the cunning old Santa Ana smiled as he thought how perfectly his plans had worked. The raw recruits were going to give battle. He had selected this impregnable position with care.

The grizzled old General Scott looked and swore that it was impossible to dislodge Santa Ana. But Lee accepted the odds and ordered an attack. He led his men up the mountain in the face of the withering fire. The artillery blasted the rock from the mountain side. But Lee took the impregnable position of Santa Ana, and "the land of the Montezumas lay at his feet."

General Scott once said:

"If a great battle were about to be fought, for the liberty, or slavery, of the country and I had to pick the general, I would say with my dying breath, 'Let it be Robert E. Lee; he is the greatest soldier on earth.'"

After the successful Mexican campaigns Lee returned to Virginia, hoping for a peaceful life, but to find a cloud rising on the horizon of his own country. It grew blacker and more threatening until the lightning flashed out from Fort Sumter and rent his own beloved Nation in twain.

President Lincoln, on April 18, offered him command of the entire Northern Army. In the North was wealth; in the South there would be bankruptcy. If he went with the Union there would be honor, glory, and success of arms, but his South was calling to him, the land he loved. It could not be said he wanted slavery; he had freed his slaves 10 years before. No; it was not slavery; it was his Virginia, the land of his father, who was once its Governor. His dead were buried there. The vines of Old Virginia were entwined about his heart. His father's words came to him across the years: "Virginia is my country. Her will I obey, however lamentable the fate to which it may subject me." His father's sword called to him, and he answered.

Then came the dark days of civil war. As a military genius Lee is without a peer. "Outnumbered always", outgeneraled never. In the last days of that war, "For every man that followed Lee four faced him." The English historian Henderson said:

"Lee's victory with 60,000 men over Hooker with 150,000 was the most brilliant of the nineteenth century."

And Fiske grudgingly admits:

"Lee's defensive warfare was among the most wonderful things in history, and imposed itself upon the imagination of the people until they can scarcely believe that he did not win."

Lee was as great in defeat as in victory. He received both Cerro Gordo and Appomattox with the sublime calm of a gentleman. When he handed his sword to the noble Grant at Appomattox his head was high but his heart was literally breaking within him. Not for the loss of military glory, but for his distressed people. It was then that he said, "My Southland needs me now worse than ever", and as president of Washington and Lee University this magnificent "prisoner on parole" closed his life, and, as "Prince once said of monarch slain, 'Taller he seems in death.'"

The darkeys of Virginia say that on dark nights there rides from out of Arlington's cherry blossoms the old Gray Warrior astride his milk-white charger. I like to say with one who followed him, "Ride on alone, Old Man, with duty at the bridle bit * * *."

Sir Artist, in the noble generosity of your heart you meant to honor Robert E. Lee, but he in turn has honored you, for when this canvas has faded, and even when the untiring tooth of time has worn away the images sculptured deep in the granite of old Stone Mountain, the true image of Robert E. Lee will still be engraven in the hearts of southern people.

TARIFF AND FREIGHT REDUCTION NECESSARY FOR FARM RELIEF

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MANSFIELD. Mr. Speaker, on January 30 I introduced two bills in Congress to which I desire to call attention. One of these bills is for a 15-percent flat reduction in tariff duties on all articles imported on which tariffs are levied. The other bill provides for a 20-percent reduction in freight rates on farm products, including livestock.

Within the past few months almost every farm organization in Texas has adopted resolutions urging substantial reductions in our tariffs and in railroad freight rates. Personally I am in thorough accord with those resolutions. I believe that our tariff wall, together with high transportation costs, constitute the principal cause of the depression with which we have been afflicted the past few years.

When the President signed the Smoot-Hawley Tariff Act in 1929 there were then pending with the State Department protests from all the leading commercial nations of the world. Since then these nations, or many of them, have enacted retaliatory tariffs against our commerce. The consequences have been so appalling that the greatest economic experts have not been able to fully estimate the loss.

In all its history the Democratic Party has opposed the policy of high protective tariffs. The people naturally expected that when the Democratic Party came into power it would scale down the tariff wall that they believe had been so destructive of their prosperity. They are now becoming impatient at the delay. Hence the reason for the resolutions that are being adopted by so many of our farm organizations.

Of course, the people generally are not familiar with the almost insurmountable difficulties in the way of securing the passage of a general tariff measure. Both political parties have had sad experiences because of the "pork barrel" methods that have crept in. We are now confronted with more serious difficulties than ever before in our history, owing

to the fact that all other commercial countries have erected retaliatory tariff walls against us. In an effort to get around these difficulties Secretary Hull is now engaged in the laudable undertaking of securing reciprocal agreements in the interest of our trade. These treaties, however, at best, can apply only to a few commodities. In addition to the treaties, we need a general scaling down of the tariff barriers all along the line.

Perhaps it would not be wise at this time to attempt a reopening and overhauling of all tariff schedules. It might materially interfere with these treaties now being consummated. I believe, however, that a general lowering of our tariff duties along the line I have proposed will be as a guaranty of good faith on our part, and will materially aid in securing reciprocal action on the part of the nations we have offended.

The bill should be easy of passage. It makes no change whatever in the relative status of any line of trade or industry. It simply provides for a general flat reduction of 15 percent, applied alike to all articles embraced in our present law. It would aid in securing reciprocal action on the part of other nations.

As a result of our tariff wars, agriculture has been the principal sufferer. Particularly is this the case as to cotton, wheat, and other major farm crops, of which so large a proportion must find a market abroad. Other nations cannot buy our crops unless we buy something from them. This is a self-evident truth.

I have also introduced a bill for a 20-percent flat reduction in railroad freight rates on all farm products, including livestock. I consider such a reduction as absolutely essential. This proposed 20-percent reduction would not only be in the interest of the farmer but would also be beneficial to the railroads. Not only would the general volume of commerce be increased, but relatively a much larger proportion of it would move by rail. Much of the traffic now handled by truck would then go by rail, and at a profit to the roads.

Monopoly in transportation has ever been the goal of the railroads. Their methods in securing and perpetuating this monopoly have frequently been detrimental to the public interest. In the early period of transportation in this country, the railroads either purchased or leased all the artificial waterways, except the Erie Canal, which was owned by the State of New York. The leases in nearly all cases were for a period of 999 years. The most of these leases yet have approximately 900 years to run. All these artificial waterways or canals, whether leased or purchased outright by the railroads, have long since been junked.

In river transportation, the roads have frequently purchased and then junked the steamboats. In other cases cutthroat rates were applied, rendering it impossible for the boats to operate. In recent years, it has been the method of the railroads to secure legislation that would render competition impossible. Their present program includes the elimination of all ocean ships engaged in the coastwise trade.

A monopoly in transportation for the railroads would entail an enormous cost upon the people of the United States. Agriculture would have to bear an unusually large proportion of this burden. I will give one illustration only, that of a single crop in a single State.

Texas is a large State geographically as well as agriculturally. Due to soil and climatic conditions, cotton is the principal farm crop. It must remain so, perhaps indefinitely, as the brains of the South, plus the brains of the brain trust have not been able to find another agricultural product to reasonably take the place of cotton in Texas. Normally, four to five million bales are produced in that State, comparatively a small crop in proportion to the acreage involved.

Texas has but few cotton mills. Probably less than 1 percent of the cotton produced there is milled in the State. The all-rail freight rate on cotton from the great cotton centers in Texas to the mills in New England render it impossible for cotton to be shipped to those points by rail.

I am advised by the Interstate Commerce Commission that the rail rate from Galveston and Houston to Fall River, New Bedford, and Taunton, Mass., and to Willimantic and Danielson, Conn., the great cotton-milling cities, is $1.54 per hundred pounds, or $7.70 per bale.

The United States Shipping Board informs me that the water rate from the ports of Galveston and Houston to Fall River and New Bedford is 35 cents per hundred pounds, or $1.75 per bale. The combined water and rail rate from Texas ports to Taunton is 47½ cents per hundred pounds, or $2.37½ per bale. The combined water and rail rate to Danielson is 52½ cents per hundred, or $2.62½ per bale.

The ships engaged in our coastwise trade are all American ships. The law prohibits foreign vessels from engaging in this trade. If these ships should be prohibited by law from charging less than the rail rate on cotton from Texas to New England mills—and that is what the railroads are now asking for—it would increase the freight burden of the Texas cotton farmer an average of more than $5.50 per bale on all cotton shipped to American mills.

If, on account of such freight rates the cotton from Texas, Oklahoma, and other Southwestern States should all be forced into the foreign trade, then the mills of New England would doubtless be compelled to import cotton for domestic use. The present ocean rates on cotton from Texas ports to Europe, and to the Orient, range from $1.50 to $1.85 per bale.

We need our railroads, it is true. At the same time, it cannot be denied that we need our farmers, our merchant marine, and our domestic cotton mills. Under fair and equitable laws, all can live and prosper. Greed and avarice are the things to be guarded against.

The bills I have introduced will not injure any class or industry. They will more nearly equalize conditions and aid materially in a general revival of trade and aid recovery.

EXPLANATION OF VOTE

Mr. O'MALLEY. Mr. Speaker, yesterday during roll call no. 13 I was absent at the hospital receiving treatment. If I had been present and voting, I would have voted "no."

IMPERFORATE, INCOMPLETE, OR SPECIALLY MARKED STAMPS

Mr. ROMJUE. Mr. Speaker, I call up House Resolution 76, which is a privileged resolution.

The Clerk read as follows:

Resolved, That the Postmaster General be, and he is hereby, directed to furnish to the House of Representatives the following information: (1) Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department; (2) whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public; (3) whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public; and (4) the name or names of officers or employees of the Post Office Department, if any, who have since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

Mr. ROMJUE. Mr. Speaker, I send to the desk a report which I have been directed to make by the Committee on the Post Office and Post Roads, and I ask unanimous consent that the Clerk may read the same.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SNELL. Mr. Speaker, reserving the right to object, is the gentleman going to give us some information in regard to this before he makes his motion?

Mr. ROMJUE. I was just coming to that.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. ROMJUE]?

There was no objection.

The Clerk read as follows:

The Committee on the Post Office and Post Roads, to whom was referred the resolution (H. Res. 76) requesting information from the Postmaster General, having had the same under consideration,

report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following informative letter from the Post Office Department:

POST OFFICE DEPARTMENT,
THIRD ASSISTANT POSTMASTER GENERAL,
Washington, February 4, 1935.

Hon. JAMES M. MEAD,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR MR. CHAIRMAN: Since January 1, 1933, 27 varieties of postage stamps have been issued by the Department. A list of these stamps, together with the quantities issued and made available for sale to the public, is attached (exhibit A).

All of these stamps, with the exception of the souvenir sheets, were made available to the public in sheets of either 50 or 100, according to the size of the stamp, which is the usual form in which they are distributed to postmasters. These sheets were perforated and gummed. The 1- and 3-cent Century of Progress souvenir sheets were in panes of 25 stamps, imperforate and ungummed; the souvenir sheets of the 3-cent Little America stamp were in panes of 6 stamps, imperforate and ungummed; the souvenir sheets of 1- and 3-cent National Park stamps were issued imperforate but gummed in panes of 6 stamps.

With the exception of the souvenir stamps, the sheets of stamps first come from the press in 200 subject form, imperforate, and ungummed. Since January 1, 1933, 98 of these sheets (including souvenir sheets) from 20 of the varieties have been presented to high Government officials as specimens of new issues. In filling an order for some stamps, through inadvertence, one of the large sheets was sold to a man in Norfolk, Va. He apparently exhibited this sheet to several dealers in New York and elsewhere and it has been the subject of a great deal of comment in philatelic circles, with a high valuation placed thereon. This man paid $6, or face value, for this sheet, which went out through error, and the Department is making an effort to recover it.

The records disclose that thousands of die proofs of newly issued stamps and sets of stamps, including those of the postage-due variety, have been given out by previous administrations. It has also been the custom of the Post Office Department during previous administrations to prepare several hundred albums containing specimens of the current issues to be given to the delegates to the international postal conventions. There exists, therefore, several precedents for the furnishing of specimens of stamps, and none of the sheets presented by this administration was in anywise intended for speculation or for sale. On the contrary, it seems that the publicity and complaint on the part of the collectors and philatelists has arisen mainly by reason of exhibition of this sheet of stamps by the man at Norfolk.

There has been no loss to the Government, and I am satisfied that the supposed value placed upon a sheet of these stamps is inflated and fictitious and is merely intended for purposes of criticism.

The Post Office Department has invariably adhered to a policy of providing commemorative stamps for sale to the public in such forms as to be readily usable for postage; that is to say, sheets of convenient size, perforated and gummed. The only deviation from this policy whatever has been the issuance of the small souvenir sheets in imperforate form in honor of philatelic gatherings of unusual importance.

Very respectfully,

C. B. EILENBERGER,
Third Assistant Postmaster General.

Postage stamps issued since Jan. 1, 1933

Description	Denomination	Number issued
	Cents	
General Oglethorpe	3	61, 729, 200
Proclamation of Peace	3	73, 382, 400
Century of Progress	1	295, 189, 300
Do	3	304, 379, 300
Century of Progress souvenir sheets in panes of 25 stamps	1	11, 588, 050
Do	3	11, 232, 500
N. R. A. Emergency	3	1, 869, 145, 100
Gen. Thaddeus Kosciusko	5	41, 429, 200
Little America	3	26, 300, 800
Little America souvenir sheets in panes of 6 stamps	3	4, 441, 650
Maryland Tercentenary	3	42, 092, 700
Mothers	3	210, 000, 000
Wisconsin Tercentenary	3	65, 000, 000
National parks:		
Yosemite	1	80, 000, 000
Grand Canyon	2	75, 000, 000
Mount Rainier	3	85, 000, 000
Mesa Verde	4	15, 000, 000
Yellowstone	5	35, 000, 000
Crater Lake	6	15, 000, 000
Arcadia	7	15, 000, 000
Zion	8	15, 000, 000
Glacier	9	15, 000, 000
Smoky Mountains	10	20, 000, 000
National parks souvenir sheets in panes of 6 stamps:		
Yosemite	1	4, 800, 000
Mount Rainier	3	3, 000, 000
Zeppelin	50	3, 260, 000
Air mail—special delivery	16	10, 000, 000

Mr. ROMJUE. Mr. Speaker, it is my purpose to present a motion to lay this resolution on the table. I intend to do that for the reason that rather extensive debate has already been had on this matter, and the committee instructed that the matter be presented in that manner.

Mr. WITHROW. Will the gentleman yield?

Mr. ROMJUE. I yield for a question.

Mr. WITHROW. The adverse report of the committee in this case should in nowise be construed that the committee places its stamp of approval on the Postmaster General deliberately making imperforate stamps to be given away?

Mr. ROMJUE. I am yielding for a question only.

Mr. WITHROW. It should not be so construed——

Mr. ROMJUE. Each Member may construe it as he pleases, so far as I am concerned.

Regular order was demanded.

Mr. MILLARD. Will the gentleman yield for a question before he puts the motion?

Mr. ROMJUE. I yield first to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. I want to ask if it is not very evident, because of the fact that our friend from New York [Mr. MILLARD] has not even been to the Post Office Department to ask for information, and that he could have gotten it if he had gone there, that this resolution is nothing in the world but a political ambuscade and is too picayunish to be worthy of any consideration whatever by the House?

Mr. ROMJUE. I think you are correct.

Mr. COCHRAN. Mr. Speaker, regular order.

Mr. ROMJUE. Mr. Speaker, I move that the resolution be laid on the table.

The question was taken; and on a division (demanded by Mr. SNELL) there were ayes 198 and noes 45.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 276, nays 102, answered "present" 1, not voting 53, as follows:

[Roll No. 15]

YEAS—276

Arnold	Costello	Frey	Lea, Calif.
Ashbrook	Cox	Fuller	Lee, Okla.
Ayers	Cravens	Gasque	Lesinski
Barden	Crosby	Gassaway	Lewis, Colo.
Beam	Cross, Tex.	Gavagan	Lewis, Md.
Bell	Crosser, Ohio	Gillette	Lloyd
Berlin	Crowe	Gingery	Luckey
Binderup	Cullen	Goldsborough	Ludlow
Bland	Cummings	Granfield	McAndrews
Blanton	Daly	Gray, Pa.	McClellan
Bloom	Darden	Greenwood	McCormack
Boehne	Deen	Greever	McFarlane
Boland	Delaney	Gregory	McGehee
Boylan	Dempsey	Haines	McGrath
Brennan	Dickstein	Hamlin	McGroarty
Brooks	Dies	Hancock, N. C.	McKeough
Brown, Ga.	Dietrich	Harlan	McLaughlin
Brown, Mich.	Dingell	Hart	McMillan
Brunner	Disney	Harter	McReynolds
Buchanan	Dobbins	Healey	Mahon
Buck	Dockweiler	Higgins, Mass.	Maloney
Buckler, Minn.	Dorsey	Hildebrandt	Mansfield
Bulwinkle	Doughton	Hill, Ala.	Martin, Colo.
Burch	Doxey	Hill, Knute	Mason
Caldwell	Drewry	Hill, Samuel B.	Massingale
Cannon, Mo.	Driscoll	Hobbs	Maverick
Cannon, Wis.	Driver	Hook	Meeks
Carden	Duffey, Ohio	Houston	Merritt, N. Y.
Carmichael	Duffy, N. Y.	Huddleston	Miller
Carpenter	Duncan	Igoe	Mitchell, Ill.
Cartwright	Dunn, Miss.	Imhoff	Mitchell, Tenn.
Cary	Dunn, Pa.	Jenckes, Ind.	Monaghan
Castellow	Eagle	Johnson, Tex	Montague
Celler	Eckert	Johnson, W. Va.	Moran
Chandler	Edmiston	Jones	Moritz
Chapman	Eicher	Kee	Murdock
Citron	Ellenbogen	Keller	Nelson
Claiborne	Evans	Kenney	Nichols
Clark, Idaho	Faddis	Kerr	Norton
Clark, N. C.	Farley	Kleberg	O'Brien
Cochran	Ferguson	Kloeb	O'Connell
Coffee	Fernandez	Kniffin	O'Connor
Colden	Fiesinger	Kocialkowski	O'Day
Cole, Md.	Fitzpatrick	Kopplemann	O'Leary
Colmer	Flannagan	Kramer	Oliver
Cooley	Fletcher	Lambeth	O'Malley
Cooper, Tenn.	Ford, Calif.	Lamneck	O'Neal
Corning	Ford, Miss.	Larrabee	Owen

Palmisano	Richardson	Smith, Wash.	Turner
Parks	Robertson	South	Umstead
Parsons	Robinson, Utah	Spence	Utterback
Patman	Rogers, N. H.	Stack	Vinson, Ga.
Patterson	Romjue	Starnes	Vinson, Ky.
Pearson	Rudd	Steagall	Wallgren
Peterson, Fla.	Ryan	Stubbs	Walter
Peterson, Ga.	Sadowski	Sullivan	Warren
Pettengill	Sanders, Tex.	Sumners, Tex.	Wearin
Peyser	Sandlin	Sutphin	Weaver
Pfeifer	Schulte	Sweeney	Werner
Pierce	Scott	Tarver	West
Polk	Scrugham	Taylor, Colo.	Whelchel
Quinn	Sears	Taylor, S. C.	Whittington
Rabaut	Secrest	Terry	Wilcox
Ramsay	Shanley	Thom	Williams
Randolph	Shannon	Thomason	Wilson, La.
Rankin	Sirovich	Thompson	Wood
Rayburn	Sisson	Tolan	Woodrum
Reilly	Smith, Conn.	Tonry	Young
Richards	Smith, Va.	Truax	Zimmerman

NAYS—102

Allen	Ekwall	Kimball	Reed, N. Y.
Amlie	Engel	Kinzer	Rich
Andresen	Englebright	Knutson	Robsion, Ky.
Andrew, Mass.	Fenerty	Lambertson	Rogers, Mass.
Andrews, N. Y.	Fish	Lehlbach	Sauthoff
Arends	Focht	Lemke	Seger
Bacharach	Gearhart	Lord	Short
Bacon	Gehrmann	Lundeen	Snell
Blackney	Gifford	McLean	Stefan
Boileau	Gilchrist	McLeod	Stewart
Bolton	Goodwin	Maas	Taylor, Tenn.
Burdick	Guyer	Mapes	Thomas
Burnham	Gwynne	Marcantonio	Thurston
Carlson	Halleck	Marshall	Tinkham
Carter	Hancock, N. Y.	Martin, Mass.	Tobey
Christianson	Hartley	May	Treadway
Church	Hess	Merritt, Conn.	Turpin
Cole, N. Y.	Higgins, Conn.	Michener	Wigglesworth
Collins	Hoeppel	Millard	Wilson, Pa.
Crawford	Hoffman	Mott	Withrow
Crowther	Hollister	Perkins	Wolcott
Culkin	Holmes	Pittenger	Wolfenden
Dirksen	Hope	Plumley	Wolverton
Ditter	Hull	Powers	Woodruff
Dondero	Jenkins, Ohio	Reece	
Eaton	Kahn	Reed, Ill.	

ANSWERED "PRESENT"—1

Kvale

NOT VOTING —53

Adair	Doutrich	Lanham	Schneider
Bankhead	Fulmer	Lucas	Schuetz
Beiter	Gambrill	McDuffie	Smith, W. Va.
Biermann	Gildea	McSwain	Snyder
Brewster	Gray, Ind.	Mead	Somers, N. Y.
Buckbee	Green	Montet	Taber
Buckley, N. Y.	Greenway	Patton	Underwood
Casey	Griswold	Ramspeck	Wadsworth
Cavicchia	Hennings	Ransley	Welch
Connery	Jacobsen	Rogers, Okla.	White
Cooper, Ohio	Johnson, Okla.	Russell	Zioncheck
Darrow	Kelly	Sabath	
Dear	Kennedy, Md.	Sanders, La.	
DeRouen	Kennedy, N. Y.	Schaefer	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mead (for) with Mr. Darrow (against).
Mr. Hennings (for) with Mr. Wadsworth (against).
Mr. Biermann (for)with Mr. Cooper of Ohio (against).
Mr. Kennedy of New York (for) with Mr. Taber (against).
Mr. Schaefer (for) with Mr. Buckbee (against).
Mr. Kelly (for) with Mr. Cavicchia (against).
Mr. Somers of New York (for) with Mr. Ransley (against).
Mr. Montet (for) with Mr. Brewster (against).
Mr. Gildea (for) with Mr. Doutrich (against).
Mr. Buckley of New York (for) with Mr. Schneider (against).

Until further notice:

Mr. Bankhead with Mr. Welch.
Mr. Ramspeck with Mr. Patton.
Mr. Sabath with Mr. Casey
Mr. McSwain with Mr. Lucas.
Mr. Fulmer with Mr. White.
Mr. Gray of Indiana with Mr. Beiter.
Mr. Smith of West Virginia with Mrs. Greenway.
Mr. Green with Mr. Schuetz.
Mr. Underwood with Mr. Russell.
Mr. Johnson of Oklahoma with Mr. DeRouen.
Mr. Lanham with Mr. Adair.
Mr. Connery with Mr. McDuffie.
Mr. Griswold with Mr. Dear.
Mr. Kennedy of Maryland with Mr. Zioncheck.
Mr. Gambrill with Mr. Jacobsen.

Mr. BACHARACH changed his vote from "yea" to "nay."

Mr. TAYLOR of Colorado. Mr. Speaker, three members of the Appropriations Committee are detained in a hearing: The gentleman from Washington, Mr. ZIONCHECK; the gentleman from Iowa, Mr. JACOBSEN; and the gentleman from Oklahoma, Mr. JOHNSON.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the motion was agreed to was laid on the table.

TAKING THE PROFITS OUT OF WAR AND EQUALIZING THE BURDENS OF WAR

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a radio speech I made last Saturday evening.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, under leave to extend my remarks in the RECORD I insert herewith the following address delivered by me Saturday, February 2, 1935, over the Columbia Broadcasting System, from station WJSV, Washington, D. C., on "Taking the Profits Out of War and Equalizing the Burdens of War", so as to promote the national defense and the peace of the world:

My friends, I wish to thank the Columbia Broadcasting System for this privilege of speaking to you.

As a member of the Committee on Military Affairs of the House of Representatives, I wish to discuss what I believe to be a great question before the American people, and that is the question of the prevention of profiteering in time of war and of equalizing the burdens of war so as to promote the national defense and the peace of the world. During the past 2 weeks the Committee on Military Affairs has held hearings on this subject and more particularly on the bill introduced by the able and distinguished chairman of the committee, the gentleman from South Carolina [Mr. McSWAIN]. The bill provides a plan to mobilize effectively the resources of the Nation for war which will eliminate war profiteering, prevent war-time inflation, and equalize war-time burdens.

The effect of the bill would be to clamp a ceiling down on the existing price structure as of a date named by the President, and unless later adjusted by the President upward no price could rise above the figure at which it stood at the certain named day but all prices would be free to fluctuate below the maximum. This does not mean picking out different commodities and prescribing by statute the prices for which the same may be sold. But it does mean taking the prices of all commodities as they are found and ascertained to prevail in a free market at a fixed date, for example, say, 60 days before the declaration of war, and prescribing that the prices so prevailing shall not be increased, although, of course, they may be decreased. Under the plan the President would have the power to determine, and by proclamation announce, what classes of public service or of dealers or manufacturers of any article or commodity should be required to operate under licenses, to fix the conditions of such licenses, and to grant licenses under such conditions. The President would also have the power to determine the order or priority in which any manufacturer, dealer, or public service should fill orders just as was done by the War Industries Board during the World War.

Under the plan and subject to its specific limitations the Government would manage the management of industry, but the men who in peace time have built and operated industry would continue to do so. There would be no conscriptions of industry, of business, of labor, of agriculture, and no militarization of the Nation's life. The plan is based on the idea voiced by Woodrow Wilson, when he said, "The highest and best form of efficiency is the spontaneous cooperation of a free people."

The plan would meet the situation that President Harding spoke of so feelingly in his inaugural address, when he said, "There is something inherently wrong, something out of accord, with the ideals of representative democracy when one portion of our citizenship turns its activities to private gain amid defensive war while another portion is fighting, sacrificing, or dying for the national defense." We know the whole sordid and regrettable story of profiteering in the past in time of war. In the Constitutional Convention of 1787 there were echoes of the profiteering incident to the Revolutionary War. Madison's Notes of the Debates tell of another distinguished South Carolinian, Mr. Butler, expressing his "dissatisfaction lest the Government should compel payment as well to the blood suckers who had speculated on the distress of others as to those who had fought and bled for their country."

We know of the profiteering at the time of the War between the States and the Spanish-American War. We recall that during the World War prices increased some 285 percent, and that while American soldiers fought and suffered and died in France men here at home became millionaires overnight. Seven thousand "cost plus" war contractors alone piled up their profits and nearly everyone except the man in uniform seemed to get his profits. As the national commander of the American Legion, Mr. Belgrano, said to the committee, if the principles of the McSwain bill had been in the law during the World War, the American Legion would not today be demanding the payment of the adjusted-service certificates.

We must remember that war is not an isolated or separate thing in itself. It is simply a special form of politics. In other words, war is a special form of political action in which the parties to a political controversy resort to force as a means of attaining their

political ends. Wars are largely the products of economic conditions. Germany, with her millions and her great factories and industrial plants, needed domain and markets and expansion and unable to gain this by peaceful means she sought to attain it by force. Japan, with her 70,000,000 people on territory about the size of California, which lacked the natural resources and wealth necessary in her mind for the building of a great nation, unable to take Manchuria with all of its enormous wealth and resources by peaceful means, seizes and conquers it with fire and sword. The nations of Europe today possess 70 percent greater armaments and armies than they did at the outbreak of the World War because of their fear one for the other born of the lessons of history that men and nations do not hesitate to resort to force when they feel that their economic needs demand or justify such recourse. Even our forbears went to war and fought the Indians and took strip after strip of territory until finally they conquered all of the vast domains and riches that stretched to the waters of the Pacific.

However much we may deplore war and work and pray for peace, we know that we cannot control the thought of other nations; we cannot dictate their policies; we cannot shape their designs. We must have some means of defense, and that means should be the product of a well-considered policy of defense. I believe that this policy was best defined by George Washington, the splendor of whose sword and the gold of whose wisdom has been the best palladium of our liberties, when he said that we should maintain a respectably defensive posture, not a posture of offense, nor one of aggression but such a posture of defense as would cause the nations of the world to respect us. Field Marshal von Hindenburg, in his retrospect of the World War, paid a glowing tribute to the efforts of American industry in that conflict.

The adoption of the plan provided in the McSwain bill would add tremendously to the effectiveness of American industry in time of war and would greatly strengthen the defense of the Nation. As Mr. Bernard Baruch, Woodrow Wilson's Chairman of the War Industries Board, during the World War, said to the committee, the efficiency of the combined military and economic machine that could be derived from the plan would constitute this Nation an instrument for war effective beyond the imagination of any military expert even of this advanced date—powerful beyond the possibilities of any antagonist and perhaps of any combination of antagonists. The adoption of the plan would have tremendous influence upon the morale of our soldiers in time of war, for they would know that their countrymen were not profiting by the suffering, the sacrifices, and the danger they were enduring, and they would know that their loved ones at home were not being taken advantage of and exploited in their absence. Napoleon said that in warfare moral force was in proportion to physical force in the ratio of 3 to 1.

Under the plan the cost of war would be reduced by some 50 percent, and since during the World War our Nation paid 42 percent of the cost from current revenues and taxes, this would mean that most of the cost of war would be paid while it was being fought and not be saddled upon generations yet unborn. Under the plan the Nation could pass from a war status back to a peace status with a minimum of the prostrating economic aftermath that has hitherto been the invariable experience of every belligerent in a great war, and that has inevitably led to so many depressions in the world's history.

We of the United States covet no territory; we seek no conquest; we envy no nation on the face of the globe. We have no military aspirations to disturb the peace of the world; but the fact that we were so strengthened by the adoption of the plan would cause other nations to do likewise, and this would go very far toward keeping the peace of the world. The shocking revelations before the Nye committee have shown us the exorbitant profits of the munitions makers, the unconscionable methods used by at least some of them in agitating for and provoking war, and how thousands of dollars were spent by them to bring on the World War. Gen. Hugh Johnson declared before the committee that in spite of these revelations our munitions makers are lily-white compared to the munitions makers of other nations. When the munitions makers can no longer pile up their huge profits, there venal activities will come to an end. The inflation of prices with its pseudo-prosperity has more than once led the rank and file of the people to believe that war brings prosperity and good times; and this belief, whether the people are conscious of it or not, oftentimes causes them to look upon war with a far readier acceptance than its horrors and its losses justify. Too often do we hear it said that if we could have a first-class war we would have a return of prosperity. Today the record shows that no nation wins in any great war. The victor loses just as the vanquished loses. When we take the profit out of war, we at least remove one of the major contributing factors to war and we make one more great stride for peace. The gallant leader who sits in the White House, Franklin D. Roosevelt, has announced his pledge to the proposition to take the profits of war. Under his inspiring leadership we are fighting today to put an end to special privileges and to secure equal rights and a fairer share of God's blessings for all the people. To this great aspiration for the peace-time policies of the Nation, let us, with a prayer in our hearts that we may never have another war, add the resolution that if we must have one there shall be "equal burdens and equal sacrifices for all and special privileges and special profits to none." We must and we shall pass the legislation necessary to this end.

ENLIGHTENED POSITION OF EMPLOYEES OF LABOR

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein a statement pertaining to construction on Federal projects.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to call attention of the Members of Congress to the amendment in the Senate to House Joint Resolution 117, suggested by an association of 15,000 employers of labor—National Association of Master Plumbers—as follows:

It is recommended that House Joint Resolution 117 be amended by changing the numbers of sections 6, 7, and 8, to 7, 8, and 9, and insert a new section 6, reading as follows:

"SEC. 6. All construction work or projects undertaken under and by virtue of the authority granted in this joint resolution, in which skilled labor, to the extent of 10 percent or more of the total labor cost of such work or projects is required, shall be performed by contract and awarded to the lowest qualified bidder. The rates of pay specified in such contracts shall be not less than the minima, and the hours of labor not more than the maxima established for private industry in applicable approved codes of fair competition."

These employers of skilled labor, interested primarily in the contract system, have had the courage to take the position that the wages and well-being of those employed by them is a part of their own well-being. It is an attitude which the "new deal" should bring forth from other employers of labor—and worthy of note and commendation, and I, therefore, call attention of this body to the resolution.

Mr. GASQUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert therein an article regarding pension committees relative to private pension bills.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. SNELL. Mr. Speaker, I object.

IMPERFORATE, INCOMPLETE, OR SPECIALLY MARKED STAMPS

Mr. ROMJUE. Mr. Speaker, I call up House Resolution 81, a privileged resolution.

The Clerk read as follows:

House Resolution 81

Resolved, That the Postmaster General be, and he is hereby, directed to transmit to the House of Representatives the following information: The number of sheets of recent commemorative stamps in imperforate form issued since March 4, 1933, and presented to Government officials and all others; the names and addresses of all persons and corporations who have received imperforate stamps and the number of such stamps received by each individual or corporation; and a list of the names of all who were favored with sheets of imperforate stamps even though such sheets have been recalled.

Mr. ROMJUE. Mr. Speaker, the report on this resolution is identical with the report on House Resolution No. 76, which we just disposed of.

Mr. Speaker, I move that the resolution be laid on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. Mr. Speaker, must not a report be read unless unanimous consent is first obtained that it be not read?

The SPEAKER. The report can be read only by unanimous consent. The resolution itself was privileged.

ECONOMIC SECURITY

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, the Committee on Ways and Means has been conducting hearings on the bill H. R. 4120, the economic security bill, for about 2 weeks. I think now we will be able to close these hearings within the next 2 or 3 days. A few Members of the House have requested

permission to appear before our committee and address the committee on that bill. The committee meets again at 1 o'clock this afternoon and meets also on tomorrow. At these meetings Members of the House, if they so desire, may be heard. Those who are not here this afternoon but who desire to be heard will please give their names sometime this afternoon or evening to the clerk of the committee. After tomorrow there will perhaps not be an opportunity for Members of the House to be heard.

Mr. McLEOD. Mr. Speaker, I desire to call to the attention of the House of Representatives that we have in the gallery this afternoon——

Mr. O'CONNOR. Mr. Speaker, I make the point of order that under the rules nobody can be introduced from the galleries.

The SPEAKER. If that is the purpose, the Chair will have to sustain the point of order.

Mr. McLEOD. I just wanted to call attention to the fact of General Booth being in the gallery.

Mr. BACON. It is against the rules of the House, Mr. Speaker.

FORMULATION OF THE CONSTITUTION OF THE UNITED STATES

Mr. SMITH of Virginia, from the Committee on Rules, presented a favorable report on House Joint Resolution 148, providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States, which was referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

ANNOUNCEMENT

Mr. JONES. Mr. Speaker, I ask unanimous consent to proceed for one-half minute to make a statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, when roll call no. 14 was had on yesterday, the gentleman from Mississippi [Mr. DOXEY], the gentleman from Kansas [Mr. HOPE], the gentleman from Pennsylvania [Mr. KINZER], and myself were in conference with the Senate conferees on the crop-production loan bill. The need of action on this measure in order to have the loans available at as early a date as possible is very pressing. In view of these circumstances we were meeting while the House was in session and when the roll call was had. Some of these gentlemen have asked that I make this statement to show the reason for their absence on that vote.

CALIFORNIA-PACIFIC INTERNATIONAL EXPOSITION

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report for printing in the RECORD:

House Resolution 101

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. J. Res. 94, "Providing for the participation of the United States in the California-Pacific International Exposition", etc. That after general debate which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

INVESTIGATION OF CRIME IN THE DISTRICT OF COLUMBIA

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution No. 94, for the investigation of crime in the District of Columbia.

The Clerk read as follows:

Resolved, That the Committee on the District of Columbia, as a whole or by subcommittee, is authorized and directed (1) to investigate all forms of criminal activity in the District of Columbia, the probable causes for the commission of crimes, law enforcement and law-enforcement agencies, and (2) to report to the House during the present session of the Congress the result of its investigation, together with such recommendations for legislation as it deems advisable.

For the purposes of such investigation the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is in session, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses by subpena and the production of such books, papers, and documents by subpena duces tecum, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman of the committee or any member thereof designated by him and shall be served by any person designated by such chairman or member.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. This is merely a resolution permitting the District of Columbia Committee to subpena witnesses?

Mr. O'CONNOR. That is correct.

Mr. MARTIN of Massachusetts. We on this side will not require any time.

Mr. O'CONNOR. Mr. Speaker, this is a resolution to permit the District of Columbia Committee of the House to subpena witnesses and to administer oaths. Our standing committees, with the exception of the Committee on Accounts, do not have that power except by special resolution of the House. The District of Columbia Committee, as a whole, or through a special committee, has been investigating crime in the District of Columbia for some time, and they request this power to subpena witnesses who will not voluntarily appear. They also request the power to administer the oath to these witnesses, and also ask permission to sit during the sessions of the House. The Rules Committee felt that the request in this particular instance was not unreasonable, and that is why the resolution or rule is brought in here at the present time.

Mr. COCHRAN. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Missouri for a question.

Mr. COCHRAN. Will the Committee on Accounts be called upon to make a large appropriation to carry out the purposes of this resolution? I do not object to a reasonable amount, but I think the Members should have some idea of how much an investigation is going to cost before asked to vote upon the investigating resolution.

Mr. O'CONNOR. I understand not. The only necessary expenses will be for stenographic services, and an attempt is being made to use the present official stenographers.

Mr. COCHRAN. We had a resolution in here the other day to continue an investigating committee, and they are now coming before the committee to ask for $100,000. When the House passes a resolution of this character the Committee on Accounts consider it a mandate to appropriate money to carry out the purposes of the resolution. I believe that some discussion should be had on the floor in reference to the amount that the Members think the Committee on Accounts should allow and not leave the matter wide open like this.

Mr. O'CONNOR. The gentleman from Missouri [Mr. COCHRAN] knows that the Rules Committee has no jurisdiction over amounts. If we had in there any such provision, the gentleman from Texas would make a point of order against it under the rules of the House.

Mr. COCHRAN. I fully realize that, but the discussion should lead in that direction. The chairman of the subcommittee is here, and I was wondering if he could tell us something about this situation.

Mr. O'CONNOR. I intend to yield to the chairman of the subcommittee for an explanation. First, however, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. NORTON].

Mrs. NORTON. Mr. Speaker, I may say that 5 minutes is not necessary, as the gentleman from New York [Mr. O'CONNOR] has fully explained the provisions of the resolution. May I say to the gentleman from Missouri [Mr. COCHRAN] we do not intend to ask for more than $2,000 from the

Committee on Accounts, and this for necessary clerical and stenographic hire.

Mr. COCHRAN. Will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentlewoman from New Jersey is mighty conservative, and there will be no objection from the Committee on Accounts for $2,000.

Mrs. NORTON. We found it necessary to be conservative, and we felt we would have the sympathy of the House by being very conservative.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I, too, shall not use the entire 5 minutes. May I say that during the fall and early winter there has been brought to the attention of the District of Columbia Committee members the need for a searching investigation of criminal activities in the District of Columbia with a view toward recommendatons for remedial legislation at this session of the Congress. I shall not detain the House now to report some loopholes that perhaps exist and the need for strengthening various administrative forces or the need for the actual passage of additional legislation. I know that the District of Columbia Committee and subcommittee charged with the hearings and investigation of criminal activities in the District of Columbia desire but one thing, and that is to make a genuine contribution to the end that the National Capital may be the model city of the country so far as law enforcement is concerned.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I am heartily in favor of this resolution. Regardless of the investigation, however, may I say that until the Congress changes the present trial-board system, which allows policemen to be tried by their own fellow officers, we will never have law enforcement in the Capital. Some of the most notorious crooks in the country, who have been on the police force, have been tried and acquitted by their fellow officers and some innocent men have been framed and convicted.

Most of the 1,300 policemen here are honorable, high-class men in whom we have absolute confidence, but there are some off-colored men on the force that you cannot get rid of under the present trial-board system, and the system must be changed. If this committee will bring in a bill which will provide an impartial trial board that is not under evil influence, you will have law enforcement in the District.

May I say further that notorious fellows like Capt. Guy Burlingame, who, over his own signature, and his own handwriting, showed himself to be unfit to be on this force, have been acquitted. Notorious crooks like Schenk, who is now serving 20 years in the penitentiary for robbery, have been tried and acquitted in the District by police boards.

If you will take part of the $2,000 and employ a lawyer like Crandal H. Mackey, who used to be Commonwealth attorney in Virginia, to help you in your hearings, you will get somewhere. It all depends on the kind of lawyer you have helping you develop the evidence. You need one who knows how to develop the testimony and who has enough stamina to go up against the situation. You have a hard proposition to go up against and the gentleman from West Virginia [Mr. RANDOLPH] needs help from all of us. If you want to get somewhere, keep the boys in the press gallery out of your hearings. They will hamstring and hamper you; they will get in your way every day so that you will not be able to turn around.

Mrs. NORTON. Will the gentleman yield?

Mr. BLANTON. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. May I say to the gentleman from Texas [Mr. BLANTON] that the committee has perfect confidence in the man at the head of the table [Mr. RANDOLPH]. We feel that he is going to give us a very impartial and a very fine hearing.

Mr. BLANTON. I know that. The gentleman from West Virginia knows he has my hand on his back helping him all the time.

Mr. RANDOLPH. May I say to my good friend and adviser, the distinguished gentleman from Texas, that we have before the subcommittee the legislation which the gentleman has drawn up for a civilian trial board, which has much to commend itself to the Membership of the Congress, and we are going to give serious thought to that legislation.

Mr. BLANTON. I am for my friend, and I am going to help him all I can.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Speaker, I have no objection to this investigation; in fact, I am for it, because I am sure that any investigation conducted by the gentlewoman from New Jersey will be thorough and efficient.

However, I wish to call the attention of the House at the outset to the fact that this is the beginning of another orgy of investigations that is going to be proposed in the House at this session. During the last session of Congress the Democratic majority, if you please—and we are the ones who are responsible in this House—carried on investigations, some of which, I think, we will all concede were absolutely worthless, in an amount of money exceeding any investigations that have occurred here in the last 14 years. Therefore, supplementing the remarks of my colleague from Missouri [Mr. COCHRAN], I think these things should always be considered in the House when they originally rise, because it is incumbent upon the Committee on Accounts, after such investigations have been authorized, to furnish some money to carry them on.

Mrs. NORTON. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Certainly.

Mrs. NORTON. May I say to the gentleman that this is the first investigation that has been authorized by the Committee on the District of Columbia in a great many years.

Mr. WARREN. I am greatly in favor of this one.

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1936

Mr. OLIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; and pending that, may I ask the gentleman from New York [Mr. BACON] whether it will be agreeable for the debate to run on today without limitation?

Mr. BACON. That will be entirely satisfactory, I will say to the gentleman from Alabama.

Mr. OLIVER. The time, of course, to be equally divided and controlled by the gentleman from New York and myself. I will say to the Members of the House that we are very anxious to allow liberal general debate, since so many have submitted requests for time. We have no desire to cut off general debate since, so far as we can learn, there are no really controversial questions in the pending bill; and, acting on this assumption, we are inclined to be liberal in general debate. If there are any Members on either side of the aisle who know of any controversial questions, I should appreciate it if they would notify the gentleman from New York or myself, so that we may take such matters into account. If we find that considerable time is likely to be devoted to items carried in the bill, we must make allowance for such discussion; otherwise we will give the Members of the House the privilege of longer general debate.

Mr. BACON. I may say to the gentleman that the only controversial question I know of on this side of the aisle is a matter that affects the International Labor Board in Geneva.

Mr. OLIVER. It should not take very long to dispose of that matter.

Mr. BACON. I understand there is only one gentleman who desires to speak upon it.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. KVALE. The gentleman does not propose to discuss the general provisions of the bill today?

Mr. OLIVER. No.

Mr. Speaker, I ask unanimous consent that general debate on the bill be without limitation today, the time to be equally divided and controlled by the gentleman from New York [Mr. BACON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5255, with Mr. ROGERS of New Hampshire in the chair.

The Clerk read the title of the bill.

Mr. BACON. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman, I ask unanimous consent to put in my remarks the resolution of inquiry that I presented this morning, so that the inquiry and the answer of the Postmaster General may appear in the same RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The resolution is as follows:

Resolved, That the Postmaster General be, and he is hereby, directed to furnish to the House of Representatives the following information:

1. Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department.

2. Whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public.

3. Whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public.

4. The name or names of officers or employees of the Post Office Department, if any, who have, since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

Mr. MILLARD. Mr. Chairman and gentlemen, if you will examine the resolution of inquiry which I presented last Monday, and which was before the Post Office Committee this morning, and then read the report of the Third Assistant Postmaster General, you will see that you have never read a more evasive report in your life. He does not answer a single question in my resolution. He does not state how many imperforate stamps have been issued; he does not give the names of the persons to whom they were issued.

Therefore, as I did not get the answers which you and I were entitled to, I have offered a resolution to investigate the whole matter. The committee told me that if I presented a bill, they would give it consideration. I had hoped that the Postmaster General would answer my resolution of inquiry. This is an important subject, my friends, although the gentleman from Texas [Mr. BLANTON] said that it was picayunish. I understand there were 160 sheets sold, which, at $20,000 a sheet, would amount to $3,200,000. I do not regard that as picayunish.

It affects 9,000,000 philatelists in this country.

The gentleman cross-examined me the other day and said, "What do these stamp collectors amount to, anyway?" I might have reminded him that his President and my President and his leader is one of the most prominent philatelists of the country.

I understand that the President has two sheets of these stamps, and the Secretary of the Interior has one, who also is a philatelist.

But, my friends, the Postmaster General does not confine his gifts to philatelists. He gave them to his children. He gave one to Louis Howe, and I never heard of him as a philatelist.

I understand that Gen. Hugh Johnson got a set of them, and that a son of a distinguished Senator of the East—I will not mention his name, because it is a rumor to that effect. Further, a Senator from the West got a set. Mrs. Roosevelt had a set given to her, and I want to know how many of these sets were distributed. Perhaps you think nobody is interested in that, but I do.

Mr. Chairman, on January 25 I introduced a resolution of inquiry which called upon the Postmaster General for information concerning his practice of obtaining from the Bureau of Engraving and Printing imperforate sheets of stamps which he later presented to members of his family, to officials of the Federal Government, and to his friends.

While I was motivated in asking this inquiry by the request which I received from the Westchester County (N. Y.) Chapter of the American Philatelic Society, the questions involved here are so broad that they interest every citizen, whether a stamp collector or not. The real question at issue is not whether certain philatelists or stamp dealers have been injured but whether Mr. Farley or any official of the United States has used his official position to show favors and bestow valuable gifts upon a special group of people.

I think you gentlemen will agree that I have been very temperate in my presentation of this matter to the House. If the Postmaster General or any other official of the Government has used his position to bestow special favors upon his friends, I think we will all agree that it is unethical and improper. I will reserve any expression of opinion whether it is anything more than that when the House is fully informed of the facts and can pass judgment upon the legality of this practice.

The question is not whether there is a law prohibiting a restricted distribution of incompletely manufactured or imperforate stamps but rather a question of whether the Postmaster General has authority under the law to issue or release any stamps for purposes other than strictly postal use. Many lawyers believe that he is only authorized to do those things authority for which is specifically given him in the statutes or the postal regulations. Clearly the Postmaster General's authority in regard to the issuance of postage stamps finds its source in the statutes and is limited to the issuance of stamps for postal purposes. The imperforate sheets under consideration were not released for postal purposes—Mr. Farley has so stated. He stated that they were given to his selected few friends as souvenirs of the occasions. There is nothing in the statutes or the postal regulations which authorizes the Postmaster General to engage in the souvenir-vending business. The United States of America is not in the souvenir business.

Small sheets of 6 and 25 stamps were issued on four occasions, beginning with July 14, 1933. These were not restricted in sale to the Postmaster General's selected friends, and in addition to the 200 and 400 subject sheets. In each instance an inscription on the margin of the small souvenir sheets stated—

Printed * * * under authority of James A. Farley, Postmaster General * * * in compliment to * * *.

In the several official circulars issued to postmasters throughout the country and in the Postal Bulletin the sheets were referred to as souvenir stamps, capable of serving postal duty but issued for the benefit of stamp collectors. No reference is made in the circulars as to the source of the Postmaster General's authority for issuing these souvenir sheets for purposes primarily other than postal uses.

The possible precedent of a somewhat similar sheet in connection with the International Philatelic Exhibition of October 1926 is not comparable with the 1933–34 souvenir sheets, since in the 1926 instance the stamps were fully perforated, gummed, and incapable of being distinguished from identical individual stamps on sale at all post offices.

Since the printing and distribution of the 1933–34 souvenir sheets and the accounting and distribution of them, as well as their sale, entailed an expenditure of Government funds, it might be interesting to obtain an opinion from the Comptroller General as to the propriety of the expenditures made. The fact that the sales may have netted a profit would not affect the legal question involved.

It is a fundamental concept that Government property and governmental facilities are public property and exist for the benefit of the public at large alone. The restricted or monopolistic use of Government property or facilities for private gain is abhorrent to the fundamental concept of popular government.

It is not at this time contended that the Postmaster General or any member of his staff received any private monetary reward for having made it possible for a selected few to obtain the sheets in question, but it is contended that through the exercise of his control of the great institution which has been intrusted to his management he has impressed certain Government property with great and extraordinary value. This property he has made available to the exclusive benefit of a few persons of his own individual selection.

This clearly is an indirect circumvention of that which is fundamental to popular government, namely, special privilege.

I was asked on Monday whether former Postmasters General have autographed sheets of new issues. I understand they have, but never before have the sheets been unfinished or in any way different from sheets which could be purchased from the Philatelic Agency.

Before the committee it was said that I had talked to some collector about these points. I did not talk to a collector of stamps. I talked to the man who was the head of the Philatelic Bureau for 14 years, and he said that no stamps of this character had ever been issued in those 14 years. Once in a while there is a mistake in the machine, as there was in the airplane issue, and all that, but nothing like this has happened in 14 years.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. I would rather proceed at present.

Mr. ARNOLD. I just want to know who the gentleman is who gave the gentleman from New York his information.

Mr. MILLARD. Mr. Eidlutz.

Mr. ARNOLD. In the Post Office Department?

Mr. MILLARD. He was the head of the Philatelic Bureau for 14 years.

Mr. ARNOLD. Is he there now?

Mr. MILLARD. No.

Mr. ARNOLD. How long has he been out?

Mr. MILLARD. I think 4 or 5 months. That is the information, and the gentleman can send for him and verify it.

The practice of making presentations of these special varieties originated with the present administration. Before this time the Post Office Department and the Bureau of Engraving and Printing have zealously guarded against knowingly issuing any special varieties, and every precaution has been taken to see that no stamps were issued other than the regular common stamps available at the Philatelic Agency and in the post offices to the public.

The Bureau of Engraving and Printing, I find upon careful inquiry, acts merely as a manufacturer executing a contract. The Postmaster General, under the law, requisitions from the Bureau the quantity and type of stamps needed or desired and the Bureau executes the order.

In the case of the imperforate and ungummed stamps the Postmaster General specifically ordered them delivered to him unfinished, or if he did not do so by what authority were they issued. The Bureau of Engraving and Printing is extremely careful in the issuance of all stamps, that they be just as requisitioned and perfect in every way. The Director has no discretion in the matter. He carries out his instructions to the letter. If the Bureau of Engraving and Printing, in furnishing these special stamps to the Postmaster General, acted upon regular requisitions submitted by the Post Office Department in accordance with the established practice, that Bureau is, of course, without blame.

It was of interest to me to learn that the first United States stamps issued in 1847 in 5- and 10-cent denominations were imperforate. These were cut from sheets furnished to the post offices by the postmaster who sold them or by the buyer, depending upon the number purchased. There were also legitimate imperforate sheets of stamps issued by the Post Office Department subsequent to 1917 for use in vending machines. These were placed on sale in sheets of 100 at the Philatelic Agency and at post offices.

When sheets of imperforate Red Cross stamps were accidentally turned out several years ago, the error was discovered before the stamps were offered for sale and all copies were destroyed, the Post Office Department at that time having gone so far as to refuse the request of the Postal Museum for a sheet for its collection.

In 1929 or 1930 a sheet of the Von Steuben stamps, through an oversight, was issued without perforations. The Post Office Department immediately took steps to retrieve it, and three of the four panes were found and destroyed. Later the fourth was purchased in a small Texas city by a minister said to have been Leslie Boone. Mr. Boone realizing its philatelic value, cut the sheet into blocks, which he offered for sale at $500 each.

In other years and in previous administrations such errors as imperforate sheets have been known to occur by accident, and in that event when discovered they were destroyed before being placed on sale. When errors were not detected, such as in 1917, when the die of a 5-cent stamp was placed in a sheet of 2-cent stamps, or in 1918 when the center of the 24-cent air mail stamp was inverted, the stamps were sold at regular face value before the discovery. These have, of course, attained high value since because of their rarity. A single air mail stamp with the plane printed upside down is known to have brought $3,200 at auction.

I am told that in Canada a few sheets of 2-cent King Edward stamps were blown out of a window before they were perforated. The Canadian Government promptly made an effort to retrieve them, and upon its failure to do so, issued similar sheets of stamps without perforations.

In 1919 we know of another similar instance. This time imperforate sheets of Bavarian stamps were stolen. To offset their fictitious value the Bavarian Government printed and issued a whole set of imperforate sheets and placed them on public sale.

For some time Russia has issued perforate and imperforate sheets of stamps for the acknowledged purpose of creating a demand for both issues in the philatelic market. This is well known and frankly admitted to increase the sales of stamps to collectors.

How other governments have corrected their stamp abuses and problems is not our concern except insofar as we wish to follow their example. The score of philatelic organizations which have passed resolutions condemning the distribution of imperforate sheets of commemorative stamp issues not available to the general public offer suggestions as to how to right the wrong which they feel has been done them. The first of these resolutions was adapted last July by the Westchester County Chapter and presented at the American Philatelic Society's convention as early as last August. The resolution asked the Post Office Department to discontinue the practice as detrimental to stamp collecting in that rare varieties of United States stamps were being created which would at some future time command exorbitant prices in the stamp market. The fears of the members were justified, for we now know that some of these stamps have already found their way into the hands of dealers and are being offered and sold for tremendous prices. The Norfolk Philatelic Society addressed a letter to President Roosevelt urging him to "Take steps immediately to discontinue this favoritism in the distribution of imperforate stamps"; and prompted by the report that a collector in that locality had a sheet of 200 Mother's Day stamps, which had a face value of $6, but which he had insured for $20,000, and for which he had been offered $30,000 by a New York stamp company. Sometime ago a similar sheet of the Mother's Day stamp was in New York. It bore a signature, "James A. Farley, May 18, 1934", and

like the Norfolk sheet, was said to be insured for $20,000. The owner and dealer, however, could not come to terms. The first run of these stamps was on April 13, when a considerable ceremony was staged in Washington, with Mrs. Roosevelt representing the mothers of America.

Speaking of the Norfolk sheet, Mr. Farley, in reply to an inquiry by the Herald Tribune, said:

> At the time of the Mother's Day stamp issuance I purchased five sheets of the ungummed and imperforate stamps. These sheets went to the President, Mrs. Roosevelt, Secretary Ickes, and Louis McHenry Howe, the President's Secretary. Also I presented one to a friend of mine in Norfolk, Va., and that probably was a mistake.

Mr. Farley further clarified his position by explaining that he mistook a request from Norfolk for an autographed sheet of Mother's Day stamps to be from a personal friend and in sending the sheet used an imperforate one on account of the holes in the perforated sheets catching the point of his pen. After signing the sheet he folded it, placed it in an envelop, and mailed it to Norfolk.

We know, too, that a sheet of Mother's Day stamps bearing the autograph of the Postmaster General was offered for sale for $20,000 to the Scott Stamp & Coin Co. Also, according to the Philadelphia newspapers, there was a sheet of Mother's Day stamps offered in that city and also in Washington.

As I pointed out last Monday, I am told by Mr. George R. M. Ewing that the New York dealer who received the sheet of Mother's Day stamps twice requested the Post Office Department to send an inspector to see him so that he could tell him the name of the owner offering the sheet for sale, and the Department has not availed itself of the invitation. I have already cited in my previous statement that Mr. Ewing bought a pair of the 2-cent National Parks imperforate stamps for $250 from a dealer in Philadelphia. I also have a letter written by Eugene Klein in Philadelphia, a dealer, offering for sale another stamp, the 2-cent Grand Canyon, imperforate, pair at $350, which is a pair from one of the sheets given by the Postmaster General. I also have information, and I do not know whether it is true, that Bernard Gimbel or his representative, Edward Kerr, have some of these imperforate and ungummed stamps in their possession.

I was asked to give the name of the gentleman who wrote the letter giving information, and told that I could not read the letter unless I gave the name. The name is George R. Ewing, 52 Vanderbilt Avenue, New York City, who said that the New York dealer had been offered a sheet of stamps for $20,000 above referred to.

It took comparatively little effort to ascertain that blocks of stamps which can only have been a part of the incomplete sheets such as were requisitioned by Mr. Farley have found their way into the hands of dealers in several parts of the country and are held for high prices to be sold to persons who can afford to buy.

At the outset only the philatelists viewed the practice of the Postmaster General with alarm, realizing that the stamps would be classed as rarities. When the Mother's Day stamp was run off Mrs. Roosevelt received the first sheet. With the printing of the Wisconsin stamp a press notice indicates that the Postmaster General purchased several sheets, autographed them, and presented them to the President, Mrs. Roosevelt, Colonel Howe, the First Assistant Postmaster General, one for each of his children, and so on. This procedure appears to have been followed with each new issue until the National Parks stamps when the first sheet was presented to the Secretary of the Interior. Mr. Ickes has received one or more complete sets of these stamps. I am reliably informed that he in turn had given away some of his stamps, but that he has recalled them and, if he has not already done so, will turn them over to the President.

I have as yet no definite knowledge of how many of these sheets have been distributed, though the members of the Post Office Committee have shown me the courtesy of letting me see reply furnished by the Postmaster General in response to the resolution of inquiry. I think, however, a fairly accurate estimate would be considerably over 100. There has been an estimate made of 160. Press reports have criticized the presentation of some of the recent stamps to the President, Mrs. Roosevelt, Secretary Ickes, the children of the Postmaster General, the Secretary to the President, Louis Howe, the First Assistant Postmaster General William W. Howes, the Acting Second Assistant Postmaster General Jesse Donaldson, the Third Assistant Postmaster General Clinton B. Eilenberger, Gen. Hugh Johnson, an unnamed friend of Mr. Farley in Norfolk, Va., and it is rumored that a set went to a Member of the United States Senate and another to a Senator's son.

I was informed yesterday—and I do not know whether it is true or not—that Mr. Ickes gave a set of stamps to a stamp collector in Washington, and that when this resolution of inquiry came along he obtained that set of stamps and has offered to turn over to the President his 20 sheets, but that the President told him to keep it for the present.

That was told to me yesterday. By his own admission Mr. Farley purchased five sheets of Mother's Day stamps. There have been 20 issues of commemorative or special stamps and the estimate of over 100 sheets certainly is not exaggerated.

In commenting to the press on the sheet offered for sale in Norfolk, Mr. Farley prefaced his explanation by saying, "The worst part of it is it was." In other words, Mr. Farley's regard seems to be not that he made valuable gifts but that his friends disposed of the gifts. I have not seen nor have I heard any adequate defense. His attempt as justification of the issuance of autographed imperforate sheets because his pen stuck in the perforations does not vindicate him even in the eyes of those who are endeavoring to shelter him.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. Yes.

Mr. KNUTSON. How many stamps are a sheet?

Mr. BULWINKLE. Fifty-two to one hundred.

Mr. KNUTSON. If there were 50 to 100, that would be $35,000 a sheet.

Mr. MILLARD. Yes. One hundred and fifty sheets at $20,000 would be $3,000,000.

Mr. FITZPATRICK. Do I understand the gentleman to believe that the passage of this resolution will be the first great step to correct the depression in our country?

Mr. MILLARD. It might not stop the depression, but it would stamp out a very bad practice.

Mr. FITZPATRICK. The gentleman thinks it is a constructive measure so far as the depression is concerned?

Mr. MILLARD. And I suppose the gentleman from New York, my neighbor, thinks that the Postmaster General has not been unethical.

I do not want to give you the names, but it is rumored—and within 48 hours it will be proved true or untrue—that one set went to a western Member of the United States Senate and another to the son of an eastern Senator, who was a stamp collector.

Suppose if we give the present possessors of the sheets the benefit of the doubt, though we know single imperforate stamps, pairs, blocks, and sheets have more than once been offered for sale at high prices, there is nothing to prevent their heirs or estates after their death from placing them on the market. We know of instances where men have left nothing to their heirs but valuable stamp collections. On the auction block these have created huge fortunes. One of our late colleagues in the House is said to have left a collection of stamps valued at $1,000,000. Now, if a single sheet of 200 stamps, the face value of which with perforations is worth four to six dollars, is salable unperforated in the philatelic market for $20,000, a set of the 20 special and commemorative issues is worth $400,000. I am informed that the President has two such full sets, and Mr. Secretary Ickes had another, and from newspaper reports there are many others. From this it is easy to understand why there has been such a tempest raised among philatelists against this distribution by the Postmaster General.

On February 1 I offered an amendment to the Treasury and Post Office appropriation bill which, if it had been adopted, would have specifically prohibited such unusual distributions. Perhaps such unusual distributions are already

illegal, but this amendment would have cleared up any doubt on that question. The amendment, however, became, instead of a question of right and wrong, a partisan matter on the part of the Members on the other side of the aisle and was voted upon as such. It consequently failed of passage. Perhaps some of those on the other side who voted against that amendment feel that no new legislation was necessary to make illegal practices of this character, and if there were Members of the House whose vote on the amendment was influenced by such considerations, I am sure they are taking a keen interest in this discussion.

In my opinion, legislation should be enacted which will settle any doubt as to the legality of such a practice. I hope this House will see fit to pass a bill for this purpose. But consideration of that must come later. We have now to decide a course of action in the present situation. There is incontrovertible evidence that some of these presentation stamps have been placed on the philatelic market for sale. It would seem only common justice, therefore, to the rank and file of the 9,000,000 stamp collectors in the United States that they be given the privilege of purchasing at the philatelic agency similar sheets of incomplete stamps. The Post Office Department should be instructed by the Congress to requisition from the Bureau of Engraving and Printing, if the Postmaster General does not himself take the initiative, an adequate number of these sheets of all issues, place them on sale in the regular way, and thereby correct the injustice already done, whether it was intended or not. The least that could be said in favor of such an authorization would be that the Federal Government would derive a considerable revenue by this course, for a substantial percentage of the stamps so purchased would never be used in the payment of postage. This would give everyone an equal opportunity to purchase similar incomplete sheets, without perforations, and what is of comparable importance, the bottom would drop out of the market, for these presentation sheets will no longer be rarities, or collectors' items commanding a high price, either now or at some future date. Let us see that this unjust practice shall be ended and that in fairness to all concerned these imperforate and ungummed sheets of stamps are issued to the public.

Mr. OLIVER. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. DOBBINS].

Mr. DOBBINS. Mr. Chairman, the gentleman from New York [Mr. MILLARD], who just addressed the Committee, stated that the Committee on the Post Office and Post Roads had invited such a resolution as he says he has introduced this morning. The gentleman from New York was before our committee this morning and was told that if he wished to introduce legislation for the purpose of ending the practice he condemns the committee would be glad to consider it. He was not asked to nor was it intimated that he should bring in another resolution of inquiry such as was so enthusiastically condemned by the House of Representatives this morning. Such a resolution, of course, has nothing back of it but partisan and political animus. The wording of the resolution alone discloses that. It goes back to the beginning of the present administration and no further. It specifies one particular kind of irregularly printed stamps and no others, notwithstanding the known fact that there have been stamps irregularly printed back as far as the recollection of any of us goes.

They do not like Mr. Farley over on the Republican side of this House. That is all that is back of this resolution. They do not like what he did in June 1932. They do not like what he did in November 1932. They do not like what he did in November 1934. They will like still less what he will do in November 1936. [Applause.] If there were not enough other evidence to keep that aggravating situation constantly before them, the 175 vacant seats on my left afford a sufficiently irritating and constant reminder.

Mr. MOTT. Will the gentleman yield?

Mr. DOBBINS. Not just now.

I am not surprised that they do not like him. Goliath did not like David any more, I take it.

Now, Mr. Chairman, the gentleman from New York and his colleague [Mr. FISH], both of whose resolutions were handled this morning, seem very much concerned about some information they would like to have from the Post Office Department. He would like the assistance of his 434 colleagues to get that information. Our committee's information is that no inquiry has been made of the Post Office Department by any Member of Congress, other than my colleague from Illinois [Mr. ARNOLD], as to the subject covered by this resolution. The gentleman from New York [Mr. MILLARD] appeared before the committee and made a very fair presentation of his views, I am going to say. He was asked in committee whether he himself, before seeking to enlist the assistance of the House, had sought to obtain this information. He said he believed his secretary had made inquiry on the subject. He was asked what form of inquiry his secretary had made, and the gentleman did not know. Now, is that a sufficient basis to put into action the labors of a committee of the House, and of the Whole House, for the getting of information? Of course it is not. On the other hand, the gentleman's remarks on the floor today and previously, indicate that he has been very busily seeking information from other quarters.

On the 1st day of this month, addressing this House, he presented and read into the RECORD a letter which, I understood, was from one of his constituents, but which he says now was not. The letter purports to come from one Roberta Roe, and gives some very astounding information. That letter states that one Barney Gimbel, of Philadelphia, was possessed of 10 of these sheets of imperforate stamps, and that the writer would be willing to give $20,000 for one of the sheets and could make $100,000 profit on it. In committee this morning we asked the gentleman from New York [Mr. MILLARD] who this lady is. The gentleman said he did not know. We asked if the lady was a constituent, and the gentleman said, "No; she comes from another district."

Mr. MILLARD. From East Orange, N. J.

Mr. DOBBINS. East Orange, N. J. I happen to know more about Roberta Roe than the gentleman himself does, because Roberta Roe, my friend, is a nom de plume or alias or fictitious cognomen used by a convict in East Orange, N. J., a man whose actual name is A. C. Roessler, who is a philatelist—with apologies to actual and honorable philatelists, I use that expression—and who used that fictitious name for the purpose of obtaining from the Post Office Department new issues of stamps after the quota allotted to him under his own name had been exhausted. This A. C. Roessler got stamps, forged a Government postmark on them, advertised and sold them as genuinely postmarked stamps, was indicted on two counts by the Department of Justice, pleaded guilty to each of the indictments, was sentenced to the penitentiary, and in June 1933 was admitted to probation on each of those convictions, and is still under probation because of his admitted violation of the laws of the United States. That is the woman, or the man masquerading under a woman's name, whose letter the gentleman puts before this body as authentic information on what is going on in the Post Office Department. Now, the truth is that Barney Gimbel never got, never had, and does not now have one of these sheets of stamps.

The value of the stamps is put before you in the argument this morning as being up in the millions. As a matter of fact, if my colleague's source of information were really trustworthy, and 150 of those sheets had been put out, their actual value would be $6 a sheet, or $900 in all, instead of millions of dollars. That is all the Government could get for the stamps, and any official charging a cent more for them in selling them to the public would be violating the laws of his country.

This valuation put upon the stamps by philatelists is, of course, simply an imaginary value. It is the same type of value that a very low automobile license number has. The man who gets license no. 1 from the secretary of state or from the functionary who corresponds to that State official is glad to get it, but he pays no more for it than I do for my

high number. He could sell it at a considerable profit to another, if it were transferable, but the State would not get any more than the prescribed fee. Nor does the Post Office Department or the United States Government get more than the face value of these stamps when they go into the hands of collectors.

Mr. MOTT. Will the gentleman yield for a question?

Mr. DOBBINS. I yield.

Mr. MOTT. Do I understand that it is the gentleman's contention that, on account of the things he has just stated, the Postmaster General did nothing out of the way or nothing wrong in issuing these imperforate and ungummed stamps to his friends? Is that the point of the gentleman's argument?

Mr. DOBBINS. The point of the gentleman's argument is that the attack that is being made from the Republican side, limited in its scope, as this resolution is cleverly limited, is clearly and plainly a mere partisan attack, and should be treated in like vein, and was emphatically treated in like vein this morning.

Mr. MOTT. That does not answer the question I asked the gentleman. Even assuming for the sake of argument that what the gentleman says is true, I am asking the gentleman if he now contends that, on account of the things he has just stated here, there is anything wrong in the action of the Postmaster General?

Mr. DOBBINS. I will say to the gentleman that I do not consent to act as sponsor for any sort of a moral code, and do not intend to do it. I do not intend to pass upon any hypothetical question of morals.

Mr. ROMJUE. Will the gentleman yield?

Mr. DOBBINS. I yield to my colleague on the committee.

Mr. ROMJUE. I want to make this suggestion: The gentleman from New York fails to go to the department of the Government and try to ascertain what the facts are. He comes in here asking for the passage of this resolution and produces a letter from an ex-convict who has been sentenced to serve time for fraud. He asks the Membership of the House to rely on that when he might have gone to the Department and gotten the information which he wants.

Mr. DOBBINS. I agree with the gentleman thoroughly.

[Here the gavel fell.]

Mr. OLIVER. I will yield the gentleman from Illinois 5 minutes more.

Mr. DOBBINS. I want to say, in conclusion, that if this resolution had been drawn in sufficient scope, taking in prior administrations and other issues of irregular stamps, it might have received a different treatment. There have been issues of irregular stamps, purposely or accidentally printed, back as far as I can remember.

I can go back 30 years to the time of President McKinley—back to the time of the Buffalo exposition, when we first had stamps in two colors, a colored border with the figure of a buffalo in the center. Some of those stamps were inadvertently printed with the buffalo inverted and afterward were distributed. There was an immediate recognition of their philatelic value, and the then Third Assistant Postmaster General, Edwin C. Madden, caused to be deliberately misprinted in like manner a number of sheets of those Pan-American exposition commemorative stamps, which he distributed among his friends.

I do not recollect that there was any congressional resolution of inquiry on that subject under the existing Republican administration.

The Postmaster General's report for the year ending June 30, 1934, shows that the receipts of the Philatelic Agency of the Post Office Department for that year were $811,723, as against $302,619 for the year before. Does this look as though the present method of managing this Department is costing the Government money? There is a clear profit. Those stamps were not used for postage. Here is a clear increase in profit of over $500,000 in 1 year from the operation of this one branch of the Department alone. I think the philatelists of the country, in the main, concede to the Post Office Department a very efficient management of its stamp service; and I know that those who do not concede it ought to concede it. But we cannot expect such a concession from men masquerading under assumed names and sending stuff here to be injected into the RECORD, such as this criminal in East Orange who hides behind a woman's skirts.

I shall now leave with the Committee certain observations which I think show as clearly as can be shown that the taking up of the time of the House and of the committee on trivial matters like this is wholly unjustified. When it is pursued to its limit, it is as clear as can be that the very thing they criticize in the present administration comes back like a boomerang to hit them in the face. They criticize Mr. Farley's bookkeeping, yet it is indisputably shown that he is continuing the method of bookkeeping prescribed by the preceding administration.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. CULKIN. Will the gentleman say whether or not any previous Postmaster General ever claimed that he had balanced the budget in the Post Office Department?

Mr. DOBBINS. Oh, yes; that has been claimed; but the last time that there was even an appearance of a balanced budget in the Post Office Department it was in the last preceding Democratic administration. I do not think anyone dared to make such a claim during the intervening 12 years of administration by the gentleman's party.

Mr. CULKIN. May I say the gentleman is very modest from a partisan standpoint. I venture to say that no previous Postmaster General has made the claim he had balanced the budget.

Mr. DOBBINS. Let me inquire of the gentleman from New York whether he makes that utterance as a question or whether he makes it as a matter of information? If he had read the last report of the Postmaster General, he would realize that it shows the receipts and disbursements of the Department throughout a long period of time, affording a clear and incontrovertible evidence on the question.

Mr. CULKIN. Of course, I yield to the gentleman's superior intelligence.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, another link in the chain of the present administration to destroy American industry was forged on Saturday, February 2. For some time past it has been known that the signing of a treaty between this country and Brazil was imminent. A special delegation of Brazilian officials has been in the United States and has been properly entertained socially by our officials. Sunday's papers reported the consummation of the purpose of this visit. A trade agreement was signed in the presence of the President of the United States by Ambassador Aranha and Secretary of State Hull. Following the ceremonies, Secretary Hull issued a statement.

I call particular attention to the statement from my old associate on the Ways and Means Committee, and my friend, the Secretary of State. I have always admired his power of expression in the English language, so well illustrated by the exuberance of the statement which he issued on Saturday appearing in Sunday morning's papers. It is well worth repeating here. I quote:

> I have just had the pleasure of signing a trade agreement between this Government and the United States of Brazil. It is the first one of these agreements to be concluded outside of the one with Cuba, which had special features. I am especially gratified because this marks the first break in the log-jam of international trade created by restrictions such as quotas, import licenses, exchange controls, special arrangements, and almost numberless other throttling devices. Agreements of a similar nature are in the making with 15 other countries, some of them so far advanced that their completion may be expected soon.
>
> Having once started on the road away from the medieval mercantilism which was strangling the commerce of a new world, progress should now be more rapid and the movement gain momentum.
>
> I am confident that in our dealings with other countries we shall encounter the same spirit of reasonableness and cooperation for the general welfare that we have experienced with Brazil, and that soon by the expansion of this program we shall be casting a broad beam of light and hope into the existing economic darkness.

In making public this statement the Secretary of State in his happiest vein uses large words and grand expressions. He is a past master in the art of generalities in the English language. Let me particularly refer to these high-sounding words:

Having once started on the road away from the medieval mercantilism which was strangling the commerce of a new world—

And so forth.

It could be a source of gratification if the Secretary of State, or his professorial advisers, would define in simple English the expression "medieval mercantilism." It would be interesting to know how many citizens of the United States in reading the Secretary's statement would understand the meaning of that language. I assume it refers to conditions under which the American people have done business for a hundred and twenty-five years. It is needless to say that this country has prospered as no other on the face of the globe under the commercial system which has been in force. As the result of world-wide depression, for which this country was in no way responsible, there has been a marked decrease in foreign trade as well as in domestic trade. So this administration uses this decrease in trade as an excuse to overthrow the established methods of carrying on business and the manner in which, under the Constitution, laws have been written for the government of the American people.

If medieval mercantilism means prosperity for the people of the United States, I fail to see why its form should be changed by an unconstitutional, un-American, and unscientific scheme of relations with foreign governments. Aside from having representatives of foreign governments aid in writing, which in itself is entirely repugnant and contrary to the spirit of our institutions, there is another embarrassing feature in connection with the pact agreed upon at the White House last Saturday.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KNUTSON. As I understand it, the Brazilian treaty contemplates reducing the tariff on manganese 50 percent.

Mr. TREADWAY. I may say to the gentleman from Minnesota that the conditions of the treaty are unknown and will be so until they are first announced in Brazil. This agreement must first go to Brazil before we know the conditions or the articles at issue.

Mr. KNUTSON. That is true; but the Sunday papers quoted the treaty as contemplating a reduction of 50 percent in the tariff on manganese.

Mr. TREADWAY. The gentleman is correct.

Mr. KNUTSON. There is no manganese mine in operation in this country today, because we are now importing all our manganese from Russia, India, and other foreign countries. Instead of cutting the tariff they ought to increase it 100 percent, so we can reopen our mines.

Mr. TREADWAY. I can give the gentleman another very illuminating illustration: In the statement issued by the Secretary of State there is glorification over the fact that he would endeavor to persuade the American Congress not to put coffee on the dutiable list. Has anybody ever suggested that we would?

Mr. KNUTSON. I have never heard such a suggestion.

Mr. TREADWAY. Nor have I. That is one of the great concessions the Secretary of State is making to these representatives of Brazil—he is going to endeavor to keep coffee on the free list. We do not grow a pound of coffee in the United States for commercial purposes. Why should we put any duty on it? Why should anybody suggest it?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield further?

Mr. TREADWAY. Yes.

Mr. KNUTSON. I understand that the State Department—and, of course, all the news we get comes by way of the grapevine—I understand that the State Department is negotiating a treaty with Denmark which contemplates allowing Denmark to ship butter into this country. Can we not produce our own butter?

Mr. TREADWAY. Well, there are good farmers in Minnesota, and we have good farmers in Massachusetts and New England who would be only too glad of the chance to produce a lot more butter. If such a treaty goes into effect with Denmark, then our farmers have got to compete with Denmark's farmers and our farmers will be put out of business in favor of the industry of Denmark.

Mr. KNUTSON. If the gentleman will let me make this further observation, I think the time has come to bring the tariff to the fore in this country.

Mr. TREADWAY. I am doing my part. If every other Member of Congress would talk about it as much as I, we might be able to do something about it.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. ANDREWS of New York. Is it not true that until the President signs these reciprocal treaties we have no way of ascertaining what the provisions in the treaties are? For instance, I understand that the Brazilian treaty has to be approved by the Brazilian Parliament.

Mr. TREADWAY. Yes; I just referred to that. In a moment I shall refer to certain remarks the gentleman from Missouri put in the RECORD the other day.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. SHORT. Is it not true that our country is also contemplating reciprocal-tariff relationships with Switzerland which will entail competition with chemicals and watches?

Mr. TREADWAY. There is no question about that.

Mr. SHORT. And with Italy and Mexico, agreements whereby they will compete with our farmers in the production of tomatoes and corn.

Mr. TREADWAY. It is said the administration is considering another treaty to bring Sumatra tobacco in under conditions which would make it compete with the Massachusetts and Connecticut tobacco growers.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. MOTT. Is it not a fact that there is being shipped into the United States from a large number of foreign countries almost every agricultural product which we produce today in the United States? And is it not a further fact that the wages and standards of living are so low in those foreign countries that the foreign producer is able to raise his product, pay the freight on it to this country, pay the tariff, and even then undersell the American farmers in their own market right at this time?

Mr. TREADWAY. There is no question about the accuracy of the gentleman's statement. The Secretary of State, unfortunately, is convinced that it is the right thing to reduce tariffs; and he is reducing them.

Mr. MOTT. And is the gentleman also aware of the fact that the duty has been taken entirely off hay and straw from Canada and that the Canadians now are shipping hay and straw into the United States, while in Oregon alone, for example, we have a surplus of 45,000 tons of alfalfa hay for which we have been unable as yet to find a market?

Mr. TREADWAY. I should hope that the cattle in Oregon could distinguish between Canadian hay and straw and Oregon alfalfa.

Mr. PIERCE. The Department of Agriculture informed me the other day that a total of 650 tons has come in from Canada.

Mr. TREADWAY. I thank the gentleman.

Mr. PIERCE. And that 2 percent of it was alfalfa.

Mr. MOTT. If the gentleman will yield, the Department of Agriculture has given me different and more recent figures than those. And as to the effect of these importations, I do not agree with what the Department of Agriculture says about the unimportance of the situation. I have received letters and telegrams every day for the past month from the farmers in my own State, and I know what the situation is out there. I may say further that the Department of Agriculture has promised to send a man out into Oregon to

investigate the matter of this surplus, but that it has refused to restore the duty on hay and straw. And may I say also that the 650 tons my colleague mentions includes only Canadian hay and straw importations made by the United States Government itself? The total amount of duty-free hay and straw importations from Canada this winter is to date 32,069 tons, and 10 percent of it was hay. These figures I received today from the Department of Agriculture.

Mr. VINSON of Kentucky. May I suggest to the gentleman from Oregon that the condition which he so graphically describes is not brought about in any sense of the word by the Democratic administration. The Smoot-Hawley bill was the last tariff measure that was placed on the books.

Mr. MOTT. The condition of which I complain was brought about through a Presidential proclamation issued this winter authorizing the Secretary of the Treasury and the Department of Agriculture to take the duty off Canadian hay and straw; and the duty was taken off and is still off by authority of that proclamation.

Mr. VINSON of Kentucky. That was done under a quarantine situation and under a condition that existed with reference to health.

Mr. MOTT. No; there was no quarantine situation connected with it at all. They are shipping this hay and straw into the drought area as well as into some other parts of the United States from Canada because they can get it cheaper from Canada with the duty removed than they can from Oregon and other States of the Pacific Northwest.

Mr. VINSON of Kentucky. How much was shipped? Let us get down to a bill of particulars instead of dealing with generalities.

Mr. TREADWAY. Mr. Chairman, this is all on my time.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New York.

Mr. FITZPATRICK. What is the difference between the exportations and importations in this country today and 4 years ago?

Mr. TREADWAY. Those are details that are very easily obtainable.

Mr. FITZPATRICK. That would be an explanation of the situation.

Mr. TREADWAY. I have not at hand those statistics. There have been tremendous decreases both in imports and exports that this country is in no way to blame for.

In the press accounts we are informed that this treaty or agreement will become effective 30 days after its announcement by the President and its ratification by the Congress of Brazil. To my mind, this is the most astonishing thing in the whole proposition, namely, that the Congress of Brazil must ratify the actions of its representatives, where the Congress of the United States has no opportunity to ratify or confirm the acts of its representatives. [Applause.]

When have we reached the point and when has the American Congress reached the point that legislation affecting the industries of this country should be agreed to by representatives of foreign countries and that agreement ratified by the Congress of that foreign country, with the Congress of the United States sitting impotent and having nothing to do with the law?

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF. Does it not go further than that? Is it not a fact that the American people will not even know what is in this treaty?

Mr. TREADWAY. There is no doubt about that. It was signed a star-chamber session, and you cannot find out what items are contained in the agreement.

Mr. SHORT. Is it not this secrecy that has been instilled into the hearts of the American people that is causing such fear as makes business recovery slow?

Mr. TREADWAY. The gentleman is right. An experimental system of laws is destructive of business confidence. It is an entirely new scheme of legislative method.

Mr. COCHRAN. Is it not a fact that when the gentleman's committee is considering a tariff bill the members practically swear themselves to secrecy as to what is done after hearings are held and the committee is in executive session writing the bill?

Mr. TREADWAY. Every schedule is before the committee, and it receives evidence from the people of this country from California to Maine, whereas in this case you do not even know what schedule is under consideration.

Mr. COCHRAN. After you have received the suggestions from the people in the country and have heard business men and their representatives, the committee goes behind closed doors and, unless there is a leak from a member of the committee, nobody knows what is being done.

Mr. TREADWAY. I have been on the Ways and Means Committee for nearly 20 years, and there never has been a time when there was not a bill considered by schedule. That is the way the bill is made up. I will tell the gentleman how these bills are made up.

Mr. COCHRAN. I realize what the gentleman states is true; but what I say is that your committee keeps from the public what is being done after your hearings have been held until you reach a final conclusion.

Mr. TREADWAY. No. Let me tell the gentleman what we do. We report here to the House what we do. That is the way we do business.

Mr. COCHRAN. That is when the committee reach their conclusion. You never report to the House nor does any other committee until you have the bill completed and ready to turn over to the House.

Mr. TREADWAY. We report to this House.

Mr. COCHRAN. Yes; when the committee reaches a conclusion. I admit that. But when you are writing the bill, you do what the State Department is now doing—work behind closed doors?

Mr. FIESINGER. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. FIESINGER. Will the gentleman state to the House whether the Government of Brazil, or the Congress of Brazil, has a law similar to the one we have relating to reciprocal tariffs?

Mr. TREADWAY. I hope they have not. We have a rotten law on our statute books.

Mr. FIESINGER. Was it not approved by the American people when they elected this administration because it appeared in the Democratic platform?

Mr. TREADWAY. No. The people have never approved your reciprocal tariff.

Mr. FIESINGER. We had it in the Democratic platform. We went to the country on that issue.

Mr. TREADWAY. Platforms are mighty handy to get in on. That is all the good that I know of that the Democratic platform did for anybody.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. WOODRUFF. I wonder if the gentleman could enlighten the Committee as to how the tariff policy as carried out by this administration coincides with the tariff situation as laid down in the Democratic platform?

Mr. TREADWAY. I should prefer to tell the gentleman the manner in which the Republicans have retained the tariff law. The gentleman from Missouri was referring to the manner in which the Ways and Means Committee report a bill. I am inclined to think, if the gentleman will give due consideration to the matter, that he will see a marked difference between the way the Ways and Means Committee prepares a bill to submit to this House and the way this reciprocal treaty has been handled by the administration. We do not have the right to write a law.

We submit the bill to Congress, and when the bill is ready it comes here in the open where it can be debated and considered. The people know what its conditions are. The manner in which this Brazilian treaty is handled—and I am told all the others will be handled in the same way—is behind closed doors, and interested parties do not know

whether one article or another is before the committee for change.

To show how completely in the dark our people are when they appear before the committee for reciprocity information, I quote the following from the opening statement of Chairman Page at the hearing on the trade agreement with Cuba on July 23, 1934:

> The fact that anyone is admitted to a hearing on any particular item or subject does not necessarily mean that that item or subject will appear in this treaty at all. The treaty cannot and will not be concluded until after the hearings are completed. Naturally, therefore, it is impossible to say what the treaty will finally contain.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. COCHRAN. Will the gentleman say that when the Ways and Means Committee of the House or the Finance Committee of the Senate takes up a revenue bill or a tariff bill to read it under the 5-minute rule and to prepare the bill that the doors of the committee room are kept open? The gentleman knows that they are closed and have always been closed when you are in executive session writing the bill.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, the gentleman has been so affable in yielding to everybody that I yield him 10 additional minutes.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Just let me take care of this other Democrat first and then I will take on the gentleman.

I will repeat that the manner in which a tariff bill or any other bill is written is for the committee to submit its form to this House for its action and not for an official of the administration to sit behind closed doors with a representative of a foreign country and have such agreement go to a foreign congress for ratification before we even know its contents.

Mr. COCHRAN. Will the gentleman yield further?

Mr. TREADWAY. Yes.

Mr. COCHRAN. The gentleman has not answered my question.

Mr. TREADWAY. I have answered it.

Mr. COCHRAN. I asked whether or not you sat behind closed doors when you are preparing the bill after hearings are over, and the gentleman can answer "yes" or "no", but has not answered the question.

Mr. TREADWAY. I have fully answered the gentleman.

Mr. COCHRAN. In your own way.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; I yield to the gentleman from North Carolina.

Mr. BULWINKLE. I understood the gentleman to say that Republican tariff bills are always wonderfully written and drawn——

Mr. TREADWAY. No; I say that great care and study are given them.

Mr. BULWINKLE. Then I take it that the gentleman is referring to Mr. Grundy, who drafted the last tariff bill that you had.

Mr. TREADWAY. Why, my dear friend [laughter], I am delighted to have you refer to a gentleman who, so far as I know, is simply a figurehead for Democrats to shoot at. He never appeared before the Ways and Means Committee, to my knowledge. I think I may have seen the gentleman in the lobby of a hotel, and when the gentleman refers to a gentleman by the name of Grundy from Pennsylvania writing a tariff bill——

Mr. BULWINKLE. He was a Senator from Pennsylvania.

Mr. TREADWAY. The gentleman is mistaken. Mr. Grundy was not a Senator when the Smoot-Hawley bill passed the House in May 1929. He is just as wrong in his conception of the manner in which a tariff bill is written as my good friend from Missouri has just shown himself to be. [Laughter.]

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for just one question?

Mr. BULWINKLE. I want to ask the gentleman from Massachusetts another question.

Mr. TREADWAY. I shall have to yield first to the gentleman from North Carolina.

Mr. BULWINKLE. The gentleman from Massachusetts realizes, I believe, that this gentleman was a Senator at that time, and that Mr. Grundy did draw up that bill or did have a great deal to do with it.

Mr. TREADWAY. Not to my knowledge, and I knew what was going on all the time. So far as I know, he had nothing to do with its preparation in the Ways and Means Committee.

Mr. FITZPATRICK. When the last Republican tariff bill was brought before the House, could the House amend it?

Mr. TREADWAY. Yes; if they had complied with the rules. We never put in any such rules as we have been living under the last 2 months.

Mr. FITZPATRICK. But under the rule you brought in at that time you could not amend the bill.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to my colleague on the committee.

Mr. WOODRUFF. I am sure the gentleman from North Carolina knows that under the Constitution of the United States tariff bills must necessarily originate in the House of Representatives.

Mr. TREADWAY. Certainly.

Mr. WOODRUFF. And, as I understand it, the gentleman from Pennsylvania, by the name of Grundy, was not a Member of this House.

Mr. TREADWAY. No; I do not think he was a Member of any body at that time.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield there for one brief observation?

Mr. TREADWAY. Yes; the gentleman is doing such a good job for us I want to continue to yield to him.

Mr. BULWINKLE. I simply want to say to the gentleman from Michigan that he is limited in his information as to the gentleman from Massachusetts.

Mr. WOODRUFF. Oh, no.

Mr. FIESINGER and Mr. WOODRUFF rose.

Mr. TREADWAY. I yield first to the gentleman from Ohio.

Mr. FIESINGER. The distinguished gentleman from Massachusetts was a member of the Ways and Means Committee when the Hawley-Smoot tariff bill was written?

Mr. TREADWAY. I was.

Mr. FIESINGER. Is it not a fact that all of the Democratic members of the committee were kicked out of the committee room while that bill was being written?

Mr. TREADWAY. No; we were too polite to proceed in that manner with our colleagues.

Mr. FIESINGER. And the Republican members wrote that bill behind closed doors?

Mr. TREADWAY. No; let us get the record correct. During the progress of hearing witnesses, and every witness who desired to be heard, from Maine to California, was heard during the weeks and months of hearings, all members of the committee were present. When the final draft of the bill was prepared the majority members sat——

Mr. FIESINGER. In secret conference.

Mr. TREADWAY. In conference, as Democratic members had done previously, and as every House committee has done in the preparation of a bill. Then, in the final analysis of it, all the members of the committee were invited in and voted on the bill before it was ever reported to this branch of the Congress. Now, this is the correct method.

Mr. FIESINGER. I thank the gentleman.

Mrs. KAHN, Mr. WOODRUFF, and Mr. PIERCE rose.

Mr. TREADWAY. I yield first to the gentlewoman from California, and then I must yield to my colleague on the committee.

Mrs. KAHN. I just want to ask the gentleman if it is not a fact that when the Underwood tariff bill was written the

Republican members of the Ways and Means Committee were excluded from the final writing of the bill?

Mr. TREADWAY. I was not a member of the committee at that time, so I cannot speak accurately, but I do know it was put through under a very bad gag rule. I know about it to that extent.

I now yield to my colleague on the committee, the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. TREADWAY] for the splendid explanation he has given to the gentleman from North Carolina [Mr. BULWINKLE] as to where the last tariff bill originated and where and by whom it was written.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Oh, no; I cannot yield again. From the beginning of the effort to set up this form of legislation I have continuously, and perhaps to the extent of making myself a nuisance, called the attention of Congress and the people to the abdication of the constitutional rights of the American Congress and the delegation of its functions and powers to the administrative branch of the Government. That is what I object to. We have laid down, given up, by the Democratic vote, our right to frame legislation, and have turned that function over to the administration.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No; I cannot yield any more. Congress has no right to delegate en bloc the powers conferred upon it by the Constitution. Today we stand before the American people in the very unfavorable position of having negotiated a trade agreement or treaty intended to violate the laws of this country with respect to the making of tariff laws. That is exactly what it is intended to do. Not only that, but it is announced by the State Department that similar agreements with at least 15 other countries are in contemplation in which the American Congress will have no voice. Possibly they will have to go back to the other countries for their legislative bodies to concur, as with Brazil, but let no one tell me today that he can find out what is in the Brazilian agreement. I have not been able to find out. We know of one article possibly that they are dealing with, which is manganese, and Brazil is getting encouragement that this Congress will not put a duty on coffee. That sort of thing appears in the newspapers, but what definite rights or rates are affected by this we do not know.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I prefer not to. Yesterday I was visited by a representative of the wrapper-tobacco growers of the Connecticut Valley. They are here in behalf of the business of growing wrapper tobacco in the Connecticut Valley on which there is a duty. The Connecticut Valley growth runs through the western end of Massachusetts, in my district, and this was a constituent of mine who was here protesting that in the negotiations with Holland it is probable that the duty on Sumatra tobacco will be lowered. They do not know it to be a fact, they are groping in the dark and have not the slightest knowledge whether that is one of the subjects before the committee, but it is assumed that, as we import tobacco from Holland, that is one of the things the representatives of Holland want to have the duty reduced on.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I shall yield to the gentleman because he represents part of the area I have reference to.

Mr. KOPPLEMANN. In view of the well-established policy of the Congress and the administration to aid the farmers, and in view of the fact that tobacco is one of the integral features of farming, does not the gentleman believe that in any trade negotiations the tobacco farmers' interest will be amply safeguarded as they were when we made our treaty with Cuba, which also had something to do with tobacco?

Mr. TREADWAY. No; I have no assurance of any such care being given.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BACON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mrs. GREENWAY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentlewoman from Arizona.

Mrs. GREENWAY. There is no political aspect to this question. I am asking it genuinely for information, because I think it is important to everyone on both sides of the aisle, and I myself am ignorant. I want to ask if the treaty with Brazil under the favored-nation clause gives the same reduced tariffs on certain commodities to other nations, who are not discriminating against us at this time, as well as to Brazil?

Mr. TREADWAY. I must plead ignorance because, of course, we have not seen the agreement drawn with Brazil. They are being negotiated under the act of 1934, known as "reciprocal trade agreements."

Mrs. GREENWAY. Which recognize the favored-nation clause?

Mr. BACON. The testimony before our subcommittee was that the answer to the gentlewoman's question is "yes"; the favored-nation clause does apply.

Mrs. GREENWAY. Then does that mean that certain commodities produced in Brazil, upon which the tariff has been reduced, which are also produced in India and Africa, will be able to come in with the same reduction?

Mr. KNUTSON. If they have a favored-nation treaty.

Mr. TREADWAY. If that is the definition of the favored-nation clause, I think it makes it even worse for the reciprocal tariff agreement.

Mr. KNUTSON. Because it extends it away beyond Brazil.

Mr. TREADWAY. It makes it much more extensive, so that I think it is even worse than to have it with one country only. As this question is of very great importance, I am inserting here the testimony of the representative of the State Department.

The following is an extract from the testimony of Mr. Henry T. Grady, Chief, Tariff Section, Department of State, before the subcommittee of the House Committee on Appropriations, December 10, 1934, on the subject of promotion of reciprocal trade agreements:

Mr. BACON. Do these agreements involve changes in the tariffs?

Mr. GRADY. Yes; that is our concession to the other country. It is a reduction in our own rate, within the scope of the act, which is 50-percent maximum.

Mr. BACON. What effect do the most-favored-nation clauses have on these agreements? Are they a stumbling block?

Mr. GRADY. No; I should not say so. We have given a great deal of thought to that problem, and have in mind extending, as the act provides, these concessions to other countries if they are not discriminating against us.

As you recall, the act provides that the President may withhold generalization from countries that are discriminating against us. Some latitude will have to be maintained in deciding what countries will be denied these generalizations, but I should say that those that are flagrantly discriminating against us would certainly not get generalizations of concessions.

Mr. BACON. Would they demand equal treatment under the most-favored-nation clause?

Mr. GRADY. If they have a most-favored-nation arrangement with us, they would undoubtedly get the concession, assuming that they were not violating their most-favored agreement with us.

Mr. BACON. If you made a tariff concession on a given commodity with nation A, could not nation B ask for the same tariff concession?

Mr. GRADY. If they have a most-favored-nation agreement and are granting us the same treatment they are seeking from us, yes.

Mr. BACON. It has been my impression that your most-favored-nation treaty clause is a stumbling block.

Mr. GRADY. If you are a little careful not to extend concessions to country A, unless that country is a principal or important supplier, then you do not have the problem of giving a very important concession to some other country by generalization.

In other words, the key to the situation is careful selection of the commodities.

Mr. MCMILLAN. Yes; that would be my view.

Mr. GRADY. But, also, another thing you do is that, where possible, you synchronize agreements where you have several countries more or less equal in importance as suppliers.

Mr. BACON. Perhaps in the future may it not be wise to eliminate the most-favored-nation clause from the treaties?

Mr. GRADY. I think not; because as soon as you deny a generalization you at once in effect discriminate against that country and you invite retaliation; moreover, it slows up the progress of reducing world tariff rates, which is what the act was intended to do, I take it.

There has been discussion in the papers and editorials about difficulty in this connection, but I do not think that the problem is serious. A narrow bargaining attitude would result in padding on the part of other countries in anticipating an agreement with us, and a good deal of ill will would be engendered, because as soon as you make a concession to one country and deny it to another, the latter is immediately at a handicap and will resent it. But if you proceed judiciously in the matter of the selection of your commodities and the grouping of your countries and, finally, use the provision of the act authorizing refusal of generalization to the country discriminating, I think that you will have a logical approach to the problem's solution.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KNUTSON. I call the attention of the gentleman to the fact that we have no assurance that the Connecticut tobacco grower is going to be taken care of any better than the Maine potato grower was taken care of in the tariff agreement with Cuba, wherein we reduced the tariff on potatoes from 75 cents to 30 cents a hundred.

Mr. TREADWAY. The gentleman is correct. I decline to yield further.

On different occasions the gentleman from Ohio [Mr. HARLAN] and I have argued on opposite sides of the reciprocal-trade-agreement proposition. I congratulate him on his ability to support his views in behalf of either low tariffs or no tariffs at all. It goes without saying that his viewpoint is in direct contrast to my ideas on the subject. I fail, however, to find in the speeches he has made a specific and definite defense of the principles involved in the reciprocal trade agreement, namely, the withdrawal of the constitutional right of Congress to write the tax legislation of the country. The gentleman from Missouri [Mr. COCHRAN] last week materially assisted me in maintaining my position. On pages 1394 and 1395 of the RECORD of February 1 appear copies of Executive order under which trade agreements are made and the public notice sent out by the committee for reciprocity information. I commend these two documents to the careful consideration of this House. On perusal and study it will be found that not a single article of import or export is mentioned for consideration by the Board as to possible change in rate. Announcement is made that a trade agreement is under negotiation with Canada. Citizens of Maine may assume that there is in contemplation a change in the tariff on potatoes. As a matter of fact it might be that instead of the rate on potatoes the powers that be intended to reduce the rate on cloth, but each industry would be entirely in the dark. In previous tariff provisions specific schedules have been before the Ways and Means Committee and the pros and cons have been freely discussed. Note the contrast with the star-chamber procedure now in vogue.

The gentleman from Ohio stated that the importer had no opportunity to present his case. If the distinguished supporter of the use of foreign goods in this country will take the pains to peruse the hearings before the Ways and Means Committee and the Senate Finance Committee, he will find that many representatives of importers have appeared before both these committees with the same opportunity to present their pleas as representatives of our producers. This has even gone so far that there has been occasion to decline to hear aliens. The new system gives the representatives of foreign governments greater rights in framing our tariff laws than the Congress of the United States possesses. I submit this thought for your careful consideration. [Applause.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I should like to ask the gentleman from Massachusetts [Mr. TREADWAY] a question. I should like for the gentleman to tell me whether or not he recalls that the Senate of the United States reprimanded a Senator from the gentleman's section of the country for bringing an outsider, a representative of a business organization, into the secret meetings of the Finance Committee of the Senate while it was considering tariff legislation?

Mr. TREADWAY. I am very glad to answer the gentleman's inquiry by asking him one or two questions. In what way would I have the slightest knowledge of senatorial procedure or senatorial methods, or the action or conduct of any Senator? In fact, we are not expected to discuss either their actions or have anything to do with the other branch, and should not refer to any Member as a Senator. The gentleman from Missouri was out of order when he spoke about a Senator.

Mr. COCHRAN. I want to tell the gentleman it was in the open Senate proceedings in the RECORD. The gentleman and every other Member of the House and Senate knows what occurred, as did the general public. The trouble was the meetings were secret, just like the State Department meetings, and the Senator brought an outsider in as an employee of his office.

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, taking into consideration the statements made by my good friend from Massachusetts [Mr. TREADWAY], whose district adjoins mine, and who, therefore, is presumably acquainted with the tobacco negotiations with Cuba, I wish to call to his attention that the tobacco growers of my district are pleased with the negotiations that were concluded with Cuba. To my mind, that is the best answer I can give the gentleman.

Mr. KNUTSON. We can tell better in 1936.

Mr. KOPPLEMANN. Oh, the gentleman is afraid. The gentleman hopes it will be bad some day.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. BINDERUP].

Mr. BINDERUP. Mr. Chairman, a great honor has been conferred upon me by this House in extending to me the privilege of coming before you in what should perhaps be considered a little cordial introduction, but adding to this, if I may, that which is far more important, an introduction, or perhaps rather an emphasis, of great paramount questions that are confronting this Congress today as I see them.

I hesitate a moment. My voice startles me as I hear it echo in the Halls of Congress. This anticipated moment seems to bring a fear within my breast that causes me to realize most emphatically that if I am to be a worthy warrior among you, my colleagues, that the first skirmish, the battle of necessity, will be the battle within to conquer fear—yes; that age-old battle, "the conquest of fear."

For some time I have been among you, silently coming and going, taking my seat in this historic Chamber among the rest of you. As I sat on these benches listening with admiration to you, admiring your knowledge and ability to propound and defend questions of vast importance to our great Nation today, I have rejoiced at times when someone from this platform has proclaimed that fundamental, spiritual foundation of all governments, that human rights are prior to property rights, that the duty of the Government is the protection of the worthy weak against the greedy strong. It was for the protection of these principles that governments were instituted among men. When a government fails to recognize these fundamental principles, it is not only the right but the duty of the people to so change the laws or statutes of that government that these rights may be attained. I have at times suffered silently when I have heard men from this platform stress the importance of political partisan politics, emphasizing this destructive theory of loyalty to party as important and to be considered rather than loyalty to the great principles of democracy.

Sometimes a fear has come over me; I have wondered why. Is it because there was being created within me the realization of a great difficulty, associated with the promotion of the principles of true democracy? Is it because I have realized, perhaps more fully since coming to Washington, the obstacles threatening and preventing the fulfillment of the great ideals of justice to the toiling masses? When I realize the magnitude of the great battle ahead, my friends, when I realize the force of the powers combined to interfere in this righteous

cause, I realize more fully my own weakness, the helplessness of one new in the art of legislative warfare.

In my newness I scarcely know how to address you, my colleagues; yes, colleagues on either side of the aisle, Republicans and Democrats, all coming from the same plane, only different parts of our great Nation, coming for the same purpose—that of promoting the great principles of democracy, principles of justice. Colleagues, or may I, perhaps, call you partners, partners in the greatest business of the world, partners in government, the greatest government of the world, or more befitting at this time, if I should call you comrades, comrades in the greatest battle that has ever confronted the people of any nation; comrades in the battle to restore the great principles of true democracy.

When President Hoover woefully and rightly warned us in the last days of his administration, when he stated, "Our Nation is facing a crisis more serious than war." And then our great President Roosevelt emphasized this same warning in his speech over the radio from New York City in the early part of his campaign.

President Hoover and President Roosevelt warned us of the great danger that was threatening us. They did not refer to a foreign enemy that was invading our shores; they did not refer to a tangible enemy that would strive to conquer by shot and shell, or gun and sword. No; they referred to an enemy that was much more dangerous, they referred to the invisible enemy of human greed and selfish interests; the enemy within our shores, among our people, an enemy that works in the darkness; that, like a thief at night, hurls upon his victim and stabs a dagger in his back. They referred to the powerful enemy of concentrated wealth in the hands of human greed.

Sometimes when seated alone in my office, when in the companionship of solitude, I have tried to review in a retrospect of past and modern history, trying to plan a remedy, a method of procedure, a plan of attack on this enemy of humanity, human greed and selfishness; trying in a vague hope to peer beyond the wall of unborn time, beyond the mists, the clouds, and the shadows of an unknown future, trying to learn from the chaos and the fiasco of the past of a great but mismanaged Government that we loved long since but lost a while, to learn in some manner a plan that might bring this great Nation back to the high ideals of true democracy. I have tried in vain. I have thought how much better it would be if it really were a foreign enemy that was invading our shores, for then I know there would be a united action in the hearts of the great American people, then I know there would be no longer Republicans and Democrats, no longer partisan political prejudice, the stumbling block in the way of human progress, then I know we would stand shoulder to shoulder, Republicans and Democrats, all alike in defense of our great Nation in distress.

I come to you my colleagues to be numbered with you; I come as a most humble citizen, but clad in the armor of a righteous cause, the cause of humanity, the cause of justice for the toiling masses. I have come not to speak to you of men or individuals, or of the opinions of men, that change and shift like the tides of the ocean; nor have I come before you to speak of the Republican Party, nor the Democratic Party, of political parties or political platforms that rise and fall like bubbles on the water. For, my friends, men and the opinions of men, and political parties and political platforms, are here for just a short time and then fade away into history and, covered by the dust of time, are soon forgotten.

But principles, my friends, my comrades, principles are eternal; they never die, they live on forever; and I have come to you this afternoon to speak to you about the great principle of liberty and justice to the toiling masses, the great producers of wealth, the principles upon which was builded our great democracy. But first, for just a moment that I may have a background, an echo, or a reflex from my remarks; I have come to search for that peculiar spark that is hidden away within the inner regions of that heart and soul of every true American citizen, the spark of patriotism. I have brought with me as my weapon the magic wand of devotion and sincerity to our great Government that I might fan this spark into a flame that will forever consume all political partisan prejudice, the stumbling block to the righteous solution of national problems; and with this magic wand of devotion and sincerity to our great Government, I may touch once more that magic spot, that there may arise within this Hall of Congress a mighty host of fighting patriots who dare to stand erect and face the enemy of man, the enemy of our great Nation, Wall Street and the international bankers and large organizations and associations of capital. The enemy that President Hoover and President Roosevelt referred to when they said our Nation was facing a crisis more serious than the war; that there may arise before this Congress a mighty host of original thinking patriots that will challenge the enemy of mankind and say you shall not pass, you shall not destroy the great institution of civilization upon the bloodstained altar of human greed, you shall no longer wash that golden calf of mammon in the tears of widows and orphans and suffering humanity, you shall no longer measure the sweat of the brow of man in your goblets of gold. Because, my friends, my colleagues, my comrades, liberty is not safe in the hands of usury, and justice is imperiled in the hands that are skilled in grabbing dollars; because our great Nation cannot live; civilization cannot endure unless the reasonable wants of humanity are satisfied. You can crowd the most peaceful man until he will fight and kill in war, resort to suicide and murder; you can starve the most righteous soul until he will steal; by the power of greed, through the instrumentality of hunger and degredation and starvation, you can warp the brain and sear the conscience and send the soul of the most righteousness man to Hell; by the power of concentrated wealth you are today robbing the laboring man of his home and the farmer of his farm and the Nation of that home, which is the very unit in the foundation of our Government; you are robbing, stealing, and plundering. Yea, you are robbing even the Almighty God of that otherwise righteous soul that sins today only because of poverty.

My friends and colleagues, my partners and comrades, in conclusion may I emphasize or explain that my motive in coming to you was in an effort to cement together the great forces of the individual representatives in the people's Congress, pleading for united action, amplifying the call of our great Nation, for the cooperation of the individual citizen to conquer in the great battle that confronts this the Seventy-fourth Congress—the battle for the preservation of the Constitution of our great Nation, the battle to restore once more the right of the people's Congress to coin all money and regulate the value thereof. There is nothing radical about this plan. I am not radical because I ask the return of this omnipotent power once more to our Congress, but, rather, are those radical that took away from the people this sacred right and privilege—money, that paramount issue, that greatest of all questions that confronts this the Seventy-fourth Congress; money, that measures the sweat of the brow, that measures even the life span of the laboring man who sells his life to his employer by the day, or the month, or the year; money, creator and destroyer of the great institution of civilization, that can build homes and empires when in the magic bond of human love, that can warp and destroy humanity when in the hands of human greed. My friends, let us not deceive ourselves; let us no longer work blindfolded. Like children, we have been groping in the darkness, trying to build prosperity from the top down in place of from the bottom up, forgetting God Almighty's own sacred fountain of all prosperity, which is labor combined with the natural resources of the earth. Groping in darkness we have become lost, and comforted ourselves by saying that prosperity was just around the corner. Becoming disillusioned, refusing to believe this any longer, we begin telling each other, in the theory of Dr. Coué—and, by the way, Dr. Coué died saying these magic words—"Every day, and in every way, I am becoming better and better." My friends, let us not deceive ourselves. And yet let me say nothing that should detract from the noble efforts that have

been made by our administration—efforts to find and bring back the prosperity of our great Nation. Again let me say, let us be honest with ourselves; let us follow the advice of our great leader, President Roosevelt, when he said in the beginning of our experimental stage, admitting that it was experimental, when he said, "If I find I am wrong, I shall be the first to admit it." That was a frank and noble statement. Let us all make that statement, and let us admit that we were wrong at times. May I suggest, let us study the power of money. No power on earth to man for evil or for good can equal the power of money. This drives man forth from his sacred dwelling place into the highways and byways of life, a roaming nomad, a wanderer without a home, while at the same time it builds upon yonder heights a castle to the rich; and in the valleys a church, a cathedral to soothe, to pacify, and comfort a guilty conscience.

No power on earth to man, for evil or for good, can equal the power of money.

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. GASQUE].

Mr. GASQUE. Mr. Chairman, I had some information which I thought the Members of this Congress ought to have, due to the fact that about 20 percent of all the bills that have been introduced in Congress have been referred to the committee of which I am chairman. This afternoon I asked unanimous consent to place this information in the RECORD for the benefit of the Members who have introduced these bills. The distinguished leader of the minority objected. Why, I do not know.

Mr. Chairman, I ask now to revise and extend my remarks in the RECORD and to include therein this information in order to let the Members knows what this refers to.

Mr. BACON. Mr. Chairman, reserving the right to object, may I say that the gentleman from New York [Mr. SNELL] objected because he thought it was an article by some stranger, not a Member of the House.

Mr. GASQUE. If the gentleman will read the RECORD in the morning he will see that I stated this was information from the Committee on Pensions.

Mr. BACON. The gentleman from New York [Mr. SNELL] misunderstood the gentleman, and I am sure there is no objection.

Mr. GASQUE. I regret that he did. Mr. Chairman, I ask unanimous consent to revise and extend my remarks by placing this article prepared by the Chairman of the Committee on Pensions in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

Mr. KNUTSON. Mr. Chairman, reserving the right to object, will the distinguished Chairman of the Pensions Committee tell the House at this point whether it is his intention to consider private bills in this Congress?

Mr. GASQUE. It is, and that is the purpose of this article which I have prepared. I wanted to give the membership of the House the information and basis upon which we will consider those bills.

Mr. KNUTSON. How many private bills are now before the Committee on Pensions?

Mr. GASQUE. About 1,800 have been introduced at this session.

Mr. KNUTSON. We have not had any private bills in about 2 years.

Mr. GASQUE. Not since the Honorable Mr. Hoover vetoed the last bill we passed.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GASQUE. Mr. Chairman, as Chairman of the Committee on Pensions, I believe that it might be well for me to insert in the RECORD a few remarks for the benefit of the Members of the House showing the problem of the committee with reference to special-act pensions. My remarks will be very general and will follow somewhat in this order:

I. Need for special legislation:

(a) History of special acts.

(b) Creation of committee therefor. Jurisdiction of Congress paramount.

(c) Impossibility of covering all groups and classes or certain individual cases by veterans' acts because of danger of including cases without merit.

II. Problems before committee:

(a) Misunderstanding of need and unnecessary opposition to special acts which are not covered by laws, are meritorious, and cannot be covered by uniform legislation.

(b) Discussion re: need for better selection of cases for bills. Need for having Veterans' Administration deny cases.

(c) Rules of committee being revised to cover proper cases.

III. Need for uniform legislation:

(a) History of action by committee.

First. Widows' uniform pension bill.

Second. Gasque uniform pension bill for all veterans and dependents.

Third. Plans for future.

(b) Results of uniform legislation if enacted.

(c) Uniform law and special acts must go along concurrently, and the latter must round out; that is, complete program of legislation.

IV. Conclusion as to policy of Committee on Pensions.

NEED FOR SPECIAL LEGISLATION

The general principle is broad. It is that when a claim has been filed in the Pension Service and is clearly one of exceptional merit, but where relief cannot be afforded under the law, or under the law as interpreted, there is just ground for a grant of pension by special act of Congress.

The contrary of this is, of course, true; namely, that when a case is not of conceded merit and is not provided for by general legislation, there is a question as to the justice and propriety of a grant of pension by special act of Congress. It is not believed that physical condition or financial need should be the sole basis of allowance, independent of other recognized merit.

(a) The history of special acts, together with a brief study of the problems of special acts for pension purposes reconsidered in connection with recommendations and policies thus far developed, show that the consideration of this problem requires that due weight be given to the principles underlying the present practice of Congress and the principles which may be utilized in argument against the continuation of the practice. Special acts for pension purposes have been passed by Congress over a long period of years, and the practice has become an institution of the Congress. For immediate reference there are listed below the number of special acts for pension purposes approved by the several Congresses since March 4, 1861:

Thirty-seventh (1861–63)	12
Thirty-eighth (1863–65)	27
Thirty-ninth (1865–67)	138
Fortieth (1867–69)	275
Forty-first (1869–71)	85
Forty-second (1871–73)	167
Forty-third (1873–75)	182
Forty-fourth (1875–77)	98
Forty-fifth (1877–79)	230
Forty-sixth (1879–81)	96
Forty-seventh (1881–83)	216
Forty-eighth (1883–85)	598
Forty-ninth (1885–87)	856
Fiftieth (1887–88)	1,015
Fifty-first (1888–91)	1,338
Fifty-second (1891–93)	217
Fifty-third (1893–95)	119
Fifty-fourth (1895–97)	378
Fifty-fifth (1897–99)	694
Fifty-sixth (1899–1901)	1,391
Fifty-seventh (1901–3)	2,171
Fifty-eighth (1903–5)	3,355
Fifty-ninth (1905–7)	6,030
Sixtieth (1907–9)	6,600
Sixty-first (1909–11)	9,649
Sixty-second (1911–13)	6,350
Sixty-third (1913–15)	5,061
Sixty-fourth (1915–17)	5,885
Sixty-fifth (1917–19)	3,641
Sixty-sixth (1919–21)	2,200
Sixty-seventh (1921–23)	2,319
Sixty-eighth (1923–25)	2,436

Sixty-ninth (1925–27)	5,375
Seventieth (1927–29)	7,569
Seventh-first (2d sess., 1929–30)	3,731
Total	80,554

Approximately 11,000 persons are now receiving pension by virtue of special acts, as nearly 70,000 persons have died who received their pension by special act in the Thirty-seventh Congress to the Seventy-first Congress, inclusive.

It may be of interest to know some of the reasons for the creation and maintenance of this program of special-act pensions; and from the information obtained from the brief study thus far conducted, it appears that the practice may have resulted from the following conditions:

First. Pension legislation has always taken simplified form, being very much less exhaustive in its provisions than World War legislation. This made it possible for many groups not covered by existing legislation to bring individual cases to the attention of the representatives in Congress upon the assumption that general legislation to cover the particular group was not practical or contemplated.

Second. Special legislation has probably resulted in less annual expenditure than would have been encountered had Congress seen fit to enact exhaustive pension legislation to cover particular groups excluded during prior considerations of desired pension legislation.

Third. The long history of special-act legislation for pension purposes can all be traced back to the basic regulations under which the committees operate, from there to the fundamentals of the organization of the legislative body, and from there to the inadequacy of the pension statutes.

(b) The Pension Committee of the House was created to consider a limited number of special act claims, some of which were necessarily rejected by the pension service for the reason that they were not covered by any existing law, while others were rejected on legal or medical technicalities, which Congress could properly set aside as a matter of equity and justice. It was not the intention to have Congress flooded with private pension bills, but simply to afford a means of relief in cases of exceptional merit. Unfortunately the primary and essential purpose of the committee has been lost sight of and there seems to be a prevalent opinion that it is proper to bring every rejected claim, either for original or increase of pension to the attention of Congress, and in many instances the pension service is being entirely ignored. Congress has retained unto itself its legislative prerogative to pass special act pensions and has not delegated this right to any department.

(c) In legislation for particular groups it is apparent that the legislative policy, with the exception of World War legislation, has been to legislate for particular groups only where it was the obvious intent of Congress to include all the members thereof within its provisions. As to World War legislative policy it seems that the Congress understood that many of those who would be comprehended within the legislation probably should not receive benefits, but in order to take care of members of the group where relief was strongly indicated, it was necessary or expedient to formulate the statute in such legislative language that some cases not otherwise considered for relief could not be excluded. The preponderance of equity in favor of the group to be relieved was believed sufficient to justify the enactment of the law. Undoubtedly the fact that there was no program of special acts extended to World War veterans had a great deal to do with this growth of group legislation for World War veterans to a point where, in the opinion of some persons, it would have been better to have taken care of many of the special cases rather than to legislate for numerous veterans who are not considered entitled to benefits.

PROBLEMS BEFORE COMMITTEE

Past legislative history has pointed out the impossibility of general legislation covering all groups and classes or certain individual cases by veterans' legislation because of including cases without merit. In order that exceptionally meritorious cases may receive favorable action and enable the committee to give attention to bills which are worthy of consideration and at the same time prevent the introduction of private bills which may not receive favorable consideration, certain broad policies as to the type of cases to receive favorable action should be followed. By way of illustration a few policies are suggested:

First. Cases where disability is shown by service records to have existed prior to enlistment, but where indicated doubt on this point may equitably be resolved in favor of the veteran to such an extent as to justify allowance by special act of Congress.

Second. Cases involving line of duty when record is adverse, but where the equities may justly be held to favor the veteran.

Third. Marriage contracted in good faith. Marriage invalid on account of a previous undissolved marriage of either party, and where a subsequent dissolution of the previous marriage does not under the laws of the State involved make valid the later marriage relation of the veteran on which claim to pension is based.

Fourth. Cases where the evidence filed is insufficient to connect disability or death with the service, but where there are strong indications or presumptions of such connection.

Fifth. In claims under service acts, record of desertion from one service where the veteran had one or more additional honorable services.

As to some of the principles which should govern the action of the committee in denial of right to pension by special act, a few policies are suggested:

First. Special-act pension should not be granted when the service rendered by the veteran was clearly not one recognized as affording basis for title to pension.

Second. Special-act pension on account of war service should not be granted when the veteran had only one service, from which he deserted or was dishonorably discharged.

Third. Special-act pension should not be granted on account of war service when discharge was without honor for such causes as venereal disease, alcoholism, and larceny.

Fourth. Special-act pension should not be granted on account of peace-time service where there is nothing to indicate that the veteran is suffering with any disability of service.

Fifth. There is a question as to the justice of increasing the rate of pension to a widow when she has not reached the age which would entitle her to such increase under the law. This is discriminatory and results in allowances to some, while there are undoubtedly many others equally entitled. If an equitable basis for additional allowance is believed to be shown in numbers of cases, it is undoubtedly true that many more equitable cases are not brought to the attention of the committee, and hence are afforded no such relief. If large numbers of widows are believed to be equitably entitled to additional pension under special-act legislation, it would seem to be just to pass general legislation covering all cases.

(a) Special legislation for World War veterans has been deferred but not obviated by comprehensive legislation for World War veterans. Although the World War Veterans' Act has been amended to comprehend within its terms additional groups as necessity arose, Congress has been petitioned by many World War veterans and their dependents for special acts. Congress has not as yet seen fit to extend the program of special legislation along pension lines to World War veterans. As the years pass by the need for some form of relief along these lines is being urged upon Congress with increased fervor. Two of the reasons why this legislation has not been extended to World War veterans may be:

First. The fact that the World War period is not sufficiently remote to warrant the commencement of this type of program, considering the prior practice of Congress in connection with this type of legislation and the average age of World War veterans.

Second. The World War Veterans' Act and amendments have been predicated upon the principle that all just obligations of the Federal Government toward the World War veteran should be incorporated in legislative language, and, due to the exhaustive provisions of World War legislation, the need for special legislation can be considered as at least deferred.

(b) The legislative policy as indicated for World War veterans has resulted in the invoking of the practice in Congress for granting relief by a special act only where legal technicality or administrative error has worked an injustice. In this manner very few special acts are either necessary or warranted. It is well to indicate here that undoubtedly at the time consideration is given to a program of special acts for World War veterans generally, it will be necessary for the Congress to consider carefully the tremendous load of claims involved, which is far in excess of the potential load which has existed at any other time in American history. This load would also mean necessary anticipation of multiplied expenditure.

(c) Rules of the committee are being revised to cover the proper types of cases which may receive favorable consideration from the committee.

NEED FOR UNIFORM LEGISLATION

Its primary purposes may be expressed as follows:

First. To enact legislation establishing a uniform pension law for veterans for prospective application to apply to all war veterans and dependents alike, together with a uniform and just law for peace-time service.

Second. Modification of veterans' laws now in effect requiring legislation to remove injustices within the ability of the Government to pay and within a proper assumption of Federal responsibility.

Third. To consolidate and simplify the pension laws and laws pertaining to other benefits to veterans by enacting into one act the future policy pertaining to veterans, as well as a protection to those on the rolls at the time of enactment of the proposed act.

Veterans' relief at the present time is provided for under the Economy Act (Public, No. 2, 73d Cong., Mar. 20, 1933), the Independent Offices Appropriation Act (Public, No. 78, 73d Cong., June 16, 1933), the Independent Offices Appropriation Act (Public, No. 141, 73d Cong., Mar. 28, 1934; Public, No. 484, 73d Cong., June 28, 1934), and veterans' regulations promulgated by the President thereunder; in addition, as to those persons entitled to benefits for service prior to the Spanish-American War, the laws applicable to those persons are still in full force and effect.

The veterans and their dependents and even those charged with responsibility for administering veterans' relief or assisting veterans find themselves in a complicated field, a maze of detailed laws and regulations incorporated in various sources which even when found offer little to the lay understanding. Certainly this is not proper legislation, nor is it a proper assumption by Congress of its primary responsibilities. Congress provided in the Economy Act for the continuation of Presidential regulations in effect 2 years from March 20, 1933, these in addition to piecemeal protections legislated for particular groups without regard to uniformity for all veterans.

The veterans' rights must be established by a single act, uniform for all wars, and this action should be taken without delay. While the piecemeal patchwork continues, administrative costs mount, and this purposed uniform act aims at simplicity of administration in addition to equal treatment for all.

The veterans and their dependents, thousands of them absolutely destitute, have suffered untold agony under the economy legislation and veterans' regulations. It is recognized that efforts have been exerted by the President to alleviate this suffering, but his power is limited to the authority contained in the Economy Act, which was enacted within 16 days of the advent of the new administration, and which in important matters was inconsistent with the fundamental principle of uniformity in the administration of veterans' relief and left to the President, with advice of the Veterans' Administration, the stupendous task of establishing a just system of relief within confined authority. There are many provisions greatly desired which cannot and will not be included in veterans' regulations, and the Economy Act of itself restricts the extent of uniformity by defining the veterans it will apply to. Further, sound principles heretofore applied to pensions have been overlooked, with the result that thousands have been denied benefits and are public charges, some of them having what can be considered a just claim on the Federal Government.

One of the principal reasons for the enactment of legislation during the last session of Congress was to establish uniformity in the administration of veterans' relief, including the elimination of major inequalities under the then existing laws. Although to a considerable extent uniformity has been secured under existing laws and regulations, it relates solely to Spanish-American War, Philippine Insurrection, and Boxer Rebellion, and World War. However, additional inequalities have resulted between these groups; and when other war groups are taken into consideration, disparities are multiplied.

It is evident that instead of addressing itself to fundamental principles of uniformity in the administration of veetrans' relief that the attention of Congress was directed primarily to relief of special groups from what they considered drastic results which had ensued or might ensue from the Economy Act. The main objection to the laws prior to the Economy Act was the piecemeal method of legislation and the lack of establishment of a sound and fundamental national policy toward veterans. It is believed that we are not far removed from that status at the present time. It is admitted that a great deal of inequality results from the existing laws and regulations as between World War and Spanish-American War veterans, but it is evident that the only manner in which uniformity and justice in veterans' relief can be realized is by enactment of laws applying to all veterans and including therein such amendments to existing laws as are necessary as will coincide with what is considered a sound program of veterans' relief.

There is no need of exempting or creating special benefits for preferred groups or enacting complicated piecemeal legislation to cover deficiencies under economy legislation. If all of the rights of veterans are placed in a simple basic enactment, applying to all veterans alike and establishing rates calling for disbursement of funds within the ability of the Government to defray the expenses involved, the result will compensate the effort.

(a) For the past 3 years the Pension Committee has conducted an extensive study with reference to uniform pension legislation and the necessity for it.

The bill H. R. 9575, introduced in the Seventy-third Congress, was the result of this study. Other bills such as H. R. 1587, H. R. 1589, in the Seventy-third Congress, together with H. R. 7230, H. R. 4679, and H. R. 2229, in the Seventy-second Congress, will also reveal the results of this study.

In the near future I will introduce a uniform pension bill and strongly commend it to your attention for serious deliberation.

(b) The present organization, regulations, and procedure of the committee, with reference to special-act pensions, cannot be subjected to any sudden fundamental change because of the difference between legislative policy pertaining to pensions and that pertaining to benefits for World War veterans. Uniform legislation would correct this difference.

(c) Congress should, by legislation, establish a better uniformity and make such amendments as will be considered a practical expression of its obligation toward uniformity. Special-act pensions and uniform pensions must go along concurrently and the special-act pensions must round out and complete the program of legislation.

Mr. BACON. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, when the N. R. A. came into existence it was appreciated the costs of every industry in the country would be materially increased if the objects sought were to be achieved. It was evident to Congress and to those who framed the legislation the increased costs would make it increasingly difficult for American industries to compete with foreign manufacturers, notably those of Japan, who would not be obliged to carry these increased charges. The foreign manufacturer would continue to manufacture with his child labor, his almost pauper wage rate, and his very low production costs.

The gap in production costs between the home and the foreign manufacturer would be widened, and in a spirit of justice and fair play it was realized it would be necessary for a readjustment of tariff schedules. Rates which under normal conditions would be adequate would be entirely unequal to the task of saving the home markets from an invasion from abroad of goods produced by child labor and pauper wage rates.

I repeat, such a situation was anticipated, and Congress gave to the President and the N. R. A. authorities the power to increase rates, to change the method of valuation, and, in a word, to do anything which was essential to give American labor and American industries the fullest measure of protection.

Nearly 2 years have elapsed, and it is time we paused to see what the situation is right now. The increased costs of doing business have been realized, and this, of course, has materially reduced the tariff protection which had been enjoyed in the past by American labor and American industries.

Foreign goods are to be seen in the show windows and on the counters of every large department store in increasing quantities. There have been remarkable increases in our imports from Japan. Textile goods of all sorts, jewelry and metal goods, rubber-soled shoes, thermos bottles, toys of all descriptions, tennis rackets and other sporting goods, paper novelties, gloves, flashlights, incandescent lamps, Brittany ware, pencils, are pouring into the country. The invasion has only started; and, unless it is promptly checked, we will find a prostrate industry in this country.

We have lost 75 percent of our Philippine textile trade, and we have given no encouragement to the sympathetic islanders who of their own accord sought to give us a better break through the enactment of legislation. We have lost a major part of the textile trade in Cuba, Central America, and South America. These markets could be won back in reciprocal treaties, but there is no indication the textile industry is to be given that paternal care. Goods from American factories with American wage rates and American costs are not going to have much chance to compete abroad with goods produced by Japanese factories paying 22 or 20 cents a day for weavers. It is true in some instances that board is provided also, but rice is what the menu calls for, and you can buy a lot of rice in Japan for a few cents.

The foreign markets for textiles have vanished, and now we are asked to sit supinely by and see the Japanese crowd us out of the benefits of trade with the people of our own country.

We talk of the unemployment problem in this country. We talk of putting people to work. Yet we do nothing while thousands of men and women lose their regular jobs and are forced into breadlines because of the cheaper foreign goods pouring into the United States from Japan.

Protests have come into Washington. Many petitions for increased tariff protection have been filed with the Tariff Commission. But there is no action. The Commission delays and waits for the reciprocal treaties which the State Department is trying to negotiate. Everyone knows there is very little hope in that direction, and everyone knows how eternally slow are the movements of diplomats. Months have already passed and months more will go by with very little progress.

The great menace is Japan, and the leaders of that progressive nation of the Orient, with a full realization of their advantage, are not going to make any treaty which will be to their disadvantage. There is nothing in the Japanese diplomacy of the past to indicate the spirit of sacrifice. That noble and appealing trait is left by the other nations of the world entirely to sentimentalists in the United States.

There is no reason for delay in giving American industries a chance to live. We must act quickly or thousands more men and women are headed for the relief rolls. This serious phase of our economic distress demands immediate attention, or the recovery of the Nation will be retarded, and for many years to come silent, abandoned factories will mutely and eloquently testify to the stupidity of America in failing to protect its own people.

You might think this is exaggeration. Let me give you some information and figures which will indicate the extent of this Japanese invasion of American markets.

First, I want to tell you the story of the rug factory in the little town of Turner, Maine. For generations in that town the people gained a livelihood through the manufacture of woolen hooked rugs. About 150 people were employed, and the total wages for the week, according to an article in the Lewiston Journal, were in the neighborhood of $2,000. Pay ranged from $10 to $30 a week, and the people were happy and contented. The product was sold by the finest shops and houses in America. These rugs found their usefulness in the homes of many wealthy families. Skilled designers were employed to make the patterns, which cost as much as $150 apiece for the patterns alone.

The happiness of that little town was soon to be disturbed. One day a group of Japanese landed in America. They were interested in the hooked-rug business. They visited the rug department of Jordan, Marsh & Co. in Boston. The handiwork of the Turner, Maine, folk caught their eyes. Ten special patterns were ordered and shipped to Japan. A few months elapsed and the representative of the Maine factory wondered why he was not receiving any orders from the Boston store. He went investigating and visited the rug department. There, to his amazement, he saw many hooked rugs of the special Turner patterns.

"When did you buy these from us?" asked the manager. "I don't recall making them for you."

"You didn't," was the reply. "They were made in Japan."

"And after our patterns and designs," gasped the manager, as he saw ruin ahead.

"I am afraid so", was the reply, "and we can buy these duty paid and delivered for about half what you make them for."

The marvelous, shrewd imitators from the Orient can make these rugs below the cost of manufacture here, so it is no wonder there is sadness in that little Maine town. They probably can secure a subsistence project, but the people would prefer the old security to be found in the employment in the rug factory.

The story is from Maine, but it is not peculiar to that State. The incident is being repeated in every State of the Union.

A silverware manufacturer from my own district once enjoyed a good business in a silver-plated cigarette tray. The average wage paid on this class of work was 65 cents an hour, and the tray retailed for $4. It was a luxury item and there were no complaints from the customers. It afforded only a normal profit. The Japanese picked up one of these trays, made an exact duplicate, and put it on the market to be sold at 29 cents. The American tray, of course, was heavier and much better finished. But the Japanese tray was of so close a resemblance it crowded the American tray off the market, and the firm discontinued its manufacture except for some special order.

I have some ginghams which have been sent to me. These were made in Japan and delivered to be sold in New York City, duty paid, for 10½ cents a yard. The cost of reproducing these goods with the same fast-colored dyes in the United States would be about 19 cents a yard. This particular item is what is known as a novelty, but the plain goods are in the same jeopardy. Is it any wonder there is hesitation in the gingham markets and buyers hesitate to place the orders which are essential to put people to work at real wages, as desired by the Government?

I have here a letter from a distributor in Pennsylvania. He operates a chain of stores. He handles, he says, many thousands of house bulbs and his competitors sell millions. These bulbs cost about 3¾ cents apiece and sell for 5 to 7 cents. The firm sells bamboo rakes made in Japan, and these rakes are delivered into the warehouse at from 9 to 11 cents. It is not necessary to tell any intelligent American that we cannot maintain the American wage scale and the American standard of living and compete with these prices. But think

of the jobs in America which are being lost because we are not able to manufacture these goods here.

The increasing menace of the Japanese exploitation of the American market is revealed in our own Government import figures. Cotton-cloth imports for 1932 totaled 789,244 square yards. In 11 months in 1934 the imports had grown to 5,076,692 square yards. The imports in 1932 were divided as follows: 455 square yards of unbleached goods; 51,397 square yards of bleached goods; 737,392 yards of printed, dyed, or colored goods. The figures for 11 months of 1934 were: No unbleached goods imported; 4,048,602 square yards of bleached goods; and 1,028,909 square yards of printed, dyed, or colored goods.

The jewelry and allied trades showed a corresponding loss of the home market. Imports classified as decorative metals were $78,763 in 1932, while in 1934 they had increased to $456,501. Distinctly jewelry imports were $19,249, and last year were $40,799. Rosaries, chaplets, and similar articles were imported to the value of only $190 in 1932, but last year the imports were $9,018.

I have not secured the detailed figures of other imports, but have every reason to believe from the information sent to me that a similar situation prevails in every industry upon which the Japanese have concentrated.

Let us glance for a moment at the wages paid skilled workmen in Japan, the wages of the men and women who make the goods which our working people are in competition with. We find for a 10-hour day the average textile worker gets 23½ cents; the worker in the metal trades $1.45; the glass worker 75 cents; the worker in the match industry 23 cents; the papermaker 40 cents; the shoe worker 65 cents; the tailor 60 cents; the carpenter 65 cents; plasterer 73 cents; masons 87 cents; bricklayers 80 cents; painters 70 cents; bookbinders 69 cents; printers 89 cents; male domestics 24 cents; and female domestics 23 cents. Bear in mind these figures are for daily wages, not hourly.

There are some people who will say an industry that could not successfully compete against these wage scales is an inefficient industry and should be allowed to perish. However, I am sure this is not the viewpoint of the vast majority of the American people. The average American realizes the need of adequate tariff protection to preserve for the American workman a job at American wages. The American people, once they awaken to the present situation, will not tolerate its continuance.

The cry of the hour is for industry to put people to work. The Government pleads for this, to the end it may be relieved of some of the staggering burden of relief. Here is presented an opportunity to contribute to employment. Here is where the Government has a chance to give relief to many people without dipping into the National Treasury. Here is an opportunity to follow up the abolition of child labor and starvation-wage scales in this country by establishing a similar ban on foreign goods that are created through the exploitation of workers in a similar way.

The President and the bureaus directly under his control have sought and obtained the power to give this relief. Hundreds of thousands of people are imploringly seeking his aid. I hope the appeal of these men and women, who want the opportunity to gain a livelihood through honest toil at real wages, will not be in vain, but will be heeded and this threatened disaster averted.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. BLANTON. The gentleman is talking about foreign products. What about foreign human beings? There are in the United States today 20,000,000 alien adults from various foreign countries who are taking jobs away from Americans and half of these aliens are here without authority of law.

Mr. MARTIN of Massachusetts. Well, they are here; and what is the gentleman proposing to do with them?

Mr. BLANTON. I want to deport them and stop others from coming. Why does not the gentleman help us to pass a measure that will stop all immigration for 10 years and not let another foreigner come into this country until every American has a job. This is something really constructive, and is far more constructive than to talk about products.

Mr. MARTIN of Massachusetts. Does not the gentleman think we ought to protect our industries here in America?

Mr. BLANTON. Certainly; but the main thing is to protect American citizens and keep these foreign "Hauptmanns" from coming here and taking their jobs away from them.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I too am a new Member, breaking the ice for the first time. I spoke to many audiences during the campaign, but I must confess that right now I am a little bit shaky, because I feel I am before a group of real distinguished men.

I have listened to your speeches for 30 days and have enjoyed them. I have heard all kinds of speeches—some long, some short, some full of wisdom, and some not so full of wisdom. But we have here TOM BLANTON, and I love to listen to his speeches. He is an honest and courageous man and wants to do what is right with respect to the Treasury and all the branches of our Government.

I have been secretary to the mayor of Pittsburgh, and if TOM BLANTON will take a trip to Pittsburgh he will see what a real mayor can do in eliminating vice and crime. We have in Pittsburgh a city which is indeed free of vice, simply because the mayor is an honest man, understands municipal government, and has an honest superintendent of police. If the policemen fear their superior, they will know that they must either be honest or lose their jobs.

In the different talks we have heard here, we have listened to a great deal about this and that. The President of the United States, Franklin D. Roosevelt, I admire a great deal, and I am only in the Halls of Congress because of his popularity. He is trying to do the best he can to give us a new deal, but, my friends, what is the use of refinancing the home of a poor father if you do not give him occupation and the chance to earn some money to keep up his payments?

Our trouble, I believe, is that in spite of our good will none of us knows what to do. We are in a dilemma. Imagine hearing this morning talks about such a picayunish matter as postage stamps. When I was a school teacher some of the lads were collecting stamps, and whether I was wright or wrong, I do not know, but I said to them, "Boys, forget all about that and go out and play baseball and do something worth while." And yet, we heard a harangue here about stamps, and we know our good friend, Jim Farley, is too honest to do anything wrong.

Then we hear a great deal about the new deal. I have heard great talks from our mayor about this. Whether he is right or wrong, I do not know; but I do know that history repeats itself and that the art of the Greek cannot be compared with present-day art. I know that at the time of Moses they had a jubilee every 50 years, and they must have had depressions like we have been having, but they not only gave them a new deal but gave them a new deck. In our modern civilization it may be we cannot do this. Surely, there are certain fundamental things we can do.

I was impressed with the speech made some weeks ago on the Republican side by the gentleman from New Jersey [Mr. EATON]. He mentioned the overprivileged. Possibly, if we followed the ideas of Mayor McNair, of Pittsburgh, about taxing sites of absentee landlords who are having their property improved by the very presence of us Americans and they doing nothing to earn their income. If we could get that income, then, perhaps, we could get out of this depression; because any tax on business is wrong, and we must seek a way of getting revenue without undue hardship on business.

These things, of course, must come gradually. I grant you this, but I believe that if we keep on working we can do it.

I find in our Halls here that the minority party is not composed of the Republicans. The members of the minority party are a few liberals that have the nerve and the courage to speak their convictions, and I believe that in the future, if the conservative Democrats stick with the conservative Republicans, there is sure to be on the other hand a people's party—call it by any name. They may say that our Constitution forbids the collecting of economic rent. We must get over these difficulties in some way. We cannot stop, and fold our arms, and simply say that this cannot be done or that cannot be done. I am not proposing a new party, but I believe we must have liberal views and face the real questions.

Mr. MAVERICK. Will the gentleman yield?

Mr. MORITZ. I am glad to yield to the gentleman from Texas.

Mr. MAVERICK. Do you think public ownership of the principal public utilities would help relieve the depression?

Mr. MORITZ. If the gentleman means municipal ownership, I am glad to say that it will help. A municipality makes profits, and these profits are not used to pay out on common stock, but to reduce and amortize the indebtedness. In that way they are able to pay better salaries, reduce the rates, and set up pension systems for their employees.

Mr. MAVERICK. Do you think that political graft would ruin municipal ownership?

Mr. MORITZ. No. The city of Pittsburgh already owns the waterworks, which is, of course, a municipally owned public utility, and there is not one cent of graft, and the water is the best you can procure in any part of the world. Further, I might say that even should there be some graft or inefficiency, nevertheless it would save the taxpayers millions of dollars, compared to what they have to pay now. No political system, with its alleged inefficiency, can waste or graft away as much as has been accomplished by one certain gentleman who previously was in the utilities business.

Mr. MAVERICK. I am afraid the gentleman does not come from a very progressive city. I am also afraid that Mr. Mellon seems to own everything.

Mr. MORITZ. The gentleman speaks much wisdom, but the people are now determined to cut their Mellon. [Laughter and applause.]

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. MORITZ. I yield.

Mr. CONNERY. The gentleman is talking along a line with which I sympathize very much. The gentleman spoke about the liberals in the House and the same thing applies to the body at the other end of the Capitol.

Mr. MORITZ. Yes.

Mr. CONNERY. They are very liberal over there, I think, from my past experience here. Some great man once said, did he not, that the Democratic Party would succeed just as long as it had the courage to be democratic, and as soon as it did not stay democratic it would fail?

Mr. MORITZ. The gentleman is right. I come from the city of Pittsburgh, and at one time, about 5 years ago, I was Republican chairman of a district of 350 votes. There were only 2 Democratic votes in the 350, and now the whole city and county and State have gone Democratic. Why? On account of one man who is trying to help us, Franklin D. Roosevelt. [Applause.] I thank you.

Mr. OLIVER. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I present to the House a memorial from the State Legislature of Idaho on old-age pensions, which says:

Now, therefore, be it resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the Congress of the United States of America to pass at this present session a plain, workable old-age-pension law, to the end that our aged citizens may to a degree have sufficient income that they may spend the remainder of their days in peace and happiness; be it further

Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the honorable President, Franklin Delano Roosevelt, and the Senate and House of Representatives of the United States of America, and to the Senators and Representatives in Congress of this State.

Mr. MICHENER. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. MICHENER. To which old-age-pension plan does the memorial refer?

Mr. WHITE. Both Senate and House of the State of Idaho have gone on record in favor of a workable, practical old-age-pension plan that will afford a sufficient sum to enable the people who have reached the age of retirement to spend the rest of their days in security, peace, and happiness.

Mr. MICHENER. They do not name any specific plan?

Mr. WHITE. No.

Mr. OLIVER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, to those residing in our beloved land, where we are guaranteed under our Constitution life, liberty, and the pursuit of happiness, our thoughts do not wander to other countries where such conditions are supposed to exist on paper but in reality do not exist.

Those of you who were here remember in 1926 that many complaints were made to the State Department by the press and by American citizens residing in Mexico that owing to the antireligious policy under the leadership of Calles they were denied freedom of worship in Mexico.

Many native-born and naturalized American citizens officiating as clergymen and religious women teachers in the schools were compelled to leave their homes overnight and flee from the country.

Among others was the Reverend Mother Semple, director of the Visitation School in Mexico. Mother Semple was a native of Washington and had taught for many years in the Catholic schools of Mexico City.

At a hearing held before the Foreign Affairs Committee of the House she related the persecution and indignities to which she and others were subjected to by the Mexican Government. After many months' discussion Dictator Calles called a truce and the persecution was supposed to be temporarily suspended.

The National Revolutionary Party, in control of the Government of Mexico, however, has never ceased its persecution of Christians of all faiths. American citizens, on account of their religious beliefs, have been outraged and reviled, their homes invaded, their civil rights abridged, and their lives placed in jeopardy. The present Mexican Government is arbitrarily restricting ministers, priests, and rabbis from officiating in some of the States of Mexico.

Mr. FISH. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. FISH. I think that probably I am in sympathy with the gentleman. I have a statement which may be of interest to the gentleman and to the House. It has been reported to me that the Minister of Instruction of Mexico states that he did not believe in the sanctity of private property or in the dictatorship of the proletariat. That is the gentleman in control of public instruction in Mexico who comes out on a communistic platform.

Mr. BOYLAN. My colleague's statement is correct, and I thank him for his timely contribution.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. CONNERY. I do not know whether the gentleman has this statement or not, but if he has not I bring to his attention the fact that when the United States Government recognized Mexico, when Mr. Lansing was Secretary of State, we did it on the express provision that religious worship should be free in Mexico.

Mr. BOYLAN. The gentleman's statement is correct; but, like every other agreement made by Mexico, it was forgotten just as soon as the ink was dry on the paper.

The Mexican Government has renewed its practice to which attention of this Government was called in 1926 of prohibiting of religious instruction to children. The only source of education being the hostile schools teaching socialism and communism.

Mexico has a population of approximately 15,000,000 inhabitants. Over 90 percent of this number are Catholics.

Only 333 priests are allowed by the law of Mexico to minister to the spiritual needs of thirteen and one-half million people—out of the 30 States in the Mexican union. In 14 States not a single priest is allowed to officiate. In 3 States only 2 priests are authorized to care for the spiritual needs of 135,495 to 450,000 people. In Mexico City alone, having a population of one million and one-half, only 35 priests are authorized. In several States local authorities by canceling licenses issued to priests, by expelling them from their parishes, and by refusing to issue licenses, have reduced the number of priests officiating in the States to a number less than that authorized by law. On the slightest pretext and without any reason at all church property has been confiscated without due process of law, and without compensation of any kind being paid the buildings turned over to public use. Private religious schools of every kind have been closed and the teachers forced into exile. The reign of terror instituted by President Calles in 1926 has been carried on relentlessly despite appeals to our Government, made not only by Catholic citizens, but by those of other denominations and those champions of justice attached to no church, asking the Mexican Government to lift its bans against religious intolerance and to extend liberty of worship to its citizens irrespective of creed. Only as late as July 1934 Calles declared:

> The revolution is not ended. The eternal enemies lay in ambush planning to nullify the triumphs of the revolution. We must now enter and take possession of the consciences of the children; and of the conscience of the young because they too belong to the revolution.
>
> It is absolutely necessary that we dislodge the enemy from their trench, where the clergy are, and where the conservatives are. I refer to education—I refer to the school. I, therefore, call upon the governors throughout the Republic, to all public authorities, and to our revolutionary elements that we proceed at once to the field of battle, which we must take because children and the young belong to the revolution.

Yet this bloody dictator and his successors have the unspeakable temerity to compare their methods as similar to those used by the immortal Thomas Jefferson decades ago, particularly so when the epitaph on his tombstone selected by himself reads as follows:

> Here was buried Thomas Jefferson, author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia.

I take issue with the statement issued recently by the Mexican Ambassador that the Mexican people would resent an investigation by the United States as to the mistreatment of American citizens in his country. The Ambassador well knows that 90 percent of the people of Mexico would welcome a thorough investigation of this kind. It is well known that the Mexican Government virtually confiscates private property, offering to pay in return, in order to conform to the semblance of law, about 20 percent of its real value. From conversation with a prominent American correspondent who has just made a tour of Mexico, I am informed that the country is seething with unrest and that there is no protection of lives and property; that over 5,000 residents of Mexico City, opponents of the present regime, have been kidnaped and murdered; and he further declares that the country is unsafe for American visitors.

How long are we going to sit idly by and permit this country south of the Rio Grande to deny to our citizens residing there the right of protection for their property and to insure for them the exercise of freedom of conscience and religious worship?

In order that the best interests of American citizens be preserved the Congress should at once make an exhaustive study of the entire situation.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. CONNERY. I call the attention of the gentleman to the fact that when this gentleman to whom he refers, Mr. Calles, was to be operated on, he went to a Catholic hospital in California, run by the sisters, and the mother superior of that hospital had orders that no one was to be allowed in there without her permission. He went to a hospital of Catholic sisters whom he was trying to throw out of Mexico.

Mr. BOYLAN. That is indicative that deep down in his heart he knew where he would be properly attended, and also perhaps that he had the faith privately, but for public policy and for personal plundering of the treasury of Mexico he professes another policy.

> I would wish on the part of the entire American public, of our great secular press, a fuller knowledge of the actual conditions in Mexico. All would then more fully realize that we are pleading not only the cause of the Catholic Church but the cause of human freedom and of human liberty for all the nations of the world.

It should be remembered that there is absolutely no freedom of communication or of speech in Mexico today. The correspondent whom I quoted told me that in order to bring out his data from Mexico he had to have his notes sewed in the lining of his clothes; that every message he sent out, every letter he sent out, was censored by the Mexican officials.

In conclusion, I believe it is part of our duty to investigate and see that the injustices that perpetrated upon our citizens in Mexico are remedied. This is an old story. There is nothing new about it. Every agreement that we have made or attempted to make with Mexico has been entirely disregarded by her officials, many of whom appear to be motivated alone by a desire to get their hands in the public treasury and clean it out, without having any thought for the well-being of the millions of the peons or Indians or other classes of people in that unfortunate country. [Applause.]

Mr. BACON. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman—

> "The time has come", the walrus said,
> "To talk of many things:
> Of shoes—and ships—and sealing-wax—
> Of cabbages—and kings—
> And why the sea is boiling hot—
> And whether pigs have wings."

I propose to speak of many, many things. At the outset I shall follow my colleague from New York [Mr. BOYLAN] and say a few words about the Mexican situation, and I do so only because I believe to the fullest degree in the freedom of worship for all creeds and all denominations and for every kind of religion. In Mexico it is perfectly evident that in certain Provinces or States all churches have been shut down. Therefore, when an American citizen goes into Mexico and into those States, he is denied the right of freedom of worship; he is denied the right to go to his church and worship according to the dictates of his own conscience. It becomes a matter of concern, therefore, to the American people and our Government to preserve the inalienable rights of American citizens to worship God in any country in the world. There is no denying the situation. Our sister Republic has closed the churches in many of its States, and in others so limited them that there is practically no real freedom of worship. In proof of the pudding the Minister of Instruction, a cabinet officer, having charge of the instruction of the Mexican people, has publicly announced that he does not believe in the sanctity of private property; that he favors a dictatorship of the proletariat, which is nothing more than communism. Naturally we are concerned, for if communism takes root and spreads in our sister Republic, it will affect all American interests in Mexico and soon will affect indirectly our own country.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. CONNERY. The gentleman speaks of the communistic utterance of this gentleman. It has been brought out here that they intend to teach socialism in the schools, and they say that the family has no right to the child, that the child belongs to the State.

Mr. FISH. What else can one expect when the public official who is the head of all education in Mexico makes public utterance such as I have quoted? Of course, that is the result, and that will be the kind of teaching that will be the mode compulsory throughout Mexico. Having this in mind, and having investigated the facts, I introduced a resolution the day after Senator BORAH introduced his, in some-

what different form, however, because mine merely expresses the regrets of Congress at the continued religious persecution and the sympathy of the Congress for those deprived of the freedom of worship and requests the President of the United States to protect the rights of American citizens to worship freely in Mexico and in all other nations in the world. I submitted this resolution to every Republican member of the Committee on Foreign Affairs of the House before I introduced it, and they all approved it and backed my suggestion that it should be not only introduced but considered by that committee at an early date.

It is not a partisan measure, but it is far-reaching, and I did not propose, single-handed, to introduce a measure of this kind, not because I lacked the courage but because I happen to belong to the Republican Party, and I did not want any individual to criticize the Republican Party on my account, as I happen to be the ranking member on the Committee on Foreign Affairs on our side of the House. I hope the gentlemen on the other side of the House will help in securing consideration of this resolution on its merits:

Whereas the Mexican Government is pursuing a relentless and ruthless policy of religious repression and persecution and substituting atheism and communism for Christianity; and

Whereas the grievances adverted to are so enormous as to impart to them an international character in redress of which all countries, governments, and creeds are alike interested: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States regrets the continued religious persecution in Mexico and expresses its sympathy for all those who have been deprived of the free exercise of their religious faith, and trusts that the Mexican Government in the interest of justice, tolerance, humanity, and peace will respect the inherent rights of their own citizens and afford an unhampered opportunity to them to observe, practice, and maintain their religious creeds and rites in accordance with the dictates of their own conscience; and be it further

Resolved, That the President of the United States be, and he is hereby, requested to use his good offices with the Mexican Government and with other nations to permit the fullest freedom of religious worship and to put an end to religious persecution wherever it may exist and to especially protect the rights of American citizens of all creeds and faiths to the freedom of worship in Mexico and in all nations.

Mr. HEALEY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. HEALEY. And there is precedent for the action that is suggested by the resolution?

Mr. FISH. There is abundant precedent. I might, just as a matter of interest, state to the House that the second paragraph which I read—

Whereas the grievances adverted to are so enormous as to impart to them an international character in redress of which all countries, governments, and creeds are alike interested—

was taken out of an official letter written by my own grandfather, Hamilton Fish, on a similar occasion when he was Secretary of State of the United States, in 1870. There are ample and abundant precedents for resolutions of this kind. Of course, it depends upon the wording of the resolution. I do not say I would favor the resolution offered in the other body, but I believe this is so worded that we are within our rights and would be taking a proper and appropriate step.

Mr. CONNERY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CONNERY. Daniel Webster, in 1823, set the first precedent on that, when the Turks were persecuting the Greeks.

Mr. FISH. Yes; the freedom of the Greeks, over a hundred years ago; but there are innumerable cases. There are the ones dealing with Rumania, Spain, and other nations, written by our Secretaries of State in the past.

I realize it is a complicated problem, but I believe a great country such as ours, a country wherein religion plays such an important part, although we believe in the separation of state and church, we maintain religious faith, belief in God, and freedom of worship, and should take some appropriate action. Religion has always been one of the most important factors in our Nation, in the making of our Nation, and it still is today. It is perfectly proper that we should publicly state that we still believe in freedom of worship, and that we believe religion is the greatest moral force in the world. When you try to strike it down, you are trying to strike down the very foundation stones of all civilization and of our own Government.

Mr. OLIVER. Will the gentleman yield?

Mr. FISH. I yield.

Mr. OLIVER. I am very much impressed with the last statement of the gentleman, emphasizing the importance to a nation of belief in God and the benign influence of religion on the life of its people, and I think the House gives very full approval to that sentiment. There was inserted in yesterday's RECORD by Hon. JOSEPH B. SHANNON a speech that he recently made on the same subject, in which he links religion and patriotism, and I invite the gentleman's attention to it. It is very timely.

Mr. FISH. I had not proposed to speak on this issue this afternoon until the gentleman from New York [Mr. BOYLAN] raised it, but I do believe that we should give consideration to it; and I hope the Democratic side, being in the majority and having the responsibility, will provide for a hearing on this resolution and on all others that affect the same situation in the very near future. We will present ample facts to support our contention and to disprove the statement made by Mexican authorities that there is no religious persecution in Mexico today.

Mr. CONNERY. Will the gentleman yield?

Mr. FISH. I yield.

Mr. CONNERY. We have ample proof of that, of course, as the gentleman from New York knows, in the killings, the absolute disregard for all religions—Baptists, Methodists, Episcopalians, Catholics, and Jews—who are not allowed at all to practice their religion in Mexico. Their property is confiscated and American citizens are not allowed to practice their religion. But we certainly have the right to step in in Mexico, since we recognized their Government on the express condition that freedom of worship must be permitted in Mexico, and they have broken that contract with the United States Government; and certainly we would have the right, if necessary, to withdraw our diplomatic representation there.

Mr. FISH. Yes. We have also the right to protect our own citizens in freedom of worship, even without any special treaty to that effect. I think it would be a very good idea, in order to get first-hand information, for the committee, when it holds its hearings, to call back the American Ambassador to Mexico to testify before the committee so we may have all the facts presented.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. FISH. I yield.

Mr. JENKINS of Ohio. I agree with everything the gentleman has said. I should like to ask with what grace can we complain of this matter with regard to Mexico when we recognized Russia, which practices all these practices as one of the cardinal principles of its government?

Mr. FISH. I think the gentleman has asked me a very embarrassing question. [Laughter.] The gentleman well knows I was opposed to the recognition of Soviet Russia. I believe that to be one of the most gigantic hoaxes perpetrated upon the American people. A host of radical professors seduced the business men of America and the cotton growers of the South by telling them that if we recognized Soviet Russia we would do $1,000,000,000 worth of business with them right away. The religious element of the South, the Methodists and Baptists down there, had no use whatever for Soviet Russia, and they were not inclined to recognize the Communists at all. They were against it; but when these able communistic "brain trust" advocates held out this juicy bait in the way of trade, it was too much in those Southern States where cotton is king. Russia was to buy $200,000,000 worth of cotton right away. The capitalists of the North were promised other business and likewise fell in line and got on board of the bandwagon. Together with the capitalists' support of the North and the cotton-growing element of the South, recognition was rushed through or put over on the American people.

Let me tell you just how it was rushed through. A year and a half ago, on November 16, 1933, Mr. Litvinoff gave out

a statement including certain promises and pledges; and the one that was featured at the head of every paper, the one which had the main effect on public opinion, was that Soviet Russia had made tremendous concessions to religion; in order to mollify the religious-minded people of America the administration claimed that he had given the pledge that religious liberty and freedom of worship were to be granted and that the laws were to be changed. No sooner had he gotten out of this country and over to Germany than he repudiated every word of it. There has not been a single change or concession of any kind so far as religious practice in Russia is concerned. A great authority on religion, the Pope himself, within 2 weeks after the Litvinoff statement was made, pointed out the utter falsity of such a statement in a public release that was published all over the world. It was held out only as bait to the religious people at that time; but I can show you, from the words of Litvinoff himself, from the words of the Pope, and everybody else who has studied the situation, that no concession whatever has been made in respect to freedom of worship in Soviet Russia.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. OLIVER. My recollection is that the understanding and guaranty were that Americans who traveled or lived in Russia would be guaranteed religious liberty and the right to worship God according to the dictates of their own conscience. I felt that the gentleman wanted to be accurate in his reference.

Mr. FISH. I do; and the gentleman is correct to this extent, but not a single law or regulation was changed, or anything of the kind. It was, however, held out in the headlines of every paper the day recognition was brought about that there were to be these concessions, yet there have been none whatever.

This is why I say recognition was a hoax; and as far as cotton sales are concerned, while I am not up-to-date on it, the last time I looked into it Russia had bought $3,000,000 worth of cotton from America and it borrowed this $3,000,000 from the R. F. C. with which to buy the cotton. That was the situation 3 or 4 months ago. It may have changed by a few thousand dollars since that time. This is just one example as to how this thing was put over on the American people.

Again, promises were made that there would be no propaganda from the Communist International, with headquarters in Moscow, to interfere with our own domestic institutions or form of government, and so on. That was a definite pledge. Anyone who knows anything about it, however, knows this pledge has not been kept and was never meant to be kept. Ask Mr. Green, of the American Federation of Labor. He has made a long detailed statement about the continued propaganda emanating from Moscow. The Communist International of Moscow is operating just the way it did before. The American Communist Party is nothing but a section of the Communist International, taking its orders from it and not denying it. The Daily Worker, the Communist daily paper in New York, with a circulation of 50,000 or 60,000, carries on its front page every day the statement that it is the organ of the Communist International. Not one of the pledges has been kept.

Again, it was held out that the Soviet Government of Russia would restore the property of American citizens confiscated and seized by the Communists, or, if it did not restore the property, that it would make suitable payment for it. This pledge, too, has been repudiated. All these plums were held out to us at that time as bait. We fell for it and now we are in the trap. The question is how to get out of it.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. JENKINS of Ohio. When the gentleman says, "We fell for the trap"——

Mr. FISH. Not I; no.

Mr. JENKINS of Ohio. What does he mean; does he mean the Congress or the President?

Mr. FISH. I mean the President and the Secretary of State and the cotton growers and the representatives of the cotton States and some of the capitalists up North and their representatives; greedy, selfish interests which hoped to make an almighty dollar out of Soviet Russia, regardless of anything else.

Mr. JENKINS of Ohio. I ask the gentleman from New York if it is not a fact that the Congress of the United States had nothing to do with the recognition of Russia when she was recognized in 1933?

Mr. FISH. Not one thing.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. FIESINGER. Did I understand the gentleman from New York to say that the promoter of all this iniquity was Mr. Smith Brookhart, a former Republican?

Mr. FISH. I said that Mr. Smith Brookhart, who held an office at that time in the Democratic administration by appointment after he had been defeated by the Republicans, was one of the instigators; but there are many others. The gentleman probably has heard of Mr. Rexford Guy Tugwell and about 20 other members of the "brain trust" here who were the main instigators and who urged the recognition of Soviet Russia in season and out of season until they completely deceived the American people.

And again let me say the proof of the pudding is in the eating thereof, and we have received nothing whatever out of it.

Mr. FIESINGER. Did not the United States Chamber of Commerce have something to do with that proposition?

Mr. FISH. No. I think the United States Chamber of Commerce opposed recognition, but, may I say to the gentleman, there were many capitalists and bankers, particularly in the East, who were in favor of recognition. Lenin said that capitalists would commit suicide for temporary profit. We have a lot of that kind in our own country, Democrats and Republicans alike, who would sacrifice anything for greed and selfish interests.

Mr. FIESINGER. The gentleman is not blaming the Democratic Party?

Mr. FISH. Yes. I am blaming the Democratic Party absolutely. It had the authority and responsibility, and it did the recognizing.

Mr. JENKINS of Ohio. Is it not a fact that the recognizing could not have been effected except through the President of the United States?

Mr. FISH. Why, he is the one who did it and is entirely responsible.

Mr. MILLARD. He is a Democrat?

Mr. FISH. He is a "new dealer." He is not a Jeffersonian Democrat; but that is a Democratic problem, not mine.

Mr. BLANTON. Will the gentleman yield? I have a very important question.

Mr. FISH. No. I refuse to yield to the gentleman. I am going to talk on Mr. Farley soon, and then the gentleman may ask me some questions.

Mr. BLANTON. It would make the gentleman's speech awfully interesting, adversely.

Mr. FISH. No. The gentleman is apt to throw a monkey wrench in my speech, and I will give him an opportunity later on.

Mr. CITRON. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. CITRON. I should like to ask the gentleman a question about this resolution. In line 7, page 2, the gentleman mentions, "And with other nations besides the Mexican Government." To what nations does the gentleman refer?

Mr. FISH. That would include, of course, Soviet Russia.

Mr. CITRON. Would that include Hitler's Germany? The reason I ask the question is that the gentleman has refused to mention Hitler Germany in a resolution of this sort.

Mr. FISH. If the gentleman had been here longer, he would have known that I introduced a resolution in the last

Congress on that particular subject. I have no sympathy with the persecution of Jews or anyone else. This, however, is a different matter. I did not know that the Hitler government interfered so much in Germany with religious worship. I thought it was more of an economic and civic proposition so far as the Jews were concerned. I have no more brief for Hitlerism and fascism of the right than I have for socialism and communism of the left.

Mr. CITRON. Has the gentleman read a statement in the paper that the Hitler government is trying to do away with Christianity?

Mr. FISH. No; I have not seen any such article, and I doubt if the German people have any intention of doing away with Christianity or religion.

Mr. CITRON. I mean the Hitler government.

Mr. FISH. No. I have seen no such statement.

Mr. Chairman, the majority party today saw fit to table the resolution of my colleague the gentleman from New York [Mr. MILLARD] asking for certain very appropriate information that he as a Member of the House is entitled to, which the House itself is entitled to, and which the American people are entitled to, mere facts, as to how many of these ungummed and imperforate stamps have been given out, to whom they had been given, and questions of that kind. Apparently it is claimed by the majority that it is necessary to call up the Postmaster General or some department if a Member of the House wants to secure information.

Mr. Chairman, a Member of Congress stands on his own feet and on his own rights. In this particular case the charges were not originated by my colleague the gentleman from New York [Mr. MILLARD]. The charges were made in the press of the United States, from one end of the country to the other, that the Postmaster General had given to a favored list these imperforate and ungummed stamps. Automatically these stamps have enriched public officials, not by a few hundred dollars, not by a few thousand dollars, but by tens of thousands and hundreds of thousands of dollars. This is no trifling, petty, or picayunish issue. I do not blame the Democratic Party for trying to cover it up. I do not blame the Democratic Party for trying to hush it up, to put the snuffer on it, and to cover it up. I do not blame the Postmaster General for refusing to answer or for evading the issue, for refusing to give information or even to appear before a committee of the House—the Post Office Committee—this morning when it held secret, executive, and star-chamber sessions.

Mr. DOBBINS. Will the gentleman yield?

Mr. FISH. I will in a minute. The Post Office Committee held an executive committee meeting and asked into that meeting the gentleman from New York [Mr. MILLARD] and myself, but I was asked in 5 or 10 minutes before it adjourned, and when I got there the committee had adjourned.

The House has had nothing before it in the way of an answer from the Post Office Department, except a meaningless letter, which you on both sides heard read today from the desk. This letter answered nothing. It was a mere camouflage, a smoke screen, a red herring to distract public attention, and it evaded every question asked by the gentleman from New York [Mr. MILLARD] and myself.

Mr. DOBBINS. Does not the gentleman know he was invited before that committee at the same time as his colleague from New York was invited? The gentleman from New York appeared before the committee and was there for approximately 20 minutes, and the committee was in session for 15 minutes after that.

Mr. FISH. What time was my colleague invited?

Mr. DOBBINS. I do not know.

Mr. FISH. He was invited at 11 o'clock. My invitation came at 20 minutes past 11, when the committee had adjourned. Now, I do not want to quibble about that matter.

The gentleman made a very fair statement. I want to congratulate him for the statement. It was not only fair, but it was clever, because the gentleman has no case whatever, but he did try to make a bad cause look plausible. I was very favorably impressed with the way the gentleman covered up the whole situation and said absolutely nothing. There is no defense, and I would like to explain why there is no defense.

Mr. BLANTON. Because there is no offense.

Mr. FISH. The gentleman is out of order.

Mr. DOBBINS. The gentleman from New York knew very well that our committee would consider this matter this morning, did he not?

Mr. FISH. I certainly did, but in executive session.

Mr. DOBBINS. Was the gentleman in his office when the message was sent him at 11 o'clock this morning inviting the gentleman to appear before our committee?

Mr. FISH. I told the committee what time I got the message 20 minutes after 11.

Mr. DOBBINS. Did the gentleman inquire of the Postmaster General for the information sought by his resolution before attempting to invoke the activities of the House in the matter?

Mr. FISH. The gentleman places a great deal of importance on the fact of whether an individual Member of the House had asked the Postmaster General personally, or his Third Assistant personally, about the facts. The gentleman knows the rights of individual Members of the House. I have told the gentleman this exposure was not brought up by any Republican, it was spread broadcast in the press. We did not raise the issue, but after it was raised by representatives of 10,000,000 stamp collectors in the United States, we had a right and a duty to get the facts. They are the interested parties and it was then that the gentleman from New York [Mr. MILLARD], reading the charges in the press, raised the issue and put in a very proper resolution asking for information. I am glad that he did not go to the Postmaster General. He does not have to call on anybody. He has asked for the information in the proper and orderly way and, in fact, in the customary manner. A Member of Congress is not an errand boy that must chase after information from the departments of the Government. Furthermore, what chance would a Republican Member have to get real information except by a resolution of inquiry.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield the gentleman from New York 10 additional minutes.

Mr. BLANTON. Will the gentleman now yield?

Mr. FISH. No; I cannot yield now. I hope to get some more time; and if so, will yield to the gentleman later.

The gentleman from Texas [Mr. BLANTON], after I got through the other day, attacked me and tried to do the usual thing and make out that this was small, petty, picayune stuff and just chicken feed. The facts are, and have never been denied, that public officials—not private citizens—not like the Teapot Dome which you tried to smear the Republican Party with for so many years because of certain leases made to private individuals who then enriched themselves, but in this case it is much worse, because public officials have been enriched by thousands and tens of thousands and hundreds of thousands of dollars; not through any work on their part, but because these ungummed and imperforate stamps, as soon as they were given to these officials, increased, not 100 percent but 100 times or 200 times their value.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. Not now. If I get more time, I will yield to the gentleman.

Mr. O'MALLEY. Does not the gentleman think we can get it back through the income tax?

Mr. FISH. You have no defense whatever for this unethical and sordid action. It is like a dead mackerel in the moonlight; it stinks and shines and shines and stinks to high heaven. [Laughter.]

You cannot get away with it by simply using your majority vote in star-chamber proceedings and trying to hush it all up. You want the people to believe that a majority vote can turn a dishonest act of this kind into an honest one.

Mr. BLANTON. Will the gentleman yield? The gentleman has mentioned me by name.

Mr. FISH. No; not now. I am going to mention the gentleman again, too.

This, of course, is the usual partisan procedure, to minimize and belittle any dishonest act by the majority party instead of saying, "Let no guilty man escape", the way Calvin Coolidge did in the Teapot Dome scandal. You people, by a majority vote in your committee and by your entire Democratic vote here in the House, want to cover it all up and to shield the Postmaster General and all others who are involved.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield, so that I may get a little information?

Mr. FISH. Let me proceed a little further, and then I shall yield to the gentleman.

There is nothing new about this. This is an old scandal. It has been practiced in the past by South American countries.

They used to issue stamps of this kind, ungummed and imperforate, under their old dictatorships and give them out to their favorites and enriched their favorites to such an extent that stamp collectors, getting wise to their game, refused to buy them any more and so they had to stop it.

This administration—I will not say administration, but the Post Office Department—has issued 20 stamps since March 4, 1933, and the Postmaster General has given them out to the favored few. We do not know, however, how few or how many, and that is what we want to find out. We want to know whether it involves $3,000,000 or twice that amount. We know to whom they have been given so far—to the President of the United States and to Cabinet officers and to the Secretaries to the President and to members of the family of Cabinet officers and to business men. We do not know how many have been given out. This is what we are trying to find out and this is what 10,000,000 stamp collectors in the United States, both Republicans and Democrats, are trying to find out. They propose to get this information, whether they get it through a resolution of the Congress or by continued demand through the stamp organizations of America or through other channels.

Do you think for a moment there is not going to be a full and complete answer to the request made? Made for proper information and facts. Do you think that Mr. Farley or your party can hush up this scandal until the facts are known?

There may not be any law against this. There are probably many dishonest acts against which there is no law, but it is just as dishonest and just as crooked as if there was a law against it. That there is no law against it does not make it any less vicious or reprehensible. The Government is able to cope with its declared enemies, the public can meet attacks of its open and avowed opponents but political handouts under the hypocritical guise of a beneficiary with virtue on its tongue and deception in its heart is a dangerous foe and difficult to guard against.

I do not know the attitude of the members of my party, but I do know this: Now that the press—not the Republican Party—has brought this up, now that the press has produced these facts before the country, it is up to every public official to return those stamps to the Post Office Department, and then to provide an auction and sell the stamps to the public and put the money in the Treasury of the United States.

As it is, today, the Treasury of the United States has been looted and mulcted to the extent of millions for the benefit of a favored few, and most of them public officials. I hesitate to condemn public officials, but unless they return these stamps, they are subject to very severe condemnation, law or no law.

Mr. BLANTON. Now will the gentleman yield?

Mr. FISH. I will yield.

Mr. BLANTON. The gentleman from New York has enjoyed an unusual popularity in the past. Why does he want to make himself unpopular with all the people of the United States by this little old dirty attack on the Postmaster General?

Mr. FISH. I will ask the gentleman from Texas to stop his demagogy. I am trying to do my duty and protect the Government of the United States from being robbed and looted for the advantage of a preferred list of deserving Democrats, most of whom all hold high positions in the Government service. What an example to set for 10,000,000 stamp collectors and the rest of the American people.

Mr. BLANTON. The people of the United States are not interested in this attempt to make a mountain out of a molehill.

Mr. FISH. There are 10,000,000 of them that are interested in it, and I believe all the rest are who believe in fair play and square dealing.

Mr. BLANTON. Oh, there may be a few stamp collectors.

Mr. FISH. Oh, the gentleman has sneered at the stamp collectors, as the Democrats did at Coolidge, who stood on the mountain peak of rugged honesty, and as most Democrats tried to smear Hoover for years; and now, because we have the temerity to get up and denounce one of the ugliest acts in any administration in our history, after trying to get the facts, the gentleman sneers at the stamp collectors.

Now I said in the first speech I made that Mr. Farley was entitled to a hearing, that he may have his side of the story. Did he take advantage of it? Did he answer a single question my colleague from New York asked? Not at all. That is why we now have a right and a political duty to criticize the skullduggery practiced in enriching public officials by presentation of sheets of ungummed and imperforate stamps, and there is no defense for it.

Mr. DOBBINS. Will the gentleman yield?

Mr. FISH. I yield.

Mr. DOBBINS. The gentleman says he wants to be fair, and yet he makes statements of fact based on a letter from Roberta Rowe. Does the gentleman understand that the face value of the stamps has been paid, and that the fictitious value is never received by the United States Treasury? They only get the face value of the stamps.

Mr. FISH. I know nothing about the Roberta Rowe letter and care less. I am very glad that the gentleman has asked about the value of the stamps when bought, because it proves nothing at all. I supposed every Member of the House who has heard this debate and followed it at all, knew that the favored few paid the face value of the stamps, whether 1 cent, 2 cents, or 3 cents.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BACON. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. FISH. Mr. Chairman, these ungummed imperforate stamps have never been issued before, not until this administration came into power. There has been a lot of loose talk that other administrations have issued these stamps. No administration has ever before issued ungummed imperforate stamps. This administration has done it on 20 different occasions, and has sold those stamps at their face value, not to the public—oh, no; but to a preferred list—and we don't know all of that list, and that is what we are trying to find out—most of whom are public officials, who were then automatically enriched 100 or, maybe, 200 times. It is not a question of 10 percent or 20 percent or 50 percent profit, but a hundred times or more. Automatically, as soon as they buy those stamps at 3 cents, the stamps become worth a dollar or more.

Mr. DOBBINS. Will the gentleman tell me where he gets his million dollars? Only $800,000 of these stamps were sold in a year.

Mr. FISH. I said $3,000,000. Those were the figures used by the gentleman from New York [Mr. MILLARD], and I shall use his figures, whether they be $2,000,000 or $4,000,000.

Mr. DOBBINS. Does the gentleman mean to say that a hundred million of those stamps——

Mr. FISH. Let me answer. Automatically the value of these ungummed and imperforate stamps did not jump from 1 cent to 2 cents, and that would be 100-percent increase; but it jumped from 1 cent to $1 or maybe more, depending upon how many or how few were put out. That is the value given by collectors.

Those collectors, if they could buy these stamps at a public auction, would pay that amount of money for them, if they were ungummed and imperforate, in a limited number. The American stamp collectors would come in at public auction and pay for those stamps sums estimated at two or three million dollars; and that ought to go into the Treasury of the United States, but, instead of that, it has gone into the hands of public officials who, if they die tomorrow, would leave estates to be settled, and a value would be put upon those stamps, and it is said by reputable newspapermen and collectors of stamps that that value might be as high as $300,000 for the President of the United States alone, but let us halve that, to be on the safe side, and that is $150,000—or money that he has received out of the Treasury through no effort of his own, which will belong to his estate just as much as a Government bond. You might just as well give away some of these baby bonds, because of defects, to public officials on the same basis as the ungummed and imperforate stamps, as the baby bonds do not draw interest either.

Mr. O'MALLEY. If the gentleman is correct in that, the income-tax collector can get most of it.

Mr. FISH. Oh, no; they are not turned into money, and the value is increased only when they are sold.

Mr. O'MALLEY. Then, they are worth nothing at all until sold.

Mr. FISH. Certainly not; neither is any other form of property.

Mr. O'MALLEY. Then, what is the gentleman worrying about?

Mr. FISH. Because they are private property. What do you want to do—give private property to public officials, which, upon their death becomes of value?

Mr. O'MALLEY. Then the tax collector would get them.

Mr. FISH. Oh, the gentleman entertains peculiar ideas and peculiar logic. I am trying to state the facts—undeniable facts.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. Certainly.

Mr. LUCKEY. I am a new man and would like to know what it costs per hour to operate the United States Congress.

Mr. FISH. The gentleman will have to look that up in some standard dictionary.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. HEALEY. If the gentleman is correct in his statement that these stamps have such a great value, it might be a good idea to issue enough of them to derive funds enough to pay the bonus. Perhaps we could do it in that way.

Mr. FISH. If that is the gentleman's idea of paying the bonus, I suggest that he take it up with the soldiers.

Mr. HEALEY. I ask the gentleman the question——

Mr. FISH. Oh, that is the gentleman's own idea. Do not try to wish it on me. I know the gentleman wants to be facetious and to minimize the matter and belittle it and protect Mr. Farley and the administration. And I suppose, no matter how bad it is, if it were a thousand times worse he would do the same; and as far as I am concerned, I think it is not only unethical and dishonest but filled with graft from beginning to end unless the public officials who received them bring them all back to the Post Office Department and sell them to the American stamp collectors at auction.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BACON. Mr. Chairman, I yield 2 minutes more.

Mr. FISH. I want now to change to another subject. I made the statement the other day that there were two or three officeholders under the Democratic administration, not necessarily Democrats—and I named them—Robert Marshall, head of the Forestry Division in Indian Affairs, and Gardner Jackson in the A. A. A., and some lady, who had contributed to the Communist cause and to the rank and file committee for a bonus march.

None of them denied contributing. Some of them said they did not contribute for a bonus march. If they did not contribute for a bonus march, it is so much the worse, because they contributed to a Communist organization—to Mr. Harold Hickerson, one of the best-known Communists in America. To do what? To incite strikes, riots, sabotage, industrial unrest, and urge the overthrow of the Government of the United States. Those men still hold office. I do not even advise now what should be done, but the National Defense Conference, meeting in convention the other day, voted unanimously that those Government officeholders should be dismissed from the service. I believe that every patriotic organization will make the same request before this year is over. I have made no such request. I have submitted the facts. They have not denied the facts. There are thousands of veterans of the World War, including disabled veterans, walking the streets looking for jobs, while you have in this administration not Democrats holding office, but men holding high office who contribute their funds to the Communist cause for Communist agitation and propaganda. The time has come for action—not excuses. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. OLIVER. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I agree with our colleague from New York [Mr. FISH] on one thing only. I think this Post Office Committee treated him outrageously. The gentleman says that they held this committee meeting to which he was invited at 11:20 a. m. That was outrageous. That was before our colleague from New York [Mr. FISH] had had his morning bath, and had his hair curled, his ears perfumed, and his morning coffee. They should have given him more time.

I have tried to picture in my mind the gentleman from New York, standing as he does about 6 feet 3 inches in his stocking feet——

Mr. FISH. The gentleman made this same speech last week.

Mr. BLANTON. Going down to that palatial new Post Office Department Building, which was built by his silk-hat provisioner, General Brown, but which is now occupied by somebody else, and walking into the office of the genial, honest Jim Farley, in whom even the gentleman from New York [Mr. FISH] has absolute confidence, and raising this little question about ungummed stamps. I do not think that Ham would ever face Jim on such a mission.

In the history of this Government since there has been a Bureau of Engraving and Printing, since there have been stamps made, there never has been one cent received by the Government of the United States from stamps more than their face value. There never has been any sale for profit. That is all the Government ever gets from stamps. All the Government ever gets is the face value of the stamps. That is exactly what this Government got for every single memento stamp that was bought and retained by Jim Farley, or which is held by the President or any Cabinet officer or any of their children. They paid 100 cents on the dollar for them—the same that has always been paid to the United States by everyone else for special stamps.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BLANTON. No. I am sorry. I am going to answer Ham. All of this hullabaloo has been raised here over nothing. Do you know what has caused it? I will tell you. Since this Postmaster General was sworn into office, and shortly after his President had taken the oath of office, it became apparent that there had been some crooked banking going on that had almost ruined many unsuspecting and credulous people of the United States, and the President entered an Executive order closing every bank in the United States, including every Wall Street bank. Some New Yorkers up there did not like it.

It then became apparent to an honest administration that was looking after the interests of the people that there were great financiers who had been theretofore closely connected with this Government who were fixing to ship their gold out

of the United States, and in order to protect the gold of this country and the gold reserve, that grave President of the United States, backed by his Cabinet, entered an Executive order that stopped that gold from being shipped out of the United States. But it made some New Yorkers and others mad.

Then a little later on they found out that crooked contracts had been let for carrying the air mail.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. BLANTON. In just a moment I will. I must answer Ham first. Those crooked contracts came upon the scene. The President did not submit that to a commission, a $500,000 commission, to have them look into it and report 2 or 3 years hence. The President did not do that. If he had followed recent precedent during the last 4 or 5 years, he would have submitted that to an expensive commission; but instead of doing that he entered an Executive order annulling every single dishonest contract. Even though it cost this Government a tremendous sum of money, he had the mail carried anyway. He had the mail carried by the Army until other arrangements could be made. That is what the President is for. When he finds dishonesty, weed it out; and whatever it costs to have honest government, pay it. Some New Yorkers did not like it.

Mr. FISH. Will the gentleman yield for a question?

Mr. BLANTON. In just a minute.

Mr. FISH. I just wanted to know when the gentleman was going to begin to answer me.

Mr. BLANTON. The fact that I am answering the gentleman is what is bothering him. They did not like it. I knew, just as well as I knew I was living, that sooner or later they would begin these little "nigger-shooter" attacks on the administration. They did not think it would be popular to attack the President. They know the people will not stand for that. Even up in Brother TINKHAM's district in Massachusetts they would not stand for it. If he were to jump on the President, it would be the most unpopular thing he could do up in Massachusetts. [Laughter.] So they do not jump on the President; they pick out the President's first lieutenant and try to make him the goat, and indirectly attack the President from the back door.

I want the people of the United States, tomorrow and in the next few days in every State in this Union, to get today's RECORD; and I want them to read that resolution that was introduced by our friend the gentleman from New York [Mr. MILLARD]. He is our friend; I like him, everyone of us likes him. Although we may differ on things across the aisle, we all like him. I want them to read his resolution when they get today's RECORD. Then I want them to read that splendid committee report which was filed in the RECORD and which gives the answer of the Post Office Department showing the facts about the matter. Then I want them to read this speech of our friend from New York [Mr. FISH], made this evening, and try to see any justification for it. It is going to leave our friend from New York [Mr. FISH] standing up in the air without a single support under him. I am afraid it is going to destroy his popularity.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. FISH. I just wanted to know whether the gentleman is going to talk about the Townsend plan next.

Mr. BLANTON. Oh, the gentleman from New York skipped about like a butterfly or a humming bird, from Moscow, Russia, to New York. That gives me pretty good latitude, does it not, in answering? Of course, to follow him I have got to jump from Moscow to New York, but I can do it. [Laughter.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am not going to let the gentlewoman from Massachusetts destroy my speech on "Ham", because, of course, anything she says to me I have to agree with. That is the reason I cannot yield to her.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield? The gentleman said he would yield.

Mr. BLANTON. I am almost afraid to yield to her.

Mrs. ROGERS of Massachusetts. I thought the gentleman never broke a promise.

Mr. BLANTON. Oh, I yield. [Laughter.]

Mrs. ROGERS of Massachusetts. Does it not seem passing strange that a year ago when the error in judgment of the Postmaster General sent 12 gallant Army flyers to their deaths and severely injured 5 in less than a month the gentleman's side tried to prevent discussion of the matter.

Mr. BLANTON. I cannot yield further. It was no error in judgment. I want to say to my good friend the gentlewoman from Massachusetts that in Washington this last year, not in the Air Service but in the ordinary walks of life, there were one-hundred-and-twenty-odd people who lost their lives right here in Washington from automobile accidents. Why, any one of us is liable to fall here. We have seen colleagues fall in action here on the floor, in harness, working; that is one of the hazards of life. A flyer takes a hazard all the time. The man in business takes a hazard.

Mrs. ROGERS of Massachusetts. Not such a hazard as those Army mail pilots were forced to take.

Mr. BLANTON. Mr. Chairman, I cannot yield further, as I have not the time.

My colleague from New York [Mr. FISH] said I had tried to besmear Calvin Coolidge. He never was so much mistaken in his life. I do not believe there has ever been a Democrat in this House who was closer to Calvin Coolidge than I was. When that great calamity caused him, after midnight, to get up and take the oath of office as President of the United States, and Western Union called me up at home, I got up and dressed and went to town to my office and sent him a telegram congratulating him and the Government on having him as President of the United States. I believed him. I have sat at breakfast with him in the White House at the same table. There has never been a Republican President of the United States for whom I had higher regard or greater respect or in whom I had more abiding confidence; and I am not going to let the gentleman from New York [Mr. FISH] say I have besmirched Calvin Coolidge. Never in my life did I do it.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. FISH. Does not the gentleman remember the denunciation he made of Teapot Dome? He was so bitter in his denunciation I thought he would almost have apoplexy.

Mr. BLANTON. Oh, I did denounce Teapot Dome—not Calvin Coolidge; I was talking about dishonest, corrupt Cabinet officers—not Calvin Coolidge. We kept on at that time until we got some of them, did we not?

Mr. FISH. That is just what we are going to do. I know what I am talking about.

Mr. BLANTON. Never in your lifetime. It seems to me there was a Secretary of the Navy named Denby, who was removed from office; that is, he was forced to resign. It seems to me there was a Secretary of the Interior named Albert B. Fall, who was removed from office, was indicted, tried, convicted, and sent to the penitentiary for taking $100,000 in a little black satchel here in Washington when he tried to give away hundreds of millions of dollars of Government oil. That is what I was after; that is the kind of transactions that were going on. But Calvin Coolidge was not responsible for them; it was dishonesty in his Cabinet. If he had known anything about it, he would have wiped it out as quickly as any Democrat, because he was as honest as the day is long.

Now, what is all this little "two-bit" stamp fuss about?

People are not interested in it at all. A long time ago people used to lick stamps. They have quit licking them. The business men do not lick stamps any more. "Ham", you are now just licking a 2-cent stamp.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield 10 minutes to myself.

Mr. Chairman, in America we believe in religious liberty and the right of every individual to worship God according to the dictates of his own conscience. A tribute this evening has been paid to that great American, Thomas Jefferson, for

the great principles he stood for and taught. However, we have never been so boastful in America as to believe that we could dictate to other sovereign people what form of Government they should and must have.

Reference was made by my friend the gentleman from New York [Mr. FISH] to the recognition of Russia. May I say that the President recognized Russia without asking for the advice of the business men of the North, the South, or the West. He did it because he thought it was right to recognize a sovereign with 165,000,000 people. Other nations have recognized Russia, not because they any more than we approve their form of government. We have recognized, since we became a nation, the right of sovereign people to determine for themselves their own form of government.

It ill becomes my good friend from New York at this late day to complain about the recognition of Russia, since this House and the Senate, following the President's recognition of Russia, voted appropriations to send an Ambassador to establish consulates and to build an embassy there. My friend the gentleman from New York voted for these appropriations.

Mr. FISH. Will the gentleman yield? The gentleman is not criticizing me for that. May I say I think we have a very good Ambassador there, too?

Mr. OLIVER. I make the statement that we are estopped from criticizing the action of the President in recognizing Russia since we, including the gentleman from New York, voted at the last Congress large sums of money to make effective such recognition.

Mr. FISH. There was nothing else to do. I am sure the gentleman wants to be fair.

Mr. OLIVER. Yes; but I disagree with the gentleman. If I had entertained the views the gentleman expresses today, I would have refused to give express approval of the act of the President in recognizing Russia by voting money to make such recognition effective.

Mr. FISH. Does not the gentleman know that we could not foresee what was going to happen at that time?

Mr. OLIVER. No one could have foreseen more than the gentleman could what was going to happen, even assuming that the gentleman is right as to what has happened.

The gentleman was relying, it seems, on what he hoped was for the best; and in fairness he must concede this to others.

May I say in conclusion that the great underlying purpose behind the recognition of Russia was world peace, and it has had that effect, whether you agree with me or not. No one can read the message delivered by our Secretary of State at Montevideo, which undoubtedly had the President's full approval, nor recall the President's message in withdrawing the marines from Haiti, and not understand that the governing motive behind his every act and utterance has been to promote world peace and to endeavor to secure the cooperation of all nations to that great end. You will remember the message he sent to more than 50 sovereign rulers, urging the reduction of armaments on sea and land. Consider all he has said and done and tell me if from the very first the one ever-present actuating motive of the President, beginning with the message to Montevideo, the recognition of Russia, the withdrawal of the marines from the other countries to the south of us, has not been to inspire and stimulate a desire for world peace on the part of the people of the earth? [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, the bill now before the Committee includes an appropriation of $174,630 as the contribution of the United States to the International Labor Organization. This item should be stricken from the bill for the following reasons:

First. Because the appropriation is based upon a joint resolution which was adopted by the Congress through trickery, fraud, and mendacity of the Secretary of Labor.

Second. Because it involves the United States in the political affairs of Europe, the International Labor Organization being a part of the League of Nations and established by part 13 of the Treaty of Versailles.

Third. Because the joint resolution, in pursuance of which the appropriation is proposed, is unconstitutional.

Fourth. Because under the terms of the International Labor Organization, the United States is subject to trial and judgment and the enforcement of economic boycotts and sanctions by the Court of the League of Nations, which Court is entirely outside the judicial system of the United States, and therefore there is involved the relinquishment of sovereign rights of the United States.

The joint resolution, in pursuance of which this appropriation is proposed, was introduced in both the Senate and the House just before adjournment last June. No hearings were held on the resolution by the Senate and House committees reporting the resolution. No witnesses appeared before the committees. A quorum was not present when the committees voted to report the measure. The resolution passed the Senate without debate or explanation and without a roll call in a day of great confusion. The discussion of the resolution in the House was limited to 40 minutes, the debate occurred late at night, and the resolution was passed by a margin of four votes, after coercive tactics had been employed to change a sufficient number of votes which had already been cast against the resolution to ensure its passage. This change of votes is shown in the CONGRESSIONAL RECORD—volume 78, part 11, page 12241.

All that was presented to the committees or to the House in support of the resolution was a letter from the Secretary of Labor which, among other things, stated:

> The Organization is not even now an integral part of the League of Nations, and membership in the Organization does not imply affiliation with the League. * * *

This statement is the grossest perversion of the truth. It is squarely contrary to the facts—facts established by an indelible record, the Treaty of Versailles. This statement contained in the letter of the Secretary of Labor was intended to deceive. The Secretary knew that the Congress of the United States was opposed to entry into the League of Nations and would not vote for entry knowingly. Entry was, therefore, made surreptitiously and fraudulently.

Article 392 of the Treaty of Versailles states:

> The International Labor Office shall be established at the seat of the League of Nations as part of the organization of the League.

The International Labor Office is one of the two parts of the International Labor Organization. The other part is the International Labor Conferences.

Article 427 of the Treaty of Versailles refers to the International Labor Office as "permanent machinery * * * associated with that of the League of Nations."

Article 393 of the Treaty of Versailles provides that—

> Any question as to which are the members of the chief industrial importance shall be decided by the Council of the League of Nations.

Article 387 explicitly states that membership in the League of Nations shall "carry with it membership in" the Labor Organization.

Article 399 provides that the expenses of the International Labor Office and of the International Labor Conferences shall be met "out of the general funds of the League" and that—

> The director shall be responsible to the Secretary-General of the League for the proper expenditure of all moneys paid to him in pursuance of this article.

Article 398 provides that the International Labor Office—

> Shall be entitled to the assistance of the Secretary General of the League of Nations in any matter in which it can be given.

Article 405 of the Treaty of Versailles provides that it is for the Secretary General of the League of Nations to communicate to the members of the Labor Organization certified copies of recommendations and draft conventions adopted by the International Labor Conferences; members are to inform the Secretary General of the League of Nations of action taken on such recommendations and draft conventions, and

their ratifications of draft conventions are to be communicated to him.

Article 406 provides that a convention—of the Labor Organization—which is ratified is to be registered by the Secretary General of the League of Nations.

These articles of the Treaty of Versailles show that by entering the International Labor Organization the United States is inextricably involved in a mechanism which is a part of the League of Nations; that it is involved with the Council of the League of Nations and with the Secretary General of the League of Nations. As will be seen a little later, membership in the International Labor Organization involves the United States also with the Permanent Court of International Justice of the League of Nations, adherence to which Court only recently was decisively rejected by the Senate.

The League of Nations is a political organization. It is primarily interested in the enforcement of the Treaty of Versailles and in the political affairs of Europe.

There are additional reasons why this proposed appropriation should not be made.

The joint resolution in pursuance of which the appropriation is proposed is unconstitutional. United States membership in the International Labor Organization to be constitutional must be by treaty and not by joint resolution.

The Federal Government is a government of limited and enumerated powers. This has been repeatedly determined by the Supreme Court of the United States. The tenth amendment of the Constitution of the United States has been held to mean precisely this, that the Federal Government is a government of limited and enumerated powers. The tenth amendment reads:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Unless a Federal act, a resolution—as in this case—or a statute can cling to some constitutional grant of power, it is no legal act, resolution, or statute at all, but is pure usurpation.

There is in the Constitution no delegated power which allows the Congress to provide for United States membership in the International Labor Organization without a treaty. Alleged precedents for such action are nullities, and if challenged before the Supreme Court of the United States would be abrogated.

Even more can be said in protest of United States membership in the International Labor Organization by joint resolution.

Under article 412 of the Treaty of Versailles, upon application of the governing body of the International Labor Office, the Secretary General of the League of Nations is to nominate members of commissions of inquiry to consider complaints as to the execution of conventions ratified.

Article 414 provides:

> When the Commission of Enquiry has fully considered the complaint, it shall prepare a report embodying its findings on all questions of fact relevant to determining the issue between the parties and containing such recommendations as it may think proper as to the steps which should be taken to meet the complaint and the time within which they should be taken.
>
> It shall also indicate in this report the measures, if any, of an economic character against a defaulting government which it considers to be appropriate, and which it considers other governments would be justified in adopting.

Article 415 provides:

> The Secretary General of the League of Nations shall communicate the report of the Commission of Enquiry to each of the governments concerned in the complaint, and shall cause it to be published.
>
> Each of these governments shall within 1 month inform the Secretary General of the League of Nations whether or not it accepts the recommendations contained in the report of the Commission; and if not, whether it proposes to refer the complaint to the Permanent Court of International Justice of the League of Nations.

Article 416 provides:

> In the event of any member failing to take the action required by article 405, with regard to a recommendation or draft convention, any other member shall be entitled to refer the matter to the Permanent Court of International Justice.

Article 417 provides:

> The decision of the Permanent Court of International Justice in regard to a complaint or matter which has been referred to it in pursuance of article 415 or article 416 shall be final.

Article 418 provides:

> The Permanent Court of International Justice may affirm, vary, or reverse any of the findings or recommendations of the Commission of Enquiry, if any, and shall in its decision indicate the measures, if any, of an economic character which it considers to be appropriate and which other governments would be justified in adopting against a defaulting government.

These provisions show that by becoming a member of the International Labor Organization the United States becomes subject to the compulsory jurisdiction of the League Court, to trial and judgment and to enforcement of economic boycotts or sanctions by this Court, a tribunal outside of the judicial system of the United States. This involves the relinquishment of the sovereign rights of the United States. For the Congress to relinquish sovereign rights by a joint resolution is not only unconstitutional but is disloyal and revolutionary. [Applause.]

Mr. OLIVER. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, considerable discussion has been had this afternoon about traffic in stamps, but nothing has been mentioned about traffic of far greater concern and of real importance to the people of the United States.

I do not happen to be a stamp collector, and I do not believe it has appeared in the RECORD whether the gentleman from New York or the gentleman from Texas is a stamp collector, although each of them has discussed the question at great length. However, I do receive many, many stamps or bonds, or however you may characterize them, daily through the mails. This morning I received a batch from the great State of Texas. I believe they were mailed from Abilene, but it so happened that they come from a gentleman who resides in the city of San Antonio.

Before I refer further to these particular stamps, bonds, or certificates, I should like to mention that we are all concerned about conserving our natural resources. I feel there is no dispute about this, because even the President, the leader of the Nation, has lately addressed the Congress with respect to the matter.

If money is not a natural resource, it certainly is the most familiar resource of the American people. We have gentlemen here in Congress who want to create more of it for circulation throughout the Nation, but I have heard of no one who is interested in conserving the money supply that we have in this Nation and preventing it from going into foreign channels at the rate it is now going through the purchase of foreign lottery tickets by the people of this country. Nearly all the nations of the earth have lotteries, many of them government monopolies, and they are sending their tickets in here by the thousands, by the hundreds of thousands, and these lotteries are being patronized by our people every day.

I should like to display some of these that come up from Texas, showing that they were purchased in order to help out the veterans of France; others to contribute to the hospitals in the Irish Free State; and I have innumerable others, which I have before exhibited to the House, coming from practically every country of the world. I believe it is time we should make some serious endeavor to keep the money that we have here at home for the purposes of our own Government, instead of putting it into the coffers of other governments, sending it to Italy for the purpose of building its Navy, to Ireland to support their hospitals, to France for the benefit of its veterans, to Norway for old-age pensions, and to other countries for various other purposes.

The drain on this country is more than any of us will realize without a study of the question. I can only refer you back to prohibition days, when 1,000,000 people a day went from this country to Canada, and not only this, but

on one Labor Day there were 1,000,000 cars in Canada with American tourists, with an average of three persons to the car. This would mean that $3,000,000 would be spent there daily amongst the Canadian people. However, Mr. Chairman, this is nothing to the drain of money going out of this country for lotteries, and, in my opinion, Congress could do no better than to consider without delay and pass my bill providing for a national lottery, to be conducted by the Federal Government.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. FOCHT. As I understand the gentleman, his theory of a lottery is not that it should be perpetual, but that we should raise enough money to pay, say, the bonus and the national debt and then abandon it?

Mr. KENNEY. That would be my idea.

Mr. FOCHT. And the lottery would be operated by the Government?

Mr. KENNEY. It would be absolutely a Government monopoly. I may say I think the time has come when, in my opinion, property taxes only should be levied by our cities and towns; when income taxes ought to be confined to the States alone; and sales taxes, preferably a manufacturers' sales tax, which would exempt food, clothing, and medicine should be controlled solely by the Federal Government, and then we should have a national lottery operated by the Federal Government to provide funds which would help out all around, which would be allocated so as to do the most possible good.

Now, besides the participation of our people in foreign lotteries on a staggering scale, there is tremendous trafficking in private lotteries, many of which mulct our people dishonestly. From writers on the subject, gigantic sum ranging between three and six billion dollars a year passes through the channels of privately conducted lotteries. From the operation of these lotteries gangsters derived the chief sources of revenue for carrying on their criminal activities.

Only the other day the Committee on the District of Columbia asked for and was given permission to go out and investigate crime here. What was the first reaction? When the investigation began one of the Commissioners testified that the operation of lotteries was so wide-spread that he felt it was beyond the power of the authorities to control and recommended legalization. The newspapers of this city and other places immediately began to print accounts of crime within the District, linking it with the numbers rackets, policy slips, and other various forms of games of chance—games, but few chances for the gullible public.

Why, do you know that the great bootlegger of Chicago made more through his lotteries than he did by trafficking in liquor when it was unlawful to do so?

Do you know that the foremost bootlegger of New York made more money in his lottery schemes than he did by violating the liquor laws during prohibition days?

The sums involved are tremendous. If you will read the report of the Assistant Solicitor of the Post Office Department for 1932, you will find that he there states that the Post Office Department, in each of the years 1931 and 1932, kept $500,000,000 from going abroad to foreign lotteries—a billion dollars in a 2-year period; upward of $200,000,000 is said to leave the country annually for participation in foreign lotteries, and everyone knows of the many prize winners who actually reside in the United States. If we are to conserve our resources, let us conserve the money, the most important resource of all if we are to abide by the trend of thought expressed so often in this House.

A national lottery would conserve the vast sums of money annually leaving the country. It would also tend to, and, I believe, would sound the death knell of the dishonest private lottery. Furthermore, it would prove to be a boon to the taxpayer—a needed lift in distress.

Our taxes will increase. The great debt must be met. There will be need for all available funds. Stop then and consider! It is perhaps safe to say that if a fair proportion of the fabulous amount of money spent on lotteries could be made to flow into the coffers of the Treasury, a long step would be taken to pay off the obligations we have incurred and will shortly incur, and a way would be at hand to discharge the huge national debt, which may run as high as $45,000,000,000.

Now, a lottery is an honorable institution when conducted by the Government. I have in my pocket two historic documents bearing testimony of the benefits of a governmental lottery. Hard pressed, the first patriots of our country, including George Washington, resorted to the lottery as a means of raising revenue for the great emergency in the fight for our liberty, and lottery money virtually won the Revolutionary War. The idea in this country originated with our patriots and our clergymen.

In the small State of Rhode Island alone are many evidences of the efficacy of the lottery in the building of churches in this country.

The "Presbyterian, or Congregational Society" desiring to erect a building sought permission from the legislature to conduct a lottery, petitioning that the "best interest of the community to be restored to gospel order", which seemed "impracticable without the interposition of the assembly by granting a lottery."

Trinity Parish, Newport, was granted a lottery to build a new steeple for the church.

The inhabitants of the town of Cranston petitioned for the lottery privilege for the Baptists to build a meeting house which was made possible only through lottery money.

The right to conduct a lottery was granted to the wardens of the Episcopalian Church in Providence to build a steeple and procure a clock.

A lottery provided the funds for the Baptist meeting house in East Greenwich and also in Coventry.

In Providence the finest church of the city stands as a testimonial to the lottery, and so I could go on and on.

Now, as formerly, hosts of our citizens will respond to the call for small contributions which they will willingly make patriotically and for the public benefit, if only we permit them to do so by participation in a lottery to be conducted by the Government. They will be happy and glad to help conserve our money supply; to do their part in wiping out the numbers racket, the policy game, and types of that kind invariably linked with the criminal element; and further to pave the way for the payment of the great national debt in a manner that would relieve the load of the taxpayer and at the same time react to the great benefit of the Government of the United States. Let us pass the lottery bill. [Applause.]

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, after an afternoon of such thrills as we have had, it would be rather a prosy gesture to introduce the tariff. I am not going to give you my promised speech on the tariff this afternoon, but I rise to make a correction of a little inadvertence this afternoon on the part of my friend from North Carolina [Mr. BULWINKLE], a very fine gentleman. He persisted in the idea that the Smoot-Hawley Tariff Act had as its author Senator Grundy, of Pennsylvania. There are two reasons why Mr. Grundy was not the author of that bill. In the first place, with the knowledge he has of the manufacturing business and the interest that he would have in the manufacturers of Pennsylvania and the North, if he had been the author of the bill he would have made a better law than that which came out. Secondly, he was opposed to the bill. He may have had something to do in framing it, in getting what he could for Pennsylvania and the manufacturers of the North at the time, but it was not the bill he wanted. He was opposed to the principal feature of the bill, which is operative now, and I believe was reenacted here by this House a while ago. I refer to the 50-percent flexibility clause, and gentlemen here must know that anyone who is really soundly versed in the tariff cannot conceive that that would be the correct policy for anyone who wanted to have a protective tariff so that the business man might know when he should stock up

and when he should sell his manufactured product. If the business man is compelled to run up and down the line to find out where this 50-percent flexibility clause stops or begins, it would be impossible to adjust himself. A man who is in favor of the tariff, who needs a protective tariff, wants it fixed somewhere, whether high, or low, or moderate. What a man who is for the tariff for business wants to know is where it is and whatever it is, so that he will adjust himself to it. Therefore, anyone so well versed in the policies and understanding of the tariff as is Mr. Grundy, I say for him that if he had had anything to do with the Smoot-Hawley tariff, it would have been a better tariff, and there would have been no flexibility clause.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. DOBBINS. Then I understand that Mr. Grundy liked the rates all right but he did not like the possibility of having lower rates written into the bill.

Mr. FOCHT. I am not familiar with the more restricted and narrow phases. I am taking a broader and more comprehensive view of the thing than the gentleman suggests.

Mr. DOBBINS. He wanted to be sure he could hang onto what he got.

Mr. FOCHT. Whatever it was—anyone believing in the tariff, as I do, would give him credit for hanging on, so that he could protect our industries, instead of having now, if you want anybody to work, to starve the workers back into the factories. We did not do that under the good old Republican tariff provisions of another day.

Mr. BACON. Mr. Chairman, I now yield to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, before becoming a Member of Congress I thought I saw distinctly the right road for a majority of the American people to follow in an effort to rebuild our business structure, which has been on the decline since 1920. After having served a month in Congress and getting first-hand information on our national affairs, I am convinced now more than before that the road which I thought was the right road is the proper deduction to be made.

Here in Congress the paramount question is whether the President is going to turn to the right or turn to the left, and Members of Congress and the great American lobbyists spend most of their time in guessing upon this subject, and do not spend very much time on the more important task of determining whether there is not any other alternative except the right or the left. In my judgment, both courses are wrong, and I hope the President will not follow either course.

Turning to the right means, in simple English, turning toward reaction, and the country, after 155 years of reaction, except a few short intervals, was presented on March 4, 1932, with the evidence of the results of reaction. Every bank in the United States was closed, every insurance company was unable to meet its obligations, and business generally was completely paralyzed. During these years we had followed the course of reaction; and when the final plunge downward came, we found we had been following the implicit direction of such disciples of reaction as Morgan, Mellon, Mills, Mitchell, and Myers. The Republican Party had been subservient to them, in all things, and because of it the party was overwhelmingly defeated at the polls, and the administration of our affairs turned over to the Democratic Party under the leadership of Franklin D. Roosevelt.

What is left of the Republican Party is pretty well represented in Congress by Republican Senators and Congressmen. As the proceedings in Congress unfold, it is apparent that this discarded party is making attempts to gather strength to become again a party of national leadership. This leadership cannot be obtained so long as the machinery of the party remains with those of reactionary tendencies or with those who were closely associated with the leaders during the past Republican administrations. Nothing but new ideas, new men, and progressive principles will ever in our day return the Republican Party to power. It will require more than mere criticism of the Democratic Party; it will require positive and constructive leadership based upon issues that are progressive and in which the common voters of America believe. The voters demand a program, and the Republicans of the Senate and House have so far failed to present a positive program; and, in my judgment, the machinery of the Republican Party will still be in the hands of the reactionary element when the next convention is held.

The voters of America will never follow this road to the right. They have had enough. The question of reactionary or progressive is not limited by party labels—there are progressive Democrats and progressive Republicans. The Democratic Party is just as susceptible to the forces of reaction as the Republicans have been, and unless the Democratic Party remains progressive, it will be supplanted and the leadership taken over by some party that is progressive.

There is another road which the American people can take, and which many good citizens now believe in taking because of the lack of confidence in either of the two major parties, and that is the road to the left. If the American people take this road, it surely means the destruction of our present form of government. It means the building, in the place of this government, a new government fashioned after the plan of the Union of Soviet States of Russia. The advocates of this system state that our present government is a capitalistic government and that, before the people can arrive at the millenium in government, our capitalistic system must be destroyed. No matter how the phraseology may be framed, the cold fact remains that those who seek to build on this continent a union of soviet States must and do believe in the destruction of this Government.

Those who wish to follow this road to the left must be prepared to give up all individual property, for all property is capital, and must be prepared to merge themselves and their individual efforts under a system where the state is the thing for which individuals exist, instead of the American doctrine of the state existing for the individual and all members of society. Along with this system will go the doctrine of the destruction of all religious doctrines to which the individuals cling, and the branding of the teachings of Christ as a means of holding the people back in their march toward the blessings of a soviet.

This road to the left can be accomplished by only one method, and that is a revolution, either mild or severe. It never has come except through severe methods resulting in the loss of property and life. As I view the concepts of the soviet, I do not believe the American people are willing to follow that road to the left. I do not believe they ever will take that road unless they are forced to take that course through the further operation of this Government by those who are determined upon forcing the people to take the road to the right. The "right wingers", so called, are making Communists faster than the communistic school itself. The lessons of history clearly demonstrate that the reactionaries will continue to insist upon their theory of government to the last. They become so engrossed in their own self-declared patriotism that they would permit the destruction of their Government before showing a willingness to ease the pressure from their own reactionary and selfish purposes.

I do not believe the American people will take either the road to the right or the road to the left. There is still another road open to them. That road has the dimmest trail ahead of all. It has in the past been followed by a few great progressives, but not many. In different and varying degrees it has been followed by Washington, Jefferson, Jackson, Lincoln, Theodore Roosevelt, William Jennings Bryan, Robert M. La Follette, Franklin D. Roosevelt, and many great progressive leaders of the present day. The greatest leader of them all in our day, so far, was the immortal fighting Bob La Follette, Sr., of Wisconsin, who did more to stir the people to the responsibilities of government for the people, and who did more to blaze the trail on this right road ahead than anyone of his day and generation.

That road is the road straight ahead. That road recognizes that we have the best form of government on earth, and that this Government was intended by the framers of

it to be a just government, instituted by the people, coming from the people, and designed to be for the protection of the people. Following this road we also recognize that during the more than 150 years of our national existence we have permitted this great experiment of government to drift out of the hands of the general public and to be under the control of a few who use it not for the good of all but for the enrichment of the few at the expense of the many. Those who follow this road believe that this Government has turned some of its most important functions over to private interests to operate for their own advantage. They believe that this Government never should have surrendered to the banking interests of the country the power to issue money and regulate the value thereof. They believe the power granted to Congress by the Constitution in this respect should be exercised by Congress for the benefit of all of the people instead of permitting the banks to use the Government's cash and credit without interest. They believe that in the years that have passed that this power, the financial power of a few, has been built through a system of special privilege granted by legislatures and by Congress. They believe that the present financial collapse of the country is due to the results of that "special privilege" system and to nothing else, and that unless we regain this power to drive special privilege out of the control of the Government, then the Government itself is in danger of being taken over by those on the right, which means a financial class dictatorship, or by those on the left, which means a Soviet class dictatorship.

At the present moment we are groping about to find the correct trail. I think the President means to find that correct road; and merely because he has not rushed headlong in some direction, right or wrong, he is charged by both sides with a tendency to turn to the right and by the others with a pronounced tendency to the left. Since the business of the Nation had collapsed almost completely when the President assumed office, it comes with poor grace for the "right wingers" to complain. The "right wingers" must forever stand charged with the collapse of business accomplished through the blind following of a reactionary course. The "left wingers" should not complain since they must admit that the President has at least made an honest effort to restore a government of protection to the people.

In this great change in the workings of this Government which we are now undergoing those who believe in the road straight ahead still have confidence that eventually during his term of office the President will take possession of our constitutional power to issue money and regulate the value thereof and take this power away from the banking interests of the country. They believe that the most radical change to be credited to the administration of the President will be in our financial reorganization. It has become so overwhelmingly certain that a continuation of the present banking practices can have no other effect than to destroy all business and finally all confidence in the Government itself. No people can struggle under an interest system under which the banking circles can command Government cash and credit for a nominal charge and, on the other hand, pyramid credits on a ratio of 10 times that credit, drawing interest on pyramided credits as well as cash. Such a system today demands interest payments equal to the income of all farms in 1934 and all labor for the same period. Under it we have increased the public and private debt to more than three times the value of all our property, and still the people are asked to pay. To pay something that cannot be paid means, if not checked by laws and moratoria, the destruction of all property.

The pyramiding of credits must be stopped; the granting of the Government's right to control money to "special interests" must cease; the Government must build a new conception of the functions of money and the right to the free use of it for the benefit of all the people and not the few. There must at all times be sufficient money in circulation to do the Nation's business, and, more than that, a plan to keep that money in circulation must be devised.

That is the road straight ahead. It does not straddle, it does not waver, but leads straight on. If we follow it, as I am confident we will, we can again consecrate this great Government to its original purposes. We can make of it a means of self-government and mutual help. It can establish the principle of service to all instead of special privilege to the few; it can reestablish confidence of the American people in the greatest government on earth. By taking away special privilege we can prevent the further accumulation of wealth in a few hands. Through income and inheritance taxes we can adjust the wrong that has been done through the years of our existence. We can still preserve individual effort and initiative, and individual property, and encourage industry among the people by establishing now, "Equal opportunity for all but special privilege to none." We can assist our more unfortunate brothers by demanding in our business transactions service as well as a reasonable compensation for our efforts. We can demand that the right to live is the first guaranty of any free government, and that a few shall not be permitted to wallow in riches while the millions are in distress. We can turn the love of profits into a love of country; we can melt down the golden calf and pray to the divine Ruler of the universe; we can shun the god of Mammon and follow the teachings of Christ.

Will the Democratic administration take the necessary steps now to bring about this new interpretation of government? I have hopes that under the leadership of the President this will be done. As a Republican I stand ready with my vote and with whatever power I possess to assist them. I have offered criticisms to the working of the administration, and expect to do so in the future, but only in the way of constructive criticism and not for political purposes. Should the Democrats fail to fully appreciate their present responsibilities, or understand their duty to the American people, or fail to follow that straight road ahead, then they will be displaced by some other party—some new party, probably not yet born—which will come up from the body of the people themselves, consecrated to the accomplishment of the great task ahead. That task will be accomplished by some party. I know the spirit of the American people, I know how sincere they are, and I know that the determination to preserve this Government and make it a just Government is the hope and prayer of every loyal American citizen.

We have tried the experiment of being the world's banker. We have in doing so thrown away $10,000,000,000 and thereby increased the burden of debt under which we are compelled to struggle; we have tried to make the world safe for democracy; we have tried the experiment of collecting debts of private individuals against foreign countries; we have consumed the best blood of our people in doing so, and we are bankrupt individually and as a nation for what we have done. Let us now make an honest effort as Americans to do something for America. Let us build upon this continent a great nation, content with our own possessions, and permit the people of other nations to work out their own destiny. We can best serve the people of the world by demonstrating that we are capable of preserving a Government here that is just; a Government that protects the weak and curbs the strong; a Government which can lay claim to a full compliance with its Declaration of Independence and its purposes of existence. When we have accomplished this, no power on earth can destroy it; we need not fear enemies from within or from without; and its national defense will be secure in the patriotic impulse of its citizens to defend it.

Thus and thus only will we become a power in the world; thus and thus only will our influence be felt and be respected throughout the nations of the earth.

Mr. OLIVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the

Union, reported that that Committee, having had under consideration the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1936, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS—H. R. 5255

Mr. OLIVER. Mr. Speaker, I ask unanimous consent that all Members who have spoken or who may hereafter speak in Committee of the Whole House on the state of the Union, having under consideration the appropriation bill for the State, Justice, Labor, and Commerce Departments, may have 5 legislative days within which to extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I desire to avail myself of this opportunity, so graciously granted by you, to pay a brief tribute to a great humanitarian fraternal organization. I refer to the Fraternal Order of Eagles, and I speak from personal knowledge and experience of its activities, for I have had the honor and privilege to be a member of Hoquiam (Wash.) Aerie since 1916, a period of 19 years.

It was the Eagles' organization which sponsored the first workmen's compensation law in America and campaigned for its enactment in State after State, until today practically every Commonwealth in the Nation has such a measure upon its statute books.

An Eagle drew the first mother's pension law in our country, the order aided in its passage, and that movement also spread under Eagle leadership to every State, with but few exceptions, in the entire Nation.

It was also an Eagle, Past Worthy President Frank E. Hering, who in 1904, in a theater in Indianapolis, Ind., made the first-known public plea for the designation of a national day to be set aside to honor the mothers of America.

OLD-AGE-PENSION LEGISLATION

However, it is as the champion of old-age-pension legislation that the Eagles Order is known and beloved from one end of this land to the other, having carried on the long fight which has resulted in the enactment of old-age-pension laws in no less than 26 States, thereby hastening the happy day, now about to be realized, when we will have a national old-age-pension act in the United States.

Mr. Speaker, important and worthy as all these achievements are, I desire now to call attention to another achievement which is perhaps of even greater consequence to the American people. The members of the Fraternal Order of Eagles had the vision and love of humanity to urge during the past 12 years increased wages and shorter working hours for the laboring men of America, which is the very essence of the National Recovery Act. Also, during the same period, they also advocated a huge Federal public-works program as the most effective means of providing needed employment for the large number of citizens who have become the unfortunate victims of technological displacement in our modern highly mechanized industrial system.

Lastly, Mr. Speaker, some of the underlying principles of the Eagles' stabilization of employment bill, H. R. 2, to establish a national board to study and plan economic stability, introduced in this body by our distinguished colleague from Indiana [Mr. LUDLOW], have already been embodied in the National Recovery Act. The bill in its entirety will undoubtedly be enacted into law as soon as its merits are fully recognized by the Membership of this body, for it is being favored with the friendly consideration of that great Eagle who now sits in the White House, our noble President, Franklin D. Roosevelt, who is a life member of Buffalo (N. Y.) Aerie.

LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS

Mr. OLIVER. Mr. Speaker, I ask unanimous consent that the House conferees may have until midnight tonight within which time to file a report on the bill (H. R. 3247) to meet conditions created by the 1934 drought and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. COCHRAN, for today, on account of important business.

Mr. BIERMANN, for 2 days, on account of illness.

Mr. LANHAM, for today, on account of illness.

EXTENSION OF THE RECONSTRUCTION FINANCE CORPORATION

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LUCKEY. Mr. Speaker, on last Thursday, January 31, this House voted on the conference report on S. 1175, the bill to extend the functions of the Reconstruction Finance Corporation for 2 years. As one of the majority party who voted against this measure, I should like to make my position on this bill clear.

On Tuesday, January 29, this House began open consideration of this bill. This was 2 days before the expiration of the Reconstruction Finance Corporation under the then existing law. There were probably few Members of this House who desired to see the Reconstruction Finance Corporation terminate its activities at 12 o'clock midnight January 31. Speaking for myself, I can frankly say that I wanted the Reconstruction Finance Corporation to continue in operation. This date of expiration was well known to the Members of this body, yet we had no opportunity to take it up on the floor until within less than 54 hours of the dead line. In these 54 hours we were to make such revisions in the bill as might be deemed necessary and to complete this legislation affecting one of the most vital agencies now in operation.

The highly esteemed and eminently capable members of the Committee on Banking and Currency presented to us this bill, S. 1175, and their report thereon. After a brief debate we agreed upon this bill, making several amendments. Conference committees of the two Houses met, and after a lengthy discussion made their report, in which it was found, according to one of the House conferees, that their colleagues from the Senate had receded from their differences except in two cases. The differences on which our conferees gave in related to the provision to give adequate protection to the small bondholder in real-estate securities, and the amendment to section 12 (a) providing for relief of tax interests.

On Thursday, January 31, a few short hours before the Reconstruction Finance Corporation would automatically die, we were placed in a position where we could either accept the conference report or allow the expiration of the Corporation to become effective. I wanted, as did the people whom I represent, to see that some measure of protection was given to real-estate bondholders, and to see the amendment proposed by the gentleman from New York [Mr. CELLER] enacted in the final bill. The activities of the Reconstruction Finance Corporation, commendable as they have been, have not, in my opinion, given adequate protection and assistance to the small investors. As it now stands, without further legislation, I cannot see where the small investor in real-estate bonds will receive the protection and assistance that he deserves. The amendment to section 12 (a) would have provided a very beneficial measure of relief from interest on taxes to the people whom I represent.

When the bill came to a final vote following the conference report, I cast my vote against it, knowing full well the bill would pass, to show my protest against what I then and now regard as a grave omission in this bill as finally enacted.

DIRECTORS OF COLUMBIA INSTITUTE FOR THE DEAF

The SPEAKER laid before the House the following appointments, which were read by the Clerk:

Pursuant to the provisions of title 24, section 236, United States Code, the Chair appoints as Directors of the Columbia Institute for the Deaf the following Members of the House: Mr. BLOOM, of New York, and Mr. FOCHT, of Pennsylvania.

GEN. BALLINGTON BOOTH

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a statement of the work of the Volunteers of America.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McLEOD. Mr. Speaker, I deem it an honor for the House of Representatives that we had in our gallery this afternoon Gen. Ballington Booth, a man who has devoted his life to the relief of suffering humanity and to the spread of the principles of religion and great service to humanity.

Nearly 40 years ago General Booth founded the Volunteers of America, and since the founding of that organization he has remained at its head. Now, nearly 75 years old, but still actively in command of this vigorous Nation-wide movement, General Booth is in Washington and has held several conferences looking toward the improvement of our needy citizens and toward the improvement of our Nation as a whole.

We representatives of the people might well pause in our important labors to pay tribute to this man, whose life and every activity so well exemplify the best that makes up the American Nation.

Like so many of those who have risen by personal achievement to the front rank of American citizens, General Booth is not a native of our country. He was born in Great Britain, a member of a family which at the time of his birth was devoting itself to religious and welfare work.

When a youth he was educated in the Collegiate Institute of Taunton and in the Nottingham Theological Seminary, England.

The humanitarian ideals and religious principles that were imbedded in Ballington Booth as a boy led him as a youth to dedicate his life to their practice. Shortly after leaving school he entered the service of God's needy, in which his father was active.

The conditions which Ballington Booth encountered in his youth in England were even worse than the conditions which have confronted many American cities and towns since the depression. There was untold poverty and distress to be combatted. Ballington Booth went over the British Isles ministering to the spiritual and material needs of those in distress.

As a young man he spent some time in Switzerland, in France, and in India, before he was sent by his father to the Australasian colonies to take charge of welfare and humanitarian work in that then comparatively newly populated continent.

For many years he carried on his public work in a wild but growing country, and Australia remembers to this day the help and guidance which he gave its people nearly 50 years ago.

Forty-eight years ago General Booth came to the United States with his bride, Maud Booth. It was their intention to stay here only a few years, carrying on the welfare work to which both were dedicated.

They have remained here ever since. Within a few months after their arrival in New York, General Booth announced his intention of becoming an American citizen, an intention upon which he promptly acted.

That is an example which many others who have since come to our country might properly follow.

After the Booths had been in America a few years, the idea of the Volunteers of America was born. General Booth conceived the need of a national organization, built upon American principles, and carrying the doctrine of humanity into every city in the country.

With Mrs. Booth at his side, and aided by many outstanding citizens of New York, including the beloved Chauncey M. Depew, William E. Dodge, and Presidents Harrison and Cleveland, Gen. Ballington Booth founded the Volunteers in New York in 1896.

Such a work as General Booth contemplated for the Volunteers was far from an easy undertaking. It has not been easy. But it has been beneficial to hundreds of thousands of our citizens, and today is growing in the spirit of service to which it is dedicated.

Through steadfast, persistent endeavor General and Mrs. Booth have spread their organization throughout the country. Now, in virtually every large city and in most of the towns of the Nation there is a branch of the Volunteers carrying the message which is the motto of the organization—"For God and country."

In probably every district represented in this House there is a branch of the Volunteers of America. I know that in my home district there is a post which is serving more than 8,000 men, women, and children.

Right here in Washington, on our way to the Capitol, we daily pass a relief station on Pennsylvania Avenue where more than 500 meals are served daily to men, women, and children.

The Volunteers of America on a national scale last year brought relief to more than half a million families by providing shoes, clothing, and other wearing apparel. Food supplies were given to 1,267,000 persons, and 10,000,000 free meals were served.

These figures are cited merely to show how General and Mrs. Booth have built up their essentially American and wholesomely humanitarian organization.

It is to be regretted that there is no way that pictures can be made to show the most commendable work which Mrs. Booth has performed and is performing among the families of those who are in penal institutions. For many years Mrs. Booth has been the head of the Volunteer Prison League and has done much to ease the burden of distress which has fallen upon the shoulders of innocent victims of the law of justice. She has justly won the title, "Little Mother of the Prisoners."

The United States owes much to the Volunteers of America and to the indefatigable and courageous commander, Gen. Ballington Booth.

CALENDAR WEDNESDAY

Mr. OLIVER. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday, tomorrow, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND MEXICO

Mr. DEMPSEY. Mr. Speaker, at the request of the Committee on Foreign Affairs, I ask unanimous consent for the immediate consideration of House Joint Resolution 58.

The Clerk read as follows:

Resolved, etc., That there is hereby authorized to be appropriated, in addition to amounts heretofore authorized to be appropriated, the sum of $60,000 to defray the expenses of the American Section, International Boundary Commission, United States and Mexico, in the conduct of an engineering investigation, study, and report to the Secretary of State to determine the feasibility and best means of effecting the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international diversion dam near El Paso, Tex., in order to facilitate Federal control of the channel of the Rio Grande and compliance by the United States with its obligations to deliver at said international diversion dam water to Mexico pursuant to the convention concluded May 21, 1906, providing for the equitable distribution of waters of the Rio Grande for irrigation purposes, including salaries and wages; fees for professional services; rents; travel expenses; per diem in lieu of actual expenses for subsistence; printing and binding; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; telephone, telegraphic, and air mail communications; ice, equipment, supplies, and materials and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the investigation.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. SNELL. Reserving the right to object, I do not know that there is any special objection to the consideration of

this bill, but gentlemen who are interested are not here at this time, and I think it is too late to take it up. I think the gentleman should make that request tomorrow.

Mr. McREYNOLDS. To whom does the gentleman refer?

Mr. SNELL. I refer to the gentleman from New York [Mr. CULKIN] and one or two other gentlemen who are interested in getting some information in regard to this matter. I think the gentleman should let it go over until tomorrow.

Mr. DEMPSEY. I took the matter up with the gentleman from New York [Mr. FISH] and the gentleman from Massachusetts [Mr. MARTIN], and they said they had considered the matter and there was no objection to it.

Mr. McREYNOLDS. Did the gentleman have in mind the gentleman from New York [Mr. FISH]?

Mr. SNELL. Yes; and I also had in mind the gentleman from New York [Mr. CULKIN].

Mr. DEMPSEY. I have spoken to both of those gentlemen, and they have no objection.

Mr. BACON. Will the gentleman yield?

Mr. SNELL. I yield.

Mr. BACON. As I understand it, the minority members on the Committee on Foreign Affairs are in agreement with this resolution?

Mr. DEMPSEY. They are.

Mr. McREYNOLDS. I wish to say that I conferred with the gentleman from New York [Mr. FISH] last night about this. He had forgotten about it, but after calling it to his attention he said it was thoroughly satisfactory.

Mr. SNELL. Mr. Speaker, I do not like to object, but it is really too late at night to bring up an important matter of this kind. I wish the gentleman would let it go over until tomorrow.

Mr. DEMPSEY. Very well, Mr. Speaker. I will bring it up tomorrow then.

The SPEAKER. The gentleman withdraws his request.

Mr. DEMPSEY. I withdraw the request, Mr. Speaker.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 6, 1935, at 12 o'clock noon.

COMMITTEE HEARING

The House Committee on Immigration and Naturalization will hold public hearings, room 445, House Office Building, at 10 a. m. tomorrow, February 6, on bills—H. J. Res. 71, in relation to return of certain indigents to the Philippine Islands; H. R. 2739, relating to an extension of further time for naturalization of certain alien veterans; H. R. 3472, for extension of time from 3 to 5 years within which certain indigent aliens on voluntary application may be returned to their own country at Government expense.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

193. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a report of its activities and expenditures for December 1934, together with a statement of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 92); to the Committee on Banking and Currency.

194. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to provide for advancement by selection in the Staff Corps of the Navy to the ranks of lieutenant commander and lieutenant, to amend the act entitled "An act to provide for the equalization of promotion of officers of the Staff Corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes; to the Committee on Naval Affairs.

195. A letter from the Chairman of the Federal Communications Commission, transmitting a recommendation of a proposed new section to be added to the Communications Act of 1934 with reference to foreign communications; to the Committee on Interstate and Foreign Commerce.

196. A letter from the Federal Power Commission, transmitting a preliminary report covering the charges for electricity to domestic and residential consumers of electricity in cities having a population of 50,000 or more; to the Committee on Interstate and Foreign Commerce.

197. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill for the relief of Capt. Russell Willson, United States Navy; to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Virginia: Committee on Rules. House Joint Resolution 148. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; without amendment (Rept. No. 65). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 101. Resolution relative to the consideration of H. J. Res. 94; without amendment (Rept. No. 66). Referred to the House Calendar.

Mr. DREWRY: Committee on Naval Affairs. H. R. 4016. A bill to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934; without amendment (Rept. No. 69). Referred to the Committee of the Whole House on the state of the Union.

Mrs. NORTON: Committee on the District of Columbia. H. R. 3465. A bill permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia; without amendment (Rept. No. 70). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 1073. A bill for the relief of John F. Hatfield; without amendment (Rept. No. 67). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 3173. A bill for the relief of William H. Stroud; without amendment (Rept. No. 68). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 612) for the relief of Margaret Dunn; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2410) for the relief of Joseph W. Ludlum and the estate of Oliver Keith Ludlum; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2969) granting death-compensation benefits to Lena Klotz; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3911) for the relief of Sarah J. Hitchcock; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DUFFEY of Ohio: A bill (H. R. 5356) to provide salaried referees and to otherwise amend the Federal Bankruptcy Act; to the Committee on the Judiciary.

By Mr. STEAGALL: A bill (H. R. 5357) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes; to the Committee on Banking and Currency.

By Mr. DALY: A bill (H. R. 5358) to provide for the construction of a courthouse building at Philadelphia, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. FORD of California: A bill (H. R. 5359) to establish a national academy for training in public service; to the Committee on Education.

By Mr. LUCKEY: A bill (H. R. 5360) providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property; to the Committee on the Post Office and Post Roads.

By Mr. RAYBURN: A bill (H. R. 5361) to amend the Interstate Commerce Act as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5362) to amend the Interstate Commerce Act as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5363) to amend the Interstate Commerce Act as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5364) to amend the Interstate Commerce Act as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5365) to amend the Interstate Commerce Act as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOODRUFF: A bill (H. R. 5366) to provide relief from taxation on certain transactions by reorganized banks; to the Committee on Ways and Means.

By Mr. DOXEY: A bill (H. R. 5367) for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by regulating transactions on cotton-futures exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. FERNANDEZ: A bill (H. R. 5368) to provide for the addition of certain lands to the Chalmette National Monument in the State of Louisiana, and for other purposes; to the Committee on the Public Lands.

By Mr. GASQUE: A bill (H. R. 5369) exempting part-time employees of non-profit-making organizations in the District of Columbia from the Workmen's Compensation Act; to the Committee on the District of Columbia.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5370) providing a penalty for anyone who shall knowingly cause obscene matter to be delivered by mail or to be delivered at the place at which it is directed to be delivered; to the Committee on the Post Office and Post Roads.

By Mr. HOEPPEL: A bill (H. R. 5371) to grant to retired personnel of the armed services equal rights to hospital treatment and domiciliary care in Veterans' Administration facilities as are now extended to veterans of 90 days' service or less; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5372) to grant one increase in rank on retirement to enlisted men of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

By Mr. KENNEY: A bill (H. R. 5373) to guarantee to persons of every race, color, and creed equal protection of the laws by punishing and deterring the crime of lynching; to the Committee on the Judiciary.

By Mr. KNIFFIN: A bill (H. R. 5374) authorizing members of the naval service to whom a commemorative or special medal has been awarded to wear in lieu thereof a miniature facsimile of such medal and a ribbon symbolic of the award; to the Committee on Naval Affairs.

By Mr. McCORMACK: A bill (H. R. 5375) relating to the compensation of certain charwomen; to the Committee on the Civil Service.

By Mr. McSWAIN: A bill (H. R. 5376) to promote the national defense; to the Committee on Military Affairs.

By Mr. RANKIN (by request): A bill (H. R. 5377) to provide allowances for widows and children of World War veterans not entitled to benefits under the act of June 28, 1934, as enacted; to the Committee on World War Veterans' Legislation.

By Mr. RAYBURN: A bill (H. R. 5378) to provide dismissal compensation for railroad employees displaced from service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 5379) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHULTE: A bill (H. R. 5380) to provide for the deportation of certain alien seamen, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. TOBEY: A bill (H. R. 5381) to relieve the States and municipalities from Federal taxation on income from operation of publicly owned and operated liquor systems; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 5382) to provide for advancement by selection in the Staff Corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion officers of the Staff Corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes; to the Committee on Naval Affairs.

By Mr. GASSAWAY: A bill (H. R. 5383) to provide old-age compensation for the citizens of the United States; to the Committee on Ways and Means.

By Mr. McSWAIN (by request): A bill (H. R. 5384) to amend the act approved July 1, 1918, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1919"; to the Committee on Patents.

By Mr. RANKIN: A bill (H. R. 5385) for the erection of a public building at Columbus, Lowndes County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. ROBSION of Kentucky: A bill (H. R. 5386) providing payment of pension and increase of pension for disability or death incurred in the regular military or naval service; to the Committee on Pensions.

By Mr. MILLARD: Resolution (H. Res. 102) authorizing and directing the Committee on the Post Office and Post Roads to inquire into the sale and distribution of stamps by the Postmaster General; to the Committee on Rules.

By Mr. SECREST: Joint resolution (H. J. Res. 156) to make available to Congress the services and data of the Interstate Reference Bureau; to the Committee on the Library.

By Mr. CROWE: Joint Resolution (H. J. Res. 157) to authorize a compact or agreement between Kentucky and Indiana with respect to hunting and fishing privileges and other matters relating to jurisdiction on the Ohio River, and for other purposes; to the Committee on the Judiciary.

By Mr. RANKIN: Concurrent resolution (H. Con. Res. 9) providing for the printing of 10,000 copies of the preliminary report of the Federal Power Commission in response to Senate Joint Resolution 74, approved April 14, 1934; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Washington, urging immediate payment of the bonus; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 5387) to authorize the presentation to Guy A. Russell of a Distinguished Service Cross; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H. R. 5388) for the relief of Ralph J. Lackner; to the Committee on Naval Affairs.

By Mr. CARPENTER: A bill (H. R. 5389) for the relief of Fred Ledebuhr; to the Committee on Claims.

By Mr. CHRISTIANSON: A bill (H. R. 5390) for the relief of Kildall Fish Co.; to the Committee on Claims.

By Mr. CHURCH: A bill (H. R. 5391) for the relief of Matt Kerpan; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 5392) granting a pension to Sarah J. Clarkson; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 5393) for the relief of Moses Israel; to the Committee on Claims.

Also, a bill (H. R. 5394) granting the Congressional Medal of Honor to Matthew G. Rice; to the Committee on Military Affairs.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5395) for the relief of William J. Deasy; to the Committee on Naval Affairs.

Also, a bill (H. R. 5396) for the relief of James A. Cullinane; to the Committee on Naval Affairs.

Also, a bill (H. R. 5397) for the relief of Thomas J. Boyan; to the Committee on Naval Affairs.

Also, a bill (H. R. 5398) for the relief of Harry Gordon; to the Committee on Military Affairs.

By Mr. HILDEBRANDT: A bill (H. R. 5399) for the relief of Lydia Wakanna; to the Committee on Claims.

By Mr. IGLESIAS: A bill (H. R. 5400) for the relief of Quiterio Caban; to the Committee on Claims.

Also (by request), a bill (H. R. 5401) for the relief of J. C. Bososa; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 5402) for the relief of Herbert E. Guthrie; to the Committee on Military Affairs.

By Mr. KERR: A bill (H. R. 5403) for the relief of John B. Brack; to the Committee on World War Veterans' Legislation.

By Mr. MAAS: A bill (H. R. 5404) for the relief of Elmer Geske; to the Committee on Claims.

By Mr. O'NEAL: A bill (H. R. 5405) for the relief of Robert N. Wallace; to the Committee on Naval Affairs.

Also, a bill (H. R. 5406) for the relief of Daniel Coakley; to the Committee on Claims.

By Mr. PATTERSON: A bill (H. R. 5407) for the relief of the McCune State Bank; to the Committee on Claims.

Also, a bill (H. R. 5408) for the reinstatement of Harding Palmer in the United States Army; to the Committee on Military Affairs.

By Mr. RANDOLPH: A bill (H. R. 5409) for the relief of Miles Thomas Barrett; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 5410) for the relief of T. R. Flinchum; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 5411) for the relief of Edward J. McCrea; to the Committee on Military Affairs.

By Mr. RICH: A bill (H. R. 5412) granting an increase of pension to Julia A. Poust; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5413) granting a pension to Lizzie Baker; to the Committee on Pensions.

Also, a bill (H. R. 5414) granting a pension to Carrie Clarkson; to the Committee on Pensions.

By Mr. ROBERTSON: A bill (H. R. 5415) to confer jurisdiction on the District Court of the United States for the Eastern District of North Carolina to hear, determine, and render judgment upon the claims of the Pamlico Timber Corporation against the United States; to the Committee on Claims.

By Mr. RYAN: A bill (H. R. 5416) granting an increase of pension to Anna M. Gentgen; to the Committee on Invalid Pensions.

By Mr. SECREST: A bill (H. R. 5417) for the relief of Harry S. Dyar; to the Committee on Pensions.

By Mr. SUTPHIN: A bill (H. R. 5418) granting a pension to Harriet B. Skene; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5419) granting a pension to Grace Beams; to the Committee on Pensions.

By Mr. WHITTINGTON: A bill (H. R. 5420) for the relief of Charles B. Arrington; to the Committee on Military Affairs.

By Mr. WILLIAMS: A bill (H. R. 5421) granting a pension to Margaret F. Wilson; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN: A bill (H. R. 5422) to provide a preliminary examination for the repair of certain breaks in the banks of the Delaware River in Tinicum Township, Delaware County, Pa., with a view to the control of its floods; to the Committee on Flood Control.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

784. By Mr. ANDREW of Massachusetts: Petition signed by 187 citizens of Haverhill and Ipswich, Mass., favoring the adoption of the Townsend plan of old-age pensions; to the Committee on Ways and Means.

785. By Mr. AYERS: Petition of the Order of Benefit Association of Railway Employees, Division No. 38, Glendive, Mont., urging enactment of legislation to modify the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

786. By Mr. BRUNNER: Resolution of the Central Civic Association, 104–154 One Hundred and Ninety-fourth Street, Hollis, N. Y., urging Congress to enact such legislation that will extend to the distressed home owner the benefits of refinancing as established by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

787. By Mr. BUCKBEE: Petition of Wallace Rowland and other citizens of Shabbona, DeKalb County, Ill., asking Congress to enact House bill 2856 into law; to the Committee on Ways and Means.

788. Also, petition of Edward Manson and other residents of Rockford, Ill., calling upon Congress to enact into law the Rogers bill (H. R. 2856); to the Committee on Ways and Means.

789. Also, petition of C. H. Sparrow and other residents of Sycamore, Ill., calling upon Congress to enact into law House bill 2856 (the Rogers old-age-pension bill); to the Committee on Ways and Means.

790. By Mr. BUCKLER of Minnesota: Petition of Knute Paulson and J. E. Cook and five other citizens of Bemidji, Minn., praying for support of fully adequate old-age-pension legislation; to the Committee on Ways and Means.

791. Also, petition of W. P. Larson, of Glyndon, and Morris Seter, of Barnesville, and 37 other citizens of these two communities in the State of Minnesota, praying for passage into law the Townsend old-age-pension plan; to the Committee on Ways and Means.

792. By Mr. CARMICHAEL: Petition of W. T. Reed, Mrs. G. W. Scott, T. J. Pounders, Moses Sargent, Robert W. Pawley, J. C. Smith, T. J. Vandiver, Edward Davenport, and others of Colbert County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

793. Also, petition of Emma Slatton, Alice James, L. C. Jones, G. A. St. Clair, Mrs. S. R. Blankenship, Sallie McLemore, and others of Madison County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

794. Also, petition of B. H. Poole, Z. T. Bell, A. J. Boyett, Sim L. Wiley, Cherie Campbell, and others of Morgan County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

795. Also, petition of Lee James, J. W. Hogan, Noah Wagnon, Annie W. Owen, and others of Limestone County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

796. Also, petition of J. C. Brackin, Joe S. Hill, Jim C. Parker, John L. Lee, John Terry, F. M. Copeland, and others, of Lawrence County, Ala., favoring passage of House bill 2856; to the Committee on Ways and Means.

797. Also, petition of Tennie Vaughn, Senator C. W. Brown, J. M. Brown, Lula Bunch, Jessie Anthony, and others, of Jackson County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

798. Also, petition of L. S. Abernathy, Bridlee Harris, Claude Emerson, B. S. Campbell, Mrs. M. E. Sharp, Nettie

Brewer, E. B. Simmons, R. F. Chandler, C. P. Goins, Mary Joiner, H. A. Alexander, W. C. Riley, Mrs. Etta Williams, and others, of Lauderdale County, Ala., favoring House bill 2856; to the Committee on Ways and Means.

799. By Mr. CHAPMAN: Petition of J. N. Strader, route 7, Lexington, and 17 other citizens of Fayette County, Ky., urging the enactment of old-age pension as outlined in the so-called "Townsend plan"; to the Committee on Ways and Means.

800. Also, petition of M. Bailey and 32 other citizens, of Scott County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Ways and Means.

801. Also, petition of M. F. Pendygraft and 18 other citizens of Boyle County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Ways and Means.

802. Also, petition of Hez Watts, Tom Stule, Taylor Anderson, and 16 other citizens, of Harrodsburg, Mercer County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Ways and Means.

803. Also, petition of Ambrose Wright, Addie L. Hamilton, and 38 other citizens of Scott County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Ways and Means.

804. Also, petition of Mrs. Pattie Hale and 59 other citizens of Boyle County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Ways and Means.

805. By Mr. COLE of New York: Petition of the residents of Cohocton, N. Y., and vicinity, favoring legislation for the Townsend plan for old-age revolving pensions, a national plan for recovery and permanent prosperity; to the Committee on Ways and Means.

806. Also, petition of the Harry B. Bentley Post, No. 443, of the American Legion of Elmira, N. Y., aiding in the commemoration of the anniversary of Mark Twain; to the Committee on the Library.

807. Also, petition of the residents of Elmira, N. Y., and vicinity favoring legislation for the Townsend plan for old-age revolving pensions, a national plan for recovery and permanent prosperity; to the Committee on Ways and Means.

808. Also, petition of residents of Corning, N. Y., and vicinity favoring legislation for the Townsend plan for old-age revolving pensions, a national plan for recovery and permanent prosperity; to the Committee on Ways and Means.

809. Also, petition favoring legislation for the Townsend plan of old-age revolving pensions, a national plan for recovery and permanent prosperity, from the residents of Corning, N. Y., and vicinity; to the Committee on Ways and Means.

810. Also, petition of the residents of Cameron Mills, N. Y., and vicinity, favoring legislation for the Townsend plan for old-age revolving pensions, a national plan for recovery and permanent prosperity; to the Committee on Ways and Means.

811. By Mr. CUMMINGS: Memorial of the General Assembly of the State of Colorado, urging consideration of the Townsend old-age-pension bill; to the Committee on Ways and Means.

812. By Mr. DEROUEN: Petition of citizens of Jefferson Davis Parish, La., urging passage of House bill 2856, an old-age-pension bill, by Representative WILL ROGERS; to the Committee on Ways and Means.

813. By Mr. FORD of California: Resolution from the City Council of Los Angeles, approving Joint Resolution No. 46 in the Senate and Joint Resolution No. 135 in the House and urging Senators and Representatives from California to support this joint resolution providing for Nationwide telephone investigation by Communications Commission; to the Committee on Interstate and Foreign Commerce.

814. By Mr. GOLDSBOROUGH: Resolution of the Maryland Farm Bureau Federation, Baltimore, Md., in reference to the consideration of Great Falls as a water-power site to develop electric power for the farmers; to the Committee on Military Affairs.

815. Also, resolution of the Maryland Farm Bureau Federation, Baltimore, Md., requesting that the prices of cans be investigated; to the Committee on Agriculture.

816. Also, resolution of the Maryland Farm Bureau Federation, Baltimore, Md., requesting that consideration be given as to ways and means of bettering the conditions in prices for potatoes and tomatoes, either by making them basic crops or through marketing agreements; to the Committee on Agriculture.

817. By Mr. GOODWIN: Petition of the New York State Legislature, memorializing Congress to enact laws whereby regulations may be enforced for the marking and recording the manufacture of firearms, and that such marking and recording be registered with the Department of Justice; to the Committee on Interstate and Foreign Commerce.

818. By Mr. GUYER: Petition of the citizens of the Second District of Kansas, urging the enactment of legislation to establish a system of old-age pensions; to the Committee on Ways and Means.

819. By Mr. HILDEBRANDT: Petition of Mobridge Division, No. 116, of the Order of Benefit Association of Railway Employees, requesting enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator and covered in the Pettengill bill (H. R. 8100); to the Committee on Interstate and Foreign Commerce.

820. By Mr. HULL: Petition of Mrs. Frank Laurence and 18 other citizens of Cornell, Wis., favoring the enactment of House bill 2856, relating to Federal old-age pensions; to the Committee on Ways and Means.

821. Also, petition of Mrs. John Grute and 27 other citizens of Cornell, Wis., favoring enactment of House bill 2856, relating to Federal old-age pensions; to the Committee on Ways and Means.

822. Also, petition of Mrs. Gertrude Shipman, 359 Maynard Street, and 50 other citizens of Chippewa Falls, Wis., favoring the enactment of the Townsend old-age-pension plan; to the Committee on Ways and Means.

823. Also, petition of William Loiselle and 24 other citizens residing at Cornell, Wis., favoring the enactment of House bill 2856, relating to Federal old-age pensions; to the Committee on Ways and Means.

824. Also, petition of N. G. Peeso, 537 Germania Street, and 18 other citizens residing at Eau Claire, Wis., favoring the enactment of House bill 2856, relating to Federal old-age pensions; to the Committee on Ways and Means.

825. Also, petition of O. T. Rudd and 18 other citizens residing at Eau Claire, Wis., favoring the enactment of House bill 2856, relating to Federal old-age pensions; to the Committee on Ways and Means.

826. By Mr. KENNEY: Petition of the Englewood Democratic Club, unanimously favoring the national lottery bill; to the Committee on Ways and Means.

827. By Mr. KERR: Joint resolution requesting that the Congress of the United States without further delay pass the Frazier-Lemke farm refinance bill, S. 212 and H. R. 2066; to the Committee on Agriculture.

828. By Mr. KVALE: Resolution of the Farmers Unity Club, Milan, Minn., urging legislation providing for motion-picture censorship; to the Committee on Interstate and Foreign Commerce.

829. Also, resolution adopted by the Minnesota Livestock Breeders' Association, urging the imposition of a tax on fatty acids derived from imported vegetable oils and fats; to the Committee on Ways and Means.

830. Also, resolution adopted by the Minnesota Livestock Breeders' Association, urging higher pay to certain private veterinarians temporarily employed by the Federal Govern-

ment in combating Bang's disease; to the Committee on Agriculture.

831. By Mr. LAMBERTSON: Petition of W. F. Boettcher, of Topeka, Kans., with a number of other signers, opposing such legislation prohibiting the carrying and owning of personal firearms; to the Committee on Interstate and Foreign Commerce.

832. Also, petition of O. G. Hannum and other citizens of Nemaha County and Ellâ Crane and other citizens of Shawnee County, Kans., favoring House bill 2856; to the Committee on Ways and Means.

833. By Mr. LAMNECK: Petition of Garnett L. Shively, of 35 Jefferson Place, and other citizens of Columbus, Ohio, urging for the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

834. By Mr. LEWIS of Maryland: Petition of certain citizens of Washington County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

835. By Mr. MEAD: Petition of American Federation of Fox and Fur Breeders of Wausau, Wis., regarding removal of the 10-percent luxury tax on furs selling above $75; to the Committee on Ways and Means.

836. By Mr. MERRITT of New York: Petition of the Central Civic Association of Hollis, Long Island, N. Y., urging Congress to enact at the present session such legislation as will extend to the distressed home owner the benefits of refinancing as established by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

837. By Mr. PFEIFER: Petition of the Senate of the State of New York, Albany, urging the Federal Government to enact such laws through the Congress, or to authorize the promulgation of such rules by the Department of Justice or the Interstate Commerce Commission, to compel every manufacturer of firearms to mark such firearms manufactured with a serial number which will be plainly visible, such serial number to be registered with the Department of Justice immediately at the time of the sale, the serial number and to whom such firearm was sold, the Department of Justice thereafter to inform duly authorized police department of the State involved as to the type, serial number, name of consignee, and the name of purchaser; to the Committee on the Judiciary.

838. Also, petition of the Ladies' Auxiliary, Branch 2, United National Association of Post Office Clerks, Brooklyn, N. Y., urging pay restoration as of January 1, 1935; to the Committee on Appropriations.

839. By Mr. ROGERS of Oklahoma: Petitions from S. E. Payne and 19 other citizens and residents of McCurtain, Okla., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

840. By Mr. RYAN: Resolution of the Mankato Division, No. 46, Order of Benefit Association of Railway Employees, favoring enactment of legislation as recommended by the Federal Coordinator and covered in House bill 8100 of the Seventy-third Congress; to the Committee on Interstate and Foreign Commerce.

841. By Mr. SUTPHIN: Petition of the mayor and council of Bay Head, N. J., favoring an 8-month school year; to the Committee on Education.

842. By Mr. TARVER: Petitions of Sarah Williams and 11 other citizens of Dade County, W. L. Cherry and 30 other citizens of Walker County, I. N. Dutton and 18 other citizens of Floyd County, Mrs. P. J. Champion and 11 other citizens of Gordon County, Ruth Wallace and 13 other citizens of Cobb County, J. B. Lemaster and 14 other citizens of Floyd County, W. H. Carver and 42 other citizens of Floyd County, all of the State of Georgia, favoring old-age pension; to the Committee on Ways and Means.

843. Also, petitions of Major Whitehead and 34 other citizens of Floyd County, G. W. Smith and 14 other citizens and Sallie Hughes and 16 other citizens of Chattooga County, Amanda Martin and 15 other citizens of Cobb County, and R. E. Shadix and 15 other citizens of Douglas County, all of the State of Georgia; favoring old-age pension; to the Committee on Ways and Means.

844. By Mr. THOMASON: Petition of residents of Midland County, Tex., endorsing the Townsend plan of old-age pensions; to the Committee on Ways and Means.

845. Also, petition of residents of Brewster County, Tex., endorsing the Townsend plan of old-age-pension legislation; to the Committee on Ways and Means.

846. Also, petition of residents of El Paso County, Tex., endorsing the Townsend plan of old-age pensions; to the Committee on Ways and Means.

847. Also, petition of residents of Crane County, Tex., endorsing the Townsend plan of old-age pensions; to the Committee on Ways and Means.

848. By Mr. TRUAX: Petition of International Workers Order, Branch 124, Cleveland, Ohio, by their secretary, S. Holzman, requesting the enactment of a Federal system of genuine unemployment insurance as contained in the workers act, House bill 2827, in order that their future and the future of all workers, farmers, professionals, and other unemployed and their dependents, may be more secure; to the Committee on Labor.

849. Also, petition of Societa Operaia D' M. S. Mistretta, Cleveland, Ohio, by their secretary, Vincengo Mastropietro, demanding the enactment of a Federal system of genuine unemployment insurance as contained in the Workers' Act, House bill 2827, in order that their future and the future of all workers, farmers, professionals, and other unemployed and their dependents may be more secure; to the Committee on Labor.

850. Also, petition of Marion Central Labor Union, by their general secretary, Ralph K. Ruppart, Marion, Ohio, requesting that 10-cent cigarettes be taxed less than the 15-cent and higher-priced cigarettes; to the Committee on Ways and Means.

851. Also, petition of Jesse Black and 19 other citizens of Bellaire, Ohio, urging and demanding that Congress enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum, as embodied in House bill 2856, introduced by Representative WILL ROGERS of Oklahoma, embracing a Federal pension of $30 to $50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nationwide, impartial, and uniform system of old-age pensions; to the Committee on Labor.

852. Also, petition of Mansfield Master Plumbers Association by their president, William L. Early, and their secretary, C. Edward Millington, urging amendment to $4,000,000,000 appropriation bill that Government avail itself of facilities to private enterprise and stop Government entry into their industry as proposed bill will have effect continuing inequitable program and severely damage their business by direct purchasing of material and labor; to the Committee on Appropriations.

853. By Mr. TURNER: Petition from Lawrence, Williamson, Giles, Wayne, Maury, Houston, Lewis, and Hickman Counties, Tenn., requesting passage of Dr. J. E. Pope old-age-pension bill; to the Committee on Ways and Means.

854. By Mr. WHITE: Petition of House Joint Memorial No. 1, Idaho State Legislature, to the President of the United States and the Senate and House of Representatives of the United States, urging the passage during the present session of the Congress of a plain, workable old-age-pension law; to the Committee on Ways and Means.

855. By Mr. WILLIAMS: Petition of the House of Representatives of the State of Missouri, urging the immediate payment of veterans' adjusted-compensation certificates; to the Committee on Ways and Means.

856. Also, petition of various citizens of Missouri, praying Congress to enact old-age-pension legislation; to the Committee on Ways and Means.

857. By Mr. BURCH: Petition of citizens of Charlotte, Halifax, Pittsylvania, Henry, Franklin, Carroll, Patrick, Grayson, and Wythe Counties, Va., urging passage of old-age-pension legislation as embodied in House bill 2856, by Representative WILL ROGERS; to the Committee on Ways and Means.

SENATE

WEDNESDAY, FEBRUARY 6, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty and most merciful Father, who art ever more ready to hear than we to pray, pour upon us the spirit of grace and of true supplication as we draw nigh unto Thee.

Deliver us from all coldness of heart, that we may look upon our world with love-filled eyes; silence our tongues to every unkind word; open our ears to the gentle stirrings of the voice of Thy wisdom and make us faithful stewards of the ministry of government, that, seeking first the kingdom of God and His righteousness, all other blessings may be added unto us.

Grant to every Member of the Congress a double portion of Thy spirit, that each legislative act may bear the stamp of His approval, who, in His earthly life, ministered alike to soul and body, to the favored few, and to the suffering multitude; that when our summons comes and we stand naked and alone before the glory of the Son of Man, we may be numbered with those who on His right hand hear His welcoming voice saying: "Inasmuch as ye have done it unto one of the least of these, my brethren, ye have done it unto me." We ask it in His name and for His sake. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Monday, February 4, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under the order of the Senate of January 24, 1901, the Chair appoints the Senator from Vermont [Mr. AUSTIN] to read Washington's Farewell Address on February 22d next.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on January 31, 1935, the President had approved and signed the following act:

S. 1175. An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho;

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.;

H. R. 3018. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw, in Sequoyah and Le Flore Counties, at a point approximately 15 miles north of Keota, in the State of Oklahoma;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.;

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.;

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission; and

H. R. 4018. An act to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Johnson	Pittman
Ashurst	Coolidge	Keyes	Pope
Austin	Copeland	King	Reynolds
Bachman	Costigan	La Follette	Robinson
Bailey	Couzens	Lewis	Russell
Bankhead	Cutting	Logan	Schall
Barbour	Davis	Lonergan	Schwellenbach
Barkley	Dickinson	Long	Sheppard
Bilbo	Donahey	McAdoo	Shipstead
Black	Duffy	McCarran	Smith
Bone	Fletcher	McGill	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Metcalf	Townsend
Bulow	Glass	Minton	Trammell
Burke	Gore	Moore	Truman
Byrd	Guffey	Murphy	Vandenberg
Byrnes	Hale	Murray	Van Nuys
Capper	Harrison	Neely	Wagner
Caraway	Hastings	Norbeck	Walsh
Carey	Hatch	Norris	Wheeler
Clark	Hayden	O'Mahoney	White

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines upon business of the Senate and that the Senator from North Dakota [Mr. NYE] is necessarily absent.

Mr. LEWIS. I desire to announce that my colleague the junior Senator from Illinois [Mr. DIETERICH] and the Senator from Maryland [Mr. RADCLIFFE] are necessarily detained from the Senate, that the Senator from Louisiana [Mr. OVERTON] is absent because of illness, and that the Senator from Maryland [Mr. TYDINGS] and the Senator-elect from Tennessee [Mr. MCKELLAR] are still absent on business of the Senate in connection with the Philippine Commission.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

VETERANS' REGULATION NO. 10 (D)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Finance, as follows:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I of the act entitled "An act to maintain the credit of the United States

Government", approved March 20, 1933, I am transmitting herewith Executive Order No. 6963 (Veterans' Regulation No. 10 (d)), approved by me February 5, 1935.

Effective the date of its promulgation, Executive Order No. 6963 canceled paragraph XI of Executive Order No. 6098, dated March 31, 1933 (Veterans' Regulation No. 10), as amended by Executive Order No. 6234, dated July 28, 1933 (Veterans' Regulation No. 10 (b)).

This regulation was promulgated in accordance with the terms of title I, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 6, 1935.*

DRAFTS OF PROPOSED LEGISLATION FROM THE COMMERCE DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting drafts of proposed legislation to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; and to authorize the Secretary of Commerce to dispose of certain lighthouse reservations; and for other purposes, which, with the accompanying papers, was referred to the Committee on Commerce.

ELECTRIC RATE SURVEY

The VICE PRESIDENT laid before the Senate a letter from the Chairman, Vice Chairman, and members of the Federal Power Commission, transmitting, in response to Senate Joint Resolution No. 74, approved April 14, 1934, authorizing a survey of the rates charged for electricity throughout the United States, a preliminary report on domestic and residential rates in effect on January 1, 1935, in cities of 50,000 population and over, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

DECEMBER REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, submitting, pursuant to law, a report of the activities and expenditures of the Corporation for December 1934, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

RECOMMENDATION FOR AMENDMENT OF COMMUNICATIONS ACT

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Communications Commission, transmitting recommendation of a proposed new section to be added to the Communications Act of 1934 with reference to foreign communications, which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent memorial of the Legislature of the State of Arizona, which was referred to the Committee on Finance:

STATE OF ARIZONA,
TWELFTH LEGISLATURE,
SENATE, REGULAR SESSION.

Senate Concurrent Memorial 1

On the immediate payment of World War veterans' adjusted-service certificates

To the President and the Congress of the United States of America:

Your memorialist, the Legislature of the State of Arizona, respectfully represents:

The Congress of the United States, through enactment of the so-called "soldiers' bonus" bill, acknowledged the financial debt owed by this Nation to the men who sacrificed themselves, their material interests, and their health to win the war to abolish wars.

This debt was not discharged at once, but by means of adjusted-service certificates falling due in 1945, on which interest-bearing loans were made to needy veterans.

Now there are more needy veterans—many thousands of them—and a growing consciousness throughout the Nation that morally at least the debt which is owing these men is due today—was due, in fact, when the debt was acknowledged—and not at some time in the future; and that in simple justice the interest which has been charged against the loans heretofore made on the security of service certificates should be canceled.

Also, in the minds of capable economists there is a conviction that instead of the immediate payment of the bonus working a hardship upon the taxpayers and preventing the balancing of the National Budget, the addition to circulation of this amount of currency will so add to the purchasing power of the consuming public that economic recovery will be accelerated and the return of prosperity hastened.

Wherefore your memorialist prays—

1. That legislation be enacted providing for the immediate payment of all service certificates.

2. That interest charges against veterans' loans be canceled.

And your memorialist will ever pray.

Adopted by the house January 24, 1935.

Adopted by the senate January 22, 1935.

Filed in the office of secretary of state January 25, 1935.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

STATE OF NEW YORK,
IN SENATE,
Albany, January 30, 1935.

Senate Concurrent Resolution 38 (by Mr. Berg)

Whereas during the world conflagration, in which the United States participated in 1917 and 1918, there was enacted by Congress the War Risk Insurance Act, which was intended to provide insurance for members of the armed forces of the Government who became disabled in line of duty; and

Whereas the said congressional act was, from an insurance point of view, a contract between the Government of the United States and those servants in its Army, Navy, and Marine Corps; and

Whereas the soldiers, sailors, and marines, because of their general and commonplace knowledge or understanding of what insurance meant, looked upon the said war-risk insurance policy in the very same way as they looked upon any other insurance contract; and

Whereas many of our soldiers, sailors, and marines were returned to the United States disabled, maimed, and crippled so that they can no longer be counted upon for future production or for their own future usefulness; and

Whereas the said War Risk Insurance Act, the so-called "contract between the Government and its war servants" has been so construed that a disabled veteran is not entitled to any insurance unless he assumes the burden of affirmatively proving by suit before the court of the United States that he cannot follow a gainful occupation; and

Whereas such construction places an undue hardship upon the veterans of the World War and such construction is contrary to the aforesaid understanding of the veterans when said insurance was taken and paid for by them; and

Whereas many disabled veterans (particularly those having amputation and eye cases), while able to follow a gainful occupation, nevertheless cannot compete in business or society with able-bodied men and financially suffer during their lifetime as a result of their war injuries and would, if granted the amount of insurance to which they are entitled, and for which they paid, be better able to compete with able-bodied citizens: Therefore be it

Resolved (if the assembly concur), That the Legislature of the State of New York memorialize the Congress of the United States that consideration be given to amendments to the War Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk insurance policy in the exact proportionate amount of his disability rating for compensation purposes; and be it further

Resolved (if the assembly concur), That this memorial be forwarded to the President of the United States, the Members of Congress of the United States, and to the Director of the United States Veterans' Administration.

By order of the senate.

JAMES J. REILLY, *Clerk.*

In assembly, January 31, 1935.
Concurred in without amendment.
By order of the assembly.

HOMER W. STOREY, *Clerk.*

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of the State of New Mexico, which was referred to the Committee on Finance:

STATE OF NEW MEXICO,
TWELFTH LEGISLATURE.

House Joint Resolution 3

(Introduced by Harrelon, Kennedy, and Borunda)

A resolution memorializing and requesting Congress to pass a law authorizing and directing the immediate payment of World War veterans' adjusted-compensation certificates at their matured value, requesting Congress to make an appropriation therefor, and directing that copies of this resolution be placed upon permanent record in the office of secretary of state of New Mexico, sent the Member of Congress and to each United States Senator from New Mexico and the Presiding Officer of the United States Senate and the National House of Representatives in Washington, D. C.

Whereas, by act of Congress dated May 19, 1924, World War veterans were voted additional compensation for their military services in the World War between April 3, 1917, and November 11, 1918, in the form of adjusted-compensation certificates (or bonuses, so called) wherein said veterans were to receive the sum of $1.25 per day for foreign and $1 per day for domestic service, between said periods of time that said veterans were engaged in the several branches of the military service of the United States, said certificates to mature and become payable in the year 1945;

Whereas, by subsequent act of Congress dated July 21, 1932, authority was given said veterans to borrow one-half of the matured value of said certificates and an appropriation made therefor;

Whereas the great majority of said veterans are in financial need, and many of them will have passed away before the year 1945, the date of maturity of said certificates and will, therefore, have never received the benefit of the remaining one-half of their certificates if the same be not paid them before that date, despite the fact the certificates were issued them to compensate them in their lifetime;

Whereas it is the sense of the two houses of the Legislature of the State of New Mexico that immediate payment of said certificates to said veterans will to that extent restore prosperity, alleviate suffering and want, place in immediate circulation several millions of dollars, which will be spent in every county in every State of the Union, and which payment will be available to poor and rich alike, thereby increasing circulation of money without inflation of currency;

Whereas the so-called "soldiers' bonus" has been a political football since its first enactment into law, and the payment of same would forever remove its use as such from those who have in the past and those who may seek in the future to use it for such purpose: Therefore be it

Resolved by the House of Representatives and the Senate of the State of New Mexico:

1. That the Seventy-fourth Congress of the United States now in regular session assembled in Washington, D. C., be, and the same hereby is, memorialized and requested to pass a law, during the present session of Congress, as soon as may be done without conflicting with or encroaching upon the time needed for the national administration's emergency relief measures, authorizing and directing the full payment of the remaining one-half of said certificates at their 1945 matured value to said World War veterans, and that an appropriation for that purpose be made.

2. That engrossed copies of this resolution be—

1. Placed upon the permanent records in the office of the secretary of state of New Mexico.

2. Sent the Member of Congress and both United States Senators from New Mexico to their proper addresses in Washington, D. C.

3. Sent the Presiding Officer of the United States Senate and the National House of Representatives at Washington, D. C.

ALVAN N. WHITE,
Speaker of the House of Representatives.

Attest:

J. R. T. HERRERA,
Chief Clerk of the House of Representatives.

LOUIS C. DE BACA,
President of the Senate.

Attest:

F. E. MCCULLOCH,
Chief Clerk of the Senate.

Approved by me this 25th day of January 1935.

CLYDE TINGLEY,
Governor of New Mexico.

The VICE PRESIDENT also laid before the Senate resolutions adopted by a money institute held at Lansing and Olio, Mich., respectively, favoring the enactment of legislation to provide for the issuance of money exclusively by the Government, governmental operation of the Federal Reserve banks, and the immediate payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by the Northwest Shippers' Advisory Board at St. Paul, Minn., favoring the regulation of rates of common carriers by vessels in intercoastal traffic by way of the Panama Canal, the repeal of the long-and-short haul clause of the Interstate Commerce Act, and the regulation of motor vehicles engaged in interstate commerce, and protesting against Government operation or ownership of railroads; also the 6-hour day, and the full crew and train limit on railroads, which were referred to the Committee on Interstate Commerce.

He also laid before the Senate the petition of B'er Chayim Temple Sisterhood of Cumberland, Md., praying for the enactment of antilynching legislation, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the council of the city of Portland, Oreg., favoring continuance by the United Air Lines of transportation of air mail on the Seattle-San Diego route, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a resolution adopted by the Summit Veterans' Association of Akron, Ohio, commending the junior Senator from Ohio [Mr. DONAHEY] for his action and votes in connection with the World Court protocols, which was ordered to lie on the table.

Mr. CAPPER presented petitions of members of the Woman's Christian Temperance Union and sundry citizens of Peabody, Kans., praying for the enactment of legislation to prohibit the transportation in interstate commerce of advertisements of intoxicating liquors, which were referred to the Committee on Interstate Commerce.

Mr. WALSH presented resolutions adopted by the West Warwick (R. I.) Chamber of Commerce, favoring the enactment of legislation repealing the processing tax of 4.2 cents per pound on raw cotton, which were referred to the Committee on Agriculture and Forestry.

He also presented letters in the nature of petitions from the Sailors' Haven Woman's Aid, of Charlestown, and sundry citizens, in the State of Massachusetts, praying for an investigation of marine disasters and the safety of life at sea, which were referred to the Committee on Commerce.

He also presented a resolution adopted by the City Council of the City of Everett, Mass., favoring the enactment of legislation providing for changing the regulations for employment under the F. E. R. A. so that persons with one dependent, also persons with one dependent owning a house which is their home, be put in class A no. 1 for employment on all F. E. R. A. projects, which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a memorial from John J. Monteith, manager Automobile & Garage Workers of America, Inc., of Boston, Mass., stating "One thousand automobile workers in metropolitan Boston and members of this union object to the American Federation of Labor's representing all automobile workers in industry at the conferences relative to code renewal", which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Marketing Board of the American National Fox and Fur Breeders Association, of Marlboro, Mass., favoring the enactment of legislation repealing the 10-percent tax on furs, which was referred to the Committee on Finance.

He also presented a memorial from the New Bedford Cotton Manufacturers' Association, of New Bedford, and several other corporations in the State of Massachusetts, remonstrating against the publicity of income-tax returns, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from F. S. Penwell, secretary Haverhill Central Labor Union, praying for the enactment of legislation providing that 10-cent cigarettes be taxed $2.70 per thousand, and 15-cent and other higher-priced cigarettes be taxed $3 per thousand, which was referred to the Committee on Finance.

He also presented letters and papers in the nature of petitions from Leominster Post, No. 1807, of Leominster, and Revere Post, No. 940, of Revere, both Veterans of Foreign Wars of the United States; General Henry W. Lawton Camp, No. 11, United Spanish War Veterans, of Springfield, and Auxiliary No. 61, United Spanish War Veterans, of Winthrop, all in the State of Massachusetts, praying for the

enactment of legislation providing for the immediate cash payment at face value of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also presented letters and papers in the nature of petitions from Camelia Lodge, No. 1600, of East Boston; Lodge Stella D'Italia, No. 1062, of Cambridge; Lodge Vittoria, of Brighton; Lodge Principie Piemonte, No. 1046, of Dedham; Giordano Bruno Lodge, No. 1128, of Everett; Lodge Vittoria Colonna, No. 1694, of Springfield, all of the Order of Sons of Italy in America; Arthur Kimnell, secretary of the Haverhill Labor Conference, of Haverhill; 197 members of the Townsend Plan Club, of Haverhill; and sundry citizens, all in the State of Massachusetts, praying for the enactment of old-age-pension legislation, which were referred to the Committee on Finance.

He also presented letters, resolutions, and papers in the nature of memorials from the Board of Aldermen of Somerville; C. H. Wood, of Hinsdale; and sundry other citizens, all in the State of Massachusetts, remonstrating against alleged religious persecutions in the Republic of Mexico, which were referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a memorial from Robert Amory, treasurer of the Nashua Manufacturing Co., of Boston, Mass., remonstrating against the adoption of Senate Resolution 5, providing for an investigation of railroad freight rates, which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Middlesex Rifle Club, Inc., of Waltham, Mass., favoring the passage of firearm legislation advocated by the National Rifle Association, and opposing the enactment of any legislation depriving reputable citizens and sportsmen of the right to possess firearms, which was referred to the Committee on the Judiciary.

He also presented memorials signed by employees of the Reece Button Hole Machine Co., of Boston; the Johnson-Appleby Co., of Cambridge; the Stetson Shoe Co., of South Weymouth; Worcester Brass & Electro-Plating Co., of Worcester; and the Economic Machinery Co., of Worcester, all in the State of Massachusetts, remonstrating against the enactment of legislation providing for a 30-hour work week in industry, which were referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from Arthur Kimmel, secretary, Haverhill Labor Conference, Haverhill, Mass., protesting against the action of the State of Maine in offering cash inducements to local shoe factories of Haverhill, Mass., to move to Maine, which was referred to the Committee on Manufactures.

He also presented a resolution adopted by William L. Harris Post, No. 196, the American Legion, of Roxbury, Mass., favoring the enactment of legislation promoting immediately all veterans at the head of temporary civil-service lists to regular substitute positions, which was referred to the Committee on Post Offices and Post Roads.

Mr. BORAH presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Finance:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial 1

(By Thornburg and Whittle)

A joint memorial to the distinguished President of the United States, the honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas, due to economic and business conditions and the lack of employment for all of the people of the United States, the younger and more physically fit of our citizens are given preference in employment; and

Whereas, due to the economic condition of our country during the last few years, there has been a tremendous loss to our old-aged and infirm population in their savings, and as a result many are ill, depressed, and unable to either obtain employment or carry on for themselves: Now, therefore, be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That we most respectfully urge upon the Congress of the United States of America to pass at this present session a plain, workable, old-age pension law, to the end that our aged citizens may to a degree have sufficient income that they may spend the remainder of their days in peace and happiness; be it further

Resolved, That the secretary of State of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the honorable President, Franklin Delano Roosevelt, and to the Senate and House of Representatives of the United States of America, and to the Senators and Representatives in Congress from this State.

This house joint memorial passed the house on the 18th day of January 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 25th day of January 1935.

G. P. MIX,
President of the Senate.

I hereby certify that the within House Joint Memorial No. 1 originated in the house of representatives during the twenty-third session of the Legislature of the State of Idaho.

GEO. F. RUDD,
Chief Clerk of the House of Representatives.

Mr. BORAH also presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Military Affairs:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE HOUSE OF REPRESENTATIVES.

House Joint Memorial 3

(By Herrick and Powers)

A joint memorial to the honorable Senate and House of Representatives of the United States in Congress assembled

We, your memorialists of the Legislature of the State of Idaho, respectfully represent:

That war is a relic of barbarism and is justifiable only as a measure of defense; that recent investigations by a committee of the United States Senate demonstrates that the Federal Government should assume control and regulation over the manufacture of all materials manufactured for war; that one of the ways to prevent war is to remove any profit therefrom to any group or individual.

We would, therefore, most respectfully and earnestly urge upon your honorable body the passage of legislation, that in the event of war in which the man power of the Nation is drafted all other resources likewise be drafted, and we further respectfully urge upon you the passage of appropriate legislation that will give to the Federal Government adequate control and regulation for the manufacture of all war materials: Be it

Resolved by the House of Representatives of the State of Idaho (the senate concurring), That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to forward copies of the foregoing memorial to the Vice President of the United States, to the Speaker of the National House of Representatives, and to Senator WILLIAM E. BORAH and Senator JAMES P. POPE.

This house joint memorial passed the house on the 22d day of January 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

This house joint memorial passed the senate on the 26th day of January 1935.

G. P. MIX,
President of the Senate.

I hereby certify that the within House Joint Memorial No. 3 originated in the house of representatives during the twenty-third session of the Legislature of the State of Idaho.

GEORGE F. RUDD,
Chief Clerk of the House of Representatives.

Mr. DUFFY. I present for appropriate reference a memorial in the form of a joint resolution, adopted by the Legislature of the State of Wisconsin, referring to a bill which I introduced on the second day of the session, and, so that the identity of the bill may be known, I give its number, S. 57, authorizing an increase in the amount of bonds of the Home Owners' Loan Corporation, and for other purposes.

The joint resolution was referred to the Committee on Banking and Currency, as follows:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress of the United States to enact the pending billion dollar Home Owners' Loan Corporation bill

Whereas, because of the depletion of its funds, the Home Owners' Loan Corporation has been compelled to discontinue receiving applications for loans by distressed mortgagors; and

Whereas there are still a great many home owners in this and other States who are facing foreclosures of mortgages on their homes unless Federal relief is provided; and

Whereas there is now pending in the Congress a bill appropriating $1,000,000,000 to the Home Owners' Loan Corporation to extend the benefits provided in the act of Congress creating said corporation: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully urges the Congress of the United States to enact the pending bill herein referred to at the earliest possible moment; be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of Congress and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. BONE. I send to the desk, and ask to have printed in the RECORD and lie on the table, a memorial designated as House Joint Memorial No. 4, from the Legislature of the State of Washington, respectfully urging that the Senate of the United States continue the munitions investigation.

The joint memorial was ordered to lie on the table, as follows:

House Joint Memorial 4

To the honorable the Senate and House of Representatives of the Congress of the United States of America:

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully petition you honorable bodies as follows:

Whereas the Legislature of the State of Washington is overwhelmingly Democratic; and

Whereas the Democratic State platform adopted at Walla Walla, Wash., May 26, 1934, declared that munitions and the instrumentalities of war should be produced by the Government with all private gain eliminated as preparedness is a governmental function and should be freed from the motive of private profit; and declared further that in time of war property as well as man power should be subject to conscription; and

Whereas the cost of warfare is the greatest drain upon our national wealth, wealth which might otherwise be used to elevate substantially our standards of education and culture: Now, therefore, be it

Resolved, That your memorialists respectfully urge the Congress of the United States to provide ample funds fully to investigate the methods of munition makers to the end that the lives of our young men shall not be sacrificed to material greed; be it further

Resolved, That a copy of this resolution be transmitted to the House and Senate of the United States and to Senator HOMER T. BONE.

Passed by the house January 16, 1935.

ROBT. F. WALDRON,
Speaker of the House.

Passed by the senate January 17, 1935.

VICTOR A. MEYERS,
President of the Senate.

I hereby certify that the foregoing is a true and correct copy of House Joint Memorial No. 4.

S. R. HOLCOMB,
Chief Clerk, House of Representatives.

Mr. BARBOUR. Mr. President, I ask consent to have printed in the RECORD and appropriately referred a concurrent resolution adopted by the Senate of the State of New Jersey on January 28, 1935, and concurred in by the House of Assembly, memorializing Congress to refrain from entertaining legislation which has for its purpose the removal from the Newark Metropolitan Airport of the metropolitan air mail service. This resolution, Mr. President, points out the obviously superior advantages of the Newark Metropolitan Airport over any other suggested location in the Newark or New York metropolitan areas for the eastern terminal of the air mail, and I present the certified text of memorial of the Legislature of the State of New Jersey at this time.

The concurrent resolution was referred to the Committee on Post Offices and Post Roads, as follows:

THE ONE HUNDRED AND FIFTY-NINTH LEGISLATURE
OF THE STATE OF NEW JERSEY,
SENATE OF NEW JERSEY,
STATEHOUSE, TRENTON, N. J.

Senate concurrent resolution introduced and adopted by the senate and concurred in by the house of assembly Jan. 28, 1935

A concurrent resolution memorializing Congress to refrain from entertaining legislation which has for its purpose the removal from the Newark Metropolitan Airport of the metropolitan air mail service

Whereas a fact-finding commission appointed by the Department of Commerce of the United States in 1927 recommended the Newark Metropolitan Airport as a logical site for the eastern air mail terminus, by reason of its strategic position, its readily accessible location, and its excellent facilities; and

Whereas after such recommendation by the Department of Commerce the city of Newark at the further urgence of the United States Government spent approximately $5,000,000 in the appointments and equipment of this field, in order to bring it up to the highest standard of efficiency, economy, and safety in operation, making it now the busiest airport in the world; and

Whereas the Newark Metropolitan Airport lies in a direct path of more than 80 percent of all the air mail traffic out of the New York metropolitan area; and

Whereas in recognition of the superior advantages of the Newark Metropolitan Airport over any other site in the metropolitan area, the postal authorities officially designated it as the eastern air mail terminus; and

Whereas Newark Metropolitan Airport has for the past 7 years been the designated eastern air mail terminus for the United States, and has most effectively promoted the air mail service of the entire United States: Therefore be it

Resolved by the Senate of the State of New Jersey (the house of assembly concurring), That the Congress be memorialized to entertain no legislative action which will have for its purpose the removal from the Newark Metropolitan Airport of the metropolitan air mail service; and be it further

Resolved, That a copy of this resolution be addressed to the President of the United States, to the Postmaster General of the United States, and to Senate and House Committees on Post Offices and Post Roads.

I hereby certify that the above resolution is a true and official copy of the resolution adopted by the senate on January 28, 1935, and concurred in by the house of assembly on January 28, 1935.

O. F. VAN CAMP,
Secretary of the Senate.

Mr. McCARRAN. I ask consent to have printed in the RECORD and appropriately referred a resolution passed by the Legislature of the State of Nevada bearing on the subject of the payment of the bonus.

The resolution was referred to the Committee on Finance, as follows:

Assembly joint resolution relative to memorializing Congress to enact proposed legislation directing immediate payment of the adjusted-service certificates of sailors and soldiers of the World War

Whereas a period of depression exists in the State of Nevada, throughout the United States, and the world; and

Whereas the immediate cash payment of the adjusted-service certificates of the sailors and soldiers of the World War, some of whom are in dire need owing to the present economic conditions, will alleviate suffering and increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and lighten immeasurably the burden which States, counties, and cities are now required to carry for relief; and

Whereas the payment of such certificates will not create any additional debt but will discharge and retire an acknowledged contract obligation of the Government; and

Whereas the Government of the United States is now definitely committed to a policy of spending large sums of money for the purpose of hastening recovery from the present economic crisis: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, jointly, That the Legislature of the State of Nevada most respectfully urges and petitions the President and the Congress of the United States to enact legislation for the immediate payment, at face value, of the adjusted-service certificates; and be it further

Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each of our two Senators and to our Member of the House of Representatives from Nevada in the Congress of the United States; and that such Senators and Member from Nevada be urged to support such legislation.

Mr. NORRIS presented the following resolution of the Legislature of the State of Nebraska, which was referred to the Committee on the Judiciary:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress.

(Introduced by Senators Emil E. Brodecky, of Colfax, Edward Jelen, of Douglas, and Archie C. O'Brien, of Hall)

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Nebraksa in fiftieth regular session assembled:

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day Resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Represenatives of the United States, and each of the United States Senators and Representatives from Nebraska.

Mr. ASHURST presented the following joint memorial of the Legislature of the State of Arizona, which was referred to the Committee on Post Offices and Post Roads:

STATE OF ARIZONA,
TWELFTH LEGISLATURE, SENATE,
REGULAR SESSION.

Senate Joint Memorial 2

(By Nellie T. Bush)

On the construction of a highway to link reclamation projects on the Colorado River and connect with the proposed deep-sea channel to the Gulf of California.

To the President and Congress of the United States of America:

Your memorialist, the Legislature of the State of Arizona, respectfully represents:

Development of the vast resources of the Colorado River represents one of the outstanding opportunities for the conservation of the Nation's wealth, for providing employment, for creating farm homes, and for developing recreational facilities for the nationals of this and other countries.

Along the lower Colorado River are a number of established or potential reclamation projects of large importance, and several dams have been constructed or are under course of construction which impound waters where refuges for wild fowl may be established, and where national-park projects, which will afford magnificent recreational facilities, are contemplated.

The dredging of a deep-sea channel from the head of the Gulf of California, through cooperation with the Republic of Mexico, a project which has long been considered, and which would immeasurably increase the commerce of the Southwest and add to the wealth of the Nation, would be a fitting climax to the comprehensive development of the Colorado River's resources.

Adjacent to the Colorado River, within the confines of Arizona, lies an area rich in both agricultural and mineral resources, including the manganese fields of southern Mohave County, the agricultural area of the lower Bill Williams, the Colorado River Indian reservation, the Parker-Gila Valley reclamation project, the gold, silver, and lead districts of western Yuma County, and the agricultural empire embracing the Yuma project and the incomparable Yuma mesa citrus district.

The joining of these various sites and districts, with their inestimable advantages to pleasure-seekers and sight-seers, prospectors, and home-seekers, would complement the development of the river's resources, stimulate industry, and make accessible to travel one of the Nation's most interesting areas.

Wherefore your memorialist prays—

1. That the United States Government, through any of its agencies possessing authority for the construction of highways, or through the cooperation of two or more of such agencies, the Bureau of Public Roads, the National Park Service, the Civilian Conservation Corps, the Indian Bureau, or other agencies, construct a highway from Boulder Dam, adjacent to the Colorado River and on the Arizona side thereof through the districts above mentioned, to a junction with the Republic of Mexico at San Luis, and with the site of the proposed deep-sea channel to the Gulf of California.

2. That if additional legislation be required or desirable for the consummation of this constructive improvement, the Congress enact the same.

And your memorialist will ever pray.

IMPORTS OF COPPER

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed at this place in the RECORD and appropriately referred a letter from Hon. James H. Moyle, Commissioner of Customs, also a table showing the imports of copper and copper manufactures dutiable under section 601, Revenue Act of 1932, from June 21, 1932, to December 31, 1934, inclusive.

There being no objection, the letter and accompanying table were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
BUREAU OF CUSTOMS,
Washington, February 4, 1935.

Hon. HENRY F. ASHURST,
United States Senate.

MY DEAR SENATOR: I have your letter of January 28, 1935, in which you request a statement of imports of copper under section 601 of the Revenue Act of 1932, together with the amount of revenue collected by Customs as a result of such importations for the years 1932, 1933, and 1934, similar to the table which this Bureau prepared for you during the early part of last year and which was printed in the proceedings of the Senate on April 13, 1934.

A table presenting the information you desire is enclosed. You will observe that for three items the data have not yet been supplied by the Department of Commerce for the calendar year 1934, so that the table is incomplete to this extent. As soon as this information is received we will furnish it to you so that you may have a complete picture of the effect of the Revenue Act of 1932 on copper importations.

You will also note that the total duty collected under this section of the revenue act, without taking into consideration the missing data, was $1,518,205. Of this amount, $193,007 was collected during the last half of the calendar year 1932, $452,447 in 1933, and $872,751 during the past year. If the missing items show the same amount of importations as in 1933, an additional $90,000 was collected. It will be several days, possibly several weeks, before this figure will be known with certainty.

I trust that the enclosed information is what you desire.

Very truly yours,

JAMES H. MOYLE,
Commissioner of Customs.

Imports of copper and copper manufactures dutiable under section 601, Revenue Act of 1932, June 21, 1932, to Dec. 31, 1934, inclusive

	Rate of duty	Copper content, pounds				Duty collected
		June 21 to Dec. 31, 1932	Calendar year 1933	Calendar year 1934	Total under Revenue Act of 1932	
Copper, formerly free, made dutiable under Revenue Act of 1932:						
Copper ore, not elsewhere specified	4 cents per pound	220	937	159	1,316	$53
Copper in pyrite ore	do	1,520,779			1,520,779	60,831
Copper concentrates, not elsewhere specified	do		3,042		3,042	122
Regulus, black, or coarse copper, and cement copper	do	16,711	1,287	494	18,492	740
Unrefined, black, blister, and converter in pigs or bars	do	539,637		3,627,855	4,167,492	166,700
Refined copper in ingots, plates, or bars	do	1,364,901	8,461,800	17,485,154	27,311,855	1,092,474
Old and scrap copper, and scale and chippings	do		1,780	14,852	16,632	665
Copper manufactures on which added duty was imposed by Revenue Act of 1932:						
Brass rods, sheets, plates, bars, or strips	do	1,653	55,475	2,193	59,324	2,373
Brass tubes and tubing, seamless	do	12,303	28,771	58,636	99,710	3,988
Brass wire		252	26,004	6,877	33,133	1,325
Other manufactures of brass	do		754	53,435	54,189	2,168

Imports of copper and copper manufactures dutiable under section 601, Revenue Act of 1932, June 21, 1932, to Dec. 31, 1934, inclusive—Continued

	Rate of duty	Copper content, pounds				Duty collected
		June 21 to Dec. 31, 1932	Calendar year 1933	Calendar year 1934	Total under Revenue Act of 1932	
Copper manufactures on which added duty was imposed by Revenue Act of 1932—Continued.						
Bronze wire	4 cents per pound	76,977	204,942	211,323	493,242	$19,730
Bronze tubes	do	246,530	278,832	309,947	835,309	33,412
Other copper manufactures	do	9,279	15,646	47,839	72,764	2,910
Articles having chief value of copper	3 cents per pound	1,122,364	2,329,919	(1)	3,452,283	103,568
Articles having more than 4 percent copper	3/4 cent per pound	894,311	1,963,103	(1)	2,857,414	21,431
Do	3 percent	191,068	947,371	(1)	1,138,439	5,715
Total		5,996,935	14,319,663	21,818,767	42,135,415	1,518,205

[1] Not yet reported.

SUGAR-BEET BENEFIT PAYMENTS

Mr. COSTIGAN. Mr. President, last Saturday the Department of Agriculture transmitted to certain sugar-beet farmers in Boulder and Morgan Counties, Colo., the first benefit payments payable to farmers in those counties under the provisions of the Sugar Act passed last year. The checks aggregated $65,765.70.

This incident leads me to ask to have incorporated in the RECORD as part of my remarks, and referred to the Committee on Agriculture and Forestry, portions of a recent address by Mr. J. D. Pancake, secretary of the National Beet Growers' Association and of the Mountain States Beet Growers' Marketing Association, as reported in the Greeley (Colo.) Daily Tribune, commenting on the advantages of the sugar-beet legislation to which I have referred.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado?

There being no objection, the address was ordered to be printed in the RECORD and referred to the Committee on Agriculture and Forestry, as follows:

[From the Greeley (Colo.) Daily Tribune of Jan. 3, 1935]

JONES-COSTIGAN MEASURE ASSURES FUTURE

"I believe the sugar-beet industry is in the healthiest condition it has been for many years. We now have a Government guaranty of parity prices and a Government guaranty of settling disputes over the terms of the beet contract", J. D. Pancake, secretary of the National Beet Growers' Association and of the Mountain States Beet Growers' Marketing Association, told the Weld County Farmers' Institute Wednesday afternoon at the conclusion of his talk on the scope and operation of the Jones-Costigan amendment to the Agricultural Adjustment Act.

* * * * * * *

Declaring that under old policies the sugar-beet industry "was doomed to failure", Mr. Pancake pointed out that in many parts of the United States the industry had reached the bankruptcy stage and that in northern Colorado for several years beet growers had failed to get the cost of production in their beet checks.

Mr. Pancake explained that the sugar tariff had been a processor's tariff and that any benefits to beet growers had to filter down through the contract which the processor offered the beet grower. "We have learned that the growers did not participate proportionately to the companies in the benefits of the tariff. The difficulty all the time was that the growers could not negotiate a contract with the company which would guarantee them a fair share of the protection offered by the tariff, so that it became necessary to inaugurate some other system whereby the beet growers could be aided directly by the Government without the benefits passing through the medium of the sugar company", Mr. Pancake explained.

SUGAR COMPANY'S BIG PROFIT

Mr. Pancake emphasized the situation that existed in the past by pointing out: "In its report of February 28, 1934, the Great Western showed a net profit of $6,414,000 for the past fiscal year. In round numbers this means that the company had a net profit of about $2 per ton of beets purchased. This net income takes in depreciation and all matters usually listed by corporations in arriving at net incomes or profits. You are all aware that the growers of the crop of 1932 particularly did not receive an average of production costs."

Turning to the provisions of the Jones-Costigan Law, Mr. Pancake said, "Under the terms of the beet adjustment contract the sugar section of the A. A. A. guarantees a grower shall receive parity prices per ton of beets, and this is regardless of what portion the companies pay. As I see it now, the Government becomes responsible for growers receiving parity prices. This means that the sugar section must make up the difference between the average current farm prices paid growers by the companies and the parity price. It is as incumbent upon the growers' association to negotiate a fair and equitable contract as it has ever been in the past. When the association has exhausted every power it has to negotiate a fair and equitable contract, then the Government must assume the responsibility, for it must pay in benefits the difference between the proposed price by the company and the parity price."

"We state that the processing tax is the farmers' tariff simply because it furnishes the money which is paid direct to the beet farmers so that they may receive parity prices for beets", Mr. Pancake said.

EXPLAINS PARITY PRICE

"Now, the parity price is nothing more than a price paid for a ton of beets today so that the farmer may buy the same amount of goods which he did with a ton of beets in the pre-war period. Beet growers in Colorado were in splendid condition in the years 1909, 1910, 1911, 1912, and 1913. The records show this. Beets averaged something like $5.57 a ton. Now the A. A. A. proposes to give growers enough for a ton of beets so that they can buy the same lot of goods as they did in that pre-war period, and it will take at least $6.77, if not more, to buy the same lot of goods. I actually believe it will take more than $6.77.

Praising the quota system of the Jones-Costigan Act, Mr. Pancake showed how competition between different groups of producers for the American market had reached the point where raw sugar sold, duty unpaid, for 65 cents a hundredweight in 1932. He said, "We have traded off in the Jones-Costigan Act the competitive system of selling beets and are now attempting to operate under a cooperative system so that each beet grower and each beet area will furnish its share of the market requirements.

Mr. Pancake discussed the quota given domestic beets as follows:

"When the sugar-beet industry was given a prior right to 1,550,000 tons of sugar in the United States market, that amount is some 185,000 tons more of beet sugar than has ever been sold in the United States markets during any one year. Giving due consideration to continued soil fertility and the protection from the spread of beet diseases, it is doubtful if a greater tonnage would be advantageous to the future condition of the land."

Mr. Pancake expressed great confidence in the good faith of the sugar section of the A. A. A. and of the Government as a whole toward the beet-sugar industry. He said, "After my experience at Washington in the formulation of the sugar stabilization agreement and the beet-adjustment contract which you have been signing lately I am convinced that the sugar section is seriously endeavoring to aid the beet grower in every possible way. I believe it can be said that the beet-adjustment contract is as liberal as it could be written and still remain within the province of the law."

Mr. Pancake pointed out the extremely liberal method of averaging production to obtain the basis on which benefit payments will be made and the fact that the A. A. A. is making payments now to beet growers instead of waiting until next fall as it could do under the terms of the agreement.

REPORTS OF COMMITTEES

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 546) for the relief of Miles Thomas Barrett, reported it with an amendment and submitted a report (No. 42) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 488) for the relief of Michael Ilitz, reported it without amendment and submitted a report (No. 43) thereon.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the bill (S. 417) for the relief of Fred M. Munn, reported it without amendment and submitted a report (No. 44) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was recommitted the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, reported it with amendments and submitted a report (No. 45) thereon.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 733) for the relief of William Burke, reported it without amendment and submitted a report (No. 57) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 243. An act for the relief of Curtis Jett (Rept. No. 50);

S. 567. An act for the relief of Sarah Lloyd (Rept. No. 51); and

S. 674. An act authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing on his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation (Rept. No. 52).

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 633) for the relief of Isaac Pierce, reported it with an amendment and submitted a report (No. 53) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 347) for the relief of James J. Jordan, reported it with an amendment and submitted a report (No. 54) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which were referred the following bills and joint resolutions, reported them severally without amendment and submitted reports thereon:

S. 943. An act to amend section 21 of the Interstate Commerce Act (Rept. No. 55);

S. 944. An act to amend section 5 of the Federal Trade Commission Act (Rept. No. 46);

S. 945. An act to amend sections 11 and 24 of the Interstate Commerce Act (Rept. No. 47);

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934 (Rept. No. 48);

S. J. Res. 23. Joint resolution giving consent of the Congress of the United States to the States of Washington, Oregon, and Idaho, or any two of said States, to agree upon the jurisdiction to be exercised by said States over boundary waters between any two or more of said States (Rept. No. 56); and

S. J. Res. 46. Joint resolution authorizing and directing the Federal Communications Commission to investigate and report on the American Telephone & Telegraph Co. and on all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all companies related to any of these companies through a holding-company structure or otherwise (Rept. No. 49).

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 634. An act to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes (Rept. No. 58);

S. 651. An act for the relief of Harry Flanery (Rept. No. 59); and

S. 653. An act for the relief of James W. Carmichael, deceased (Rept. No. 60).

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 746) for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell, reported it without amendment and submitted a report (No. 61) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 244) for the relief of Thomas Salleng, reported it with amendments and submitted a report (No. 62) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 274. An act for the relief of Charles C. Floyd (Rept. No. 63); and

S. 871. An act authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list (Rept. No. 64).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 1649) to provide for the commemoration of the Battle of Helena, in the State of Arkansas; to the Committee on Military Affairs.

A bill (S. 1650) continuing the Commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia, and for other purposes; to the Committee on the District of Columbia.

By Mr. McGILL:

A bill (S. 1651) to authorize the appointment of Sgt. George B. Telford as a warrant officer, United States Army; to the Committee on Military Affairs.

A bill (S. 1652) for the relief of Merle (Mearl) Arthur Lewis; and

A bill (S. 1653) for the relief of Collin B. Myatt; to the Committee on Naval Affairs.

By Mr. HARRISON:

A bill (S. 1654) to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation; to the Committee on Military Affairs.

A bill (S. 1655) to provide for the construction of the Natchez Trace Parkway; to the Committee on Post Offices and Post Roads.

By Mr. BAILEY:

A bill (S. 1656) for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce (with accompanying papers); to the Committee on Claims.

By Mr. WHITE:

A bill (S. 1657) for the relief of J. A. Greenleaf & Sons Co.; to the Committee on Claims.

A bill (S. 1658) granting a pension to Essie M. Cotton; to the Committee on Pensions.

By Mr. AUSTIN (for Mr. GIBSON):

A bill (S. 1659) granting an increase of pension to Mary Carrier; to the Committee on Pensions.

By Mr. PITTMAN:

A bill (S. 1660) to provide for the payment of a military instructor for the High School Cadets of Washington, D. C.; to the Committee on the District of Columbia.

By Mr. JOHNSON:

A bill (S. 1661) for the relief of Anna S. Carrigan; to the Committee on Foreign Relations.

A bill (S. 1662) to provide for the selection of certain lands in the State of California for the use of the California State park system; to the Committee on Public Lands and Surveys.

A bill (S. 1663) authorizing the Secretary of War to set apart as a national cemetery certain lands of the United States military reservation of Fort Rosecrans, Calif.;

A bill (S. 1664) for the relief of Sylvester Johns;

A bill (S. 1665) for the relief of Arnold E. Carver; and

A bill (S. 1666) for the relief of Edward C. Joslyn; to the Committee on Military Affairs.

A bill (S. 1667) granting a pension to Mort Wallace Mays; and

A bill (S. 1668) granting a pension to Samuel M. Mahurin; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 1669) to provide for the acquisition of a site and the erection thereon of a Federal building at Grangeville, Idaho; to the Committee on Public Buildings and Grounds.

By Mr. NEELY:

A bill (S. 1670) for the relief of Samuel K. Yarnell; to the Committee on Naval Affairs.

A bill (S. 1671) granting a pension to Allie Selick; and

A bill (S. 1672) granting a pension to Fred Starling; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 1673) to increase the efficiency of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. WAGNER:

A bill (S. 1674) for the relief of Jeremiah Aldersley; to the Committee on Military Affairs.

A bill (S. 1675) granting a pension to Arthur Boyce; to the Committee on Pensions.

A bill (S. 1676) to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York; to the Committee on Public Lands and Surveys.

By Mr. COUZENS:

A bill (S. 1677) to provide for a preliminary examination and survey of Carvers Bay, Mich.; to the Committee on Commerce.

By Mr. McNARY:

A bill (S. 1678) providing for a survey of the Skipanon Channel, Oreg.; to the Committee on Commerce.

A bill (S. 1679) to add certain lands to the Rogue River National Forest in the State of Oregon;

A bill (S. 1680) to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; to the Committee on Agriculture and Forestry.

A bill (S. 1681) granting a pension to Lina Buckley;

A bill (S. 1682) granting a pension to Jose G. Brown (with accompanying papers); to the Committee on Pensions.

By Mr. BLACK:

A bill (S. 1683) for the relief of Robert L. Monk; to the Committee on Military Affairs.

By Mr. SMITH:

A bill (S. 1684) granting a pension to Blanche T. Harrison; to the Committee on Pensions.

By Mr. BARBOUR:

A bill (S. 1685) to amend the act entitled "An act to authorize production credit associations to make loans to oyster planters", approved June 18, 1934; to the Committee on Banking and Currency.

By Mr. BONE:

A bill (S. 1686) authorizing the Reconstruction Finance Corporation to make loans to owners of office buildings; to the Committee on Banking and Currency.

By Mr. MALONEY:

A bill (S. 1687) to incorporate the National Yeomen F.; to the Committee on the Judiciary.

By Mr. NORBECK:

A bill (S. 1688) to provide for the acquisition of Chappawamsic Island, Va., for the use of the Navy Department; to the Committee on Naval Affairs.

A bill (S. 1689) for the relief of Frank Fisher; to the Committee on Military Affairs.

A bill (S. 1690) for the relief of R. G. Andis;

A bill (S. 1691) for the relief of George C. Widlon;

A bill (S. 1692) for the relief of Fred N. Dunham;

A bill (S. 1693) for the relief of Hannah Nielson Larsen;

A bill (S. 1694) for the relief of C. B. Dickinson; and

A bill (S. 1695) for the relief of the Sioux Valley Hospital, Sioux Falls Clinic, and the McKenna Hospital, all of Sioux Falls, S. Dak.; to the Committee on Claims.

A bill (S. 1696) for the relief of Mary Sky Necklace; and

A bill (S. 1697) providing old-age pensions for Indian citizens of the United States; to the Committee on Indian Affairs.

A bill (S. 1698) to amend section 61 (relating to deposits of bankrupt estates) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898;

A bill (S. 1699) to amend section 28 of the act of May 25, 1918 (relating to deposits of tribal or individual Indian funds);

A bill (S. 1700) to amend section 5219 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

A bill (S. 1701) granting an increase of pension to John A. Everett;

A bill (S. 1702) granting a pension to Daniel Webster;

A bill (S. 1703) granting a pension to Jennie Claymore;

A bill (S. 1704) granting a pension to Richard Payne;

A bill (S. 1705) granting a pension to James E. Rush;

A bill (S. 1706) granting a pension to Daniel R. McKay;

A bill (S. 1707) granting an increase of pension to Amos Red Owl;

A bill (S. 1708) granting a pension to Harriet V. Carson;

A bill (S. 1709) granting a pension to Margaret E. Lackey;

A bill (S. 1710) granting a pension to Henry Pratt; and

A bill (S. 1711) granting a pension to William Lyons; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 1712) to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries; and

A bill (S. 1713) to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 1723) to authorize payment to the Sac and Fox (of Missouri) Tribe of Indians of certain tribal funds to their credit in the United States Treasury, and for other purposes; to the Committee on Indian Affairs.

By Mr. BULOW:

A bill (S. 1724) to repeal section 2 of the act entitled "An act to create an additional judge in the district of South Dakota", approved February 26, 1929; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 1726) to authorize the Secretary of War to grant a right-of-way for street purposes upon and across the San Antonio Arsenal in the State of Texas; to the Committee on Military Affairs.

By Mr. HATCH:

A bill (S. 1727) to amend the Railroad Retirement Act, approved June 27, 1934; to the Committee on Interstate Commerce.

By Mr. BYRD:

A bill (S. 1728) for the relief of George T. Easton; to the Committee on Claims.

A bill (S. 1729) to legalize a bridge, known as "Union Street Bridge", across the Dan River at Danville, Va.; to the Committee on Commerce.

A bill (S. 1730) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.; to the Committee on Naval Affairs.

A bill (S. 1731) granting a pension to Cynthia Ann Fightmaster; to the Committee on Pensions.

By Mr. JOHNSON:

A joint resolution (S. J. Res. 50) authorizing a preliminary examination or survey of Santa Monica Harbor, Calif.; to the Committee on Commerce.

By Mr. POPE:

A joint resolution (S. J. Res. 51) proposing an amendment to article II of the Constitution of the United States, providing for the ratification of treaties by a majority vote of the United States Senate; to the Committee on the Judiciary.

EXTENSION OF CIVIL SERVICE TO POSTMASTERS

Mr. O'MAHONEY. I introduce a bill to extend the classified civil service to postmasterships of the first, second, and third classes, and for other purposes. I ask to have the bill and the accompanying statement, explanatory of it, printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 1714) to extend the classified civil service to postmasterships of the first, second, and third classes, and for other purposes, was read twice by its title, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

A bill to extend the classified civil service to postmasterships of the first, second, and third classes, and for other purposes

Be it enacted, etc., That on and after January 1, 1938, all postmasters shall be appointed, without term, by the Postmaster General in accordance with the provisions of the act entitled, "An act to regulate and improve the civil service of the United States", approved January 16, 1883: *Provided, however,* That in the case of post offices having annual gross receipts of $1,000,000 or more, no person shall be eligible for appointment as postmaster who has not had (1) at least 4 years' actual experience in the Postal Service as a postmaster in a post office of the first class, or (2) 4 years' actual experience in an executive position having supervision of not less than 250 employees, or (3) 4 years' actual experience as a classified civil-service employee in a supervisory capacity in the Postal Service, or as a post-office inspector.

SEC. 2. Appointments to positions of postmasters of the first and second classes shall be made by the promotion or transfer of qualified employees of the Postal Service unless upon recommendation by the Postmaster General the Civil Service Commission shall by examination find the incumbent postmaster to be qualified for the appointment, and unless in any case the Postmaster General shall certify to the Civil Service Commission that there is no employee working at the vacancy office who is qualified for the promotion.

SEC. 3. Every postmaster shall reside within the delivery of the office to which he is proposed for appointment, or within the town or city where the same is situated, except in the case of post offices having annual gross receipts of $1,000,000 or more, and except, also, that if open competitive examination is held for the position in any post office having annual gross receipts of less than $1,000,000, and the Civil Service Commission finds no person eligible who so resides, the Postmaster General may appoint to an office of the first class any classified civil-service employee who has had at least 4 years' actual experience in a supervisory capacity in the Postal Service or as a post-office inspector; to an office of the second class any such employee who has had 3 years' such experience; and to all other offices any person who shall have been found competent by the Civil Service Commission.

SEC. 4. The tenure of office of any postmaster heretofore or hereafter appointed according to law shall not be affected by any provision of this act, but, upon the expiration after January 1, 1938, of the term for which any such postmaster was appointed the position shall be filled in accordance with the provisions of this act.

SEC. 5. The Postmaster General may remove any postmaster from office in accordance with the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555).

SEC. 6. (a) Section 1 of the Post Office Department Appropriation Act for the fiscal year ended June 30, 1922, approved March 1, 1921, as amended (U. S. C., Supp. VII, title 39, sec. 39), is amended to read as follows:

"Whenever the office of a postmaster becomes vacant through death, resignation, or removal, the Postmaster General shall designate some person to act as postmaster until a regular appointment can be made; and the Postmaster General shall notify the Civil Service Commission and the General Accounting Office of the change. No person so designated shall serve for more than 6 months from the date of his designation except with the approval of the Civil Service Commission. The postmaster so appointed shall be responsible under his bond for the safe-keeping of the public property pertaining to the post office and the performance of the duties of his office until a regular postmaster has been duly appointed and qualified and has taken possession of the office. Whenever a vacancy occurs from any cause the appointment of the regular postmaster shall be made without unnecessary delay."

(b) Section 31 of the Post Office Department Appropriation Act for the fiscal year ended June 30, 1880, approved March 3, 1879, as amended (U. S. C., title 39, sec. 63), is amended to read as follows:

"SEC. 31. Any person designated by the Postmaster General to perform the duties of postmaster at any post office shall receive for the term for which he performs such duties the compensation to which he would have been entitled if he were postmaster: *Provided, however,* That whenever an employee in the classified civil service is designated to perform the duties of a postmaster he may receive either the compensation of the postmaster or the salary provided for his position in the classified civil service whichever is the greater."

SEC. 7. Section 6 of the Post Office Department Appropriation Act for the fiscal year ended June 30, 1877, approved July 12, 1876, as amended (U. S. C., title 39, sec. 31), and section 8 of the Post Office Department Appropriation Act for the fiscal year ended June 30, 1905, approved April 28, 1904, as amended (U. S. C., title 39, sec. 32), are hereby repealed as of December 31, 1937.

The statement submitted by Mr. O'MAHONEY is as follows:

This bill prepared after conference with members and experts of the Civil Service Commission as well as with authorities of the Post Office Department is designed to place the appointment of postmasters under the civil-service law as directed by President Roosevelt in the letter of July 12, 1933.

By the terms of this bill only civil-service employees of the Postal System who have served in supervisory capacities or as post-office inspectors, postmasters of first-class offices who have had at least 4 years' actual experience, and executives of broad experience in private life will constitute the class from among whom will be selected postmasters in offices having annual gross receipts of a million dollars or more. These constitute the 52 leading offices of the United States, and as to them the requirement of the present law that the postmaster shall reside within the delivery of the office to which he is appointed is abolished.

The requirement of local residence, however, is maintained for all other offices in the belief that the needs of an ordinary post office can be much better served by a local citizen than by a person from another State or city. In the larger offices it was believed that there would be a better opportunity of securing the expert talent required properly to manage them by drawing from the country at large.

If, however, the Civil Service Commission should find no local person eligible, then a postal expert from any part of the country may be appointed.

In all post offices of the first class having gross annual receipts of less than a million dollars and in all second-class post offices, vacancies may be filled by the promotion or transfer of qualified employees in the Postal Service.

No person may be designated to serve as acting postmaster for more than 6 months without the express approval of the Civil Service Commission. No incumbent postmaster may be reappointed without examination, and upon the expiration after January 1, 1938, of the term of any postmaster the position is to be filled in accordance with the terms of the new bill.

The provision of the measure which makes it effective on January 1, 1938, is in accordance with the original recommendation of the Civil Service Commission in its annual report of a year ago.

THE BANKING SYSTEM

Mr. FLETCHER. I introduce a bill for reference to the Committee on Banking and Currency, and with the bill I submit a summary of the proposed banking legislation. I ask to have both printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 1715) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

A bill to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes

Be it enacted, etc., This act may be cited as the "Banking Act of 1935."

TITLE I

Section 12 (b) of the Federal Reserve Act, as amended (U. S. C., Supp. VII, title 12, sec. 264), is further amended as follows:

1. By striking out subsection (a) and inserting in lieu thereof the following:

"(a) There is hereby created a Federal Deposit Insurance Corporation (hereinafter referred to as the 'Corporation'), which shall insure, as hereinafter provided, the deposits of all banks which are entitled to the benefits of insurance under this section, and which shall have the right to exercise all powers hereinafter granted."

2. By adding at the end of subsection (b) the following:

"In the event of a vacancy in the office of the Comptroller of the Currency, and pending the appointment of his successor, the Acting Comptroller of the Currency shall be a member of the board of directors in his place and stead. In the absence of the Comptroller of the Currency any Deputy Comptroller of the Currency may, within the limits prescribed by the Comptroller, act as a member of the board of directors in his place and stead."

3. By inserting a new subsection to read as follows:

"(c) As used in this section—

"(1) The term 'State bank' means any bank, banking association, trust company, savings bank, or other banking institution which is engaged in the business of receiving deposits and which is incorporated under the laws of any State or the Territories of Hawaii or Alaska or which is operating under the Code of the District of Columbia (except a national bank).

"(2) The term 'State member bank' means any State bank which is a member of the Federal Reserve System, and the term 'State nonmember bank' means any other State bank.

"(3) The term 'District bank' means any State bank operating under the Code of the District of Columbia.

"(4) The term 'national member bank' means any national bank located in the States of the United States, the District of Columbia, or the Territories of Hawaii or Alaska, except a national nonmember bank as hereinafter defined.

"(5) The term 'national nonmember bank' means any national bank located in the Territories of Hawaii or Alaska which is not a member of the Federal Reserve System.

"(6) The term 'mutual savings bank' means a bank without capital stock transacting a savings-bank business, the net earn-

ings of which inure wholly to the benefit of its depositors after payment of obligations for any advances by its organizers.

"(7) The term 'insured bank' means any bank the deposits of which are insured in accordance with the provisions of this section, and the term 'noninsured bank' means any other bank.

"(8) The term 'new bank' means a new national banking association organized by the corporation to assume the insured deposits of an insured bank closed on account of inability to meet the demands of its depositors and otherwise to perform temporarily the functions provided in this section.

"(9) The term 'receiver' shall include a receiver, liquidating agent, conservator, commission, person, or other agency charged by law with the duty of winding up the affairs of a bank.

"(10) The term 'board of directors' means the board of directors of the corporation.

"(11) The term 'deposit' means the unpaid balance of money or its equivalent received by a bank in the usual course of business and for which it has given or is obligated to give unconditional credit to a commercial, checking, savings, time, or thrift account, or which is evidenced by its certificate of deposit, and trust funds as provided in paragraph (5) of subsection (h) of this section, together with such other obligations of a bank as the board of directors shall find and shall prescribe by its regulations to be deposit liabilities by general usage: *Provided*, That any obligation of a bank which is payable only at an office of the bank located outside the States of the United States, the District of Columbia, and the Territories of Hawaii and Alaska shall not be a deposit for purposes of this section or be included as a part of total deposits or of an insured deposit. The board of directors may by regulation further define the terms used in this paragraph.

"(12) The term 'insured deposit' means such part of the net amount of money due to any depositor for deposits in an insured bank, after deducting offsets, as shall not exceed the maximum prescribed by paragraph (1) of subsection (1) of this section. Such amount shall be determined according to such regulations as the board of directors may prescribe. In determining the amount due to any depositor there shall be added together all deposits in the bank maintained in the same capacity and the same right for his benefit either in his own name or in the names of others, except trust funds, which shall be insured as provided in paragraph (5) of subsection (h) of this section.

"(13) The term 'transferred deposit' means a deposit in a new bank or other insured bank made available to a depositor by the corporation as payment of the insured deposit of such depositor in a closed bank, and assumed by such new bank or other insured bank.

"(14) The term 'effective date' means the date of enactment of the title containing this amendment."

4. By striking out in subsection (c) the following, "(c)" and inserting "(d)"; by striking out in said subsection (c) that part of the third sentence following the words "Federal Reserve banks" in said sentence and inserting a period; by striking out in subsection (d) the following: "(d)" and the first four sentences of said subsection (d); and by striking out in the fifth sentence of said subsection the following: "class B"; and by inserting at the end of subsection "(d)" the following: "The capital stock of the corporation shall consist of the shares subscribed for prior to the effective date. Such stock shall be without nominal or par value, and shares issued prior to the effective date shall be exchanged and reissued at the rate of one share for each $100 paid into the corporation for capital stock. The consideration received by the corporation for the capital stock shall be allocated to capital and to surplus in such amounts as the board of directors shall prescribe. Such stock shall have no vote and shall not be entitled to the payment of dividends."

5. By striking out subsection (e) and inserting in lieu thereof the following:

"(e) (1) Every operating member bank, including a bank incorporated since March 10, 1933, licensed on or before the effective date by the Secretary of the Treasury, shall be and continue without application or approval an insured bank and shall be subject to the provisions of this section.

"(2) After the effective date any national member bank authorized to commence or resume the business of banking, State bank converting into a national member bank, or State bank becoming a member of the Federal Reserve System shall be an insured bank from the time the certificate herein prescribed shall be issued to the Corporation by the Comptroller of the Currency in the case of such national member bank, or by the Federal Reserve Board in the case of such State member bank: *Provided*, That in the case of an insured bank admitted to membership in the Federal Reserve System or insured State bank converting into a national member bank, such certificate shall not be required, and the bank shall continue as an insured bank. Such certificate shall state that the bank is authorized to transact the business of banking in the case of a national member bank, or is a member of the Federal Reserve System in the case of a State member bank, and that consideration has been given to the factors enumerated in subsection (g) of this section."

6. By striking out subsection (f) and inserting in lieu thereof the following:

"(f) (1) Every bank not a member of the Federal Reserve System which on the effective date is a member of the temporary Federal deposit insurance fund, or of the fund for mutuals created pursuant to the provisions of an act approved June 16, 1933 (48 Stat. 168, ch. 89), as amended June 16, 1934 (48 Stat. 969, ch. 546), shall be and continue without application or approval an insured bank and shall be subject to the provisions of this section, unless in accordance with regulations to be prescribed by the board of directors such bank shall give to the Corporation within 30 days after the effective date written notice of its election not to continue after June 30, 1935, as an insured bank and shall give to its depositors, by publication or by any reasonable means, as the board of directors may prescribe, not less than 20 days' notice prior to June 30, 1935, of such election: *Provided*, That any State nonmember bank which was admitted to said temporary Federal deposit insurance fund or fund for mutuals but which did not file on or before the effective date of October 1, 1934, certified statement and make the payment thereon required by law as it existed prior to the effective date, shall cease to be an insured bank on June 30, 1935: *Provided further*, That no bank admitted to the said temporary Federal deposit insurance fund or the fund for mutuals prior to the effective date shall, after June 30, 1935, be an insured bank or have its deposits insured by the Corporation, if such bank shall have permanently discontinued its banking operations prior to the effective date. Deposits of the bank giving such notice shall continue to be insured until June 30, 1935, and the rights of the bank shall be as provided by law existing prior to the effective date, and such bank shall not be insured by the Corporation beyond June 30, 1935.

"(2) Until July 1, 1937, any national nonmember bank, on application by the bank and certification by the Comptroller of the Currency in the manner prescribed in subsection (e) of this section and until such date any State nonmember bank, upon application to and examination by the Corporation and approval by the board of directors, may become an insured bank. Before approving the application of any such State nonmember bank, the board of directors shall give consideration to the factors enumerated in subsection (g) of this section and shall determine, upon the basis of a thorough examination of such bank, that its assets in excess of its capital requirements are adequate to enable it to meet all of its liabilities as shown by the books of the bank to depositors and other creditors."

7. By striking out subsection (g) and inserting in lieu thereof the following:

"(g) The factors to be enumerated in the certificate required under subsection (e) and to be considered by the board of directors under subsection (f) shall be the following: The financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served by the bank, and whether or not its corporate powers are consistent with the purposes of this section."

8. By striking out subsection (h) and inserting in lieu thereof the following:

"(h) (1) The assessment rate shall be one-twelfth of 1 percent per annum upon the total amount of the liability of the insured bank for deposits (according to the definition of the term 'deposit' in and pursuant to paragraph (11) of subsection (c) of this section, without any deduction for indebtedness of depositors) based on the average determined from such total as of the close of business on the last day of June and the last day of December of each year: *Provided*, That the board of directors from time to time may fix a lower rate or may provide for a refund or credit by a percentage upon the last annual assessment rate not exceeding 50 percent thereof, when it finds that such action will provide or leave, as the case may be, adequate revenue and reserves for the Corporation having due regard to experience and conditions affecting banks. The rate or percentage so fixed shall be applicable to all insured banks, except that the board of directors on a similar finding, from time to time, may provide that the rate so fixed shall be applicable to insured mutual savings banks only or may provide a different rate applicable to mutual savings banks only.

"(2) On or before the 15th day of July of each year each insured bank shall file with the Corporation a certified statement under oath showing the total amount of its liability for deposits as of the close of business on the 30th day of June last preceding and shall pay to the Corporation the portion of the annual assessment equal to one-half of the annual rate fixed by this subsection (h) multiplied by its said total deposits on the date for which such statement is made. On or before the 15th day of January of each year each insured bank shall file a like statement showing the total amount of its liability for deposits as of the close of business on the 31st day of December last preceding, and shall pay to the Corporation the portion of the annual assessment equal to one-half of the annual rate fixed by this subsection (h) multiplied by its said total deposits on the date for which such statement is made.

"(3) Every bank which becomes an insured bank after the effective date and on any date more than 30 days before the next succeeding last day of June or December of any year shall pay to the Corporation as an initial assessment the prorated portion for the period between the date such bank became an insured bank and the next succeeding last day of June or December, as the case may be, of an amount equal to one-half the annual assessment rate provided in this section multiplied by its total deposits at the close of business on the fifteenth day after it becomes an insured bank. In all other cases the initial assessment upon a bank which becomes an insured bank after the effective date shall be the assessment payable according to paragraphs (1) and (2) of this subsection.

"(4) Each bank which shall be and continue without application or approval an insured bank in accordance with the provisions of subsections (e) or (f) of this section shall, in lieu of all right to

refund, be credited with any balance to which such bank shall become entitled upon the termination of said temporary Federal deposit insurance fund or the fund for mutuals. The credit shall be applied by the Corporation toward the payment of the assessment next becoming due from such bank and upon succeeding assessments until the credit is exhausted.

"(5) Trust funds held by an insured bank in a fiduciary capacity, whether held in its trust or deposited in any other department or in another bank, shall be insured subject to a $5,000 limit for each trust estate and when deposited by the fiduciary bank in another insured bank, shall be similarly insured to the fiduciary bank according to the trust estates represented. Notwithstanding any other provision of this section, such insurance shall be separate from and additional to that covering other deposits of the owners of such trust funds or beneficiaries of such trust estates: *Provided*, That where the fiduciary bank deposits any of such trust funds in other insured banks the amount so held by other banks on deposit on the last day of the month preceding the filing of the certified statement required by paragraph (2) of subsection (h) of this section for the purpose of such statement shall not be considered to be a deposit liability of the fiduciary bank, but shall be considered a deposit liability of the bank in which such funds are so deposited by such fiduciary bank. The board of directors shall have power by regulation to prescribe the manner of reporting and of depositing such funds."

9. By striking out subsection (i) and inserting in lieu thereof the following:

"(i) (1) Any insured bank (except a national member bank or State member bank) may, upon not less than 90 days' written notice to the Corporation, terminate its status as an insured bank. Wherever the board of directors shall find that an insured bank or its directors or trustees have continued unsafe or unsound practices in conducting the business of such bank or have knowingly or negligently permitted any of its officers or agents to violate repeatedly any provision of this section or of any regulation made thereunder, or of any law or regulation made pursuant to law to which the insured bank is subject, the board of directors shall first give to the Comptroller of the Currency in the case of a national bank or district bank, to the authority having supervision in case of a State bank, and also to the Federal Reserve Board in case of a State member bank, a statement of such violation by the bank for the purpose of securing a correction of such practices or conditions. Unless such correction shall be made within such period of time not exceeding 120 days as the Comptroller of the Currency, the State authority, or Federal Reserve Board, as the case may be, shall require, the board of directors, if it shall determine to proceed further, shall give to the bank not less than 30 days' written notice of intention to terminate the status of the bank as an insured bank, fixing a time and place for a hearing before the board of directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the board of directors shall make written findings which shall be conclusive. Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured bank. If the board of directors shall find that any ground specified in such notice has been established, the board of directors may order that the insured status of the bank be terminated on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. The Corporation may publish notice of such termination and the bank shall give notice of termination to its depositors, in such manner and at such time as the board of directors may find necessary and may order for the protection of depositors. After termination of the insured status of any bank under the provisions of this paragraph, the insured deposits of each depositor in the bank on the date of such termination, less all subsequent withdrawals, shall continue for a period of 2 years to be insured and the bank shall continue to pay to the Corporation assessments as in the case of an insured bank for such period of 2 years from such termination, but no additions to any deposits or any new deposits shall be insured by the Corporation, and the bank shall not advertise or hold itself out as having insured deposits unless in the same connection it shall state with equal prominence that additions to deposits and new deposits made after the date of such termination, specifying such date, are not insured. Such bank shall in all other respects be subject to the duties and obligations of an insured bank for the period of 2 years from such termination and in the event of being closed on account of inability to meet the demands of its depositors within such period of 2 years, the Corporation shall have the same powers and rights with respect to such bank as in case of an insured bank.

"(2) Whenever the insured status of a member bank shall be terminated by action of the board of directors, the Federal Reserve Board in the case of a State member bank shall terminate its membership in the Federal Reserve System in accordance with the provisions of section 9 of the Federal Reserve Act and in the case of a national member bank the Comptroller of the Currency shall appoint a receiver for the bank (to be the Corporation whenever the bank shall be unable to meet the demands of its depositors). Whenever a member bank shall cease to be a member of the Federal Reserve System, its status as an insured bank shall without notice or other action by the board of directors terminate on the date of the taking effect of the termination of membership of the bank in the Federal Reserve System, with like effect as if terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection (i).

"(3) When the liabilities of an insured bank for deposits shall have been assumed by another bank or banks, the insured status of such insured bank shall terminate on the receipt by the Corporation of satisfactory evidence of such assumption with like effect as if terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection (i): *Provided*, That if such bank gives notice of such assumption within 30 days after such assumption takes effect to its depositors, by publication or by any reasonable means, in accordance with regulations to be prescribed by the board of directors, the insurance of its deposits shall terminate at the end of 6 months from the date such assumption takes effect and such bank shall be relieved of all future obligations to the Corporation, including the obligation to pay future assessments."

10. By striking out the period at the end of paragraph "Fourth" of subsection (j) and inserting a colon and the following: "*Provided*, That, notwithstanding any other provision of law, all suits of a civil nature at common law or in equity to which the Federal Deposit Insurance Corporation shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of all such suits; and the Corporation as defendant in any such suit may, at any time before the trial thereof, remove such suit from a State court into the district court of the United States for the proper district by following the procedure for the removal of causes otherwise provided by law. No attachment or execution shall be issued against the Corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court."; and by inserting at the end of said subsection the following:

"Eighth. To make examinations of and to require information and reports from banks, as provided in this section.

"Ninth. To act as receiver.

"Tenth. To prescribe by its board of directors such rules and regulations as it may deem necessary to carry out the provisions of this section."

11. By striking out in subsection (k) "(k)" and inserting in lieu thereof "(k) (1)"; and by adding to said subsection 3 new paragraphs to read as follows:

"(2) The board of directors shall appoint examiners, who shall have power on behalf of the Corporation (except as to a District bank) to examine any insured State nonmember bank, State nonmember bank making application to become an insured bank, or closed insured bank, whenever considered necessary. Such examiners shall have like power to examine, with the written consent of the Comptroller of the Currency, any national bank, or District bank and, with the written consent of the Federal Reserve Board, any State member bank. Each examiner shall have power to make a thorough examination of all of the affairs of the bank, and in doing so he shall have power to administer oaths and to examine and take and preserve the testimony of any of the officers and agents thereof under oath and shall make a full and detailed report of the condition of the bank to the Corporation. The board of directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have power to administer oaths and to examine under oath and take and preserve testimony of any person relating to such claims. Any such examiner or claim agent in relation to any such examination, investigation, or taking of testimony may apply to any judge or clerk of any court of the United States to issue subpenas and to compel the appearance of witnesses and the production and taking of any such testimony and to punish disobedience in like manner as provided in sections 184–186 of the Revised Statutes (U. S. C., title 5, secs. 94–96).

"(3) Each insured State nonmember bank (except a district bank) shall make to the Corporation reports of condition in such form and at such times as the board of directors may require of such bank. The board of directors may require such reports to be published in such manner, not inconsistent with any applicable law, as it may direct. Every such bank which fails to make or publish any such report within such time, not less than 5 days, as the board of directors may require, shall be subject to a penalty of $100 for each day of such failure recoverable by the Corporation for its use.

"(4) The Corporation shall have access to reports of examinations made by and reports of condition made to the Comptroller of the Currency or any Federal Reserve bank, and may accept any report made by or to any commission, board, or authority having supervision of a State nonmember bank (except a district bank), and may furnish to the Comptroller of the Currency, or any such Federal Reserve bank, commission, board, or authority reports of examinations made on behalf of and reports of condition made to the Corporation."

12. By striking out all of subsection (l) preceding the last paragraph thereof and inserting in lieu thereof the following:

"(l) (1) The temporary Federal deposit insurance fund and the fund for mutuals are hereby consolidated into the permanent insurance for deposits created by this section, and the assets therein shall be held by the Corporation for the uses and purposes of the Corporation: *Provided*, That the obligations to and rights of the Corporation, depositors, banks, and other persons arising out of any event or transaction prior to the effective date shall remain unimpaired. From the effective date the Corporation shall insure the deposits of all insured banks as defined and provided in this section. The maximum amount of the insured deposit of any depositor shall be $5,000.

"(2) An insured bank shall, for the purposes of this section, be deemed to have been closed on account of inability to meet the demands of its depositors in any case where it has been closed for the purpose of liquidation without adequate provision for payment of its depositors.

"(3) Notwithstanding any other provision of law, whenever any insured national bank or insured district bank shall have been closed by action of its board of directors or the Comptroller of the Currency, as the case may be, on account of inability to meet the demands of its depositors, the Comptroller of the Currency shall appoint the Corporation receiver for such closed bank, and no other person shall be appointed as receiver of such closed bank.

"(4) It shall be the duty of the Corporation as such receiver to realize upon the assets of such closed bank, having due regard to the condition of credit in the district in which such closed bank is located; to enforce the individual liability of the stockholders and directors thereof; and to wind up the affairs of such closed bank in conformity with the provisions of law relating to the liquidation of closed national banks, except as herein otherwise provided, retaining for its own account such portion of the amount realized from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors, and paying to depositors and other creditors the net amount available for distribution to them. With respect to such closed bank, the Corporation as such receiver shall have all the rights, powers, and privileges now possessed by or hereafter given a receiver of an insolvent national bank.

"(5) Whenever any insured State bank, except a district bank, shall have been closed by action of its board of directors or by the authority having supervision of such bank, as the case may be, on account of inability to meet the demands of its depositors, the Corporation shall accept appointment as receiver thereof, if such appointment be tendered by the authority having supervision of such bank and be authorized or permitted by State law. With respect to such insured State bank, the Corporation shall possess the powers and privileges given by State law to a receiver of such State bank.

"(6) When an insured bank shall have been closed on account of inability to meet the demands of its depositors, payment of the insured deposits shall be made by the Corporation, subject to the provisions of paragraph (7) of this subsection (1), either (a) by making available to each depositor a transferred deposit in a new bank or in another insured bank in the same community in an amount equal to the insured deposit of such depositor and subject to withdrawal on demand, or (b) in accordance with any other procedure adopted by the board of directors: *Provided*, That the Corporation, in its discretion, may require proof of claims to be filed before paying the insured deposits, and that in any case where the Corporation is not satisfied as to the validity of a claim for an insured deposit it may require the final determination of a court of competent jurisdiction before paying such claim.

"(7) In the case of a closed national bank or district bank the Corporation, upon payment of any depositor as provided in paragraph (6) of this subsection (1), shall become and be subrogated to all rights of the depositor to the extent of such payment. In the case of any other closed insured bank the Corporation shall not pay any depositor until the right of the Corporation to be subrogated to the rights of such depositor on the same basis as provided in the case of a closed national bank under this section shall have been recognized, by express provisions of State law, by allowance of claims by the authority having supervision of such bank, by assignment of claims by depositors, or by any other effective method. Such subrogation in the case of any closed bank shall include the right to receive the same dividends from the proceeds of the assets of such closed bank as would have been payable to such depositor on a claim for the insured deposit, such depositor retaining his claim for any uninsured portion of his deposit.

"(8) As soon as possible, the Corporation, if it finds that it is advisable and in the interest of the depositors of the closed bank or the public, shall organize a new bank to assume the insured deposits of such closed bank and otherwise to perform temporarily the functions provided for in this section. The new bank shall have its place of business in the same community as the closed bank.

"(9) The articles of association and the organization certificate of the new bank shall be executed by representatives designated by the Corporation. No capital stock need be paid in by the Corporation. The new bank shall not have a board of directors but shall be managed by an executive officer appointed by the board of directors of the Corporation and who shall be subject to its directions. In other respects such bank shall be organized in accordance with the existing provisions of the law relating to the organization of national banking associations. The new bank may, with the approval of the Corporation, accept new deposits, which shall be subject to withdrawal on demand. The new bank, without application or approval, shall be an insured bank and shall maintain on deposit with the Federal Reserve bank of its district the reserves required by law for member banks, but shall not be required to subscribe for stock of the Federal Reserve bank. Funds of the new bank shall be kept on hand in cash, invested in securities of the Government of the United States, or in securities guaranteed as to principal and interest by the Government of the United States, or deposited with the Corporation, or with a Federal Reserve bank, or with an insured bank. The new bank, unless otherwise authorized by the Comptroller of the Currency, shall transact no business except that authorized by this section and such business as may be incidental to its organization. Notwithstanding any other provision of law it, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"(10) On the organization of a new bank, the Corporation shall promptly make available to the new bank an amount equal to the estimated insured deposit of such closed bank plus the amount of its estimated expenses of operation and shall determine as expeditiously as possible the amount due each depositor for his insured deposit in the closed bank, and the total expenses of operation of the new bank. Upon determination thereof, the amounts so estimated and made available shall be adjusted to conform to the amounts so determined. Earnings of the new bank shall be paid over or credited to the Corporation in such adjustment. The new bank shall assume as transferred deposits the payment of the insured deposits of such closed bank to each of its depositors. Of the amount so made available, the Corporation shall transfer to the new bank, in cash, such amount as is necessary to enable it to meet expenses and immediate cash demands on such transferred deposits and the remainder shall be subject to withdrawal by the new bank on demand.

"(11) When in the judgment of the board of directors it is desirable to do so, the Corporation shall cause capital stock of the new bank to be offered for sale on such terms and conditions as the board of directors shall deem advisable, in an amount sufficient, in the opinion of the board of directors, to make possible the conduct of the business of the new bank on a sound basis, but in no event less than that required by section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), for the organization of a national bank in the place where such new bank is located, giving the stockholders of the closed bank the first opportunity to purchase any shares of common stock so offered. Upon proof that an adequate amount of capital stock in the new bank has been subscribed and paid for in cash, the Comptroller of the Currency shall require the articles of association and the organization certificate to be amended to conform to the requirements for the organization of a national bank, and thereafter, when the requirements of law with respect to the organization of a national bank have been complied with, he shall issue a certificate of authority to commence business to the bank, which shall thereupon cease to have the status of a new bank and shall be managed by directors elected by its own shareholders and may exercise all the powers granted by law and shall be subject to all of the provisions of law relating to national banks. Such bank shall thereafter be an insured national bank, without certification to or approval by the Corporation.

"(12) If the capital stock of the new bank shall not be offered for sale, or if an adequate amount of capital for such new bank is not subscribed and paid in, the board of directors may offer to transfer its business to any insured bank in the same community which will take over its assets, assume its liabilities, and pay to the Corporation for such business such amount as the board of directors may deem adequate; or the board of directors in its discretion may change the location of the new bank to the office of the Corporation or to some other place or may at any time wind up its affairs as herein provided. Unless the capital stock of the new bank is sold or its assets acquired and its liabilities assumed by an insured bank, as provided above, within 2 years from the date of its organization, the Corporation shall wind up its affairs, after giving such notice, if any, as the Comptroller of the Currency may require, and shall certify to the Comptroller of the Currency the termination of the new bank and thenceforth the Corporation shall be liable for its obligations and be the owner of its assets. The provisions of sections 5220 and 5221 of the Revised Statutes (U. S. C., title 12, secs. 181 and 182) shall not apply to such new banks."

13. By inserting before the said last paragraph of subsection (l) the following: "(n) (1)"; and by striking out the comma after the words "United States" in the first sentence of said paragraph and inserting before the word "except" the following: "or in securities guaranteed as to principal and interest by the Government of the United States,"; and by transposing said paragraph to subsection (n) as amended, as paragraph (1) thereof.

14. By striking out in subsection (m) the following: "(m)"; and by striking out in said subsection the word "herein" and inserting in lieu thereof "in this section"; and by transposing said subsection to subsection (n), as amended, as paragraph (2) thereof.

15. By adding a new subsection to read as follows:

"(m) (1) The Corporation as receiver of a closed national bank or district bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the Corporation, subject to the approval of the Comptroller of the Currency, and may be paid by it out of funds coming into its possession as such receiver. The Comptroller of the Currency is authorized and empowered to waive and relieve the Corporation from complying with any regulations of the Comptroller of the Currency with respect to receiverships where in his discretion such action is deemed advisable to simplify administration.

"(2) Payment of an insured deposit to any person by the Corporation shall discharge the Corporation, and payment of a transferred deposit to any person by the new bank or the other insured bank shall discharge the Corporation and such new bank or other insured bank, to the same extent that payment to such person by the closed bank would have discharged it from liability for the insured deposit.

"(3) Except as otherwise prescribed by the board of directors, neither the Corporation, such new bank, nor such other insured bank, shall be required to recognize as the owner of any portion of a deposit appearing on the records of the closed bank under a name other than that of the claimant, any person whose name or interest as such owner is not disclosed on the records of such closed bank as part owner of said account, where such recognition would increase the aggregate amount of the insured deposits in such closed bank.

"(4) The Corporation may withhold payment of such portion of the insured deposit of any depositor in a closed bank as may be required to provide for the payment of any liability of such depositor as a stockholder of the bank, or of any liability of such depositor to the bank or its receiver, not offset against a claim due from the bank, pending the determination and payment of such liability by such depositor or any other person liable therefor.

"(5) If any depositor in a closed bank shall fail to claim his insured deposit from the Corporation, or shall fail to claim or arrange to continue the transferred deposit with the new bank or other bank assuming liability therefor within 1 year after the appointment of the receiver for the closed bank, all rights of the depositor against the Corporation in respect to the insured deposit or against the new bank and such other bank in respect to the transferred deposit shall be barred, and all rights of the depositor against the closed bank, its shareholders, or the receivership estate to which the Corporation may have become subrogated shall thereupon revert to the depositor. The amount of any transferred deposits not claimed within said 1-year period, shall be refunded to the Corporation."

16. By striking out in subsection (n) the following: "(n)" and inserting "(3)"; and by retaining said subsection in paragraph (3) of subsection (n), as amended; and by striking out in said subsection (n) the words " member banks which are now or may hereafter become insolvent or suspended " and inserting in lieu thereof " insured banks closed on account of inability to meet the demands of depositors "; and by striking out " State member " and inserting in lieu thereof " insured State "; and by striking out the period at the end of the first sentence and inserting in lieu thereof " or district banks "; and by adding at the end of said subsection two new sentences to read: " The Corporation, in its discretion, may make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured bank which is now or may hereafter be closed on account of inability to meet the demands of its depositors. In any case where the Corporation is acting as receiver of such insured bank such loan or purchase shall not be made without approval of a court of competent jurisdiction."; and by adding to subsection (n), as amended, a new paragraph to read as follows:

"(4) Until July 1, 1936, whenever in the judgment of the board of directors such action will reduce the risk or avert a threatened loss to the Corporation and will facilitate a merger or consolidation, or facilitate the sale of the assets of an insured bank to and assumption of its liabilities by another insured bank, the Corporation may, upon such terms and conditions as it may determine, make loans secured by the assets of such insured bank in subordination to the rights of depositors or otherwise, or may purchase such assets, or may guarantee any other insured bank against loss by reason of assuming the liabilities and purchasing the assets of such insured bank. Any insured national bank or district bank or, with the approval of the Comptroller of the Currency, any conservator thereof is authorized to contract for such sales or loans and to pledge any assets of the bank to secure such loans.

17. By striking out in subsection (o) the following: "(o)", and inserting in lieu thereof "(o) (1)"; and by inserting after the word " empowered " in the first sentence in subsection (o) the following: " with the approval of the Secretary of the Treasury "; by striking out in subsection (o) the words " of its capital " and inserting in lieu thereof " received by the Corporation in payment of its capital stock and of the first annual assessments "; and by adding at the end of subsection (o) two new paragraphs to read as follows:

"(2) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder. The Secretary of the Treasury may, at any time, sell any of the obligations of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States.

"(3) No obligations, contingent or absolute, shall be incurred for the expenditure or other disposition of funds heretofore, hereby, or hereafter appropriated or otherwise obtained for the carrying out of functions of the Corporation unless within estimates of such obligations and expenditures approved by the Director of the Budget; and, to the extent that the Secretary of the Treasury may consider practicable and under such rules and regulations as he may prescribe, there shall be maintained on the books of the Treasury Department such accounts as may be necessary to give full force and effect to this provision: *Provided*, That this paragraph shall not apply to obligations of the Corporation to depositors of banks closed on account of inability to meet the demands of depositors, obligations for expenses of paying its obligations to depositors or expenses of operation of new banks, obligations connected with the powers and duties of the Corporation as receiver, or obligations incurred for the purposes provided in this subsection (n) of this section, or obligations to make the refund provided by law to any bank not a member of the Federal Reserve System electing as provided in subsection (f) of this section not to continue after June 30, 1935, as an insured bank."

18. By adding at the end of subsection (r) the following:

" The board of directors, from time to time, shall gather information and data and shall make investigations and reports upon the organization, operation, closing, reopening, reorganization, and consolidation of banks, banking practices and management, and the security of depositors and adequacy of service to borrowers. The board of directors, in any annual or special report to Congress, shall report its findings and make such recommendations and requests as it shall find necessary and appropriate for the purpose of carrying out the purposes of this section and fully providing for all of the obligations of the Corporation."

19. By inserting in subsection (s) following the words " purchase any assets " the following: " or for the purpose of obtaining the payment of any insured deposit or transferred deposit or the allowance, approval, or payment of any claim."

20. By striking out in subsection (v) the following: "(v)", and inserting in lieu thereof "(v) (1)"; and by striking out in said subsection " class A stockholder of the Federal Deposit Insurance Corporation " and inserting in lieu thereof " insured bank."

21. By striking out the second paragraph of subsection (v) and inserting in lieu thereof the following:

"(2) Every insured bank shall display at each place of business maintained by it a sign or signs, and shall include in advertisements relating to deposits and in forms furnished for use of its depositors as specified by regulations of the board of directors, a statement to the effect that its deposits are insured by the Corporation. The board of directors shall prescribe by regulation the forms of such signs and the manner of display and the forms of such statements and the manner of use. For each day an insured bank continues to violate any provision of this paragraph or any lawful provision of said regulations it shall be subject to a penalty of $100, which shall be recoverable by the Corporation for its use."

22. By adding to subsection (v) three new paragraphs to read as follows:

" (3) No insured bank shall pay any dividends on its capital stock while it remains in default in the payment of any assessment due to the Corporation; and any director or officer of any insured bank, who participates in the declaration or payment of any such dividend shall, upon conviction, be fined not more than $1,000 or imprisoned not more than 1 year, or both.

" (4) Unless, in addition to compliance with other provisions of law, it shall have the prior written consent of the Corporation, no insured bank shall enter into any consolidation or merger with any noninsured bank, or assume liability to pay any deposits of any noninsured bank, or transfer assets to any noninsured bank in consideration of the assumption of liability for any portion of its deposits, and no insured State nonmember bank (except a district bank) without such consent shall reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures.

" (5) Each insured bank shall provide such protection and indemnity against burglary, fidelity, and other similar insurable losses as the board of directors by regulation may require adequately to reimburse the bank for such losses. Whenever any insured bank fails to comply with any such regulation the Corporation may contract for such protection and indemnity and add the cost thereof to the assessment otherwise payable by such bank.

" (6) Whenever an insured bank, except a national bank or district bank, for a period of 120 days after written notice of the recommendations of the Corporation, based on a report of examination of such bank by an examiner of the Corporation, shall fail to comply with such recommendations, the Corporation shall have the power, and is hereby authorized to publish any part of such report of examination in such manner as it may determine: *Provided*, That such notice of intention to make such publication shall be given at the time such recommendations are made, or at any time thereafter and at least 90 days before such publication."

23. By striking out all of subsection (y) preceding the last paragraph thereof and inserting in lieu thereof the following:

" (y) (1) No State nonmember bank, other than (a) a mutual savings bank, or (b) a Morris Plan Bank, or (c) a bank located in the Territories of Hawaii or Alaska, shall become or continue an insured bank after July 1, 1937, and the insured status and insurance of the deposits of each State nonmember bank, other than (a) a mutual savings bank, or (b) a Morris Plan Bank, or (c) a bank located in the Territories of Hawaii or Alaska, shall terminate on July 1, 1937.

"(2) For the purposes of this section, and notwithstanding any other provision thereof, any unincorporated bank which continues to be an insured bank without application or approval under the provisions of paragraph (1) of subsection (f) of this section shall be included in the term 'State bank' and 'State nonmember bank'."

24. By inserting at the beginning of the last paragraph of subsection (y) the following: " 3."

TITLE II—AMENDMENTS TO THE FEDERAL RESERVE ACT

SECTION 201. (a) Section 4 of the Federal Reserve Act, as amended, is further amended by striking out the paragraph which

commences with the words "Class C directors shall be appointed by the Federal Reserve Board" and the next succeeding paragraph, and inserting in lieu thereof the following:

"Class C directors shall be appointed by the Federal Reserve Board. They shall have been for at least 2 years residents of the districts for which they are appointed, except that this requirement shall not apply to the Governor and Vice Governor of the bank. Each class C director shall hold office for a term of 3 years except that the Governor's term as a class C director shall expire when he ceases to be Governor of the bank and, if the Vice Governor be designated as a class C director, his term as a class C director shall expire when he ceases to be Vice Governor. One of the directors of class C shall be appointed by the Federal Reserve Board as deputy chairman to exercise the powers of the chairman of the Board when necessary. In the case of the absence of the chairman and deputy chairman, the third class C director shall preside at meetings of the Board.

"Effective 90 days after the enactment of the act containing this amendment, the offices of Governor and chairman of the board of directors of each Federal Reserve bank shall be combined. The Governor shall be the chief executive officer of the bank and shall be appointed annually by the board of directors, subject to the approval of the Federal Reserve Board. He shall not take office until approved by the Federal Reserve Board and thereupon he shall be appointed by the Federal Reserve Board as one of the class C directors of the bank. He shall be ex officio chairman of the board of directors and chairman of the executive committee; and all other officers and employees of the bank shall be directly responsible to him. For each Federal Reserve bank there shall be appointed annually in the same manner as the Governor a Vice Governor, who shall, in the absence or disability of the Governor or during a vacancy in the office of Governor, serve as the chief executive officer of the bank and act as chairman of the executive committee of the bank. He may be appointed by the Federal Reserve Board as a class C director of the bank and in such case may be appointed as deputy chairman of the board of directors. Whenever a vacancy shall occur in the office of the Governor or Vice Governor of a Federal Reserve bank, it shall be filled in the manner provided for original appointments; and the person so appointed shall hold office until the expiration of the term of his predecessor.

"Effective 90 days after the enactment of the act containing this amendment, any Federal Reserve agent who shall not have been appointed governor of the bank shall cease to be a class C director and chairman of the board of directors. All duties prescribed by law for the Federal Reserve agent shall be performed by such person as the Federal Reserve Board shall designate.

"No member of the board of directors of a Federal Reserve bank, other than the governor and vice governor, shall serve as a director for more than 2 consecutive terms of 3 years each, but this shall not prevent the present incumbents from serving out the remainders of their present terms."

(b) The last paragraph of such section 4 is amended by striking out the words "Thereafter every director of a Federal Reserve bank chosen as hereinbefore provided shall hold office for a term of 3 years" and substituting the words "Thereafter each director of class A and each director of class B chosen as hereinbefore provided shall hold office for a term of 3 years."

SEC. 202. Section 9 of the Federal Reserve Act, as amended, is amended by changing the period at the end of the tenth paragraph thereof to a colon and adding the following: "*Provided further*, That, upon application to the Federal Reserve Board at any time prior to July 1, 1937, by any nonmember bank which at the time of such application has been admitted to the benefits of insurance by the Federal Deposit Insurance Corporation under section 12B of this act, the Federal Reserve Board in its discretion, in order to facilitate the admission of such bank to membership in the Federal Reserve System, may waive, in whole or in part, the requirements of this section relating to the amount of capital required of such bank. Such bank shall comply with such requirements within such period or periods after admission as in the Board's judgment shall be reasonable in view of all the circumstances."

SEC. 203. Section 10 of the Federal Reserve Act, as amended, is further amended in the following respects:

(1) By striking out the second sentence of the first paragraph and substituting the following: "In selecting the six appointive members of the Federal Reserve Board the President shall choose persons well qualified by education or experience, or both, to participate in the formulation of national economic and monetary policies. Not more than one of the appointive members shall be selected from any one Federal Reserve district, except that this limitation shall not apply to the selection of the Governor."

(2) By adding at the end of such first paragraph the following: "The appointive members of the Federal Reserve Board appointed after July 1, 1935, shall each receive a salary at the same rate as that of the heads of executive departments who are members of the President's Cabinet, together with actual necessary traveling expenses. Each appointive member of the Federal Reserve Board heretofore appointed may retire from active service upon reaching the age of 70 or at any time thereafter, and all members hereafter appointed shall retire upon reaching the age of 70. Each member of the Board so retired from active service who shall have served for at least 5 years shall receive, during the remainder of his life, retirement pay in an amount equal to the annual salary paid to appointive members prior to the enactment of the act containing this amendment: *Provided*, That if he shall not have served for as much as 12 years his retirement pay shall be at the rate of one-twelfth of such annual salary for each year and for any fraction of an additional year of such service: *Provided further*, That any member whose term expires after he reaches the age of 65 and who is not reappointed shall receive retirement pay upon the same basis as if he had been retired under the provisions of this paragraph. The funds necessary for such retirement pay shall be provided by the Federal Reserve banks in such manner as the Federal Reserve Board shall prescribe."

(3) By striking out the fourth sentence of the second paragraph and inserting in lieu thereof the following: "Of the six appointive members of the Board one shall be designated by the President as Governor and one as Vice Governor of the Federal Reserve Board, to serve as such until the further order of the President, and the provisions of the next preceding sentence of this paragraph shall not apply to the member designated as Governor. The term of office of the member designated as governor shall be the period during which he shall continue as governor and, upon the termination of his designation as governor, he shall be deemed to have served the full term for which he was appointed."

SEC. 204. Subsection (i) of section 11 of the Federal Reserve Act, as amended, is amended by adding the following at the end thereof: "The Board may assign to designated members of the Board or officers or representatives of the Board, under such rules and regulations, the performance of duties, functions, or services so specified, but any such assignment shall not include the determination of any national or system policy or any power to make rules and regulations or any power which under the terms of this act is required to be exercised by a specified number of members of the Board."

SEC. 205. Effective 90 days after the enactment of this act, section 12A of the Federal Reserve Act, as amended, is amended to read as follows:

"SEC. 12A. There is hereby created a Federal Open Market Committee (hereinafter referred to as the "Committee"), which shall consist of the Governor of the Federal Reserve Board, who shall be chairman of the Committee, 2 members of the Federal Reserve Board, selected by the Board, and 2 governors of the Federal Reserve banks, selected by the governors of the Federal Reserve banks in accordance with procedure prescribed by regulations of the Federal Reserve Board. The terms of the members of the Committee, other than the Governor of the Federal Reserve Board, shall expire at the end of each calendar year. Whenever a vacancy shall occur a successor shall be selected in the same manner as his predecessor was selected. Meetings of the Committee shall be held from time to time upon the call of the Governor, at the request of the Board or of any two members of the Committee, or upon his own initiative.

"The Committee from time to time shall consider, adopt, and transmit to the Federal Reserve banks resolutions setting forth policies which in the judgment of the Committee should be followed with respect to open-market operations of the Federal Reserve banks, and the Federal Reserve banks shall conform their open-market operations to the provisions thereof. The Committee shall aid in the execution of such policies and/or perform such other duties relating thereto as the Federal Reserve Board may prescribe. All open-market operations of the Federal Reserve banks shall be subject to regulations prescribed by the Federal Reserve Board. The Committee from time to time shall also make recommendations to the Federal Reserve Board regarding the discount rates of the Federal Reserve banks."

SEC. 206. Section 13 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof a new paragraph reading as follows:

"Upon the endorsement of any member bank, which shall be deemed a waiver of demand, notice, and protest as to its own endorsement exclusively, and subject to such regulations as to maturities and other matters as the Federal Reserve Board may prescribe, any Federal Reserve bank may discount any commercial, agricultural, or industrial paper and may make advances to any such member bank on its promissory notes secured by any sound assets of such member bank."

SEC. 207. Subsection (b) of section 14 of the Federal Reserve Act, as amended, is further amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities."

SEC. 208. Section 16 of the Federal Reserve Act, as amended, is further amended in the following respects:

(1) By striking out the first 10 paragraphs and substituting therefor the following:

"SEC. 16. Each Federal Reserve bank may issue Federal Reserve notes, which shall be obligations of the United States, secured by a first and paramount lien on all of the assets of such bank. Federal Reserve notes shall be issued and retired under such rules and regulations as the Federal Reserve Board may prescribe and shall be legal tender for all purposes.

"Every Federal Reserve bank shall maintain reserves in lawful money (other than Federal Reserve notes or Federal Reserve bank notes) of not less than 35 percent against its deposits and reserves in gold certificates of not less than 40 percent against its Federal Reserve notes in actual circulation. Each Federal Reserve note shall bear upon its face a distinctive letter, which shall be assigned by the Federal Reserve Board to each Federal Reserve bank, and also a serial number.

"When received by the Treasurer of the United States from a source other than a Federal Reserve bank, Federal Reserves notes unfit for further use shall be canceled and retired; and, upon receipt of advice of such cancelation and retirement, the issuing Federal Reserve bank shall reimburse the Treasurer of the United States for the notes so canceled and retired. When received by a Federal Reserve bank, Federal Reserve notes unfit for further use shall be canceled and forwarded to the Treasurer of the United States for retirement; and if issued by another Federal Reserve bank, such issuing bank shall reimburse the Federal Reserve bank which canceled such notes and forwarded them to the Treasurer of the United States.

"In order to furnish suitable notes for circulation as Federal Reserve notes, the Comptroller of the Currency shall cause plates and dies to be engraved in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such notes of the denominations of $5, $10, $20, $50, $100, $500, $1,000, $5,000, and $10,000, as may be required to supply the Federal Reserve banks. Such notes shall be in form and tenor as directed by the Secretary of the Treasury and shall bear the distinctive numbers of the several Federal Reserve banks through which they are issued. When such notes have been prepared, they shall be held in the Treasury subject to the order of the Comptroller of the Currency for delivery to the Federal Reserve banks. Federal Reserve notes unfit for circulation shall be returned by the Federal Reserve banks to the Comptroller of the Currency for cancelation and destruction."

(2) By striking from the sixteenth paragraph the words "or Federal Reserve agent" where they occur in three different places and also the words "or his" and the words "at the Treasury or at the subtreasury of the United States nearest the place of business of such Federal Reserve bank or such Federal Reserve agent."

SEC. 209. The sixth paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"Notwithstanding the other provisions of this section, the Federal Reserve Board, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained against demand or time deposits or both by member banks in any or all Federal Reserve districts and/or any or all of the three classes of cities referred to above."

SEC. 210. The first paragraph of section 24 of the Federal Reserve Act, as amended, is amended to read as follows:

"SEC. 24. Any national banking association may make loans secured by first liens upon improved real estate, including improved farm land and improved business and residential properties. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other instrument upon real estate when the entire amount of such obligation or obligations is made or is sold to such association. The amount of any such loan shall not exceed 60 percent of the actual value of the real estate offered for security, but no such loan upon such security shall be made for a longer term than 3 years: *Provided*, That loans may be made in amounts not exceeding 75 percent of the actual value of the real estate offered for security, if they are required to be completely amortized within periods not exceeding 20 years by means of substantially equal monthly, quarterly, semiannual, or annual payments on principal with interest added or on principal and interest combined. Any bank may make such loans in an aggregate sum equal to the amount of the capital stock of such association paid in and unimpaired plus its unimpaired surplus fund, or equal to 60 percent of the amount of its time and savings deposits, whichever is the greater: *Provided*, That in computing such aggregate sum there shall be included all such loans on which the bank is liable as endorser, guarantor, or otherwise, and the book value or all real estate owned by the bank directly or indirectly except its banking premises. Nothing contained in this section shall prevent any national banking association from acquiring, as additional security for loans previously made in good faith, second or subsequent liens on real estate or shares or participations in such liens. In the case of loans secured by real estate which are insured under the provisions of title II of the National Housing Act, the restrictions of this section as to the amount of the loan in relation to the actual value of the real estate and as to the 3-year limit on the terms of such loans shall not apply. All loans made hereunder shall be subject to the general limitations contained in section 5200 of the Revised Statutes of the United States. Such banks may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such banks may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State wherein such national banking association is located. State banks and trust companies which are members of the Federal Reserve System shall not hereafter make new loans secured by real estate except to the same extent and under the same terms and conditions as national banking associations are permitted to do so."

TITLE III—TECHNICAL AMENDMENTS

SECTION 301. Subsection (c) of section 2 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following paragraph:

"Notwithstanding the foregoing, the term 'holding company affiliate' shall not include any organization which, in the judgment of the Federal Reserve Board, is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, and/or trust companies."

SEC. 302. The first paragraph of section 20 of the Banking Act of 1933, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That nothing in this paragraph shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business except such as may be incidental to the liquidation of its affairs."

SEC. 303. (a) Paragraph (1) of subsection (a) of section 21 of the Banking Act of 1933, as amended, is amended by adding before the semicolon at the end thereof a colon and the following: "*Provided*, That the provisions of this paragraph shall not prohibit national banks or State banks or trust companies (whether or not members of the Federal Reserve System) or other financial institutions or private bankers from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banking associations by the provisions of section 5136 of the Revised Statutes, as amended (U. S. C., title 12, sec. 24; Supp. VII, title 12, sec. 24): *Provided further*, That nothing in this paragraph shall be construed as affecting in any way such right as any bank, banking association, savings bank, trust company, or other banking institution, may otherwise possess to sell, without recourse or agreement to repurchase, obligations evidencing loans on real estate."

(b) Paragraph (2) of subsection (a) of such section 21 is amended by inserting after the words "to engage to any extent whatever" the words "with others than his or its officers, agents, or employees", and is further amended by adding the following sentence at the end of said paragraph: "The expense of the examinations required hereunder shall be assessed against, and paid by, the institution subject to examination in the manner and with the same effect as provided by section 5240 of the Revised Statutes, as amended (U. S. C., title 12, secs. 484, 485; Supp. VII, title 12, secs. 481–483)."

SEC. 304. Section 22 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following sentence: "Such additional liability shall cease on July 1, 1937, with respect to shares issued prior to June 17, 1933, by any association which shall be transacting the business of banking on July 1, 1937."

SEC. 305. Section 4 of the act entitled "An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes" (48 Stat. 969), approved June 16, 1934, is amended to read as follows:

"SEC. 4. So much of section 31 of the Banking Act of 1933, as amended, as relates to stock ownership by directors, trustees, or members of similar governing bodies of any national banking association or of any State bank or trust company which is a member of the Federal Reserve System is hereby repealed."

SEC. 306. Effective January 1, 1936, section 32 of the Banking Act of 1933, as amended, is amended to read as follows:

"SEC. 32. No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, shall serve at the same time as an officer, director, or employee of any member bank except in limited classes of cases in which the Federal Reserve Board may allow such service by general regulations when in the judgment of the Federal Reserve Board it would not unduly influence the investment policies of such member bank or the advice it gives its customers regarding investments."

SEC. 307. (a) The second sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended (U. S. C., supp. VII, title 12, sec. 24), is amended to read as follows: "The business of dealing in investment securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe, but in no event shall the total amount of the investment securities of any one obligor or maker, purchased after this section, as amended, takes effect and held by the association for its own account, exceed at any time 10 percent of its capital stock actually paid in and unimpaired and 10 percent of its unimpaired surplus fund."

(b) The fourth sentence of such paragraph seventh is amended to read as follows: "Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation."

SEC. 308. Section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), is amended by adding the following sentence at the end thereof: "No such association shall hereafter be authorized to commence the business of banking until it shall have a paid-in surplus equal to 20 percent of its capital: *Provided*, That the Comptroller of the Currency may waive this requirement as to a State bank converting into a national banking association."

SEC. 309. The last paragraph of section 5139 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 52), is amended to read as follows:

"After 1 year from the date of the enactment of the Banking Act of 1933, no certificate evidencing the stock of any such association shall bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation existing on the date this paragraph takes effect engaged primarily in holding the bank premises of such association, nor shall the ownership, sale, or transfer of any certificate representing the stock of any such association be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation, except a member bank or a corporation existing on the date this paragraph takes effect engaged primarily in holding the bank premises of such association: *Provided*, That this section shall not operate to prevent the ownership, sale, or transfer of stock of any other corporation being conditioned upon the ownership, sale, or transfer of a certificate representing stock of a national banking association."

SEC. 310. (a) Section 5144 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 61), is amended by inserting before the period at the end of the first sentence thereof a semicolon and the following: "except that such holding company affiliate may without obtaining such permit vote in favor of placing the association in voluntary liquidation."

(b) Such section 5144 is further amended by adding at the end of the first paragraph thereof the following: "Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee, such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares."

(c) The first sentence of the third paragraph of such section 5144 is amended to read: "Any such holding company affiliate may make application to the Federal Reserve Board for a voting permit entitling it to vote the stock controlled by it at any or all meetings of shareholders of such bank or authorizing the trustee or trustees holding the stock for its benefit or for the benefit of its shareholders so to vote the same."

SEC. 311. Section 5154 of the Revised Statutes, as amended (U. S. C., title 12, sec. 35), is amended by adding at the end thereof the following paragraph:

"The Comptroller of the Currency may, in his discretion and subject to such conditions as he may prescribe, permit such converting bank to retain and carry at a value determined by the Comptroller such of the assets of such converting bank as do not conform to the legal requirements relative to assets acquired and held by national banking associations."

SEC. 312. Section 5162 of the Revised Statutes (U. S. C., title 12, sec. 170) is amended by adding at the end thereof the following paragraph:

"The Comptroller of the Currency may designate one or more persons to countersign in his name and on his behalf such assignments or transfers of bonds as require his countersignature."

SEC. 313. The first two sentences of section 5197 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 85), are amended to read as follows: "Any association may take, receive, reserve, and charge on any loan or discount made, or upon any notes, bills of exchange, or other evidences of debt, interest at the rate allowed by the laws of the State, Territory, or District where the association is located, or at a rate of 1 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the association is located, whichever may be the greater, and no more, except that where, by the laws of any State, a different rate is limited for banks organized under State laws, the rate so limited shall be allowed for associations organized or existing in any such State under this title. When no rate is fixed by the laws of the State, or Territory, or District, the association may take, receive, reserve, or charge a rate not exceeding 7 percent, or 1 percent in excess of the discount rate on 90-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the association is located, whichever may be the greater, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run: *Provided*, That the maximum amount to be charged at a branch of an association located outside of the States of the United States and the District of Columbia shall be at the rate allowed by the laws of the country, territory, dependency, province, dominion, insular possession, or other political subdivision where the branch is located."

SEC. 314. Section 5199 of the Revised Statutes (U. S. C., title 12, sec. 60), is amended to read as follows:

"SEC. 5199. The directors of any association may, semiannually, declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common capital."

SEC. 315. Section 5209 of the Revised Statutes (U. S. C., title 12, sec. 592), is hereby amended by inserting after the words "known as the Federal Reserve Act" the words "or of any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act"; and by inserting after the words "such Federal Reserve bank or member bank", wherever they appear in such section, the words "or insured bank"; and by inserting after the words "or the Comptroller of the Currency" the words "or the Federal Deposit Insurance Corporation."

SEC. 316. Section 5220 of the Revised Statutes (U. S. C., title 12, sec. 181), is amended by adding at the end thereof the following paragraph:

"The shareholders shall designate one or more persons to act as liquidating agent or committee, who shall conduct the liquidation in accordance with law and under the supervision of the board of directors, who shall require a suitable bond to be given by said agent or committee. The liquidating agent or committee shall render annual reports to the Comptroller of the Currency on the 31st day of December of each year showing the progress of said liquidation until the same is completed. The liquidating agent or committee shall also make an annual report to a meeting of the shareholders to be held on the date fixed in the articles of association for the annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint one or more others in place thereof. A special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank and at said meeting the shareholders may, by vote of the majority of the stock, remove the liquidating agent or committee. The Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and the expense of making such examinations shall be assessed against such bank in the same manner as in the case of examinations made pursuant to section 5240 of the Revised Statutes, as amended (U. S. C., title 12, secs. 484, 485; Supp. VII, title 12, secs. 481–483)."

SEC. 317. Section 5243 of the Revised Statutes (U. S. C., title 12, sec. 583) is amended to read as follows:

"SEC. 5243. The use of the word 'national' either alone or in combination with other words or syllables, as part of the name or title used by any person, corporation, firm, partnership, business trust, association, or other business entity, doing the business of bankers, brokers, or trust or savings institutions is prohibited except where such institution is organized under the laws of the United States, or is otherwise permitted by the laws of the United States to use such name or title, or is lawfully using such name or title on the date when this section, as amended, takes effect."

SEC. 318. Section 5 of the Federal Reserve Act, as amended, is amended by striking out the last two sentences thereof and inserting in lieu thereof the following: "When a member bank reduces its capital stock or surplus it shall surrender a proportionate amount of its holdings in the capital stock of said Federal Reserve bank. Any member bank which holds capital stock of a Federal Reserve bank in excess of the amount required on the basis of 6 percent of its paid-up capital stock and surplus shall surrender such excess stock. When a member bank voluntarily liquidates it shall surrender all of its holdings of the capital stock of said Federal Reserve bank and be released from its stock subscription not previously called. In any such case the shares surrendered shall be canceled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Federal Reserve Board, a sum equal to its cash-paid subscriptions on the shares surrendered and one-half of 1 percent a month from the period of the last dividend, not to exceed the book value thereof, less any liability of such member bank to the Federal Reserve bank."

SEC. 319. The fifth paragraph of section 9 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following sentence: "Such reports of condition shall be in such form and shall contain such information as the Federal Reserve Board may require and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe."

SEC. 320. The first sentence of paragraph (m) of section 11 of the Federal Reserve Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That with respect to loans represented by obligations in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, such limitation of 10 percent on loans to any person shall not apply, but State member banks shall be subject to the same limitations and conditions as are applicable in the case of national banks under paragraph (8) of section 5200 of the Revised States, as amended (U. S. C., Supp. VII, title 12, sec. 84)."

SEC. 321. The third paragraph of section 13 of the Federal Reserve Act, as amended, is amended by changing the words "endorsed and otherwise secured to the satisfaction of the Federal Reserve bank" in that paragraph to read "endorsed and/or otherwise secured to the satisfaction of the Federal Reserve bank."

SEC. 322. Subsection (e) of section 13b of the Federal Reserve Act, as amended, is amended by striking out "upon the date this section takes effect", and inserting in lieu thereof "on and after June 19, 1934"; and by striking out "the par value of the holdings of each Federal Reserve bank of Federal Deposit Insurance Corporation stock" and inserting in lieu thereof "the amount paid by each Federal Reserve bank for Federal Deposit Insurance Corporation stock."

SEC. 323. (a) The first paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"SEC. 19. The Federal Reserve Board is authorized, for the purposes of this section, to define the terms 'demand deposits', 'gross demand deposits', 'deposits payable on demand', 'time deposits', 'savings deposits', and 'trust funds', to determine what shall be deemed to be a payment of interest, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this section and prevent evasions thereof."

(b) The tenth paragraph of such section 19 is amended to read as follows:

"In estimating the reserve balances required by this act, member banks may deduct from the amount of their gross demand deposits the amounts of balances due from other banks (except Federal Reserve banks and foreign banks), including cash items with Federal Reserve banks and other banks in process of collection, checks on other banks in the same place, and exchanges for clearing houses."

(c) The last two paragraphs of such section 19 are amended to read as follows:

"No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand: *Provided*, That nothing herein contained shall be construed as prohibiting the payment of interest in accordance with the terms of any certificate of deposit or other contract entered into in good faith which is in force on the date on which the bank becomes subject to the provisions of this paragraph; but no such certificate of deposit or other contract shall be renewed or extended unless it shall be modified to conform to this paragraph, and every member bank shall take such action as may be necessary to conform to this paragraph as soon as possible consistently with its contractual obligations: *Provided further*, That this paragraph shall not apply (1) to any deposit of such bank which is payable only at an office thereof located outside of the States of the United States and the District of Columbia; (2) to any deposit made by a mutual savings bank; (3) to any deposit of public funds made by or on behalf of any State, county, school district, or other subdivision or municipality, or to any deposit of trust funds if the payment of interest with respect to such deposit of public funds or of trust funds is required by State law; or (4) to any deposit of funds by the United States, any Territory, District, or possession thereof (including the Philippine Islands) or any public instrumentality or agency of the foregoing, with respect to which interest is required by law to be paid.

"The Federal Reserve Board shall from time to time limit by regulation the rate of interest which may be paid by member banks on time and savings deposits; may classify time and savings deposits according to maturities, locations of banks, conditions respecting receipt, withdrawal, or repayment, or otherwise as it may deem necessary in the public interest; and may prescribe different rates for deposits of different classes. No member bank shall pay any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the Federal Reserve Board, or waive any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement: *Provided*, That the provisions of this paragraph shall not apply to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia. Every bank whose deposits are insured under the provisions of section 12B of this act (except mutual savings banks and Morris Plan banks which are not members of the Federal Reserve System) shall comply with the provisions of this paragraph and the paragraph immediately preceding and with the rules and regulations prescribed by the Federal Reserve Board pursuant thereto."

(d) At the end of such section 19, there is added the following new paragraph:

"Notwithstanding the provisions of section 7 of the First Liberty Bond Act, as amended, section 8 of the Second Liberty Bond Act, as amended, and section 8 of the Third Liberty Bond Act, as amended, member banks shall be required to maintain the same reserves against deposits of public moneys by the United States as they are required by this section to maintain against other deposits."

SEC. 324. Section 21 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following paragraph:

"Whenever member banks are required to obtain reports from affiliates, or whenever affiliates of member banks are required to submit to examination, the Federal Reserve Board or the Comptroller of the Currency, as the case may be, may waive such requirements with respect to any such report or examination of any affiliate if in the judgment of the said Board or Comptroller, respectively, such report or examination is not necessary to disclose fully the relations between such affiliate and such bank and the effect thereof upon the affairs of such bank."

SEC. 325. (a) Subsection (a) of section 22 of the Federal Reserve Act, as amended, is amended by inserting in the first paragraph thereof, after "No member bank", the following: "and no insured bank as defined in subsection (c) of section 12B of this act"; by inserting before the period at the end of the first sentence of such paragraph "or assistant examiner who examines or has authority to examine such bank"; and by inserting after "any member bank" in the second paragraph thereof "or insured bank"; by inserting before the period at the end thereof "or Federal Deposit Insurance Corporation examiner"; and by adding at the end of such subsection a new paragraph, as follows:

"The provisions of this subsection shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, whether appointed by the Comptroller of the Currency, by the Federal Reserve Board, by a Federal Reserve agent, by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearing-house association or by the directors of a bank."

(b) Subsection (b) of section 22 is amended by inserting therein after "no national bank examiner" the following: "and no Federal Deposit Insurance Corporation examiner"; and by inserting after "member bank" the following: "or insured bank"; and by inserting after "from the Comptroller of the Currency", the following: "or from the Federal Deposit Insurance Corporation".

(c) Subsection (g) of such section 22 is amended, to read as follows:

"(g) No executive officer of any member bank shall borrow from or otherwise become indebted to any member bank of which he is an executive officer, and no member bank shall make any loan or extend credit in any other manner to any of its own executive officers: *Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank. If any executive officer of any member bank borrow from or if he be or become indebted to any bank other than a member bank of which he is an executive officer, he shall make a written report to the board of directors of the member bank of which he is an executive officer, stating the date and amount of such loan or indebtedness, the security therefor, and the purpose for which the proceeds have been or are to be used. Borrowing by, or loaning to, a partnership in which one or more executive officers of a member bank are partners having either individually or together a majority interest in said partnership, shall be considered within the prohibition of this subsection. Nothing contained in this subsection shall prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of such bank any loan or other asset which shall have been previously acquired by such bank in good faith or from incurring any indebtedness to such bank for the purpose of protecting such bank against loss or giving financial assistance to it. The Federal Reserve Board is authorized to define the term 'executive officer', to determine what shall be deemed to be a borrowing, indebtedness, loan, or extension of credit, for the purposes of this subsection, and to prescribe such rules and regulations as it may deem necessary to effectuate the provisions of this subsection in accordance with its purposes and to prevent evasions of such provisions. Any executive officer of a member bank accepting a loan or extension of credit which is in violation of the provisions of this subsection shall be subject to removal from office in the manner prescribed in section 30 of the Banking Act of 1933: *Provided*, That for each day that a loan or extension of credit made in violation of this subsection exists, it shall be deemed to be a continuation of such violation within the meaning of said section 30."

SEC. 326. The third paragraph of section 23A of the Federal Reserve Act, as amended, is amended to read as follows:

"For the purpose of this section, the term 'affiliate' shall include holding company affiliates as well as other affiliates, and the provisions of this section shall not apply to any affiliate (1) engaged primarily in holding the bank premises of the member bank with which it is affiliated or in maintaining and operating properties acquired for banking purposes prior to the date this section, as amended, takes effect; (2) engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation or livestock-loan company; (3) in the capital stock of which a national banking association is authorized to invest pursuant to section 25 of the Federal Reserve Act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 percent) is owned by such affiliate; (4) organized under section 25 (a) of the Federal Reserve Act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 percent) is owned by such affiliate; (5) engaged solely in holding obligations of the United States Government, the Federal intermediate-credit banks, the Federal land banks, the Federal home-loan banks, or the Home Owners' Loan Corporation; (6) where the affiliate relationship has arisen out of a bona fide debt contracted prior to the date of the creation of such relationship; or (7) where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a member bank as executor, administrator, trustee, receiver, agent, depositary, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the stockholders of such member bank; but as to any such affiliate, member banks shall continue to be subject to other provisions of law applicable to loans by such banks and investments by such banks in stocks, bonds, debentures, or other such obligations. The provisions of this section shall likewise not apply to indebtedness of any affiliate for unpaid balances due a bank on assets purchased from such bank."

SEC. 327. Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Loans made to establish industrial or commercial businesses (a) which are in whole or in part discounted or purchased or loaned against as security by a Federal Reserve bank under the provisions of section 13 (b) of the Federal Reserve Act, (b) for any part of which a commitment shall have been made by a Federal Reserve bank under the provisions of said section, (c) in the making of which a Federal Reserve bank participates under the provisions of said section, or (d) in which the Reconstruction Finance Corporation cooperates or purchases a participation under the

provision of section 5 (d) of the Reconstruction Finance Corporation Act, shall not be subject to the restrictions or limitations of this section upon loans secured by real estate."

SEC. 328. Effective January 1, 1936, the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes" (38 Stat. 730), approved October 15, 1914, as amended, is further amended (a) by striking out section 8 (a) thereof and (b) by substituting for the first three paragraphs of section 8 thereof the following:

"SEC. 8. No director, officer, or employee of any member bank of the Federal Reserve System shall be at the same time a private banker or a director, officer, or employee of any other bank, banking association, savings bank (other than a mutual savings bank), or trust company except in limited classes of cases in which the Federal Reserve Board may allow such service by general regulations when in the judgment of the Federal Reserve Board such classes of institutions are not in substantial competition."

SEC. 329. (a) Section 1 of the act of November 7, 1918, as amended (U. S. C., title 12, sec. 33; Supp. VII, title 12, sec. 33), is amended by striking out the second proviso down to and including the words "to be ascertained" and inserting in lieu thereof the following: "*And provided further*, That if such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of each of the associations proposing to consolidate, any shareholder of any of the associations so consolidated who has voted against such consolidation at the meeting of the association of which he is a shareholder and has given notice in writing thereat to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval."

(b) Such section 1 is further amended by adding at the end thereof the following paragraphs:

"Publication of notice and notification by registered mail of the meeting provided for in the foregoing paragraph may be waived by unanimous action of the shareholders of the respective associations. Where a dissenting shareholder has given notice as above provided to the association of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than 30 days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such association.

"If shares, when sold at public auction in accordance with this section, realize a price greater than their final appraised value, the excess in such sale price shall be paid to the shareholder. The consolidated association shall be liable for all liabilities of the respective consolidating associations. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern."

SEC. 330. (a) Section 3 of the act of November 7, 1918, as amended (U. S. C., Supp. VII, title 12, sec. 34 (a)), is amended by striking out the first sentence following the proviso down to and including the words "to be ascertained" and inserting in lieu thereof the following: "If such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of the association and of the State or other bank proposing to consolidate, and thereafter the consolidation shall be approved by the Comptroller of the Currency, any shareholder of either the association, or the State, or other bank so consolidated, who has voted against such consolidation at the meeting of the association of which he is a stockholder, and has given notice in writing thereat to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval."

(b) Such section 3 is further amended by adding at the end thereof the following paragraph:

"Where a dissenting shareholder has given notice as provided in this section to the bank of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than 30 days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such bank. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern."

SEC. 331. The act entitled "An act to prohibit offering for sale as Federal farm-loan bonds any securities not issued under the terms of the Farm Loan Act, to limit the use of the words 'Federal' 'United States', or 'reserve', or a combination of such words, to prohibit false advertising and for other purposes", approved May 24, 1926 (U. S. C., Supp. VII, title 12, secs. 584–588), is amended by inserting in section 2 thereof after "the words 'United States'", the following, "the words 'deposit insurance'"; and by inserting in said section after the words "the laws of the United States", the following, "nor to any new bank organized by the Federal Deposit Insurance Corporation as provided in section 12 (b) of the Federal Reserve Act, as amended", and by striking out the period at the end of section 4 and inserting the following, "or the Federal Deposit Insurance Corporation."

SEC. 332. The act entitled "An act to provide for punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System" (48 Stat. 783), approved May 18, 1934, is amended by striking out the period after "United States" in the first section thereof and inserting the following: "and any insured bank as defined in subsection (c) of section 12 (b) of the Federal Reserve Act, as amended."

The summary submitted by Mr. FLETCHER is as follows:

The following is a brief running summary of proposed banking legislation. The bill is to be known as the "Banking Act of 1935." Its principal provisions are:

TITLE I. FEDERAL DEPOSIT INSURANCE CORPORATION AMENDMENTS

1. Existing temporary funds are merged into the permanent insurance plan, which becomes operative immediately upon enactment of the Banking Act of 1935.

2. Five thousand dollars continues to be the maximum insurance protection for each depositor in any bank. Trust funds are insured up to $5,000 for each trust estate.

3. Maximum limit of assessment of one-twelfth of 1 percent of total deposits is substituted for obligatory stock subscription amounting to 1 percent of total deposits with liability for repeated assessments thereafter. A uniformly lower assessment may be fixed by the board of directors for mutual savings banks.

4. Banks not members of the Federal Reserve System are permitted to withdraw from insurance after notice to their depositors and to the Corporation. Similarly, after adequate notice and after a hearing, the Corporation may terminate the insured status of any bank.

5. The Corporation's present right to buy assets of closed member banks is extended until July 1, 1936, to open banks when it will facilitate mergers and avert loss. For this purpose, the Corporation may also make loans to insured banks or guarantee other insured banks against loss in assuming liabilities of insured banks.

6. The proceeds derived from the sale of capital stock of the Corporation may be allocated between capital and surplus in such amounts as the board of directors may prescribe, so that in the event of losses exceeding the proceeds of the annual assessments the Corporation will not be forced to operate with impaired capital. Dividends on capital stock of the Corporation are eliminated.

7. Detailed administrative and technical changes, which seem advisable in the light of the experience of the Corporation, include the following:

(a) Certain important terms used in the act have been defined;

(b) Mechanics of pay-offs have been revised and clarified;

(c) The Corporation is given the right to require insured banks to maintain adequate fidelity and burglary insurance;

(d) The standards for determining whether or not banks should become insured are set forth;

(e) Insured banks not members of the Federal Reserve System are required to make reports of conditions, and the Corporation may order publication of such reports;

(f) Corporation approval is required before a merger or consolidation of insured banks with noninsured banks, or before a reduction of capital of nonmember banks takes place;

(g) Other miscellaneous changes:

i. The use of the words "deposit insurance" in the name of a bank is prohibited;

ii. Examiners of the Corporation are prohibited from borrowing from insured banks;

iii. Criminal provisions are extended to protect all insured banks.

TITLE II. FEDERAL RESERVE ACT AMENDMENTS

With respect to Federal Reserve banks:

1. Combine offices of chairman of the board of directors and governor at each of the Federal Reserve banks, appointments to be made annually by the directors of the bank after approval by the Federal Reserve Board. Vice governors are to be selected in the same manner.

2. No member of the board of a Federal Reserve bank, except governor and vice governor, shall hold office for more than 6 consecutive years.

With respect to the Federal Reserve Board:

3. Change qualifications for future appointive members of the Federal Reserve Board by providing that they shall be persons well qualified by education or experience, or both, to participate in the formulation of national economic and monetary policies. The present geographical limitation shall not apply to selection of future governors. The governor's membership on the Board shall expire when he is no longer designated as governor by the President.

4. Increase the salaries of future appointive members to $15,000 per annum, with compulsory retirement at 70 on $12,000 pension. Present members to be eligible for retirement at 70. Proportionate pensions will be allowed for service of less than 12 years.

5. The Board shall be empowered to delegate specific powers and duties not involving the determination of national or System policies to individual members of the Board or its representatives.

With respect to credit control:

6. Change section 12 (a) of the Federal Reserve Act so as to provide for an open-market committee to consist of the Governor and 2 members of the Board elected annually by the Board, and 2 governors of Federal Reserve banks elected annually by the governors of the Federal Reserve banks. This committee shall make recommendations about discount-rate policies and shall formulate

the System's open-market policies, which shall be binding on the Federal Reserve banks.

With respect to collateral requirements:

7. Any sound asset of a member bank shall be eligible for discount at a Reserve bank, subject to regulations of the Federal Reserve Board, and the Board shall also have authority to prescribe limitations on maturity of advances to member banks.

8. Section 14 is amended so that obligations the principal and interest of which are guaranteed by the United States shall be eligible for purchase by Federal Reserve banks without regard to maturity.

9. Collateral requirements for Federal Reserve notes shall be repealed, and the office of Federal Reserve agent shall be abolished.

With respect to reserve requirements:

10. In order to prevent injurious credit expansion or contraction, the Federal Reserve Board may change reserve requirements as to any or all Federal Reserve districts and/or any or all classes of cities, and as to time and/or demand deposits.

With respect to capital requirements:

11. At any time prior to July 1, 1937, the Federal Reserve Board may admit any insured nonmember bank to membership in the Federal Reserve System; and may waive the capital requirements for admission: *Provided*, That such bank shall comply with all of the regular requirements of members within such time as the Federal Reserve Board shall prescribe.

With respect to real-estate loans:

12. Section 24 of the Federal Reserve Act is amended to permit loans to be made on amortization basis for periods of 20 years and up to 75 percent of value of property. The geographical limitation as to location of real estate is removed. The aggregate amount of real-estate loans plus other real estate (except bank premises) is not to exceed 60 percent of time deposits or 100 percent of capital and surplus, whichever is the greater. All real-estate loans are to be secured by first liens, but second and subsequent liens may be taken to secure debts previously contracted in good faith. The limitations of section 24 are made applicable to State member banks.

TITLE III. TECHNICAL AMENDMENTS

Section 301 exempts "accidental" holding-company affiliates from voting-permit requirements where not engaged as a business in holding bank stock.

Section 302 provides that member banks need not divorce securities affiliates which are in formal liquidation.

Section 303 (a) makes it clear that the prohibition against security dealers accepting deposits does not prevent banking institutions from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banks and does not prevent banking institutions from selling mortgages without recourse. (National banks are limited, in dealing in and underwriting, to Government obligations, general obligations of States or political subdivisions, obligations issued under authority of Federal Farm Loan Act, by Federal Home Loan Board or Home Owners' Loan Corporation.) (b) Exempts business institutions accepting deposits solely from their employees from examination and publication of reports of condition, and requires private banks to bear expense of their examination when made by Federal authorities.

Section 304 terminates double liability of shareholders of national banks on July 1, 1937.

Section 305 corrects omission of national banks in Alaska and Hawaii from benefit of amendment repealing law requiring directors of national banks to increase their shareholdings.

Section 306 gives Federal Reserve Board power to control connections of officers, directors, and employees of banks with securities companies by regulation rather than by issue of individual permits.

Section 307 (a) eliminates any question of power of member banks to buy or sell stocks solely for the account of their customers and permits national banks to purchase for their own account investment securities not to exceed 10 percent of unimpaired capital and surplus. (b) Restates existing prohibition against national banks purchasing stock for their own account.

Section 308 requires new national banks to have paid-in surplus equal to 20 percent of capital, subject to waiver as to State bank converting into national bank.

Section 309 eliminates possibility that present law prevents corporations other than a bank from conditioning transfer of their shares on transfer of bank stock.

Section 310 (a) permits holding company to vote to place bank in voluntary liquidation without obtaining voting permit. (b) Since shares held by bank as sole trustee cannot be voted, same are excluded from determination whether resolution adopted by requisite number of shares. (c) Eliminates any doubt that holding company with voting permit may cumulate its shares as may other shareholders.

Section 311 gives Comptroller discretion to permit converting State bank to carry over sound assets not conforming to requirements as to assets held by national banks.

Section 312 allows Comptroller to delegate manual labor of countersigning bond transfer.

Section 313 permits national-bank branches located outside United States to charge interest rate permitted by local law.

Section 314 provides for national banks gradually increasing surplus out of earnings, until equal to capital.

Section 315 extends criminal provisions applicable to member banks to include insured banks.

Section 316 gives Comptroller closer supervision over banks in voluntary liquidation.

Section 317 extends present prohibition on use of word "national", by banks other than national banks, to include combinations of such word.

Section 318 corrects oversight by requiring member banks to reduce stockholdings in Federal Reserve bank upon a reduction of surplus.

Section 319 requires State member banks to publish reports of condition.

Section 320 places State member banks on parity with national banks as regards loans on Government obligations.

Section 321 permits Federal Reserve bank direct loans to private business to be made on adequate endorsement or security instead of requiring both as under present law.

Section 322: Reference to par value of Federal Deposit Insurance Corporation stock in the "Loans to Industry" Act changed to "amount paid for said stock."

Section 323 (a) authorizes Federal Reserve Board to define "deposit" and related terms for reserve and interest requirements respecting deposits. (b) Permits amounts due from other banks to be deducted from gross receipts instead of amounts due to banks in determining reserve requirements. (c) Extends power to regulate payment of interest by member banks to include all insured banks except mutual savings and Morris Plan banks not members of system. (d) Requires member banks to maintain same reserves against Government deposits as against other deposits.

Section 324 permits waiver of reports and examinations of bank affiliates where deemed unnecessary fully to disclose relationship.

Section 325 (a): Extends prohibition against loans and gratuities to examiners of all insured banks. (b) Extends prohibition against disclosure of confidential information to Federal Deposit Insurance Corporation examiners. (c) Corrects impractical features of law prohibiting loans to executive officers by vesting certain discretion in the Federal Reserve Board, substituting power of removal from office for present criminal provisions, and extending time within which existing loans must be paid.

Section 326: Excepts affiliates from existing requirements on loans where affiliation arose out of foreclosure by bank on collateral and excludes affiliate engaged solely in operating property acquired for bank purposes controlled by bank in fiduciary capacity.

Section 327 exempts loans for industrial purposes made with Federal Reserve bank or Reconstruction Finance Corporation from existing restrictions on real-estate loans by national banks.

Section 328 amends Clayton Act to permit Federal Reserve Board to supervise matter of interlocking directorates through general regulations instead of by individual permits.

Sections 329 and 330 bring law governing consolidation of national banks into conformity with that governing consolidations of State and National banks offer additional protection to dissenting shareholders, but require notice of dissent to be given when vote to consolidate is had.

Sections 331 and 332 extend to Federal Deposit Insurance Corporation protection now given other Federal institutions against misleading use of name and extend to all insured banks law making robbery of member banks a Federal offense.

INDUSTRIAL MOBILIZATION FOR WAR

Mr. CLARK. Mr. President, I introduce certain bills for appropriate reference. These bills are the measures to which I referred in addressing the Senate a few days ago on the subject of the munitions investigation. They are bills which have been prepared by the War Plans Divisions of the War Department and Navy Department, and published in a public document entitled "The Industrial Mobilization Plan."

It is contemplated by the War Plans Divisions of the War Department and Navy Department that these measures be not sent to Congress at this time for consideration, but be held in the Departments until after a declaration of war, in the hope that they may be passed without consideration or amendment by Congress in the first hysteria following a declaration of war. I have introduced these measures, not because I intend to support them in any sense, but because I think that they should be printed and considered in time of peace and an opportunity afforded the public and the Congress to contemplate the measures intended to be imposed upon the Nation at a time when that consideration will not be influenced by the hysteria which always accompanies and follows a declaration of war.

Mr. CLARK introduced the following bills, which were severally read twice by their titles and referred to the Special Committee on Investigation of the Munitions Industry:

A bill (S. 1716) to provide further for the national security and defense, and for the purpose of assisting in the prosecution of war, to provide for the creation of a Capital Issues Committee, to define its powers and duties, and for other purposes;

A bill (S. 1717) to provide further for the national security and defense by making available to the President, during the present national emergency, material resources of the Nation, and for other purposes;

A bill (S. 1718) to authorize the acquisition by the United States of private property of any and all kinds, real, personal, and mixed, needed for the national security and defense, or the conduct of the Government, to provide a method of such acquisition, and for other purposes;

A bill (S. 1719) to authorize the establishment of a Bureau of Marine War Risk Insurance in the Treasury Department;

A bill (S. 1720) to provide further for the national defense by controlling exports from the United States, imports into the United States, and trading with the enemy;

A bill (S. 1721) to provide further for the national security and defense; and

A bill (S. 1722) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of war, and for other purposes.

REGULATION OF UTILITY HOLDING COMPANIES

Mr. WHEELER. Mr. President, I am introducing today a bill to establish complete Federal control over the aspects of the public-utility industry that are of national significance. Its prime object is to bring down the price of electricity and make it available to all the people of the country.

The bill is in two parts. The first subjects the public-utility holding company to stringent Federal regulation and abolition within the next 5 years; the second puts under Federal regulation electric operating companies engaged in interstate commerce—companies that so far have been free from any regulation.

The holding company has grown up through the abuse of a corporate device of recent origin. The holding company was unknown at common law; it is a recent excrescence upon the common law. It serves as a device to give to a few men complete control over billions of other people's money. It has transformed what should have been the most conservatively financed industry of the country into a game of speculation. It has also preyed upon the Nation's operating utilities and largely defeated the efforts of the States to protect utility consumers from exorbitant rates. State regulation cannot be successful so long as a few individuals, moved only by a desire for speculative profits, control widely scattered and wholly uncoordinated operating systems. Abolition of holding companies offers the only certain cure. The regulatory provisions of this part of the bill are designed to prevent a recurrence of past abuses during the period of their liquidation and to make their abolition possible with a minimum of loss to investors. The bill proposes to stop the milking of the operating utilities by the holding companies through service and construction contracts during this period of liquidation.

With the holding company removed from the public-utility scene, the coordination of operating utilities should be fostered under Government supervision and control. This lack of coordination constitutes a serious gap in State regulation which can only be filled by Federal action, since the State is without legal power to accomplish it. The second part of the bill undertakes to close up this gap. It gives the Federal Power Commission authority to require interconnections between systems and the pooling of power so that the most economical and dependable sources of supply will be available for use at all times. This, in my opinion, will mean more electricity for less money.

This bill takes no regulatory power away from the State commissions; it provides an essential complement to effective State regulation.

The bill (S. 1725) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, was read twice by its title and, with the accompanying paper, referred to the Committee on Interstate Commerce.

Mr. WHEELER. Mr. President, I ask to have the accompanying statement referred to the Committee on Interstate Commerce with the bill, and also to have it printed in the RECORD.

There being no objection, the statement was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BURTON K. WHEELER ON THE PUBLIC-UTILITY HOLDING COMPANY BILL

This bill is intended to whittle down and ultimately eliminate public-utility holding companies. Its details are summarized section by section in an analysis which I am making available to the Senate and the public. Its spirit is the spirit of the bill I propose for a Federal tax on bigness, i. e., a tax on corporations based on their size. Both these bills are essentials in what I consider the only program that can eventually restore to us the reality of that theory of economic and political democracy by which we fondly like to think this Nation lives. The cold facts show that the theory isn't reality—that the concentration of economic power is growing today faster than it has ever grown before. Many believe we cannot reverse that trend. I think we can—if we think clearly and let our minds be bold. I think we must—if we are to avoid fascism or communism without being sure which of the two we may get.

The holding company has been the most facile device with which lawyers have helped a shrewd few effect their concentration of power over billions of other people's money. In the public-utility field that device has reached its highest development, and in that development has clearly foreshadowed the exploitation of the consuming public and the stagnation of industrial progress which is the certain end of the trail which all big business, utility or nonutility, is now following. This bill, I believe, successfully strikes down the public-utility holding companies with as much ingenuity and variety in its remedies to protect the consuming public and the operating utility industry as the promoters of holding companies have used in their too successful efforts to mulct that public and wellnigh ruin that industry.

In the January 26 issue of Today, Raymond Moley, anticipating the introduction of just such a bill as this, has pointed out how the public-utility holding company—the quintessence of the legal forms of corporate bigness in industry—is really a dangerous form of "private socialism" which an intelligent democratic state, in self-protection, cannot afford to tolerate in its midst. He demonstrates clearly the relationship of the holding company to that greater problem of corporate bigness which I am certain is the key problem of our struggle to maintain a democracy in this country. He has put the case so well that I want to quote and adopt his statement in full:

"In his message to the Seventy-fourth Congress President Roosevelt gave notice that he would ask for legislation to restore sound conditions in the public-utility field through the abolition of the holding-company evil. The holding company originated in the economic philosophy of a quarter century ago. Those were the days when the development of the science of superadministration so intoxicated the leaders of business and to some degree the leaders of government that they felt that, with the aid of well-defined devices for administrative and financial control, frail human beings might wield Napoleonic power.

"We were all touched by the spirit which moved Carlyle to say that a dwarf behind a steam engine might move mountains, while he must be a Titan who hurled them abroad with his arms. The 'steam engine' conceived in that period was the modern science of management.

"One example of its application is the public-utility holding company. In the beginning it was found to be a convenient and economic device for grouping together small operating companies in fairly compact and closely knit areas. It brought about operating economies through joint management and provided mutual strengthening of the credit of individual companies through pooled resources.

"So long as the holding-company structures were simple, their domains small and homogeneous, and so long as their problems were within the range of the capacity of a relatively small group of reasonably competent men, the community gave little attention to the legal form of these business enterprises and scarcely distinguished between a sizeable operating company and a compact, integrated holding system.

"It was an age when the patterns of thinking were broad and sweeping. There was no one to warn us of the dangers that are inherent in human pride. There was, instead, a clarion call to the illimitable possibilities of the strong man. There were the vast, brooding dreams of peace through superorganization. The world was ringing with the audacious confidence of puny, posturing man. Efficiency and economy, wrought by a sincere and competent executive, might, through the magic of management, be transmitted on a broad scale. Incompetent industrial satraps in far corners of the Nation, following blueprints drawn by a master, might incorporate into subsidiary businesses the same magical virtues. The dwarf behind the steam engine might move the mountain.

"Blueprints are blueprints; mechanical genius makes it possible to reproduce a thousand from a single pattern. But a dwarf differs

from every other dwarf; a mountain from every other mountain. The holding company, instead of reproducing efficiency, too often reproduced on a grand scale the disadvantanges and abuses which on a small scale were obliterated by great virtues. It is easier, as any executive knows, to teach others his faults; if he is a great man they are very human faults, and his capacities are extraordinary and often understood only by himself.

"In the course of years increasing evidence that things were not going well revealed a condition of affairs that could not be winked at. For a time, however, these difficulties and shortcomings were ignored, during the coming of age of a young industry in which technological advances and a rapidly growing demand offered unusual opportunities for profitable expansion. In his pioneer days Mr. Insull was a great utility operator. And his first use of the holding-company form to coordinate the operations of related properties no doubt contributed to his operating achievements. But it is not clear that the same operating results could not have been achieved through the use of less dangerous corporate forms. Mr. Insull's contemporaries, Mr. Dow, at Detroit, and Mr. Ferguson, at Hartford, were able to establish reputations for themselves as utility operators during the same period without any considerable use of the holding form.

"If the holding company has gone wrong, it is important to inquire why it went wrong.

"As a sheer matter of sound finance, the holding company whose assets consisted of common stocks of its operating subsidiaries should have issued no senior securities of its own. When the operating companies themselves had outstanding bonds and preferred stock, the holding company which sold its own bonds and preferred stock was, in effect, selling nothing more than a third, fourth, or even fifth mortgage on the assets of the operating companies. When a subholding company came into the picture the holding company's security might be even more remote. A holding company which financed itself by issuing stocks without voting rights or with disproportionate voting rights to the public and reserved small issues with voting control for insiders, was economically unsound.

"This corporate pyramiding was effected through several tiers of holding companies and through the manipulation of voting rights attaching to various classes of securities. It was used not to achieve operating economies, financial stability, or reduced costs, but to give control of vast properties to men who not only had rather insignificant stakes in their ownership, but to men whose interests became too numerous for any human to minister.

"Assets sometimes were arbitrarily written up as a basis for the issuance of securities at inflated values, not for the profit of the utility enterprise, but for the profit of corporate insiders. The growth of the superutility holding companies bore little relation to business or economic need. It was dictated rather by desire for economic power on the part of those who had originally been successful in smaller ways and by desire for inordinate profits on the part of some who were concerned with the sale of securities. Many shrewd owners of operating properties would never have exchanged their securities for holding-company issues had not the facilities of stock markets made it possible for them to unload these issues upon the public at an immediate profit without waiting and risking the realization of promised economies of holding-company control.

"All manner of dealings with controlled companies were engaged in. Management, service, and construction companies were rigged up and, to the greatest extent, holding companies monopolized the business of their subsidiaries. The utility construction field was largely closed to independent engineering and construction companies. Profitable financing was often enjoyed by an exclusive group of banking houses. The great utility properties of the country were gradually absorbed into several large holding systems. A large part of the business of supplying the needs of the utility industry was gradually concentrated in a relatively small number of companies. With this concentration standards of competitive costs in large measure ceased to exist. In the field of local distribution the utility industry is naturally a monopoly. But even the wholesome safeguards that come from the comparison of comparable performances of independent local companies vanished with the development of monopolistic holding empires. To a much greater degree than municipal ownership these holding companies ruthlessly crowded out private competitive enterprise.

"In truth, the great holding company systems did not represent the normal formation and growth of business enterprise yielding the maximum returns to the undertaking. The automatic restraints on uneconomic size, imposed by competitive conditions, or, in the case of natural monopoly, by the principle of maximum returns, gave way before man's desire for economic power and aggrandizement, aided by the facile mechanisms of the securities markets, which, when expertly geared to time and circumstance, register unearned profits with measured precision. For these profits the investor has paid in accordance with the inexorable law of time and arithmetic.

"I am not in agreement with those who view the sordid history of some of these holding companies as deliberate, premeditated wrong. It is much more reasonable to view their acts as excited and desperate efforts to escape from the doom threatened in the ancient prophet's warnings against the pride of mortal man.

"The inevitable legislation with respect to these holding company systems is merely a recognition of a breakdown that has already come from within, a breakdown that signifies what may be termed the "downfall of private socialism in America." By private socialism, I mean the conception of private enterprise born in the socialistic days of 25 years ago. It arose from a concept, entertained by certain masters of capitalism and masters of the soapbox alike, that no aggregation of property could be so large as to be beyond the control of concentrated and centralized management. To those who managed and promoted some of these companies, as to the state socialist, competition was an outmoded, discredited, useless feature of economic life. The corporate managers of the great holding systems apparently believed that they could arrange the details of transactions between controlled companies much more efficiently than if these transactions were left subject to the so-called wastes and inconveniences of the competitive system. They believed that their own companies could do everything more efficiently and economically than independent outsiders. They could rely on their own service companies, their own engineers, their own construction companies. Their ambitions went beyond the mere regimentation of finance, construction, and industry. They sought to regiment opinion through ineffective and ultimately embarrassing attempts to propagandize the evils of public ownership, which they scorned with the terms "socialism" and "communism." They failed to see that there could be no better argument for state socialism than their own success, had they achieved it.

"The advocates of state socialism 25 years ago said that competition was not only outmoded but that in a few years capitalistic enterprise would pave the way for state ownership of such enterprise; that the economic system built by the masters of monopoly would be capped by a superstate, administered for the benefit of all the people.

"As the captains and the kings of the days of supermanagement depart, as the tumult, the shouting, and the recriminations attendant upon their failure subside, we know that there is a point beyond which even a man of genius cannot transmit to the slower minds of others the essential spark. We have learned that remote control, as it grows more remote, becomes less controlling. We have learned that a free nation cannot entrust its economic destiny to the wisdom of autocratic, self-constituted and self-perpetuating groups however powerful.

"Could the entire utility industry have been effectively managed in the way these empire builders believed, the power of these men, too great to be controlled by any normal regulatory device and too great to be possessed by any private group, inevitably would have passed to the state. Then the socialism that they dreaded in theory, but subscribed to in fact, would have emerged triumphant to mock them. Their failure—the bureaucracy, the nepotism, the inefficiency that characterized their superindustry—is, strangely enough, the answer, not only to the argument for supercorporate forms but for a superstate as well."

CHANGE OF REFERENCE

Mr. SMITH. Mr. President, Senate bill 1024, to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co. has heretofore been referred to the Committee on Claims. Last year the bill was considered by the Committee on Interstate Commerce. I have spoken to the chairman of the Committee on Claims with reference to the matter, and I now ask, with the permission of the chairman, that the Committee on Claims be discharged from the further consideration of the bill and that it be referred to the Committee on Interstate Commerce.

The VICE PRESIDENT. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels; to the Committee on Immigration.

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Washington, and Lewiston, Idaho;

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River, in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.;

H. R. 3018. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at

a point approximately 15 miles north of Keota, in the State of Oklahoma;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.;

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.; and

H. R. 4018. An act to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States; to the Committee on Commerce.

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission; to the Committee on Interstate Commerce.

WORK RELIEF PROGRAM—AMENDMENTS

Mr. METCALF submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 4, after line 23, add the following new sentence: "*Provided*, That in the employment of all officials and employees paid from funds appropriated by this resolution preference shall be given to the holders of adjusted-service certificates."

Mr. RUSSELL submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 3, after line 4, to insert the following:

"Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance the purchase of farm lands by tenants, croppers, or farm laborers for hire. Such loans shall be made on such terms as the President shall prescribe, and shall be repaid in equal annual installments, or in such other manner as the President may determine, within a period of not to exceed 50 years."

Mr. McCARRAN submitted two amendments intended to be proposed by him to the joint resolution (H. J. Res. 117), making appropriations for relief purposes, which were ordered to lie on the table and to be printed, as follows:

On page —, before section —, add the following new section:

"SEC. —. Wherever possible in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise."

To strike out all of section 6, and in lieu thereof to insert the following:

"SEC. 6. The President is authorized to subscribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however,*

"(a) That such rules and regulations shall stipulate that all work done under this joint resolution, whether by contract or otherwise, involving the expenditures of any money appropriated by this joint resolution, shall contain a provision to the effect that all laborers and mechanics employed by the contractor or any subcontractor, or the public officer in charge for the United States and/or the District of Columbia, shall be paid rates of wages not less than the prevailing rates of wages paid for work of a similar nature in the city, town, village or other civil division of the State in which the work is located, or in the District of Columbia, and that in case any dispute arises as to what are the prevailing rates of wages for work of a similar nature, applicable to any work being done under this joint resolution, which cannot be adjusted by the contracting officer of the United States, or the contracting officer in charge of work, the dispute shall be referred to the Secretary of Labor for determination and the decision of the Secretary of Labor thereon shall be conclusive on all parties.

"(b) Rules and regulations prescribed under this section shall not abrogate any existing law.

"(c) Any willful violation of any rules or regulations made by the President under this section shall be punishable by a fine of $5,000."

ADDITIONAL COPIES OF PRELIMINARY REPORT OF FEDERAL POWER COMMISSION

Mr. NORRIS submitted the following concurrent resolution (S. Con. Res. 8), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed 10,000 additional copies of the preliminary report of the Federal Power Commission on domestic and residential electric rates submitted in response to Senate Joint Resolution 74, approved April 14, 1934, of which 3,000 copies shall be for the use of the Senate, and 7,000 copies shall be for the use of the House of Representatives.

LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS—CONFERENCE REPORT

Mr. SMITH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers in the United States (including Alaska, Hawaii, and Puerto Rico), during the year 1935, for fallowing, for the production of crops, for harvesting of crops, and for feed of livestock, or for any of such purposes. Such loans shall be made and collected through such agencies, upon such terms and conditions, and subject to such regulations, as the Governor shall prescribe.

"SEC. 2. (a) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production or harvesting, or both, is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Fees for recording, filing, and registering shall not exceed 75 cents per loan and may be deducted from the proceeds of the loan. Each loan shall bear interest at the rate of 5½ per centum per annum. For the purpose of carrying out the provisions of this act and collecting loans made under other acts of the same general character, including loans made by the Governor with funds appropriated by the Emergency Appropriation Act, fiscal year 1935, the Governor may use the facilities and services of the Farm Credit Administration and any institution operating under its supervision, or of any officer or officers thereof, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for the accomplishment of such purposes.

"(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed $500: *Provided, however*, That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations and with such maturities as he may prescribe therefor.

"(c) No loan shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe: (1) that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act; and (2) that such applicant is cooperating directly in the crop-production control program of the Agricultural Adjustment Administration or is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the success of such program.

"SEC. 3. (a) The moneys authorized to be loaned by the Governor under this act are declared to be impressed with a trust to accomplish the purposes provided for by this act (namely, for fallowing, production, harvesting, or feed), which trust shall continue until the moneys loaned pursuant to this act have been used by the borrower for such purposes.

"(b) It shall be unlawful for any person to make any material false representation for the purpose of obtaining, or assisting another to obtain, a loan under the provisions of this act; or willfully to dispose of, or assist in disposing of, except for the account of the Governor, any crops or other property upon which there exists a lien securing a loan made under the provisions of this act.

"(c) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

"(d) Any person violating any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not more than $1,000, or by imprisonment for not more than 6 months, or both.

"SEC. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as the Governor deems practicable, to the rates established by the Classification Act of 1923, as amended.

"SEC. 5. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not to exceed $60,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any part of such sum may be made up as follows: All unobligated balances of appropriations and funds available thereunder to enable the Secretary of Agriculture or the Governor to make advances or loans under the following acts and resolutions, and all repayments of such

advances and loans and interest: March 3, 1921 (41 Stat. 1347); March 20, 1922 (42 Stat. 467); April 26, 1924 (43 Stat. 110); February 28, 1927 (44 Stat. 1251); February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3); March 3, 1930 (46 Stat. 78, 79); December 20, 1930 (46 Stat. 1032), as amended February 14, 1931 (46 Stat. 1160); February 23, 1931 (46 Stat. 1276); March 3, 1932 (47 Stat. 60); February 4, 1933 (47 Stat. 795); February 23, 1934 (48 Stat. 354); and June 19, 1934 (48 Stat. 1021).

"(b) The moneys made available under subsection (a), and all collections of both principal and interest on loans made under this act, may be used by the Governor for making loans under this act and for all necessary administrative expenses in making and collecting such loans.

"(c) Expenditures for printing and binding necessary in carrying out the provisions of this act may be made without regard to the provisions of section 3709 of the Revised Statutes."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill; and the Senate agree to the same.

E. D. SMITH,
B. K. WHEELER,
G. W. NORRIS,
Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. RONALD KINZER,
Managers on the part of the House.

The report was agreed to.

ELECTRIFICATION OF FARM HOMES

Mr. NORRIS. Mr. President, the Honorable JOHN E. RANKIN, a Member of the House of Representatives, delivered at Washington, D. C., February 2, 1935, a very able, instructive, and illuminating radio address on the subject of rural electrification. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ELECTRIFYING THE FARM HOMES OF AMERICA

Mr. RANKIN. My friends of the radio audience, it is my privilege tonight, through the courtesy of the National Broadcasting Co. and associated radio stations, to talk to you for a few minutes on one of the most vital questions of the day, that of rural electrification—electrifying the farm homes of America.

There can be no permanent prosperity in this country so long as we have an impoverished agriculture.

Our young people are not going to remain on the farms under present conditions, to perform the drudgery and to bear the enormous burdens their fathers have borne, if they can help themselves. They feel that they are entitled to enjoy some of the comforts and conveniences of life.

One of the greatest steps ever taken toward the attainment of that end is the rural electrification program of the Tennessee Valley Authority, to furnish the people in the rural districts an abundant supply of electric energy at rates they can afford to pay, and to make it possible, through the Electric Home and Farm Authority for them to buy the necessary appliances.

This is the beginning of one of the greatest farm-relief movements ever instituted. If properly carried out, it will result in the greatest back-to-the-farm movement of all times.

Give every farmer cheap electricity with which to light his home and his barn, pump his water, run his refrigerator, radio, and other necessary appliances, and make it possible for him to secure these appliances, and you will be giving him some real farm relief that will make farm life more pleasant, more attractive, more profitable, and more abundant.

Electricity is one of the greatest gifts of God to man.

There is enough hydroelectric power in our navigable streams and their tributaries to supply all the homes and run all the machinery in America. I contend that it is public property, national wealth, and should be used for the benefit of all the American people. It is the greatest natural resource in America, outside of the soil from which we live.

Tupelo, Miss., my home town, was the first city to sign a contract to secure electric energy from Muscle Shoals through the Tennessee Valley Authority. It was followed by the cities of Amory, Corinth, Booneville, Iuka, and other municipalities in that State, as well as Athens, Ala., and Pulaski, Tenn., and certain rural districts in northeastern Mississippi and northern Alabama. Under these contracts the electric light and power rates were reduced on an average of about 68 percent.

The T. V. A., by establishing its yardstick and informing the American people what are reasonable rates for electric lights and power, has brought rates down all over the country, thereby saving the American people hundreds of millions of dollars. And the end is not yet.

The consumption of electric energy in Tupelo and the surrounding territory was more than doubled within a few months after this T. V. A. contract went into effect, and the sale of electric appliances grew by leaps and bounds. Lines are now spreading out into the rural districts, taking these benefits to the farmers of that section. It is my hope to see it reach every home, not only throughout that district, not only throughout Mississippi, but throughout every congressional district in the United States.

But the ones who are opposing this program say, rather contemptuously, that if given cheap electricity the farmers will spend their money to buy radios. Well, why shouldn't the farmer have a radio? Why should he and his family be denied the comforts and conveniences of modern life? The radio furnishes the least expensive, the most wholesome, the most enlightening, and most elevating entertainment known.

Our present Communications Commission has seen to it that nothing goes over the radio that is profane or indecent. It is building up the moral structure of our country and not tearing it down. I want to see a radio in every farm home in America.

At the time of the passage of the T. V. A. Act, a farmer in northeastern Mississippi was paying $4.50 for 25 kilowatt-hours of electricity a month. It now costs him 75 cents, under the T. V. A. rates, which are based upon the actual cost of production and distribution.

A farmer in Iowa or Arkansas still pays $4.50 for 25 kilowatt-hours a month, while one in the State of New York pays $6—the overcharge going into the coffers of the Power Trust.

For $4.50 a farmer in the area now served by the T. V. A. gets 200 kilowatt-hours of electricity a month—enough to light his home, pump his water, run his refrigerator, radio, electric iron, electric churn or cream separator, washing machine, and electric range with which to cook his meals.

In Iowa it would cost him $14.50 instead of $4.50.

In Kentucky it would cost him $10, in Virginia $12.50, and $11.90 in Arkansas.

I have before me at this moment duplicate light and power bills of a few farmers in the Tupelo territory who are now receiving their electric energy at T. V. A. rates.

Here is one who is a progressive dairy farmer, whom I know quite well. In September 1933 he used 343 kilowatt-hours of electric energy, for which he paid $20.14. In September 1934, under the T. V. A. rates, he used 487 kilowatt-hours, an increase of 144 kiowatt-hours, for which he paid $6.85 instead of $20.14. He increased his consumption 42 percent and reduced his bill 66 percent. This 487 kilowatt-hours furnished him electricity to light his home, his barn, garage, and other outhouses, and also to operate his water pump to supply water for his home, his barn, and his large dairy herd; to run his refrigerator, electric irons, fans, vacuum cleaner, and electric range as well as many other small appliances.

But suppose that farmer had used 1,000 kilowatt-hours a month, as many are doing where they run feed grinders, milking machines, etc. That 1,000 kilowatt-hours would have cost him $8.90 under the T. V. A. rates.

In Iowa it would cost him $46.50, in Kentucky $34, in Maine $41, in Illinois $30.70, in New York $19.80, in Pennsylvania $28, in Virginia $45.50, and $35.90 in Arkansas. Similar rates prevail in all other States where the Power Trust is in full control.

I notice from the papers that the Arkansas Power & Light Co., which is owned and controlled by the Electric Bond & Share, a holding company, is proposing to furnish electric energy to the farmers of Arkansas, Louisiana, and western Mississippi in exchange for farm products. That is their idea of farm relief. If they charge the same rates they are now charging, they will soon relieve those farmers of both their farms and their livestock.

It may be educational, however, for the Power Trust can at least teach those farmers how to water the stock and shear the sheep.

But the power interests, through their press agents, tell you that the T. V. A. rates are too low, and that this power is being sold at a loss. That is not true. Every element of expense was considered in fixing these rates and, instead of being sold at a loss, it is being sold at a profit.

But they say that the T. V. A. does not take into account all the items of expense which the power interests have to meet. That is true; they don't have to take them all into consideration, for they don't have to pay them all.

For instance, here are a few of the items of expense the power interests have to meet that the T. V. A. does not incur:

1. Dividends on watered stocks.
2. Exorbitant tributes to holding companies.
3. Money to buy up newspapers and magazines for propaganda purposes.
4. High-priced lawyers, employed for their political influences—usually relatives or law partners of high public officials, and sometimes the officials themselves.
5. Money spent to influence elections, contributions to campaign funds of their favorite candidates for public office.
6. Unreasonably high salaries and bonuses paid to power-company or holding-company officials.
7. Money uselessly spent by the Power Trust in trying to defeat President Roosevelt, both in 1932 and in 1936—to say nothing of the expense of their campaign of propaganda against Secretary Ickes of the Interior, who is in charge of the construction of Boulder Dam, which is to be the greatest public power project on earth.

The T. V. A. does not have to meet these expenses. Therefore it can supply power at something like what it costs to produce and transmit it.

But they tell you people that you are beyond the reach of such development. That is not true; in a recent report of an investigation made by the Power Authority of the State of New York it

was stated that hydroelectric power can be generated and transmitted 300 miles for less than 3¼ mills per kilowatt-hour. There is not a farm in the entire United States that is not within less than 300 miles of one of these potential projects, on such rivers as the Tennessee, the Colorado, Columbia, Missouri, St. Lawrence, or some other similar stream. Therefore it is possible to provide this cheap electric energy to every farmer in America.

Nothing could do this country more good. It would enrich every farm home, restore the values of farm lands, stimulate the farmer's interest, and inspire him with renewed hope. It would start an era of rural home building such as this country has never seen and would lay the foundation of a new civilization, greater perhaps than any mankind has yet known. It would place our country in her rightful position of leadership in the great onward march of modern progress—as Henry Grady once said, blazing out the path and making light the way "up which all the nations of the earth must come in God's appointed time."

BRITISH POLICY TODAY—ADDRESS BY GEN. JAN C. SMUTS

Mr. POPE. Mr. President, I ask to have printed in the RECORD a speech delivered by Gen. Jan Christiăan Smuts on British foreign policy on November 12, 1934. It is a very interesting address on a timely topic by the great statesman from the Union of South Africa.

There being no objection the address was ordered to be printed in the RECORD, as follows:

TEXT OF THE SPEECH—DANGEROUS COMPLEXES

I should like at the outset to pay my tribute to the work of the Royal Institute of International Affairs. The institute is discharging a most useful and necessary function as a forum for discussion and study of international questions. This work is all the more necessary in view of the growing importance of international relations in the modern world, the preoccupation of public men with the daily affairs of their own peoples, and the necessity of arriving at clarity on fundamental principles which should guide foreign policies. The institute is, so to say, doing the work of a general staff for foreign affairs.

I am here tonight to speak to you on the present international outlook. I do so in no dogmatic spirit, but only in order to join in this process of study and discussion, and in that way make my contribution to the work of the institute. It is my intention to discuss the present situation quite frankly and with the seriousness which its grave character calls for. If I drop any bricks, the blame and responsibility will be all my own.

Looking at the European situation today as distinct from the wider world situation (to which I shall refer later), I am deeply impressed by the fact that two underlying forces are today creating and shaping policies—the fear complex and the inferiority complex. Both are dangerous complexes, the symptoms of disease and not of healthy growth, and unless they are treated on wise lines, they may in the long run produce very serious consequences for the public mind and life of the world. It may seem a humiliating confession to make, but it appears to be a fact that fear is today the real driving force in our European relations. Fear, the meanest of human motives, is today the master of us all. The victors of the Great War, so far from feeling secure in their victory, are, in fact, obsessed with this almost neurotic fear. And the vanquished are reacting in the obvious and inevitable way by refusing to accept their enforced inferiority and their position as second-class nations in the comity of civilization. The victors are actuated not by confidence but by fear of the defeated; the defeated are determined to reconquer their lost equality with the victors. The mental reactions seem, in fact, to be reversing the roles created by the Great War.

It is all a very absurd and topsy-turvy state of affairs. But it is this mental topsy-turvydom which is today driving Europe forward on the road to chaos. In these obsessions reason is in abeyance, the finer human instincts are paralyzed, and a wrong twist is being given to our future development as a well-ordered continent. Every urgent question becomes insoluble in this atmosphere of distortion. Disarmament has almost suffered shipwreck when every solid reason points to its necessity; and international cooperation is endangered where every common European interest calls imperatively for it.

If Europe is to get back to the right road again, it seems to me necessary that the nations, both victors and vanquished, should be cured of their Freudian obsessions, should recover their common sense and sanity, and should once more see things in their right and normal relations. There is no superpsychoanalyst to do this trick, but it is at least necessary to diagnose the disease, to recognize that it is a disease and not a healthy normal condition. Once Europeans admit to themselves that they are perhaps a little mad, the cure would come of itself. A sense of humor, of good humor, and a little laughter at themselves will do the rest. "Know thyself" was the wise oracle; "Know thyself" is the word to be spoken to Europe today in its temporary obsessions and aberrations. There is no doubt that the present spell will pass, but what irreparable mischief is not being done while it is on. Let statesmen become the courageous doctors to their sick peoples, and the spell will soon pass.

A HALT TO WAR TALK

One of the symptoms of this fear complex is the war talk which is now so common. It is represented that we are on the brink of another war—that war is waiting just around the corner. This war talk is creating a war atmosphere, and is more likely to lead to war than anything else. To me it seems all a vicious and dangerous mistake. And the curious thing is that pacifists are most responsible for the scaremongering. In their well-meant efforts to frighten people into disarming and to a sense of dangers to come they are actually fomenting the mentality that leads to war. To me it seems that the only shrewd, wide-awake people who indulge in war talk are the manufacturers and vendors of munitions. With all the emphasis at my command, I would call a halt to this war talk as mischievous and dangerous war propaganda.

The expectation of war tomorrow or in the near future is sheer nonsense, and all those who are conversant with affairs know it. Conditions today are very different from those of 1914. Then war in the near future was a set policy for which the old empires were feverishly preparing. They all had their day to which the general staffs looked eagerly forward. Today nobody wants war; every statesman knows it will be the ruin of his country and the end of himself. With perhaps one exception, not a single nation is today prepared for war, and war will simply mean internal revolution. And even in the case of the exception I refer to, the people itself is today profoundly pacific.

Today it is not the military but the economic front which dominates the thoughts of statesmen. We are continually being told of what is happening beyond the Rhine, of the secret arming and drilling and preparing. That may be all true, and a great deal of it must be true; but it is probably no more than the workings of the inferiority complex. It is not real militarism, but only military dope applied to the masses. Those wild doings create a blessed sense of satisfaction and relief in those who consider themselves inferior or humiliated by their neighbors on the other side of the Rhine. The real war spirit is another and very different thing. It may possibly revive again if we are unwise enough to let things drift, but for the present it lies buried under the ruins of November 11, 1918. To tell me that the German people really desire war and are deliberately preparing for it is asking me to believe that they are madder than any people could be today. Let us stop this senseless war talk, the mischievous tendency of which is to translate itself into fact sooner or later. I do not mean to deny that the times are full of dangers and anxieties, but they do not justify this loose and dangerous war talk and war propaganda.

THE LEAGUE'S TASK—ROUND TABLE OF THE NATIONS

The remedy for this fear complex is the Freudian way of dragging it out from its hidden depths, bringing it into the open, and exposing it to the light of day. And this is exactly the method of the League of Nations. The League may not be a satisfactory source of security; it may be wanting in that element of sanctions which many consider so necessary. But, at any rate, it is an open forum for discussion among the nations; it is a round table for the statesmen, around which they can ventilate and debate their grievances, and viewpoints. The "open diplomacy" for which Woodrow Wilson so ardently pleaded is enshrined in the Covenant, and is today the settled and accepted method of international intercourse in the League. The League was designed to be first and foremost the round table of the nations, and at that table and in open discussion the secret fear complex can be treated along truly human and scientific lines.

There are those who say that this is not enough—that as long as the League remains merely a talking shop or debating society, and is not furnished with teeth or proper sanctions, the sense of insecurity will remain, and the fear complex will continue to dominate international relations. It is also felt that the inability of the League to guarantee the collective system by means of force, if necessary, is discrediting it and leading to its rapid decay. It is said that the crucial case of Manchukuo has exposed its real weakness and shown that, unless armed with force to carry out its policies, it is doomed. My answer to this is twofold.

NOT A MILITARY MACHINE

In the first place, I cannot visualize the League as a military machine. It was not conceived or built for that purpose; it is not equipped for such functions. And if the attempt were now made to transform it into a military machine, into a system to carry on war for the purpose of preventing or ending war, I think its fate is sealed. I cannot conceive the Dominions remaining in such a League and pledging themselves to fight the wars of the Old World, and if the Dominions leave it, Great Britain is bound to follow.

I cannot conceive anything more calculated to keep the United States of America forever out of the League than its transformation into a fighting machine, pledged to carry out its decisions by force of arms if necessary. And remember, the United States of America has still to join the League before it will ever be its real self. Membership of the United States of America was the assumption on which the League was founded; defection of the United States of America has largely defeated its main objects. And the joining up of the United States of America must continue to be the ultimate goal of all true friends of the League and of the cause of peace. A conference room of the nations the United States of America can, and eventually will, join; it can never join an international war office.

Remembering the debates on this point in the League of Nations Commission which drafted the Covenant, I say quite definitely that the very idea of a league of force was negatived there; and the League would be false to its great mission as the board of conciliation and settlement for the nations if it ever

allowed itself to be turned into something quite different, something just the opposite of its original idea—into a league of force. The solution of the difficulty does not lie in that direction.

THE LOCARNO PLAN

But, in the second place, experience since the inception of the League has in fact taught us the way out. Locarno has been incorporated into the League, or the collective peace system. And Locarno establishes the principle of limited sanctions, of a smaller group within the League entering into mutual defensive arrangements under the aegis, and subject to the control, of the League. This does not throw the obligation to use force willy-nilly on all members, but binds only those who on grounds of their special situation and interests choose to enter into such arrangements. The Eastern Pact or Locarno, which the late M. Barthou proposed for eastern Europe, as modified by the British Government, would, if it does not miscarry, be another such system of limited sanctions to buttress peace within the League. Its present prospects are somewhat uncertain, but it may be that eventually some such pact or pacts may yet be found feasible in eastern Europe, and in other parts of the world.

If the fear obsession in Europe can be removed only by sanctions, then let it be on some such limited basis, and within the circumscribed area of those interested, and not by a departure from the principles of universality and conciliation enshrined forever in the Covenant. To endeavor to cast out the satan of fear by calling in the Beelzebub of militarism, and militarizing the League itself, would be a senseless, and indeed fatal, proceeding. Whatever forces are used to support peace must be national, and not League, forces, and must be assembled and employed by mutual defense arrangements of those concerned, made under the general supervision and sanction of the League.

EQUALITY FOR GERMANY—RECOGNITION ESSENTIAL TO FUTURE PEACE

I have so far referred only to the fear complex and the way to deal with it. But the other or inferiority complex is very closely associated with it—in the same way that the mentalities of victor and vanquished are closely associated. If we desire peace, it is little use dealing with the one without courageously tackling also the other. It is no use piling up sanctions to remove fear if at the same time we do not strike at the root of the inferiority complex. The fear increases as the inferiority complex becomes more inflamed and threatening. The inferiority complex again becomes more inflamed as the fear complex arms itself with defensive weapons. They reinforce and augment each other, and both together lead to a policy of fresh defensive armaments. Unless both are therefore dealt with, we shall continue to keep moving in a vicious circle of the two complexes and of increasing armaments. Unless both the complexes are healed, I fear the policy of disarmament will continue to suffer the reverse which it has so far encountered. It is simply a case of cause and effect. The removal of the inferiority complex from Germany is just as essential to future peace as the removal of fear from the mind of France; and both are essential to an effective disarmament policy.

How can the inferiority complex which is obsessing and, I fear, poisoning the mind, and indeed the very soul, of Germany be removed? There is only one way, and that is to recognize her complete equality of status with her fellows, and to do so frankly, freely, and unreservedly. That is the only medicine for her disease. And when we have summoned up sufficient courage to treat her in that human way, as our equal in the comity of nations, then, and not till then, will the old wound cease to fester and poison the life of Europe and the world. As long as recognition of her equal position is denied her, the sense of grievance and injury will continue to rankle. This is perfectly human, and it is this human situation which we should face with wisdom and courage.

While one understands and sympathizes with French fears, one cannot but feel for Germany in the position of inferiority in which she still remains 16 years after the conclusion of the war. The continuance of her Versailles status is becoming an offense to the conscience of Europe and a danger to future peace. Surely there is sufficient human-fellow feeling left in Europe to see that the position has become intolerable and a public danger. There is no place in international law for second-rate nations, and least of all should Germany be kept in that position half a generation after the end of the Great War. Fair play, sportsmanship—indeed, every standard of private and public life—calls for frank revision of the position. Indeed, ordinary prudence makes it imperative. Let us break those bonds and set the captive, obsessed soul free in a decent, human way; and Europe will reap a rich reward in tranquillity, security, and returning prosperity.

BEFORE IT IS TOO LATE

Some people consider magnanimity out of place in international affairs. I have seen it in my own country re-create a position of dangerous potentialities into one of the everlasting friendship between victor and vanquished. That is the way we humans are built. But if there is no place for magnanimity and generosity in European politics, at any rate here is a case where necessity and prudence point in the same direction and call for the same action. Let us take that action before it is too late. Only such action can bring healing to the sick souls in Europe and lay the ghost of that inferiority complex which is rapidly becoming a flaming portent of danger to the future of our European system. The time is come to call a halt to these devastating passions and to make peace—to complete that true peace which we admittedly failed to make at Versailles.

Germany's equality of status has already been conceded in principle. This was done in December 1932, when the great powers at the Disarmament Conference agreed to accord Germany "equality of rights in a regime of security." If this declaration had been followed up and acted on in the conference itself, Germany would today still be a member of the League, and not a disturbing factor outside it, and we should probably have had an agreement on a far-reaching measure of disarmament. Now she is out of the League, her armament position is wrapped in obscurity and danger, and the opportunity for a general measure of disarmament seems further off than ever. It is the story of the Sibylline books. The circle of the two complexes and of growing armaments is tightening round Europe. Let us hurry to untie the knot and set the good genius of European civilization once more free from the bonds which may strangle her in the future.

The call to Europe is becoming ever more insistent to set her house in order, and not to allow present tendencies and complexes to become chronic. We dare not bequeath to the coming generation a legacy of chronic disorder which may prove more than they can bear. The suffering, fear-driven peoples of Europe, filled with anxieties and forebodings for the future, appeal with outstretched hands to their political leaders for wise guidance and courageous leadership. Is it too much to hope that, with a great lead from the leaders now, a new atmosphere may even yet be created, and a new situation arise in which we could return to the more hopeful outlook which obtained more than a year ago, and in that friendly atmosphere resume the threads which were then so rudely broken off? A really great gesture even now may avail to dispel the fear and inferiority complexes and to render possible a new start in European relations and a propitious resumption even of the disarmament conversations. Europe may yet be steered into calmer waters and into an era of friendly collaboration. My point is that time is passing, and that what has to be done should be done quickly.

GERMAN ARMAMENTS

Germany declared at the end of last year that, if she was in principle accorded equality of rights, she was in practice willing to limit her defensive armaments so as to be no danger to her neighbors. The specific proposals with respect to her rearmament which she made were admitted by authoritative opinion, at least in this country, to be a not unreasonable basis of discussion. Why should a great opportunity to secure European peace, and so make a new start in European cooperation, be wantonly jettisoned? Repugnant as the principles of nazi-ism may be to many other western peoples, that is no reason why Germany's equal international position should not be recognized and the obsessions which lie at the root of nazi-ism thereby removed. Russia, in spite of her communism, has at last been welcomed into the circle of the League. Surely the necessity for recognizing Germany's equal international status is no less imperative, whatever her internal political system may be.

Unfortunately there is a spirit of fatalism and defeatism abroad. People shrug their shoulders and despair of anything being done. This is a spirit which ill becomes those who have learned the lesson of the Great War. A resolute and determined effort even now may avail to save the situation, to bring Germany back to the Disarmament Conference and the League, and probably to lead to a substantial step forward in agreed disarmament. But European statesmanship must clear its mind of obsessions, and screw up its courage and boldly take the necessary step in declaring Germany's equal status. If this is not done by agreement, it may soon come of itself. But with this difference, that, whereas the future armament of Germany could have been a matter of agreement with her neighbors, her self-asserted unilateral equality may lead to complete freedom in the matter of her rearmament. It will be with disarmament as it already is with reparations; in default of reasonable action and agreement, while there is yet time, both may founder and become obsolete issues in the march of events. Statesmanship will have abdicated, and events will then decide.

CLOUD IN THE FAR EAST—THE WARNING OF MANCHUKUO

So far I have confined my remarks to the European situation. Europe, like the poor, is always with us. But in the Far East a cloud is appearing which, although it is at present no greater than a man's hand, may come to overshadow the whole international sky in time. Already on its mere appearance it has severely shaken the League and led to menacing reactions in several directions. People instinctively realize that here is a phenomenon of first-class order, which may have the most far-reaching effects on the fortunes of peace, and indeed of our civilization. Manchukuo is perhaps not yet the parting of the ways, but it is the warning that we are coming to the parting of the ways and may soon have to make a very solemn choice in national policy.

I have always looked upon the Washington Treaties of 1922 as probably the greatest step toward peace yet taken on the road to a stable future world order. In 1921, at the Imperial Conference of that date, I stated my view that a great change was coming over world politics, and that the scene was shifting from the Atlantic to the Pacific. It was felt, and not by me only, that the future of the world would probably be decided, not in the Atlantic, but the Pacific Ocean and countries. The pot might continue to boil in Europe for perhaps another generation, but in the end it would simmer down. Europe would settle her essentially family quarrels in the end, and a state of more or less peaceful equilibrium would be reached. That feeling I have still. But for these tiresome and obstinate neuroses to which I have referred, Europe would probably already be settling down. The storm center will pass away from the countries of Christian

civilization and shift to the Far East. There the hand of destiny is still writing in its unknown script—in a language and in ideas which are scarcely intelligible to the Western mind.

WASHINGTON AND AFTER

The achievement of the Washington Conference was just this—that in this new danger zone of the future a concert or collective system of the powers concerned had been built up, a loose conference system, founded on certain vital issues, which might do for the Far East what the Geneva League was attempting to do in the West. Comparative naval power, the integrity of China, the open door in that immense potential market, were agreed in principle, and in case of any differences or danger arising the Conference would meet for discussion. Here was the most promising thing for world peace which had yet taken place since the Covenant. The question which is now being raised is whether the promise of Washington will be fulfilled and not prove to be a mere mirage. Manchukuo, as I said, pointed the danger signal. Now the treaty on naval ratios seems to be in danger; and if that goes, the other issues settled at Washington may also be reopened, and the whole Pacific concert may collapse. Here is something far more dangerous for the future than these present temporary and passing differences in Europe.

At present we are very much in the dark as to what is actually going on. Conversations are taking place here between the parties to the Four-Power Treaty, the outcome of which is still uncertain. Under these circumstances it would be futile, and may even be harmful, to enter upon a discussion of the merits of the naval questions involved, and I do not propose to do so now, even supposing I had the competence to do so. There is, however, an air of pessimism about the outcome of these conversations which gives food for thought. In view of this, and in view also of the far-reaching issues involved, it may, perhaps, be permissible to refer to certain broad aspects of the whole question and the fundamental considerations of policy which, I submit, should be steadily borne in mind, without going into the particular naval points which are at present the subject of secret exchanges. I therefore address myself to a few general observations on the underlying policies which strike me as pertinent.

In the first place, this threat to the continuance of the Washington arrangements and the Pacific concert, with all it may ultimately involve, must be another serious call to Europe to put her house in order without undue delay. It must be plain to everybody that the rift in the lute now beginning in the East has a very disturbing effect on the European concert as well. Whereas Europe left to herself may in the end come to some working equilibrium, the new trouble in the East may easily destroy that prospect. Adversity makes strange bedfellows, and those who have in the past talked loudest of the yellow peril may in future be tempted to look for friends in that unlikely quarter. The day when Europe calls in the Far East to redress the balance of the West will be an evil day for western civilization and the peace of the world. In view of the situation now developing in the Far East, European statesmen should redouble their efforts to compose European differences before it is too late. The dangers I allude to are so evident that I need not dilate further on this point.

AN APPEAL TO JAPAN

In the second place, I would appeal most earnestly and in the friendliest spirit to Japan, as our old friend and war-time ally, to pause before she puts in motion machinery which will in the end imperil the concert in the Pacific. She has already given notice of withdrawal from the League. If, in addition, she withdraws from the Washington Treaties, the whole collective system goes, so far as she is concerned. For herself this might mean a position of isolation which experience in the Great War has shown to be most dangerous, even for the greatest of military powers. And for all, the disappearance of the Pacific concert would be a matter of the gravest concern. The collective system is probably the most beneficent of all post-war changes in international affairs, and its weakening or destruction might involve dangers the magnitude of which none can foresee today. I therefore pray for the most serious reflection before the final plunge is taken.

In the third place, everything possible in the power of diplomacy should be done to avoid even the appearance of antagonism between the East and the West. The potentialities of the situation are inherently serious enough, and should not be rendered worse by one-sided diplomacy. Asia is at a curious phase of her awakening. Complexes there, too, are forming. The old exploitation or ascendancy policies are out of place in such a situation, and should be carefully avoided for the future. The past record of the West in the East is not one to be proud of or to be further copied. While mindful of our duty and responsibility as trustees for the greatest civilization that this earth has ever known, we should avoid the assumption of superiority. Not the mailed fist, but the friendly helping hand, should be in future the symbol of our association with Asia.

We are facing the greatest, most intriguing, most testing human situation which has probably ever arisen in history. It may well be that western civilization will stand or fall in this matter of its contacts with the immense human masses of the East. Here let it put its best foot forward and show that it is a universal system, based on the broadest and highest human principles, and not merely a local system for the European peninsula. In this spirit, I would say, even if the present negotiations for naval ratios fail, do not let us depart from an attitude of friendliness and large human good will toward Japan. Good will, good temper, friendship, will solve the hardest problems of statesmanship yet. And they are specially called for as the ultimate instruments of diplomacy in our dealings with Asia. If we cannot and should not be allies, we can at least be friends, and proceed to the unknown dangers of the future in a spirit of understanding and friendliness. The old Japanese alliance may have been, and in my opinion was, a mistake. A policy of friendliness and understanding can never be a mistake, and will keep or make friends without thereby making enemies.

COOPERATION WITH AMERICA—OUR BEST INSURANCE

Fourthly, and subject to what I have just said, I wish to make another point which I consider no less important and vital. This is a difficult world, in which we have to walk warily, in which even good will may not be enough, and in which we are called upon to exercise a wise discretion as an insurance for the future. In this spirit, I would say that to me the future policy and association of our great British Commonwealth lie more with the United States of America than with any other group in the world. If ever there comes a parting of the ways, if ever in the crises of the future we are called upon to make a choice, that, it seems to me, should be the company we should prefer to walk with and march with to the unknown future. On that path lie our past affiliations, our common moral outlook, our hopes and fears for the future of our common civilization. Nobody can forecast the outcome of the story era of history on which we are now probably entering. Our best insurance in this unknown territory is to be with those with whom we have an instinctive and historic sympathy.

The British Commonwealth has its feet in both worlds. Through Great Britain its one foot is firmly planted on this old continent. Through the Dominions it has its other foot as firmly planted in the outer newer world, where the United States of America already plays so great a part. The Dominions have even stronger affiliations with the United States of America than Great Britain has. There is a community of outlook, of interests, and perhaps of ultimate destiny between the Dominions and the United States of America, which in essence is only the first and most important of them. Through the Dominions British policy is ultimately tied up with the United States of America in a very profound sense, which goes much deeper than the occasional jars which, perhaps, are more acutely felt at any particular moment. That fundamental affinity, coming from the past, stretching to the future, is, or must be, the real foundation of all British foreign policy. Any policy which ignores it, or runs counter to it, is calculated to have a disruptive effect on the Commonwealth as a whole. We are here on bedrock, which we ignore at our peril.

While, therefore, our far-eastern policy should, I submit, be based on friendship with all, and exclusive alliances or understandings with none, the ultimate objectives of that policy should continue to conform to that general American orientation which has distinguished it since our association with the United States of America in the Great War. In this way our policy will correspond to the actual general situation of our commonwealth in the world of today—a situation which goes much deeper than, and underlies, all public policies, and on which alone it is possible to base stable and enduring policies for the future. Any other course would mean building our commonwealth policy on quicksands, and placing the future of this group at the mercy of incalculable accidents.

HUMANITY AS A WHOLE

In saying this I do not wish to import any note of exclusiveness in our policies or our world outlook. The day is surely gone for the old exclusive outlooks of the past, and for the alliances and balances of power which were based on that outlook. In spite of all appearances to the contrary, we have in this respect made progress in the post-war period. The principle of universality on which the Covenant and the new world order are based is slowly making headway. More and more the recognition is winning through that there really is a society, and not merely a collection of nations. The League of Nations in itself implies a society of nations. Not in our separateness and exclusiveness, not in mere nationalism, either political or economic, lies the way out of our present troubles, but in our steadily increasing sociality, in the interweaving of interests, viewpoints, and ideas, in the open door and the removal of barriers and restrictions, in the dominance of large human principles transcending national boundaries, and in the recognition that in mankind we are members one of another. More and more we are recognizing that, in spite of racial and political barriers, humanity is really a whole.

It is in this steadily growing mutuality of our relations, in this ever-increasing wholeness of our human relationships, that I see the only possible ultimate solution of our present discords. Here lies the true line of progress for the future. And the more we recognize this wholeness of mankind, this integral character of all our relationships, the surer our success will be in the great adventure of human government and the brighter the prospects will be for that world of ordered liberty and peace which we are out to build. The driving force in this human world of ours should be, not morbid fears or other sickly obsessions, but this inner urge toward wholesome integration and cooperation. The drive toward holism, which I have elsewhere pointed to as at the basis of nature and the creative process in this universe, is equally operative in our human society. Unless it is artificially interfered

with and thwarted, it will lead us forward to sanity, wholeness, and wholesomeness, and rid us of the pathological obsessions which are today producing so much friction and dislocation at every step of our advance.

A PLEA FOR UNDERSTANDING

I thank you for the patience with which you have listened to me, even when you may not have agreed with some of my views. What I have said in all sincerity is simply meant as a plea for understanding by one who has no ax to grind and whose sphere of work lies far from the political battlefront of Europe. Ever since Versailles, where I entered my first protest, I have felt very deeply that the real peace was still to come, and that it would be a peace not merely of mechanical arrangements of the territorial or economic kind but something psychological, something in the nature of European reconciliation, something reaching down to and resting on our common human and Christian foundations. In that spirit I have once more pleaded for peace tonight. I hope that our statesmen will yet lead us to that peace before it is too late—that is to say, before new, sinister forces have advanced and taken possession of the field and imperiled what centuries of European effort have accomplished for our human advance. I feel the hour for action has come, or is rapidly coming, and we all pray that our leadership, for which we feel the profoundest sympathy, will not fail us in this crisis of our fate. [Cheers.]

Sir Abe Bailey, proposing a vote of thanks to General Smuts, said that his speech ought to be carefully studied by leaders of public opinion. When General Smuts spoke they felt that the spirit of the Voortrekker was with them. Through dark times the spirit of the Voortrekker was always glowing, and it was that spirit which had made South Africa great and would make it greater still. Eighteen months ago South Africans were quarreling, like a ship's crew in a storm, with the enemy at gunshot range. But then Generals Hertzog and Smuts came together, formed the national government, and proved themselves to be the lightning conductors to South Africa. Those two statesmen could not be corrupted by any manner of gift, and no two statesmen could have worked together with more loyal and powerful cooperation. Thanks to them, the foundations of prosperity were truly laid. History would pay high tribute to General Smuts for the self-effacement with which he subordinated himself for a great cause—the welfare of south Africa. [Cheers.] The first and foremost consideration of the national government was security and safety for their native land and for their people, and other benefits did not count. They realized that the British Empire's strength was their strength and its prosperity was their prosperity. They realized in the British Empire the magic of freedom and liberty and the reign of law, and they realized that, unlike some other peoples, the peoples of the British Empire were not prisoners of the mind. [Cheers.]

FOREIGN TRADE

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the Honorable George N. Peck, special adviser to the President on foreign trade, delivered before the Women's Political Study Club at the Washington Club, Washington, D. C., on Saturday, January 19, 1935. The address is on the subject of "Foreign Trade."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In discussing the subject of "Foreign Trade" I think we can start safely with the proposition that there are as many people in the world today in need of food, clothing, and the other necessities and comforts of life as there were before the depression and, further, that the potential productive capacity of the world today is greater than it ever was before. As a Nation we produce more than we can consume of many commodities and in our failure to dispose of them elsewhere we have, in some instances, been forced to reduce our production or, in others, even to destroy them. In the absence of markets there was no alternative. Yet there are many commodities produced abroad which are not produced here, commodities which we need to maintain our standards of living and our program of production.

The altered economic position of many countries since the World War has changed the previous channels of trade. This, however, has not reduced the actual volume of human needs and human requirements, nor has it reduced human productive capacity. What has broken down is the money system used as a medium of exchange between nations. In considering foreign trade and money and their interrelationship I shall try to discuss the subject in the simplest possible manner and in the following order:

1. What trade is and what money is.
2. What our studies show about our foreign trade and investments in the past.
3. A glimpse of the activity of England (the world's greatest foreign-trade financing and trading nation) since the middle of the last century.
4. What other nations have done.
5. What we have done.
6. Finally, my own views on what we should do now.

TRADE AND MONEY

Foreign trade usually is regarded as an extremely complicated and mysterious subject. This is true on the surface, but its fundamentals are very simple, indeed, as simple as the housewife's budget.

Trade is defined by the dictionary as follows: "Act or business of exchanging commodities by barter, or by buying and selling for money." We all know that barter is the simplest form of trade. Horse trading, a horse for a horse, is a familiar example. Sometimes you do not want another horse, but a cow. Sometimes you want money for your horse instead of another horse or a cow, because you want clothing or shelter either now or later.

This brings us to money. What is money? The dictionary says "In a comprehensive sense, anything customarily used as a medium of exchange and measure of value, as sheep, wampum, copper rings, quills of salt or of gold dust, shovel blades, and so forth; hence in economics, anything having a conventional (i. e., generally recognized) use either as a medium of exchange or a measure of value, or as a measure of value alone." It is not, however, a measure of constant value.

Money, in other words, is a convenient medium for effecting exchanges of goods. Usually it is more convenient to sell your horse for so much money and with that money buy the cow you want, but the net result of such a transaction is the same as though you had simply swapped a horse for a cow.

Foreign trade is no different in principle from any other kind of trade between individuals. We raise more cotton than we can use. On the other hand, we need rubber, but do not grow it. We, therefore, sell cotton to England who needs it and buy rubber which we need with the proceeds—it is the same as if we swapped so much cotton for so much rubber without using money at all. Money is simply used as a measuring rod for determining how much rubber we shall get for the cotton we send abroad, and as a convenient medium to facilitate the transaction.

These are very simple examples, but they illustrate the fundamental exchange of goods for goods which is the basis for all trade. Many other things come into trade beside horses, cows, cotton, rubber, sewing machines, automobiles, and other visible objects. The exchange of services is fully as important in modern civilization as the exchange of goods. An individual exchanges his services as, let us say, a plumber, for food, clothing, lodging, and perhaps a radio. The exchange is vastly facilitated by the use of money, but the result is the same as though money had not figured in the picture. In international trade, transportation and shipping constitute the principal service items.

Money and capital are also objects of trade and can be exported and imported. When you go abroad you exchange your American money for English pounds to enable you to buy in England the things there you need, or want—food, lodging, clothes, antique furniture, or what not. For these pounds you have given your American dollars which in turn will enable some Englishman to buy things he wants from this country.

You can also send your money or capital abroad by lending it to foreigners for use in their own affairs or by investing it in foreign securities. In theory capital sent abroad in this manner eventually comes back; in practice that is not always the case. You can also send it abroad by establishing branch factories or offices in foreign countries. Besides these, enormous sums are exported from the country in remittances sent abroad by immigrants and by contributions made through charitable organizations and others. All these activities represent money and capital going out of the country and fall under the head of what is known as "capital movements" or "export of capital."

The important thing about money is that it is of very little use to you except as you exchange it for something you want. As long as it is used as a means for exchanging things you have for other things you want, goods and services for goods and services, it is useful. This is all very elementary, but today conditions in international trade have thrown us back to first principles, and it is worth reminding ourselves that international trade consists of the exchange of goods, services, and capital for other goods, services, and capital.

OUR PRESENT SITUATION

I think it was the English writer, Charles Lamb, who once said that a man who spent 1 penny under his income was a happy man whereas if he spent 1 penny over he became an unhappy one. Anyone who has worked on a household budget will appreciate the truth of that. The situation as regards nations in their trade with one another is no different. If, as a Nation, we send out of the country more goods, services, and capital than we receive in return, certainly we are becoming poorer ultimately. The moral is obvious. Nations must keep books on their commercial and financial dealings with other countries, just as a business firm, or for that matter a housewife, must keep books on income and outgo. Strangely enough this was not done in this country in any systematic way until this last year. We had some rough figures but no consideration apparently was given to reckoning up our position with individual nations or as a whole to see whether what we were sending out was balanced by what we were getting in return. As special adviser to the President on foreign trade I started a series of studies on this angle which were made public in my letters to the President of May 23 and August 31, 1934.

The results were startling. Taking the period from 1896–1933, it appeared that as a Nation we have shipped far more goods than we have been paid for currently. We paid a considerable part of the money cost of the war and contributed largely to the rehabilitation of Europe after the war. The unpaid balance on these accounts at the end of 1933 was some $24,000,000,000 even after deducting from their total indebtedness $19,000,000,000

which during that period was either spent abroad by our tourists or was sent abroad by our immigrants, by charitable organizations, and others. This unpaid balance is represented mainly by long-term and nonliquid obligations of foreigners to us and by our direct investments in foreign countries.

Our practice of lending money abroad imprudently and over-generously permitted foreigners to build up from the proceeds of these loans a large body of short-term and highly liquid investments in the United States. With the depression the threat of their overnight withdrawal and their actual withdrawal substantially contributed to the demoralization of our banking system and to the shattering of our price levels. We thus made possible our own depression by our own financial policy from 1923 to 1929.

The discounts and commissions alone from all of this financing amounted to about $1,190,000,000 since 1914.

A significant feature is that the movement of capital almost exceeded the movement of merchandise. The proportion of our dollar settlements used for security transactions has increased from 7.6 percent in 1923 to 41.6 percent in 1933. This means that assuming 100 represents the total dollar settlements of all kinds of the United States with the rest of the world, 7.6 percent in 1923 was absorbed in our security transactions, which increased to 41.6 percent in 1933. On the other hand, 72.3 percent was for commodity and service transactions in 1923 and only 41.8 percent in 1933. These figures speak for themselves.

WHAT ENGLAND HAS DONE

It is instructive to consider the experience of England in foreign trade. England not only has achieved an important degree of recovery but she has for centuries been the predominant trading and financial nation of the world with a greater stake in foreign trade than any other country, and her national existence depends on it to a greater extent than any other nation.

Following the Napoleonic wars, England abandoned the mercantilist theories of the eighteenth century and decided that her national interest lay in becoming primarily a world financial, manufacturing, and trading nation. Her large supplies of coal and iron, her advanced stage of industrialization as compared to the rest of the world, and the relatively small importance of her agriculture enabled her to do this. Accordingly, she abandoned her policy of protection, repealed her corn laws about the middle of the last century, and established free trade.

At the same time, as a means of exploiting her position and financing the extensive international trade in which she was engaging, both as a result of her industrial transition and the aggrandizement of her empire, she adopted a monetary policy which subsequently became the basis of the international gold standard. The theory of the gold standard was that gold would act not only as an automatic bookkeeper but also as an automatic governor of foreign commercial and financial transactions. No other controls were believed to be necessary since a so-called "natural" international division of labor would cause all nations to make, sell, and buy just what they should. This equilibrium, it was thought, if disturbed, would be restored quickly through shifts in the flow of goods and corresponding shifts in the free flow of gold. England remained well in advance of other nations of the world in industrial development throughout the nineteenth century, and in consequence her position as the financial capital of the world and her employment of the gold standard on the whole suited the other nations, including the United States, which in turn gradually adopted the gold standard as a part of their own national policies.

The spread of industrialization, however, rendered England's position more and more precarious. The shattering economic effects of the war and the shift of gold to the United States imperiled England's position as banker to the rest of the world. Following the war, strenuous efforts were made not only by England but by the United States and European nations to restore the gold standard which had previously been the foundation of international finance. On the face of things the attempt by the late twenties seemed successful, but the situation was unreal and, therefore, unlasting. England was no longer the financial center of the world, much of the gold was in the United States, and the process of industrialization was proceeding with startling rapidity throughout the other nations of the world, due, in part, to our own ill-advised lending policy. The old conditions, upon which rested so-called "natural" trade and the gold standard, no longer existed.

Even before the general depression England was beginning to be aware of the possibility that a vital change in her national policy might be in order, and in November 1929 the Macmillan committee was appointed by Parliament—

"To inquire into banking, finance, and credit, paying regard to the factors, both internal and international, which govern their operation, and to make recommendations calculated to enable these agencies to promote the development of trade and commerce and the employment of labor."

The committee's report was presented to Parliament in June 1931, and resulted in a dramatic change of England's national economic policy.

(a) England revived protection both for her industry and her agriculture.

(b) She went off gold in September 1931 and adopted a managed currency both to correct her internal price levels and to meet the new conditions in her foreign trade and financial situation. The changed attitude toward gold is summarized in the following excerpt from the Board of Trade Journal, February 18, 1932:

"In previous years it has been the practice to include in the summary of the 'balance of trade' for the year the excess of imports over exports of merchandise and bullion, but during the past year it became evident that the recorded movements of gold were in large part not connected intimately with trade transactions. It appears desirable, therefore, to regard the movements of gold bullion and specie as more closely related to the movement of capital than to the movement of commodities by way of trade."

The conclusion reached by England as regards the place of gold in international trade is confirmed by our own studies of the same question.

(c) She returned to the practice of keeping detailed books upon her foreign commercial and financial transactions, country by country, a system which she had abandoned with the adoption of the supposedly automatic gold standard.

(d) She proceeded to strengthen and build up her economic relations with their various dominions upon a basis of mutual interest through the Ottawa agreements and other arrangements.

(e) She further adopted a policy of making similar special commercial and financial arrangements with other nations wherever she could upon a basis of mutual interest—"Buy from those who buy from us."

(f) Along with free trade and the gold standard, she moved away from the unconditional most-favored-nation policy, which she had been instrumental in advancing in previous decades and declared for a conditional most-favored-nation policy.

I pause for a moment to mention the difference between the conditional and unconditional most-favored-nation policies, for there is an important distinction which is not always recognized or understood.

Most-favored-nation treatment means that we promise to nations with whom we make commercial agreements that we will extend to them as favorable treatment with respect to tariff duties and the like as we do to any other country, and they in turn promise to give us corresponding treatment as regards our goods. Sometimes, however, two nations make tariff bargains whereby they extend special tariff and other concessions to each other on a quid pro quo basis. Under the conditional most-favored-nation policy we would stand prepared to give those same concessions to any third nation, provided that nation makes to us corresponding concessions; whereas under the unconditional most-favored-nation policy we automatically extend those same concessions without demanding specific equivalent concessions from the third nation. In theory the unconditional most-favored-nation principle is designed to reduce tariff and other barriers to trade. In practice, however, it is noteworthy that the attempt of many nations to make it the basis of their foreign-trade policies has been accompanied by their increasing use of devices, such as quota systems, exchange controls, trick classification of commodities, and so forth, which in effect defeat the purpose of the unconditional most-favored-nation theory and lead to a multiplication of the trade barriers which it was meant to reduce.

England's new policy is based upon a frank recognition of the fundamental changes in world conditions, and has resulted in a definite improvement in England's specialty of foreign trade and a material contribution to her national recovery. Thanks to the exact knowledge she has of her trade relations with every individual nation, and to her organization for overseas trade, she is able to act with precision when occasion demands: Witness the Roca agreement with Argentina and the recent Anglo-German agreement.

England is not only gaining a greater share of world trade but is also obtaining payment, in part at least, upon her large foreign investments. Recent statements by the British Chancellor of the Exchequer and other officials indicate that the results of England's change of policy have proved highly gratifying to her.

The moral of all this should be obvious, for England's example is an impressive one. When England saw her national interests threatened by theories such as free trade, the gold standard, and the unconditional most-favored-nation policy, she did not hesitate to depart from them even though they had long served her purpose.

WHAT OTHER NATIONS HAVE DONE

Similarly other nations have been prompt to protect their national economy and to make their foreign trade serve their general national purposes by various measures such as high protective tariffs, quota systems, exchange controls, and special agreements. Some nations have gone in frankly for State trading. Other countries have exerted government controls of varying degrees over foreign trade and have extended active assistance to their nationals, depending upon their individual problems.

Foreign trade generally has become increasingly the affair of governments rather than of individual traders. Trading has assumed more and more a bilateral character, as special agreements between countries have multiplied. These agreements have taken many forms—barter transactions, exchange agreements, clearing agreements, special tariff agreements, general commercial treaties. In the past 5 years more than 400 trade agreements of one sort or another have been entered upon between various nations of the world. We have knowledge of over 200 such agreements, not counting barter transactions and not counting the many hundreds of unilateral actions, from the benefits of which the United States is excluded. It is reasonable to assume that these agreements would not have been made unless the nations making them felt that they were to their mutual advantage. Furthermore, reliable figures show that the greatest gains in international trade have been made by the nations which have pursued the policy of making special agreements, and that these gains have been made largely at the expense of the United States.

WHAT WE HAVE DONE

The United States has not kept up with the procession. To some extent we have taken action similar to that taken by Great Britain. It is in the field of effective organization of our foreign trade and of making foreign trade agreements to correspond with our present needs that we have lagged and fallen behind.

The adoption of the Reciprocal Trade Agreements Act of 1934 empowered this Government to meet our foreign competitors on their own ground with adequate bargaining power. As minor examples of the successful employment of bargaining power by the United States I would point out that in 1933 and early in 1934 when we were giving quotas for the importation of liquor into this country following the repeal of the eighteenth amendment, some rather advantageous trades were made.

For example, Spain agreed to take, during 1934, approximately 17,500,000 pounds of tobacco in exchange for an enlarged wine quota. In previous years, Spanish tobacco purchases had been very irregular and averaged much below these figures.

Italy also contracted for 1,250,000 pounds of tobacco. This bargain was made in spite of the Italian program to reduce to a minimum imports of American tobacco. France took 20,000 tons of apples during the first quarter of 1934—the largest quantity ever sold to that country, even under unrestricted trade, and over four times the quota which we had been allowed for the previous quarter. In addition, larger imports were authorized for the second quarter of 1934 as an indirect result of the original agreement.

In the summer of 1933 the North Pacific Emergency Export Association was formed for the purpose of disposing of some of the surplus wheat in that section. The results of its activities have been the exportation of about 28,000,000 bushels of wheat and flour to more than 40 countries. Although the price of no. 1 white wheat at Portland, Oreg., in July 1933 was 26 cents under Chicago's December futures, since that time, except during the period of the longshoremen's strike on the Pacific coast, the price has rarely been more than 15 cents under Chicago, and for some time was as low as 6 cents under Chicago.

Furthermore, active negotiations have been in progress looking toward the sale of American cotton and other farm commodities to Europe on what amounts to a goods-for-goods basis. I believe these are all steps in the right direction. I cite them as examples of how Government bargaining can assist in the promotion of export and import trade. There are many possibilities in the field. However, to make this bargaining power effective, certain things must be done.

WHAT I THINK WE SHOULD DO

In speeches which I delivered recently in Chicago, New York, and Washington, I advocated a five-point program for our foreign trade policy. It consisted of:

1. Recognition by us that foreign trade has become a definite and direct concern of governments, and that unless our foreign trade interests receive backing and assistance similar to that given by other governments to their traders, we will not be able to compete with them on equal terms.

This recognition has been made in principle. Many agencies of our Government are engaged actively in assisting our citizens in dealing with foreign trade problems. Moreover, the establishment of the Export-Import Banks of Washington has provided a type of Government financing for intermediate and long-term credits which our commercial banking system is not designed to carry. I believe that the export-import banks can play a fundamental part in our foreign trade activities for many years to come and should be organized and continued on a permanent basis. We have also entered, as I have indicated, upon a program of negotiating reciprocal trade agreements. Progress has been slow but valuable advances have been made in the understanding of our foreign trade problems. These trade agreements should be effected wherever we can find a basis of mutual advantage with a foreign nation.

2. In order to develop consistent and effective foreign trade policies, the present 50 or more organizations in our governmental set-up dealing with foreign-trade activities should be tied together and should function under unified direction.

Some progress has been made in this direction, but further steps are necessary. I would favor the establishment of a permanent board of foreign trade, composed of men experienced in the various fields of agriculture, industry, transportation, finance, and government, with powers adequate to deal comprehensively with our foreign commercial and financial transactions, who would devote their full time to this field of our national activity.

3. Accurate and up-to-date records of our commercial and financial relations with each individual country must be kept, as we must know how we stand on our trade and international balances at any given time if we are to steer our course intelligently.

This work already has been started in the Department of Commerce in cooperation with the office of special adviser to the President on foreign trade and is affording a most useful guide, not only in the consideration of our foreign trade problems in themselves but also as they are related to our national economic policy as a whole. In this connection I must emphasize the fact that foreign policy and foreign trade policy must be based upon and conform to the requirements of our domestic situation. Unless it does this it becomes unreal and correspondingly harmful to our actual interests. I cannot state this too forcefully.

4. As international trade cannot move on a one-way street and as we must increase imports if we are to be paid for increased exports, we should pursue a policy of selective exports and imports, sending abroad, preferably in manufactured form, those products we can best produce, particularly those agricultural products which are the backbone of our foreign trade and of our domestic prosperity, taking in return those raw materials which we need and such other products the importation of which will do the least violence to our domestic economy.

Much has been said as to the necessity of accepting imports as a matter of national policy. I agree completely with this point of view, but I believe that we should decide for ourselves what imports we will take, and in what quantities and from what countries, in exchange for the goods we choose to send abroad. In my opinion this can best be determined by making individual arrangements with individual nations, country by country, rather than through attempting to apply some blanket formula such as a horizontal reduction of our tariffs, whether that be accomplished through general tariff legislation or through generalizing tariff concessions granted under the Trade Agreements Act. We have been brought up on protection. If we are to abandon any measure of that protection it should be only in exchange for tangible advantages to us.

To pursue this policy of selective exports and imports it will be necessary for us to abandon the unconditional most-favored-nation policy adopted under the Harding administration and to return to the traditional American policy of extending conditional most-favored-nation treatment only, which prevailed from 1789 to 1922. Much is claimed for the point that if the total volume of world trade only can be increased, the foreign trade of the United States automatically will be restored. This does not follow unless as a nation we take active steps to promote our interests. I think that we need not wait upon general world recovery to accomplish our national recovery. If we can stage our own national recovery and build up our own national trade, we shall have done much to restore world recovery and world trade.

5. I indicated the need of Government action to an extent necessary to clear up our foreign exchange problems.

Here again I take my stand on realistic ground.

Perhaps the most potent factor in the congestion of our international trade is that of exchange restrictions imposed by about 35 nations. This means simply that, more or less arbitrarily, these countries have prevented the payment of current and other indebtedness by delaying or forbidding transfer of funds. I shall not discuss the reasons given for such action or the varying degrees of justification. I shall discuss the effect and possible remedies.

The effect is that such countries are using the money due exporters without their consent and against their will, and that payment is being made finally upon the terms of foreign governments, at their discretion, often without interest, and with charges and discounts fixed by them, or at best regulated as a result of reluctant agreement.

Now as to remedies. I said in Chicago some weeks ago, and I repeat, that in the case of countries exercising exchange controls against us the satisfactory solution of the exchange problem should be made a prerequisite to the negotiation of any general trade agreement. I do not regard reasonable business requirements as coercion. When our nationals fill their part of a contract and their foreign customers theirs, and their government intervenes, I think that our nationals have a right to ask our Government to act on their behalf. This is a matter upon which only government can act effectively. No bank or business man, no group of banks or business men can solve this problem themselves without the active help of Government.

I have stated these five recommendations before and shall doubtless do so again. I feel that they represent the starting point for a truly American foreign trade policy, based upon studies of facts which cannot be ignored. Their adoption will enable us to go forward. This would be a new deal in American foreign trade.

ATTORNEY GENERAL CUMMINGS' ARGUMENT OF GOLD-CLAUSE CASES

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD the oral argument of Attorney General Cummings before the Supreme Court of the United States January 8 and 9, 1935, in the gold-clause cases.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

In the Supreme Court of the United States. October term, 1934.

I. No. 270. *Norman C. Norman, petitioner, v. The Baltimore & Ohio Railroad Co., respondent.* For the petitioner: Emanuel Redfield, Esq. For the respondent: Frederick H. Wood, Esq.

II. Nos. 471 and 472. *United States of America, Reconstruction Finance Corporation et al., petitioners,* v. *Bankers Trust Co.* and *William H. Bixby, Trustees.* For the petitioners: Hon. Homer Cummings, Attorney General of the United States; Edward J. White, Esq., and Stanley Reed, Esq. For the respondents: James M. McIntosh, Esq., and Edward Bourne, Esq.

III. No. 531. *F. Eugene Nortz, claimant,* v. *The United States, defendant.* For the claimant: Otto C. Sommerich, Esq., and Raymond T. Heilpern, Esq. For the defendant: Hon. Homer Cummings, Attorney General of the United States, and Hon. Angus D. MacLean, Assistant Solicitor General of the United States.

IV. No. 532. *John M. Perry, claimant,* v. *The United States, defendant.* For the claimant: John M. Perry, Esq. For the defendant: Hon. Homer Cummings, Attorney General of the United States, and Hon. Angus D. MacLean, Assistant Solicitor General of the United States.

STATEMENT

The arguments in the above causes, involving gold obligations, were heard by the Supreme Court of the United States on January 8, 9, 10, and 11, 1935.

The main argument of the Attorney General was made on January 8 and 9, 1935, while the case of *United States* v. *Bankers Trust Co.* was under consideration.

The closing argument, made by the Attorney General in *Perry* v. *United States* on January 11, 1935, was not reported and cannot, therefore, be reproduced.

STENOGRAPHIC REPORT OF THE ORAL ARGUMENT OF HON. HOMER CUMMINGS, ATTORNEY GENERAL OF THE UNITED STATES, ON BEHALF OF THE GOVERNMENT

Attorney General CUMMINGS. If the Court please: These four cases which are now pending before this Court touch every essential aspect of the problems involved in the matter of gold obligations. In each one of these cases the program of the Government is under attack upon the ground that the Congress has exceeded the powers granted by the Constitution.

The first two cases deal with railroad bonds. The third case deals with gold certificates, and the fourth case, in the order stated on the docket, deals with Liberty bonds.

Underlying these four cases are certain fundamental constitutional considerations which I think are determinative of the entire matter. Therefore, with the permission of the Court, it is my purpose to address myself primarily to these basic considerations, leaving to my distinguished colleagues and associates who are to follow me the burden of such differentiation as may be necessary as between the various cases; for instance, as between the Baltimore & Ohio case and the Missouri Pacific case, a difference due to the maturity dates of the bonds and the question of the bankruptcy of the latter company; also the questions of impossibility of performance and "equivalence", and the inquiry as to whether or not, in any event, just compensation has, in fact, been awarded; and also such distinction as there may be between section 1 and section 2 of the joint resolution of June 5, 1933, as it may possibly have some bearing upon the Nortz case and the Perry case.

Nor shall I touch, if I am permitted to make that omission, upon any of the questions involved in the technical authority of the Court of Claims to pass upon constitutional matters.

I cannot forbear, however, from making a passing, and at least semiserious, reference to what seems to me to be a rather peculiar lack of coordination in the briefs filed by those who take a position in opposition to that maintained by the Government. In the Nortz and Perry cases I find a "head-on collision." In the Nortz brief it is clearly pointed out, on pages 39 and 40, that there is no merit in either the Baltimore & Ohio case or in the Missouri Pacific case; and, if one reads attentively the Perry brief, it is made reasonably clear that there is no basis for the contentions made in the Nortz case.

This would appear to dispose of three of the pending cases now before this Court and measurably to lighten our burden with respect to the one which still remains; and even that one, if the full implications of the Nortz brief are carried to their logical conclusion, is in serious peril.

Now, if the Court please, although it may seem trite to do so, I draw attention to what, for want of a better term, may be called the "presumption of constitutionality."

This doctrine has been laid down in innumerable cases, some of which are cited in our briefs, but nowhere, I think, is it more effectively stated than in the Legal Tender cases, in which this Court said:

"A decent respect for a coordinate branch of the Government demands that the judiciary should presume, until the contrary is clearly shown, that there has been no transgression of power by Congress, all the Members of which act under the obligation of an oath of fidelity to the Constitution. Such has always been the rule."

But this doctrine, I apprehend, goes still further and carries with it the proposition that this Court will accord great weight to the findings and reasons set forth by the Congress for enacting the legislation which it has passed.

The next cardinal principle is that, in selecting the means to carry out the purpose of the Congress, the Congress has wide discretion. Unless it is shown that the exercise of that discretion has been clearly arbitrary or capricious or unreasonable, this Court will not interfere with it.

I have adverted to these considerations not because they are not recognized, but because they are so well recognized that they are taken as a matter of course. We are inclined, I fear, to pay them a sort of lip service and then pass on to the consideration of matters of a more controversial character. Therefore, we are apt to find ourselves in the position of ignoring certain fundamental matters which are so obvious that they are at times forgotten or overlooked. These doctrines to which I have referred are not only necessary and vital doctrines, essential to our form of government, but they surcharge the whole atmosphere of constitutional discussion.

Look at the briefs filed in behalf of the Government. Here we have assumed the burden of showing the reasonableness, the propriety, the wisdom, the righteousness, and the justice of the steps taken by the Congress, without waiting for the opposition to show that such steps were improperly, capriciously, or unfairly taken. In other words, we have undertaken to carry a burden, instinctively almost, which of right rests upon the shoulders of the opposition.

Although what I have said is obvious, I want to carry it just a bit further. In these pending cases we have before us not only the resolutions of the Congress and its declarations and findings, but we have also the instructions, the declarations, and the findings of the President of the United States, as well as his public statements, his message to the economic conference of July 3, 1933, and, in addition to that, we have the findings, declarations, and instructions of the Secretary of the Treasury.

The matters to which I have referred, it seems to me, under the peculiar circumstances which are presented here, carry an authority and a persuasiveness which our friends upon the other side have nowhere successfully met. I think their briefs may be searched in vain for any well-considered and sustained argument showing that the course pursued was unreasonable or arbitrary, or that adequately meets the allegations, findings, and declarations to which I have just referred.

Therefore, I think that it is fair to assert that these considerations assume, in the pending cases, an unusual and an almost unprecedented importance.

Now, of course, if the Court please, the conditions which existed on the 6th day of March 1933 are so fresh in our memories and have been so completely covered in the elaborate briefs which have been presented that it seems quite unnecessary to refer to them again or at length.

The fact remains, however, and it is enough to say, that an emergency of the highest importance confronted the Nation. Banks, sound and unsound, were failing or closing upon every hand; gold coin, gold certificates, and, indeed, all other forms of currency, were being hoarded by millions of dollars, and, perhaps, by millions of people. Gold was taking flight either into foreign currencies or into foreign lands; and foreign trade had been brought to a standstill. International finance was completely disorganized. The whole situation was one of extreme peril. Price levels were falling. Industries were closing. Millions of people were out of work. Failures and bankruptcies were reaching enormous and, indeed, unparalleled proportions; and, with constant acceleration, our people, confessedly, were slipping toward a lower level of civilization. I undertake to say that no man of imagination could have witnessed that distressing spectacle of painful retrogression without acute apprehension and profound sorrow.

Now, in addition to that, we had the experiences of other nations; we had their example. There was not a nation on the face of the earth that was not in distress.

At that time—and the time I refer to was the 6th day of March 1933—the Swiss franc, the Dutch gulden, and the United States dollar were the only coins that had not been devalued or depreciated. Country after country was going off the gold standard, and 30 countries had passed drastic legislation with regard to finance, foreign commerce, and the regulation of money. Embargoes, trade restrictions, and quotas were characteristic of the day and of the time.

So, as I say, we were confronted by an industrial and monetary and financial crisis of the most terrifying character. Amongst the various measures which were adopted to meet the situation were those which are in the group within which falls the joint resolution of the 5th of June 1933, which is so seriously under attack here today.

At the risk of being a little bit wearisome, permit me briefly to refer to these measures.

The measures I refer to may be grouped within the period from March 6, 1933, to the 31st day of January 1934. Of course, the first, and perhaps the most important event, occurred on the 6th day of March 1933, when the President issued a proclamation declaring a national emergency and creating a 3-day bank holiday. On that same day instructions were issued by the Secretary of the Treasury to the Treasurer of the United States and to the Director of the Mint for the purpose of supporting the proclamation that had been issued by the President.

That was the 6th day of March. And within 3 days, with unparalleled celerity, the Congress had acted and passed the Emergency Banking Act, by an overwhelming majority. This act approved and confirmed the previous acts of the President and of the Secretary of the Treasury; amended the existing law; strengthened the hands of the President and of the Secretary of the Treasury; granted additional powers and issued regulations bearing primarily upon the run on the banks, the flight of capital into foreign countries, and foreign currencies; and authorized the Secretary of the Treasury, if he, in his discretion, found that it was necessary to protect the currency system of the United States, to require the turning over of all gold coin, gold bullion, and gold certificates to the Treasurer of the United States. On the same day the President issued another proclamation extending the bank holiday indefinitely. On the 10th day of March, and again on the 13th, I think it was, additional orders were issued.

And then on the 5th of April an Executive order was issued prohibiting the hoarding of gold and requiring all persons to surrender their holdings of gold coin, gold bullion, and gold certificates in amounts in excess of $100.

It also required—and this is important to remember in connection with the Executive order of April 5, because it was followed out later by actual acts by the member banks—the Executive order required member banks of the Federal Reserve System to deliver their gold coin, gold bullion, and gold certificates to the Federal Reserve banks in their respective districts, and to receive, dollar for dollar, credit or payment therefor.

(Thereupon, at 4:30 o'clock p. m., the Court adjourned until Wednesday, Jan. 9, 1935, at 12 o'clock noon.)

WEDNESDAY, *January 9, 1935.*

The above-entitled causes came on for further oral argument before the full Court (Hon. Charles E. Hughes, Chief Justice of the United States, presiding) at 12:05 o'clock p. m.

The CHIEF JUSTICE. We will proceed with the causes under argument, nos. 471 and 472, *The United States of America, Reconstruction Finance Corporation, et al., petitioners,* v. *The Bankers Trust Co. and William H. Bixby, Trustees, respondents.* Mr. Attorney General.

STENOGRAPHIC REPORT OF THE ORAL ARGUMENT OF HON. HOMER CUMMINGS, ATTORNEY GENERAL OF THE UNITED STATES, IN BEHALF OF THE GOVERNMENT—RESUMED

Attorney General CUMMINGS. If the Court please: When the Court adjourned yesterday I was in the process of calling attention to the series of acts, Executive orders, and proclamations which marked the critical period from the 6th of March 1933 to the 31st of January 1934.

My recollection is that I was at that time speaking of an Executive order of April 5, issued by the President, calling for the surrender of gold coin, gold bullion, and gold certificates in excess of $100, and requiring member banks of the Federal Reserve System to turn over to the Federal Reserve banks of their respective districts their holdings of gold coin, gold bullion, and gold certificates. That is significant, because it was at that point that the Government began to draw in and place within its own control the basic substructure of our financial system.

On April 29 there were other regulations, which I need not refer to. We come then to the 12th of May, when the Congress once more acted. This time it was the adoption of the Agricultural Adjustment Act, carrying what is sometimes known as the "Thomas amendment." This provision, as I recall, makes elaborate findings as to the effect of depreciated foreign currencies upon the currency of the United States and upon our financial structure and their effect upon foreign commerce and domestic conditions.

That particular act permitted the reduction of the gold content of the dollar by 50 percent.

On June 5 there came another act of the Congress, which is the one that is under challenge here. It is Joint Resolution 10. The effect of that resolution was to set forth a series of findings that the holding of or dealing in gold affected the public interest; that gold obligations obstruct the power of Congress to regulate the value of money and are inconsistent with the maintenance of parity and the equal power of every dollar in the markets and in the payment of debts.

Now, this resolution, if I recall correctly, in section 1 thereof, abrogated gold clauses absolutely, declared them to be against public policy, and further imposed a provision that every obligation, public and private, whether it contains a provision of that character or not, shall be dischargeable by the payment of currency dollar for dollar. It further provided, in the same section, that the word "obligation" should cover all the obligations of the Government of the United States except currency.

In section 2 of the act currency is dealt with, for it is there provided that "all coins and currencies heretofore or hereafter coined or issued shall be legal tender for all debts, public or private."

By this resolution gold obligations or contracts were abrogated and all forms of money were retained upon a parity and made interchangeable with all other forms of money.

On August 28 there was a further order with regard to the acquisition and holding of gold.

Then, on the 29th of August and the 12th of September, and again on October 25, there were elaborate instructions issued with regard to the matters of licensing, holding, and hoarding gold.

On December 28 the Secretary of the Treasury, acting under section 3 of the Emergency Banking Act, which, it will be recalled, was passed on the 9th of March, issued an order requiring all persons to surrender to the Treasurer of the United States their gold coin, gold bullion, and gold certificates, and to receive payment therefor in the equivalent, dollar for dollar, of other forms of money.

On December 30 the President issued a proclamation which modified the proclamations of March 6 and March 9 by permitting the banking authorities in the various States of our country to resume their normal functions.

On the 15th of January there were issued a series of orders strengthening the order of December 28 and placing a deadline upon the delivery of gold as of midnight, I believe, of January 17. And on January 17 there were issued detailed instructions by the Secretary of the Treasury to the Treasurer of the United States, and to other proper officials of the Government, indicating how they should proceed.

Then came the 30th of January 1934, when the Congress acted again. On that day it passed the Gold Reserve Act of 1934, and it was approved by the President of the United States on the same day.

This act, of course, as it will easily be recalled, transferred and vested in the United States all right, title, and interest of the Federal Reserve Board and of every Federal Reserve bank and every Federal Reserve agent in and to all gold coin and gold bullion in their possession, and paid or exchanged gold certificates therefor.

This act made various other regulations, specifically providing, for instance, that no gold shall hereafter be coined and no gold coin shall hereafter be paid out or delivered by the United States. It also provided that all gold coin of the United States be withdrawn from circulation and, together with all other gold owned by the United States, shall be formed into bars of such weights and degrees of fineness as the Secretary may direct.

It also provided, in section 6, that no currency of the United States shall be redeemed in gold, except under certain very limited circumstances which are not important here.

It also provided, in section 8, for the purchase by the Secretary of the Treasury, with the approval of the President, of gold in any amounts at home or abroad.

It also provided, in section 10, for a stabilization fund of $2,000,000,000.

It also provided, in section 12, that the President, in the event of lessening the weight of the gold dollar, should not fix the change at a point higher than 60 percent of its then existing weight.

On January 30 and 31 clarifying regulations were issued. And then, on January 31, 1934, a proclamation was issued by the President, citing the findings of the Congress, and making elaborate findings of his own, to the effect that the foreign commerce of the United States—to use the exact language—" is adversely affected and that an economic emergency requires an expansion of credit ", and finding further that " in order to stabilize domestic prices and to protect the foreign commerce * * * it is necessary " to reduce the weight of the gold dollar and, thereupon, fixing the same at the present weight and fineness.

Thus, it is apparent that the Congress acted in this matter four times during the period to which I have referred—on March 9, 1933, the Emergency Banking Act; May 12, the Agricultural Adjustment Act; June 5, the joint resolution; and January 30, 1934, the Gold Reserve Act.

During this period the President of the United States acted upon five important occasions (and upon sundry other occasions of not such major significance); on March 6, the bank holiday; on March 9, the extension of the bank holiday; on April 5, the gold-hoarding order; on August 28, additional gold-hoarding orders; and on the 31st of January, the devaluation of the dollar.

Thus, in a hectic period of 11 months, a sweeping change was effected in the financial and monetary structure of our country. Our system was completely reorganized. Gold and gold bullion were swept into the Treasury of the United States; gold certificates were placed where they were readily within the control of the Government of the United States; foreign exchange was regulated; banks were being reopened; gold hoarding was brought under control; parity was maintained; and a complete transition was effected from the old gold-coin standard to the gold-bullion standard, with the weight of the dollar fixed at an endurable amount.

Now, I undertake to suggest that no one can consider this series of acts without sensing their continuity and realizing their consistent purpose.

Moreover, these measures must be read as a whole, and read against the background of utter national need. I think they tell the story of a nation finding its way out of financial chaos into a safer and sounder position.

Moreover, it must be remembered that in these matters two great branches of our Government, the legislative and the executive, were acting in perfect harmony and for a common end. It was a sweeping change, adopted by an overwhelming majority of the Congress, and promptly approved by the President of the United States; and appealing to both as essential to the happiness and prosperity and welfare of our country.

I contend, and later shall undertake to show, that to admit the validity of the claims of those who are appearing here in behalf of the holders of gold certificates, and in behalf of the gold-bond obligations, would mean the break-down and the wreckage of the structure thus carefully erected.

Moreover, it would create a preferred class who, because of a contract of a special character, are able to take themselves outside, as it were, of the financial structure of their own country.

To admit such claims to the extent of $100,000,000,000, an unthinkable sum, would be to write up the public debts and the private debts of our country by $69,000,000,000 and, overnight, reduce the balance of the Treasury of the United States by more than $2,500,000,000. It would add $10,000,000,000 to the public debt. The increased interest charges alone would amount to over $2,500,000,000 per annum, and that sum is twice the value of the combined wheat and the cotton crops of this country in the year 1930. The stupendous catastrophe envisaged by this conservative statement is such as to stagger the imagination. It would not be a case of "back to the Constitution." It would be a case of "back to chaos."

I have stated these things in very general terms, but I think the more they are pondered the more it will be seen that they defy adverse analysis.

Moreover, I contend and shall show that the Congress and the President acted reasonably, in a period of very great difficulty, and that the results cannot be said to be the product of caprice or arbitrary fiat.

If this be so, there is but on inquiry left. Are these acts within the constitutional power accorded to the Congress and to the President? To ask this question is to answer it.

The primary difficulty, as I see it, with the argument in behalf of the gold obligations, and one which vitiates it entirely, is that the question is approached without reference to this background, and is based merely upon the supposed sanctity and inviolability of contractual obligations. That our Government is endowed with the power of self-preservation I make no doubt, and that a written understanding must yield to the public welfare has been so often reiterated that it is not necessary to dwell upon it any further.

There were some priceless words used by Mr. Justice Butler in *Highland* v. *Russell Car & Snow Plow Co.* (279 U. S. 253) when he said:

"It is also well established by the decisions of this Court that such liberty (meaning liberty of contract) is not absolute or universal, and that Congress may regulate the making and performance of such contracts whenever reasonably necessary to effect any of the great purposes for which the National Government was created."

But that is not exactly the case here. Those who insist upon the strict letter of the bond are insisting upon it in a matter dealing with gold, and gold lies at the basis of our financial structure. Gold is the subject of national legislation. Gold is the subject of international concern. Gold is not an ordinary commodity. It is a thing apart, and upon it rest, under our form of civilization, the whole structure of our finance and the welfare of our people. Gold is affected with a public interest. These gold contracts, therefore, deal with the very essence of sovereignty, for they require that the Government must surrender a portion of that sovereignty. To put it another way, these gold contracts have invaded the Federal field. It is not a case of Federal activity reaching out into a private area. So obsessed are our opponents by the idea of the sanctity of contracts that they are even prepared to assert their validity when they preempt the Federal field. To me this seems a monstrous doctrine. These claimants are upon Federal territory. They are squatters in the public domain, and when the Government needs the territory they must move on.

And so say the authorities. In dealing with currency and its metallic basis, the Government is exercising a prerogative of sovereignty and is dealing with a subject matter affected with a public interest. That language is found in the Ling Su Fan case, so admirably discussed here yesterday by my able associate and friend, Mr. Wood.

The contention that the joint resolution constitutes a taking of property without just compensation is clearly without foundation. The provision of the fifth amendment which bears upon that proposition relates to the taking of private property by the Government for a public use; and the resolution, as applied to gold clauses in private contracts, is not a taking of property in a constitutional sense but merely frustrates a purpose contained in a private obligation found to be incompatible with the exercise of national power.

Frustration, it is said in one of the leading decisions, if I recall correctly—"frustration and appropriation are essentially different things."

Now, this doctrine is supported by so many authorities that it is a work of supererogation to refer to them—The Legal Tender cases, *Louisville & Nashville Railroad Co.* v. *Motley*, and hosts of others, which appear in our various briefs.

This leaves for consideration only the question whether that portion of the fifth amendment is affected or is involved in this controversy which deals with the deprivation of property without due process of law.

I think it is clear, and I think I shall make it even more apparent as I proceed, that the joint resolution was enacted pursuant to the exercise of functions derived from the Constitution. Now, it has been held that under certain circumstances the United States may—I am now using the language of the books—consistently with the fifth amendment, impose restrictions upon private property for all permitted purposes which result in a depreciation of its value. That language, I think, is found in *Calhoun* v. *Massie* (253 U. S. 170).

Again, it is said that this may be done for a legitimate governmental purpose, *Sinking Fund cases* (99 U. S. 700), since preexisting contracts do not limit the sovereign right of the Government (*Calhoun* v. *Massie;* and *Louisville & Nashville Railroad* v. *Mottley*); and, for that matter, also the case of *Union Dry Goods Co.* v. *Georgia Public Service Corporation* (248 U. S. 372).

This principle has been expressed in varying language. I think that it is absolutely accurate to say that the sound conclusion is that private contracts may not fetter governmental action within the powers intrusted to it by the Constitution. That is the doctrine of the *Schubert case* (224 U. S. 603), *Sproles* v. *Binford* (286 U. S. 374), *Veazie Bank* v. *Fenno*, and many others. It is in the first two of these cases that there appears that happy and suggestive phrase, "prophetic discernment."

The guaranty of due process in the fifth amendment demands no more than that the means selected by the Congress, as this Court has said, be for the attainment of ends within its power, and have a real and substantial relation to the attainment of such ends. And so, as seems inevitable in so many constitutional arguments, we go back to the case of McCulloch against Maryland. And later we come to the Ling Su Fan case; and, if we want a more recent authority, we turn our hopeful eyes toward the decision in the *Nebbia case* (291 U. S. 502).

The joint resolution was a bona fide exercise of constitutional power. It was not a mere arbitrary interference with private rights or with contract rights under the cloak of the currency power.

Now, that being true, any supposed collateral purposes or motives of the Congress, to which reference was made in argument here, and repeatedly in the briefs, are, to use the language of the Court, "matters beyond the scope of judicial inquiry." I think the quotation is from the Magnano case. See also the statements made in the *McCray case* (195 U. S. 27) and also in the Kentucky Distilleries case, in an opinion written, I believe, by Mr. Justice Brandeis.

In view of the foregoing, it is not necessary to discuss the irrelevant and unsubstantial allegation that the purpose of the legislation was to transfer wealth from one class of our citizens to another.

These suggestions, therefore, if the Court please, eliminate the fifth amendment from further consideration as bearing on any constitutional aspect of this question.

Now, of course, the primary power upon which the joint resolution rests is that portion of article I, section 8, of the Constitution, which grants to the Congress the power "to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

The power also rests upon the constitutional authority "to regulate commerce with foreign nations and among the several States", and "to borrow money on the credit of the United States", and upon that "composite power" which has been referred to in that language, or in similar language, in many of our cases.

The conventional approach to the discussion of money, in a constitutional sense, is, first, through the line of cases beginning with *Bronson* v. *Rodes*, and later through the line of cases beginning with the Legal Tender decisions.

I have never been impressed, and I am not now impressed, by the significance of *Bronson* v. *Rodes* (7 Wall. 229), in connection with this controversy. And yet, by some peculiar form of common consent, it seems to stand at the threshold of the monetary discussion. It did not pass upon any constitutional question whatsoever. It explicitly, in its own language, set forth that it did not pass upon any constitutional question. It recognized the existence of the dual monetary system. It recognized the fact that greenbacks were not payable for all forms of public obligations. It recognized that these two forms of currency were circulating simultaneously and fluctuating violently, as measured in terms of each other. And, therefore, the Court found that the debts referred to in the Legal Tender Act did not apply to the kinds of debts specified in the case of *Bronson* v. *Rodes*.

Then came, of course, one year later, in 1869, I believe, the well-known case of *Hepburn* v. *Griswold*. I think *Hepburn* v. *Griswold* (8 Wall. 603) is far more interesting than *Bronson* v. *Rodes*, because *Hepburn* v. *Griswold* did deal with questions that are pertinent here, and dealt with them in such a fashion that the Court later set aside that decision in the *Legal Tender cases* (12 Wall. 457).

Following *Bronson* v. *Rodes*, of course, are a group of cases—*Butler* v. *Horwitz, Dewing* v. *Sears, The Emily Souder, Gregory* v. *Morris*, and *Trebilcock* v. *Wilson*—all aside, as I see it, from the essentials involved here.

But in the Legal Tender cases, following the *Hepburn* v. *Griswold case*, there are some observations which are exceedingly interesting. There is a wealth of learning to be found not only in the opinions, but in the elaborate briefs of counsel who appeared in those historic cases.

Now, in the Legal Tender cases if there is anything clear it is that the Court passed on two questions: First, whether the Congress had power to make paper money a legal tender for any debt; and, second, if it had this power, was such power limited to debts created after the passage of the legal tender statute? On page 530, in the majority opinion, the Court made a pronouncement which casts, I think, a great flood of light upon the present controversy. The Court said:

"And there is no well-founded distinction to be made between the constitutional validity of an act of Congress declaring Treasury notes a legal tender for the payment of debts contracted after its passage, and that of an act making them a legal tender for the discharge of all debts, as well those incurred before as those made after its enactment."

Here, then, was a decision making it perfectly apparent that, in exercising its constitutional power in the matter of making paper money legal tender, the Congress had as much power to deal with existing debts as it had to deal with debts created after the passage of the act. This, as I see it, if the Court please, is the most important contribution made to our present-day discussion by any of the cases of that era.

Now, let me pursue that matter just a bit further. In reaching its conclusion, the majority opinion contends that the only obligation was to pay money which the law recognizes as money when payment is made. But Mr. Justice Strong, who wrote the opinion of the Court, disposed of many of the arguments made in the present case. Where an attempt is made to identify money contracts with other types of contracts the Court speaks of these comparisons as "a false analogy"; and, on page 549, said:

"There is a wide distinction between a tender of quantities or of specific articles and a tender of legal values. Contracts for the delivery of specific articles belong exclusively to the domain of State legislation, while contracts for the payment of money are subject to the authority of Congress, at least so far as relates to the means of payment. They are engagements to pay with lawful money of the United States, and Congress is empowered to regulate that money. It cannot, therefore, be maintained that the legal tender-acts impaired the obligation of contracts."

Moreover, in considering the argument that the contract to pay simply in dollars was a contract to pay in the sort of dollars that had been established by law at the time the contract was made, the Court disposed of that suggestion on pages 549 and 550, saying:

"Nor can it be truly asserted that Congress may not by its action indirectly impair the obligation of contracts, if by the expression be meant rendering contracts fruitless or partially fruitless."

And again:

"If, then, the legal-tender acts were justly chargeable with impairing contract obligations they would not for that reason be forbidden, unless a different rule is to be applied to them from that which has hitherto prevailed in the construction of other powers granted by the fundamental law. But, as already intimated"—

This is a continuation of the quotation—

"the objection misapprehends the nature and extent of the contract obligations spoken of in the Constitution. As in a state of civil society, property of a citizen or subject is ownership, subject to the lawful demands of the sovereign, so contracts must be understood as made in reference to the possible exercise of the rightful authority of the Government, and no obligation of a contract can extend to the defeat of legitimate Government authority."

Now, of course, the next important case is *Juilliard* v. *Greenman* (110 U. S. 421), where the power of the Congress was more fully developed and confirmed with reference to the matter of currency, and where it was declared that this power existed in time of peace as well as in time of war.

And then we have the Ling Su Fan case, to which I have referred before, which is of controlling significance.

I think it is clear that when the Supreme Court, in the Legal Tender cases, extended the power over contracts to those which existed prior to the passage of the legal-tender acts, as well as those that arose subsequently, it established a principle which, carried to its logical conclusion, sustains the power of the Congress as exercised in the joint resolution of June 5, 1933.

In fact, we seriously urge upon this Court the suggestion that to sustain the contention of those who appear here in opposition to the validity of the joint resolution would constitute an unfortunate recurrence to the mistaken principles of *Hepburn* v. *Griswold*. It would turn back the pages of history more than 60 years.

In the Mottley case, decided in 1911, this Court took strong ground on the fundamental proposition of the right to brush aside interference with the exercise of a constitutional power.

In the Blaisdell case the Chief Justice said:

"Not only are existing laws read into contracts in order to fix obligations as between the parties, but the reservation of essential attributes of sovereign power is also read into contracts as a postulate of the legal order."

I stand upon that language, and upon the language laid down in the other cases to which I have referred. I stand not only upon these cases and upon the Nebbia case, but upon the fundamental proposition that the Congress has plenary power, in a whole range of subjects, no matter what private parties may endeavor to do, and no matter how completely they may attempt to thwart the exercise of constitutional authority.

We have found it entirely possible to prohibit lotteries, no matter what contractual obligations may have been set up with reference to them.

The cases which deal with intoxicating liquors reached the same result. The same observation may be made with reference to zoning laws, the maintenance of nuisances, and the regulation of the rates and services of utilities—all along the line there is a recognition of this essential power of the Government.

So I contend, both upon authority and upon reason, that the joint resolution of June 5, 1933, was a valid exercise of constitutional power, not limited by the fifth amendment or by any other clause of restriction in the Constitution.

I had intended to pause to discuss for a moment the significant language in the coinage provision of the article of the Constitution to which I have referred. But time is slipping away, and I fear I shall not have the opportunity to explore that aspect of the matter as fully as I should like to.

It is my belief that the word "regulate" as used in the Constitution has never been completely and carefully analyzed in all of its implications. How far does the term "regulate" carry us? Manifestly it reaches to the regulation of value, and value, itself, is a relative thing. Value appears only in relation to the value of other things.

And, moreover, the word "regulate" implies a continuing power, and is the same term that is used with reference to commerce and connotes the power of adjustment. It implies the power of making the condition accord more fully with reality and with justice.

But when you come to the power "to fix the standard of weights and measures", the Constitution abandons the word "regulate" and uses the word "fix."

All these things, philosophically or semiphilosophically considered, have some relationship to these sudden and violent fluctuations in commodity prices which so completely disarrange important equities; and to the proposition that, as a matter of essential justice, the dollar we borrow should be in purchasing power substantially the dollar we are expected to repay. What that relationship is I do not assume to suggest, what the future may develop with regard to this aspect of the constitutional question I do not know. These things will follow in due course.

But I am moved to mention these matters, because on the 14th page of the appendix to the plaintiff's brief in the Perry case, there is a chart, which is designed to show the terrible losses suffered by the claimant in that case. So far as I recall, that is the only proof he has submitted to indicate that he has suffered any loss whatsoever.

This table is made up in peculiar fashion. It is constructed by charting commodity prices in the United States of America; and then the price of the gold dollar is calculated in the discount thereof in terms of foreign coinage—in terms of the gold coinage of France, Belgium, Holland, and Switzerland. Having found the rate of discount at which the gold dollar is depressed below these standards, the results are reduced to percentages, and these percentages are then subtracted from the range of commodity prices in this country in order to show the loss sustained.

In other words, it is a synthetic chart, having no relation to any known problem whatsoever. It attempts to trace the history of a dollar that has ceased to exist. It is the illegitimate child of a mathematical debauch, having no kinship with any known problem of reality. It is post mortem in every respect.

If it has any validity whatsoever, which I would not be prepared to admit or deny, it is to show that, if something had not been done, beginning in March 1933, the downward trend of domestic prices would have continued at such an alarming rate that the only speculation left would be as to the extent of the national disaster.

This matter of coinage has so many ramifications that one is tempted into the bypaths occasionally. For instance, this illustration comes to my mind: If a man had $100,000 in Liberty bonds, he could easily go to a bank and borrow $69,000 thereon. If the contentions made by the protagonists of the gold obligations are correct, the Government would have to pay $169,000 to redeem these bonds. With the $169,000 thus received the owner of the bonds could take $69,000 of it, pay off his obligation, and still have $100,000 left. The results are so fantastic and so unreal that they stagger the imagination.

But I must hasten as rapidly as I can. Let us consider for a moment—not so fully as I should like—some of the outstanding reasons which made it desirable and proper to abrogate the gold clause in outstanding contracts.

First, if valid, such a clause would nullify or, at least, impair the power of the Congress to make any and all coins and currency legal tender for the payment of debts. The gold clause attempts to override the legal-tender and parity provisions established by law. If valid, it further would have the effect of making certain that, whatever may be the policy of the Congress, the coins and currency of the United States shall not have equal value in the discharge of all classes of debts.

Second, the gold clause is a serious obstacle to the maintenance of parity. The conventional method of maintaining parity is by the redemption of currency in gold coin.

The startling withdrawals of gold coin for hoarding and the flight into foreign currencies and into foreign countries which took place in February and during the first few days of March 1933 made it impossible to continue such redemption. The Government's stock was being rapidly depleted. During the period to which I have just referred $476,100,000 in gold had been withdrawn from the Federal Reserve banks and the United States Treasury, of which $311,000,000 was for export or to be earmarked for foreign accounts. Simultaneously there was a great demand for money of all kinds for domestic hoarding.

At that time the outstanding gold obligations amounted $100,000,000,000, and the available gold supply of this country was only $4,000,000,000 and in the entire world only $11,000,000,000.

In the face of these circumstances—it was not so much the heavy withdrawals of gold but the constant acceleration of the tendency toward the withdrawal that is significant—the Government had to act. And it is preposterous to say that it did not act reasonably and promptly and vigorously. And it had to act by the suspension of the redemption in gold.

Moreover, there were conditions of equity that had to be borne in mind. To have permitted, after the 9th of March, the conversion of gold certificates and United States notes into gold would have been to prefer the demand claims of the gold creditors, foreign and domestic, so long as the supply should last.

And to have prohibited the conversion of such demand obligations and yet to have continued the conversion of time obligations—calling for gold in each instance—would have been to prefer time obligations, both public and private. Either alternative would have been to deny equal treatment to creditors with equal claims to consideration.

All of the foregoing suggestions bear on the question of maintaining parity after the suspension of gold redemption. Why parity could not have been maintained under the previously existing system, if outstanding gold certificates and United States notes had been redeemed in anything except gold coin. To have redeemed them in currency at the higher rate demanded by these claimants would have immediately brought back the double standard of currency which had wrought such havoc in times gone by.

It is, therefore, apparent that to maintain parity under the existing conditions, gold certificates and United States notes had to be treated upon an absolute equality with other forms of currency, and by that same token it was necessary to abrogate the gold clause in gold obligations.

There is another reason why the gold clause is an obstruction to the power to regulate the value of money. One method of regulating the value of money is by lessening the gold content of the dollar. I do not understand that any responsible person seriously disputes the right upon the part of the Government to lessen the gold content of the dollar. Nevertheless, that power could not have been actually used if it had entailed the redemption or payment of $100,000,000,000 of obligations at the rate of $169,000,000,000.

Moreover, it would have made impossible the employment of such agencies of relief as were set in motion—the emergency farm-mortgage organization, the Home Owners' Loan Corporation, and others. All these agencies were calculated to afford needed relief. But the Government could not have afforded that relief if all these gold debts had been written up 69 percent. In other words, we would have found ourselves in the perfectly preposterous situation of having a constitutional power, but being unable to exert it because of the private contracts which individuals had made.

Let me pause for a moment to emphasize the proposition that the only alternative open to the Congress was a reduction in the gold content of the dollar, accompanied by a denunciation of gold clauses. In choosing this alternative the Government acted in the public interest, and it cannot fairly be contended that it acted arbitrarily, capriciously, or unfairly or unjustly, or for any improper purpose.

There can be no doubt that the gold clause was a hindrance to the borrowing power. Such obligations, if permitted to exist, would have preempted or, at least, measurably restricted, the sources from which borrowed money is obtained. There is no doubt that the gold clause likewise interfered with international obligations and negotiations, and with foreign exchange and foreign commerce. If it had been impossible to break the pre-war tie to the gold dollar, we would have been denied the privilege, open to all other civilized governments, of dealing effectively with our own currency.

No adequate reason has been advanced why the holders of interest-bearing time obligations should be preferred over holders of demand obligations, as, clearly, these forms of understandings are of equal solemnity. The holders of $20,000,000,000 of Federal gold obligations, with an annual interest charge of $700,000,000, could in a relatively short time have drained all of the available gold out of the Treasury. This would have been tantamount—and I say it deliberately—to delivering the destiny of our gold reserves into private hands, and by that same token delivering the destiny of America into private hands.

Oh, I have found in the briefs of learned counsel upon the other side many suggestions indicative of the proposition that our Government acted hastily, and even in bad faith. But The Hague Court, in the opinion in the Royal Dutch Shell case, rendered on the 15th day of February 1934, had no such misgivings as seem to afflict counsel in this case. In that Court it was said:

"There cannot be any question about violation of public order, as the measure—

That is the joint resolution they are talking about—

"according to its purpose set forth in the preamble has been enacted as required by urgent necessity and public interest"—

Meaning American public interest—

"and not at all in order to injure the creditor."

Apparently the contentions of our opponents in this matter deal with questions of ethics and economics and morals and good faith. But who shall say that all of these considerations plead for the claimants? I hesitate to venture upon the high ground of ethics and morality so completely occupied by those who argue for the sanctity of the written word and who assert that it should be maintained at all hazards. That field has been pretty thoroughly occupied by counsel for the bondholders. Such arguments make me feel a stranger in this preempted territory.

But, after all, is the morality all on one side? Are there not certain essentials of justice which the written word may defeat and which it is the higher purpose of the law to preserve?

I would not have adverted to these things except for the fact that I was examining last night the brief in the pending case, and was somewhat surprised to read what was said on pages 54 and 55 thereof. Oh, our friends on the other side use harsh words with regard to the action of their Government. No one denies to these claimants the right to come to this great Court, to receive here an adjudication of their cause; and no matter how heavy that responsibility may be upon this Court, it will be discharged in a manner that carries with it the confidence of all of the American people.

But I find that these claimants use unusually bitter language with regard to the conduct of their own Government. Perhaps from their standpoint it is necessary that they should use harsh words. But we have come to a strange period of American history when it is possible for a great Government, in pursuing its monetary policy for the public welfare, to be charged with pursuing a course of dishonor.

I do not know that these claimants have caught the significance of their own allegations. But I should like to say that this problem is greater, far more important, and larger than the claims of any groups of individuals.

Should the claims of the owners of these gold obligations be approved, it would create a privileged class which, in character, in immunity, and in power has hitherto been unparalleled in the history of the human race. I feel the walls of this courtroom expand; I see, waiting upon this decision, the hopes, the fears, and the welfare of millions of our fellow citizens.

These measures which are under attack were thoroughly considered and carefully worked out. They represent the overwhelming sentiment of the Congress. They represent the considered judgment of the President. What is attacked here is the joint work of the legislative branch of the Government and the executive branch of the Government, operating in complete and wholesome accord. Those who contest the wisdom of these results, their propriety, their legality, their necessity, or their essential justice have a heavy burden to carry.

The validity of our contention in this case rests, however, upon wider and even more compelling considerations. The authority to coin money and regulate the value thereof is an attribute of sovereignty which cannot be restrained by private contract nor subordinated to the tenor of individual obligations.

That the United States of America is a sovereign Nation and possesses the essentials of sovereignty has been repeatedly declared by this Court. This of necessity must be so. When the Constitution, by section 8 of article I, confided the power over the currency to the Congress, it did so in representative terms, similar to those used in the same article setting forth the other essential attributes of sovereignty.

I like that old expression which will be found in the Legal Essays of Thayer, on page 75 in the edition of 1908. There is meat in this rather homely expression:

"The Constitution, in giving to Congress the power to coin money, is not, just then, concerned with the technicalities of law or political economy; it is disposing of one of the 'jura majestatis' in brief and general terms, in phrases which are the language of statesmen.

In the case of *Juilliard* v. *Greenman* the Court speaks of this power as one which accords "with the usage of sovereign governments."

Any lingering doubt upon this subject is dispelled by reading section 10 of article I of the Constitution, which takes from the States all power over the currency. The State governments were emptied of such power. All the scattered sovereignties of the different States went over en bloc to the Government of the United States, and they were not lost in transit.

I think it may safely be said—at least, it may reasonably be argued—that the State governments succeeded to the powers of the Crown, the King, and Parliament in the control over currency, and exercised this power sometimes wisely and sometimes recklessly. Those who framed the Constitution of the United States realized this situation, and, knowing what had happened in the Colonies, took pains to see that this power, just like the power of the sword, this great attribute of sovereignty, should reside in one single authority. Hence the Constitution not only affirmatively grants this power to the Congress of the United States, but forbids its exercise by the various States.

In sweeping terms the Federal Government was given the power to collect taxes to provide for the common defense and the general welfare; to coin money; to declare war; to maintain armies; to provide a Navy; and, in general, to deal in these sovereign matters on an equality with the other members of the family of nations.

These enumerated grants in section 8 of article I of the Constitution are set forth in representative terms, which, taken together, imply all the essentials of a comprehensive Federal power over the whole subject of the medium of exchange, standards of measure and value, coinage of money, and the control of credit.

Of course, I am not arguing here for any inherent sovereign power. But I am maintaining that in certain matters, in which currency is included, the Government of the United States has the same type of sovereign power which was accorded to the Crown in the Mixed Money case, and which has not, so far as I am aware, been successfully controverted in any court in any country since that time.

The history of money is fascinating. It has been tied up with the progress of the human race. There has never been an important era in which the destinies of men were at hazard where the problem of currency was not involved. Every drama in the international field involves some aspect of the money question.

In the earliest day, of course, the currency was crude in form. It developed as civilization went on. Finally we come to the period referred to in the Mixed Money case, where its characteristics were beginning to be understood. We then come to the early colonial days, with their chaos and their disorder and their conflict in matters of currency. And, following this, these sovereign powers of the States, which had in so many instances been unwisely used, were turned over to the Federal Government, and, for the first time on this continent, the control of currency was confided to a central authority.

It was then a little-understood subject—and, I must say, it is a little-understood subject now. We have passed through many vicissitudes—the greenback era; the period of the Legal Tender cases; the experience with the double currency standard; until we reached a more or less settled status, which many people fatuously believed was the final status. The gold standard, as it was then known, survived the panic of the Cleveland administration, but it did not survive the vicissitudes of the World War. The problem moved out into international areas. Governments began to send representatives to conferences to discuss this mutually vexing problem of gold.

It would be idle to deny that things are still in a formative stage. Indeed, great things are afoot. The London Economic Conference of 1933 did not achieve its objective, but it had for one of its purposes the problem of the stabilization of the currencies of the world.

On the 3d of July 1933 the President of the United States cabled to the economic conference dealing with this subject and, in the course of his message, confirmed the proposition that our broad purpose is permanent stabilization of every national currency.

Oh, we have not seen the last of international economic and monetary conferences. Already these events may be dimly seen on the horizon. I do not know when it will be. That is written in

the inscrutable bosom of time. But the day will come when the United States of America will be conferring with the other nations of the earth, with a view to the stabilization of currencies, the fixing of standards, and making those arrangements which are essential amongst civilized nations if we are to dwell together in any reasonable degree of harmony and prosperity.

Let nothing be said here that makes our Nation enter such a conference on crutches, a cripple amongst the nations of the earth.

Mr. Justice Holmes once very wisely said—I think it was in the Holland case:

"It is not lightly to be assumed that, in matters requiring national action, 'a power which must belong to and somewhere reside in every civilized government' is not to be found."

If the Court please, other nations, impelled by the requirements of necessity and acting for the public welfare, have devalued their currencies, abandoned the gold standard, and abrogated gold contracts by specific laws enacted for that purpose. Without challenge and without question they have done precisely what the Congress of the United States has done. Belgium, France, Germany, Rumania, Mexico, Norway, and Sweden have enacted such laws. It is an essential attribute of sovereignty.

I ask this Court to lay down in unequivocal language the proposition that, in matters of currency, the courses of action open to other governments are not denied to this country, and that, in employing these sovereign powers, we act upon an equality with all the other nations of the earth.

SUPREME COURT OPINION IN MACCRACKEN CASE

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD the decision of the Supreme Court of the United States in the case of Chesley W. Jurney against William P. MacCracken, Jr.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

Supreme Court of the United States—October term, 1934

No. 339. *Chesley W. Jurney, petitioner,* v. *William P. MacCracken, Jr.* On certiorari to the United States Court of Appeals for the District of Columbia.

[Feb. 4, 1935]

Mr. Justice Brandeis delivered the opinion of the Court.

This petition for a writ of habeas corpus was brought in the Supreme Court of the District of Columbia by William P. MacCracken, Jr., against Chesley W. Jurney, the Sergeant-at-Arms of the Senate of the United States. The writ issued; the body of the petitioner was produced before that court; and the case was then heard on demurrer to the petition. The trial court discharged the writ and dismissed the petition. The Court of Appeals, two justices dissenting, reversed that judgment and remanded the case to the Supreme Court of the District with directions to discharge the prisoner from custody (72 F. (2d) 560). This Court granted certiorari because of the importance of the question presented (293 U. S. —).

The petition alleges that MacCracken was, on February 12, 1934, arrested, and is held, under a warrant issued on February 9, 1934, after MacCracken had respectfully declined to appear before the bar of the Senate in response to a citation served upon him pursuant to Resolution 172, adopted by the Senate on February 5, 1934. The resolution provides:

"*Resolved,* That the President of the Senate issue a citation directing William P. MacCracken, Jr., L. H. Brittin, Gilbert Givvin, and Harris M. Hanshue to show cause why they should not be punished for contempt of the Senate, on account of the destruction and removal of certain papers, files, and memorandums from the files of William P. MacCracken, Jr., after a subpena had been served upon William P. MacCracken, Jr., as shown by the report of the Special Senate Committee Investigating Ocean and Air Mail Contracts."

It is conceded that the Senate was engaged in an inquiry which it had the constitutional power to make; that the committee[1] had authority to require the production of papers as a necessary incident of the power of legislation; and that the Senate had the power to coerce their production by means of arrest. *McGrain* v. *Daugherty* (273 U. S. 135). No question is raised as to the propriety of the scope of the subpena duces tecum or as to the regularity of any of the proceedings which preceded the arrest. The claim of privilege hereinafter referred to is no longer an issue. MacCracken's sole contention is that the Senate was without power to arrest him with a view to punishing him, because the act complained of—the alleged destruction and removal of the papers after service of the subpena—was "the past commission of a completed act which prior to the arrest and the proceedings to punish had reached such a stage of finality that it could not longer affect the proceedings of the Senate or any committee thereof, and which, and the effects of which, had been undone long before the arrest."

The petition occupies, with exhibits, 100 pages of the printed record in this Court; but the only additional averments essential to the decision of the question presented are, in substance, these: The Senate had appointed the special committee to make "a full, complete and detailed inquiry into all existing contracts entered into by the Postmaster General for the carriage of air mail and ocean mail." MacCracken had been served, on January 31, 1934, with a subpena duces tecum to appear "instanter" before the committee and to bring all books of account and papers "relating to air mail and ocean mail contracts." The witness appeared on that day; stated that he is a lawyer, member of the firm of MacCracken & Lee, with offices in the District; that he was ready to produce all papers which he lawfully could; but that many of those in his possession were privileged communications between himself and corporations or individuals for whom he had acted as attorney; that he could not lawfully produce such papers without the client first having waived the privilege; and that, unless he secured such a waiver, he must exercise his own judgment as to what papers were within the privilege. He gave, however, to the committee the names of these clients; stated the character of services rendered for each; and, at the suggestion of the committee, telegraphed to each asking whether consent to disclose confidential communications would be given. From some of the clients he secured immediately unconditional consent; and on February 1, produced all the papers relating to the business of the clients who had so consented.

On February 2, before the committee had decided whether the production of all the papers should be compelled despite the claims of privilege, MacCracken again appeared and testified as follows: On February 1, he personally permitted Givven, a representative of Western Air Express, to examine, without supervision, the files containing papers concerning that company; and authorized him to take therefrom papers which did not relate to air mail contracts. Givven, in fact, took some papers which did relate to air mail contracts. On the same day, Brittin, vice president of Northwest Airways, Inc., without MacCracken's knowledge, requested, and received from, his partner Lee permission to examine the files relating to that company's business and to remove therefrom some papers stated by Brittin to have been dictated by him in Lee's office and to be wholly personal and unrelated to matters under investigation by the committee. Brittin removed from the files some papers; took them to his office; and, with a view to destroying them, tore them into pieces and threw the pieces into a waste-paper basket.

Upon the conclusion of MacCracken's testimony on February 2, the committee decided that none of the papers in his possession could be withheld under the claim of privilege.[2] Later that day MacCracken received from the rest of his clients waivers of their privilege; and thereupon promptly made available to the committee all the papers then remaining in the files. On February 3 (after a request therefor by MacCracken), Givven restored to the files what he stated were all the papers taken by him. The petition does not allege that any of the papers taken by Brittin were later produced.[3] It avers that, prior to the adoption of the citation for contempt under Resolution 172, MacCracken had produced and delivered to the Senate of the United States "to the best of his ability, knowledge, and belief, every paper of every kind and description in his possession or under his control, relating in any way to air mail and ocean mail contracts; [and that] on February 5, 1934 * * * all of said papers were turned over and delivered to said Senate committee and since that date they have been, and they now are, in the possession of said committee."

First. The main contention of MacCracken is that the so-called "power" to punish for contempt may never be exerted, in the case of a private citizen, solely qua punishment. The argument is that the power may be used by the legislative body merely as a means of removing an existing obstruction to the performance of its duties; that the power to punish ceases as soon as the obstruction has been removed, or its removal has become impossible; and hence that there is no power to punish a witness who, having been requested to produce papers, destroys them after service of the subpena. The contention rests upon a misconception of the limitations upon the power of the Houses of Congress to punish for contempt. It is true that the scope of the power is narrow. No act is so punishable unless it is of a nature to obstruct the performance of the duties of the legislature. There may be lack of power, because, as in *Kilbourn* v. *Thompson* (103 U. S. 168), there was no legislative duty to be performed; or because, as in *Marshall*

[1] Pursuant to Senate Resolution 349 (72d Cong., 2d sess.)

[2] Upon the conclusion of the hearing on Feb. 2, the committee made to the Senate a report (No. 254) setting forth the facts elicited. Thereupon the Senate, by Resolution No. 169, directed a warrant to issue, commanding the Sergeant at Arms to take MacCracken into custody before the bar of the Senate; "to bring with him the correspondence * * * referred to and then and there to answer such questions pertinent to the matter under inquiry * * * as the Senate may propound. * * *" The warrant was served on Feb. 2, 1934; MacCracken was paroled in the custody of his counsel to appear at the bar of the Senate at noon, Feb. 5, 1934. On that day (in view of Res. No. 172) he was released from custody under Resolution No. 169; and the proceedings under Resolution No. 169 are not here involved.

[3] But the brief for MacCracken, the respondent, states: "By Feb. 6 every recoverable paper involved in the Brittin incident had been recovered and delivered to the Senate." The reference in the brief is to the fact (to which attention was called by counsel for Jurney) that, after MacCracken and Brittin had testified, post office inspectors, acting for the committee, searched the sacks of waste papers taken from Brittin's office; and succeeded in collecting most of the pieces of the papers which Brittin destroyed. By pasting these pieces together they were able to restore for the committee most of the papers removed from the Northwest Airways, Inc., files (S. Doc. No. 162, 73d Cong., 2d sess., pp. 106–116).

v. *Gordon* (243 U. S. 521), the act complained of is deemed not to be of a character to obstruct the legislative process. But, where the offending act was of a nature to obstruct the legislative process, the fact that the obstruction has since been removed, or that its removal has become impossible, is without legal significance.

The power to punish a private citizen for a past and completed act was exerted by Congress as early as 1795[4] and since then it has been exercised on several occasions.[5] It was asserted, before the Revolution, by the Colonial Assemblies, in imitation of the British House of Commons, and afterward by the Continental Congress and by State legislative bodies.[6] In *Anderson* v. *Dunn* (6 Wheat. 204), decided in 1821, it was held that the House had power to punish a private citizen for an attempt to bribe a Member. No case has been found in which an exertion of the power to punish for contempt has been successfully challenged on the ground that, before punishment, the offending act had been consummated or that the obstruction suffered was irremediable. The statements in the opinion in *Marshall* v. *Gordon*, supra, upon which MacCracken relies, must be read in the light of the particular facts. It was there recognized that the only jurisdictional test to be applied by the Court is the character of the offense; and that the continuance of the obstruction, or the likelihood of its repetition, are considerations for the discretion of the legislators in meting out the punishment.

Here, we are concerned, not with an extension of congressional privilege, but with vindication of the established and essential privilege of requiring the production of evidence. For this purpose the power to punish for a past contempt is an appropriate means.[7] Compare *Ex parte Nugent* (Fed. Cas. No. 10,375); *Stewart* v. *Blaine* (1 MacArthur 453). The apprehensions expressed from time to time in congressional debates in opposition to particular exercises of the contempt power concerned, not the power to punish, as such, but the broad, undefined privileges which it was believed might find sanction in that power.[8] The ground for such fears has since been effectively removed by the decisions of this court which hold that assertions of congressional privilege are subject to judicial review, *Kilbourn* v. *Thompson*, *supra;* and that the power to punish for contempt may not be extended to slanderous attacks which present no immediate obstruction to legislative processes. *Marshall* v. *Gordon*, *supra*.

Second. The power of either House of Congress to punish for contempt was not impaired by the enactment in 1857 of the statute, R. S. section 102, making refusal to answer or to produce papers before either House, or one of its committees, a misdemeanor. Compare *Sinclair* v. *United States* (279 U. S. 263). The statute was enacted, not because the power of the House to punish for a past contempt was doubted, but because imprisonment limited to the duration of the session was not considered sufficiently drastic a punishment for contumacious witnesses.[9] That the purpose of the statute was merely to supplement the power of contempt by providing for additional punishment was recognized in *In re Chapman* (166 U. S. 661, 671–672): "We grant that Congress could not divest itself or either of its Houses, of the essential and inherent power to punish for contempt in cases to which the power of either House properly extended; but because Congress by the act of 1857, sought to aid each of the Houses in the discharge of its constitutional functions, it does not follow that any delegation of the power in each to punish for contempt was involved; and the statute is not open to objection on that account." Punishment, purely as such, through contempt proceedings, legislative or judicial, is not precluded because punishment may also be inflicted for the same act as a statutory offense. Compare *Ex parte Hudgings* (249 U. S. 378, 382).[10] As was said in *In re Chapman*, *supra*, "the same act may be an offense against one jurisdiction and not an offense against another; and indictable statutory offenses may be punished as such while the offenders may likewise be subjected to punishment for the same acts as contempts, the two being diverso intuito and capable of standing together."

Third. MacCracken contends that he is not punishable for contempt, because the obstruction, if any, which he caused to legislative processes, had been entirely removed and its evil effects undone before the contempt proceedings were instituted. He points to the allegations in the petition for habeas corpus that he had surrendered all papers in his possession; that he was ready and willing to give any additional testimony which the committee might require; that he had secured the return of the papers taken from the files by Givven, with his permission; and that he was in no way responsible for the removal and destruction of the papers by Brittin. This contention goes to the question of guilt, not to that of the jurisdiction of the Senate. The contempt with which MacCracken is charged is "the destruction and removal of certain papers. Whether he is guilty, and whether he has so far purged himself of contempt that he does not now deserve punishment, are the questions which the Senate proposes to try. The respondent to the petition did not, by demurring, transfer to the court the decision of those questions. The sole function of the writ of habeas corpus is to have the court decide whether the Senate has jurisdiction to make the determination which it proposes. Compare *Barry* v. *United States ex rel. Cunningham* (279 U. S. 597); *Henry* v. *Henkel* (235 U. S. 219); *Matter of Gregory* (219 U. S. 210).

The judgment of the Court of Appeals should be reversed; and that of the Supreme Court of the District should be affirmed.

Reversed.

Mr. Justice McReynolds took no part in the consideration or decision of this case.

[4] Robert Randall and Charles Whitney were taken into custody by the House of Representatives, on Dec. 28, 1795, on charges of attempting to bribe some of its Members. Whitney was discharged on Jan. 7, 1796, before trial. Randall, however, on Jan. 6, was found guilty of a contempt and of a breach of the priveleges of the House, was reprimanded by the Speaker, and was committed to the custody of the Sergeant at Arms until further order of the House. On January 13, his petition to be discharged from custody was granted, upon payment of fees. 5 Annals, 4th Cong., 1st sess., 166–195, 232, 200–229, 237, 243.

[5] In 1882, Samuel Houston, having been arrested and tried by the House of Representatives for assaulting a Member, was reprimanded and discharged on payment of fees. 8 debates, 22d Cong., 1st sess., 2512–2620, 2810–3022. In 1865, A. P. Field was taken into custody for assaulting a Member and was reprimanded by the Speaker. 70 Globe, 38th Cong., 2d sess., 991. So to, Charles C. Glover, in 1913. CONGRESSIONAL RECORD, 63d Cong., 1st sess., 281–283, 499–503, 1431–1453. In 1870, Patrick Wood, for a similar offense, was imprisoned for 3 months by order of the House. 94 and 95 Globe, 41st Cong., 2d sess., 4316–17, 4847, 5253, 5301. In 1795, Senator James Gunn, whose challenge of a Member of the House was considered a breach of privilege, escaped with an apology. 5 Annals, 4th Cong., 1st sess., 786–790, 795–798. See Shull, legislative contempt—an auxiliary power of Congress (1934) 8 Temple L. Quart. 198.

[6] See Potts, Power of Legislative Bodies to Punish for Contempt (1926) 74 U. of Pa. L. Rev. 691, 700–719; Clarke, Parliamentary Privilege in the American Colonies, Essays in Colonial History Presented to Charles McLean Andrews (1931) pp. 124, et seq.; May, Law and Usage of Parliament (5th ed., 1863), pp. 83–97. Since the American Revolution, it has been held that colonial assemblies of the British Empire, have, in the absence of express grant, and "without any usage, any acquiescence, or any sanction of the courts of law", no power to adjudicate upon, or punish for, contempts, *Kielly* v. *Carson* (4 Moore P. C. 63); even when the contempt is committed in the presence of the assembly by one of its own members. *Doyle* v. *Falconer* (L. R. 1 P. C. 328), *Barton* v. *Taylor* (11 App. Cas. 197); compare *Whitcomb's case* (120 Mass. 118, 122). But upon some colonial assemblies contempt powers as broad as those of the British House of Commons have been conferred. Compare *Dill* v. *Murphy* (1 Moore P. C. (N. S.) 487); *The Speaker of the Legislative Assembly of Victoria* v. *Glass* (L. R. 3 P. C. 560); *Fielding* v. *Thomas* ((1896) App. Cas. 600).

[7] The many instances in which the Houses of Congress have punished contumacious witnesses for contempt are collected and discussed in Eberling, Congressional Investigations (1928). See, too, Dimock, Congressional Investigating Committees (1929); Landis, Constitutional Limitations on the Congressional Power of Investigation (1926), 45 Harv. L. Rev. 159; compare May, op. cit., supra, pp. 407, 408. Witnesses found guilty of prevaricating before investigating committees have been imprisoned by the House of Commons under circumstances indicating that there was no thought of inducing further testimony, but only of punishing for the past offense. See case of Charles Woolfen, 112 Comm. Jour. 354, 372, 377; of Acton, Sheriff of London, Petyt, Miscellanea Parliamentaria (1680), p. 108; of Randolph Davenport, Id., p. 120.

[8] See remarks of Senator Charles Pinckney in the case of the editor of the Aurora, 10 Annals, 6th Cong., 1st sess., 69; of Representative Barbour and Representative Poindexter in the case of Colonel Anderson, 32 Annals, 15th Cong., 1st sess., 624, 654; of Representative Polk in the case of Samuel Houston, 8 Debates, 22d Cong., 1st sess., 2512; of Senator Sumner in the case of Thaddeus Hyatt, 53 Globe, 36th Cong., 1st sess., 1100; see, too, Jefferson's Manual, secs. 293–299.

[9] See remarks of Representative Orr, 43 Globe, 34th Cong., 3d sess., 404, 405.

[10] Samuel Houston was in fact indicted, convicted, and fined in the Criminal Court of the District of Columbia on account of the same assault for which he was reprimanded by the House. See 2 Ops. Attys. Gen. 655.

NATIONAL FARMERS UNION PROGRAM

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD the National Farmers' Union program as adopted in its 1934 annual convention. This great farm organization has had a definite national legislative program for many years. Many of the principles for which it stands have been included in legislation enacted by the Congress, though as a rule the application of the principles has not gone nearly as far as the Farmers' Union program called for.

The program as outlined in the following summary is worthy of the thoughtful consideration of the Senate and the country, and for that purpose I ask that it be printed in the RECORD. I might add that I find myself strongly in accord with most of this program, especially that dealing with refinancing of farm mortgages at lower rates of interest.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

NATIONAL FARMERS' UNION PROGRAM ADOPTED UNANIMOUSLY IN ANNUAL CONVENTION HELD IN SIOUX FALLS, S. DAK., NOVEMBER 20–21, 1934

LEGISLATION

The Farmers' Union has had a very definite national legislative program for many years. Very little of it has been adopted by the National Congress. There has been legislation passed, involving the principles laid down in the Farmers' Union program. Such legislation can only be described as a step in the right direction.

We have fought the manufacturers' general sales tax successfully.

We have seen our program on net income and inheritance tax receive consideration in the last 2 years to the extent of doubling the rates on the higher brackets.

We have seen a bill passed fixing a date for Philippine independence.

The Agricultural Adjustment Act established as a principle of law that it is the duty of this Government to see that farmers are financed; that it is the duty of this Government to regulate the marketing of farm commodities; that the President should have the power to remonetize silver and issue non-interest-bearing full legal-tender currency instead of interest-bearing bonds.

While these are steps in the right direction, the steps are so short that they get us nowhere. Time proves that what has been done is inadequate for the relief and recovery of our country.

All this means that we should be firmer than ever in our convictions that the Farmers' Union program provides the real remedy.

In that belief we hereby reiterate the national legislative program adopted in many previous annual conventions of the National Farmers' Union.

OUR PROGRAM

1. We unequivocally reendorse the Frazier-Lemke farmers refinancing bill (H. R. 2855 in the 73d Cong.), which bill provides for the refinancing of existing farm indebtedness at 1½ percent interest and 1½ percent on the principal of the indebtedness—not by the issuance of bonds, but by a direct issuance of currency.

2. We further endorse the bill, introduced by Congressman WILLIAM LEMKE, establishing the Bank of the United States (H. R. 3834 in the 73d Cong.) owned, operated and controlled by the Government of the United States, which bill, when passed, will retire all of the existing Government bonds, and will loan money to States, counties, school districts, and local banks at not to exceed 1 percent interest and which bill, when passed, will provide a sound and adequate currency and medium of exchange for our citizens.

3. We further endorse the House joint resolution (356 in the 73d Cong.) introduced by Congressman WILLIAM LEMKE proposing an amendment to the Constitution of the United States providing for the initiation of legislative measures by electors.

4. A law providing for Government regulation of the marketing of farm commodities on a basis of the farmer receiving for that portion of his farm products needed for consumption within the United States, a price of not less than cost of production, including a reasonable profit.

5. The Wheeler bill, providing for the remonetization of silver.

6. The Thomas bill, which provides for the Government issuing full legal-tender non-interest-bearing currency to pay the debts of the Nation instead of issuing more interest-bearing bonds.

7. We believe all taxation should be based on ability to pay. We further believe there is just one test of ability to pay and that is net income at the end of the year. We therefore support such rates on net incomes as will pay the running expenses of Government.

We realize that the concentration of wealth in the hands of a few, to the extent that, today, in the United States, less than 5 percent of the people own 90 percent of the wealth of the Nation, is a menace to the life of the Nation. History teaches, from Babylon to Russia, that where such conditions exist, one of two things happens—either there is redistribution of wealth or revolution and overthrow of the Government.

To prevent the latter, the Farmers Union proposes such amendments to the inheritance- and gifts-tax laws as will limit the amount any one individual can take from an estate to $500,000.

8. We are opposed to the large appropriations being made in preparation for war.

For 40 years this Nation has preached peace—while at the same time spending more money every year on wars, past, present, and future, than any other country in the world. It is our position that such a policy is hypocritical and inconsistent.

We are also unalterably opposed to compulsory military training in any form and especially in tax-supported institutions of learning.

9. Farmers are the largest purchasers of gasoline of any group, hence the largest payers of gasoline taxes. We are opposed to the Federal taxes on gasoline and to the diversion of tax funds, raised by the various States, from road building and maintenance purposes.

10. We believe Congress should pass such legislation as would absolutely prohibit gambling in farm products by boards of trade, cotton exchanges, and other speculators.

11. It is our position, that so long as industry is protected by tariffs, agriculture is entitled to the same protection.

12. We urge the next session of Congress to pass such legislation as will give the Philippines immediate and absolute independence.

13. We favor further and more effective legislation against the use of oriental oils in the manufacture of oleomargarine. Such legislation is needed to protect the dairy farmers of the Nation.

14. The eighteenth amendment has been repealed. We favor such legislation as will place the manufacture and distribution of all intoxicating liquors in the Government. This would remove profit which is the biggest element of evil in the liquor traffic.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar is in order. The clerk will state the first bill in order on the calendar.

BILL PASSED OVER

The bill (S. 396) to amend section 1180 of the Code of Laws for the District of Columbia with respect to usury was announced as first in order.

The VICE PRESIDENT. The Chair understands the bill is to go over under an order or agreement heretofore made.

BEQUEST TO WALTER REED GENERAL HOSPITAL

The joint resolution (S. J. Res. 24) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital, was considered, ordered to be engrossed, read the third time, and passed, as follows:

Resolved, etc., That the commanding officer Walter Reed General Hospital be, and is hereby, authorized to accept the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, as contained in her last will and testament and such interest as may have accrued on the funds covered by such bequest, and to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purchase of radio equipment or similar means of entertainment for bed-ridden soldiers or other patients in said hospital, said fund to be subject to disbursement for such purposes upon vouchers submitted by the commanding officer Walter Reed General Hospital under authority of the Secretary of War and to be available until expended.

Mr. FLETCHER. I ask that a memorandum relating to the joint resolution just passed may be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 24

Purpose: To authorize commanding officer of Walter Reed General Hospital, Washington, D. C., to accept on behalf of the United States the bequest of the late Charlotte Taylor, of St. Petersburg, Fla., for the benefit of Walter Reed General Hospital.

Recommended by War Department: Measure recommended and approved by War Department.

Nature of bequest: Part of will of Charlotte Taylor, deceased, provided that the sum of $1,000 should go to Walter Reed Hospital, Washington, D. C., with the request that this money be used for the purchase of radio equipment or similar means of entertainment for bed-ridden soldiers or other patients in said hospital.

Note: An identical measure passed Senate during Seventy-third Congress, second session.

ALFRED W. KLIEFOTH

The bill (S. 547) for the relief of Alfred W. Kliefoth was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred W. Kliefoth the sum of $3,940.47 in full settlement of all claims against the Government of the United States to reimburse him for personal property lost in Russia in 1918 while in the performance of his duties as assistant military attaché at the American Embassy at Petrograd.

OFFICERS OF RUSSIAN RAILWAY SERVICE CORPS

The bill (S. 1095) for the relief of the officers of the Russian Railway Service Corps, organized by the War Department under authority of the President of the United States for service during the war with Germany, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the officers appointed by the President, and who served honorably during the war with Germany on and after April 6, 1917, in the Russian Railway Service Corps, organized by the War Department under authority of the President of the United States, shall be deemed to have the same legal status as if they had received a full and honorable discharge as emergency offi-

cers of the United States Army in the World War: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

BENJAMIN H. SOUTHERN

The bill (S. 823) for the relief of Benjamin H. Southern was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Army Benjamin H. Southern shall be held and considered to have been honorably discharged from the United States Army on the 31st day of March 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. ROBINSON. Mr. President, I ask that the report of the Committee on Military Affairs be printed in connection with the bill just passed.

There being no objection, the report (No. 37), submitted by Mr. THOMAS of Utah on the 4th instant, was ordered to be printed in the RECORD, as follows:

The Committee on Military Affairs, to whom was referred the bill (S. 823) for the relief of Benjamin H. Southern, having considered the same, report favorably thereon with a recommendation that it do pass.

Purpose of this bill is to consider claimant to have been honorably discharged from the United States Army on March 31, 1919. He was in the service 1 year and about 2 months, being inducted into the military service May 27, 1918, leaving for overseas service September 23, 1918, and being dishonorably discharged March 31, 1919.

As result of a set of most unfortunate circumstances, the claimant shot and killed a Negro soldier on or about January 8, 1919. He was tried by a general court martial, and was sentenced to be dishonorably discharged from the service, to forfeit all pay and allowances due or to become due, and to be confined at hard labor for 7 years. Under date of November 17, 1919, so much of his sentence to confinement as exceeded 5 years was, by direction of the President, remitted. He was released on home parole December 16, 1920, and on November 15, 1922, was released from the parole and relieved from further amenability to the prison authorities.

Affidavits and letters are on file testifying to this man's good character and conduct since his return to the community in which he resides. Your committee has gone into this case carefully, taking into consideration the circumstances under which the act of claimant was committed, the punishment he has already received, and his good character and conduct as a law-abiding citizen in his community since his return there.

Report from the War Department on S. 823 follows:

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
Washington, January 19, 1935.

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: Reference is made to the bill (S. 823) for the relief of Benjamin H. Southern, which was transmitted under date of January 15, 1935.

I am enclosing a report of The Adjutant General covering the service of Private Benjamin H. Southern, Army serial no. 2871429, as shown by the records of the War Department.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

[Enclosure]

The records of this office show that Benjamin H. Southern, Army serial no. 2871429, who gave his place of birth as Arthur, Tenn., was inducted into the military service May 27, 1918, by the local board for Mena, Ark., and forwarded to Camp Pike, Ark. He left the United States for overseas service September 23, 1918, with Camp Pike September automatic replacement draft and after arrival in France was assigned to Company M, Three Hundred and Thirtieth Infantry, Eighty-third Division, with which organization he served until December 8, 1918, when he was transferred to Prisoner of War Escort Company No. 9.

While serving with that organization at Camp Montoir, France, he was arraigned and tried before a general court martial and was found guilty of violation of the Ninety-third Article of War in that he did, on or about the 8th day of January 1919, willfully, feloniously, and unlawfully kill another soldier by shooting him with an automatic pistol. He was sentenced to be dishonorably discharged from the service, to forfeit all pay and allowances due or to become due, and to be confined at hard labor for 7 years. The sentence was approved by the reviewing authority and the charges, pleas, findings, sentence, and action of the reviewing authority were promulgated in General Court Martial Orders No. 107, Headquarters Base Section No. 1, France, dated March 31, 1919, copy of which is attached.

He was dishonorably discharged from the service pursuant to the sentence of general court martial mentioned above and placed in confinement at the prison camp at Gievres, France. He arrived in the United States from France, June 26, 1919, as a general prisoner and was forwarded to Fort Jay, N. Y., and from there to the United States Penitentiary, Fort Leavenworth, Kans., where he was received July 2, 1919. Under date of November 17, 1919, so much of his sentence to confinement as exceeded 5 years was, by direction of the President, remitted. He was released on home parole December 16, 1920, and on November 15, 1922, was released from the parole and relieved from further amenability to the prison authorities.

There is no authority of law whereby the War Department can revoke, recall, modify, or set aside the duly executed sentence of a general court martial, or consider a soldier honorably discharged when he was in fact dishonorably discharged.

Respectfully submitted.

JAMES F. MCKINLEY,
Major General, The Adjutant General.

A portion of the evidence on file in this case follows:

MENA, ARK., *March 30, 1931.*

Hon. PATRICK J. HURLEY,
Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: I am writing you personally instead of to The Adjutant General's Office concerning the case of the above-named veteran for the reasons stated in the last paragraph of this letter. It is earnestly hoped that the assistant to whom this letter may come will see that it reaches you personally.

The above-named veteran is an honest, hard-working farmer boy with a splendid reputation, residing in this county, and he entered the service from this county in 1918. His case only recently came to my attention. This man was tried by a general court martial at Base Section No. 1, St. Nazaire, France, in March 1919, on a charge of murder or manslaughter and was sentenced to be dishonorably discharged and to forfeit all pay and to be confined at hard labor for 7 years. After serving about a year at Leavenworth he was paroled. The charge of murder was based on the killing of a Negro stevedore by the veteran at Montoir, France. Since returning to his home some 10 years ago, this man has had such a feeling that an injustice was done him that he has never undertaken in any manner to correct the injustice which I am convinced was committed in his case.

Without undertaking at this time to go into the details of the case, I wish to say that I have before me at this time an affidavit made by a former officer of the American Expeditionary Force and the commanding officer of this veteran's organization at the time of his trial before the court martial. This officer was not in command of the unit at the time of the killing, and he left or was transferred to another organization after the trial and before the decision was rendered. However, his affidavit shows that he was present at the trial and that he had made a thorough investigation of the circumstances. This officer was prior to the war and at this time (or at the time of making of the affidavit in 1923) a practicing attorney. This affidavit discloses that only two witnesses were heard in the trial and that a plain case of self-defense was made out by the prosecution's own witnesses. The affidavit above mentioned was voluntarily made by the officer and sent to the veteran in 1923 with the request that he undertake to get himself restored in some manner to an honorable status, but as already stated the veteran has never taken any steps at all along this line until recently, when some of his friends of the American Legion prevailed upon him to come in and interview the writer regarding the case.

It is earnestly requested, Mr. Secretary, that you have the record of this man's conviction and trial examined and if possible that you examine it yourself. From the information which I have of the case I feel sure that you, as a lawyer, will readily agree that a grave and shocking injustice was done this veteran after you have examined the record of the trial and the evidence on which he was convicted. The man had a good Army record except for this conviction, and his record as a citizen both before and since the war has been commendable. I am not sure your Department can do anything to correct the matter at this time, and it is possible that a special act of Congress would be required. And it is my understanding that the War Department frowns upon efforts to pass such special acts. But I will certainly appreciate your looking into this case, and I believe that if the facts are brought to your attention as I have them that you will be in favor of an act of Congress, if necessary, in order that justice may be done to this veteran at this time. If necessary, or if it is requested, I will be glad to forward to you the above-mentioned affidavit of the veteran's former commanding officer, which shows the facts in detail. This officer states that he was shocked and surprised and his sense of justice almost outraged when he later heard that the man had been convicted on evidence which he, as a lawyer, thought any man either in military or civil life was clearly entitled to an acquittal. Will you kindly look into this case and write me about it, as I am personally interested in assisting this man and have volunteered to help him in every way possible entirely without fee or charge of any kind.

Now, my reason for writing you personally: I am a former Oklahoman myself and resided in Haskell County for 12 years, and at the outbreak of the war was county judge of that county, and I take some pride in the fact that I was the first county official to resign to enlist in the Army. I never met you personally but am proud of the fact that you, as an Oklahoman, was selected as Secretary of War, and I feel that I know you and your natural western viewpoint sufficiently to write you concerning this case. And as one legionnaire to another I also address you.

Asking your pardon for the long letter and trusting that you will go into this case and advise me, I beg to remain,

Cordially yours,

DUKE FREDERICK.

STATE OF MISSOURI,
County of St. Louis, ss:

A. L. Hollander, of lawful age, on oath being duly sworn, says:

I am branch-office manager in St. Louis for the American National Insurance Co., of Galveston, Tex. My address is 4903 Delmar Avenue.

During the World War I was prison sergeant of Prisoner of War Escort Company No. 9, located at Montoir, near St. Nazaire, France. I remember very well Pvt. Benjamin H. Southern, as I was over him in the work of handling the prisoners of war. He was an excellent soldier, with an easy-going disposition and got along very well with men with whom he was working. I can vouch for the fact that Southern was not a trouble maker; on the contrary, never seemed troublesome or quarrelsome. On perhaps one or two occasions I saw him when he was drinking, but the effect of liquor in no sense changed his amiable disposition.

I remember at the time he was arrested, detectives in soldier's and officer's uniform came to our company and worked on the case. They seemed to be trying to do everything possible to convict Southern. There was nothing fair in their attitude.

I was also familiar with the troubles between the white and colored troops around St. Nazaire, as there were some men killed and there was danger of riot at all times. This was due to an influx of French white women, who paid considerable attention to the Negro troops. This caused the Negroes to become arrogant and parade their white women in front of the white soldiers, and whenever a white man resented this there was generally a quarrel and fight, and sometimes whites and Negroes were killed. Because of the large number of Negro stevedore battalions stationed at this point, it was not safe for any of our white soldiers to be out at night.

This situation was made worse by the officer in charge of the stevedore battalion, who was summary-court-martial officer of the camp. He seemed to be always taking the part of the Negroes, which made them more quarrelsome and arrogant. These Negro troops were allowed to roam the cafes and roads after hours and were undisciplined.

I was one of the witnesses called to attend Southern's trial at St. Nazaire. I remember that the first time the case was called the officer who was appointed to represent Southern knew nothing about the case, and Lieutenant Warren, in command of our company, had it continued to give this officer a chance to prepare Southern's defense. I remember that Lieutenant Warren went to St. Nazaire to try to get witnesses. At the time the case was actually tried, Southern had no witnesses. The judge advocate put on one witness to identify the body, and the only other witness was Private Burroughs, of our company, who testified that he was with Southern at the time; that a group of drunken Negroes in a quarrelsome manner ordered them off the road; that they tried to avoid trouble with the Negroes and left the road and tried to get around some buildings, but that the space between the two houses was filled at the back end by a wall or another building so that they could not escape from the Negroes; that while they were in the pocket, the Negroes started throwing rocks at them; and that he, Burroughs, was hit by one of the rocks and injured so that he cried out; that after this Southern drew his automatic pistol and fired in the direction of the Negroes. This was the only evidence in the case.

I remember also that the officer who was appointed to represent Southern was from "down South." He spoke with a southern drawl. During the course of the trial whenever he spoke of Negroes he naturally called them "niggers." This seemed to irritate one of the judges of the court, and he bawled this officer out several times. The officer tried his best not to say the word "nigger", but it was so natural with him that he could not help it. I think that perhaps more than one of the judges showed irritation at this officer's use of the word "nigger." The court seemed very hostile to Southern and his attorney from the start.

Southern was a good soldier and truthful. Burroughs was also truthful. I knew them well and intimately, as one soldier knows another, and I know they were telling the truth when they said that the shots were fired purely in self-defense after they had tried in every way they could to avoid trouble with these Negroes.

A. L. HOLLANDER.

Subscribed and sworn to before me this 31st day of January 1933.
[SEAL] E. M. KEMPER,
Notary Public, County of St. Louis, Mo.
My commission expires May 27, 1933.

MARGARET L. CARLETON

The bill (S. 255) for the relief of Margaret L. Carleton was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Margaret L. Carleton, widow of Algar E. Carleton, late American consul at Riga, Latvia, the sum of $6,600, equal to 1 year's salary of her deceased husband.

EXPENSES OF AMERICAN SECTION INTERNATIONAL BOUNDARY COMMISSION

The joint resolution (S. J. Res. 16) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, in addition to amounts heretofore authorized to be appropriated, the sum of $60,000 to defray the expenses of the American section, International Boundary Commission, United States and Mexico, in the conduct of an engineering investigation, study, and report to the Secretary of State to determine the feasibility and best means of effecting the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international diversion dam near El Paso, Tex., in order to facilitate Federal control of the channel of the Rio Grande and compliance by the United States with its obligations to deliver at said international diversion dam water to Mexico pursuant to the convention concluded May 21, 1906, providing for the equitable distribution of waters of the Rio Grande for irrigation purposes, including salaries and wages; fees for professional services; rents, travel expenses; per diem in lieu of actual expenses for subsistence; printing and binding; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; telephone, telegraphic, and air mail communications; ice; equipment, supplies, and materials and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the investigation.

Mr. HATCH subsequently said:

Mr. President, since the Senate earlier today passed Senate Joint Resolution 16, a message has been received from the House of Representatives announcing the passage by that body of a similar House joint resolution. My colleague [Mr. CUTTING] and I both request unanimous consent to have the House measure considered and acted upon at this time; and if that shall be done, I will ask to reconsider the vote by which Senate Joint Resolution 16 was passed and request that it be indefinitely postponed.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Is there objection to the present consideration of the House joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 58) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the votes whereby Senate Joint Resolution 16 was ordered to be engrossed for a third reading and passed will be reconsidered, and the joint resolution will be indefinitely postponed.

Mr. HATCH subsequently said:

Mr. President, a few minutes ago the Senate passed the joint resolution (H. J. Res. 58) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico. Since that time an error, apparently of a clerical nature, has been discovered. The word "division" has been used instead of the word "diversion." In order that the error may be corrected, I ask unanimous consent that the vote by which the joint resolution was passed be reconsidered.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Without objection, the vote by which the joint resolution was passed will be reconsidered.

Mr. HATCH. I now move to amend the joint resolution, on page 2, line 1, before the word "dam", by striking out the word "division" and inserting in lieu thereof the word "diversion."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

PATRICK J. MULCAHEY

The Senate proceeded to consider the bill (S. 56) for the relief of Patrick J. Mulcahey, which had been reported from the Committee on Military Affairs, with amendments, on page 1, line 5, to strike out "Casual Detachment, Twelfth", and insert "Company E, Sixth"; in line 9, to strike out the numerals "17" and insert "11"; and in line 12, after the word "act", to insert "or subsequent thereto, except for hospitalization in an appropriate Government institution", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Patrick J. Mulcahey, who was a member of Company E, Sixth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on April 11, 1907: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act, or subsequent thereto, except for hospitalization in an appropriate Government institution.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The VICE PRESIDENT. That completes the call of the calendar.

WORK RELIEF PROGRAM

Mr. BARBOUR. Mr. President, in giving study to the joint resolution making appropriations for relief purposes recently passed by the House of Representatives, I insist that we must consider the subject matter of this legislation as being composed of two absolutely separate and distinct phases or elements; the first having to do, of necessity, with the hurried appropriation of public funds to continue such direct relief as admittedly is immediately, or relatively immediately, necessary; the second having to do with the carefully studied preparation of a long-range plan or policy to create, as rapidly as possible, gainful employment—employment that will at least have some hope of becoming self-supporting in the future in the normal economic sense of not being dependent on governmental contributions. I may say right here that whether we spend four billion or fourteen billion dollars, I have no feeling of assurance that such a so-called "public-works program" as apparently is contemplated by this measure will result in real recovery as far as self-supporting prosperity in the future, in the normal, nonartificially stimulated sense, is concerned.

The joint resolution leaves so much to the imagination that I may not have guessed its fuller meaning, but it certainly is too big a bet for me to wager until I know more about the odds.

I do know, however, that it is manifestly unfair, though it may be good political strategy, to force the Members of the Senate, as was done when the joint resolution was jammed through the House of Representatives, either to swallow the measure "whole hog" or to be put in the false position of apparently voting against a necessary appropriation of funds for direct relief, admittedly more or less immediately needed. In other words, in my judgment, it is obviously unjust and unwise to try to force the Senate to treat these two wholly different, though related, subjects as one.

Surely $880,000,000, or any such sum, is not of itself such an inconsequential pittance, viewed in these days of exaggerated perspective, as not to warrant consideration standing alone on its own merits, without being tagged on to some much greater sum in order to make the whole worthy of our thought and consideration.

Any proper appropriation for necessary direct relief, standing by itself, will, of course, pass both the Senate and House at once, and undoubtedly unanimously. Who would vote against it, or would want to do so? Any delay that may result in respect to the appropriation of the remaining four billions, or whatever the amount may be, will be time well spent indeed; for I am becoming more and more convinced that perhaps even more than the huge sums themselves incurred in each instance, the greater danger involved in the whole present-day philosophy of spending, especially without attempting to raise by taxation the money to pay the piper as we go along, is the apparently growing utter disregard for the real value of money—what it means, what is the cost, and where it must come from—which we unconsciously, perhaps, but none the less certainly are acquiring ourselves, and, in turn, are conveying, possibly unwittingly, to others, to the end that all of us, in and out of public life, are fast forming the subconscious belief that the Federal Treasury is inexhaustible, and that the donation of public funds for whatever cause is simply controlled by the degree of generosity in each instance exhibited on the part of those who hold the purse strings, with inevitably, as part of the insidious cycle, the greatest political popularity accruing to those who are apparently the most generous the most often. Thus will still greater appropriations inevitably follow with increasing frequency, and more and greater political popularity accrue to those who initiate and support them, and so on, ad infinitum.

Am I exaggerating? Can I be accused of partisan, nonconstructive criticism if I venture the suggestion that possibly a political Frankenstein monster may thus be in creation, which from time to time is being ever strengthened, to the end that not only those who, regardless of party affiliation, oppose the creation of such a robot, but those who, however unintentionally, gave it birth, will find themselves one day, even if they all combine against it, unable in the end to check its menace to our democratic form of government, to which this country is dedicated, and which we are all sworn to preserve and protect.

I am in accord with the general premise of the President, recently enunciated before the Congress in his annual message, that "the Government must get out of this business of relief." I am in full accord also with the general premise that direct relief—or, to speak more plainly, the dole—has within it the seed of disintegration of the moral fiber of our citizens, of which moral fiber we have always been so justly proud. Here again, however, we must, in the practical sense, weigh the relative costs of all these different forms of governmental aid, and ask ourselves the question: Which plan can we afford, and which program will hold out until the country shall at last be able to go ahead as heretofore under its own power without contributions, by whatever term they may be called, from the Federal Treasury? Contributions which we all know today are in excess of our ability or desire, certainly one or the other, actually to pay for as we appropriate them, other than through the medium of ever-increasing bond issues, which are piling up to haunt us in the future, for generations to come.

When is this patient we are continually doctoring going really to get well? How much more medicine must he take? Or is the medicine, perchance, of a sort so palatable that he is coming to prefer it to being cured?

To revert to the terms of the joint resolution itself, as I have said, it leaves much to the imagination, to put it mildly; but aside from making available such sum as may be necessary—and I assume that sum to be $880,000,000, though the joint resolution does not say so—to provide for the necessary direct relief of today and the more or less immediate future, we are confronted with the amazing request that we divest ourselves of the responsibilities imposed upon us by the Constitution we have all sworn to uphold, by the simple expedient of turning over a blank check for nearly five billions of dollars to a single individual, even be he—and I say this in all respect—the President of the United States, drawn in such general terms as to be payable to the order of "providing relief from the hardships attributable to widespread unemployment", "relieving economic maladjustments", "alleviating distress", and "improving working conditions." Especially amazing is this request in view of the fact, which of course must be recognized, that the President himself, however noble his intentions, however superhuman his energies, however wise his judgment, must of necessity delegate many of these powers in turn to others—others to us as yet unknown, whose rulings are as yet undetermined, in respect to undertakings which in even a remotely specific sense are as yet undisclosed; rulings which are, moreover, to have the force of statute even to the point of the confiscation of property and the imposition of punishment in the form of fines; and this measure, as originally drafted by whomever it was who did draft it, permitted not only the imposition of fines but also the imprisonment of any offender against this new order of things!

Contrast all this, if you please, with the methods employed in the handling of public funds for that great public-works program of yesteryear, the building of the Panama Canal under the policies pursued by the late Theodore Roosevelt. The Congress in that day was asked to appropriate the then-staggering sum of approximately $200,000,000, but in that case the expenditure was to be guarded by a bipartisan com-

mission of outstanding citizens known to all at that time and in whom all had confidence; and the project itself was not simply some vague general undertaking somewhere to facilitate navigation, but was a very definitely known and understood and carefully worked out project for a specifically designated purpose in an exactly described location.

May we venture even further at this juncture and approach at this time the dawn of a new new deal that must inevitably come in respect to the whole general situation we have created by suggesting that we begin now, at the same time that we give study to this, the largest of all such undertakings of its kind in our history, to give study also to the rearrangement into their proper and logical spheres of the many activities, for instance, of the N. R. A., legislating it as a separate entity out of existence, and transferring its good features—and there are good features—to the existing Cabinet departments. The all too numerous bureaus, commissions, and boards making up this gigantic bureaucratic, and increasingly bureaucratic, Government of ours today have the malignancy of a tumor and its persistency for growth. It is time, I feel, that we give really exhaustive thought to this whole problem, broad as I know it is, to the end that the form of government to which we are dedicated shall not in time be smothered by this growth of a new kind of government.

In conclusion, if this measure comes up for passage in anything like its present amazing form, I have no alternative but to vote against it, and I shall do so; but I protest now and vehemently against a stratagem that places me in the false position of apparently voting against any sum that is needed to alleviate human suffering unless at the same time I vote for infinitely more of that whose very nature I know not. I am eager, as is everyone else in Congress, to vote for whatever is needed for direct relief at this time, and my plea—my earnest and sincere plea, yes, my demand—is that we do just that, vote now such sum, whatever it may be, as is needed for this particular purpose, and, as time is the essence in this instance, let it be dealt with as we are now dealing with the distribution of public funds for this recognized and understood need, whether all of us like or do not like in all particulars the way in certain respects this necessary obligation of the Federal Government is being discharged.

Let us now recognize, however, whether or not it be politically popular at the moment, the necessity of assuming our own obligations in these purely legislative matters, and put an end to this exhibition of shadow boxing with our constitutionally prescribed responsibilities, which now apparently is the order of the day, and is so perfectly exemplified by the joint resolution under discussion, which we are again asked to side step as far as doing our real duty in respect to it is concerned—a measure which, while it boasts as its proud purpose "making appropriations for relief purposes", in reality makes no attempt, even in any remotely specific sense, to designate what is actually to be done with all this vast sum of money, or how it is to be expended, by whom—excepting the President himself—or even where.

Mr. SCHALL. Mr. President, I have here a clipping containing a statement by the former chairman of the Democratic National Committee which I ask to have read by the clerk.

The PRESIDING OFFICER (Mr. LOGAN in the chair). Is there objection? The Chair hears none, and the clerk will read as requested.

The Chief Clerk read as follows:

SHOUSE ASSAILS GRANT OF POWER—DEMOCRACY IS ISSUE, HE SAYS, IN HITTING RELIEF BILL AUTHORITY

By the Associated Press

PHILADELPHIA, Feb. 4.—Jouett Shouse, president of the American Liberty League, assailed the administration's $4,880,000,000 work-relief bill today as "the most revolutionary, unjustified, and unwise attempt at absolute delegation of legislative authority to the Executive ever witnessed in this country."

If it passes Congress and goes unchallenged in the courts, he asserted, in an address prepared for delivery to the Philadelphia County League of Women Voters, "it is a certain indication of the disintegration of the form of government under which we have lived and in which we have professed to believe."

BUREAUCRACY HELD ISSUE

"The issue", he added, "is whether democracy shall continue to hold sway in this Republic or whether bureaucracy will take its place."

The measure is now before a Senate committee after having passed the House.

Attacking the provision of the bill giving the President wide authority to allot work-relief expenditures as he saw fit, Shouse charged that it was "railroaded" through the House "without adequate hearing by committees, without the opportunity for adequate amendment or revision."

"More and more of recent years the Congress has shown a disposition to abdicate its functions", he continued. "It has passed on to the executive branch of the Government one power after another which belongs to the legislative branch until it is not surprising that the impression should have gone abroad that the Congress of late has become little more than a rubber stamp to approve executive direction."

DOESN'T QUESTION RELIEF

The speaker said he did not question the need of direct Federal-appropriation relief.

"The amount of money contemplated is greater than the total annual cost of the Government in any year from 1922 to 1931, inclusive", Shouse said.

"The authority conferred upon the Executive gives him the opportunity to reorganize the governmental machinery should he see fit; to create a vast new bureaucracy not answerable to the Congress, free from civil-service restrictions, and, therefore, open to political spoilsmen, and to make rules and regulations within his own discretion, without restraint, for the violation of which fines may be imposed upon any citizen."

Mr. DAVIS. Mr. President, may I ask whose statement it is the clerk has just finished reading?

Mr. SCHALL. A statement of Mr. Jouett Shouse, former chairman of the Democratic National Committee.

THE FEDERAL CORPORATE CONSPIRACY

Mr. President, there has passed the House, and will soon be before the Senate, a joint resolution making appropriations for relief purposes amounting in total to $4,880,000,000, all of which is to be used in the discretion and under the sole directive power of the President of the United States.

Members of the Senate doubtless will express themselves both for and against this unusual appropriation, totally unequaled in terms and in disposition in the history of the United States.

I find in subsections a, b, c, and d of section 4 the use of the word "corporations" or "corporation." In subsection a is the expression "including corporations with corporate authority only as approved by the President and within the scope of this joint resolution." In subsection b, I find the expression "including a corporation"; in subsection c the same; in subsection d the same.

I am convinced that the Nation, the press, and the Congress are unaware as to the Federal corporate activities which have been brought into existence since March 4, 1933.

I have attempted in times past to bring before the Senate certain trends planned, as it seems to me, to destroy the United States. We, as ambassadors and representative lawmakers, both Democrats and Republicans, from each State of a Union of 48 States, each with equal individual rights, are sworn to support and defend that Union within its fundamental laws.

In my mind, the country has been misled by the slogan "emergency." With infinite cunning, beyond the conception of our smiling President, but not beyond the capacity of an international group of schemers hiding behind him, the acts of the Seventy-third Congress have been perverted to conceal unwarranted corporate creations. We are now clearly faced with the intention to weaken and remove a Republic that has existed for nearly 150 years and during that time developed beyond all other nations—by certain additional acts proposed for enactment by the Seventy-fourth Congress.

It means nothing to these schemers that our Union has survived civil strife and has consistently risen to world influence. They are ready to tear it down because it and the two entire American Continents—homes of free peoples—stand in the way of world revolution which is designed to center all might, majesty, dominion, and power in the hands of a selfish few. Congress, individually or collectively, has made no record showing that it has definite knowledge of

what has actually been done and is being done to destroy the American plan of government of which the Congress, as representing the States, is an essential part.

Documentary evidence proves that Federal corporations, chartered at various points in the United States, have been created in readiness to take the place of all business activities of the country.

Three outstanding features characterize the Federal corporations I shall mention:

First. They affect the interests of every mortal in America at the present time.

Second. They are being financed in a most indirect way so that the public is not yet conscious of the burden. When we realize that the financing of some of these corporations is through the Reconstruction Finance Corporation, and that the R. F. C., by giving debentures to the Treasury, gets the needed credit, it must become evident that when a definite break-down of business and agriculture under the management of the alphabetical organizations shall occur, these Federal corporations will be in a position to take hold of and direct every detail of American life, selling their securities in small quantities wherever a Federal credit union exists.

Third. They have multiplied the contacts of the Federal Government with the fingertips of activity in all parts of the Nation.

The fiscal agents of the Treasury Department were established through production commodity associations by hundreds and now through Federal credit unions by possible thousands. Furthermore, these corporations have the franking privilege, and therefore have promotive advantage over all other forms of business activity in the United States. The conciliation commissioners of the Farm Bankruptcy Act also illustrate an extended grant of power by the Federal Government through the franking privilege, operative in the greater number of counties in each State.

The nearest approach to partial knowledge of the situation was an article in the New York Times of March 25, 1934, referring to certain Federal incorporations under the liberal laws of Delaware.

Federal corporations are enabled to engage in any form of business—Charters to five emergency agencies organized in Delaware are drawn in broadest terms.

Then follow limited details of five such bodies:

Commodity Credit Corporation, to handle agricultural and other commodities.

Public Works Emergency Housing Corporation, to handle dwellings and real estate in general.

Federal Surplus Relief Corporation, to buy and handle surpluses.

Federal Subsistence Homesteads Corporation, to buy land, build homes, and to establish factories.

Electric Home and Farm Authority, to aid electric sales, to make appliances, and to lend on them as security.

During the autumn of 1934, America First, Inc., and the James True Associates, who publish Industrial Control Reports, sent an investigator into Delaware to read the charters of the above-named corporations. He found all but one of them to be marked "Do not publish", and also found among the incorporation papers the charter of one whose existence had been continuously concealed prior to the time of his visit and still remained unmentioned in either the Congressional Directory or the announcements of the United States Information Service, or the United States Government Manual, up to January 2, 1935. The corporation in question was the Public Works Emergency Leasing Corporation.

As evidence of the scope of these corporations, I attach photographs of the incorporation papers, secured by the investigator, and ask that the entire charter of each Federal corporation be included in the CONGRESSIONAL RECORD as supporting data for my remarks.

The list of photographic reproductions is as follows:

COMMODITY CREDIT CORPORATION

(Eleven photographic prints are shown of the incorporation papers.)

This Corporation was brought into being on October 17, 1933, by Executive Order 6340, dated October 16, 1933. The incorporators were H. A. Wallace, Oscar Johnston, and H. Morgenthau, Jr. The officials at the time of incorporation were designated as follows: President, Lynn P. Talley; vice president, Oscar Johnston; secretary, J. E. Wells, Jr.; assistant secretary, John D. Goodloe; treasurer, J. E. Wells, Jr.; assistant treasurer, G. E. Rathell. The seventh section says:

This Corporation is to have perpetual existence.

An emergency is at the outset expected to be perpetual. This Corporation was granted $3,000,000, but there has already been allocated to it more than $756,000,000.

PUBLIC WORKS EMERGENCY HOUSING CORPORATION

(Fourteen photographic prints are shown of the original incorporation papers and 12 of the amended incorporation.)

This Corporation was chartered October 27, 1933, by Harold L. Ickes, Frances Perkins, and Robert D. Kohn. The incorporation papers were filed October 27, 1933, and amended November 16, 1933, and the amendments filed November 21, 1933. The amendment was by Executive Order 6470, though the Executive order itself was dated 13 days after the amended certificate had been signed and filed. The sixth section says: "The Corporation is to have perpetual existence." Note our emergency is again expected to be perpetual.

FEDERAL SURPLUS RELIEF CORPORATION

(Eight photographic prints are shown of the original incorporation and nine of the amended incorporation.)

This Corporation was chartered October 4, 1933, by H. A. Wallace, Harold L. Ickes, and Harry L. Hopkins, and was amended on December 8, 1933. The sixth section says: "This Corporation is to have perpetual existence." Surplus relief is expected to be perpetual.

FEDERAL SUBSISTANCE HOMESTEADS CORPORATION

(Eight photographic prints are shown of the original incorporation.)

This Corporation was chartered November 21, 1933, by Harold L. Ickes, Oscar L. Chapman, and M. L. Wilson (in ink the name of Oscar L. Chapman was substituted for Aaron Rabinowitz on page 5 of the incorporation papers). The seventh section says, "The Corporation is to have perpetual existence."

ELECTRIC HOME AND FARM AUTHORITY

(Twelve photographic prints are shown of the original incorporation.)

This Corporation was brought into being on January 13, 1934, by Executive Order 6514, dated December 19, 1933. The incorporators were Arthur E. Morgan, Harcourt A. Morgan, and David E. Lilienthal. (It is indicated that Mr. Lilienthal was connected with the proposed Corporation as early as January 6, 1934.) (By the terms of the seventh section "the Corporation is to exist for 7 years from the date of incorporation."

PUBLIC WORKS EMERGENCY LEASING CORPORATION

(Eleven photographic prints are shown of the original incorporation.)

This Corporation was chartered January 2, 1934, and the charter papers filed January 3, 1934, by Harold L. Ickes, Oscar L. Chapman, and Theodore A. Walters. By the sixth section "the Corporation is to have perpetual existence." (This Corporation was never listed in the information material of the United States Information Service nor in the United States Government Manual prepared and issued by the National Emergency Council). An emergency was again announced as perpetual. However, under the fear of publicity, in my opinion, a certificate of surrender of corporate rights was filed in Dover, January 2, 1935. I feel confident my fellow Senators will agree that if the relief measure of 1935, carrying nearly $5,000,000,000, is passed as the President requests, it will be an easy matter to refile the incorporation papers of the Public Works Emergency Leasing Corporation.

The following points will be immediately understood by Senators and by every man or woman of average intelligence.

First. It is a principle of law for ages past that "that which is accomplished is assumed to have been intended."

Second. The United States cannot exercise a joint authority over a Delaware corporation. It is 100 percent a creature of the State and accountable to that State for compliance with its corporation statutes.

Third. A Delaware corporation is therefore answerable to no Federal law.

Fourth. Thus Congress, without knowing it, and the President, without full knowledge, assumed to authorize and, in words, did authorize corporations which are removed as to assets and governance from the control of the United States.

Fifth. Incorporation under the laws of Delaware was not an accident but an intention, for under Federal law every Government official is answerable for every dollar of property entrusted to him. To avoid answerability, the schemers behind the A. A. A., the N. R. A., and other alphabetical groups elude opinion as to legality that might properly be expressed by the Attorney General, and have removed their projects from the jurisdiction of Federal courts.

Two questions will immediately occur to every thoughtful citizen:

First. Why has the Federal Government any need to transact business under the laws of Delaware—or any other State—if such business is legal? The answer is, "It has no need."

Second. Does the Constitution of the United States, by its most liberal interpretation, authorize the Congress to authorize its agents to create private corporations to manage the affairs and properties of the Federal Government? The answer to this is that the Congress has been given no such wide authority.

I shall be content to have the detailed charters of these corporations spread in the CONGRESSIONAL RECORD for the information of the public, and ask unanimous consent for such inclusion, and in that consent I request that the rule of the Printing Committee be set aside and that these photostatic copies be printed in full. If, however, unanimous consent is withheld, I shall insist that these papers be read in my time as a part of my speech, and thus included in the CONGRESSIONAL RECORD.

Mr. President, I now ask unanimous consent to have printed in the RECORD the photographic copies of the charters referred to.

Mr. HARRISON. Mr. President, will the Senator withhold that request for the present? The Chairman of the Committee on Printing is not in the Senate Chamber at the moment, and there may be some question as to the cost involved, the time it would take, and so on. I suggest the Senator from Minnesota withhold his request, and make it later when the Chairman of the Committee on Printing is present.

Mr. SCHALL. If I cannot get unanimous consent to have the charters printed in the RECORD, I shall ask to have them read as part of my speech.

Mr. HARRISON. May I ask the Senator from Minnesota whether he has made any inquiry as to the cost and the feasibility of having them printed?

Mr. SCHALL. No; I have not, Mr. President; but I shall do so. I was going through the usual form at this time. I ask unanimous consent to have them printed; otherwise I shall ask to have them read as part of my speech.

Mr. HAYDEN entered the Chamber.

Mr. HARRISON. Mr. President, the Chairman of the Committee on Printing has just come into the Senate Chamber.

Mr. McNARY. Mr. President, I understand the request is to publish the exhibits attached to the speech.

Mr. SCHALL. No, Mr. President, they are not attached to the speech. They are photographs of the charters of the corporations.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). The Chair understands that in order to have them printed in the RECORD it is necessary that they be referred to the Committee on Printing and that the committee give its consent. The Senate itself does not have the power to give its consent without such action first having been taken.

Mr. McNARY. I quite disagree with the view of the Chair. The committee has the right to pass on whether extraneous matter shall be printed in the RECORD. The Senator from Minnesota has the right to read the exhibits as part of his speech; but in order to prevent taking up the time necessary to read those papers, he has asked that they be printed as a part of his speech. Am I correct in my understanding of the request of the Senator from Minnesota?

Mr. SCHALL. Yes; the Senator is correct.

Mr. HAYDEN. Mr. President, may I inquire of the Senator from Minnesota whether he asks to have printed in the RECORD cuts, illustrations, or drawings? The Senator mentioned photographs.

Mr. SCHALL. No; they are photographs of the charters of incorporation.

Mr. McNARY. All printed matter.

Mr. SCHALL. All printed matter. My point is that if they are printed in the RECORD at this point it will not be necessary to take up so much time reading them.

Mr. HAYDEN. The rule is—and if I may so suggest, the purpose of the rule is to bring home to Senators the cost of what they desire to have printed—the rule is that if the matter takes up more than two pages in the CONGRESSIONAL RECORD, the Senator shall ask for an estimate of the cost of printing it. If the Senator asks for an estimate, and the Senator is satisfied that it should be printed, it will be printed.

Mr. McNARY. That is the rule. I realize the reasons for the rule. However, in lieu of having the matter printed in the RECORD, the Senator can read it as a part of his speech, if he desires so to do.

Mr. HAYDEN. There is no question about that.

Mr. SCHALL. All I wanted done was to have the matter printed, without taking time to read it.

Mr. McNARY. If there is any objection, the Senator intends to read it.

The PRESIDING OFFICER. The Senator from Minnesota has asked unanimous consent to have the charters printed in the RECORD at this point. Is there objection?

Mr. HARRISON. Mr. President, is the unanimous-consent request to have them read in lieu of having them printed?

The PRESIDING OFFICER. No; the unanimous-consent request is to have them printed in the RECORD following the speech.

Mr. HARRISON. I understood from the Chairman of the Committee on Printing that the rule is that the matter must be referred to the Committee on Printing for its consent.

Mr. McNARY. Mr. President, let me again state the rule. The rule is perfectly plain and self-evident. If the Senator simply desires to have the matter printed, he must obtain such permission from the Committee on Printing. That is the rule, if he offers some document and desires to have it printed in the RECORD apart from his speech. If unanimous consent is withheld, the Senator has the right, in view of his having the floor, to read the documents as part of his speech.

Mr. HAYDEN. Certainly.

Mr. HARRISON. That is what ought to be done.

Mr. McNARY. If the Senate wishes that to be done, very well. However, in order to expedite matters and shorten his speech, the Senator from Minnesota simply asks unanimous consent that the matter may be printed in the RECORD.

Mr. HARRISON. That is up to the chairman of the committee, for there is a certain procedure provided in connection with such matters. I myself have no objection to the matter being printed in the RECORD. I objected only because the chairman of the committee was not on the floor at the time the request was first made.

Mr. HAYDEN. The Joint Committee on Printing having adopted the rule requiring an estimate, it seems to me the only way to operate is to enforce the rule, and I suggest that the clerk read the documents.

Mr. McNARY. Then, Mr. President, the request of the Senator from Minnesota is that the clerk read the exhibits.

The PRESIDING OFFICER. Very well.

Mr. SCHALL. The Public Works Emergency Leasing Corporation was chartered January 2, 1934, the day before the second session of the Seventy-third Congress, and was withdrawn the day before the first session of the Seventy-fourth Congress. The incorporators were Harold L. Ickes, Oscar L. Chapman, and Theodore A. Walters. "The Corporation is to have perpetual existence", says the charter, as already pointed out.

It is most important to understand the scope of this charter, because it is necessary for the Nation to know how far these present frightened schemers dare to go in attempting the subversion of private enterprise. Having copies of the incorporation papers enables us to show the intent, from which we may rightfully draw conclusions as to their plans for centralization of power.

I may say here that neither you nor I can find any mention in our national platforms of any such purposes of concentration of power nor submission to the people for their opinion on any such drastic change. I, therefore, add that it is our sworn duty as Senators and Representatives of the people to institute proceedings immediately in order to show to the country who the men were that worked out such a scheme of subversion and thus make known all facts of Federal incorporations and the purposes sought. The nature of its business in article 3 of the charter is shown by various paragraphs.

Paragraph (2) gives the power "to undertake * * * any project eligible to be included in the comprehensive program of Public Works to be prepared pursuant to the provisions of the Recovery Act."

Paragraph (3) gives authority "to collect fees, tolls, and other charges" in the construction of "highways, parkways, buildings, canals, tunnels, bridges, docks, dry docks, dams, markets, viaducts, aqueducts, waterworks, reservoirs, sewage systems, airports; gas, electric-light, and power plants, hospitals; refrigerating and heating systems";

Paragraph (4) gives authority "to acquire improved or unimproved real estate * * * by purchase, exchange, exercise of the power of eminent domain or otherwise" and "to maintain and improve" and "to sell, exchange, grant, donate, or otherwise dispose of such real estate." The same paragraph gives power to acquire and sell "any personal property."

Paragraph (5) gives power over the "maintenance and operations of edifices, structures, and buildings of every kind, nature, or description."

Paragraph (6) gives the right to manufacture "building and other materials and supplies of every kind."

Paragraph (7) gives rights over "development of natural resources" * * * "development of water power, generation and transmission of electrical energy" and "reclamation, irrigation, and improvement of land."

Paragraph (9) is quoted in full:

To lease (with or without the privilege of purchase), sell, exchange, grant, donate, or otherwise dispose of all or any part of any project which it may undertake, construct, finance, or in any way aid, and any other property or securities at any time acquired by it.

Paragraph (10) contains a sentence affecting professional men and contractors. The first phrase reads as follows:

To do and perform any and all acts and functions customarily done or performed by architects, engineers, and/or general contractors.

Paragraph (11) is printed in full:

To furnish, equip, operate, manage, and maintain projects and structures of every kind, nature, or description, and to do any and all things necessary, suitable, or convenient in connection therewith, including without limitation the supplying of heat, steam, water, gas, and electricity, and transportation, telephone, and any other facilities or utilities necessary, suitable, or convenient.

Paragraph (12) gives power to carry on its functions "in the State of Delaware, or in any other State, Territory, or locality * * * without restriction or limitation as to amount."

Paragraph (13) covers the right "to acquire personal property of every kind, nature, or description."

Paragraph (14) is printed in full:

In any manner to acquire, hold, use, or dispose of any franchises, licenses, grants, concessions, patents, trade marks, trade names, copyrights, or inventions granted by or existing under the laws of any government or subdivision thereof.

Paragraph (15) affects the right to buy or sell securities "and to exercise, as owner or holder of any securities, any and all rights, powers, and privileges in respect thereof."

Paragraph (16) is reprinted in full:

To acquire, by purchase, exchange or otherwise, all or any part of or any interest in the properties, assets, business, and goodwill of any one or more persons, firms, associations, or corporations engaged in any business for which a corporation may now or hereafter be organized under the laws of the State of Delaware; to pay for the same in any lawful manner; to hold, operate, reorganize, liquidate, sell, donate, or in any manner dispose of the whole or any part thereof; and, in connection therewith, to assume or guarantee performance of any liabilities, obligations, or contracts of such persons, firms, associations, or corporations, and to conduct in any lawful manner the whole or part of any business thus acquired.

Paragraph (17) is reprinted in full:

To borrow money for its corporate purposes without limit as to amount and, in connection therewith, to draw, make, accept, endorse, and issue promissory notes, bills of exchange, bonds, debentures, and other instruments and evidence of indebtedness.

I quote subsections a, b, c, d, and e of section 4 of the proposed relief measure that is to come to the Senate:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized, to such extent and in such manner as he finds and prescribes as necessary to the efficient and coordinated administration of the powers exercisable under this joint resolution, to—

(a) Establish and prescribe the duties and functions of governmental agencies (including corporations with corporate authority only as approved by the President and within the scope of this joint resolution);

(b) Utilize and prescribe the duties and functions of any governmental agency (including a corporation);

(c) Consolidate, redistribute, abolish, or transfer the functions and/or duties of, and transfer the property and/or personnel of, any governmental agency (including a corporation); and upon the transfer to another agency and/or the abolition of all the functions and duties of any agency, such agency shall cease to exist;

(d) Postpone, but not beyond June 30, 1937, the termination of the existence of any existing governmental agency (including a corporation) designated and utilized under this section; and

(e) Delegate the powers conferred on him under this joint resolution to any governmental agency (including a corporation).

If, therefore, we grant such powers to the President, there will be no longer any need of the Congress, for the President can, first, establish and prescribe; second, utilize and prescribe; third, consolidate, abolish, or transfer; fourth, postpone terminations; fifth, delegate powers.

I now add a list of corporations other than those chartered in Delaware to prove that there is a corporation provided to take over and manage all the major details and many minor ones of all activities in the United States—production, distribution, finance.

Owing to my physical disability I have not been equal to the task of tracing out all Federal corporations. Some were created by act of Congress, but several by Executive order under so-called "emergency conditions", and two corporations at least date from the time of the World War. The war corporation planted the seed of this war on depression. One, the Reconstruction Finance Corporation, was begun in the Hoover administration. These corporations have under their care property and securities that mount up to several billion dollars.

Partial list of corporations—arranged by their general purposes, though certain of them might well be in two or more classifications:

AGRICULTURAL

(These are almost without exception under the Farm Credit Administration, of which William I. Myers is Governor. The F. C. A. was created June 16, 1933, and at first under Henry Morgenthau, Jr.)

National Agricultural Credit Corporation with its Regional Agricultural Credit Corporations. Twelve are provided for at $3,000,000 each. The total capital already advanced exceeds $44,000,000. The National Agricultural Credit Corpo-

ration is not mentioned in the Government Manual issued by the National Emergency Council.

Live Stock Credit Corporation. This is not mentioned in the Government Manual.

Production Credit Corporation (Act 75, June 16, 1933), initial capital, $7,500,000. Total from R. F. C., $120,000,000. Act 381 included oyster planters.

Production Credit Associations (Act 75, June 16, 1933) are fiscal agents of the United States; finances unlimited. Over 650 are in existence. These corporations and associations are recorded on page 365 of the Government Manual.

Central Bank for Cooperatives (Act 75, June 16, 1933); capital $300,000,000. It is a fiscal agent of the United States.

Regional Banks for Cooperatives (Act 75, June 16, 1933). Chartered by the United States through the Farm Credit Administration at $60,000,000. They are fiscal agents of the United States. Banks for Cooperatives are listed on page 369 of the Government Manual.

Federal Farm Mortgage Corporation (Act 88, Jan. 31, 1934, and Act 107, Feb. 26, 1934); capitalized at $200,000,000; may sell bonds up to $2,000,000,000 "fully and unconditionally guaranteed by the Government." This is described on page 373 of the Government Manual.

FINANCIAL (AN ARBITRARY CLASSIFICATION)

Reconstruction Finance Corporation, created January 22, 1932, and given amended powers by various acts up to June 27, 1934. Authorized to loan over $5,400,000,000.

Federal Deposit Insurance Corporation (Act 362, June 16, 1933) capitalized at $250,000,000 and its debentures sold for $250,000,000. (See p. 377 of the Government Manual.)

Federal Land Banks. (See p. 353 of the Government Manual.)

Federal Intermediate Credit Banks. (See p. 361 of the Government Manual.)

Federal Savings & Loan Associations with unlimited finances permitted. (See pp. 419 and 427 of the Government Manual.)

Federal credit unions (Act 467, June 26, 1934), under direction of F. C. A. but under Treasury as fiscal agents of the United States, section 17 must be considered as passing Federal powers into the hands of small groups of seven as a minimum, at $5 per head, to start cooperative banks. (See p. 377 of the Government Manual.)

Federal Savings & Loan Insurance Corporation. (See p. 427 of the Government Manual.)

Mutual Mortgage Insurance Fund. (See p. 442 of the Government Manual.)

National Mortgage Associations governed by F. H. L. Bank Board. (See p. 444 of the Government Manual.)

(The above three appear in Act 479, June 27, 1933, which was the National Housing Administrative Act.)

HOUSING

Farm Home Loan Bank Board controls Home Owners' Loan Corporation, which now is officially referred to as "an instrumentality of the United States." It may issue bonds up to $3,200,000. (Act 43, June 13, 1933; Act 159, Apr. 27, 1934.) The United States guarantees principal as well as interest. This is described on page 389 of the Government Manual.

United States Housing Corporation, World War corporation, not yet fully liquidated.

Federal Emergency Housing Corporation created during World War and still exists.

Federal Housing Administration (Act 479, 73d Cong.). This is described on page 439 of the Government Manual.

TRANSPORTATION

Inland Waterways Corporation, created in 1920 and powers enlarged in 1924 and 1928. United States Shipping Board Merchant Fleet Corporation. Not yet fully liquidated.

FOREIGN CONTACTS

Corporation of Foreign Security Holders, May 27, 1933. Financed with $75,000 from R. F. C. See page 228 of Government Manual. Export-Import Bank of Washington, created by Executive order February 2, 1934. Financed with $10,000,000 from R. F. C. and $1,000,000 from N. I. R. A. (See p. 348 of Government Manual.)

Second Export-Import Bank of Washington, financed with $250,000 from the United States Government and $200,000 from N. I. R. A. (See p. 347 of the Government Manual.)

MISCELLANEOUS

Tennessee Valley Authority, May 18, 1933: "The Tennessee Valley Authority is a permanent independent agency" (see p. 271 of Government Manual). The following quotation is made from the same page:

Authority: The Tennesse Valley Authority is a Federal agency possessed of the flexibility and initiative of private enterprise. As a corporation, it has a corporate name and seal. It may sue or be sued, make contracts, adopt bylaws, and purchase or lease real and personal property.

The corporation may exercise the right of eminent domain, and through proceedings in the United States district courts condemn such property as it deems necessary for its program. It has no stock, but for legal purposes the three directors are deemed the incorporators.

Funds: The Authority received $50,000,000 from the Fourth Deficiency Appropriation Act approved May 18, 1933. For future power projects the Authority is authorized to issue, on the credit of the United States, $50,000,000 in 3½-percent bonds having a 50-year maturity.

Electric Home and Farm Authority—Executive order—$11,000,000 December 19, 1933—referred to earlier. See page 283 of the Government Manual.

Tennessee Valley Associated Cooperatives, January 23, 1934, $300,000 from F. E. R. A. See page 285 of the Government Manual.

Federal Prison Industries Corporation "Which shall be a governmental body."

This strange Federal enterprise is not mentioned in the Government Manual.

Virgin Islands Co.: This is not mentioned in the Government Manual.

There may be many others beyond the hundreds indicated, but the exact number and function of each is relatively unimportant, except as showing to the Nation a drift of which the public has been kept in ignorance as to scope, intent, and subversive power.

The purpose of these corporations is wholly unholy in intent wherever the Federal Government is to seize power without warrant in laws constitutionally enacted.

If Congress can nullify the Constitution and its checks and balances then Congress itself can be nullified by this indirect method of a certificate of incorporation in any one of the 48 States. Thus the way has been prepared for the United States, Inc., and the immediate disappearance of all private rights.

It is my charitable conviction that the Congressmen who received and introduced ready-made bills during the Seventy-third and the present session of the Congress, and argued for them against all comers, did so with a keen sense of a duty to be performed by Congress and for a perturbed and anxious citizenry and yet in doing so played into the hands of men whose purpose was a complete destruction of the rights and powers of the citizens of the United States and of the Federal Government itself.

I now add, without any fear of successful contradiction, that the majority of bills, other than personal, introduced into the Seventy-third Congress and passed by it were not originated in the convictions of Congressmen nor reported out as creations of various investigating committees nor as a result of public clamor or need, but were prepared in secret as parts of a whole plan determined on long before March 4, 1933, and long before November 1932, and fed in so speciously as to arouse no suspicions on the part of the Congress, of the press, or the public as to their being the completion of a plan to undermine the hitherto prevalent plan of government in the United States. The President seemingly did not realize what was being placed under his hand to sign when he signed the Federal Credit Union Act.

The group of patient and distinguished Senators who served on the Senate Committee on Banking and Currency during the Seventy-second and Seventy-third Congresses

will recall that the bill controlling securities and exchanges and creating the Securities Exchange Commission was turned in to their committee ready-made, apparently prepared by the committee's counsel. Actually, however, in the light of what we know today, this bill in its original form dovetails in with the plan to prevent recovery by drying up investment capital, and thus helping to continue conditions of frightful need through unemployment. No need to explain here the part that capital plays at every step between original production and final consumption. Capital plays its essential part in the Union of Soviet Socialist Republics, though the advocates of communism do not realize it because they are befogged with the philosophy of Karl Marx.

The original of Act 467 creating Federal credit unions came from the splendid interest of the senior Senator from Texas in ways and means of increasing thrift among the people. The act as passed contains provisions that were not referred to in either Senate or House debate and have been deliberately kept out of sight in all explanations of the act that have so far been made by the Farm Credit Administration. Certain hidden purposes extend the power of the Treasury Department quite regardless of State lines and organization, and in preparation for running around all the present banking system in marketing tax-free or other securities of the Federal Government.

I quote from an article by Robert Morris appearing in the February issue of Plain Talk entitled "Credit Soviets." These quotations show clearly how the scheme was put over to increase the power of the Secretary of the Treasury through the Farm Credit Administration. These quotations show that some men do not hesitate to bamboozle Senators and Representatives and even the President himself. I quote from Mr. Morris' article:

Senator MORRIS SHEPPARD, of Texas, on May 1, 1933, introduced Senate bill 1639 to create Federal credit unions. On June 26, 1934, it was signed by President Roosevelt and became Public Act No. 467. In the House debate, which only lasted 30 minutes on the last day of the Seventy-third Congress, it was stated by Representative STEAGALL (see p. 12,348, unbound copy, June 16, 1934; p. 12,226 of the bound volume, pt. 2, vol. 78, of the CONGRESSIONAL RECORD): "This bill has the approval of and is earnestly desired by the administration, including the Secretary of the Treasury and other Treasury officials." It was passed with only two dissenting votes, but the bill as passed and signed was not the bill introduced by Senator SHEPPARD with the good intent of encouraging rural cooperative credit.

Before the bill came to a vote in the House the President had referred the original bill to Henry Morgenthau, Jr., who then referred it to Governor W. I. Myers of the Farm Credit Administration, who then referred it to Herbert Emmerich, Administrative Assistant of the Farm Credit Administration. He reported favorably to Governor Myers, who reported favorably to Henry Morgenthau, Jr., who reported favorably to the President. An amended bill was then drafted under high pressure and passed with the supposed approval of the Administration. Senator SHEPPARD received the bill as late as 8:30 p. m. of the closing night of Congress and, not aware of all the changes, but under the pressure of vehement advocates, at 10 p. m. interrupted a speaker on air mail contracts and asked the personal privilege of a vote on the bill. The vote was unanimous. It is doubtful whether under the pressure involved in leaving Washington for his journey to Hawaii the President could possibly have read and considered all the changes, for the bill that passed the House was an amendment of the Senate bill—striking out everything after the enacting clause.

Section 17 of the Federal Credit Union Act, added surreptitiously, reads as follows:

FISCAL AGENTS AND DEPOSITORIES

Each Federal credit union organized under this act, when requested by the Secretary of the Treasury, shall act as fiscal agent of the United States and shall perform such services as the Secretary of the Treasury may require in connection with the collection of taxes and other obligations due the United States and the lending, borrowing, and repayment of money by the United States, including the issue, sale, redemption, or repurchase of bonds, notes, Treasury certificates of indebtedness, or other obligations of the United States; and to facilitate such purposes the Governor shall furnish to the Secretary of the Treasury from time to time the names and addresses of all Federal credit unions with such other available information concerning them as may be requested by the Secretary of the Treasury. Any Federal credit union organized under this act, when designated for that purpose by the Secretary of the Treasury, shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary of the Treasury.

I believe, beyond all doubt, that a group of men and women have used Congress and the President as catspaws in the past few years, but more particularly since November 1932, and that a senatorial inquiry would prove that they were prepared to swing the United States either into a fascistic form on one side or a communistic form on the other; one or other to prevail as opportunity may offer, but both planned to lodge immense power and wealth in the hands of a few at the center of a group of corporations.

I am aware, however, that concurrently with the evolution of the great conspiracy against the Republic there has been a lot of window dressing to delude the unwary with the impression that the Government was trying to restore the status quo. A particular type of this was the Loans To Industry Act to revive corporate business. Yet deep down in that is the very seed of self-destruction in that the industrial borrower must not declare any dividends to stockholders while any of his borrowings remain unpaid, thus arousing the stockholders to a feeling that anything is better than the existing corporate management.

The National Housing Act, benevolent in its surface purposes to promote repairs and improvements, has concealed in it a corporation "Federal savings and loan corporation", under which mortgage defaults through national mortgage associations and the mutual mortgage insurance fund bring defaulting properties into the possession and control of the Corporation. On page 8 of "social experimentation of the new deal occur these significant words:

Already the Government holds such mortgages upon homes, farms, and key industries that if it were to foreclose them—as it might be compelled to do to rescue its credit—it would achieve a distinct State capitalism.

It seems to me, Mr. President, that we have reached the crossroads of national endurance. With the nations of Europe lined up against us in an economic struggle because they owe us money that they will not repay, it is impossible to combat enemies without and within. It is time we had a showdown.

A self-immolating fight must be carried on against the evil-minded men who talk representative government but undermine it in Congress, in the States as organized, in the schools, and in the churches. The grand plan of our founders was based on a new declaration in the history of the world—that the citizen is the sovereign and government his servant. For that new vision men have died by tens of thousands, and more must die in the near future unless we are content to have alien ideas and doctrines accepted as a greater revelation than that vouchsafed to Washington, Jefferson, Madison, Jackson, and Lincoln.

Many of our rights are no longer in jeopardy; they have already been usurped, unless the Executive now sees fit to purge his administration of men who for ulterior motives have brought us to the edge of a corporative state more far-reaching than that of Italy; for these corporations show the way to centralize all property in the hands of a few and beyond Federal control.

A measure is already before the Congress to have the Constitution nationally glorified in 1937—150 years after its adoption. It will be a hollow mockery unless the Congress demands complete public explanation of who evolved the sly corporate schemes to which I have referred. They must not be permitted to hide behind the President.

"I have not read the bill", smilingly said our President, of the $5,000,000,000 relief resolution. Either he knows or he does not. If he does not, it seems passing strange that all of these things could happen so in sequence and in perfect order, with such definite and purposeful ends, without a master brain and hand behind them. The courageous Senator from Michigan [Mr. COUZENS] has already called the turn in his declaration that whoever wrote this resolution should be hanged. But whoever inspired it, whoever wrote it, or whoever condones it, it is a stealthy, cunning circumvention of the Constitution. It is the culmination of a treasonous plot. It explains the planned emergencies and forced chaos that has tied hand and foot and gagged a docile, trusting, obedient, law-abiding, bewildered people.

If this relief measure passes the Senate, as requested by the President, it would be the final step in delivering us into a worse condition of servitude than our forefathers crossed the ocean and built this Nation to escape. Shall we Senators, regardless of what party we belong to, stand here like fatted oxen waiting for the butcher's knife? Or shall we, under our oath, rise to our duty while there is yet freedom to do it, and search out and name the guilty, and expose to the light of day this black treachery that lurks beneath the guileful semblance of great weal?

Mr. President, I desire to have the articles of incorporation read, if that is the decision of the Senate.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

CERTIFICATE OF INCORPORATION OF COMMODITY CREDIT CORPORATION

First. The name of this Corporation is Commodity Credit Corporation.

Second. The principal office of this Corporation in the State of Delaware is to be located at 100 West Tenth Street, in the city of Wilmington, county of New Castle, and, until otherwise designated by the board of directors, its resident agent shall be the Corporation Trust Co., 100 West Tenth Street, Wilmington, Del.

Third. The objects and purposes for which and for any of which this Corporation is formed are to do any or all of the things herein set forth to the same extent as natural persons might or could do, viz:

(a) To do any and all things which may be necessary to accomplish the purposes of the following acts of Congress of the United States of America, and any amendment or amendments heretofore or hereafter made thereto:

1. The Agricultural Adjustment Act, approved May 12, 1933.
2. The National Industrial Recovery Act, approved June 16, 1933.
3. The Federal Emergency Relief Act of 1933, approved May 12, 1933.
4. Reconstruction Finance Corporation Act, approved January 22, 1932.
5. The Federal Farm Loan Act, approved July 17, 1916.
6. The Farm Credit Act of 1933, approved June 16, 1933.
7. The Emergency Relief and Construction Act of 1932, approved July 21, 1932.

(b) To purchase, or otherwise acquire, to hold, or otherwise to deal in, to sell or otherwise dispose of any and all agricultural and/or other commodities and/or products thereof, and to loan and/or borrow money upon the same.

(c) To enter into and to encourage farmers, producers, and others to enter into marketing plans and agreements and to cooperate in any plan which provides for reduction in the acreage or reduction in the production for market of agricultural commodities.

(d) To engage in any activity in connection with or involving the production, carrying, shipping, storing, exporting, warehousing, handling, preparing, manufacturing, processing, and marketing of agricultural and/or other commodities and/or products thereof.

To borrow money and to draw, make, accept, endorse, warrant, guarantee, transfer, assign, execute, and issue bonds, debentures, mortgages, promissory notes, bills of exchange, warrants and all kinds of obligations and nonnegotiable, negotiable, or transferable instruments without limit as to amount, and for the security of any of its obligations to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of its property or assets upon such terms and conditions as the board of directors shall authorize:

(e) Without limiting the generality of the foregoing, to borrow money for the purpose of (1) purchasing, storing, handling, and/or processing agricultural and/or other commodities and/or products thereof or any surplus of the same and (2) disposing of or removing the same through orderly marketing in the United States and/or elsewhere.

(f) To loan money, to buy, discount, sell, rediscount, or otherwise deal in notes, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages, and other similar evidences of debt, or to loan money and to take notes, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages, and other evidences of debt as collateral security therefor.

(g) To take and hold for any of its purposes by request, devise, gift, purchase, lease, or otherwise, either absolutely or in trust, any property, real or personal, in the District of Columbia, any of the States, Territories, or Colonies of the United States and in foreign countries, without limitation as to amount or value; to own, operate, manage, lease, mortgage, pledge, sell, assign, and transfer or otherwise dispose of and exercise all privileges of ownership over such property and to invest and reinvest any principal, and deal with and expand its income and principal within or without the State of Delaware in such manner as in the judgment of its directors will best promote its objects and purposes.

(h) To guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of shares of the capital stock of, or any bonds, securities, or evidences of indebtedness created by, any other corporation or corporations organized under the laws of this State or any other State, country, nation, or government, and while the owner thereof to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.

(i) To enter into, make, perform, and carry out contracts of every kind and description for any lawful purpose without limit as to amount, with any person, firm, association, corporation, municipality, county, State, body politic, Territory, or government or colony or dependency thereof.

(j) To sell, deal in, store, handle, process, transport, deliver, and/or accept delivery of agricultural and/or other commodities and/or products thereof and/or to make contracts for the purchase or sale of the same, by itself or through subsidiaries or other agencies, or to act as agent, broker, shipper, consignee, consignor, trustee, or factor with respect thereto, and as such agent, broker, shipper, consignee, consignor, trustee, or factor to buy, sell, deal in, hypothecate, pledge, mortgage, store, handle, process, transport, manufacture, deliver, or accept delivery of the aforesaid commodities and/or products thereof and/or to make contracts for the purchase or sale of the same on behalf of the owner thereof and to fix and collect and deduct all charges for such services.

(k) To acquire by purchase, lease, or construction, or in any other manner, storage and other physical facilities for the handling, carrying, processing, manufacturing, storing, preparing for market, and marketing agricultural and/or other commodities, and/or products thereof.

(l) To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount, in any of the States, Districts, Territories, or Colonies of the United States, and in any and all foreign countries.

(m) In general, to have and to exercise all the powers and privileges conferred by the general corporation laws of Delaware upon corporations, and to do all and everything necessary, suitable, and proper for the accomplishment of any of the purposes or for the attainment of any of the objects or for the furtherance of any of the powers herein set forth, either alone or in association with other corporations, firms, agencies, or individuals, and to do every other act or thing lawfully incident or appurtenant to or growing out of or connected with any of the aforesaid objects, purposes, and/or powers.

The objects and purposes specified in the foregoing clauses shall, except as otherwise expressed, in nowise limited or restricted by reference to or inference from the terms of any other clause in this certificate of incorporation, but the objects and purposes specified in each of the foregoing clauses shall be regarded as independent objects and purposes.

The foregoing clauses shall be construed both as purposes and powers but no recitation, expression, or declaration of specific or specified powers or purposes herein enumerated shall be deemed to be exclusive, and it is hereby expressly declared that this corporation shall have and exercise all powers conferred on it by law.

Fourth. The total number of shares of stock which this corporation shall have authority to issue is 30,000, and the par value of such shares is $100, amounting in the aggregate to $3,000,000.

Fifth. The minimum amount of capital with which the corporation will commence business is $1,000.

Sixth. The names and places of residence of each of the original incorporators are as follows:

Name	*Residence*
Henry A. Wallace	Washington, D. C.
Henry Morgenthau, Jr	Do.
Oscar Johnston	Do.

Seventh. This Corporation is to have perpetual existence.

Eighth. The private property of the stockholders shall not be subject to the payment of corporate duties to any extent whatever.

Ninth. The business of this Corporation shall be managed by its board of directors except as in this certificate of incorporation or in the bylaws otherwise provided. The number of directors of the Corporation shall be as specified in the bylaws and such number may from time to time be increased or decreased in such manner as may be prescribed in the bylaws, provided the number of directors of the Corporation shall not be less than three. Directors need not be officers or stockholders of this Corporation. The election of directors need not be by ballot unless the bylaws so provide. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make and alter the bylaws of the Corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

To set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose or to abolish any such reserve in the manner in which it was created.

By resolution or resolutions, passed by a majority of the whole board to designate one or more committees, each committee to consist of two or more of the directors of the Corporatin, which, to the extent provided in said resolution or resolutions or in the bylaws of the Corporation, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the bylaws of the Corporation or as may be determined from time to time by resolution adopted by the board of directors.

When and as authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders

of a majority of the voting stock issued and outstanding, the board of directors shall have power and authority to sell, lease, or exchange all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the Corporation.

The Corporation may in its bylaws confer powers upon its board of directors in addition to the foregoing, and in addition to the powers and authorities expressly conferred upon it by statute.

Tenth. Stockholders shall not have the preemptive right to subscribe to any new or additional issue of stock of this Corporation or any part thereof.

Eleventh. Both stockholders and directors shall have power, if the bylaws so provide, to hold their meetings and to have one or more offices within or without the State of Delaware, and to keep the books of this Corporation (subject to the provisions of the statutes) outside of the State of Delaware at such places as may be from time to time designated by the board of directors.

Twelfth. The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

We, the undersigned, being each of the incorporators hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the general corporation law of the State of Delaware, being chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 16th day of October 1933.

[SEAL] H. A. WALLACE.
[SEAL] OSCAR JOHNSTON.
[SEAL] H. MORGENTHAU, Jr.

In presence of—
WM. PURSON.
ROBERT ORR, 3D.

District of Columbia, ss:

Be it remembered that on this 16th day of October, A. D. 1933, personally appeared before me, the subscriber, a notary public in and for the District of Columbia, Henry A. Wallace, Henry Morgenthau, Jr., and Oscar Johnston, being all of the parties to the foregoing certificate of incorporation, known to me personally to be such, and they acknowledged the said certificate to be their act and deed, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

[SEAL] JOHN P. WENCHEL,
Notary Public, District of Columbia.

AMENDED CERTIFICATE OF INCORPORATION OF PUBLIC WORKS EMERGENCY HOUSING CORPORATION

We, the undersigned, being all of the incorporators of Public Works Emergency Housing Corporation, a Delaware corporation, hereby certify that the original certificate of incorporation of said corporation was filed in the office of the secretary of state of the State of Delaware on October 28, 1933; that a certified copy thereof was recorded on the same day in the office of the recorder of the county of New Castle, in which county the principal office of said corporation is located in the State of Delaware; and that no part of the capital of said corporation has been paid.

Pursuant to the provisions of section 25 of the general corporation law of the State of Delaware, as said law is hereinafter defined and described, we hereby modify, change, alter and/or amend said original certificate of incorporation so as to read as follows:

CERTIFICATE OF INCORPORATION OF PUBLIC WORKS EMERGENCY HOUSING CORPORATION

We, the undersigned, for the purpose of associating to establish a corporation for the transaction of the business and the promotion and conduct of the objects and purposes hereinafter stated, under the provisions of, and subject to the requirements of, the laws of the State of Delaware (particularly an act entitled "An act providing a general corporation law", approved March 10, 1899, and the acts amendatory thereof and supplemental thereto, and known as the "general corporation law of the State of Delaware"), do hereby make and file this certificate of incorporation in writing and do hereby certify as follows:

First. The name of the Corporation (hereinafter called the "Corporation") is Public Works Emergency Housing Corporation.

Second. The respective names of the county and of the city within the county in which the principal office of the Corporation is to be located in the State of Delaware are the county of New Castle and the city of Wilmington. The name of the resident agent of the Corporation is "The Corporation Trust Co." The street and number of said principal office and the address by street and number of said resident agent is No. 100 West Tenth Street in the city of Wilmington.

Third. The nature of the business of the Corporation and the objects or purposes to be transacted, promoted, or carried on by it are as follows:

(1) To act as an agency of the United States of America and/or the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America in carrying out the provisions and effectuating the purposes of title II of the National Industrial Recovery Act (Public Act No. 67 of the 73d Cong.) and any and all acts amendatory thereof and supplemental thereto and any and all orders, Executive or otherwise, issued pursuant to any thereof (title II of said act and all such acts and orders being hereinafter collectively called the "Recovery Act"), and to take any and all such action, do any and all such things, perform any and all such functions, and exercise any and all such powers in connection with the foregoing as may be delegated or assigned to, or conferred upon, the Corporation by the President of the United States of America, or the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, under or in conformity with the Recovery Act.

(2) To construct, reconstruct, alter, or repair, or to aid financially or otherwise in the construction, reconstruction, alteration, or repair of low-cost housing and slum-clearance projects of every kind, nature, or description (hereinafter collectively called "public-works projects"), and buildings and structures of every kind, nature, or description;

(3) To acquire improved or unimproved real estate, and any and all buildings thereon or appurtenances thereto, by purchase, exchange, exercise of the power of eminent domain, or otherwise; to hold, maintain, improve, and operate the real estate, buildings and/or appurtenances so acquired; and, subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to sell, exchange, or otherwise dispose of such real estate, buildings and/or appurtenances, or to lease the same with or without the privilege of purchase;

(4) To manufacture, buy, sell, and in any other manner to produce, acquire, or dispose of, and generally to deal in and with, building and other materials and supplies of every kind, nature, or description;

(5) To conduct and carry on the business of building and construction in all of its phases, and, without limitation, to locate, lay out, construct, and maintain roads, avenues, streets, parks, playgrounds, and other recreational facilities, sewers, bridges, and improvements;

(6) To do and perform any and all acts and functions customarily done or performed by architects, engineers and/or general contractors, and, without limitation, to do any and all things necessary, suitable, or convenient in connection with the construction, reconstruction, alteration, or repair of public-works projects and buildings and structures of every kind, nature, or description;

(7) To furnish, equip, operate, manage, and maintain public-works projects and buildings and structures of every kind, nature, or description, and to do any and all things necessary, suitable, or convenient in connection therewith, including without limitation the supplying of heat, steam, water, gas, and electricity, and transportation, telephone, and any other facilities or utilities necessary, suitable, or convenient;

(8) To conduct its business, have one or more offices, and exercise any and all objects, purposes, and powers specified in this article third, including without limitation the power to hold, purchase, mortgage, and convey real and personal property, in the State of Delaware or in any other State, Territory, or locality, and to carry on any and all of its operations and business without restriction or limitation as to amount;

(9) To acquire personal property of every kind, nature, or description, or any interest therein, by purchase, exchange, exercise of the power of eminent domain or otherwise; and to hold and use, and to sell, exchange, or otherwise dispose of, the personal property, or interest therein, so acquired;

(10) In any manner to acquire, hold, use or dispose of any franchises, licenses, grants, concessions, patents, trade-marks, trade names, copyrights, or inventions, granted by or existing under the laws of any government or subdivision thereof;

(11) To purchase or otherwise acquire, and to hold, mortgage, pledge, sell, exchange or otherwise dispose of, securities (which term, for the purposes of this article third, includes without limitation any stocks, shares of stocks, bonds, debentures, notes, mortgages or other obligations, and any certificates, receipts or other instruments representing rights to receive, purchase or subscribe for the same, or representing any other rights or interests therein or in any property or assets) created or issued by any persons, firms, associations, corporations, or governments or subdivisions thereof; to make payment therefor in any lawful manner; and to exercise, as owner or holder of any securities, any and all rights, powers and privileges in respect thereof;

(12) Subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to acquire by purchase, exchange or otherwise, all or any part of, or any interest in, the properties, assets, business and goodwill of any one or more persons, firms associations or corporations, engaged in any business for which a corporation may now or hereafter be organized under the laws of the State of Delaware; to pay for the same in any lawful manner; to hold, operate, reorganize, liquidate, sell or in any manner dispose of the whole or any part thereof; and, in connection therewith, to assume or guarantee performance of any liabilities, obligations or contracts of such persons, firms, associations, or corporations, and to conduct in any lawful manner the whole or any part of any business thus acquired;

(13) To borrow money for its corporate purposes without limit as to amount and, in connection therewith, to draw, make, accept,

endorse, and issue promissory notes, bills of exchange, bonds, debentures, and other instruments and evidences of indebtedness;

(14) To carry out all or any part of the objects, purposes, and powers specified in this article third as principal, agent, or otherwise either alone or in association with any other corporation or any person, firm, association, or government or subdivision thereof, to the extent permitted by law; and, in general, to do such acts and things, and to exercise such powers, as a natural person could lawfully do or exercise; and

(15) To do any and all things necessary, suitable, or convenient for the accomplishment of any one or more of the purposes or the attainment of any one or more of the objects enumerated or incidental to the powers specified or which shall at any time appear conducive to or expedient for the accomplishment of any one or more of the purposes or the attainment of any one or more of the objects enumerated in this article third not inconsistent with law.

The objects and purposes set forth in the foregoing clauses of this article third shall not be in any wise limited or restricted by reference to or inference from the terms of any other clause of this or any other article of this certificate of incorporation, but the objects and purposes specified in each of said clauses shall be regarded as independent objects and purposes.

The foregoing clauses shall be construed as powers as well as objects and purposes; and generally the Corporation shall be authorized to exercise and enjoy all other powers, rights, and privileges granted by the aforesaid act entitled "An act providing a general corporation law", approved March 10, 1899, to corporations of the character of the Corporation, and all the powers conferred upon such corporations by the then existing laws of the State of Delaware insofar as not in conflict therewith, or which may be conferred by all acts heretofore or hereafter amendatory of said act of March 10, 1899, or of said laws or supplemental thereto; and the enumeration herein of certain powers shall not limit or be deemed to constitute a waiver of any of the powers, rights, or privileges granted or conferred by said act of March 10, 1899, or the laws of said State now or hereafter in force: *Provided, however,* That the Corporation shall not in any State, Territory, or locality carry on any business or exercise any powers which a corporation organized under the laws of such State, Territory, or locality could not carry on or exercise, except to the extent permitted or authorized by the laws of such State, Territory, or locality.

Fourth. The total number of shares of stock which the corporation shall have authority to issue is three (3), all of which are to be without par value. One such share shall be issued to each of the undersigned. By signing this certificate of incorporation each of the undersigned agrees that the share of stock issued to him shall not be transferred except to a person duly designated by the President of the United States of America, or the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to be the transferee of and to hold such share of stock; and each of the undersigned agrees, and each transferee or subsequent holder of any such share, by accepting transfer thereof, agrees to hold the same in trust for the sole use, purposes, and benefit of the United States of America.

The minimum amount of capital with which the Corporation will commence business is $1,000.

Fifth. The names and places of residence of each of the incorporators are, respectively, as follows:

Name	*Place of residence*
Harold L. Ickes	Washington, D. C.
Frances Perkins	Do.
Robert D. Kohn	Do.

Sixth. The Corporation is to have perpetual existence.

Seventh. The private property of the stockholders of the Corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

Eighth. At any time and from time to time any of the provisions of this certificate of incorporation may be amended, altered, or repealed, and other provisions authorized by the statutes of the State of Delaware at the time in force may be added or inserted in the manner at the time prescribed by said statutes, and all rights at any time conferred upon the stockholders of the Corporation by its certificate of incorporation are granted, subject to the provisions of this article 8.

In witness whereof we, the undersigned, being all the incorporators above named, do hereby further certify that the facts above stated are truly set forth, and accordingly have hereunto set our respective hands and seals this 16th day of November 1933.

HAROLD L. ICKES. [L. S.]
FRANCES PERKINS. [L. S.]
ROBERT D. KOHN. [L. S.]

In the presence of:
CHARLES P. GRIMES.

DISTRICT OF COLUMBIA, *ss:*

Be it remembered that on this 16th day of November, A. D. 1933, personally appeared before me, Nat. P. Thompson, a notary public in and for the District of Columbia, Harold L. Ickes, Frances Perkins, and Robert D. Kohn, all of the incorporators named in and who signed the foregoing amended certificate of incorporation, known to me personally to be such, and I, having first made known to them and each of them the contents of said amended certificate of incorporation, they did severally acknowledge the same to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

NAT. P. THOMPSON,
Notary Public.

CERTIFICATE OF INCORPORATION OF PUBLIC WORKS EMERGENCY HOUSING CORPORATION

We, the undersigned, for the purpose of associating to establish a corporation for the transaction of the business and the promotion and conduct of the objects and purposes hereinafter stated, under the provisions of, and subject to the requirements of, the laws of the State of Delaware (particularly an act entitled "An act providing a general corporation law", approved Mar. 10, 1899, and the acts amendatory thereof and supplemental thereto, and known as the "General corporation law of the State of Delaware"), do make and file this certificate of incorporation in writing and do hereby certify as follows:

First. The name of the Corporation (hereinafter called the Corporation) is

PUBLIC WORKS EMERGENCY HOUSING CORPORATION

Second. The respective names of the county and of the city within the county in which the principal office of the Corporation is to be located in the State of Delaware are the county of New Castle and the city of Wilmington. The name of the resident agent of the Corporation is "The Corporation Trust Co." The street and number of said principal office and the address by street and number of said resident agent is No. 100 West Tenth Street, in the city of Wilmington.

Third. The nature of the business of the Corporation and the objects or purposes to be transacted, promoted, or carried on by it are as follows:

(1) To act as a duly established agency of the United States of America, and the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, for the purpose of cooperating with other duly designated and authorized persons in carrying out the provisions and effectuating the purposes of title II of the National Industrial Recovery Act (Public Act No. 67 of the 73d Cong.) and all acts amendatory thereof and supplemental thereto and all orders, Executive or otherwise, issued pursuant to any thereof (which act, acts, and orders are hereinafter collectively called the "National Industrial Recovery Act"), and to take any and all action, do any and all things, perform any and all functions, and exercise any and all powers which may be duly delegated to the Corporation pursuant to the National Industrial Recovery Act or which may be permitted thereby;

(2) To construct, reconstruct, alter, or repair, or to aid financially or otherwise in the construction, reconstruction, alteration, or repair, of low-cost housing and slum-clearance projects of every kind, nature, or description (all of which are hereinafter collectively called the "public-works projects"), apartment houses, private houses, homes, buildings, and structures of every kind, nature, or description;

(3) To acquire improved, or unimproved real estate and all, or any buildings thereon, and appurtenances thereto by purchase, exchange, exercise of the power of eminent domain, or otherwise, whether or not in connection with the construction of any public-works project; to hold, maintain, and improve such real estate, buildings, and appurtenances; and, subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to sell, exchange, or otherwise dispose of such real estate, buildings, and appurtenances, or to lease the same with or without the privilege of purchase;

(4) To manufacture, buy, sell, and in any other manner to acquire or dispose of, and generally to deal in, building materials and other products of every kind, nature, or description, including without limitation, iron, steel, granite, stone, brick, cement, wood, paper, and plaster;

(5) To conduct and carry on the business of building and construction in all of its phases, and, without limitation, to construct, reconstruct, alter or repair public-works projects, apartment houses, private houses, homes, buildings, and structures of every kind, nature, or description; and to locate, lay out, construct, and maintain roads, avenues, streets, parks, playgrounds, and other recreational facilities, sewers, bridges, sea and other walls, power plants, and incidental improvements;

(6) To conduct and carry on the profession of architects and the business of engineers in all of their respective phases, including without limitation the rendering of architectural and engineering services, directly or in a consulting or supervisory capacity, the preparation of plans and specifications, the making of estimates, and the letting of contracts;

(7) To furnish, equip, operate, manage, and maintain public-works projects, apartment houses, private houses, homes, buildings, and structures of every kind, nature, or description, and to do each and every thing necessary, suitable, or convenient in connection therewith, including without limitation the supplying of heat, steam, water, gas, electricity, electric power, and any other facilities for heating, lighting, and generally maintaining such projects, and the furnishing of any suitable types of facilities and utilities in connection therewith, such as transportation facilities and telephone systems and exchanges.

(8) To engage in educational and publicity activities relative to public-works projects; to undertake research in connection with, and to assemble and collect data relating to such projects; and to prepare and to disseminate in any manner information relative thereto;

(9) To conduct its business in all or any of its branches, and to have one or more offices, in or outside of the State of Delaware; and to carry on all or any of its operations and business without restriction or limitation as to amount;

(10) To acquire personal property of every kind, nature, or description, or any interest therein, by purchase, exchange, exercise of the power of eminent domain or otherwise, whether or not in connection with the construction of any public-works project; to hold and use such personal property or such interest therein; and to sell, exchange, or otherwise dispose of the same;

(11) To acquire, hold, use, or dispose of, in any manner, any franchises, licenses, grants, concessions, patents, trade marks, copyrights, trade names or inventions, granted by or existing under the laws of any government or subdivision thereof;

(12) To acquire by purchase, subscription, or otherwise, and to hold, sell, exchange, mortgage, pledge, or otherwise dispose of, or turn to account or realize upon, and generally to deal in and with, any and all kinds of securities created or issued by any persons, firms, associations, corporations, syndicates, governments, or subdivisions thereof, or by any combinations, organizations, or entities whatsoever, irrespective of their form or the name by which they may be described, and to issue in exchange therefor or in payment thereof in any lawful manner its own securities of any kind, or to make payment therefor by any other lawful means whatsoever; to exercise any and all rights, powers, and privileges of ownership or interest in respect of any and all such securities, including the right to exercise any voting rights appertaining thereto and to consent and otherwise act with respect thereto; to do any and all acts and things for the preservation, protection, improvement, and enhancement in value of any and all such securities, and to aid by loan, subsidy, guaranty, or otherwise those issuing, creating, or responsible for any such securities or evidences of interest therein; to acquire or become interested in any such securities, as aforesaid, by original subscription, underwriting, loan, participation in syndicates, or otherwise, and irrespective of whether or not such securities be fully paid or subject to further payments; and to make payments thereon as called for in advance of calls or otherwise, and to underwrite or subscribe for the same conditionally or otherwise, and either with a view to investment or for resale or for any other lawful purpose. The term "securities" shall for the purpose of this subdivision (12) of this article third, without limitation of the generality of said term, be deemed to include any stocks, shares, bonds, debentures, notes, mortgages, or other obligations, and any certificates, receipts, warrants, or other instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests therein or in any property or assets whatsoever;

(13) Subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to acquire by purchase, exchange, or otherwise, all or any part of, or any interest in, the properties, assets, business, and goodwill of any one or more persons, firms, associations, corporations, or syndicates, engaged in any business for which a corporation may now or hereafter be organized under the laws of the State of Delaware; to pay for the same in cash, property, or its own or other securities; to hold, operate, reorganize, liquidate, sell, or in any manner dispose of the whole or any part thereof; and, in connection therewith, to assume or guarantee performance of any liabilities, obligations, or contracts of such persons, firms, associations, corporations or syndicates, and to conduct in any lawful manner the whole or any part of any business thus acquired;

(14) Subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, from time to time, without the consent of the stockholders of the Corporation and without limit as to amount,

(a) to borrow or raise funds for any of the purposes of the Corporation;

(b) to draw, make, accept, endorse, and execute, and issue, sell, or otherwise dispose of, promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other instruments and evidences of indebtedness, and

(c) To secure the payment of any thereof and of the interest thereon by mortgage upon or the pledge of, or the conveyance or assignment in trust of the whole or any part of, the properties, assets, business, and goodwill of the Corporation, then owned or thereafter acquired;

(15) To the extent permitted by the National Industrial Recovery Act and now or hereafter permitted by the laws of the State of Delaware, to lend its uninvested funds from time to time to such extent, to such persons, firms, associations, corporations, syndicates, governments or subdivisions thereof, and on such terms and with such security, if any, as the board of directors of the Corporation (hereinafter called the board of directors) may determine;

(16) To carry out all or any of the foregoing objects or purposes as principal or agent, or by contract, arrangement, or understanding with any person, firm, association, corporation, syndicate, and government or subdivision thereof, to the extent permitted by the National Industrial Recovery Act and now or hereafter permitted by the laws of the State of Delaware; and, in general, to do such acts and things, and to exercise such powers, as a natural person might or could lawfully do or exercise; and

(17) To do each and every thing necessary, suitable, convenient or proper for the accomplishment of any one or more of the purposes or the attainmet of any one or more of the objects herein enumerated or incidental to the powers herein specified, or which shall at any time appear conducive to or expedient for the accomplishment of any one or more of the purposes or the attainment of any one or more of the objects herein enumerated not inconsistent with the National Industrial Recovery Act or the laws of the State of Delaware.

It is the intention that, except where otherwise expressed in this article 3, the objects and purposes specified in any of the foregoing clauses of this article 3 shall not in any wise be limited or restricted by reference to, or inference from, the terms of any other clause of this article 3 or of any other article of this certificate of incorporation, but that the objects and purposes specified in each of the clauses of this article 3 shall be regarded as independent objects and purposes: *Provided, however,* That each such object or purpose shall be subject to the restrictions imposed by the National Industrial Recovery Act.

It is also the intention that said clauses be construed as powers as well as objects and purposes; and, generally, that the Corporation shall be authorized to exercise and enjoy all other powers, rights, and privileges granted by the aforesaid act entitled "An act providing a general corporation law", approved March 10, 1899, to corporations of the character of the corporation, and all the powers conferred upon such corporations by the then-existing laws of the State of Delaware insofar as not in conflict therewith, or which may be conferred by all acts heretofore or hereafter amendatory of said act of March 10, 1899, or of said laws, or supplemental thereto; but the enumeration herein of certain powers is not intended to be exclusive of, or a waiver of, any of the powers, rights, or privileges granted or conferred by said act of March 10, 1899, or the laws of said State now or hereafter in force: *Provided, however,* That the Corporation shall not possess the right to carry on any business or exercise any powers in any State, Territory, or country which a corporation organized under the laws of such State, Territory, or country could not carry on or exercise, except to the extent permitted or authorized by the laws of such State, Territory, or country or by the National Industry Recovery Act.

Nothing in this certificate of incorporation contained shall be construed as authorizing the Corporation to issue bills, notes, or other evidences of debt for circulation as money, or to carry on the business of receiving deposits of money or the business of buying gold or silver bullion or foreign coins, or as authorizing the Corporation to engage in the business of banking or insurance, or as authorizing the performance by the Corporation of any act not lawful by the law of the place where it is to be performed, or to carry on the business of constructing or maintaining public utilities in the State of Delaware.

Fourth. The total number of shares of stock which the Corporation shall have authority to issue is three, all of which are to be without par value. One such share shall be issued to each of the persons signing this certificate of incorporation. Each such person agrees by signing the same that the share of stock issued to him shall not be transferred except to a person duly designated by the President of the United States of America, or the Federal Emergency Administrator of Public Works, or other duly designated representative of the United States of America, to be the transferee of and to hold such share of stock, and each incorporator and transferee or holder agrees, either by signing this certificate of incorporation or by accepting transfer of such share of stock, as the case may be, to hold the same in trust for the sole use, purposes, and benefit of the United States of America, with the same force and effect as if an express declaration of trust were thereupon made.

The minimum amount of capital with which the Corporation will commence business is $1,000.

Fifth. The names and places of residence of each of the incorporators are, respectively, as follows:

Name	*Place of residence*
Harold L. Ickes	Washington, D. C.
Frances Perkins	Do.
Robert D. Kohn	Do.

Sixth. The Croporation is to have perpetual existence.

Seventh. The private property of the stockholders of the Corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

Eighth. For the management of the business and the conduct of the affairs of the Corporation, and in further definition, limitation, and regulation of the powers of the Corporation and of its directors and stockholders, it is further provided that:

(1) All funds received by the Corporation from the sale, lease, or other disposal of any of the real or personal property at any time owned or held by the Corporation or its stockholders, whether through the repayment of any loan to the Corporation or through any dividends declared by the Corporation or by any other corporation the shares of stock of which are held by the Corporation, or otherwise, or through the sale of any securities, as that term is defined in subdivision (12) of article 3, of or belonging to or held by the Corporation, shall, after payment of the expenses of the Corporation and except as otherwise provided in subdivision (2) of this article 8, be used to retire obligations to, or to repay advances made by, the United States of America or any department thereof, or the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, or be used for such other purposes as may be required by the National Industrial Recovery Act or any other applicable act or acts of the Congress of the United States of America;

(2) The board of directors may from time to time, subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of

America, and in accordance with the provisions and restrictions of the National Industrial Recovery Act, set apart and create out of the funds of the Corporation such reserve or reserves as the board of directors may consider necessary for or prudent in connection with the conduct of the affairs of the Corporation;

(3) The number of directors of the Corporation shall be fixed by its bylaws and may be changed from time to time by amending the bylaws as therein provided, but the number thereof shall never be less than three. In the case of any increase in the number of directors of the Corporation, any additional directorship created may be filled in the first instance in the same manner as a vacancy in the board of directors. A director need not be a stockholder. The election of directors of the Corporation need not be by ballot unless its bylaws so require. The directors may hold their meetings and have an office or offices outside the State of Delaware if the bylaws so provide; and

(4) In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware the board of directors is expressly authorized:

(a) To make, alter, amend, or repeal the bylaws of the Corporation, subject to the power of the stockholders of the Corporation to alter, amend, or repeal any bylaws made by the board of directors;

(b) Without the assent or vote of the stockholders of the Corporation, but subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to authorize the mortgaging or pledging, or the conveyance or assignment in trust, of the whole or any part of the properties, assets, business, and goodwill of the Corporation, including after-acquired property; and

(c) In addition to the powers hereinbefore, and by said laws of the State of Delaware, conferred upon it, to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

Ninth. Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof, or on the application of any receiver or receivers appointed for this Corporation under the provisions of section 3883 of the Revised Code of 1915 of said State, or on the application of trustees in dissolution or of any receiver or receivers appointed for this Corporation under the provisions of section 43 of the general corporation law of the State of Delaware, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this Corporation, as the case may be, and also on this Corporation.

Tenth. At any time and from time to time any of the provisions of this certificate of incorporation may be amended, altered, or repealed and other provisions authorized by the statutes of the State of Delaware at the time in force may be added or inserted in the manner at the time prescribed by said statutes, and all rights at any time conferred upon the stockholders of the Corporation by its certificate of incorporation are granted subject to the provisions of this article tenth.

In witness whereof, we, the undersigned, being all of the incorporators hereinabove named, do hereby further certify that the facts hereinabove set forth are truly set forth, and have accordingly hereunder set our respective hands and seals this 27th day of October, A. D. 1933.

HAROLD L. ICKES.
FRANCES PERKINS.
ROBERT D. KOHN.

In the presence of:
CHARLES P. GRIMES.

DISTRICT OF COLUMBIA, *ss:*

Be it remembered that on this 27th day of October, A. D. 1933, personally appeared before me, Nat P. Thompson, a notary public in and for the District of Columbia, Harold L. Ickes, Frances Perkins, and Robert D. Kohn, all of the incorporators named in and who signed the foregoing certificate of incorporation, known to me personally to be such, and I having first made known to them and each of them the contents of said certificate of incorporation, they did severally acknowledge the same to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

[SEAL] NAT P. THOMPSON,
Notary Public.

CERTIFICATE

Federal Surplus Relief Corporation, a nonprofit membership corporation, organized under the laws of the State of Delaware, certifies as follows:

(1) That the board of directors of said Corporation at a meeting duly convened and held on the 8th day of November 1933, at 5 p. m., proposed certain amendments to its certificate of incorporation, and at said meeting adopted a resolution setting forth the amendments proposed, declaring their advisability and calling a subsequent meeting of the directors of said Corporation entitled to vote in respect thereof in accord with the laws of the State of Delaware for the consideration thereof, said amendment being as follows:

A. Add to article third, subsection c, the following:

"4. Title I of National Industrial Recovery Act, approved June 16, 1933.

"5. Reconstruction Finance Corporation Act, approved January 22, 1932.

"6. Federal Farm Loan Act, approved July 17, 1916.

"7. Farm Credit Act of 1933, approved June 16, 1933.

"8. Emergency Relief and Construction Act of 1932, approved July 21, 1932."

B. Add to article 3 the following additional subsections, to wit:

"(i) To purchase or otherwise acquire, to hold or otherwise deal in, to sell or otherwise dispose of, any and all agricultural and/or other commodities and/or products thereof and to loan and/or borrow money upon the same.

"(j) To enter into and to encourage farmers, producers, and others to enter into marketing plans and agreements and to cooperate in any plan which provides for reduction in the acreage or reduction in the production for market of agricultural commodities.

"(k) To engage in any activity in connection with or involving the production, carrying, shipping, storing, exporting, warehousing, handling, preparing, manufacturing, processing, and marketing of agricultural and/or other commodities and/or products thereof.

"(l) To borrow money and to draw, make, accept, endorse, warrant, guarantee, transfer, assign, execute, and issue bonds, debentures, mortgages, promissory notes, bills of exchange, acceptances, warrants, and all kinds of obligations and nonnegotiable, negotiable, or transferable instruments without limit as to amount, and for the security of any of its obligations to convey, transfer, assign, deliver, mortgage, and/or pledge all or any part of its property or assets upon such terms and conditions as the board of directors shall authorize.

"(m) Without limiting the generality of the foregoing, to borrow money for the purpose of (1) purchasing, storing, handling, and/or processing agricultural and/or other commodities and/or products thereof or any surplus of the same, and (2) disposing of or removing the same through orderly marketing in the United States and/or elsewhere.

"(n) To loan money, to buy, discount, sell, rediscount, or otherwise deal in notes, acceptances, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages, and other similar evidences of debt, or to loan money and to take notes, acceptances, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages, and other evidences of debt as collateral security therefor.

"(o) To take and hold for any of its purposes, by bequest, devise, gift, purchase, lease, or otherwise, either absolutely or in trust, any property, real or personal, in the District of Columbia, any of the States, Territories, or colonies of the United States, and in foreign countries, without limitation as to amount or value; to own, operate, manage, lease, mortgage, pledge, sell, assign, and transfer, or otherwise dispose of and exercise all privileges of ownership over such property and to invest and reinvest any principal, and deal with and expand its income and principal within or without the State of Delaware in such manner as in the judgment of its directors will best promote its objects and purposes.

"(p) To guarantee, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of shares of the capital stock of, or any bonds, securities or evidences of indebtedness created by any other corporation or corporations organized under the laws of this State or any other State, country, nation, or government, and while the owner thereof to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.

"(q) To enter into, make, perform, and carry out contracts of every kind and description for any lawful purpose without limit as to amount, with any person, firm, association, corporation, municipality, country, State body politic, Territory, or government or colony or dependency thereof.

"(r) To sell, deal in, store, handle, process, transport, deliver, and/or accept delivery of agricultural and/or other commodities and/or products thereof and/or to make contracts for the purchase or sale of the same, by itself or through subsidiaries or other agencies or to act as agent, broker, shipper, consignee, consignor, trustee, or factor with respect thereto and as such agent, broker, shipper, consignee, consignor, trustee, or factor, to buy, sell, deal in, hypothecate, pledge, mortgage, store, handle, process, transport, manufacture, deliver, or accept delivery of the aforesaid commodities and/or products thereof and/or to make contracts for the purchase or sale of the same on behalf of the owner thereof and to fix and collect and deduct all charges for such services.

"(s) To acquire by purchase, lease or construction, or in any other manner, storage and other physical facilities for the handling, carrying, processing, manufacturing, storing, preparing for market and marketing agricultural and/or other commodities, and/or products thereof.

"(t) To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount, in any of the States, districts, territories, or colonies of the United States, and in any and all foreign countries."

C. Subsection (i) of article 3 shall read as subsection (u).

D. Strike out the first paragraph of article 8 and insert in lieu thereof the following paragraph:

"The business of this Corporation shall be managed by a board of directors which shall not be less than three (3) nor more than five (5), three (3) of whom shall be the members of the corporation. The term of office of each of the directors shall be fixed by the bylaws of the corporation."

(2) That thereafter on the 8th day of December 1933, at 5 o'clock p. m., pursuant to such call of the board of directors and upon notice as provided by the bylaws of the Corporation and by law to each director so entitled to vote, a special meeting of the directors was held and there were present at such meeting in person the entire board of directors of said corporation.

(3) That accordingly, the amendments to the certificate of incorporation of Federal Surplus Relief Corporation, as hereinbefore set out have been duly adopted in accordance with the provisions of section 26 of the general corporation laws of the State of Delaware.

That the amendments do not provide for any profits or dividends, nor authorize the issue of any capital stock.

In witness whereof, the said Federal Surplus Relief Corporation, has made under its corporate seal and the hand of Harry L. Hopkins, its president, and the hand of Kathryn Godwin, its secretary, the foregoing certificate, and the said president and the said secretary have hereunto severally set their hands and caused the corporate seal of the company to be hereunto affixed this 8th day of December 1933.

FEDERAL SURPLUS RELIEF CORPORATION,
By HARRY L. HOPKINS, *President.*

Attest:

KATHRYN GODWIN, *Secretary.*

We, the undersigned, being all of the directors of Federal Surplus Relief Corporation, hereby signify our assent to the foregoing amendments to the certificate of incorporation of Federal Surplus Relief Corporation, as required by the laws of the State of Delaware.

HARRY L. HOPKINS.
HAROLD L. ICKES.
HENRY A. WALLACE.

CITY OF WASHINGTON,
District of Columbia, ss:

Be it remembered that on this 10th day of January 1934, personally came before me, John P. Wenchel, a notary public in and for the District of Columbia, Harry L. Hopkins, president of Federal Surplus Relief Corporation, a corporation organized under the laws of the State of Delaware, to me personally known to be such, and acknowledged the said certificate to be his free act and deed and the act and deed of the said Corporation, that the signature of the said president is his own proper handwriting, that the seal affixed is the corporate seal of the said Corporation and that his act of sealing, executing and acknowledging and delivering the said certificate is duly authorized by proper resolution of directors of said Corporation.

Witness my hand and the official seal the day and year aforesaid.

JOHN P. WENCHEL,
Notary Public.

CERTIFICATE OF INCORPORATION OF FEDERAL SURPLUS RELIEF CORPORATION

First. The name of the Corporation is Federal Surplus Relief Corporation.

Second. The principal office or place of business of this Corporation in the State of Delaware is to be located at No. 100 West Tenth Street in the city of Wilmington, New Castle County; the name and address of its resident agent is the Corporation Trust Co., No. 100 West Tenth Street, Wilmington, Del.

Third. The nature of the business and objects or purposes to be transacted, promoted, or carried on by this Corporation are:

(a) To relieve the existing national economic emergency by expansion of markets for, removal of, and increasing and improving the distribution of, agricultural and other commodities, and products thereof.

(b) To purchase, store, handle, and process surplus agricultural and other commodities and products thereof, and to dispose of the same so as to relieve the hardship and suffering caused by unemployment and/or to adjust the severe disparity between the prices of agricultural commodities and other commodities and products thereof.

(c) To perform any and all functions and exercise any and all powers that may be duly delegated to it under and pursuant to the following acts of Congress of the United States of America:

1. The Agricultural Adjustment Act, approved May 12, 1933.

2. Title II of the National Industrial Recovery Act, approved June 16, 1933.

3. The Federal Emergency Relief Act of 1933, approved May 12, 1933.

(d) To perform any and all functions and exercise any and all powers that may be duly delegated to it under and pursuant to any amendment or amendments heretofore or hereafter made to said acts of Congress, or any of them.

(e) To accept grants or deliveries in any of the States, Districts, Territories, or colonies of the United States, or in any and all foreign countries (subject to the laws of such State, District, Territory, colony, or country), of moneys, commodities, lands, or other property, of any class, nature, or description, made to it under and pursuant to said acts of Congress or any amendment or amendments thereto heretofore or hereafter made.

(f) To carry on any or all of its operations and business and without restriction or limit as to amount to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class, nature, or description in any of the States, Districts, Territories, or colonies of the United States, or in any and all foreign countries, subject to the laws of such State, District, Territory, colony, or country.

(g) To cooperate with any private, public, or governmental agency or agencies.

(h) In general, to carry on any and all other business necessary or convenient to the attainment of the foregoing objects or purposes, and to have and exercise all the powers and privileges conferred by the general corporation law of Delaware upon corporations not organized for profit and having no capital stock.

(i) The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

Fourth. This Corporation is not organized for profit and shall not have authority to issue capital stock. The conditions of membership of this Corporation are: That there shall be three members and that such members shall be the persons who from time to time may occupy the offices of Secretary of Agriculture of the United States, Federal Emergency Administrator of Public Works, and Federal Emergency Relief Administrator, respectively.

Fifth. The names and places of residence of each of the original incorporators of this corporation are:

Name	*Residence*
Henry A. Wallace	Washington, D. C.
Harold L. Ickes	Do.
Harry L. Hopkins	Do.

Sixth. This corporation is to have perpetual existence.

Seventh. The members of this corporation shall not be subject to the payment of corporate debts to any extent whatever.

Eighth. The business of this corporation shall be managed by a board of directors which shall not be less than three, consisting of the members of the Corporation. The term of office of each of the directors shall be fixed by the bylaws of the Corporation.

In addition to the powers conferred upon the board of directors by the statutes of the State of Delaware and this certificate of incorporation, the board of directors shall have such powers as the bylaws of the Corporation may from time to time confer upon them.

The power to make, alter, and amend the bylaws of the Corporation shall be in the members of the Corporation.

A majority of the directors in office at any time shall constitute a quorum for the transaction of business, unless the bylaws of the Corporation shall provide that a different number shall constitute a quorum, but in no case shall a quorum be less than one-third of the total number of directors provided for by the bylaws nor less than two.

The voting powers of all members of the corporation shall be equal. Each member shall be entitled to one vote on any and all questions coming before the members. Any member entitled to vote at any meeting of the members may be represented and vote by proxy. All action taken by the members of the Corporation shall be by majority vote. A certificate of membership shall be issued to each member. No membership or certificate of membership shall be transferable save to the successor of such member in the office specified in paragraph 4 hereof, and no assignee or transferee thereof, whether by operation of law or otherwise, shall be entitled to membership in this Corporation or to any property, rights, or interest therein, unless such assignee or transferee shall be the successor in office as aforesaid of such member.

All the books, records, papers, vouchers, and documents of this Corporation shall, at all reasonable times, be open to the inspection of each member of the Corporation or to his duly constituted agent or representative.

The members and board of directors of this corporation may hold their meetings, and have an office or offices, outside the State of Delaware, and keep the books of this corporation (subject to the provisions of the statutes of Delaware) outside the State of Delaware at such place or places as may be from time to time designated by the members of the corporation.

If, as, and when in the judgment of the members of the Corporation the objects and purposes of this corporation shall be accomplished and attained, or in the event of the dissolution of the Corporation, the members of the corporation shall cause all the assets of the Corporation, other than money, to be sold in such manner and at such time or times as the members of the Corporation shall deem best to promote the public welfare, and shall pay the proceeds of such sale or sales, together with all other moneys remaining in the hands of the Corporation after the payment of its debts and expenses, into the Treasury of the United States for such uses and purposes as may be provided by statute.

Ninth. The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation in the manner now or hereafter provided by statute, and all rights conferred upon the members of the Corporation are granted subject to this reservation, with the exception, however,

that no such amendment, alteration, change, or repeal shall be made which would so change the objects and purposes as to permit the net income of the Corporation, or any part thereof, to inure to the benefit of any private individual or member of the Corporation.

We, the undersigned, being each of the original incorporators hereinbefore named, for the purpose of forming a Corporation to carry on its activities, both within and without the State of Delaware, and in pursuance of the general Corporation law of the State of Delaware and the acts amendatory thereof and supplemental thereto, do make and file this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 4th day of October, A. D. 1933.

H. A. WALLACE. [SEAL.]
HAROLD L. ICKES. [SEAL.]
HARRY L. HOPKINS. [SEAL.]

In the presence of:
LEE PRESSMAN.
As to all.

DISTRICT OF COLUMBIA, *ss:*

Be it remembered that on this 4th day of October, A. D. 1933, personally appeared before me, the subscriber, a notary public in and for the District of Columbia, Henry A. Wallace, Harold L. Ickes, and Harry L. Hopkins, being all of the parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be their act and deed and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

W. E. TAYLOR, *Notary Public.*

CERTIFICATE OF INCORPORATION OF FEDERAL SUBSISTENCE HOMESTEADS CORPORATION

First. The name of the Corporation is Federal Subsistence Homesteads Corporation.

Second. The principal office or place of business of this Corporation in the State of Delaware is to be located at No. 100 West Tenth Street in the city of Wilmington, New Castle County. The name and address of the resident agent of this Corporation in charge thereof is the Corporation Trust Co., No. 100 West Tenth Street, Wilmington, Del.

Third. The nature of the business to be transacted and objects or purposes to be promoted or carried on by this Corporation are:

(a) To aid the redistribution of the overbalance of population in industrial centers by making loans for and otherwise aiding in the purchase of subsistence homesteads.

(b) To acquire or assist in acquiring in any manner, dispose of or assist in disposing of in any manner, build, construct, establish, own, operate, maintain, improve, administer, and supervise subsistence homesteads, and to construct any buildings, plants, factories, or other improvements and facilities, or perform any other necessary or desirable operations or functions in connection therewith.

(c) To acquire or assist in acquiring in any manner, dispose of or assist in disposing of in any manner, construct, build, establish, own, operate, maintain, improve, administer, and supervise forests, parks, mines, industries, power plants, farms, commercial establishments, or any other enterprises or activities of any kind necessary or desirable to the success of such subsistence homestead projects, and to perform any other necessary or desirable operations or functions in connection therewith.

(d) To buy, lease, acquire by gift, or in any other manner acquire or assist in acquiring, and to sell, lease, mortgage, pledge, assign, transfer, or otherwise dispose of or assist in disposing of, any land or lands or real property of any description whatsoever and wherever located, and any right or title of any sort therein, including structures or other improvements thereon or therein, and any kind of personal property whatsoever and wherever located, for any purpose or use necessary or desirable in order to accomplish the purposes, powers, and objects stated in this certificate of incorporation.

(e) To accomplish, effect, or assist in any manner the transportation and movement of persons and property to and from subsistence homestead projects.

(f) To engage in any kind of charitable, educational, advisory, or relief activity and in any other instructional or social activity whatsoever in connection with subsistence homestead projects, affiliated or connected enterprises, and in connection with any other objects, purposes, and activites stated in this certificate of incorporation.

(g) To cooperate with any governmental agency or agencies, whether State, national, or municipal, with a view to performing the objects and purposes of the Corporation as stated in this certificate of incorporation.

(h) To make loans to any person, firm, association, corporation, municipality, county, State, body politic, or government or colony or dependency.

(i) To manufacture, purchase, or otherwise acquire, own, mortgage, pledge, sell, lease, assign, and transfer, or otherwise dispose of, to invest, trade, deal in, and deal with goods, wares, and merchandise and real and personal property of every class and description.

(j) To enter into, make, and perform contracts of every kind and description with any person, firm, association, corporation, municipality, county, State, body politic, or government or colony or dependency thereof.

(k) To borrow or raise moneys for any of the purposes of the Corporation and, from time to time, without limit as to amount, to draw, make, accept, endorse, execute, and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or nonnegotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance, or assignment in trust of the whole or any part of the property of the Corporation, whether at the time owned or thereafter acquired, and to sell, pledge, or otherwise dispose of such bonds or other obligations of the Corporation for its corporate purposes.

(l) To have one or more offices, to carry on all or any of its operations and business, and, without restriction or limit as to amount, to purchase or otherwise acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class and description in any of the States, Districts, Territories, colonies, or lands subject to the jurisdiction of the United States, and in any and all foreign countries, subject to the laws of such State, district, Territory, colony, land, or country.

(m) To organize, incorporate, establish, hold, and vote stock in, supervise and administer, in any State, Territory, colony, dependency, or lands subject to the jurisdiction of the United States and in any foreign country, colony, or dependency, subsidiary corporations, both wholly owned and partially owned.

(n) To acquire by purchase, subscription, or otherwise, and to hold, sell, exchange, mortgage, pledge, or otherwise dispose of, or turn to account or realize upon, and generally to deal in and with, securities, including, but not limited to, stocks, bonds, debentures, notes, mortgages, and other obligations, created or issued by any persons, firms, associations, corporations, syndicates, governments, or subdivisions thereof, or by any combinations, organizations, or entities whatsoever, irrespective of their form or the name by which they may be described.

(o) In general, to carry on any and all other business and to do any other act or thing in connection with or necessary or convenient to the attainment of the foregoing objects, powers, and purposes, and to have and exercise all the powers and privileges conferred by the laws of Delaware upon corporations for profit and to do any and all of the things hereinbefore set forth to the same extent as natural persons might or could do.

(p) The foregoing clauses shall be construed both as objects and powers, and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

Fourth. The total number of shares of stock which the Corporation shall have authority to issue is 100, and the par value of each of such shares is $100, amounting in the aggregate to $10,000. Stock shall be issued only to the incumbent of the Office of the Secretary of the Interior of the United States of America at the time of such issuance, and may not be transferred by him or his successors in office, but shall be held by him or his successors in office in trust for the United States of America, which shall be the sole and only authorized holder of legal title to the stock.

Fifth. The amount of capital with which the Corporation will commence business is $10,000.

Sixth. The names and places of residence of the incorporators are as follows:

Names	*Residences*
Harold L. Ickes	Washington, D. C.
M. L. Wilson	Do.
Oscar L. Chapman	Do.

Seventh. The Corporation is to have perpetual existence.

Eighth. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Ninth. In furtherance, and not in limitation of the powers conferred by statute, the board of directors is expressly authorized:

To make, alter, or repeal the bylaws of the Corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the Corporation.

By resolution or resolutions passed by a majority of the whole board to designate one or more committees, each committee to consist of two or more of the directors of the Corporation, which, to the extent provided in said resolution or resolutions or in the bylaws of the Corporation, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the bylaws of the Corporation or as may be determined from time to time by resolution adopted by the board of directors.

When and as authorized by the affirmative vote of the holders of all of the stock issued and outstanding having voting power given at stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of all of the voting stock issued and outstanding, the board of directors shall have the power to sell, lease, or exchange all of the property and assets of the Corporation, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporations, as the board of directors shall deem expedient and for the best interests of this corporation.

Tenth. The business of this corporation shall be managed by a board of directors consisting of three members who need not themselves be stockholders, but who shall be elected by the stockholders.

A quorum of the directors for the transaction of business at any meeting duly called shall be a majority of the members.

Eleventh. Both stockholders and directors shall have power, if the bylaws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware, and to keep the books of this corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the board of directors.

Twelfth. The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

We, the undersigned, being each of the incorporators hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of the general corporation law of the State of Delaware, being chapter 65 of the Revised Code of Delaware, and the acts amendatory thereof and supplemental thereto, do make this certificate, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set our hands and seals this 21st day of November, A. D. 1933.

HAROLD L. ICKES,
OSCAR L. CHAPMAN,
M. L. WILSON.

In presence of PHILIP M. GLICK.

DISTRICT OF COLUMBIA, *ss:*

Be it remembered, that on this 21st day of November, A. D. 1933, personally came before me, J. Forney Donaldson, a notary public for the District of Columbia, Harold L. Ickes, Oscar L. Chapman, and M. L. Wilson, all of the parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

J. FORNEY DONALDSON,
Notary Public.

CERTIFICATE OF INCORPORATION OF ELECTRIC HOME & FARM AUTHORITY, INC.

We, the undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the general corporation law of the State of Delaware, being chapter 65 of the revised code of 1915, and the acts amendatory thereof and supplemental thereto, do hereby certify as follows:

First. The name of the Corporation shall be Electric Home & Farm Authority, Inc.

Second. The principal office of the Corporation in the State of Delaware is to be located at 100 West Tenth Street, in the city of Wilmington, county of New Castle. The name of its resident agent shall be the Corporation Trust Co., 100 West Tenth Street, Wilmington, Del.

Third. The nature of the business of the Corporation and the objects or purposes proposed to be transacted, promoted, and carried on by it, are as follows:

A. To advance the general economic welfare of the Nation by developing and fostering the increased use of electrical power through the reduction of the cost thereof to the consumer and through the reduction of the cost and price of electrical equipment and appliances; to aid in the distribution of electrical appliances and equipment by financing the purchase thereof through the lending and advancing of money, extending of credit, and guaranteeing of obligations of individuals, firms, corporations, and others, upon the security of mortgages or other liens upon or claims against electrical appliances and equipment, and in general to carry on in connection with such financing a chattel mortgage-loan business; to cooperate with any Federal agency or branch of the Federal Government or with any of the several States, or subdivisions or agencies of such States, or with cooperative or other organizations, or with private corporations or associations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to advance and foster an orderly and proper physical, economic, and social development in any of the several States by means of the use of electricity or electrical power; to make such surveys and general plans for the use of electricity and electrical appliances and equipment as may be useful to Congress and to the several States in guiding and controlling the extent, sequence, and nature of development which may be equitably and economically advanced through the expenditure of public funds or through the guidance or control of public authority; to perform any and all functions, and exercise any and all powers which may be duly delegated to it under and pursuant to the National Industrial Recovery Act, approved June 16, 1933, and any amendment or amendments hereafter made to said act.

B. To manufacture, buy, sell, deal in, and to engage in, conduct, and carry on the business of manufacturing, buying, selling, and dealing in electrical appliances and equipment, and in goods, wares, and merchandise of every class and description necessary or useful for the operations of the Corporation.

C. To lend or advance money to, extend financial assistance to, accept bills of exchange from, endorse the notes, and guarantee the obligations of individuals, firms, corporations, and/or others, with or without collateral security of any kind whatsoever, and to buy, discount, sell, rediscount, pledge, hypothecate, and otherwise deal in notes, warehouse receipts, pledges, bills of lading, freight receipts, trust receipts, open accounts, mortgages, conditional sales contracts, and other similar evidences of debt, and to loan money, and to take notes, open accounts, and other similar evidences of debt as collateral security therefor.

D. To borrow money, and to make and issue notes, bonds, debentures, obligations, and evidences of indebtedness of all kinds, whether secured by mortgage, pledge, or otherwise, without limit as to amount, and to secure the same by mortgage, pledge, or otherwise; to constitute itself trustee of any property for the purpose of securing its obligations, or for any other purpose; and generally to make and perform agreements and contracts of every kind and description.

E. To improve, manage, develop, sell, assign, transfer, lease, mortgage, pledge, or otherwise dispose of, or turn to account, or deal with all, or any part of the property of the Corporation and from time to time to vary any investment, or employment of capital of the Corporation.

F. To apply for, obtain, register, purchase, lease, or otherwise to acquire and to hold, own, use, develop, operate, and introduce, and to sell, assign, grant licenses or territorial rights in respect to, or otherwise to turn to account or dispose of, any copyrights, trade marks, trade names, brands, labels, patent rights, letters patent of the United States or of any other country or government, inventions, improvements, and processes, whether used in connection with or secured under letters patent or otherwise.

G. To the same extent as natural persons might or could do, to purchase or otherwise acquire, and to hold, own, maintain, work, develop, sell, lease, exchange, hire, convey, mortgage, or otherwise dispose of and deal in, lands and leaseholds, and any interest, estate, and rights in real property, and any personal or mixed property, and any franchises, rights, licenses, or privileges necessary, convenient, or appropriate for any of the purposes herein expressed.

H. To acquire by purchase, subscription, or otherwise, and to hold for investment or otherwise, and to use, sell, assign, transfer, mortgage, pledge, or otherwise deal with or dispose of stock, bonds, or any other obligations or securities of any person, firm, association, trust, or corporation; to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stock, bonds, or other obligations are held or in any manner guaranteed by the Corporation, or in which the Corporation is in any way interested; and to do any other acts or things for the preservation, protection, improvement, or enhancement of the value of any such stock, bonds, or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stock, bonds, or other securities or obligations to exercise all the rights, powers, and privileges of ownership thereof, and to exercise any and all voting powers thereof; to guarantee the payment of dividends upon any stock, and the principal or interest or both, of any bonds or other obligations and the performance of any contracts.

I. To do all and everything necessary, suitable, and proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers herein set forth, either alone or in association with other corporations, firms, or individuals, and to do every other act or acts, thing or things, incidental or appurtenant to or growing out of or connected with the aforesaid business or powers or any part or parts thereof, provided that the same be not inconsistent with the laws under which the corporation is organized.

J. The business or purpose of the Corporation is from time to time to do any one or more of the acts and things hereinabove set forth, and it shall have power to conduct and carry on business or any part thereof in this State, other States, the District of Columbia, the Territories and colonies of the United States, and in foreign countries, and to have one or more offices out of this State, and to exercise any or all of its corporate powers and rights out of this State, and to hold, purchase, mortgage, and convey real and personal property out of this State.

K. The enumeration herein of the objects and purposes of this Corporation shall be construed as powers as well as objects and purposes, and shall not be deemed to exclude by inference any powers, objects, or purposes which this Corporation is empowered to exercise, whether expressly by force of the laws of the State of Delaware now or hereafter in effect or impliedly by the reasonable construction of said laws.

Fourth. The total number of shares of stock which the Corporation shall have the authority to issue is 10,000, and the par value of each such share is $100.

This Corporation is formed pursuant to and in accordance with an Executive order of the President of the United States, dated December 19, 1933, no. 6514. All of the capital stock of the Corporation is to be subscribed for by the incorporators for the use and benefit of the United States, and is to be issued and held in the name of the United States. All the rights and privileges of stockholders, including voting rights and privileges, are to be exercised on behalf of the United States by the directors of the Tennessee Valley Authority, a Corporate organized and existing under the Tennessee Valley Authority Act of 1933, jointly or by such person or persons as the said directors of the Tennessee Valley Authority shall appoint as their joint agent or agents. The election or appointment of directors of the corporation shall be subject to the approval of the President of the United States.

Fifth. The minimum amount of capital with which the Corporation will commence business is $1,000.

Sixth. The name and place of residence of each of the incorporators is as follows:

Name	*Residence*
Arthur E. Morgan	Knoxville, Tenn.
Harcourt A. Morgan	Do.
David E. Lilienthal	Do.

Seventh. The Corporation is to exist for 7 years from the date of incorporation.

Eighth. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatsoever.

Ninth. The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation:

A. The number of directors of the Corporation shall be three, and directors need not be stockholders of the Corporation. The election of directors need not be by ballot.

B. The directors shall have the power, without the assent or vote of the stockholders, to make and alter bylaws of the Corporation; to fix and vary the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon all the property of the Corporation, or any part thereof; to determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in their discretion the directors may use and apply any such surplus or accumulated profits in purchasing or acquiring the bonds or other obligations or shares of capital stock of the Corporation to such extent and in such manner and upon such terms as the directors shall deem expedient; but shares of such capital stock so purchased or acquired may be resold unless such shares shall have been retired for the purpose of decreasing the Corporation's capital stock as provided by law.

C. The directors shall have the power, with the consent in writing of the holders of the voting stock issued and outstanding, or upon the affirmative vote of the holders of the stock issued and outstanding having voting power, to sell, lease, or exchange all of its property and assets, including its goodwill and its corporate franchises, upon such terms and conditions as the board of directors deem expedient and for the best interests of the Corporation.

D. In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this certificate, and of any bylaws from time to time made by the stockholders; provided, however, that no bylaw so made shall invalidate any prior act of the directors which would have been valid if such bylaw had not been made.

Tenth. Both stockholders and directors shall have power, if the bylaws so provide, to hold their meetings, and to have one or more offices within or without the State of Delaware, and to keep the books of this Corporation (subject to the provisions of the statutes), outside of the State of Delaware at such places as may be from time to time designated by the board of directors.

Eleventh. The Corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

In witness whereof, we have hereunto set our hands and seals on the dates appearing opposite our respective names:

January 13, 1934. ARTHUR E. MORGAN.
January 13, 1934. HARCOURT A. MORGAN.
January 6, 1934. DAVID E. LILIENTHAL.

STATE OF TENNESSEE,
County of Knox:

Be it remembered that on this 13th day of January, A. D. 1934, personally came before me, J. M. Hickey, a notary public in and for the county and State aforesaid, Arthur E. Morgan and Harcourt A. Morgan, two of the parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledged the said certificate to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

J. M. HICKEY,
Notary Public, State of Tennessee, County of Knox.

My commission expires April 12, 1936.

STATE OF NEW YORK,
County of New York, ss:

Be it remembered that on this 6th day of January, A. D. 1934, personally came before me, A. Catherine Handel, a notary public in and for the county and State aforesaid, David E. Lilienthal, one of the parties to the foregoing certificate of incorporation, known to me personally to be such, and acknowledged the said certificate to be his act and deed, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

A. CATHERINE HANDEL,
Notary Public, State of New York, County of New York.

CERTIFICATE OF INCORPORATION OF PUBLIC WORKS EMERGENCY LEASING CORPORATION

We, the undersigned, for the purpose of associating to establish a corporation for the transaction of the business and the promotion and conduct of the objects and purposes hereinafter stated, under the provisions of, and subject to the requirements of, the laws of the State of Delaware (particularly an act entitled "An act providing a general corporation law", approved March 10, 1899, and the acts amendatory thereof and supplemental thereto, and known as the "General corporation law of the State of Delaware"), do hereby make and file this certificate of incorporation in writing and do hereby certify as follows:

First. The name of the Corporation (hereinafter called the Corporation) is

PUBLIC WORKS EMERGENCY LEASING CORPORATION

Second. The respective names of the county and of the city within the county in which the principal office of the Corporation is to be located in the State of Delaware are the county of New Castle and the city of Wilmington. The name of the resident agent of the Corporation is the Corporation Trust Co. The street and number of said principal office and the address by street and number of said resident agent is No. 100 West Tenth Street, in the city of Wilmington.

Third. The nature of the business of the Corporation and the objects and purposes to be transacted, promoted, or carried on by it are as follows:

(1) To act as an agency of the United States of America and/or the Federal Emergency Administrator of Public Works or other duly designated representatives of the United States of America in carrying out the provisions and effectuating the purposes of title II of the National Industrial Recovery Act (Public Act No. 67 of the 73d Cong.) and any and all acts amendatory thereof and supplemental thereto, and any and all orders, Executive or otherwise, issued pursuant to any thereof (title II of said act and all such acts and orders being hereinafter collectively called the "Recovery Act"), and to take any and all such action, do any and all such things, perform any and all such functions, and exercise any and all such powers in connection with or in addition to the foregoing as may be delegated or assigned to or conferred upon the Corporation by the President of the United States of America or the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, under or in conformity with the Recovery Act;

(2) To undertake, construct, reconstruct, alter, repair, improve, or finance, or to aid in the undertaking, construction, reconstruction, alteration, repair, improvement, or financing of any project eligible to be included in the comprehensive program of public works to be prepared pursuant to the provisions of the Recovery Act;

(3) To undertake, construct, maintain, operate, or finance, or to aid in the undertaking, construction, maintaining, operation, and financing of publicly owned instrumentalities or facilities and any projects of the character heretofore undertaken, constructed, or carried on, either directly by public authority or with public aid, including (but without limitation) highways, parkways, buildings, canals, tunnels, bridges, docks, drydocks, dams, markets, viaducts, aqueducts, water works, reservoirs, sewage systems, airports, gas, electric-light and power plants, hospitals, refrigerating and heating systems, and in connection therewith to collect fees, tolls, and other charges;

(4) To acquire improved or unimproved real estate and any and all buildings and structures thereon or appurtenances thereto; and any personal property, by purchase, exchange, exercise of the power of eminent domain, or otherwise; to hold, maintain, and improve and operate the real estate, buildings, structures, appurtenances, or personal property so acquired; and to lease, with or without the privilege of purchase, sell, exchange, grant, donate, or otherwise dispose of such real estate, buildings, structures, appurtenances, or personal property or any part thereof;

(5) To construct, reconstruct, alter, repair, maintain, operate, or to aid financially or otherwise in the construction, reconstruction, alteration, repair, maintenance, and operation of edifices, structures, and buildings of every kind, nature, or description, and instrumentalities and facilities in connection therewith;

(6) To manufacture, buy, sell, and in any other manner to produce, acquire, or dispose of, and generally deal in and with, building and other materials and supplies of every kind, nature, or description;

(7) To undertake, construct or finance, or to aid in the undertaking, construction, or financing of, projects for the conservation and development of natural resources, including (but without limitation) control, utilization, and purification of waters, prevention of soil or coastal erosion, development of water power, generation and transmission of electrical energy, construction of river and harbor improvements, drainage, reclamation, irrigation, and improvement of land;

(8) To conduct and carry on the business of building and construction in all of its phases, and, without limitation, to locate, lay out, construct, repair, improve, maintain, and operate, or aid in the location, laying out, construction, repair, improvement, maintenance, operation, or financing of highways, roads, avenues, streets, parks, playgrounds, and recreational facilities of every kind, nature, or description;

(9) To lease, with or without the privilege of purchase, sell, exchange, grant, donate, or otherwise dispose of all or any part of any project which it may undertake, construct, finance, or in any way aid, and any other property or securities at any time acquired by it;

(10) To do and perform any and all acts and functions customarily done or performed by architects, engineers, and/or general contractors, and without limitation to do any and all things necessary, suitable, or convenient in connection with the undertaking,

construction, reconstruction, alteration, or repair of projects and structures of every kind, nature, or description;

(11) To furnish, equip, operate, manage, and maintain projects and structures of every kind, nature, or description, and to do any and all things necessary, suitable, or convenient in connection therewith, including without limitation the supplying of heat, steam, water, gas and electricity, and transportation, telephone, and any other facilities or utilities necessary, suitable, or convenient;

(12) To conduct its business, have one or more offices, and exercise any and all objects, purposes, and powers specified in this article third, including without limitation the power to hold, purchase, mortgage, and convey real and personal property in the State of Delaware or in any other State, Territory, or locality, and to carry on any and all of its operations and business without restriction or limitation as to amount;

(13) To acquire personal property of every kind, nature, or description, or any interest therein, by purchase, exchange, exercise of the power of eminent domain or otherwise; and to hold and use, and to sell, exchange, donate, or otherwise dispose of the personal property or interest therein so acquired;

(14) In any manner to acquire, hold, use, or dispose of any franchises, licenses, grants, concessions, patents, trade marks, trade names, copyrights, or inventions granted by or existing under the laws of any government or subdivision thereof;

(15) To purchase or otherwise acquire, and to hold, mortgage, pledge, sell, exchange, or otherwise dispose of, securities (which term, for the purposes of this article third, includes without limitation any stocks, shares of stock, bonds, debentures, notes, mortgages, or other obligations, and any certificates, receipts, or other instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests therein or in any property or assets) created or issued by any persons, firms, associations, corporations, or governments, or subdivisions thereof; to make payment therefor in any lawful manner; and to exercise, as owner or holder of any securities, any and all rights, powers, and privileges in respect thereof;

(16) To acquire by purchase, exchange, or otherwise all or any part of, or any interest in, the properties, assets, business, and goodwill of any one or more persons, firms, associations, or corporations engaged in any business for which a corporation may now or hereafter be organized under the laws of the State of Delaware; to pay for the same in any lawful manner; to hold, operate, reorganize, liquidate, sell, donate, or in any manner dispose of the whole or any part thereof; and, in connection therewith, to assume or guarantee performance of any liabilities, obligations, or contracts of such persons, firms, associations, or corporations, and to conduct in any lawful manner the whole or any part of any business thus acquired;

(17) To borrow money for its corporate purposes without limit as to amount and, in connection therewith, to draw, make, accept, endorse, and issue promissory notes, bills of exchange, bonds, debentures, and other instruments and evidences of indebtedness;

(18) To carry out all or any part of the objects, purposes, and powers specified in this article third as principal, agent, or otherwise, either alone or in association with any other corporation or any person, firm, association, or government, or subdivision thereof, to the extent permitted by law; and, in general, to do such acts and things, and to exercise such powers, as a natural person could lawfully do or exercise; and

(19) To do any and all things necessary, suitable, or convenient for the accomplishment of any one or more of the purposes or the attainment of any one or more of the objects enumerated, or incidental to the powers specified, or which shall at any time appear conducive to or expedient for the accomplishment of any one or more of the purposes or the attainment of any one or more of the objects enumerated in this article third, not inconsistent with law.

The objects and purposes set forth in the foregoing clauses of this article third shall not be in any wise limited or restricted by reference to, or inference from, the terms of any other clause of this or any other article of this certificate of incorporation, but the objects and purposes specified in each of said clauses shall be regarded as independent objects and purposes.

The foregoing clauses shall be construed as powers as well as objects and purposes; and, generally, the Corporation shall be authorized to exercise and enjoy all other powers, rights, and privileges granted by the aforesaid act entitled "An act providing a general corporation law", approved March 10, 1899, to corporations of the character of the Corporation, and all the powers conferred upon such corporations by the then existing laws of the State of Delaware, insofar as not in conflict therewith, or which may be conferred by all acts heretofore or hereafter amendatory of said act of March 10, 1899, or of said laws, or supplemental thereto; and the enumeration herein of certain powers shall not limit, or be deemed to constitute a waiver of, any of the powers, rights, or privileges granted or conferred by said act of March 10, 1899, or the laws of said State now or hereafter in force: *Provided, however,* That the Corporation shall not in any State, Territory, or locality carry on any business, or exercise any powers, which a corporation organized under the laws of such State, Territory, or locality could not carry on or exercise, except to the extent permitted or authorized by the laws of such State, Territory, or locality.

Fourth. The total number of shares of stock which the Corporation shall have authority to issue is three (3), all of which are to be without par value. One such share shall be issued to each of the undersigned.

Each of the undersigned, by signing this certificate of incorporation, and each and every holder of stock of the Corporation, by acceptance of such stock, agrees to hold such stock in trust for the sole use, purposes, and benefit of the United States of America, and agrees that the stock held by him shall not be transferred except to a person duly designated by the President of the United States of America, the Federal Emergency Administrator of Public Works, or other duly designated representative of the United States of America, to be the transferee of and to hold such stock, and that he will, immediately upon such designation, transfer such stock to such person so designated; and each of the undersigned and each such holder authorizes the corporation, with or without possession of the certificate or certificates representing such stock, and whether or not such certificate or certificates are endorsed for transfer, to transfer said stock and issue new certificates therefor to such person so designated, and constitutes the Corporation his agent and attorney so to transfer said stock, and consents and agrees that, upon such transfer, said person shall become the holder of such stock with all the rights and subject to all the obligations provided for herein.

The minimum amount of capital with which the Corporation will commence business is one thousand dollars ($1,000).

Fifth. The names and places of residence of each of the incorporators are, respectively, as follows:

Name	*Place of residence*
Harold L. Ickes	Washington, D. C.
Oscar L. Chapman	Do.
Theodore A. Walters	Do.

P. W. 2945

Sixth. The Corporation is to have perpetual existence.

Seventh. The private property of the stockholders of the Corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

Eighth. At any time and from time to time any of the provisions of this certificate of incorporation may be amended, altered, or repealed and other provisions authorized by the statutes of the State of Delaware at the time in force may be added or inserted in the manner at the time prescribed by said statutes, and all rights at any time conferred upon the stockholders of the Corporation by its certificate of incorporation are granted subject to the provisions of this article 8.

In witness whereof we, the undersigned, being all the incorporators above named, do hereby further certify that the facts above stated are truly set forth, and accordingly have hereunto set our respective hands and seals this 2d day of January 1934.

HAROLD L. ICKES.
OSCAR L. CHAPMAN.
T. A. WALTERS.

In the presence of—
NAT. P. THOMPSON,
Notary Public.

DISTRICT OF COLUMBIA, ss:

Be it remembered that on this 2d day of January, A. D. 1934, personally appeared before me, Nat P. Thompson, a notary public in and for the District of Columbia, Harold L. Ickes, Oscar L. Chapman, and Theodore A. Walters, all of the incorporators named in and who signed the foregoing certificate of incorporation, known to me personally to be such, and I having first made known to them and each of them the contents of said certificate of incorporation, they did severally acknowledge the same to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.

NAT P. THOMPSON, *Notary Public.*

My commission expires August 6, 1938.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 58) to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico, in which it requested the concurrence of the Senate.

RESCUE WORK IN MINES

Mr. DAVIS. Mr. President, I desire to call to the attention of the Senate, and especially to the members of the Appropriations Committee, the appropriation for the Bureau of Mines, particularly the fact that the amount appropriated grows less each year for the safety work in the mines.

A publication which has come to me recently, called the "Unseen Empire", which is published by the American Mining Congress, 1934, points out that the mineral industry forms a source of half of the Nation's wealth and has an invested capital of $15,000,000,000. It directly and indirectly furnishes the livelihood of some 25,000,000 people, employs in production and processing about 1,700,000 people, pays an annual wage of $2,000,000,000, pays approximately two hundred millions annually in Federal taxes, and furnishes 55 percent of the total freight revenue of the railroads.

Mr. President, this publication further points out that in spite of these startling facts the mineral industry has received inadequate consideration at the hands of the United States Government. The junior Senator from Kentucky [Mr. LOGAN], Chairman of the Committee on Mines and Mining, has pointed out to me that although minerals in the 5-year period 1924–28 paid almost six times the tax of agriculture, the funds made available to the Bureau of Mines, the official representative of the industry in government, were about one-fiftieth of the appropriation for agriculture.

Should we not be generous in our appropriation to the Bureau of Mines and the Geological Survey? Can we, in view of what I have just stated, fail to make the same appropriation we previously made? These appropriations have been cut some 40 percent in the past 2 years. I wish it were possible for every Member of the Senate to read this booklet sponsored by the American Mining Congress through its national committee, which represents every branch of the mineral industry.

MINING HAS BEEN NEGLECTED

Mr. President, we in Pennsylvania are very much interested in mining. Nearly 400,000 workers in Pennsylvania make their livelihood through mining, and the people of Pennsylvania are awakening to the fact that the mineral industry has, in the past, been receiving too little consideration from the Government. Let us restore the appropriations, especially the appropriation to the Bureau of Mines for safety work.

Mr. President, I have received the following letter from the Bureau of Mines, which I desire to read:

UNITED STATES DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
Washington, February 5, 1935.

Hon. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR DAVIS: Replying to your letter of February 2, I am sending you material that I hope may be useful to you in your address to the Senate. I regret very much that there was a delay in getting this to you. Mr. Dan Harrington, Chief of the Health and Safety Branch of the Bureau of Mines, was absent in Harrisburg yesterday in conference with Mr. Hartneady, secretary of mines of Pennsylvania, and meeting with several others, discussing health and safety subjects, and particularly the recent serious disaster in the anthracite region.

The typewritten memorandum attached has been prepared by Mr. Harrington and Mr. Leopold. It contains accurate statistics and description of the effects of reduced appropriations upon health and safety work.

I also enclose a clipping which contains an accurate and well-phrased statement.

Cordially yours,
JOHN W. FINCH, *Director.*

Some of the dire effects of the cutting of the appropriations for the health and safety work of the United States Bureau of Mines are seen in the following figures, the appropriations for this work for the past several years having been as follows:

1930	$748,130
1931	769,170
1932	793,180
1933	741,325
1934	614,000
1935	452,000

In the same years the number of persons in the mining and allied industries given the Bureau of Mines life-saving courses in first aid and mine rescue were:

1930	113,358
1931	112,220
1932	99,163
1933	74,501
1934	56,728

It is easy to see what a harmful effect such very heavy decrease in this humanitarian work is bound to have. Just think of it, a drop from 113,358 life-saving courses in mining in 1930 to 56,728 in 1934. My own State of Pennsylvania has suffered in even greater proportion than other States, as may be seen from the following figures on these life-saving courses for the same years:

1930	18,367
1931	24,657
1932	17,661
1933	18,392
1934	6,294

RESCUE CARS REDUCED

In 1930 the Bureau of Mines had 11 mine-rescue cars fully manned and equipped scattered through the various mining districts of the United States and Alaska. In normal times they were engaged in giving educational courses in health and safety to our mining people. These cars and their work were the admiration and envy of the entire world. Today only two of these cars are able to work, the others being thrown on railroad sidetracks in various parts of the United States, some to go into rust because of the parsimonious policy of the Federal Government in ruthlessly cutting appropriations for this humanitarian work. The great mining States west of the Mississippi River now have not a single one of these Federal mine-rescue cars doing the wonderful work which they are capable of doing if the funds were available to keep the cars working.

Largely as the result of the wonderful work of the Bureau of Mines in forwarding the health and safety of our mine workers during the past few years, we have been relatively free of the terrible mine-explosion disasters which only a few years ago used to cause the people of the United States to shudder in horror. In 1933 there was but one major explosion in the coal mines of the United States, and in that only 7 lives were lost; in 1934 there was but one, 17 persons being killed.

This year, however, has started out badly, as there was a major explosion at Gilberton, a little town in Pennsylvania, in January with 12 fatalities, and there is but little hope that the good records of 1933 and 1934 can be repeated. Surely the people of the United States do not want to allow our mines again to go back to the conditions of the past when every year had its hundreds of miners wiped out of existence by these terrible explosion disasters. Unless we wake up and give our Bureau of Mines the support it needs and ought to have, we are very likely at frequent intervals to be confronted with headlines in our daily papers announcing mine-explosion catastrophies with scores, possibly with hundreds, of lives cut off at an instant's notice, and with scores, possibly with hundreds, of loved ones mourning the departed ones and deprived of their bread and butter. Surely a far better, even a far cheaper, way would be to give the health and safety work of the Bureau of Mines the support it used to have and should have now.

LOSS OF SAFETY CARS THREATENED

Mr. President, is it right and just to the 400,000 workers who are engaged in mining in the State of Pennsylvania that there will be no mine-rescue cars in the largest coal-producing State in the Union?

It is thoroughly understood, of course, that what we are pleading for now in Pennsylvania and for the rest of the country is an adequate appropriation for the operating of mine-rescue cars and stations and investigation of mine accidents; for the investigation and improvement of mine rescue and first-aid methods and appliances, and the teaching of mine safety, rescue, and first-aid methods; investigations as to the causes of mine explosions, causes of falls of roof and coal; methods of mining, especially in relation to the safety of miners, the appliances best adapted to prevent accidents, the possible improvements of conditions under which mining operations are carried on, the use of explosives and electricity, the prevention of accidents, statistical studies and reports relating to mine accidents, and other inquiries and technologic investigations pertinent to the mining industry; the exchange in part payment for operation, maintenance, and repair of mine-rescue trucks; the construction of temporary structures, and the repair, maintenance, and operation of rescue cars and Government-owned mine-rescue stations and appurtenances thereto.

Someone has wisely said that the most precious thing that ever comes out of a mine is the miner himself. Because the Bureau of Mines has always held this point of view, a large part of its work has always been concerned with safety—with ways and means of preventing accidents and loss of life in mines. As a matter of fact, the Bureau owes its very creation in large part to the feeling aroused through the Nation that some way must be found to prevent the violent explosions

which occurred in our coal mines during the first 10 years of the present century, and which killed more than 1,100 miners in a single year.

SAFETY WORK REDUCES DISASTERS

One of the main causes of these disasters was found to be a gas called "methane", or "fire damp", which occurs in many coal mines and which, when mixed with air and ignited by a flame or an electric spark, can spread death and destruction before it. Obviously, an explosion will not take place if the gas is swept out of the mine at once by use of proper ventilation. But such a condition cannot always be maintained in all the rooms and entries of a coal mine, so the Bureau of Mines also recommends a number of practices which are designed to prevent ignition of the gas if the ventilation should be inadequate. Among these recommendations is the use of closed electric lamps, or of safety lamps in which a fine wire gauze surrounds the flame; the use of permissible explosives, which produce an extremely short flame, instead of the longer-flamed black, blasting powder; and that no electrical machinery be used in any place in a coal mine where the ventilating current is not fresh from the outside, unless the machinery has been tested to make sure that it will not spark.

Another cause of such disasters is the very fine coal dust which is made during mining operations, and which is just as explosive as methane or fire damp if stirred up and mixed with the right amount of air. The Bureau's work has proved—by hundreds of tests in its experimental mine—that coal dust will not explode if powered limestone, or some other rock dust is mixed with the finely pulverized coal. It is gratifying to note that in part, at least, as the result of Bureau work, there was but 1 coal-mine explosion in 1933 and 1 in 1934, as compared with an average of 17 a year during the 5 years before the Bureau of Mines was established, and that the number of men killed in these explosions was but 12 a year for 1933–34, compared with 478 a year for 1906–10.

There are, however, many other dangers to which the miner is exposed. He has to work in close quarters in the mine, and usually without light enough to see his dangers. The roof above his head may fall upon him; he may be hurt by the cars or locomotives that haul the ore or coal; he uses dynamite in blasting—and dynamite can be both dangerous and treacherous. And, when his tools or his machines are driven by electric motors, he must always be on guard against electric shock. But all these dangers have been studied by the Bureau of Mines, and it has recommended many ways of avoiding accidents thus caused.

The Bureau of Mines has trained nearly 800,000 persons in first-aid methods—in what to do during those first few minutes after an accident before the doctor comes, when proper treatment will often save a hand or leg or even save a life. It has trained more than 50,000 miners in methods of entering a mine after an explosion to rescue any miners who may be yet alive. And it has examined many hundreds of mines to recommend ways of correcting unsafe practices, if such be used.

BUREAU CREATED IN 1910

Before the Bureau of Mines was created in 1910 at least 2,000 persons were killed each year by accidents in the mineral industries and at least 120,000 were injured. Today the number killed is less than 1,500 a year and the number injured is less than 75,000. More than four workers every day are killed in the mines. There is no doubt that part of this improvement—and perhaps a very large part—is due to the Bureau's efforts to see to it that the miner does come out of the mine safe and sound.

I desire to repeat what I said to the Seventy-second Congress: We do not know what day a major accident will occur. More than half a century ago, when I was a lad about 5 years of age, I saw one of the worst mining disasters which ever occurred in a mining era. In the town of my birth a mine explosion occurred; hundreds of men were trapped in a mine; and practically every home in the community was affected. There were no mine-rescue crews, no relief of any kind other than that which the mine itself could give—no modern service as we know it now. In my memory now, I not only see the victims being carried from the shaft on improvised stretchers, but I can see a common funeral. I lived on the side of a hill, across the valley from the great mining lord's home who was part owner of the mine, and there I stood with my father and my mother and watched the dead being carried to their many homes. What a pathetic sight! All were one race of people, and all were buried in the same cemetery.

As I look back now, I can remember that day of the common funeral. The mortician was not as modern as he is today, and the fellow-townsmen carried the dead on their shoulders to their everlasting resting place. As I have said, the town was mostly made up of one nationality, and I can still hear the click of their hobnail shoes as they marched on to the cemetery singing hymns of hope and sorrow. It was a tragic day in our little community, a day of broken hearts and spirits.

Such an accident is liable to occur again, and for us to be short of mine-rescue crews, or to have them tied up as some of them are at present, is not practical economy, but almost criminal negligence.

ADEQUATE APPROPRIATION URGED

Mr. President, how many of us here now can recall the mine disasters that have occurred in the United States? What would the people say if we should appear at the scene of one of these mine disasters and find no rescue cars there, and no other help than that which the community itself could give? To make sure that no lives shall be lost because of our negligence, we should make the appropriations requested for this purpose by the Bureau of Mines.

Mr. President, I repeat, the mining industry is one of the Government's largest contributors in the form of taxes. Legislation has been asked for on many occasions by both employers and workers. The N. I. R. A. gave both workers and employers some satisfaction, with the result that there have been fewer strikes this year and less disturbance in the coal-mining area than at any other time in the history of the country.

Mr. President, we know in detail what is wrong with coal. No other industry in the country has had the benefit of such prolonged, intimate, and painstaking study—most of it at Government expense. Over a period of 10 years the Fuel Production Committee of 1917, the Fuel Administrator from 1917 to 1919, the Bituminous Coal Commission of 1921, the Federal Fact Finding Commission, not to mention various congressional and State legislative committees, have all examined the ills of the mining industry and have fully reported upon them. The Federal Fact Finding Commission made by far the most extensive and exhaustive study and has published a priceless aggregation of facts. We thus know precisely what is wrong with the coal-mining industry. We have all the facts we need. The industry needs no further examination. What it needs is to be urged and helped. Mr. President, I believe the American people are anxious to see the industry properly organized and brought to the standard of the other great industries. What it needs now is legislation to effect stabilization. We need such legislation because the industry will never stabilize itself.

While serving as Secretary of Labor, I had an experience which is apropos to the coal situation which now confronts us. The box-board industry of the country was in a deplorable condition. Cutthroat competition was the order of the day. The workers were employed 7 days per week, 11 to 13 hours per day. After a short trial under the regulations as laid down by the Department of Labor, they reduced the time for the worker, without reduction in pay, to 6 days per week. Had they continued operating under the rules and regulations laid down by the Department of Labor, that industry would, in a short time, have operated three 8-hour shifts 5 days per week, without a reduction in pay. However, they could not stand prosperity. There was no compulsion, and a short while afterward they were back again to the law of the jungle.

TROUBLE AHEAD IN COAL

Mr. President, it seemed to me at that time that the box-board industry and the bituminous coal-mining industry, insofar as wages were concerned, were on about the same basis. I feel sure the coal industry today would be as it was in 1926, 1927, and 1928, if the coal codes had not brought both workers and employers together.

Mr. President, there is trouble ahead in the bituminous-coal industry unless this Congress takes action toward stabilization of this basic industry.

Already we have reports of coal orders being taken for delivery after the expiration of the coal code. With the present tenor of feelings in the industry, there is a possibility that the coal code will not be extended. In such an event we will have a recurrence of the evils of the bituminous industry, which brought wreck, ruin, misery, and economic waste and loss. The old evils of cutthroat competition—the law of the jungle, where any tactics aiding toward survival are regarded fair—will return. The coal business is about to enter its tenth year of depression. Poverty and loss stalked in this great basic industry long before the hum of busy factory wheels died to low murmur and long before the smoke from a thousand factory chimneys faded into a dim spiral cloud.

One of labor's most potent weapons in the economic warfare of the past half century has been that of collective bargaining. The group known as the "central competitive field" fixed the wage scales for the entire industry and from the time of its disorganization to the present time of the codes there was but little peace between employer and worker, and cutthroat competition was at its height. Labor was repudiated and maligned by the unsympathetic leaders of industry, but the principle of collective bargaining has triumphed through the codes in the face of tremendous industrial adversities.

Mr. President, in the coal industry, as the business sloughed off more and more, that great principle was faced with a struggle for its continued existence. In many of the coal fields the principle was abrogated and lost. In other fields it had never got a strong foothold. But under the code system the principle of collective bargaining was given recognition until today we find the industry to the extent of about 99 percent utilizing collective bargaining. That principle as one of the assets and attributes of labor is too valuable to forego. Its loss would mean untold discomfort, disturbance, and a great reduction of living standards.

The N. I. R. A. in principle, seeking to balance demand and supply and see that labor gets its just due for its toil, is excellent. But principles in theory are not always executed in practice in accord with the high standards of their sponsors. Such has been the history of the N. I. R. A. The administration has fallen far short of achieving the results which we had all hoped for when we passed the measure.

We have before us the alternative of, first, legislation; second, renewal of the coal code; third, and most serious, a return of the old evils which spell economic ruin and human tragedy.

Mr. President, last year I made a trip through the coal fields of West Virginia. For years the contest had been on to establish the right of collective bargaining. Riots, destruction of property over a period of many years had taken place, but today there is a peaceful relationship between the employer and worker. If the principle is right, in the end it will win, and the principle of collective bargaining as demonstrated in West Virginia shows that it has been profitable to the worker, to the investor, and those who operate the mines.

A THREEFOLD OBLIGATION

America faces a threefold obligation with respect to bituminous coal.

We have first of all the hundreds of thousands of toilers who make their living in the mines—who are dependent directly on the mines and on the coal industry for their daily bread. This number in normal time is approximately 500,000. There are those whose living is indirectly dependent upon coal; that is, if the coal industry thrives, they make a decent living; if the coal industry languishes, they starve like the hundreds of thousands of miners in the United States. The problem of providing a livelihood is a human problem and a human responsibility we dare not shirk.

We must shoulder the social responsibility of seeing that misery and hunger do not stalk the villages and hamlets devoted to those whose living depends on coal. An additional danger with respect to the human responsibility is that of keeping the workers from becoming seditious, dissatisfied, and communistic. A man with a full stomach, an assured income, and economic security will not make a good Communist. A man who is getting a square deal from his Government and a square deal from his industry is not likely to become embroiled in any "red" plots. He is not likely to lend his support and energies to those who would overthrow our Government and bring havoc on the entire Nation. Herein lies an additional human problem which cannot be evaded.

One of the neglected factors in the study of the coal industry has been the position of the women of coal-mining families. Their plight represents another real responsibility. Too often we think of miners' wives as mothers and homemakers like those of the other types of labor. This, however, is not strictly true, for theirs is an even greater burden. Special studies and investigations have revealed the fact that this class of women are as important in the economic picture as any other bread-winning group of women. Many of these wives take in boarders and lodgers; others work out by the day; and others do what little outside work can be done within the limitations of a coal-mining community.

The women, as well as the men, feel the sharp lack of modern conveniences which make them, in many places, live below what we regard as the American standard. Time is too brief to discuss at length some of the social consequences of deflated conditions on the men and women of the mining regions, but we must pause to note that this human responsibility is a grave one indeed.

MUST REHABILITATE A GREAT INDUSTRY

A second obligation is that of preserving and rehabilitating a great industry.

This, of course, is closely related to the first obligation. But the coal industry is like one of the wheels of a moving vehicle which has broken down. If one of the important wheels is broken and inoperative, the vehicle's progress is retarded. The coal wheel has been broken and slowed down for several years and we must now take remedies to see if something can be done to remedy this tragic situation.

The wheel has been broken down for a long time—long before we entered this world-wide depression which began a little over 5 years ago. Since the depression, when the march of industry has been slowed from a quick-step tempo to a slow and faltering pace, coal has suffered to a greatly increased degree.

In 1926 the country enjoyed a period of prosperity, and, labor, for the most part, was happy and contented. But in spite of the increased employment and the abundant prosperity the situation with reference to coal was far from satisfactory. In other words, in the midst of plenty, for most of labor, the coal industry was acutely suffering.

My colleague has introduced a bill to regulate and stabilize the bituminous-coal industry, which is in keeping with all other legislation that has heretofore been presented as a remedy for the ills of the industry. The bill has been referred to the Interstate Commerce Committee. At a future date I shall discuss the merits of Senate bill 1417.

Mr. President, the United States Coal Commission, in its report assessing the importance of coal, said:

> Food and water alone outrank coal among the necessities of life. * * *

This same report allocated the general proportions of coal uses somewhat as follows: 28 percent to railroads, 25 percent to boiler houses of factories and mills, 15 percent to coke ovens and gas plants, 10 percent to homes, 7 percent to steel plants, 7 percent to power plants and street railways, 4 percent exported to Canada or overseas, 2 percent to coal mines for power, and 2 percent to the seaboard for steamship fuel.

The administration is sponsoring appropriations large enough to further develop rivers and harbors and for the erection of hydroelectric power plants. The energy produced in these plants makes for unemployment in the coal fields. If funds can be found for electric-power development which will supplant coal as a fuel, then why cannot the revenue from the sale of hydroelectric power be used to recompense the owners of coal mines whose investments have been made unprofitable, if not entirely destroyed? Why also cannot provision be made for the coal-field workers forced into unemployment by the transition of sources of power?

We can afford to pay a few cents more for coal if it permits the industry to provide for unemployment insurance and general relief.

Still another protective measure which should engage our serious attention is the safeguarding of the homes owned by miners. Substitution of electricity for coal means the abandonment of dwellings in the mining regions, and steps should be taken to retrieve the roof from economic decay.

Mr. President, coal mining is a major industry in several States and an important factor in the economic life of 29 States of the Union. Here is an industry, then, that is one of our most important and one which deserves saving from ruin and from the evils of the old days, when the right of power was found in the might of power.

CONSERVATION OF RESOURCES IMPERATIVE

A third obligation in this coal problem, and one which is demanding increasing attention, is that of conservation of an important natural resource.

We have viewed conservation with more or less apathetic interest for many years. The time is here when we must face the fact that many of our great natural riches are not inexhaustible. We must take steps to conserve. We have already taken those steps with regard to our timber wealth and are seeking to take them with reference to petroleum. We must not forget coal.

Mr. President, with respect to our great natural resources there has been too much waste and not enough utilization; too much exploitation and not enough well-tempered use. The index to the progress of a nation is found in the method whereby it uses its gifts of nature. A nation that is profligate and wasteful cannot long have the benefits of natural wealth, for these gifts are not inexhaustible; but a nation which wisely uses its resources will have the use and enjoyment thereof for generations after the profligate nation has exhausted its supply.

These three obligations, then, are the gist of the problem. On the discharge of those obligations rests the social and economic responsibility of the United States Congress. As consumers and taxpayers, we want to secure coal at a fair price which will mean an American wage to miners, a fair profit to investors and owners, and a proper regard to the use of the natural resources. As consumers we do not want to pay an exorbitant price, but neither do the American people subscribe to the doctrine of buying at starvation wages, which spells misery and tragedy to the toilers and bankruptcy to the owners. The only answer to this paradox is found in sound stabilization. But first let us examine some of the factors in the picture before going into the details of a regulation or stabilization plan.

DEPRESSION FACTORS ENUMERATED

First of all, cutthroat competition is, perhaps, one of the most pernicious influences visited on the body economic. With other factors depressing the demand, and other factors increasing the supply and potential supply, the competition for outlets grows keener and more merciless year by year. Each owner wants a return on his investment. Each investor wants to clip coupons. Each worker wants to continue his job. The result has been wholesale cutthroat tactics of the most blatant sort. Almost any sort of stratagem has been employed to get the price down so that outlets and markets can remain open. The result is that the miner in many cases was reduced to literal serfdom, with starvation wages, and the operator was operating at a bare profit, and in some cases merely breaking even, or taking an actual loss. Deflation of the cruelest sort was visited upon the coal fields. Miners' wages were down to less than $3, when they should have been getting $7.50. Orders were taken for from 40 to 60 cents per ton, when a few years ago miners were getting 90 cents to $1.07 per ton for the mining. Further deflation was caused by lengthening the hours of work where law or agreement did not prevent such practice.

Such deflation of wages is a step backward for labor; for the story of the toiler's progress has ever been a story of struggle to increase his earnings, to shorten his hours, and to better his conditions. Perhaps a brief excursion into the history of wages may not be amiss. I quote from page 98 of the Report of the Secretary of Labor for 1925:

One of the first steps labor ever made was in the days of Nimrod, the mighty king of Genesis, when slaves were first allowed to buy their freedom and own themselves. The people of that time regarded that as a highly risky thing. This was the beginning of individualism, the right to express personality and to do, that one might enjoy the right of liberty and ownership of the product of his labors. Strange to say, today we hear many misguided and misinformed men advocating that society go back 7,000 years by taking away the right of ownership of property by individuals, taking away the incentive to produce, and making men mere slaves of government. Such is the effect of communism. Men would become slaves of the State.

The Romans of the time of Nero permitted the same thing, and again man thought the world was coming to an end. No Greek thought an artisan possessed a soul. The Romans withheld the vote from any man who worked.

In the ages of feudalism the man who worked was still a serf. In days as recent as those of the reign of Queen Victoria, when machinery was first invented and the factory system came in, the worker was as ruthlessly exploited as he was in the days when the stones were being rolled up for the Pyramids.

WAGES MOVE SLOWLY UPWARD

Take the everyday matter of wages: Throughout history they have always moved upward as regularly as the ticks of a clock. The first steps were slow; as, for instance, it took 750 years for the British carpenter to move up from a daily wage of 5 cents to $5. The same process has gone on in every country at every time in the past wherever men have worked and tried to better themselves. Step by step the worker of the dim past won from his fellowmen some benefit for himself. Little by little he added to his rights, his enjoyments, his dignity. But every time the worker improved his own condition he bettered the condition of humanity as a whole. Most truly has it been said that "the rise of man is the rise of the worker." The story of what our modern civilization owes to this age-long struggle of the workingman to improve himself is a story that yet remains to be told. It is a story that suggests the position of dignity and power that the workers enjoy today, especially in the United States.

Another factor which cannot be denied is that of foreign importation. In some of the seaboard sections, I am told, importation of coal has all but destroyed important outlets for anthracite, which in turn has its effect on bituminous. We must remember, too, that imports of coal are only possible when the producing country mines coal at labor costs which are much lower than ours, and by miners whose standard of living is much lower than those of our people.

Serious overdevelopment has meant increased plant capacity and increased man power, of both of which there has been a greater supply than demand. The result has been chaotic both to man and to corporation returns.

Whenever in this economic world man sees an opportunity to increase his lot in life he generally takes the necessary steps, whether those steps be changing jobs, changing business organizations, or developing new ones. So it has been with reference to coal. Coal in the past offered certain financial attractions to the business man. Especially during the war, when coal mines were booming, was this true. As a result, we have seen a tremendous increase in plant capacity, and a great increase in man power. These conditions now are such that it is said we can produce more than twice

enough to supply our needs. With all this plant capacity and these tens of thousands of surplus miners we are faced with a double-barreled overstock which constitutes one of our most acute problems.

ILLUSTRATIVE INDUSTRIAL CASE GIVEN

As an illustration of what I mean, I should like to give an illustration from facts concerning the great bituminous State of Illinois. This status is given as of 1925:

Mr. President, let us take another situation, that relating to bituminous coal. I am not going to attempt to give you the figures for the entire country, but the following represents conditions in one State for 1 year recently:

Eliminating from the argument the so-called "snowbird" mines, or local wagon mines, of which there are 694 in the State; eliminating these entirely from the problem there are 338 shipping mines in the State of Illinois. According to the Illinois coal report these operated an average of 139 days. As a matter of fact, 10 percent operated less than 60 days and only 55 percent made the average of operating time. Only three-tenths of 1 percent operated 270 days or over. Eighty-four of these 338 mines in Illinois, or 24.9 percent, employing 51.5 percent of the total persons employed in coal mining in the State, had they operated 300 days, could have produced 77,783,800 tons of coal, which is 7,000,000 tons more than all of the shipping mines did produce, and 5,000,000 tons more than both shipping and local mines produced in the year 1924. This means that 254 of the 338 principal mines in one State represent an unnecessary expenditure of money, so far as the capital invested in the mines themselves is concerned, and that they simply prevent an adequate number of mines from producing an adequate amount of coal by giving the necessary number of men a reasonable number of days' work in the year.

The turnover in the coal mines of Illinois is over 85 percent, which means that there are 1.85 men in the industry for every job, and that only 1 man can work where 2 must live with all of their dependents.

Another factor disturbing the industry has resulted from the selfishness of some to enrich themselves by perpetrating an economic waste on the industry in the matter of stock manipulation and unjust land control.

Great areas of land are often leased or bought and held out of production in order to keep the price of coal up. However, the expense of buying or leasing and an income from this land is charged against the coal business. The result is, of course, that two groups face this burden—the miners and the consumers.

Related to this is the practice of stock jobbing, or of pyramiding, and the business of organizing and reorganizing, and of skyrocketing paper profits where neither the interest of wise production nor consumption is served. This practice has taken its toll toward reducing the coal industry to its present unfortunate status.

STRIKES CAUSE ECONOMIC LOSS

Mr. President, strikes always cause a loss to the economic structure and more likely than not to the strikers themselves, as well as to the employers. Yet the right to strike is what might be called one of the inalienable rights of labor in this modern competitive and highly mechanized world.

We have all witnessed some of the results of strikes in the last 2 years of industrial unrest. I should like to advert briefly to a strike which took place in 1922. In commenting on this industrial disturbance as Secretary of Labor reporting to the Congress I said:

> At one time during the last year there were more than a million American workingmen idle, due to strikes in three of our major industries—coal mining, railroad-shop crafts, and textile manufacture. The drastic effect of this tremendous suspension of production and transportation upon our national prosperity has been felt by every man, woman, and child in the land. Its evil results will be in evidence for months. It impressed upon the whole country the far-reaching consequences of such industrial conflicts and aroused the whole Nation to the need of preventing them.
>
> One of the tragedies of these great industrial disturbances is that in practically every instance they are finally settled by negotiation. After a whole industry has been fettered, after thousands of workers have been dragged through months of misery and suffering, often to the very verge of starvation, the issues are adjusted by representatives of both sides, seated around the council table, in an earnest effort to compose their differences. No better example of the futility of these appeals to force can be found than the recent strike of the bituminous coal miners. After months of suspended industry, the 600,000 striking coal miners returned to their work without a single change having been effected in wages or conditions of employment. The workers were struggling to hold fast that which they had gained. We must find a way to avert these futile, fatal appeals to force in industry, with their vast losses to the worker, the employer, and to the public, which is today so vitally dependent upon industry in its daily life. We must and will find a way to settle these disputes by the force of reason and justice before the appeal to force is made. Instead of conferences after months of industrial battle, I would have council before the strike is called.
>
> There is close community of interest between the employer and the worker in every industry. Unless obscured by passion and prejudice in the heat of dispute, that community of interest will operate to adjust any differences that may arise between the two to their common benefit. This community of interest, to my mind, is the secret of ending these industrial conflicts.

The fact, however, that the worker of today enjoys the highest wages ever paid in history, the shortest hours, the highest standard of living, and the respect that is now paid to the man who works, does not mean that all the ideals for which labor has been struggling for 7,000 years have been realized.

In order to aid the operators in their quest for new markets and in their bitter struggle to keep the old ones open a great trend of mechanization was ushered into the coal industry. The proportion of coal miners who have been displaced by this means of technological advance is not exactly known, but in percentage it must be very high. New machinery was introduced, which meant that one or two men could do the work of whole crews. Loading and mining machines in the mines and special equipment outside the mines all aided in the matter of displacing men, and displacement meant reduced labor costs, lower overhead, and lower prices to meet the keen competition of other producers.

STRIP MINING OFFERS NEW PROBLEM

New methods of mining were introduced. For example, the practice of so-called "strip mining" has come into increased use in the last few years. By this process the great beds or veins of coal are uncovered by means of steam and electric shovels and loaded into trucks, wagons, or railway cars. The expense of drilling shafts, operating cages, timbering, laying track, and numerous other steps are eliminated. Coal is mined much more cheaply and with a force which entails only a fraction of the cost of the shaft or slope method.

There is no question but that some sort of tax on the gross income should be computed in the strip-mining industry and should be set aside for reconditioning the land.

Mechanization has not been confined to the mines; it has reached into the homes and factories. Automatic stokers have been perfected which are reaching thousands per year in sales and installations.

Installation of stokers means increased heat capacity and efficiency, thereby diminishing to an extent the total consumption of coal. The influence of stokers will become greater rather than less as the years go by.

The popularity of oil furnaces and electric heat is increasing to the detriment of the coal industry. These new inventions represent steps in the onward march of progress, and we cannot stay them any more than we can stem the irresistible sweep of the ocean tides. As a consequence we must take into consideration technological improvements in production and consumption in the problem we are facing in trying to bring order out of chaos in the coal industry.

Some of the consequences of these factors in the coal industry have resulted in lowered standards of living, loss of profit, flagrant use of the "yellow dog" contract, and strikes, causing untold loss in human and economic casualties.

The "yellow dog" contract has been outlawed, and all other unfair practices will go the same way.

BITUMINOUS COMMISSION RECOMMENDED

Much is said about commissions, but I would rather have an impartial commission than a partial code commission. The commission should ever keep in mind the problems of

the bituminous coal industry, which the Secretary of Labor in 1922 outlined on page 75 of his annual report, from which I read:

1. Ownership:
(a) Estate mineral holdings leased to operating coal companies.
(b) Corporation mineral holdings held in undeveloped reserve.
(c) Holdings of operating companies in fee, mineral, or leased.
(d) Original valuations of said holdings when first acquired for mining purposes.
(e) Present valuations.
(f) Royalties paid by lessee operations with detailed comparison of changes in royalties during the last 10 years.

The purpose of such a survey is to locate present ownership of our coal lands with special reference to the future control of same as well as the amount of royalties which becomes a tax on the coal-consuming public.

2. Sources of coal supply:
(a) List and map location of present bituminous operating fields in every State with the annual production each year since 1910—also anthracite fields.
(b) Special characteristics of the coals of the different fields as well as their special commercial use.
(c) Competition between different coal fields in seeking and finding a market.

3. Average cost of production—f. o. b. cars at mines in each producing field. This cost is to be shown in detail:
(a) Labor.
(b) Management (local) management (executive).
(c) Supplies.
(d) Repairs.
(e) Fixed charges:
Taxes, insurance, interest on bonds, etc.
Sinking fund.
(f) Royalty.
(g) Depreciation.

Extent and cost of improvements and new developments and how shown in the cost or balance sheets of mining companies.

Change of methods of cost accounting during the last 5 years showing in a comparative way the items and amounts used during the previous 5 years which will indicate clearly the relative variation and share of each item as affecting the gross cost for each of the last 10 years.

4. Sales—wholesale—mine-selling expense:
(a) Coal company agencies.
(b) Commission of brokerage paid to agents.
(c) Producing company partnership or control of wholesale selling agencies.
(d) Duplication or multiplying of commissions through rehandling.
(e) Proportion of sales under contract.
(f) Proportion—held for spot market.
(g) Relative shares of producer and brokers in ultimate spot sales.

Sales—retail:
(a) Number of dealers in each State.
(b) Amount and grade of coal handled.
(c) Detailed cost of operating each yard, including delivery, sales, expenses, etc., based on each ton sold.
(d) Average sale prices charged each month of each year for the last 5 years.
(e) Average mine price paid f. o. b. mines each month plus freight, plus cost of operation as per (c).
(f) Margin of final profit for each month.
(g) Storage capacity and when yard is fully stocked.

Freight rates—transportation and distribution:
(a) From each producing field to the leading markets of the country with the special purpose to show extent of competition between the different coal fields by comparison of competitive rates and mileage in transit.
(b) Ratio of consumption for each producing State and where surplus finds market.

Stabilization:
(a) Ratio of production in tons produced in each State sold on all-year contracts.
(b) Ratio of production sold in the summer months for storage. How stored—by whom or how carried.
(c) Ratio of production held for spot or free market during each month of the year.
(d) What is actual capacity of mines in each State if mines could work regularly 5½ days per week.

Let the worker and employer agree on arbitration, as has been suggested in legislation heretofore presented.

Mr. President, may I observe at this point that all the legislation for the regulation of the bituminous-coal industry which has been presented to Congress has provided that the industry pay a sum into the Treasury which would defray the cost of operating the Commission. Even though the money for the Commission would come from the general funds in the Treasury, this outgo would be compensated for by the aforesaid payments which the industry would make to the Treasury, and would give greater dividends in human and economic relief than that which is achieved under the present system.

I read further from the report:

One will note many changes have taken place. We talked then of 5½ days per week. Now, I know of no one, employer or worker, that wants to work in the mines more than 5 days per week.

The people of the country are beginning to believe that coal, oil, and gas should have the status of at least a quasipublic utility.

I shall not discuss the legal phase of this on this occasion, but pending legislation will call for that when the committee reports to the Senate; but let us not worry about more commissions, if commissions are going to be useful ones to the Government—useful not alone to the business and industrial side of it but to the workers, for, after all, it is the human element that counts. I vision the day when I see the human element given first place, or a very high one, in the industrial economic life of our Nation. If commissions will end strikes, cutthroat competition, and shorten the hours of labor in the mines, both metal and coal, it will not only keep wages at the American standard but conserve our human, natural, and industrial resources, and will stabilize basic industries which give employment and livelihood to more than 2,000,000 human beings.

* * * * * * *

President Coolidge had before him during his incumbency many problems concerning conservation and use of natural resources. In April 1930, which is significant in view of the information and conclusions which I have offered, President Coolidge said:

* * * but things are so ordered in this world that it is not to the final advantage of the public to buy large supplies below cost. Their action is sure to be bad. Some action for conservation without unlawful restraint of trade is needed for the present and future welfare.

This statement of the former President could not have applied to any industry more than it does to coal. Again I say cutthroat competition and a myriad of other evils forced this industry into depression a decade ago. We are now reaping some of the harvest of the seeds of those evils.

COAL MONOPOLY VIRTUALLY IMPOSSIBLE

I see no particular advantage in any legislation which is presented or has been presented to the Congress that will bring about a monopoly in coal. Nature has been too generous for any one group to get a monopoly on this natural resource. The adage which tells us that "competition is the life of trade" is an old one, and doubtless it was true in the day when the phrase was coined, but time has a habit of turning our old truths into falsehoods, and I believe in the matter of coal its falsehood has become clearly pronounced. There has been too much disastrous competition here and its evil effects are clearly apparent. A certain amount of competition is doubtless a stimulant, and a stimulant is sometimes needed, but the coal industry has been so overstimulated that it now resembles a man in the condition known, in slang phrase, as having "a jag on." Overcompetition in this industry has made not for prosperity but for adversity.

In normal times it is not possible for American coal to compete much with other coal in the markets of the world, because outside of America wages are low. Real wages in a large American city are twice what they are in London, three times what they are in Paris, and more than four times what they are in Brussels, Rome, and Madrid. There is a great differential between Europe and Asia and about a 75-percent difference in the wages paid in Europe and those paid in Asia. It is the high wage paid to American labor that has given us the greater amount of prosperity, while Europe and Asia are poor because the workers are not an adequate factor in the economic life of their respective countries; but even in America there are some industries where the wage paid is so low that the workers have but slight purchasing power, and where this occurs but little of the productive power of America finds a market among them. Can we call an American industry a prosperous industry which does not pay wages high enough so the workers can buy the products of other industries? Can we call an American industry a prosperous industry when the standards of living of its workers are below the American standard? I say "no." The industries which employ men at a wage

so low as to lower the standard of living below the American standard sin against their own light. Take some of the industries producing luxuries or semiluxuries, for example. We see these industries striving to cheapen or break down the price of coal.

The men who own and operate these industries have but one thought in their minds and that is how to buy coal and other materials as cheaply as possible. They forget that the purchasing power of the men who produce the coal is, or should be, an important factor in our economic life. They forget that the man who receives only a bare subsistence wage is unable to buy the luxuries, or semiluxuries, that they produce. They want prosperity for themselves, but they have not yet learned that they can have the highest prosperity only when the condition of prosperity is found everywhere.

SELFISHNESS DEFEATS SELF

Selfishness, in the long run—and the longest run is never very long—always defeats itself. History is eloquent in its tales of the despair that overtakes selfishness in the end.

We have in America many industries that are so selfish they are strong for protection for themselves, but not for others. I have one such industry in mind at this moment—it says it is unable to compete with the low wages paid to the workers of Europe. That is true, but I am informed by a very reliable coal operator that this very industry I speak of, which is so anxious to be protected against the cheap labor of Europe, is always doing its level best to obtain the coal of America at prices which prevent the operators from making an insignificant profit, or no profit at all. This selfish policy is sure to defeat itself in the end.

The first thought of every employer ought to be the wages paid to his men. He should consider how he can pay them the highest wages possible. There should never be any reduction in wages in order to lower costs; to lower costs the employer should look to new machinery and to greater efficiency in business management.

The employer who believes in a protective tariff and yet insists on buying supplies at disastrous prices is saving himself from foreign industries yet is taking advantage of American industries. I repeat what I said a moment ago—the only prosperous industries in America are those that pay high wages. Perhaps it may be said in reply to what I remarked on the subject of selfishness defeating itself that there is such a thing as enlightened selfishness. And perhaps there is such a thing. But my advice to any man who says that he believes in enlightened selfishness is to make sure first that his selfishness is enlightened. The man who pays good wages may say that his policy is dictated by an enlightened selfishness, if he so desires; but no employer who pays low wages has any right to use the qualifying word "enlightened." His policy is the product of selfishness without any qualifying adjective; it is of selfishness pure, simple, and compact. If I could plead with the business men of America, I would urge them to organize an association for their own protection. I would urge them not to allow any person to become a member of that association unless he believes not only in paying good wages to his men but believes in paying fair prices to the industries which supply his raw materials, so that these industries may return a fair profit to their investors and pay respectable wages to their men. I would urge them to make it strong—so strong and so powerful that nonmembership within it would mean ostracism in the business world. I fully realize that would be most difficult to bring about. If we could bring it about, we would not need any legislation to help bring about stabilization in coal.

The little experience I have had has led me to believe that the competitive system is so strong within us that we reach out for any and all business and then ask our men to suffer a reduction in wages which means the destruction of our purchasing power.

CAPITAL IS EXPATRIATED

In 1928 I met an American manufacturer en route to Europe. I asked, "What for?", and he answered "To buy a new factory." He said that because of low tariff he could not compete with foreign manufacturers, and he was not going to appear before a congressional committee to ask for an increase in tariff; he was going to use his head to do business, and that he could do business in any part of the world so long as the money flowed in to the stockholders of his company. He informed me that he paid 50 cents an hour in his New York factory, 25 cents an hour in his Liverpool factory, and he was going to Germany to purchase a factory where he could buy labor for 17 cents per hour. Now, it is a fine thing to use one's head provided one uses the whole of one's faculties; but it is quite possible for a man to be pennywise and pound foolish, and history teaches us that men have always had a tendency to be just that. The manufacturer who was en route to Europe had adopted a policy that would inevitably destroy the purchasing power of the people of America. He was wringing the neck of the goose that lays or has the power to lay the golden eggs. There are a great many others who are engaged in the same sort of task, and it would be well if somehow or other the Government would make an investigation as to how many of our leading industrialists are investing in factories abroad and what their competition with our own people amounts to. If they have a plant abroad and one here making the same materials, they would operate one 6 months in the year and close the other. They are so short-sighted that they fail to see that the lowering of the labor market lowers the labor market for their own products.

Now I am sure we have no problem in this country which cannot be settled if we possess the good will for settling problems, and as one of the greatest of German philosophers, old Kant, of Koenigsberg, said: "There is nothing that is good in the world, except the good will." The only question is whether we in America possess a good will or not. I believe the overwhelming majority of us do possess it. But there is not an inconsiderable minority possessing a considerable measure of wealth and power, of which it can hardly be said that the good will is a salient feature of their minds.

What we want in America is reasonable competition, and not a dog-eat-dog policy, such as we are about to face next June or July if some legislation is not passed that will be helpful to the bituminous coal industry. We can no longer believe that there is a mystical kind of force in the world of the sort that Herbert Spencer called the "Law of Evolution", which in its own good time doeth all things well, whether we seek to cooperate with or hinder it. Men have always had to proclaim to the world the principles of justice and truth, and they have ever had to labor to see that the principles of justice and truth prevail. As it has been in the past, so it will be in the future. My faith in the destiny of America is my faith in the good will of the majority of Americans; and the majority of Americans, I believe, would look with favor upon legislation which will conserve our natural resources, and above all will help us to stabilize coal, for the stabilization of coal means the end of poverty in the coal-mining area in this, the richest country in all the world.

During the delivery of the speech of Mr. DAVIS—

Mr. ROBINSON. Mr. President, will the Senator kindly yield to me for a moment?

Mr. DAVIS. Certainly.

Mr. ROBINSON. It is necessary that I be absent on the business of the Senate probably for the remainder of the afternoon.

The Senate finds itself in the unusual condition of having disposed of all business on its calendar, with the exception of certain nominations on the Executive Calendar. It is expected that later in the day an executive session will be held for the purpose of disposing of these nominations, and then that an adjournment may be taken until Friday.

I ask unanimous consent that during the recess or adjournment of the Senate the Committee on Appropriations may file a report with the Secretary and that the report may be printed when so filed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. PITTMAN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate several messages from the President of the United States transmitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Harry C. Gravelle, of Nevada, to be United States marshal for the district of Nevada.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the following nominations:

George L. Grobe, of New York, to be United States attorney for the western district of New York; and

Jesse Jacobs, of New York, to be United States marshal, northern district of New York, to succeed William N. Cromie, resigned.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of John McDuffie, of Alabama, to be United States district judge, southern district of Alabama, to succeed Robert T. Ervin, retired.

Mr. METCALF, from the Committee on Interstate Commerce, reported favorably the nomination of Norman Case, of Rhode Island, to be a member of the Federal Communications Commission for the term of 4 years from July 1, 1934.

Mr. WHEELER, from the Committee on Interstate Commerce, reported favorably the following nominations:

Thad H. Brown, of Ohio, to be a member of the Federal Communications Commission for the term of 6 years from July 1, 1934;

Paul Walker, of Oklahoma, to be a member of the Federal Communications Commission for the term of 5 years from July 1, 1934;

Irvin Stewart, of Texas, to be a member of the Federal Communications Commission for the term of 3 years from July 1, 1934; and

Eugene O. Sykes, of Mississippi, to be a member of the Federal Communications Commission for the term of 7 years from July 1, 1934.

Mr. WAGNER, from the Committee on Interstate Commerce, reported favorably the nomination of George Henry Payne, of New York, to be a member of the Federal Communications Commission for the term of 2 years from July 1, 1934.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Samuel S. Dickson, of New Mexico, now Foreign Service officer of class 6 and a secretary in the Diplomatic Service, to be also a consul.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Col. Richard P. Williams to be a brigadier general in the Marine Corps from the 29th day of May 1934.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

NATURALIZATION TREATY WITH ALBANIA

The PRESIDING OFFICER. The Clerk will state the first business in order on the executive calendar.

The Senate, as in Committee of the Whole, proceeded to consider Executive A (72d Cong., 2d sess.), a treaty of naturalization between the United States of America and Albania, signed at Tirana, April 5, 1932, which provides in accordance with the joint resolution of Congress, approved May 28, 1928, for the exemption from liability for military service, or any other act of allegiance, during a stay in Albania, of naturalized American citizens and persons born in the United States of Albanian parentage, which was read the second time, as follows:

The Government of the United States of America and the Government of the Kingdom of Albania, being desirous of reaching an agreement concerning the status of naturalized citizens or subjects of either country who were formerly nationals of the other, and the liability for military service and other acts of allegiance of such persons and of persons born in the territory of either state of parents having the nationality of the other, have resolved to conclude a treaty on these subjects, and for that purpose have appointed their plenipotentiaries, that is to say:

The President of the United States of America: Herman Bernstein, Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Albania, and

His Majesty, the King of the Albanians: His Excellency, Pandeli J. Evangheli, Prime Minister and Minister for Foreign Affairs ad interim;

Who, having communicated to each other their full powers, found to be in good and due form, have agreed upon the following Articles:

ARTICLE I

Nationals of the United States who have been or shall be naturalized in Albanian territory shall be held by the United States to have lost their former nationality and to be nationals of Albania.

Reciprocally, nationals of Albania who have been or shall be naturalized in territory of the United States shall be held by Albania to have lost their original nationality and to be nationals of the United States.

The word " national," as used in this convention, means a person owing permanent allegiance to, or having the nationality of, the United States or Albania, respectively, under the laws thereof.

The word " naturalized," as used in this convention, refers only to the naturalization of persons of full age, upon their own applications, and to the naturalization of minors, through the naturalization of their parents. It does not apply to the acquisition of nationality by a woman through marriage. Minor children of persons naturalized in either country shall not acquire the nationality of that country until they shall have established their habitual residence there.

ARTICLE II

Nationals of either country, who have or shall become naturalized in the territory of the other, as contemplated in Article I, shall not, upon returning to the country of former nationality, be punished for the original act of emigration, or for failure to respond to calls for military service accruing after bona fide residence was acquired in the territory of the country whose nationality was obtained by naturalization.

ARTICLE III

If a national of either country, who comes within the purview of Article I, shall renew his residence in his country of origin without the intent to return to that in which he was naturalized, he shall be held to have renounced his naturalization.

The intent not to return may be held to exist when a person naturalized in one country shall have resided more than two years in the other; but this presumption may be overcome by evidence to the contrary.

ARTICLE IV

A person born in the territory of one party of parents who are nationals of the other party, and having the nationality of both parties under their laws, shall not, if he has his habitual residence, that is, the place of his general abode, in the territory of the state of his birth, be held liable for military service or any other act of allegiance during a temporary stay in the territory of the other party.

ARTICLE V

The present Treaty shall go into effect immediately upon the exchange of ratifications, and shall continue in force for ten years. If neither party shall have given to the other six months previous notice of its intention then to terminate the Treaty, it shall further remain in force until the end of twelve months after either of the contracting parties shall have given notice to the other of such intention.

In witness whereof, the respective plenipotentiaries have signed this Treaty and have hereunto affixed their seals.

Done in duplicate at Tirana, this fifth day of April, 1932.

HERMAN BERNSTEIN [SEAL]
PANDELI J. EVANGHELI [SEAL]

Mr. McNARY. Mr. President, I am not advised concerning the treaties now on the Executive Calendar. Does the Senator desire to have them considered this afternoon?

Mr. PITTMAN. I will say that these treaties are in the regular form of treaties we have heretofore ratified. They were considered by the Foreign Relations Committee and unanimously reported. The treaty now pending is solely with regard to nationality. Under its terms the nationals of Albania, who have been naturalized in this country and return to Albania, may not be placed in the military service. It is reciprocal so far as the United States is concerned.

Mr. McNARY. I understand the committee unanimously reported in favor of the treaty?

Mr. PITTMAN. Yes.

Mr. McNARY. I have no objection.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Seventy-second Congress, second session, a Treaty of Naturalization between the United States of America and Albania, signed at Tirana, April 5, 1932, which provides, in accordance with the joint resolution of Congress, approved May 28, 1928, for the exemption from liability for military service, or any other act of allegiance, during a stay in Albania of naturalized American citizens and persons born in the United States of Albanian parentage.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question:] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

CONVENTION WITH SWEDEN—EXEMPTION FROM MILITARY OBLIGATIONS

The Senate, as in Committee of the Whole, proceeded to consider Executive D (72d Cong., 2d sess.), a convention between the United States of America and Sweden, signed at Stockholm on January 31, 1933, exempting persons possessing the nationality of both parties who habitually reside in the territory of one of them and who are in fact most closely connected with that party from all military obligations in the territory of the other party, which was read the second time, as follows:

The President of the United States of America and His Majesty the King of Sweden, being desirous of regulating the question of exemption from military obligations of persons possessing the nationality of both the High Contracting Parties, have decided to enter into a Convention for that purpose, and have appointed as Their Plenipotentiaries:

The President of the United States of America:

The Honorable John Motley Morehead, Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Stockholm;

His Majesty the King of Sweden:

Mr. Östen Undén, acting Chief of His Ministry for Foreign Affairs, Minister without portfolio;

who, having communicated their full powers found in good and due form, have agreed as follows:

ARTICLE 1

A person possessing the nationality of both the High Contracting Parties who habitually resides in the territory of one of them and who is in fact most closely connected with that Party shall be exempt from all military obligations in the territory of the other Party.

ARTICLE 2

The present Convention shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by His Majesty the King of Sweden with the consent of the Riksdag of Sweden and shall enter in effect three months after the exchange of ratifications at Washington and shall remain in force until the expiration of six months from the day on which one of the Parties shall have given notice to the other for its termination.

In witness whereof the respective Plenipotentiaries have signed the present Convention in duplicate in the English and Swedish languages and have thereunto affixed their seals.

Done at Stockholm the 31st day of January, 1933.

[SEAL.] JOHN MOTLEY MOREHEAD.
[SEAL.] ÖSTEN UNDÉN.

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, Seventy-second Congress, second session, a convention between the United States of America and Sweden, signed at Stockholm on January 31, 1933, exempting persons possessing the nationality of both parties who habitually reside in the territory of one of them and who are in fact most closely connected with that party from all military obligations in the territory of the other party.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the convention is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH BULGARIA

The Senate, as in Committee of the Whole, proceeded to consider Executive S (73d Cong., 2d sess.), a supplementary extradition treaty between the United States and Bulgaria, signed at Washington June 8, 1934, which was read the second time, as follows:

The United States of America and Bulgaria being desirous of enlarging the list of crimes on account of which extradition may be granted under the treaty concluded between the United States of America and Bulgaria on March 19, 1924, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America; Mr. Cordell Hull, Secretary of State of the United States of America; and

His Majesty the King of the Bulgarians; Mr. Stoyan Petroff-Tchomakoff, Chargé d'Affaires of Bulgaria to the United States of America,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 23 in article II of the said treaty of March 19, 1924, on account of which extradition may be granted, that is to say:

25. Crimes or offenses against the laws of bankruptcy.

ARTICLE II

The present treaty shall be considered as an integral part of the extradition treaty of March 19, 1924, and article II of the last-mentioned treaty shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 25 in the first Article of the present treaty.

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange

of ratifications which shall take place at Sofia as soon as possible.

In witness whereof the above-named plenipotentiaries have signed the present treaty and have hereunto affixed their seals.

Done, in duplicate, at Washington, this 8th day of June, 1934.

CORDELL HULL [SEAL]
S. PETROFF-TCHOMAKOFF [SEAL]

Mr. PITTMAN. Mr. President, this treaty is supplemental to our general extradition treaty, and adds only one class of crimes—that is, crimes, or offenses against the laws of bankruptcy.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive S, Seventy-third Congress, second session, a supplementary extradition treaty between the United States and Bulgaria, signed at Washington, June 8, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH ESTONIA

The Senate, as in Committee of the Whole, proceeded to consider Executive A (74th Cong., 1st sess.), a supplementary extradition treaty between the United States and Estonia, signed on October 10, 1934, which was read the second time, as follows:

The United States of America and the Republic of Estonia, being desirous of enlarging the list of crimes on account of which extradition may be granted under the treaty concluded between the two countries on November 8, 1923, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America, Cordell Hull, Secretary of State of the United States of America; and

The President of the Republic of Estonia, Mr. Charles Kuusik, acting consul general of the Republic of Estonia in the city of New York,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE 1

The following crimes are added to the list of crimes numbered 1 to 25 in article II of the said treaty of November 8, 1923, on account of which extradition may be granted, that is to say:

26. Crimes and offenses against the bankruptcy laws.

ARTICLE 2

The present treaty shall be considered as an integral part of the said extradition treaty of November 8, 1923, and article II of the last-mentioned treaty shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 26 in the first article of the present treaty.

ARTICLE 3

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications, which shall take place at Tallinn as soon as possible.

In witness whereof, the above-named plenipotentiaries have signed the present treaty and have hereunto affixed their seals.

Done in duplicate at Washington, this 10th day of October, 1934.

CORDELL HULL. [SEAL]
CHARLES KUUSIK. [SEAL]

Mr. PITTMAN. That is an identical treaty with the others.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States and Estonia, signed on October 10, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

SUPPLEMENTAL EXTRADITION TREATY WITH SWITZERLAND

The Senate, as in Committee of the Whole, proceeded to consider Executive B (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and Switzerland, signed at Washington January 10, 1935, which was read the second time, as follows:

The President of the United States of America and the Swiss Federal Council, animated by the desire of assuring a better administration of justice and suppressing crime on their territory and under their jurisdiction, have resolved to conclude an additional treaty enlarging the list of the crimes or offenses which are extraditable under the treaty concluded May 14, 1900, between the United States of America and Switzerland and have named as their Plenipotentiaries:

The President of the United States of America, Mr. Cordell Hull, Secretary of State of the United States of America;

The Swiss Federal Council, Mr. Marc Peter, Envoy Extraordinary and Minister Plenipotentiary of the Swiss Confederation to the United States of America;

Who, after having exchanged their full powers, which were found to be in good and due form, have agreed upon the following articles:

ARTICLE 1

The following crimes or offenses shall be added to the list of the crimes or offenses for which extradition may be granted, enumerated under Nos. 1 to 11 in article II of the said treaty of May 14, 1900, to wit:

12. Fraudulent bankruptcy.

13. Intentional violation of the laws relative to narcotics provided such violation carries in Switzerland a penalty of 1 year's imprisonment or a more severe penalty, and that in the United States of America such violation is punishable as a felony.

ARTICLE 2

This treaty shall be considered as an integral part of the treaty of May 14, 1900, and article II of the latter treaty shall be read as if the list of the crimes or offenses which appear therein had from the first included the crimes or offenses which are added and specified under nos. 12 and 13 in article I of this treaty.

This treaty shall be ratified by the high contracting parties and shall become effective on the date of the exchange of the instruments of ratification, which shall take place at Washington as soon as possible.

In witness whereof, the above-named plenipotentiaries have signed this treaty and have hereunto affixed their seals.

Done at Washington, in duplicate, in the English and French languages, the 10th day of January, 1935.

CORDELL HULL. [SEAL]
MARC PETER. [SEAL]

Mr. PITTMAN. This treaty is similar to the others, Mr. President. I ask that it be ratified.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive B, Seventy-fourth Congress, first session, a supplementary extradition treaty between the United States of America and Switzerland, signed at Washington, January 10, 1935.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. (Putting the question.) Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

SUPPLEMENTARY EXTRADITION TREATY WITH LATVIA

The Senate, as in Committee of the Whole, proceeded to consider Executive C (74th Cong., 1st sess.), a supplementary extradition treaty between the United States and Latvia, signed on October 10, 1934, which was read the second time, as follows:

The United States of America and the Republic of Latvia, being desirous of enlarging the list of crimes on account of which extradition may be granted under the treaty concluded between the two countries on October 16, 1923, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary treaty for this purpose and have appointed as their plenipotentiaries, to wit:

The President of the United States of America, Mr. Cordell Hull, Secretary of State of the United States of America; and

The President of the Republic of Latvia, Mr. Arturs Lule, consul general of Latvia in New York,

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE 1

The following crimes are added to the list of crimes numbered 1 to 24 in article II of the said treaty of October 16, 1923, on account of which extradition may be granted, that is to say:

25. Crimes against the bankruptcy laws.

ARTICLE 2

The present treaty shall be considered as an integral part of the said extradition treaty of October 16, 1923, and article II of the last-mentioned treaty shall be read as if the list of crimes therein contained had originally comprised the additional crime specified and numbered 25 in the first article of the present treaty.

ARTICLE 3

The present treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications, which shall take place at Riga as soon as possible.

In witness whereof, the above-named plenipotentiaries have signed the present treaty and have hereunto affixed their seals.

Done in duplicate at Washington, this 10th day of October 1934.

CORDELL HULL. [SEAL]
ARTURS LULE. [SEAL]

Mr. PITTMAN. That is also similar to the other treaties, and I ask that it be ratified.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive C, Seventy-fourth Congress, first session, a Supplementary Extradition Treaty between the United States and Latvia, signed on October 10, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to and the treaty is ratified.

SUPPLEMENTARY EXTRADITION CONVENTION WITH SAN MARINO

The Senate, as in Committee of the Whole, proceeded to consider Executive D (74th Cong., 1st sess.), a supplementary extradition convention between the United States and San Marino, signed on October 10, 1934, which was read the second time, as follows:

The United States of America and the Republic of San Marino, being desirous of enlarging the list of crimes on account of which extradition may be granted under the convention concluded between the United States of America and San Marino on January 10, 1906, with a view to the better administration of justice and the prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary convention for this purpose and have appointed as their plenipotentiaries:

The President of the United States of America; Cordell Hull, Secretary of State of the United States of America; and

The Captains-Regent of the Republic of San Marino; J. Robert Hewitt, consul general of the Republic of San Marino in the city of New York; and Count Alfonso Fachetti Guiglia, counselor of the Republic of San Marino;

Who, after having communicated to each other their respective full powers, which were found to be in due and proper form, have agreed to and concluded the following articles:

ARTICLE 1

The following crimes are added to the list of crimes numbered 1 to 14 in article II of the said convention of January 10, 1906, on account of which extradition may be granted, that is to say:

15. Crimes and offenses against the laws for fraudulent bankruptcy and those of fraud or breach of guaranty by a banker, agent, factor, trustee, executor, administrator, guardian, director, or officer of any company or corporation, or by any person having a legal fiduciary position.

ARTICLE 2

The present convention shall be considered as an integral part of said extradition convention of January 10, 1906, and article II of the last-mentioned convention shall be read as if the list of crimes therein contained had originally comprised the additional crimes specified and numbered 15 in the first article of the present convention.

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Washington as soon as possible.

In witness whereof, the above-named plenipotentiaries have signed the present convention in the English and Italian languages and have hereunto affixed their seals.

Done, in duplicate, at Washington this 10th day of October 1934.

CORDELL HULL. [SEAL]
J. ROBERT HEWITT. [SEAL]
ALFONSO FACCHETTI GUIGLIA. [SEAL]

Mr. PITTMAN. That also is similar to the other treaties. I ask that it may be ratified.

The PRESIDING OFFICER. If there be no amendment, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D (74th Cong., 1st sess.), a supplementary extradition convention between the United States and San Marino, signed on October 10, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the convention is ratified.

EXTRADITION TREATY WITH IRAQ

The Senate, as in Committee of the Whole, proceeded to consider Executive E (74th Cong., 1st sess.), an extradition treaty between the United States and the Kingdom of Iraq, signed at Baghdad on June 7, 1934, which was read the second time, as follows:

The President of the United States of America on the one part and His Majesty the King of Iraq on the other part

Being desirous to conclude a treaty for the extradition of criminals, have appointed the following plenipotentiaries:

The President of the United States of America; Paul Knabenshue, Minister Resident of the United States of America in Baghdad;

His Majesty the King of Iraq; His Excellency Dr. Abdullah Beg al Damluji, Minister for Foreign Affairs;

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following articles:

ARTICLE 1

Agreement has been reached between the high contracting parties to deliver up to each other reciprocally, upon mutual requisition duly made pursuant to the provisions of this treaty, any person charged with or convicted of any of the crimes specified in article 2 of this treaty committed within the jurisdiction of one of the high contracting parties while said person was actually within such jurisdiction when committing the crime and who shall be found within the territories of the other high contracting party, provided that such surrender shall take place only in the following circumstances:

(a) When the person whose surrender is requested is charged with a crime, provided there shall be produced sufficient evidence, according to the the laws of the country where that person is found, to justify his apprehension and commitment for trial if the crime had been there committed.

(b) When the person whose surrender is requested has been duly convicted, and when sufficient evidence is produced to prove that the said person is actually the person convicted.

ARTICLE 2

Persons shall be delivered up according to the provisions of this treaty who shall have been charged with or convicted of any of the following crimes if they are punishable by the laws of both countries:

1. Murder, including parricide, assassination, willful murder with premeditation, manslaughter when committed voluntarily by the perpetrator, and also the crimes of poisoning or infanticide.

2. The attempt to commit murder.

3. Rape, abortion, carnal knowledge of children under the age of 12 years.

4. Illegal polygamy.

5. Arson.

6. Any malicious act done with intent to endanger the safety of persons traveling or being on railroads.

7. Crimes committed at sea:

(a) Piracy, as commonly known and defined by the law of nations, or by statute.

(b) Willfully sinking or destroying vessels at sea or attempting to do so.

(c) Mutiny or conspiracy by two or more members of the crew or other persons on board of a vessel on the high seas for the purpose of rebelling against the authority of the captain or commander of such vessel, or by fraud or violence taking possession of such vessel.

(d) Assault on board ships with intent to do bodily harm.

8. Burglary, defined to be the act of breaking into and entering the house of another in the night with intent to commit a felony therein.

9. The act of breaking into and entering into the offices of the Government and public authorities, or the offices of banks, banking houses, savings banks, trust companies, insurance companies, or other buildings not dwellings with intent to commit a felony therein.

10. Robbery, defined to be the act of feloniously and forcibly or unlawfully taking from the person of another, goods or money by violence or by putting him in fear.

11. Forgery or the utterance or the use of anything forged.

12. The forgery or falsification of the official acts of the Government or public authority, including courts of justice, or the uttering or fraudulent use of the same.

13. The fabrication of counterfeit money, whether coin or paper, counterfeit titles or coupons of public debt, created by national, state, provincial, territorial, local, or municipal governments, bank notes or other instruments of public credit; also counterfeit seals, stamps, dies, and marks of state or public administrations, and the utterance, circulation, or fraudulent use of the above-mentioned objects.

14. Embezzlement and malversation committed within the jurisdiction of one or the other high contracting party by public officials or depositaries, where the amount embezzled exceeds 150 American dollars or 40 Iraq dinari.

15. Embezzlement by persons hired, salaried, or employed, to the detriment of their employers or principals, and where the amount embezzled exceeds 150 American dollars or 40 Iraq dinari.

16. Kidnapping of minors or adults, defined to be the abduction or detention of a person or persons, in order to exact money from them or their families, or for any other unlawful end.

17. Larceny, defined to be the theft of effects, personal property, or money, exceeding in value 150 American dollars or 40 Iraq dinari.

18. Obtaining money, valuable securities, or other property by false pretenses or receiving any money, valuable securities, or other property, knowing the same to have been unlawfully obtained, where the amount of money or the value of the property so obtained or received exceeds 150 American dollars or 40 Iraq dinari.

19. Perjury or subornation of perjury.

20. Fraud or breach of trust by a bailee, banker, agent, factor, trustee, executor, administrator, guardian, director, or official of any company or corporation, or by anyone in any fiduciary position, where the amount of money or the value of the property misappropriated exceeds 150 American dollars or 40 Iraq dinars.

21. Bribery.

22. Crimes punishable by the bankruptcy laws.

23. Crimes punishable by the laws for the suppression of the traffic in narcotics.

24. Crimes punishable by the laws for the suppression of slavery and slave trading.

25. Extradition shall also take place for participation in any of the aforesaid offenses as an accessory before or after the fact, provided such participation be punishable by imprisonment by the laws of both high contracting parties even though after the fact it may be a crime within itself and known by a particular name in the laws of either of the contracting States.

ARTICLE 3

The provisions of this treaty shall not import claim of extradition for crimes of a political character nor for acts connected with such crimes; and no person surrendered by or to either of the high contracting parties in virtue of this

treaty shall be tried or punished for a political crime. When the crime charged comprises the act either of murder or assassination or of poisoning, either consummated or attempted, the fact that the crime was committed or attempted against the life of the sovereign or head of a foreign state or against the life of any member of his family, shall not be deemed sufficient to sustain that such a crime was of a political character, or was an act connected with crimes of a political character.

ARTICLE 4

No person surrendered shall be tried for any crime other than that for which he was surrendered without the consent of the surrendering high contracting party, unless he has been at liberty to leave the country 1 month after the date of his trial, or, in case of conviction, after having suffered his punishment or having been pardoned.

This article shall not be applicable to crimes committed after surrender.

ARTICLE 5

A fugitive criminal shall not be surrendered under the provisions of this treaty, when from lapse of time or other lawful cause, according to the laws of the place within the jurisdiction of which the crime was committed, the criminal is exempt from prosecution or punishment for the crime for which the surrender is asked.

ARTICLE 6

If a fugitive criminal whose surrender is claimed pursuant to the stipulations of this treaty, be actually under prosecution, out on bail or in custody, for a crime committed in the country where he has sought asylum, or shall have been convicted thereof, his extradition may be deferred until such proceedings be determined, and until he shall have been set at liberty in due course of law.

ARTICLE 7

If a fugitive criminal claimed by one of the high contracting parties shall be also claimed by one or more powers pursuant to treaty provisions, on account of crime committed within their jurisdiction, such criminal shall be delivered to that State whose demand is first received unless that State shall have abandoned its claim.

ARTICLE 8

Under the stipulations of this treaty neither of the high contracting parties shall be bound to deliver up its own citizens.

ARTICLE 9

The expense of the arrest of the person claimed, also the expense of his detention, examination, and transportation shall be paid by the State which has preferred the demand for extradition.

ARTICLE 10

Everything found in the possession of the fugitive criminal at the time of his arrest, whether being the proceeds of the crime, or which may be material as evidence in making proof of the crime, shall, so far as practicable, according to the laws of the high contracting parties, be delivered up with his person at the time of the surrender. Nevertheless, the rights of a third party with regard to the articles aforesaid shall be duly respected.

ARTICLE 11

The stipulations of this treaty shall be applicable to all territory wherever situated, belonging to either of the high contracting parties or in the occupancy and under the control of either of them, during such occupancy or control.

Requisitions for the surrender of fugitive criminals from justice, pursuant to the stipulations of this treaty, shall be made by diplomatic intercourse.

The arrest of the fugitive criminal shall be brought about in accordance with the laws of the country to which the request is made, and if, after an examination, it shall be decided, according to the law and evidence, that extradition is due pursuant to this treaty, the fugitive criminal shall be surrendered according to the forms of law prescribed in such cases.

The person provisionally arrested shall be released, unless within three months from the date of arrest in Iraq, or from the date of commitment in the United States of America, the formal requisition for surrender with the documentary proofs hereinafter prescribed be made as aforesaid.

If the fugitive criminal shall have been convicted of the crime for which his surrender is asked, a copy of the sentence of the court before which such conviction took place, duly authenticated, shall be produced.

If, however, the fugutive criminal is merely charged with crime, a duly authenticated copy of the warrant of arrest in the country where the crime was committed, and copies of the depositions upon which such warrant may have been issued, shall be produced, with such other evidence or proof as may be deemed competent in the case.

For the purpose of this treaty, judgment in default shall not be considered as conviction, but the person so convicted may be considered merely as charged with the crime.

ARTICLE 12

If a request is made by either of the high contracting parties for the arrest, detention, or extradition of fugitive criminals, the appropriate legal officials of the country where the proceedings of extradition are held, shall assist the officials of the high contracting party demanding the extradition before the appropriate judges and magistrates, by every legal means within their power; and no claim for compensation for the services so rendered shall be made against the high contracting party demanding the extradition; provided, however, that any official or officials of the surrendering high contracting party so giving assistance who shall, in the course of their duty, receive no salary or compensation other than specific fees for services performed, the high contracting party demanding the extradition shall pay such official or officials the customary fees for the acts or services performed by them, in the same manner and to the same amount as though such acts or services had been performed in ordinary criminal proceedings under the laws of the country of which they are officials.

ARTICLE 13

This treaty shall be ratified by the high contracting parties in accordance with their respective constitutional methods and shall take effect from the day of the exchange of the ratifications thereof; but either high contracting party may at any time terminate the treaty on giving to the other 6 months' notice of its intention to do so.

The ratification of the present treaty shall be exchanged at Baghdad as soon as possible.

In witness whereof the respective plenipotentiaries have signed this treaty, and have hereunto affixed their seals.

Done in duplicate in Arabic and English, of which in the case of divergence, the English text shall prevail, at Baghdad this 7th day of June 1934, corresponding with the 24th day of Safar, 1353 Hijrah.

PAUL KNABENSHUE. [SEAL]

(Signature of Doctor Abdullah Beg al Damluji, Minister for Foreign Affairs, in Arabic.) [SEAL]

Mr. PITTMAN. That is a treaty of the same character. I ask to have it ratified.

The PRESIDING OFFICER. If there be no amendment, the treaty will be reported to the Senate.

The treaty was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E (74th Cong., 1st sess), an extradition treaty between the United States and the Kingdom of Iraq, signed at Baghdad on June 7, 1934.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution is agreed to, and the treaty is ratified.

DIPLOMATIC AND FOREIGN SERVICE

The PRESIDING OFFICER. That completes the treaties on the calendar. The clerk will now state the first nomination in order.

The legislative clerk read the nomination of Cabot Colville to be secretary in the Diplomatic and Foreign Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Franklin B. Atwood to be secretary in the Diplomatic and Foreign Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Louis L. Williams, Jr., to be senior surgeon in the Public Health Service, to rank as such from April 8, 1935.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Lucius F. Badger to be surgeon in the Public Health Service, to rank as such from March 26, 1935.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. HAYDEN. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters will be confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read the nominations of sundry officers in the Regular Army.

Mr. SHEPPARD. I ask that the Army nominations on the calendar be confirmed en bloc, and that the President be notified.

The PRESIDING OFFICER. Without objection, the Army nominations on the calendar will be confirmed en bloc, and the President will be notified.

That completes the calendar.

ADJOURNMENT

Mr. PITTMAN. As in legislative session, I move that the Senate adjourn until 12 o'clock noon tomorrow.

Mr. McNARY. Mr. President, I understood there was a unanimous-consent agreement to adjourn until Friday.

Mr. PITTMAN. Mr. President, I had a conversation with the Senator from Arkansas [Mr. ROBINSON], who requested me temporarily to take his place here, and to state that he had not asked for a unanimous-consent agreement with regard to adjourning until day after tomorrow. It is desired to have a session tomorrow, since a number of Senators have stated that they have some matters which they would like to have come up then. There is no objection to pursuing that course, and for that reason I move that the Senate adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and (at 3 o'clock and 15 minutes p. m.) the Senate, as in legislative session, adjourned until tomorrow, Thursday, February 7, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 6, 1935

UNITED STATES ATTORNEY

John J. Boyle, of Wisconsin, to be United States attorney, western district of Wisconsin, to succeed Stanley M. Ryan, whose term will expire February 16, 1935.

UNITED STATES MARSHAL

John G. Utterback, of Maine, to be United States marshal for the district of Maine, to succeed Burton Smith, appointed by court.

POSTMASTERS

ALABAMA

Daniel W. Hollis to be postmaster at Headland, Ala., in place of N. W. Platt. Incumbent's commission expired May 29, 1934.

Richard T. McGraw to be postmaster at Vincent, Ala., in place of I. L. Sharbutt. Incumbent's commission expired December 18, 1933.

ARKANSAS

Clyde W. Spiller to be postmaster at Charleston, Ark., in place of H. C. Hiatt, resigned.

George H. Rule, Jr., to be postmaster at Lonoke, Ark., in place of G. H. Rule, Jr. Incumbent's commission expired January 22, 1935.

Rupert W. Barger to be postmaster at Mansfield, Ark., in place of L. H. Presson. Incumbent's commission expired January 5, 1933.

Charles A. Smith to be postmaster at Prescott, Ark., in place of W. J. Vick, removed.

Richard H. Davis to be postmaster at Stamps, Ark., in place of C. J. Lauderdale. Incumbent's commission expired April 28, 1934.

Greene B. Colvin to be postmaster at Warren, Ark., in place of S. T. Butler, transferred.

CALIFORNIA

Alice McNamee to be postmaster at Castroville, Calif., in place of Alice McNamee. Incumbent's commission expired January 22, 1935.

Frederick Martin to be postmaster at Petaluma, Calif., in place of G. P. Lovejoy, removed.

FLORIDA

Sue Barco to be postmaster at Clearwater, Fla., in place of C. R. Lee, deceased.

William C. White to be postmaster at Live Oak, Fla., in place of J. H. Hildreth. Incumbent's commission expired February 10, 1934.

James D. Beggs to be postmaster at Orlando, Fla., in place of D. R. Laycock. Incumbent's commission expired January 9, 1934.

GEORGIA

Minnie L. Bird to be postmaster at Bowdon, Ga., in place of R. L. Lovvorn. Incumbent's commission expired January 31, 1934.

Howard Perry to be postmaster at Ellijay, Ga., in place of J. L. Weaver. Incumbent's commission expired March 22, 1934.

Jessie T. Freeman to be postmaster at Greenville, Ga., in place of J. B. Hatchett. Incumbent's commission expired May 29, 1934.

Marion Lott to be postmaster at Hahira, Ga., in place of H. C. Register. Incumbent's commission expired June 4, 1934.

IDAHO

Edward W. Cronkhite to be postmaster at American Falls, Idaho, in place of Paul Bulfinch. Incumbent's commission expired May 29, 1934.

L. Parker Runyon to be postmaster at Buhl, Idaho, in place of R. W. Banbury, removed.

Clyde B. Urban to be postmaster at Kimberly, Idaho, in place of L. N. James. Incumbent's commission expired January 11, 1934.

Charles N. Dundas to be postmaster at Pierce, Idaho, in place of E. H. Barnes. Incumbent's commission expired May 16, 1934.

Harry B. Colwell to be postmaster at Rupert, Idaho, in place of C. O. Cornwall. Incumbent's commission expired January 28, 1934.

Ernest L. Clinger to be postmaster at Shoshone, Idaho, in place of B. E. Weeks. Incumbent's commission expired January 22, 1934.

ILLINOIS

Charles H. Greenwood to be postmaster at Flora, Ill., in place of W. M. Karr, removed.

Curtis E. Roller to be postmaster at Hume, Ill., in place of L. C. McMullen. Incumbent's commission expired January 19, 1933.

Andrew J. Eekhoff to be postmaster at Nokomis, Ill., in place of A. O. Kettelkamp, removed.

INDIANA

Henry E. Snyder to be postmaster at Atlanta, Ind., in place of R. V. Dunn, resigned.

James S. Auble to be postmaster at Cayuga, Ind., in place of W. J. DeVerter. Incumbent's commission expired June 20, 1934.

Curtis Bennett to be postmaster at English, Ind., in place of C. C. Funk, removed.

Joseph F. Winkler to be postmaster at Hammond, Ind., in place of G. C. Clemens, resigned.

Ruth O. Couch to be postmaster at Sheridan, Ind., in place of O. T. Kercheval, removed.

Ernest F. Griffith to be postmaster at Vevay, Ind., in place of G. H. Cole, removed.

Louis L. Langdon, Jr., to be postmaster at Wheatland, Ind., in place of Charles Nicholson, deceased.

IOWA

Maude M. Hanna to be postmaster at Burt, Iowa, in place of W. A. MacArthur, deceased.

Kate C. Warner to be postmaster at Dayton, Iowa, in place of K. C. Warner. Incumbent's commission expired January 28, 1935.

Sadie J. Callahan to be postmaster at Epworth, Iowa, in place of C. H. Randall. Incumbent's commission expired January 31, 1934.

Yorke A. Johnson to be postmaster at Jewell, Iowa, in place of M. J. Severson. Incumbent's commission expired January 31, 1934.

KANSAS

Philip W. Heath to be postmaster at Abilene, Kans., in place of P. H. Halleck. Incumbent's commission expired December 18, 1933.

Emma C. Jehlik to be postmaster at Cuba, Kans., in place of E. R. Dannefer, resigned.

Horace E. Elder to be postmaster at Goodland, Kans., in place of J. F. Heston, removed.

Walter R. Dysart to be postmaster at Parker, Kans., in place of W. R. Dysart. Incumbent's commission expired December 20, 1934.

Irma J. Collopy to be postmaster at Turon, Kans., in place of C. L. McMurry. Incumbent's commission expired January 8, 1934.

KENTUCKY

George W. Abbott to be postmaster at Bedford, Ky., in place of S. H. Curran, removed.

J. Edgar Moore to be postmaster at Berea, Ky., in place of W. C. Engle. Incumbent's commission expired December 10, 1932.

Lida H. Muir to be postmaster at Bloomfield, Ky., in place of E. M. Oldham, deceased.

Clarence L. Sharp to be postmaster at Liberty, Ky., in place of O. C. Thomas. Incumbent's commission expired December 16, 1933.

MAINE

Raymond W. Chaplin to be postmaster at Cornish, Maine, in place of H. P. Jameson. Incumbent's commission expired January 16, 1934.

Nellie B. Jordan to be postmaster at Cumberland Center, Maine, in place of N. B. Jordan. Incumbent's commission expired January 22, 1935.

Harvard C. Jordan to be postmaster at Ellsworth, Maine, in place of L. F. Higgins, retired.

Albert T. Elwell to be postmaster at West Buxton, Maine, in place of A. F. Flint. Incumbent's commission expired May 9, 1934.

Michael J. Kennedy to be postmaster at Woodland, Maine, in place of M. J. Kennedy. Incumbent's commission expired January 28, 1935.

Thomas J. Donohue to be postmaster at York Beach, Maine, in place of C. E. Norton. Incumbent's commission expired May 20, 1934.

MARYLAND

T. Raymond Burch to be postmaster at Berwyn, Md., in place of M. E. Keefauver, resigned.

Anna B. Bowie to be postmaster at Kensington, Md., in place of A. B. Bowie. Incumbent's commission expired December 15, 1931.

MINNESOTA

Emily M. Drexler to be postmaster at Brandon, Minn., in place of E. M. Drexler. Incumbent's commission expired July 3, 1934.

John K. Sloan to be postmaster at Coleraine, Minn., in place of K. R. Paterson, resigned.

Helen I. Gervais to be postmaster at Currie, Minn., in place of H. R. Portmann. Incumbent's commission expired May 22, 1932.

Edward A. Buckley to be postmaster at East Grand Forks, Minn., in place of T. E. Thoreson, removed.

Catherine I. Ackerman to be postmaster at Eden Valley, Minn., in place of Margaret O'Brien. Incumbent's commission expired April 2, 1934.

Edward R. Siem to be postmaster at Elgin, Minn., in place of F. H. Beyer. Incumbent's commission expired April 2, 1934.

Raymond E. Garden to be postmaster at Gary, Minn., in place of Lewis Garden. Incumbent's commission expired April 2, 1934.

William V. Kane to be postmaster at International Falls, Minn., in place of H. J. Miner. Incumbent's commission expired April 2, 1934.

Frank S. Averill to be postmaster at Ogilvie, Minn., in place of G. W. Shipton. Incumbent's commission expired April 2, 1934.

Linus E. Dougherty to be postmaster at Pine River, Minn., in place of O. O. Dahl. Incumbent's commission expired February 14, 1934.

Edward M. Swanson to be postmaster at Russell, Minn., in place of F. S. Purdy. Incumbent's commission expired December 20, 1932.

John A. Henry to be postmaster at St. Cloud, Minn., in place of E. D. Cross. Incumbent's commission expired June 4, 1934.

MISSISSIPPI

Harry H. Orr to be postmaster at Holly Springs, Miss., in place of J. T. Watkins. Incumbent's commission expired July 1, 1934.

David E. Nabors to be postmaster at Indianola, Miss., in place of R. A. Whelan. Incumbent's commission expired June 9, 1934.

Tom W. Crigler, Jr., to be postmaster at Macon, Miss., in place of C. S. Ricketts, resigned.

Blanche M. Gallaspy to be postmaster at Pelahatchee, Miss., in place of B. M. Gallaspy. Incumbent's commission expired May 29, 1934.

Thomas R. Pearson to be postmaster at Picayune, Miss., in place of F. W. Whitfield, transferred.

MISSOURI

Giles K. Hunt to be postmaster at Arcadia, Mo., in place of O. T. Anderson, resigned.

Ezra W. Mott to be postmaster at Armstrong, Mo., in place of F. R. Evans. Incumbent's commission expired April 30, 1934.

Reece G. Allen to be postmaster at Benton, Mo., in place of R. M. Tirmenstein. Incumbent's commission expired December 18, 1933.

Melville C. Shores to be postmaster at Clark, Mo., in place of E. H. Barbee, resigned.

Allen W. Sapp to be postmaster at Columbia, Mo., in place of F. W. Niedermeyer, deceased.

George W. Shelton to be postmaster at Dixon, Mo., in place of W. C. Christeson, removed.

Wallace L. Talbot to be postmaster at Fayette, Mo., in place of E. A. Hackmann, removed.

Walter Morrow to be postmaster at Iberia, Mo., in place of M. V. Duncan, removed.

Harvey B. Lynch to be postmaster at Lincoln, Mo., in place of J. J. Boehmer. Incumbent's commission expired May 20, 1934.

NEBRASKA

William E. Goodhard to be postmaster at Elkhorn, Nebr., in place of Charles Leu. Incumbent's commission expired April 2, 1934.

Fred L. Orr to be postmaster at Lyons, Nebr., in place of D. R. Coffin. Incumbent's commission expired December 16, 1933.

Irene E. Hines to be postmaster at Saint Columbans, Nebr., in place of I. E. Hines. Incumbent's commission expired February 28, 1933.

NEW HAMPSHIRE

Ray A. Hicks to be postmaster at Colebrook, N. H., in place of A. C. Howe, removed.

Harry W. Ladd to be postmaster at Plaistow, N. H., in place of M. B. Duston. Incumbent's commission expired December 12, 1932.

James R. Kill Kelley to be postmaster at Wilton, N. H., in place of J. R. Kill Kelley. Incumbent's commission expired January 28, 1935.

NEW JERSEY

Norman H. Deshler to be postmaster at Belvidere, N. J., in place of E. H. Ketcham. Incumbent's commission expired April 28, 1934.

George W. Karge to be postmaster at Franklinville, N. J., in place of G. W. Karge. Incumbent's commission expired December 14, 1932.

Anthony De Staffen to be postmaster at Haskell, N. J., in place of George Whetham. Incumbent's commission expired April 8, 1934.

Vincent P. Meade to be postmaster at High Bridge, N. J., in place of A. P. Jolin. Incumbent's commission expired April 8, 1934.

Wilmer Lawrence to be postmaster at Milford, N. J., in place of C. G. Melick. Incumbent's commission expired April 2, 1934.

Joseph A. Wolfrom to be postmaster at Mount Holly, N. J., in place of W. T. Stewart. Incumbent's commission expired May 29, 1934.

Joseph F. Dempsey to be postmaster at Paulsboro, N. J., in place of F. L. Pote, removed.

Theodore H. Reed to be postmaster at Pennington, N. J., in place of A. C. Stover. Incumbent's commission expired January 31, 1934.

William T. Snyder to be postmaster at Pittstown, N. J., in place of F. C. Dalrymple, removed.

Edward H. Goodwin to be postmaster at Plainfield, N. J., in place of E. H. Bird. Incumbent's commission expired December 19, 1933.

Edward J. Shea to be postmaster at Rochelle Park, N. J., in place of Charles Roeltgen, removed.

Christof Lindenmayer to be postmaster at Stirling, N. J., in place of L. A. Thievon. Incumbent's commission expired December 18, 1933.

Alger H. Alpaugh to be postmaster at Succasunna, N. J., in place of A. M. Wiggins. Incumbent's commission expired January 16, 1934.

Timothy J. Lyons to be postmaster at Westwood, N. J., in place of Mary MacG. Smith. Incumbent's commission expired May 29, 1934.

NEW MEXICO

Clotilde C. Montes to be postmaster at Bernalillo, N. Mex., in place of C. C. Montes. Incumbent's commission expired April 20, 1932.

Leo M. Fay to be postmaster at Socorro, N. Mex., in place of L. M. Martin. Incumbent's commission expired December 14, 1932.

NEW YORK

Charles L. Prince to be postmaster at Mohawk, N. Y., in place of A. J. Hinman. Incumbent's commission expired March 8, 1934.

Harold T. Hubbard to be postmaster at Riverhead, N. Y., in place of J. W. Kratoville, resigned.

Charles O'Connor to be postmaster at Westbury, N. Y., in place of S. M. Taylor, removed.

NORTH CAROLINA

John O. Redding to be postmaster at Asheboro, N. C., in place of F. M. Wright, removed.

Millard G. Poteat to be postmaster at Marion, N. C., in place of C. M. Pool, removed.

Wallace B. Stone to be postmaster at Swannanoa, N. C., in place of S. F. Davidson, resigned.

NORTH DAKOTA

Mary M. Hoesley to be postmaster at Crystal, N. Dak., in place of E. S. Johnson. Incumbent's commission expired April 28, 1934.

Albert E. Funk to be postmaster at Hebron, N. Dak., in place of Paul Keller, resigned.

Anna F. Jones to be postmaster at Verona, N. Dak., in place of M. E. Freeman. Incumbent's commission expired December 16, 1933.

OHIO

Lata A. Barr to be postmaster at Amanda, Ohio, in place of W. E. Bowers. Incumbent's commission expired December 16, 1933.

Floyd L. Carr to be postmaster at Bedford, Ohio, in place of H. W. Davis. Incumbent's commission expired May 2, 1934.

John D. Moorehead to be postmaster at Bethel, Ohio, in place of J. W. Swing. Incumbent's commission expired April 15, 1934.

Florence B. Nichols to be postmaster at Burton, Ohio, in place of F. J. Smith. Incumbent's commission expired June 20, 1934.

Ralph W. Litzenberg to be postmaster at Centerburg, Ohio, in place of H. B. Ramey, resigned.

Dee C. Franks to be postmaster at Clyde, Ohio, in place of M. J. Lacer, deceased.

Virgil Davis to be postmaster at Corning, Ohio, in place of Bashti Wilson. Incumbent's commission expired March 22, 1934.

Curtis D. T. Watts to be postmaster at Crooksville, Ohio, in place of C. E. Coulter, removed.

Burton R. Taylor to be postmaster at Dresden, Ohio, in place of Ralph Dunfee, deceased.

Marion D. Freeders to be postmaster at Fairfield, Ohio, in place of N. E. Snediker. Incumbent's commission expired January 8, 1934.

Lewis P. Jenkins to be postmaster at Huntsville, Ohio, in place of C. W. Evans. Incumbent's commission expired January 9, 1934.

Harry C. Lieurance to be postmaster at Jamestown, Ohio, in place of H. C. Moorman. Incumbent's commission expired April 15, 1934.

James Woodward to be postmaster at Mineral Ridge, Ohio, in place of T. G. Thomas. Incumbent's commission expired June 17, 1934.

Alice Marie O'Meara to be postmaster at Mount St. Joseph, Ohio, in place of A. M. O'Meara. Incumbent's commission expired December 18, 1934.

Henry J. Brubaker to be postmaster at New Carlisle, Ohio, in place of E. W. Williams. Incumbent's commission expired April 16, 1934.

John J. Cawley to be postmaster at Painesville, Ohio, in place of S. J. Goldsmith. Incumbent's commission expired May 9, 1934.

William E. Alexander to be postmaster at Spring Valley, Ohio, in place of F. M. Hiett. Incumbent's comission expired April 16, 1934.

Robert C. Boylan to be postmaster at Struthers, Ohio, in place of C. E. Kimmel. Incumbent's commission expired December 16, 1933.

Harry L. Hackett to be postmaster at Yellow Springs, Ohio, in place of F. L. Currey. Incumbent's commission expired May 16, 1934.

OKLAHOMA

Wade H. LaBoon to be postmaster at Chickasha, Okla., in place of G. E. Butler, removed.

Claude E. McMahan to be postmaster at Minco, Okla., in place of I. A. McAdams. Incumbent's commission expired April 28, 1934.

W. Clarence Ray to be postmaster at Wilburton, Okla., in place of L. G. Hysmith. Incumbent's commission expired March 18, 1934.

OREGON

Anne E. O'Rourke to be postmaster at Condon, Oreg., in place of F. L. Laughrige. Incumbent's commission expired April 16, 1934.

Russell H. Sullens to be postmaster at Prairie City, Oreg., in place of R. H. Sullens. Incumbent's commission expired January 13, 1935.

PENNSYLVANIA

Dennis J. Murphy to be postmaster at Barnesboro, Pa., in place of L. A. Bosserman, removed.

Henry C. Schultz to be postmaster at Easton, Pa., in place of H. S. Young, deceased.

Herbert H. Park to be postmaster at Gibsonia, Pa., in place of H. H. Park. Incumbent's commission expired January 28, 1935.

Joseph P. Stein to be postmaster at Glassport, Pa., in place of C. H. Lapsley. Incumbent's commission expired January 5, 1933.

Thomas J. Geist to be postmaster at Hegins, Pa., in place of L. H. Bressler. Incumbent's commission expired February 14, 1934.

J. Paul Garrett to be postmaster at Herndon, Pa., in place of P. A. Hepner. Incumbent's commission expired January 31, 1934.

John P. Doherty to be postmaster at Latrobe, Pa., in place of J. A. Conrad. Incumbent's commission expired December 19, 1933.

Lewis H. Mensch to be postmaster at Marienville, Pa., in place of J. D. Croasmun, deceased.

Samuel B. Miller to be postmaster at Mifflinburg, Pa., in place of H. S. Earnest. Incumbent's commission expired June 24, 1934.

Claude E. Musser to be postmaster at Millheim, Pa., in place of W. L. Swarm, resigned.

Walter S. Mervine, to be postmaster at Mt. Pocono, Pa., in place of L. M. Cobb, resigned.

Chester A. Bower to be postmaster at New Oxford, Pa., in place of V. R. Miller. Incumbent's commission expired February 28, 1933.

William G. Bott to be postmaster at New Sheffield, Pa. Office became Presidential July 1, 1932.

Charles Gubin to be postmaster at Northumberland, Pa., in place of C. E. Savidge. Incumbent's commission expired April 2, 1934.

Joseph F. Gallagher to be postmaster at Philadelphia, Pa., in place of J. J. Mack, transferred.

J. Harry Brownmiller to be postmaster at Schuylkill Haven, Pa., in place of C. A. Graeff. Incumbent's commission expired April 22, 1934.

Thelma G. Mackle to be postmaster at Seelyville, Pa., in place of E. A. Smith. Incumbent's commission expired April 22, 1934.

Joseph E. Staniszewski to be postmaster at Shamokin, Pa., in place of Reese Jeremiah. Incumbent's commission expired February 28, 1933.

Karl Smith to be postmaster at Sharpsville, Pa., in place of Franklin Clary, deceased.

John A. Maurer to be postmaster at Tremont, Pa., in place of J. E. Tobias. Incumbent's commission expired June 20, 1934.

W. Edward Hudson to be postmaster at Vandergrift, Pa., in place of H. B. Paterson, resigned.

Mae Morgan Beagle to be postmaster at Watsontown, Pa., in place of D. L. Bly. Incumbent's commission expired January 9, 1933.

Jeane C. Lewis to be postmaster at Weedville, Pa., in place of J. C. Lewis. Incumbent's commission expired January 28, 1934.

W. DeLancey Rinehardt to be postmaster at York, Pa., in place of N. B. Klinedinst, transferred.

RHODE ISLAND

Daniel W. Coggeshall to be postmaster at Bristol, R. I., in place of W. M. Connery. Incumbent's commission expired June 19, 1933.

SOUTH CAROLINA

Eugene B. Mack to be postmaster at Elloree, S. C., in place of Eli Parker. Incumbent's commission expired June 24, 1934.

William M. Thornton to be postmaster at Enoree, S. C., in place of W. M. Thornton. Incumbent's commission expired March 8, 1934.

SOUTH DAKOTA

Fayette A. Nutter to be postmaster at Alcester, S. Dak., in place of F. A. Nutter. Incumbent's commission expired December 16, 1933.

Arthur P. Ingle to be postmaster at Harrold, S. Dak., in place of L. A Breese, resigned.

Carl Hildebrandt to be postmaster at Mobridge, S. Dak., in place of G. G. Tunell, removed.

Thomas W. Lalley to be postmaster at Montrose, S. Dak., in place of T. R. Harrington. Incumbent's commission expired June 2, 1934.

James P. O'Neill to be postmaster at Spearfish, S. Dak., in place of F. J. Seals, removed.

William F. Curren to be postmaster at Vienna, S. Dak., in place of G. M. Eggen, removed.

TENNESSEE

Edward L. Smith to be postmaster at Englewood, Tenn., in place of J. M. Thompson, removed.

Carey E. Reed to be postmaster at Prospect Station, Tenn., in place of O. E. Jones. Incumbent's commission expired January 22, 1934.

TEXAS

Jenna Mae Easter to be postmaster at Anton, Tex., in place of J. C. Arnett, removed.

William G. Davis to be postmaster at Boerne, Tex., in place of Nancy Lehmann. Incumbent's commission expired April 15, 1934.

M. Earle Cook to be postmaster at Carrizo Springs, Tex., in place of C. F. Palm. Incumbent's commission expired May 12, 1932.

Gilbert G. Holman to be postmaster at Gainesville, Tex., in place of L. B. Lindsay, deceased.

Carolyn A. Moreman to be postmaster at Hale Center, Tex., in place of Matilda Akeson. Incumbent's commission expired January 16, 1934.

Harry H. Mann to be postmaster at Levelland, Tex., in place of John Thomman. Incumbent's commission expired January 6, 1934.

Benjamin B. Ward to be postmaster at Newcastle, Tex., in place of M. L. Young. Incumbent's commission expired January 28, 1934.

John C. Terry to be postmaster at Plainview, Tex., in place of F. L. Brown. Incumbent's commission expired February 11, 1931.

Cleo Jackson to be postmaster at Point, Tex., in place of H. R. Ivie. Incumbent's commission expired April 15, 1934.

Sidney T. Bogan to be postmaster at Quitaque, Tex., in place of S. T. Bogan. Incumbent's commission expired December 20, 1934.

Ina M. Matheny to be postmaster at Rochester, Tex., in place of D. P. Greenwade. Incumbent's commission expired June 6, 1934.

Daniel J. Quill to be postmaster at San Antonio, Tex., in place of P. G. Lucas. Incumbent's commission expired April 15, 1934.

Milner T. Cain to be postmaster at Seagraves, Tex., in place of M. E. Ware. Incumbent's commission expired May 2, 1934.

VIRGINIA

Rosa L. Williams to be postmaster at Bassetts, Va., in place of G. E. Joyce, resigned.

John H. Woolwine to be postmaster at Blacksburg, Va., in place of R. L. Olinger, removed.

William C. Whitmore to be postmaster at Leesburg, Va., in place of F. D. Paul, resigned.

Bourbon N. Kibler to be postmaster at Luray, Va., in place of C. M. Spitler. Incumbent's commission expired February 17, 1934.

Jay C. Litts to be postmaster at Norton, Va., in place of A. L. P. Corder, resigned.

Thomas E. Frank to be postmaster at Warrenton, Va., in place of J. B. Grayson, resigned.

Ethel L. Deans to be postmaster at Windsor, Va., in place of R. D. Holland, resigned.

Gipsie B. Cassell to be postmaster at Wytheville, Va., in place of C. R. Fisher. Incumbent's commission expired December 20, 1934.

WASHINGTON

Alfred J. Twining to be postmaster at Coulee, Wash., in place of E. J. Edson. Incumbent's commission expired April 2, 1934.

Etta R. Harkins to be postmaster at Manette, Wash., in place of E. R. Harkins. Incumbent's commission expired December 18, 1933.

Wilbur B. Stonex to be postmaster at Onalaska, Wash., in place of Allan Austin. Incumbent's commission expired April 16, 1934.

Walter Lee Barnard to be postmaster at Sumner, Wash., in place of H. M. Purvis. Incumbent's commission expired April 30, 1934.

WEST VIRGINIA

John Speicher to be postmaster at Hopemont, W. Va., in place of V. F. Ridenour. Incumbent's commission expired June 17, 1934.

Louis Knakal to be postmaster at Widen, W. Va., in place of Louis Knakal. Incumbent's commission expired January 13, 1935.

WISCONSIN

Oliver R. Weinandy to be postmaster at Cochrane, Wis., in place of O. R. Weinandy. Incumbent's commission expired May 2, 1934.

Samuel M. Hogenson to be postmaster at Ephraim, Wis., in place of S. M. Hogenson. Incumbent's commission expired May 2, 1934.

Ferdinand A. Nierode to be postmaster at Grafton, Wis., in place of F. A. Nierode. Incumbent's commission expired January 22, 1935.

Raymond E. Lingsweiler to be postmaster at Sturtevant, Wis., in place of R. E. Lingsweiler. Incumbent's commission expired January 7, 1935.

Magnus Magnusson to be postmaster at Washington Island, Wis., in place of Magnus Magnusson. Incumbent's commission expired January 31, 1933.

WYOMING

Roy C. Peck to be postmaster at Saratoga, Wyo., in place of Clara Fryer. Incumbent's commission expired December 16, 1933.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 6, 1935

SECRETARIES IN THE DIPLOMATIC SERVICE

Cabot Colville to be secretary in the Diplomatic Service.

Franklin B. Atwood to be secretary in the Diplomatic Service.

PUBLIC HEALTH SERVICE

Louis L. Williams, Jr., to be senior surgeon.

Lucius F. Badger to be surgeon.

APPOINTMENTS IN THE REGULAR ARMY

Brig. Gen. Frank Crandall Bolles to be major general.

Brig. Gen. Lytle Brown to be major general.

Col. James Albert Woodruff to be brigadier general.

Col. Evan Harris Humphrey to be brigadier general.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

First Lt. William Wesson Jervey to Signal Corps.

Lt. Col. Rufus Foote Maddux to Coast Artillery Corps.

PROMOTIONS IN THE REGULAR ARMY

Resolve Potter Palmer to be colonel, Adjutant General's Department.

Frederick Elwood Uhl to be lieutenant colonel, Infantry.

POSTMASTERS

CALIFORNIA

W. Wesley Field, Antioch.
Stuart J. Titlow, Arcata.
Mary Evalyn Rider, Balboa Island.
Robert L. Windsor, Bellflower.
Franklin M. Whiting, Berkeley.
Thomas J. Durfee, Bieber.
Reginald C. Line, Boulder Creek.
Frank E. Hagne, Covelo.
Carlton T. Hansen, Crescent City.
Raymond M. Krollpfeiffer, Del Monte.
Helen S. Osborne, Earlimart.
William M. McClearen, Exeter.
Joel K. L. Schwartz, Fillmore.
Richard S. Gregory, Fullerton.
Robert M. Martin, Gilroy.
Donald B. Robb, Gridley.
Charlotte A. Cavalli, Half Moon Bay.
Gorham R. Humphreys, Happy Camp.
Arthur F. White, Hawthorne.
Ralph N. Swanson, Hollydale.
Hazel G. Woodson, Hondo.
Margaret Allen, Indio.
Bessie L. Dunn, Isleton.
John E. Nolan, Jamestown.
Don C. Saunders, Lompoc.
Henry B. R. Briggs, Los Angeles.
Jence J. Anderson, Martinez.
Asa E. Bishop, Mendocino.
Vaun Johnson, Morro Bay.
Betty M. West, Nevada City.
James E. Byrne, Oroville.
Louis E. Clay, Pacific Grove.
Elmer T. Bollinger, Paso Robles.
Florence E. Cornelius, Piru.
William H. Smith, Point Arena.
Eugene L. Scott, Porterville.
Myrtle E. Vance, Portola.
J. Vedro Stanton, Redding.
Mildred R. Doyle, Ross.
Ellis T. Tanner, San Jacinto.
Frederick T. Hale, Santa Cruz.
Leigh H. Dunning, Santa Paula.
James E. Pharr, Scotia.
Lois L. Berry, Shafter.
Rosa A. Printz, Simi.
Eugene S. Franscioni, Soledad.
Charles B. Pearson, Stockton.
William D. Browning, Strathmore.
Timothy J. O'Brien, Taft.
Raymond O. Foster, Talmage.
Harry D. Beck, Tipton.
James E. Rains, Ventura.
Nathan Levy, Visalia.
William T. King, Weed.
Cynthia P. Griffith, Wheatland.

CONNECTICUT

Walter B. Johnson, Seymour.

IDAHO

Louella R. Hollenbeck, Fruitland.
Mack H. Shotwell, Gooding.

IOWA

Anna Reardon, Auburn.
Mary McCoy Wilson, Colo.
Ralph A. Kelley, Early.
Eva L. Ochs, Garwin.
Amanda J. Belt, Glenwood.
Mary G. Harker, Grand Junction.
William Stover, Hospers.
James B. Gilroy, Lost Nation.
Patrick H. English, Monona.
Gladys M. Heiland, Panora.
Carrie M. Skromme, Roland.
Clara C. Lockner, Terril.

MONTANA

Peter Peterson, Fort Peck.
Thomas J. Somerville, Jr., Gardiner.

NEBRASKA

John F. Lewis, Arnold.
Irving E. Tilgner, Lewellen.
Louis R. Vejraska, Odell.
Berniece B. Simmons, Silver Creek.
Thomas Glen Roberts, Sterling.

OREGON

Ralph B. Stanfield, Echo.
Benjamin H. Davies, Gresham.
Charles B. Cox, Heppner.
Frank DeSouza, Medford.
E. Lee Chenault, Union.
William Gregory, Westport.

PENNSYLVANIA

Joseph W. Manon, Charleroi.
Henry Bourns, Ellsworth.
Claude O. Meckley, Hanover.
Marie Bengele, Loretto.
Frank B. Kunselman, Meadville.
George A. Lehman, Patton.
Thomas V. Brennan, Plymouth.
W. Norman Freed, Richlandtown.
James V. Brush, Sewickley.
Roy L. Stover, Shrewsbury.
John J. Verbos, Steelton.
John M. Braden, Washington.

SOUTH CAROLINA

Glen O. Howe, Great Falls.
Martin H. Moore, La France.
Josephus S. Nichols, Leesville.
Eva H. Groce, Lyman.
J. Sidney McNeill, Ninety Six.
Crayton C. Crenshaw, Pendleton.

TENNESSEE

Rebecca Jennings, Alamo.
LaVerne Gearhiser, Big Sandy.
Mary E. Birdwell, Chuckey.
Howard Long, Kingsport.
Bedford T. Transou, Mason.
Charles P. Fults, Monteagle.
Eugene L. McDade, Mountain City.

TEXAS

Lela Mann, Decatur.
Joseph Kopecky, Hallettsville.
Timothy B. O'Connell, Palestine.

VIRGINIA

Gertrude C. Ligon, Amelia C. H.
Mary Ann Nichols, Hamilton.
Troy J. Weeks, Willis.

WASHINGTON

Daniel B. McGovern, Renton.
William T. Davis, Toppenish.

WISCONSIN

Thomas J. Weiler, Auburndale.
Selmer M. Alvey, Bruce.
John Agnew, Cadott.
Florence Kuehl, Genesee Depot.
Paul Bernhagen, Junction City.
Harry A. Victora, Middleton.
Joseph W. Hanley, Roberts.
Leo E. Doll, Soldiers Grove.
Tillie E. Brennan, Valders.
Joseph N. Thiele, Whitewater.
Arthur N. Donnellan, Winter.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 6, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again the darkness of the unsearched realm has dissolved into twilight, daylight, and noonday. Emmanuel—God with us. Praises be unto Thy excellent name out of our grateful hearts. Do Thou bless us with a deep undertone of Thy living presence. Heavenly Father, enable us to determine the line of our conduct. Out of poverty may we gather benevolence; out of opposition, victory; out of despondency, courage; and out of fear, hope; and out of the antagonisms throughout our land may there come the glory of a new order wherein dwelleth reason and brotherhood, progress and peace. Holy Spirit, be in us a rich, vital force that melts all discord into harmony. For the sake of a more tranquil and better human life, strengthen us with urgency of zeal and with an upward longing that lie beyond the ragged edges of a turbulent soul. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and bills of the House of the following titles:

On February 2, 1935:

H. J. Res. 118. Joint resolution to prohibit expenditure of any moneys for housing, feeding, or transporting conventions or meetings; and

H. R. 3410. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes.

On February 4, 1935:

H. R. 4304. An act to amend the Second Liberty Bond Act, as amended, and for other purposes.

REREFERENCE OF COMMUNICATION

Mr. MANSFIELD. Mr. Speaker, on February 4, a letter and a bill prepared by the Secretary of the Navy to amend the river and harbor bill was referred to the Committee on Rivers and Harbors. The amendment is intended exclusively for naval purposes. I have conferred with the Chairman of the Committee on Naval Affairs, the gentleman from Georgia [Mr. VINSON], and we think it ought to go to the Committee on Naval Affairs.

The SPEAKER. Without objection, the communication of the Secretary of the Navy will be rereferred to the Committee on Naval Affairs.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that on Tuesday next, February 12, after the disposition of business on the Speaker's table, the gentleman from Michigan [Mr. BLACKNEY] may be permitted to address the House for 20 minutes on the life and character of Abraham Lincoln.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALIFORNIA LEGISLATURE PETITIONS TOWNSEND PENSION CONSIDERATION

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include therein a resolution enacted by the California Legislature memorializing the President and Congress carefully to consider what is known as the "Townsend plan of old-age revolving pensions."

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, the gentleman requested permission to insert the memorial at this point in the RECORD. It has been the established custom that extraneous matters shall go in the Appendix of the daily RECORD without causing a break in the proceedings of the House. I trust the gentleman will modify his request.

Mr. HOEPPEL. Mr. Speaker, I modify my request, then, and ask unanimous consent merely to place this resolution in the RECORD at this point.

Mr. LEHLBACH. Mr. Speaker, I object to placing it in the RECORD at this point.

Mr. BLANTON. Mr. Speaker, I understand the gentleman does not object to the resolution's going in the Appendix of the daily RECORD. Why does not the gentleman from California put it in the Appendix of the daily RECORD?

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to place in the Appendix of the daily RECORD this resolution submitted to me by the Governor and Legislature of California petitioning the President and Congress carefully to consider the Townsend plan of old-age revolving pensions.

Mr. LEHLBACH. Mr. Speaker, I withdraw my objection.

Mr. RICH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICH. Mr. Speaker, am I correct in understanding that a Member may have printed in the CONGRESSIONAL RECORD a resolution from his State legislature but that it must go in the Appendix of the daily RECORD and not in the body of the proceedings of the House?

The SPEAKER. Everything is governed by unanimous consent.

Mr. BLANTON. Mr. Speaker, merely for the purpose of asking the gentleman from California a question, I reserve the right, though I do not intend to object. Does the gentleman from California know that day before yesterday Dr. Townsend's actuary, Mr. Hudson, while testifying before the Ways and Means Committee, in reply to questions asked by the gentleman from Tennessee [Mr. COOPER], stated that if he were on that committee himself he would not vote that Townsend bill out and approve it?

Mr. HOEPPEL. Mr. Speaker, answering the gentleman from Texas, I may state I am acting here in accordance with the express direction of the Republican Governor and Legislature of the State of California.

Mr. BLANTON. Yes; but they are just like some other politicians who pass some fool resolution.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members, when I took the floor today, I requested permission to insert in the RECORD of the day's proceedings, for the information of the Members, the resolution of the California State Legislature, submitted to me by the Governor of the State of California, memorializing the President and Congress to consider the Townsend plan of old-age revolving pensions. Inasmuch as there was objection to my request, I am compelled to place the resolution in the Appendix of the daily RECORD.

In accordance with the intent of the resolution, which follows, I do hope that the President and the Congress will carefully consider the Townsend humane and practical old-age revolving pension plan, especially in view of the fact that the plan is continuing to receive increased impetus and support wherever it is advanced for the consideration of the people themselves.

In my speech on the floor of the House on January 29, I believe that I presented a practical working basis whereby funds for the payment of this pension could be obtained without increase in taxation through the medium of a limited, controlled expansion of the currency and the socialization of our banking structure.

Increasing thousands—in fact, millions—of the unemployed of our American youth and our aged individuals are appealing to Congress for concrete action on the proposition which is so admirably advanced for consideration by the State of California in the following certificate and joint resolution:

STATE OF CALIFORNIA,
DEPARTMENT OF STATE.

I, Frank C. Jordan, secretary of state of the State of California, do hereby certify that I have carefully compared the transcript, to which this certificate is attached, with the record on file in my office of which it purports to be a copy, and that the same is a full, true, and correct copy thereof. I further certify that this authentication is in due form and by the proper officer.

In witness whereof I have hereunto set my hand and have caused the great seal of the State of California to be affixed hereto this 31st day of January 1935.

[SEAL] FRANK C. JORDAN, *Secretary of State.*
By CHAS. J. HAGERTY, *Deputy.*

Assembly Joint Resolution No. 6

Adopted in assembly January 18, 1935.

ARTHUR H. OHNIMUS,
Chief Clerk of the Assembly.

Adopted in senate January 22, 1935.

J. A. BEEK,
Secretary of the Senate.

This resolution was received by the Governor, this 26th day of January, A. D. 1935, at 1:30 o'clock p. m.

MARK LEE MEGLADDERY, Jr.,
Private Secretary of the Governor.

CHAPTER 30

Assembly Joint Resolution No. 6, relative to memorializing the President and Congress to carefully consider what is known as the "Townsend plan of old-age revolving pension"

Whereas the care of the dependent aged has become so great a financial burden to some States that the economic welfare and stability of such States are seriously affected and even threatened; and

Whereas the problem of the care of the dependent aged has recently attained major proportions throughout the Nation, owing largely to the increasing mechanization of our industrial system and to the fact that the economic depression has destroyed the financial independence of a large number of our people, including even those who had prudently prepared for the time when they could no longer earn a livelihood; and

Whereas it seems wise to retire from industry and business those whose efficiency is declining because of advancing old age, thus giving more opportunity for employment and advancement to younger workers; and

Whereas experience has shown that when ownership of property disqualifies the owner for receipt of an old-age pension, a serious injustice is effected and a penalty imposed upon those whose prudence and thrift has led them to prepare for old age by investment in a home or other small holdings, but who have no income with which to support themselves and to preserve their property, particularly since there is often no market for the property; and

Whereas Dr. F. E. Townsend, of Long Beach, Calif., has devised a plan commonly known as the "Townsend plan of old-age revolving pension"; and

Whereas the President of the United States has recognized the responsibility of the Federal Government in this matter and has indicated that he will recommend to the Congress of the United States, at its next session, that there be legislation bearing on this problem: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the President and the Congress of the United States is hereby respectfully urged to carefully consider the enactment of an old-age pension law and to study the "Townsend plan of old-age revolving pension"; and be it

Further resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the

House of Representatives from California in the Congress of the United States; and that such Senators and Members from California are hereby respectfully urged to study such legislation.

EDWARD CRAIG,
Speaker of the Assembly.
GEO. J. HATFIELD,
President of the Senate.

Attest:
[SEAL] FRANK C. JORDAN,
Secretary of State.

Endorsed: Filed in the office of the secretary of state of the State of California, January 26, 1935, at 4:15 o'clock p. m.

FRANK C. JORDAN,
Secretary of State.
By CHAS. J. HAGERTY,
Deputy.

INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND MEXICO

Mr. DEMPSEY. Mr. Speaker, by direction of the Committee on Foreign Affairs. I ask unanimous consent for the immediate consideration of House Joint Resolution 58, to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico.

The Clerk read the title of the joint resolution.

Mr. SNELL. Mr. Speaker, reserving the right to object, last evening I asked the gentleman to withdraw his request. I did it more as a matter of policy than that I had any opposition to the resolution itself. It seems to me that to bring up any important resolution at nearly 5:30 o'clock p. m. when practically all the Members have left the Chamber is wrong. I feel that important matters should be brought up at the beginning of the day's session, or at least during the afternoon when there are a good many Members here. I have no objection, personally, to the consideration of this resolution.

Mr. CULKIN. Mr. Speaker, reserving the right to object, it has been suggested I may say, to the gentleman from New Mexico, that this bill is preliminary to the reclamation of some 300,000 or 400,000 additional acres of land.

I think there is a goodly portion of the House opposed to this policy. Agriculture is overproducing now and the administration is plowing under crops. May I ask the gentleman if this bill does bring into production additional land in the Southwest?

Mr. DEMPSEY. It will not. It is simply to make a survey of the Rio Grande south of the Caballo project. The Rio Grande is now a meandering stream and very largely privately owned, and this is to permit the straightening of the stream, if so determined by a survey, and to bring about Government control of it. There will be no additional acreage brought into cultivation.

Mr. CULKIN. May I say that the report refers to irrigation? Is the gentleman himself familiar with the whole territory involved in this bill?

Mr. DEMPSEY. Very. The territory at this time is in the Elephant Butte irrigation district which has been in effect many years and will continue, but it will not increase or decrease by reason of this survey.

Mr. CULKIN. I note the report is made by the Foreign Affairs Committee, yet the Secretary of State seems rather indifferent as to the fate of this bill, and makes no recommendation. It does not appear there is any definite engagement with Mexico. Can the gentleman inform me on that feature?

Mr. DEMPSEY. Under agreement with Mexico we are required to furnish annually over a period of 7 months of each year a total of 60,000 acre-feet of water. It is rather difficult to do that when the stream is privately owned in places and may be diverted. It is largely a question of what is being wasted because we cannot control what we give to Old Mexico under the present arrangement. It is a question of whether we can continue this agreement unless something is done, and the Federal Government given control of the stream. This is purely an international question.

Mr. CULKIN. Are the irrigation projects of long standing?

Mr. DEMPSEY. Yes.

Mr. CULKIN. As far as I am concerned—and I think this is the attitude of those opposed to the policy of reclamation, what I call the "fatal policy of reclamation"—I am not opposed to existing projects or to the completion of projects on which the Government has already entered, but I am opposed and believe something was put over on Congress by the Interior Department when the Grand Coulee and certain other projects were put into work. The Government is spending a billion dollars on irrigation, and we regard that as a fatal policy. I may say to the gentleman that in view of his assurance no land is to be reclaimed under this bill, I have no objection.

Mr. DEMPSEY. I give the gentleman that assurance.

Mr. CULKIN. I think the gentleman is entitled to the orderly and proper development of the country, but we do oppose this fatal policy of irrigation which is destroying the American farmer.

Mr. DEMPSEY. This is simply an international proposition.

Mr. CULKIN. I accept the gentleman's assurance.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman inform the House what Government agency or bureau has actually recommended this legislation?

Mr. DEMPSEY. The International Boundary Commission.

Mr. MARTIN of Massachusetts. They have gone into the proposal and approve of it?

Mr. DEMPSEY. Yes.

Mr. TRUAX. Mr. Speaker, reserving the right to object, the gentleman on my right just observed that the policy of reclamation was destroying American agriculture. I would like to have the gentleman state whether in his judgment the present policies with respect to agriculture, as adopted and as administered by the Roosevelt administration, with hogs on their way to 10 cents a pound, is hurting agriculture.

Mr. DEMPSEY. This has to do with an international question.

Mr. TRUAX. Does the gentleman think this policy, if continued, will destroy American agriculture in the face of advancing prices?

Mr. DEMPSEY. That is a matter of opinion, and I really do not care to go into that part of the matter.

Mr. TRUAX. The gentleman does not think it will?

Mr. DEMPSEY. I do not believe anything that President Roosevelt has undertaken will be destructive, but on the contrary most constructive.

Mr. TRUAX. I agree with the gentleman.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, may I answer one observation about reclamation destroying agriculture and say that all the produce of all the reclamation projects in the United States constitutes less than 1 percent of the agricultural produce of the United States, so that nothing is being destroyed.

Mr. CULKIN. I have heard that statement before. It is a beautiful fiction, in my opinion. I may say to the distinguished gentleman from Colorado that he and I have crossed swords on that proposition before. One percent of this overproduction comes from Government projects, but that is just a certain phase of the matter. In the first field and in various other fields, wheat, for instance, it is in excess of 1 percent. In other words, it is sufficient to create a surplus, but in addition to that, and the gentleman knows it very well, and I believe he is sincere and a highly intelligent reclamationist, Dr. Mead, of the Reclamation Bureau, has stimulated and advanced every single bit of this private reclamation in the United States. It has not only been fatal to the farmer, but it has been fatal to the men who have gone on these reclamation projects.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

House Joint Resolution 58

Resolved, etc., That there is hereby authorized to be appropriated, in addition to the amounts heretofore authorized to be appropriated, the sum of $60,000 to defray the expenses of the American section, International Boundary Commission, United States and Mexico, in the conduct of an engineering investigation, study, and report to the Secretary of State to determine the feasibility and best means of effecting the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international diversion dam near El Paso, Tex., in order to facilitate Federal control of the channel of the Rio Grande and compliance by the United States with its obligations to deliver at said international diversion dam water to Mexico pursuant to the convention concluded May 21, 1906, providing for the equitable distribution of waters of the Rio Grande for irrigation purposes, including salaries and wages; fees for professional services; rents, travel expenses; per diem in lieu of actual expenses for subsistence; printing and binding; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; telephone, telegraphic, and air-mail communications; ice, equipment, supplies, and materials, and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the investigation.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—VETERANS' REGULATIONS (H. DOC. NO. 93)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Order No. 6963 (Veterans' Regulation No. 10 (d)), approved by me February 5, 1935.

Effective the date of its promulgation, Executive Order No. 6963 canceled paragraph XI of Executive Order No. 6098, dated March 31, 1933 (Veterans' Regulation No. 10), as amended by Executive Order No. 6234, dated July 28, 1933 (Veterans' Regulation No. 10 (b)).

This regulation was promulgated in accordance with the terms of title I, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 6, 1935.*

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3247) entitled "An act to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes."

The message also announced that the Senate had passed with an amendment, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 58. Joint resolution to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico.

BOY SCOUTS OF AMERICA

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, on Friday, February 8, the Boy Scouts Organization of America is to celebrate its twenty-fifth anniversary and they are to begin what is to be known as a "silver jubilee", to continue for 1 year. On the evening of this day the President of the United States, who is the honorary president of the Boy Scouts of America, is to address them and the Nation on a Nation-wide hook-up.

It is the request of the national organization of the Boy Scouts of America that I shall address the House of Representatives on Friday next, briefly, with regard to their history, their work, the nature of their organization, and the coming silver jubilee. I therefore ask unanimous consent, Mr. Speaker, that on Friday, after the reading of the Journal and disposition of matters on the Speaker's desk, and following any other special orders that may have been granted, I may be permitted to proceed for 20 minutes for this purpose.

Mr. OLIVER. Mr. Speaker, reserving the right to object, and I will not object if we should not complete the consideration of the appropriation bill now pending before Friday, I hope the gentleman may find that he can confine his remarks to 10 minutes.

Mr. McSWAIN. I shall do my very best not to interrupt the progress of the business of the House.

Mr. OLIVER. I may state there is another consent request that has been granted the gentleman from Massachusetts [Mr. CONNERY] for 30 minutes on Friday, and too much time devoted to other matters, however important, may seriously interfere with the passage of the pending bill.

Mr. McSWAIN. If such a situation should develop at that time, I shall confine my remarks to 10 minutes and extend my remarks with respect to the remainder of the facts necessary to be given.

Mr. RICH. Mr. Speaker, reserving the right to object, and I shall not object, it seems to me that on as important a subject as this with respect to the youth of America, and in view of the fact that I know the gentleman from South Carolina will give us a talk that will be really worth while and one which should inspire the youth of America, it seems to me that 20 minutes is not too long for the Membership of the House to get right down to the meat in the coconut and have the gentleman from South Carolina give us something that is going to spur on the youth of America to better citizenship, and I do hope the gentleman from Alabama will grant the additional 10 minutes that will be necessary for this purpose.

Mr. OLIVER. Permit me to say that I am just as much interested in that subject as the gentleman from Pennsylvania, and knowing, as I do, the ability of the gentleman from South Carolina, I recognize that he will give us a message that will be inspiring, informing, and well worth while. I feel sure that nothing will be done to interfere with the gentleman in giving us his message on that day.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL—1936

Mr. OLIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; and pending that, may I ask the gentleman from New York [Mr. BACON] whether it will be agreeable to him for statements to be made by himself and me in reference to the pending bill this morning, and that we then return to general debate, which may continue not longer than 4 o'clock this afternoon, when the pending bill will be taken up under the 5-minute rule?

Mr. BACON. I may say to the gentleman from Alabama that will be quite satisfactory. I have requests for only 30 minutes on my side of the aisle outside of the time I may take up myself.

Mr. OLIVER. And the gentleman has been kind enough to say that he will yield some time to this side.

I therefore ask unanimous consent, Mr. Speaker, that general debate on the pending bill be limited to not later than 4 o'clock this afternoon, the time to be equally divided and controlled by the gentleman from New York [Mr. BACON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5255 with Mr. ROGERS of New Hampshire in the chair.

The Clerk read the title of the bill.

Mr. OLIVER. Mr. Chairman, I yield 30 minutes to myself. Mr. Chairman and gentlemen of the Committee, doubtless it would be more interesting, especially to visitors, if the field-day discussion in "no man's land" on general subjects should continue, but we must ask a short suspension of such general discussion until the gentleman from New York and I can make a brief statement in reference to the pending bill. He and I invite questions which you may feel interested to ask in reference to the bill.

In order that we may not take too much from the time of those who desire to discuss general matters unrelated to the pending bill, before it is read under the 5-minute rule for amendment, I will endeavor to be brief, and I know the gentleman from New York will also.

I wish at the beginning to make grateful acknowledgment to those colleagues who were associated with me in the preparation of this bill for their helpful cooperation—to the gentleman from South Carolina [Mr. MCMILLAN], the gentleman from Georgia [Mr. TARVER], the gentleman from Kentucky [Mr. CARY], the gentleman from Illinois [Mr. MCANDREWS], the gentleman from New York [Mr. BACON], and the gentlewoman from California [Mrs. KAHN].

I must pause here for a moment to pay tribute to a beloved colleague, long a member of our committee, and who, during the hearings, passed from among us. I refer to our beloved friend, Anthony J. Griffin, of New York. His passing was a distinct loss to the Nation and to his State. He was a gentleman of wide sympathies, broad scholarship, keen intellect, sound judgment, and wise counsel, and will be greatly missed by all of us. Some lines by Edgar Guest come to me as I think of my friend Tony Griffin:

> Men are of two kinds and he
> Was of the kind I'd like to be,
> Whose deeds outrun their work so far
> That more than what they seem they are.

Taking up the appropriations carried in the pending bill, Members will find a table on page 2 and one on page 23 of the committee report, which will give in detail full information in reference to all items carried in the pending bill and the changes made by the committee on the Budget estimates. candor and good faith are maintained.

We have endeavored to make the report very full so as to convey to Members of the House accurate information as to every item carried in the bill.

You will note on page 2 a table which, Mr. Chairman, I ask permission to here insert as a part of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. The following table shows for each department the appropriations for the fiscal year 1935; the estimates for the fiscal year 1936; the amount recommended by the committee for 1936; the increase or decrease in the amount recommended by the committee for 1936 as compared with the 1935 appropriations; the increase or decrease in the amount recommended by the committee for 1936 as compared with the 1935 appropriations, exclusive of the 10 percent additional amount required to restore all salaries to a 100-percent basis of payment and to provide for automatic promotions, and the decrease in the amount recommended by the committee as compared with the 1936 estimates:

Department	Appropriations, 1935	Estimates, 1936	Committee recommendation, 1936	Increase (+) or decrease (−), bill compared with appropriations for 1935	Increase (+) or decrease (−), bill compared with appropriations for 1935, exclusive of amount for salary restoration and automatic promotions	Increase (+) or decrease (−), bill compared with 1936 estimates as recommended by the committee
State	$15,439,484	$13,884,100	$13,789,000	−$1,650,484	−$2,842,829	−$95,100
Justice	31,021,209	34,732,120	34,550,000	+3,528,791	+1,516,253	−182,120
Commerce	31,525,585	34,736,715	34,486,500	+2,960,915	+153,259	−250,215
Labor	14,034,805	16,281,822	15,360,000	+1,325,195	+159,446	−921,822
Grand total	92,021,083	99,634,757	98,185,500	+6,164,417	−1,013,871	−1,449,257

The above table indicates that although the appropriations recommended by the committee for 1936 are higher by $6,164,417 (column 4) than the amounts appropriated for the four departments for 1935, when the amounts required for automatic promotions and for restoration of salaries to a 100-percent pay basis are deducted from this increase, the appropriations recommended are actually $1,013,871 (column 5) under the comparable amounts for 1935.

The table shows that the committee has reduced the Budget estimates $1,440,257 for the four departments, and the last column shows the reduction made in each department under the Budget estimates. These same four departments in the fiscal year 1932 carried appropriations, which were approved by the House, of $139,000,000. The bill we now bring to you recommends for the same departments $98,185,500.

The decrease in the State Department is not in fact as large as the table indicates, since the fiscal year 1935 appropriation carried nonrecurring items amounting to $2,325,000, and $175,000 of the 1935 appropriation was expended in the fiscal year 1934, thus making the net reduction in the fiscal year 1936 for the State Department under the fiscal year 1935 about $329,000.

There will likely be presented to this Congress, however, an additional appropriation for the State Department to care for new personnel in the Foreign Service. The gentleman from New York [Mr. BACON], who is very familiar with this phase of the State Department, will follow and give you an extended statement as to the Foreign Service.

We can well call the State Department the peace agency of the Government, and certainly in the last 2 years under the direction of Secretary Hull it has been busily occupied in improving the friendly relationships between our country and the other countries of the world. I called attention on yesterday to the message sent by President Roosevelt to the rulers of more than 50 sovereign powers, likewise to the good-neighbor message delivered by the Secretary of State at Montevideo, and we are today enjoying more cordial and friendly relations with other countries than we have in many years.

Certainly, so far as the State Department knows, there are no bitter antagonisms to our own country anywhere. It will interest you to read in that connection the statement made by the Secretary of State, Mr. Hull, who served with marked distinction as a member of the House for a number of years. Those interested in the large and important work

of the State Department will be well rewarded by reading that informing statement of the Secretary. The committee's report largely deals with figures. The statement of the Secretary, with the Department's varied activities, and how through its Foreign Service officers the traditional American candor and good faith are maintained.

The reductions under the Budget estimate for the State Department amount to about $95,000, and such reductions are widely distributed.

The reductions can be separately considered when the bill is read for amendments.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. DONDERO. Can the gentleman tell just how the total figures in this bill compare with the figures in the bill of last year?

Mr. OLIVER. The total figures recommended by the committee are less than the appropriations carried in the fiscal year 1935; such reductions total about $359,000. If, however, the appropriation now recommended is augmented by a supplementary estimate, which I learn may be submitted later for new Foreign Service personnel, the amount will exceed the amount for the fiscal year 1935 when you take into account the amounts necessary to restore salaries to the 100-percent basis, and to provide for increases due to administrative and automatic promotions. The Department, as the gentleman from New York [Mr. BACON] will later call attention to, will during the present fiscal year eliminate, under existing law, probably 40 Foreign Service officers, and the salaries and allowances for such officers are not included in the estimates submitted by the Budget for the fiscal year 1936.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mrs. ROGERS of Massachusetts. Does not that mean that 30 or 40 of the Foreign Service personnel will be dropped as a result of the $200,000 cut?

Mr. OLIVER. No; 30 or 40 will be dropped because the Department of State is under existing law, using the same methods which the Army employs from time to time to eliminate officers from the service. Such eliminations are made pursuant to law, which the lady probably gave approval to.

Mrs. ROGERS of Massachusetts. I am tremendously interested and I know of the gentleman's interest, but I am told by the Department of State that 30 or 40 people will be dropped and cannot be replaced without this $200,000.

Mr. OLIVER. I have just stated that I feel sure estimates are now being considered to bring some additional personnel into this Service during the fiscal year 1936.

Mrs. ROGERS of Massachusetts. I hope the chairman will support an amendment that I propose to introduce restoring the $200,000.

Mr. OLIVER. The committee has given full consideration to that, and are in agreement as to the importance of adding additional personnel at the proper time and after Budget estimates have been submitted therefor.

Mrs. ROGERS of Massachusetts. And the gentleman believes the Senate will add the amount?

Mr. OLIVER. I think a Budget estimate may be sent to the Senate before this bill comes back to the House for such new personnel as the President approves.

Mr. RICH. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. RICH. They have taken into consideration the difference in exchange in asking for the appropriation, in order that our people in Foreign Service will be protected?

Mr. OLIVER. That was provided for in legislation passed by the last Congress.

Mr. RICH. And does that carry on for this year?

Mr. OLIVER. Yes.

Unless there are some further questions with reference to the State Department, I will pass on to the Department of Justice. The gentleman from New York [Mr. BACON], who will follow me, will devote most of his time to the State Department and will be glad to answer any further questions you may wish to submit.

The Department of Justice by the table to which your attention has been previously called is shown to have had for the fiscal year 1935, $31,021,209. The committee recommends for 1936, $34,550,000, which is an apparent increase of $3,528,791; but when the restoration of salaries to the 100-percent basis is taken into consideration, there is only an increase of approximately $1,517,000, and that is largely taken up with the increased cost of maintaining penal institutions, owing to the fact that we guessed wrong last year, when we appropriated for a smaller population.

We find the population in Federal penal institutions approximately the same as before the repeal of the eighteenth amendment. It may be necessary to carry a deficiency appropriation this year to cover the costs due to this increased population in Federal penal institutions.

In appropriating for the Department of Justice it is impossible to tell in advance how busy the courts will be; how many witnesses and jurymen will have to be paid, and how many prisoners must be appropriated for. Such items are variable and must be based on estimates.

We have endeavored to care for the personnel in a way that will not impair the efficiency of the Department in the handling of the many civil cases now pending to which the Government is a party and in its effective prosecution of law offenders. Additional personnel have been provided for.

If you will read the statement made by the Attorney General and by the Director of the Bureau of Investigation, I am sure you will agree that the committee was fully justified in granting an increase to this very important Bureau of $300,000. I here read, in justification of this increase, the committee's report:

> For the fiscal year 1936 the Budget estimate called for an appropriation of $4,700,000 for all expenses of this Bureau. While this amount was an actual increase of $320,000 over the appropriation for the previous year, it would in fact allow an actual net increase of only $2,000 as the balance of the increase will be taken up by the salary restoration. Extended hearings to be found reported on pages 8–18 (testimony of the Attorney General) and pages 76–103 (testimony of the Director of the Bureau) have convinced the committee that the estimates as submitted are not enough properly and effectively to carry on the tremendous burden of law enforcement imposed upon this agency.
>
> One of the most salient evidentiary facts that have prompted the committee in recommending an increase of $300,000 in the budget estimate is the number of unassigned cases. At the present time there are over 8,500 cases which, because of the limitations of personnel, have not been assigned for investigation. The average case load per officer is 16 at the present time, whereas authoritative information would seem to indicate that an average of 10 to 12 cases per officer is the maximum that can be handled with a real degree of attention and efficiency. Aside from the actual need which has been adduced from the facts presented there is a further psychological factor involved. The war on crime to be successful must be intense. The criminal is on the run. Under the able leadership of the Attorney General remarkable results have been and are being attained in the apprehension and conviction of desperate criminals.
>
> Public attention is focused on the activities of the agents of the Bureau of Investigation, and that attention is serving to express a genuine cooperative spirit and enthusiastic approbation and respect for the fearlessness and success being displayed by the agents of the Bureau in "getting their man." To in any wise take action that might be interpreted as relenting in the severity of the means to be employed in accomplishing the end of abating criminal terrorism would be contrary to the demands of a militant public opinion.
>
> The headquarters work of the Bureau has been growing by leaps and bounds. Over 550,000 fingerprints were received from nearly 7,000 contributors in 1934. Fingerprints are being exchanged with 64 foreign countries as compared with 47 a year ago. The work attending crime-statistics compilations is increasing with over 1,700 cities now supplying statistics. Over 420,000 pieces of mail were received in 1935 by the Bureau as compared with 330,000 in 1934—an increase of 90,000 pieces. An average of over 10 fugitives from justice are being identified every day through the work of the Identification Division. The crime laboratory has had an astonishing growth in the necessity of meeting the need for the application of scientific principles to the solution of crime.
>
> Attention has been given to the fact that the appropriation for 1935 contemplated expenditure of a considerable sum for purchase of equipment which will be in the nature of a partially nonrecurring item so far as the 1936 estimates are concerned. This partially nonrecurring item is fully offset, however, by the expense attendant upon the employment of additional personnel in Washington, with the approval of the Budget, in order to meet the increased volume

of work in the Department in Washington, as referred to in the preceding paragraph.

The statement in the hearings of Mr. Edgar Hoover, the efficient Director of this Bureau, will be found to be of extreme interest.

The committee also added $7,500 to the Court of Claims, so that they might temporarily employ an expert patent lawyer to aid in expediting the disposition of a number of important patent cases. These cases draw interest, if judgment should be rendered against the Government, and the court requested such additional commissioner. Other than the two increases mentioned, we have granted no other increases to the Department of Justice over Budget estimates. The pending bill carries about $182,000 less than the Budget estimates, after allowing for the two increases.

The statement by the Attorney General and by Mr. Hoover, Director of the Bureau of Investigation, are interesting and informative as to the accomplishments of the Bureau.

Mr. RICH. Will the gentleman yield further?

Mr. OLIVER. Yes.

Mr. RICH. By the cooperation that we give to the Department of Justice in reducing crime, does the Department figure that the population of our prisons will decrease on this account?

Mr. OLIVER. As the gentleman knows, many of the offenses that the Bureau of Investigation is handling are very serious, and it requires a long time to run them down. The great number who come into Federal prisons are for violation of the revenue law, and the Treasury Department is furnishing information against these offenders to the district attorneys and to the grand juries.

Mr. RICH. Then, if we cut down this population, it would be money well spent and it would be a matter of economy?

Mr. OLIVER. There is no question about that, and I am hopeful that this drive on crime will put the fear of the law into the hearts of criminals, and that with the cooperation of law-abiding citizens throughout the country we may be able to reduce criminal violations. It is important to let criminals know they cannot escape just punishment. If you can once convince the lawless element of that fact you will largely reduce crime.

You will find interesting statements and tables inserted in the hearings by Mr. Bates, and by the direction of the probation bureau. The gentleman from Pennsylvania [Mr. RICH] will find that the probation law, passed some years ago, and which really became effective only after it was amended in 1931, has kept out of our jails and prisons many who are now being rapidly restored to good citizenship.

In 1931 there were 4,000 on probation and now we have about 23,000; and the conduct of those on parole is most encouraging and proves the wisdom of this law. Many on parole have paid fines assessed against them, and submit excellent reports from civic organizations and citizens acting as next friends. Comparatively few probationers have violated the conditions imposed by the courts. We are granting a substantial increase in this appropriation so as to provide additional parole officers.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. BACON. I want to inject one remark: The gentleman from Alabama himself, I think, has been more responsible for the development of the probation system in Federal courts than any other man I know of.

Mr. OLIVER. The gentleman is very gracious and kind. The Federal judges cooperating with good citizens where the courts are held under advice of probation officers have made the probation law a success.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. RICH. Should not more encouragement be given to the judges to place on probation first offenders if the cases have been properly investigated to see that they are first offenders? I hope the gentleman will do everything he can to further this system, because I believe it will encourage the people of this country to become better citizens if we place first offenders on probation in appropriate cases rather than to incarcerate them in prisons.

Mr. OLIVER. What has been said on the floor today, together with the action of the committee in increasing this appropriation, shows our faith in this system and will commend it to the judges, I am sure.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. CULKIN. I ask the gentleman whether or not appointees to the position of probation officer in the Federal courts are now required to have preliminary training, technical training, in welfare work and investigation?

Mr. OLIVER. That is altogether for the judge to determine. Until we changed the law placing the power with the judges to appoint probation officers and giving the Attorney General the right to supervise their work, require regular reports, and withhold pay for inefficiency, we were never able to secure appointments of probation officers nor make progress with the probation system.

Mr. CULKIN. But there are no strings on the qualifications of the employees?

Mr. OLIVER. The judges determine that.

Mr. CULKIN. May I ask the gentleman further if he can tell how that legal situation is working out as to the character of the appointees, if he knows?

Mr. OLIVER. My understanding is that the judges are giving very special care to the selection of these officers.

Mr. CULKIN. Of course, the temptation has been very strong in some quarters to have the judges appoint personal friends or quasi-political hacks.

Mr. OLIVER. On the whole, I think the gentleman will agree that we have a very fine class of men on the bench.

Mr. CULKIN. I think that is true.

Mr. OLIVER. They are interested in the success of the probation system. The responsibility is theirs when they place on probation parties charged with crime.

Mr. CULKIN. There is no regulation in the Department requiring the appointment of trained investigators, then?

Mr. OLIVER. No. They were at one time required to be selected from civil-service lists, but that was not found practicable. We carried appropriations that were seldom used, for about 4 years, while we had that system. Not until the Judiciary Committee brought to the House a bill that met with the approval of the judges, and which Congress passed, did we find the probation system effective.

Mr. CULKIN. Of course, there is a very great responsibility upon the judges in the matter of these appointments.

Mr. OLIVER. Yes. I shall now take up the Department of Commerce.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield before he leaves the Department of Justice?

Mr. OLIVER. Yes.

Mr. FERGUSON. Was the committee convinced that in these penal institutions it was necessary to allow as much as half of the appropriation in some instances for salaries and wages of the men running the institutions?

Mr. OLIVER. If the gentleman will examine the schedule of pay for the guards who constitute, of course, the larger part of the personnel, he will find their pay is not large. These men get between $1,600 and $1,800, and they must pay their own living expenses.

Mr. FERGUSON. I understand that, but half the total appropriation in almost every instance is carried for salaries and wages.

Mr. OLIVER. The gentleman will find that the pay schedules for those in charge of prisons are not excessive.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield before he leaves the Department of Justice?

Mr. OLIVER. Yes.

Mr. BOYLAN. As the gentleman knows, I am very much interested in the operation of the Federal parole system which was authorized by the Seventieth Congress. I have had some experience in particular cases during the past year, and it appears to me that the Parole Board is operating in rather a mechanical manner. Has the gentleman looked into this?

Mr. OLIVER. The gentleman from New York was kind enough to appear before the committee. We had present at that time Mr. Bates, the efficient prison director, and had expected to have members of the Parole Board present, so that the gentleman from New York could make inquiry of them along the lines he mentions. The committee appreciated very much the statement my friend from New York made to the committee; and I know the Members of the House will enjoy reading the gentleman's statement which appears in the hearings. Our committee, however, could not agree with the gentleman as to some of his conclusions in regard to the parole system.

Mr. BOYLAN. No, I do not expect that in toto; but it is my impression that the Parole Board is working in a mechanical way, that it mechanically fixes the term and about 50 percent of the sentences which in many cases amounted to 100 percent additional time served by the prisoners.

Mr. OLIVER. That was all brought out in the hearings at the time the gentleman appeared before our committee. In order to save time, I will ask the Members of the House to read the very interesting statement of the gentleman and the observations which members of the committee made in reference thereto.

Mr. RICH. In reference to prisons, so far as the appropriations are concerned for the present service, is it the intention of the Department in the future, as it has been in the past, to try to limit to the very least possible point the amount of manufacture that is going to compete in the future with the business interests on the outside of the prisons?

Mr. OLIVER. I am very grateful to Congress for having relieved the committee of the responsibility of looking into that phase of prison work. Congress passed a law last year authorizing the appointment of a board. That board has been appointed, I understand, and they will have charge of the matter to which the gentlemen refer.

Mr. RICH. They have not made their recommendations?

Mr. OLIVER. I do not think they have. No report has been made to our committee. Labor, manufacturers, and the Government have a representative on the board.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, I take up next the Department of Commerce, and here again I wish to invite your careful reading of the Secretary's very full and interesting report. This is the one department that perhaps has closer contact with the business interests of America than any other, and it is functioning well. If you will read the statements made by prominent business men to the committe, you will understand their appreciation of the service rendered by this Department. It was on the suggestion of business men coming from different sections of the country that the committee increased appropriations in Central and South America for the Bureau of Foreign and Domestic Commerce. I invite your very careful reading of the hearings relating to the Department of Commerce, and especially statements made by the business men who appeared before us in which they place a high valuation on the services of this Department. We are endeavoring in every way to aid business through the Department of Commerce.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. OLIVER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I remember the wonderfully fine nonpartisan work of the present chairman of the committee, the gentleman from Alabama, when the Republicans were in power. The gentleman from Alabama did so much in developing this service.

Mr. OLIVER. The gentlewoman from Massachusetts is too generous in her reference to me. She has often appeared before the committee to make helpful suggestions in the interest of this service.

The Membership of the House will be interested to read the statements of the Steamboat Inspection and Navigation Bureau in reference to the *Morro Castle* accident. We requested a brief statement in reference to that unfortunate occurrence. The hearings disclosed that legislation is now being asked of the appropriate legislative committee which should greatly strengthen this service. If this legislation is approved by Congress, as I am sure it will be, additional appropriations will be required in order to make this service thoroughly efficient and effective.

Under the Department of Commerce hearings you will find a very comprehensive statement by the Shipping Board and the Fleet Corporation. I do not believe there has ever appeared so full a statement as the hearings now contain, and I invite your very careful study of this informative report. Probably a different policy may be fixed by this Congress for the Shipping Board, and a reading of this statement will aid you in the study of any proposed legislation which may later come before you.

We have inserted an item that was discontinued for about 2 years, at the urgent request of those interested in coal, wheat, cotton, and other products, so as to vest a discretion in the Secretary of Commerce to repair vessels to carry such cargo to foreign ports.

Taking up the Department of Labor, there is an apparent reduction in this appropriation of over $900,000. I will explain it very briefly in this way: The Wagner-Peyser Act authorized an appropriation of $4,000,000 annually, beginning with the fiscal year 1935, up to and including 1938, and then left the right to Congress to appropriate indefinitely thereafter. This law has been in effect, as you know, since 1934. We carried the first year under the terms of the act an appropriation of only $1,500,000. The act requires that three-fourths of any sum appropriated shall be allocated to States for the purpose of establishing an employment service and that one-fourth of such appropriation may be used for administrative purposes.

The report of the Director shows that at the end of the present fiscal year on July 1 next there will remain unmatched of the funds we have appropriated in 1934 and 1935 more than $1,000,000 to States that have not yet affiliated, and he estimates that about $250,000 will remain unmatched by the States that have partially affiliated. We have appropriated a sum sufficient to provide for all States that have affiliated and an additional $500,000 to provide for States that may hereafter affiliate. We have also carried an authorization for an indefinite appropriation up to the full $3,000,000 for the fiscal year 1936, if States not now affiliated show a desire to avail themselves of this appropriation by matching it. We have in no way impaired the Wagner-Peyser bill, but are carrying it out in full.

We have simply adopted the course of not piling up appropriations that may never be used. These appropriations, as you understand, remain in trust for the States entitled thereto for a limited time after they are made. Every State that has not yet affiliated will find it has been well cared for. There remains unexpended of the amount allocated for such States in 1934 and 1935 a goodly sum which is available when matched. For the fiscal year 1936 a further allocation will be made, if matched.

I hope, with 44 State legislatures now meeting, that they will set up an employment service under the terms of the Wagner-Peyser bill.

Mr. RICH. In view of the labor bureau they will set up, will it be necessary for the State to have a labor bureau of its own, or will there be two establishments working in harmony with each other?

Mr. OLIVER. After this year it will be absolutely essential for the State, if it wants the benefit of these funds, to set up a sum equal to what the Government appropriates, and then it becomes their employment service. We have been carrying on what are known as "reemployment offices" under an appropriation granted by P. W. A. and F. E. R. A., now altogether from P. W. A.

Mr. RICH. If the States then will accept this plan, it will cut down the States appropriation and will stop the overlapping of these bureaus.

Mr. OLIVER. Yes; it will give them a State employment service.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. THOM. The commander of the American Legion in the State of Ohio wired me that some 20 of the 73 offices of the reemployment service in Ohio have been discontinued. Is this the result of any reduction in the appropriation?

Mr. OLIVER. No; I think the gentleman will find that they are establishing what are known as "regional offices" for handling larger areas. We had established these reemployment offices at places where Government money was being expended. They have withdrawn from many places because the public projects have been completed.

Mr. THOM. So far as the permanent system is concerned, that is not affected?

Mr. OLIVER. Not in the slightest. We have made other small reductions in the Department of Labor, one amounting to $25,000 in the Bureau of Statistics. This is a permanent and important service, but it has rapidly grown from about $440,000 to the amount now carried in the bill, to wit, about $880,000. They asked for 119 new employees. We cut the appropriation $25,000. The average pay of the 119 employees is about $2,000. This cut will result in a reduction of about 12 employees. We do not think it will in any way interfere with the efficiency of the service. Some of the new personnel should be considered as temporary, to meet present emergency needs.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. BACON. It is true, of course, that the Department of Labor has received $1,300,000 plus, over and above the appropriation of 1935, and I think it is the gentleman's understanding and the understanding of the committee that this increase in appropriations for the Department of Labor is due to the various emergencies and the emergency organizations, and that it is the intention of the committee to scrutinize very carefully the appropriations for next year, and when the emergency is over we intend to reduce some of these extended activities of the Department of Labor.

Mr. OLIVER. I am very glad the gentleman has called my attention to this. The net increase of the Department of Labor over 1935 is not large, when we take into account the amount necessary to restore salaries to a 100-percent basis and to continue certain automatic promotions that will occur during the present year.

On April 1 the Department of Labor will largely have completed its reclassification, and it has been the claim of the Department that its employees are underpaid as compared with other departments. So the Civil Service Commission has been engaged in a reclassification study of the Department. By April 1 there will be some increases made. These increases have been estimated for in the 1936 appropriations, and when you take into account—salary restoration, automatic increases, and some administrative promotions—you will find the amount carried for 1936 is not a large increase over 1935, except for the new personnel in the Bureau of Labor Statistics.

Mr. BACON. And as a general proposition it is the purpose of our committee not to let this Department expand permanently and excessively under the guise of an emergency.

Mr. OLIVER. No. I think it is the desire of the Secretary to further reorganize this Department, and I want to pay this tribute to Secretary Perkins. She has partially reorganized this Department and as a result we have never before had such clear and accurate information supplied to us by the agencies of this Department.

On the part of the committee I wish to make grateful acknowledgment for the very accurate information which they have supplied the committee, and you will find an interesting statement of the activities of this Department in the hearings. The Children's Bureau, under the direction of Miss Lenroot, has rendered splendid service, and if this Congress passes social legislation and security legislation this Bureau will be called on to perform a large part of that work. [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield myself 30 minutes. Mr. Chairman, I propose to discuss the appropriation bill now before the committee, and to pay especial attention to the Department of State, because of the fact that the gentleman from Alabama [Mr. OLIVER] has gone so extensively into the other Departments of Government and so ably presented the bill to you.

Before doing so, I want to express my great appreciation to the gentleman from Alabama for the courteous and able way he has conducted the affairs of our committee. He has worked indefatigably since December 13 on this bill, and I think that there is no one in Congress who knows more about the details of the four Departments than does the gentleman from Alabama.

In discussing the Department of State I want, in the course of my remarks, to clear up some of the misunderstandings that seem to be in the minds of some with reference to the Foreign Service. But before doing so I want to run over briefly the history of our Foreign Service.

Former Secretary Hughes, now Chief Justice of the United States, when Secretary of State, called the Department of State the "great department of peace."

That is what it is. But because there is no politics in the State Department, it is treated by the Congress as an orphan stepchild among the departments.

No political advantage can be gained by a Member by taking an interest in the Department of State. The work of the State Department is vital to the welfare of our country and to every American in bringing about international peace throughout the world.

A former Member of Congress, a former Solicitor General of the United States, and a former Ambassador to Great Britain, John W. Davis, in referring to the Foreign Service called the diplomatic part of the Foreign Service "America's first line of defense", and the Consular Service "the spearhead of American trade." I think in that phrase he sums up the importance of the American Department of State.

It is very interesting to see how our Foreign Service originated. It originated with Thomas Jefferson in 1790. It was he who began the Foreign Service, particularly the Consular Service. Thomas Jefferson, John Adams, and Benjamin Franklin continually implored Congress at that time for an adequate Foreign Service that would represent the new democracy that had then been created.

But their pleas fell on rather deaf ears. Congress was more interested in the internal affairs, as it is today, and for a long while the Foreign Service had a very precarious existence. It was not until August 18, 1856, under the Presidency of Franklin Pierce, a Democratic President, that the first bill was passed attempting to put the Foreign Service on some kind of stable basis. But from 1856 nothing was done for the Foreign Service until 1895. It had become a football of politics. Politicians sought to put their special friends in the Foreign Service. It was looked upon as a political grab bag. In 1895 the Senator from Alabama, Mr. Morgan, introduced the first comprehensive bill to take the Foreign Service out of politics and to attempt to put it on a democratic basis, where the ablest citizens, regardless of politics, large means, or social prestige, might represent their country. The Senator from Alabama, Mr. Morgan, failed in the passage of his bill. Grover Cleveland at that time was the President of the United States and Richard Olney, of Massachusetts, was the Secretary of State, and I may say that one of the pleasantest recollections of my youth is an acquaintance with Mr. Secretary Olney. President Cleveland and his Secretary were so impressed with the bill that was introduced by the Senator from Alabama, Mr. Morgan, who is really the first man to attempt by legislation to take the Foreign Service out of politics and put it on a permanent

basis, that President Cleveland issued an Executive order which established for the first time the principle of examination for entrance into the Foreign Service.

I have here the letter and the report of Mr. Olney and the Executive order of President Cleveland, and I think it is fair to say that although Thomas Jefferson was the creator of our Foreign Service, and although Franklin Pierce, a Democratic President, was the first to recognize the fact that something ought to be done for it, yet Grover Cleveland was the real father of a permanent Foreign Service, and, as far as the Congress is concerned, Senator Morgan, of Alabama, may be considered the father in the Congress. Perhaps it is only fitting that a gentleman from Alabama [Mr. OLIVER] should be the chairman of this subcommittee and should be so keenly interested in the development of our Foreign Service today. [Applause.]

Mr. OLIVER. And may I say that the splendid address the gentleman is now making, giving an interesting history of this important Department, shows how free from partisanship the members of our committee are in the consideration of these appropriation bills. I deeply appreciate the fine tribute the gentleman has paid to that illustrious Alabamian, Senator Morgan.

Mr. BACON. So far as our subcommittee is concerned, Mr. Chairman, I have never seen party politics enter into any of its discussions. After 1895 nothing was done until the Presidency of Theodore Roosevelt, when the act of February 5, 1906, was passed at the instance of the President and his Secretary of State, Mr. Elihu Root, that put the consular branch of the Foreign Service on a permanent basis and provided there should be no entrance to that Service except through strictly competitive examinations. Then, on November 26, 1909, when Mr. Taft was President, he issued an Executive order that applied the terms of the bill of 1906 to the diplomatic branch of the Service, and since 1909 no one has come into the Foreign Service of the United States in either branch except as a result of a strictly competitive examination.

When Mr. Wilson became President, on April 21, 1915, he issued an Executive order confirming the Executive order of President Taft and extending it in its scope. President Wilson was a great believer in the permanent Foreign Service of the United States. Conditions went along under these Executive orders until the Rogers Act of May 24, 1924, when for the first time the Congress went into the question in great detail. Hearings were held covering many, many months, and finally the Rogers Act was passed. It was passed twice in the House of Representatives, and, curiously enough, there were only 27 votes cast against it in 1923 and again in 1924. In 1923 it went to the Senate only 2 days before adjournment, and the Senate could not take it up. The bill was repassed in 1924 and went to the Senate, where the Foreign Affairs Committee of the Senate reported it unanimously, and it was brought up on the floor by Senator Lodge, of Massachusetts, who was ably supported at that time in his advocacy of the bill by Senator ROBINSON, the present Democratic majority leader of the Senate. The bill passed the Senate unanimously. Great credit must be given to Mr. ROGERS. He was the second ranking Republican member of the Committee on Foreign Affairs of the House. He gave this whole question intense study and I think he deserves the gratitude of our people because it is he who really for the first time by legislative action placed our Foreign Service on a permanent, nonpolitical, nonsocial basis, where any American, whether he has private means or not, can seek a career in the service of his country and can be paid a sufficient wage to enable him to look forward to many years of service without private means. In a democratic form of government, Mr. Chairman, it is very essential that any intelligent American should be permitted and able to come into our Foreign Service and represent his country. In the past, in the days of politics, when salaries were a hit-and-miss proposition, there grew up a custom of necessity of selecting wealthy men for the Foreign Service. That was undemocratic and un-American, and it was to cure that evil that the Rogers Act was passed and a scale of salaries established and a permanency of service established so that any American who has ambition to serve his country in the foreign field may take this competitive examination, and if he does well he can look forward to steady promotion and to retirement at the end of 30 years' service, on sufficient retirement pay, that will free him from worry in the latter days of his life.

Mr. BOYLAN. Will the gentleman yield?

Mr. BACON. I yield.

Mr. BOYLAN. The gentleman knows the criticism that was made some years ago, that the principal business of our representatives in the Foreign Service was to wear high hats and spats?

Mr. BACON. I am quite aware of that criticism.

Mr. BOYLAN. And to utterly ignore Americans who came to them for service in the foreign countries.

Mr. BACON. Of course, the gentleman is quite correct, that that criticism was made. It is my purpose to show that since 1924, when this bill was passed, any such criticism has been completely and absolutely unjustifiable. Since 1924 many Americans have joined the Service through competitive examinations, and they have come from every State in the Union except two. Curiously enough, South Dakota and Montana have not provided any men for the Service; but except those two States, the geographical distribution of those who have entered by competitive examination has been very wide-spread, and in about the same proportion that the population of that State bears to the total population of the United States. I have a list of all those who have come in and the States from which they came. It is quite interesting to see the wide geographical distribution of the people who are now serving us abroad in the Foreign Service. This geographical distribution is as follows:

American Foreign Service officers as of Jan. 1, 1935. Arranged by States of legal residence, with States grouped in sections

New England States:	
Connecticut	16
Maine	8
Massachusetts	41
New Hampshire	4
Rhode Island	8
Vermont	4
Total	81
Percentage	11.8
North Atlantic States:	
District of Columbia	22
Delaware	5
Maryland	25
New Jersey	21
New York	103
Pennsylvania	37
Total	213
Percentage	31
Southern States:	
Alabama	10
Arkansas	2
Florida	6
Georgia	15
Kentucky	11
Louisiana	5
Mississippi	4
North Carolina	8
Oklahoma	8
South Carolina	10
Tennessee	13
Texas	18
Virginia	26
Total	136
Percentage	19.8
Eastern Central States:	
Indiana	9
Illinois	30
Michigan	20
Ohio	27
West Virginia	2
Total	88

American Foreign Service officers as of Jan. 1, 1935. Arranged by States of legal residence, with States grouped in sections—Con.

Percentage	12.8
Western Central States:	
Iowa	10
Kansas	9
Minnesota	15
Missouri	20
Nebraska	8
North Dakota	1
South Dakota	0
Wisconsin	8
Total	71
Percentage	10.3
Western States:	
Arizona	5
California	51
Colorado	11
Idaho	2
Montana	0
Nevada	1
New Mexico	4
Oregon	10
Utah	3
Washington	10
Wyoming	1
Total	98
Percentage	14.2

Total number of officers, 687.

Since 1925 there have been 382 Americans who have come in as a result of these competitive examinations. Since 1925 there have been 366 who have been eliminated from the Service, either because of inefficiency or because of death or ill health, or, perhaps, because of promotion to the rank of minister.

Now, I want to come to the present situation, but before doing so I wish to say that Mr. Linthicum, Democratic Chairman of the Foreign Affairs Committee in 1931, passed through this House what is known as the "Moses-Linthicum bill", which further extended the Rogers Act.

I have said that the people in our Foreign Service came from every State in the Union. Out of interest I have checked up the career of some of the outstanding men in the Foreign Service today, and it may be of interest to you to show, by concrete example, the general distribution that I have been discussing.

I find, for example, that Mr. Weddell, of Virginia, now Ambassador to the Argentine, started as a clerk in the Legation in Copenhagen in 1908.

I find that Jefferson Caffery, of Louisiana, our present Ambassador to Cuba, started as a secretary at the Legation in Caracas in 1911.

I find that Mr. Robert Skinner, of Ohio, our present Ambassador to Turkey, started as consul in Marseille, France, in 1897.

I find that Mr. Frederick A. Sterling, of Texas, our present Minister to Bulgaria, started as a secretary in the Embassy at Petrograd in 1911.

I find that Mr. Nelson Johnson, of Oklahoma, our Minister to China, started as a student interpreter at a salary of $1,000 a year in 1907. He went from a farm in the wheat fields of Oklahoma at a salary of $1,000 a year, and today he is one of the outstanding authorities on affairs in the Far East, and is our present Minister to China.

I am citing these because it does show that an ambitious young American, without means, can have a real opportunity for service in our foreign affairs. I have a list showing that nearly every State in the Union is represented, I think, except my own State of New York. It is as follows:

SOME OFFICERS WHO HAVE ACHIEVED PROMINENCE FROM MODEST BEGINNINGS IN THE FOREIGN SERVICE, WITH THEIR ORIGINAL EMPLOYMENT IN THE SERVICE

Alexander W. Weddell, of Virginia, Ambassador to Argentina, was employed as secretary to the Minister to Denmark and clerk in the Legation at Copenhagen 1908.

Hugh S. Gibson, of California, Ambassador to Brazil, was appointed secretary of Legation at Tegucigalpa July 31, 1908.

Jefferson Caffery, of Louisiana, Ambassador to Cuba, was appointed secretary of Legation at Caracas March 2, 1911.

Fred Morris Dearing, of Missouri, Ambassador to Peru, was employed as secretary to the Minister to Cuba in 1904.

Robert P. Skinner, of Ohio, Ambassador to Turkey, was appointed consul at Marseille December 18, 1897.

Frederick A. Sterling, of Texas, Minister to Bulgaria, was appointed third secretary of Embassy at Petrograd March 2, 1911.

Nelson Trusler Johnson, of Oklahoma, Minister to China, was appointed student interpreter in China August 27, 1907.

J. Butler Wright, of Wyoming, Minister to Czechoslovakia, was appointed secretary of Legation at Tegucigalpa August 4, 1909.

John Van A. MacMurray, of Maryland, Minister to Estonia, Latvia, and Lithuania, was appointed secretary of Legation and consul general at Bangkok May 10, 1907.

Matthew E. Hanna, of Ohio, Minister to Guatemala, was appointed secretary of Embassy at Mexico City August 23, 1917.

George T. Summerlin, of Louisiana, Minister to Panama, was appointed a clerk in the Department of State July 1, 1909.

Hugh R. Wilson, of Illinois, Minister to Switzerland, was employed as secretary to the Minister to Portugal in 1911.

Ralph J. Totten, of Tennessee, Minister to the Union of South Africa, was appointed consul at Puerto Plata June 10, 1908.

Maxwell Blake, of Missouri, diplomatic agent and consul general at Tangier, Morocco, was appointed consul at Funchal February 2, 1906.

Charles C. Eberhardt, of Kansas, retired as Minister to Costa Rica, was appointed a clerk in the Embassy at Mexico City in November 1903.

Edwin S. Cunningham, of Tennessee, consul general at Shanghai, was appointed consul at Aden February 16, 1898.

Claude I. Dawson, of South Carolina, consul general at Barcelona, was appointed consul at Puerto Cortes June 24, 1910.

Ray Atherton, of Illinois, counselor of Embassy at London, was appointed secretary of Embassy at Tokyo September 6, 1917.

Edwin L. Neville, of Ohio, counselor of Embassy at Tokyo, was appointed student interpreter in Japan August 27, 1907.

Ferdinand L. Mayer, of Indiana, counselor of Legation at Bern, was appointed secretary of Legation to Haiti August 10, 1916.

John K. Caldwell, of Kentucky, consul general at Sydney, N. S. W., was appointed student interpreter in Japan October 8, 1906.

Louis G. Dreyfus, of California, counselor of Embassy at Lima, was appointed consular assistant December 20, 1910.

Douglas Jenkins, of South Carolina, consul general at Berlin, was appointed consul at St. Pierre June 22, 1908.

Willys R. Peck, of California, consul general at Nanking, was appointed student interpreter in China October 8, 1906.

Arthur Garrels, of Missouri, consul general at Tokyo, was appointed consul at Zanzibar June 22, 1908.

Mahlon F. Perkins, of California, assistant historical adviser, Department of State, was appointed student interpreter in China January 14, 1909.

Addison E. Southard, of Kentucky, consul general at Stockholm, was appointed a clerk in the American Legation at Peking in April 1915.

John C. White, of Maryland, counselor of Embassy at Berlin, was appointed secretary of Legation and consul general in Santo Domingo May 22, 1914.

Wesley Frost, of Kentucky, consul general at Montreal, was appointed a clerk at $1,600 in the Department of State September 2, 1909.

Alexander C. Kirk, of Illinois, counselor of Embassy at Rome, was employed as private secretary to the Third Assistant Secretary of State in 1915.

Thomas M. Wilson, of Tennessee, Chief Division of Foreign Service Personnel, Department of State, was appointed consul at Hankow October 21, 1919.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. BACON. I gladly yield to the lady.

Mrs. ROGERS of Massachusetts. Does not the gentleman feel that we have the finest foreign service in all the world? And, if allowed to continue, it will do monumental work.

Mr. BACON. I think that we have, but it is in danger.

Mrs. ROGERS of Massachusetts. Yes; we have the finest material in the Service. It would be disastrous to eliminate our trained personnel and to thereby cripple our Foreign Service and greatly impair its usefulness.

Mr. BACON. We have the finest possibilities. I want to come to the dangers that now confront the Foreign Service.

Mrs. ROGERS of Massachusetts. I know how our fine men compare with those of other countries.

Mr. BACON. I spoke about the retirement that a man could look forward to after serving his country 30 years. In the civil service a man contributes 3½ percent of his salary to the retirement fund. In the Army and Navy an officer is retired after 30 years, or whatever the age limit is, at three-quarters pay. In the Foreign Service, by the Rogers Act, the contribution of the Foreign Service officers was put at 5 percent. They contribute annually 5 percent of their salaries to the retirement fund. That is a pretty stiff contribution, I think you will all agree.

It is also interesting to note that our greatest competitor in the foreign field, Great Britain, retires all of its foreign

officers at three-quarters pay, and while they are in the service they pay from three to five times the salaries that we pay under the terms of the Rogers Act. It will be interesting to note, in comparing our own salaries, for example, with Great Britain, that our consul in Lisbon receives $4,500, while the British consul receives $6,300. Our Ambassador, for example, to Germany, Mr. Dodd, who made a very interesting statement before our committee, receives a salary of $17,500, out of which he must maintain himself, whereas the British Ambassador to Germany receives the sum of $38,932.

Mr. OLIVER. Will the gentleman yield?

Mr. BACON. I gladly yield.

Mr. OLIVER. I think the Ambassador said he was able to live well within the limits of his salary, and that he would not require increased allowances for entertainment.

Mr. BACON. He did. I am not advocating any increase in salaries in our Foreign Service. I think the scale was well considered in 1924 and again in 1931 and is a scale that an American can live on in dignity and represent his country well, provided they have the brains and intelligence to do it, but not too well. I do not believe that the representatives of a democracy should spend too much money in representing their country abroad. I merely made the comparison with Great Britain to show that their range of salaries was infinitely higher than ours.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. CULKIN. May I say to the gentleman that there is another phase of the Consular Service than the difference in pay. I am advised, for instance, that the British Ambassador places the consul on his civil list if there is a public function, we will say in a South American city, and the British consul is invited, but the American consul is not invited for some reason.

Mr. BACON. The gentleman is entirely wrong.

Mr. CULKIN. I was so advised very definitely within 2 months, I may say to the gentleman.

Mr. BACON. I will say the gentleman is entirely wrong. Under the terms of the Rogers Act—and I intended to mention it in my speech—the two branches of the Foreign Service, the diplomatic branch, the first line of defense, as Mr. Davis called it, and the consular branch, the spearhead of American trade, were joined in one service and there is now no diplomatic branch or no consular branch per se; they are combined in the Foreign Service of the United States. A man entering the Foreign Service under competitive examination is required to serve a considerable length of time in the Consular Service before he can go on to any promotion in either branch for the simple reason that it is felt that young men coming into the Service must be put into the consular branch so they may have a business education in our foreign trade.

Mr. CULKIN. Mr. Chairman, if the gentleman will permit a further interruption, the gentleman believes, of course, that social recognition should be given these splendid men in the consular force in the various capitals, does he not?

Mr. BACON. Why, of course, and so it is.

Mr. CULKIN. It is not, I will say to the gentleman.

Mr. BACON. I deny that absolutely.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. BACON. Yes; I yield to the gentleman from Texas.

Mr. BLANTON. If we paid our ambassadors double, or treble what they are paid now, does the gentleman from New York think we would get any better material?

Mr. BACON. I just said I thought the salaries were absolutely adequate; and no American should spend more.

Mr. BLANTON. But does the gentleman think we would get any better material?

Mr. BACON. No.

Mr. BLANTON. No; we would not, because it is not the money particularly that attracts such men.

Mr. BACON. What we are looking for is brains and real Americans.

Mr. BLANTON. And they usually are hand-picked by the administration.

Mr. BACON. Under the terms of the Rogers bill, as I said, the two former branches of the Service were amalgamated into the Foreign Service of the United States and the services were interchangeable. For instance, a man may serve 2 years in the Consular Service, then 2 years in the Diplomatic Service, and another 2 years in the Consular Service. As a matter of fact no promotions can be made unless they serve in both branches under the Foreign Service of the United States. For instance, the consul general in Paris has also the rank of counselor of embassy. He holds both positions. There is no distinction between the two branches of the Service.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. COCHRAN. Does the gentleman feel that the reduction in the number of commercial attachés throughout the world, brought about by the present administration, has been harmful to our foreign trade in any way?

Mr. BACON. I am inclined to think so, but, of course, our commercial attachés do not come under the State Department; they are appointed by the Department of Commerce, and I am not discussing the Department of Commerce at this particular moment.

Mr. COCHRAN. But they are now located in the embassy.

Mr. BACON. They come under the general jurisdiction of our ambassadors or ministers.

Mr. COCHRAN. They work in cooperation with the embassy.

Mr. BACON. Yes; in very close cooperation, I may say; and I think they render a very valuable service to our import and export trade. The gentleman from Alabama went into this matter very carefully, and I agree with him in everything he said on that particular phase of the subject.

Mr. COCHRAN. Then the gentleman must concede, according to his own statement, that we were overmanned several years ago so far as commercial attachés were concerned.

Mr. BACON. Of course, that is a matter of opinion, and I do not care to discuss that phase of the question. I am not talking about the Department of Commerce at the present time.

The present situation in the Foreign Service of the United States is simply this: Since 1931 there have been 82 eliminations from the Service, and the present bill will mean that there will be from 30 to 40 further eliminations. There has been no new blood coming into this Service by competitive examination since 1931. So we have the picture of a large reduction in our force since 1931 and no new blood coming in at the bottom by competitive examination according to the terms of the Rogers Act. It must be obvious, therefore, that this condition cannot go along without the complete destruction of our Foreign Service. I have no fault to find with the eliminations from the Foreign Service. But I do find fault with that there have been no replacements or real promotions since 1931. The unfit must, of course, be eliminated, but the fit and efficient must be recognized by promotions and the gaps in the ranks must be filled by new recruits brought in through competitive examinations. Unless ability and faithfulness is recognized by promotion, able, ambitious young men will not be attracted to the Service. Our Foreign Service will then die of neglect and the work of the State Department will suffer.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I commend the thorough inspection service. It was far more thorough than I had any idea. A careful check is made on the efficiency and ability of the people in the Foreign Service. Their records are checked every little while and those who do not measure up are eliminated, as they should be. I have no quarrel to find with eliminations on account of inefficiency. Of course, all of these 82 and the prospective 40 that will go out in a few months are not all eliminated because of inefficiency. Some have reached

the retirement age; some have been promoted from class 1 to be Ministers; and some have retired voluntarily, either because of business reasons or on account of health. There have been a considerable number eliminated because of inefficiency, but that will always go on. That will go on whether we cut the appropriation or increase it. However, we cannot continue the condition of having nothing but eliminations without at the same time holding out some hope of promotion to the efficient men who remain and without at the same time filling the vacancies by new blood at the bottom as a result of these very stiff competitive examinations.

Mr. Chairman, at this point I want to put in the RECORD some of the duties that are required of our Foreign Service. I hope the Members will read what our Foreign Service are required to do; and if you do, I think you will agree with me the standard is very stiff indeed. They are as follows:

DUTIES OF FOREIGN-SERVICE OFFICERS

These officers deal with every problem that enters into the relations of the United States with foreign countries, whether it be political, commercial, administrative, or social. They protect the interests of the Government as well as the interests and persons of Americans traveling in foreign countries. Some conception of the range of the duties of foreign-service officers may be obtained from the following outline.

The efficient Foreign-Service officer—

Creates good will and common understanding, and, with restrained and critical leadership born of mature experience and profound knowledge of men and affairs, uses these as instruments for enhancing international confidence and cooperation among governments and people.

Adapts himself, his conduct, and his mode of living, appropriately to climate and surroundings in the country to which he is assigned.

Learns to speak the language of the country in a manner that reveals a background of intelligence and cultivation.

Comprehends his own country, and with unremitting endeavor comes to understand deeply the foreign country where he is stationed.

Furthers accurate knowledge and friendly understanding of the United States in foreign countries, and, also of the foreign countries in the United States.

Promotes and protects the interests of the United States and of its citizens.

Makes effective representations to the authorities of foreign governments concerning the protection of American citizens, their rights, and their property, in accordance with international law.

Advises and assists Americans traveling abroad for business or other purposes with wise counsel and accurate information.

Negotiates, with tact, sound judgment, and intimate knowledge of conditions at home and abroad, protocols, conventions, and treaties, especially regarding international intercourse, tariffs, shipping, commerce, preservation of peace, etc., in strict conformity to Government instructions.

Cooperates and counsels with superior officers and colleagues in Government service, on all matters relating to his official duties.

Establishes and effectively utilizes personal contacts in far-sighted ways for the benefit of his Government and of American citizens.

Analyzes and reports on political and economic conditions and trends of significance to the United States.

Analyzes and reports on market conditions, statistics of trade, of finance, of production, of labor, etc., in foreign countries, so far as they are significant to the United States and to its people.

Analyzes and reports on crops and other agricultural, forest, fishing, and mining resources, so far as they may affect similar American interests.

Analyzes and reports on shipping practices, shipping legislation, freights, charters, pools, etc., so far as they vitally affect any American interests.

Reports on all legislation of interest to the United States.

Reports on tariffs, both laws and practices.

Reports on vital statistics of Americans abroad.

Replies to individual trade and other inquiries from American citizens in ways to promote good will and help both present and future trade relations.

Exercises skill in following prescribed form and routine procedure when possible, and displays discriminating judgment as may be necessary in more complicated situations requiring investigations, careful accumulation of information, or professional understanding of laws, customs, conditions, etc.

Issues passports to American citizens, registers citizens, and advises on questions relating to citizenship generally.

Issues bills of health, makes sanitary reports, and supervises disinfection of merchandise.

Certifies invoices of all goods shipped to the United States, and reports on undervaluations for protection of revenues.

Visas alien passports and issues immigration visas under immigration laws.

Enters and clears American ships and airships, administers relief of seamen, signs on and discharges seamen, settles disputes between masters and seamen, and takes charge of shipwrecked vessels.

Assists in prevention of importation of prohibited articles.

Administers regulations relating to plant and animal quarantine.

Takes custody of and with sagacity administers and settles estates of American citizens and sailors who have died abroad.

Handles extradition cases.

Witnesses marriages where at least one of the participants is an American citizen, in accordance with American and local laws.

Performs notarial services in accordance with Federal, State, and local laws.

Administers an office in a businesslike and efficient manner.

Gives helpful information to colleagues and fundamental instruction and guidance to subordinates in assigning problems, investigations, duties, etc.

Apportions responsibility and work among personnel, reports on personnel, and maintains morale.

Maintains records of business and files of correspondence received and sent.

Estimates needs of office and plans Budget expenditures for present and future activities.

Receives, cares for, and accounts for public property in accordance with Government regulations.

Collects and properly accounts for fees for services rendered under law.

Disburses funds received from the Treasury of the United States for salaries, wages, and contingent expenses; makes up required returns and accounts, and remits surplus funds to Treasury.

The general requirements are that applicants must be between the ages of 21 and 35. The examinations cover 3 days, from 9 o'clock in the morning to 4:30 in the afternoon. One day is given over entirely to economics, commercial and business conditions with reference to the import and export trade of the United States. I may say that a man who can pass this examination is well qualified to represent our country abroad.

The examination was prepared by a board consisting of Mr. McMurray, who is now our Ambassador in Latvia, Professor Wilson of Harvard, Professor Thorndike of Columbia, and I may say that Professor Thorndike is the outstanding expert on examinations in this country, Professor Thurstone, of Chicago, and Mr. Green, formerly a professor at Princeton. They were the ones who prepared the scope and plan of the examinations. The examinations take in every conceivable kind of subject. I may further say that a man with an ordinary diploma from a college or university could not pass this examination without special work. I know I could not pass it, and I doubt if there is a single Member on the floor of this House who could pass the 3-days' stiff examination that is given to these young men. I will place in the RECORD the scope of the examination because it will surprise some of you when you look it over.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point certain official documents and statements which I have referred to in the course of my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

SCOPE OF EXAMINATIONS FOR THE FOREIGN SERVICE

Mr. BACON. After the passage by Congress of the so-called "Rogers Act", approved May 24, 1924, consolidating the Diplomatic and Consular Service into what was designated as the Foreign Service of the United States, and creating an office known as "Foreign Service Office", President Coolidge issued the Executive order of June 7, 1924, setting up a Board of Examiners for the Foreign Service, composed of the Under Secretary of State, an Assistant Secretary of State, the Director of the Consular Service, the Chairman of the Executive Committee of the Foreign Service Personnel Board, and the Chief Examiner of the Civil Service Commission, and outlined their duties in respect to holding examinations. That Board, with modifications, continued in existence until the enactment of the Moses-Linthicum Act, approved February 23, 1931, when the Board was changed to include three Assistant Secretaries of State, the Chief of the Division of Foreign Service Personnel, and the Chief Examiner of the Civil Service Commission. No Foreign Service officer ever has been or can be, under the law, appointed to the Service except after passing successfully the examination prescribed by that Board.

In 1931, with a view to raising the standard of the examinations and bringing them into harmony with the best thought on examinations, a Board was appointed by the Secretary of State, consisting of Mr. J. V. A. MacMurray, who began in the Foreign Service as a secretary and was advanced through the several grades until he became Minister to China, where he served with distinction; George Grafton Wilson, professor of international law at Harvard; Edward L. Thorndike, professor of Columbia University, the outstanding expert of the country on examinations; L. L. Thurstone, professor at the University of Chicago, and Mr. Joseph C. Green, of the Department of State, formerly one of the professors at Princeton University.

The members of this Board studied the regulations governing examinations and the examination papers theretofore employed in testing the fitness of candidates for appointment as Foreign Service officers of the United States, made a careful analysis of the results of the examinations during the preceding 5 years in respect to the different categories of candidates based upon age and academic preparation; consulted officers of the Department of State and of the Civil Service Commission intimately acquainted with the then-existing system of examinations; obtained the opinions and criticisms of Foreign Service officers who had recently passed the Foreign Service examination with notable success; studied the systems of examinations of candidates for the British Foreign Office and Diplomatic Service, the German Diplomatic and Consular Services, the French Diplomatic Service, the Foreign Service of the Department of Commerce of the United States and the foreign services of the Standard Oil Companies of New York and New Jersey and the types of examinations then used in the leading American educational institutions.

The Board submitted its report on May 11, 1931, in which it recommended the following form of examination:

First. A general examination consisting of questions designed to test the intelligence of candidates. The type of questions to be employed is a type which experience and scientific study have shown to be best adapted to the measurement of the intelligence of educated adults.

Second. A general examination in arithmetic designed to test the candidates' accuracy in computation and knowledge of common arithmetical processes and ability in arithmetical analysis.

Third. A general examination on questions of fact to test the accuracy and extent of the candidates' information in regard to history; government; geography; law; economics; natural, industrial, and commercial resources and commerce of the United States.

Fourth. A special examination in international, maritime, and commercial law, including tests of ability to organize material in clear, concise, and logical form.

Fifth. A special examination in elementary economics with questions designed to bring out the candidates' knowledge of commercial geography and the natural and commercial resources of the United States. At least one question in this examination is of the so-called "essay type" in order that the candidates' ability to write fully and intelligently may be tested.

Sixth. A special examination in the history of the United States and of Europe, the Far East, and Latin America since 1776, with questions designed to test the ability of the candidates to correlate history of the United States with history of other parts of the world, and also to test the candidates' knowledge of the organization and functions of political institutions.

Seventh. A special examination in either French, German, or Spanish designed to require a somewhat higher attainment on the part of the candidates than had hereto been required.

The Board presented a complete set of examination questions carrying out its recommendations which were approved and used at the first examination following the submission of the report.

These are all written examinations and contemplate the rating of certain of the examination papers by the Civil Service Commission and of others by experts obtained elsewhere. In addition to this written examination, the successful candidates are required to appear personally before the examining board and undergo an oral examination designed to test their qualities of personality, general intelligence, bearing, and experience. They are also to undergo a physical examination by the members of the medical staff of the Navy to determine their physical fitness for the performance of the duties of a Foreign Service officer in various climates and altitudes.

The type of examination recommended by the Board was approved and has since been employed. It has resulted in greatly improving the quality of the candidates certified as eligible for appointment.

Mr. Chairman, the situation at the present time is a serious one for the future of the Service. These young men who came into the Service between 1925 and 1931 have had practically no promotion. They were told that they could look forward to a career in the service of their country. The inefficient are rightly being returned to private life. But the able, the ambitious, and the efficient at this time cannot look forward with hope to a future career in the Service. You cannot forever maintain a service by elimination without new blood coming in at the bottom. As I stated before, there have been no entrances into the Service since 1931.

This bill carries a reduction of $200,000 approximately in the pay of Foreign Service officers. This will of necessity cause the elimination of from 35 to 40, but may I say to the committee that the 35 to 40 will be eliminated anyway, even if there had been no reduction of $200,000 in this item in the bill. It is the hope of the committee that the President will send a supplemental estimate restoring this $200,000 to the bill. This will permit, then, of some new blood coming in at the bottom by competitive examination, and it will permit of some promotions for the efficient, though it will not in any way affect the elimination of from 30 to 40 from the Service. That will go on anyway, no matter what happens.

I may say that the Secretary of State, and I am not breaching any confidence, is very much interested to see that this $200,000 is restored to the bill. The Secretary of State has put the matter up to the President and the Director of the Budget in a very strong and forcible way. So, we are hopeful that this supplemental estimate will come up in order to save the Foreign Service, because that is what it means. Unless something is done at this session of Congress, we are going to have a disintegration of the Foreign Service. We are going to have some of the ablest of our men retired because they see no hope of advancement. May I say that we have lost already some of the best men in the Service by reason of their being taken away by commercial concerns. I am afraid that our import and export trade and commerce have a greater respect and admiration, perhaps, for the ability, the integrity, and the service rendered by our Foreign Service officers than do the Members of the Congress. Therefore, as I stated, we have lost some of the best men to private business. We have come to a situation where, unless something is done this year, we are going to have a break-down and a disintegration of our Foreign Service. I am very hopeful that the President will see fit to send up this supplemental estimate. Had I not hoped and had I not known it was likely to come, I certainly would have offered an amendment to the bill restoring the cut made by the Director of the Budget.

Now, Mr. Chairman, I referred to the State Department as the "Department of Peace." I do not think that anyone can read the statement made by the Secretary of State without realizing what a serious turmoil the entire world is in today. The situation is alarming. The world is on the verge of war in many, many places. It is essential that we uphold the Secretary of State. In a speech I made last year on the floor of the House I said that I for one, although a Member of the minority, always left party politics on the shores of the United States [applause], and that when it came to foreign affairs I hoped that I could be nonpartisan and American. We have had many Secretaries of State. Some of the greatest men in the history of our country have occupied that place and, in my opinion, the present Secretary of State will measure up to the fine predecessors which he has had. [Applause.]

He is handicapped today by a shortage in the Foreign Service. Remember this Congress has placed new duties upon him. The different reciprocal trade agreements that are being made put an added burden on our Foreign Service.

I wish I could bring home to the members of the committee the really serious work, as well as the overtime, that

is going on in every consular office, legation, and embassy in the world today.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield myself 5 additional minutes.

I visited several embassies, legations, and consular offices year before last. I felt I should do so in my capacity as a member of this subcommittee. In every instance I found them working from 9 o'clock in the morning until sometimes 8 o'clock or well into the night. The amount of mail that goes through these offices is stupendous. The amount of commercial and trade reports they have to make out and the amount of investigations they have to make is unbelievably great.

I am going to put in the RECORD at this point some details and not burden you with all of them. I assure you there is not a legation or an embassy or a consular office today that is working on an 8-hour basis. They are all working about 10 to 12 hours a day, and, due to the added burden of investigating these commercial and trade questions and due to the new tariff agreemnts that are being made, the work has more than doubled and they have no time, I will say to my friend from New York [Mr. BOYLAN], for social activities, and they have had no time for such activities since the Service was put on a decent, American basis by the act of 1924. Our Foreign Service officers are serious, fine Americans, who represent every State of the Union except two, and I think we must uphold their hands and see to it that the promise we made them that they could look forward to a career in the service of their country may be fulfilled. We cannot at this time, when the world is in such a turmoil, forget them or neglect them or discourage them so that they will resign from the Service in despair. [Applause.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield for a question?

Mr. BACON. I yield.

Mrs. ROGERS of Massachusetts. Has the gentleman told the House the very small cost of our first line of defense compared with the total cost of our national defense? I know the gentleman is extremely interested in the matter, and the House will be also. I doubt if many of the Members realize what a small sum is appropriated for the Foreign Service.

Mr. BACON. I am very pleased that the gentlewoman from Massachusetts has brought up this question. The total appropriation for the Department of State is a little over $13,000,000. One million two hundred and fifty thousand dollars of this amount is not for State Department activities, but for contributions to different international organizations, such as the International Labor Organization in Geneva. The State Department merely acts as trustee for this $1,250,000, and although it appears in the appropriation, it is not really a charge against the State Department. Then the State Department also takes in fees of about $2,500,000 a year at the present time.

So the net cost of the State Department is a little over $9,000,000, and if you will recall that the total cost of the Army and the Navy is somewhat over $700,000,000, you will realize that if the appropriation for the Department of State were applied to the Army and Navy, the Army and Navy could exist for only 6 days in 1 year. This appropriation is an infinitesimal part of our national defense, I may say to the gentlewoman from Massachusetts. When business picks up the fees that will be taken in throughout the Service will, perhaps, more than pay the total cost of the Department of State. The fees collected are as follows:

1919	$1,319,135.86
1920	2,792,473.12
1921	8,517,020.47
1922	4,723,335.35
1923	6,765,608.32
1924	6,548,001.30
1925	6,493,353.29
1926	6,849,312.44
1927	7,118,299.92
1928	6,746,226.76
1929	6,585,141.08
1930	5,998,984.16
1931	3,135,226.46
1932	2,147,981.85
1933	1,936,720.97
1934	2,155,455.16
Fees estimated for 1935 and 1936:	
1935	2,300,000.00
1936	2,300,000.00

Mr. OLIVER. If the gentleman will permit, the contributions by all four of these Departments are very substantial. The State Department, in 1934, which was a lean year, contributed $3,136,162, the Department of Justice, $10,247,464, Department of Commerce, $13,840,934, and the Department of Labor, $3,003,045.

Mr. BACON. I think this is something that Congress and the American people often forget. There are many sources of income in these Departments and here we find that the State, Justice, Commerce, and Labor Departments have a total income of over $30,000,000 this year, which is smaller than usual, and when business picks up these fees will increase and I may say here that in 1926 or 1927 the fees of the State Department, instead of being $3,000,000 were over $8,000,000 a year. [Applause.]

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield such time as he may use to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, shortly after my election to Congress, in visiting some Ohio River towns I was apprised of what are injustices to the hunters and fishermen of Indiana. Many of them are poor, and this is their only means of a livelihood. Others are sportsmen who enjoy the sport of hunting and fishing.

The source of the trouble is that even though an Indiana citizen owns land abutting the river on the Indiana side and has Indiana fishing and hunting license, he is, nevertheless, required to go to the State of Kentucky to procure his nonresident hunting and fishing license in order to come back home and sit in his own backyard to fish or hunt on the bank of the stream. Instead of costing him $2, he is obliged to pay $13.

The people on the north side of the river cannot see any justice in this procedure. It does not conform to any sound reasoning of the average layman. It is a source of continuous ill feeling between those citizens so engaged and the authorities of our neighboring State of Kentucky. A small amount of revenue goes to Kentucky because of the license so sold, but, in my opinion, it does not in any way compensate for the enmity and ill feeling engendered between our good citizens of Indiana and officials and citizens of the State of Kentucky.

My district, the Ninth Indiana, extends along the north shore of the Ohio River for many miles. On this long stretch, as well as the remainder of the State on the Indiana side, many clashes have been had with Kentucky game wardens. A low-water mark on the Ohio River is or has been a very difficult mark to establish. It has varied from time to time. There have been times and places in the Ohio River when it was almost, if not entirely, dry or at least a very small trickle of water in certain places in the river and those places have been known to be at or near the bank on the Kentucky side. In recent years, dams in the river have completely changed the original low-water mark of the river, and in much of its meandering course it varies from a few feet to several hundred feet from its original low-water mark. However, game wardens from the opposite side of the river, desirous of leaving nothing undone to do what they consider their full duty, have been known on many occasions to not only destroy boats, fishing tackle, and nets found at any place in the river, but have resorted to going on the bank on dry ground on the Indiana side and destroying boats, nets, fishing tackle, and other paraphernalia owned by hunters and fishers on the Indiana side. They have been known to pursue people onto the bank on the Indiana side, whose only mode of livelihood was hunting and fishing, place them under arrest, hurriedly take them across the river in their boat, and hale them before an officer of the law where they would be heavily fined.

I appeal to the sportsmen and the sporting blood of the citizens of Kentucky in behalf of the hunters and fishers of Indiana. I appeal to the Izaak Walton League of Kentucky, to the hunters and sportsmen of that State, who are fair-minded and generous as any persons to be found anywhere, and I ask them to help remedy an injustice to the citizens of Indiana, which injustice has obtained for many years. I submit to you and to all the citizens of both Indiana and Kentucky and to all the people living on the north side of the Ohio River as well as those of Kentucky and other States on the other side of the Ohio River, that it was the intention of Virginia, to whom all of this land originally belonged, to grant equal rights to the citizens of the north and south banks of the Ohio River. It was merely as a line of demarcation for a boundary, but with the express purpose and intention that the river be left free to the use of all citizens of both sides of the river and citizens of the United States, and I submit that when the citizens of Indiana have gone to their county seats and procured their hunting and fishing license that they should have equal rights to hunt and fish on the Ohio River, as those on the opposite side have to use the same stream when they have procured their hunting and fishing license from officials in their State. I have suggested in the bill that midstream be used for the citizens of Indiana who have fishing and hunting licenses of Indiana. That appears to be an equitable solution. However, my main object is not so much to work out or make a certain rule or regulation, but that that rule and regulation may be worked out by the citizens or by the legislators of the two States and in any way or manner which they mutually agree and consent to which will be equitable to the citizens of Indiana and Kentucky to be the form and plan which should be accepted.

We of Indiana believe that in a sense of fair play and good sportsmanship, with which the citizens of Kentucky are so abundantly blessed, that they will support an agreement and endorse a bill which I have again introduced in the House, which, if passed, will authorize the two States of Indiana and Kentucky to mutually adopt a compact or agreement whereby residents of Indiana may hunt and fish on the Ohio River by purchasing such hunting and fishing license in Indiana, or, in any event, not be required to purchase nonresident license to use the stream for that purpose.

Laws are made for equity and justice. Laws are for the purpose of protecting God-given rights of mankind for the people. Laws are for the purpose of promoting the welfare of the people. They are not to create injustices and inequities.

The greatest freedom and good that can be given to one group, without infringing on the comforts, happiness, or well-being of other groups is and should be the purpose of all laws.

The joint resolution I have introduced is House Joint Resolution 157, and is as follows:

Joint resolution to authorize a compact or agreement between Kentucky and Indiana with respect to hunting and fishing privileges, and other matters relating to jurisdiction on the Ohio River, and for other purposes

Whereas the State of Indiana was formed out of territory northwest of the Ohio River, an act of the Legislature of Virginia, of December 20, 1783, having ceded the rights of the State of Virginia in such territory; and

Whereas the State of Kentucky was formed out of territory formerly within the State of Virginia, an act of the Legislature of the State of Virginia, of December 18, 1789, known as the "Virginia compact", having proposed the creation of the State of Kentucky within such territory; and

Whereas the "Virginia compact" provided that "The use and navigation of the Ohio, so far as the territory of the proposed State, or the territory which shall remain within the limits of this Commonwealth lies thereon, shall be free and common to the citizens of the United States, and the respective jurisdictions of this Commonwealth and of the proposed State on the river as aforesaid shall be concurrent only with the States which may possess the opposite shores of the said river"; and

Whereas Congress by admitting the States of Indiana and Kentucky into the Union has approved, and the Supreme Court of the United States in the case of *Wedding* v. *Meyler* (1904) (192 U. S. 573) has confirmed the existence of the concurrent jurisdiction imposed by the foregoing acts of the Legislature of the State of Virginia; and

Whereas such concurrent jurisdiction is the source of constant embarrassment, inconvenience, and confusion to the citizens of each of such States in the exercise of hunting and fishing privileges on such river and in numerous other ways by subjecting such citizens to the operation of the laws of both of such States at once: Therefore be it

Resolved, etc., That the consent of Congress is hereby given to the States of Kentucky and Indiana to enter into a compact or agreement providing that the jurisdiction of each of such States, with respect to hunting and fishing privileges on the Ohio River, shall not extend to residents of the other, or that with respect to such privileges the jurisdiction of each of such States shall not extend beyond that half of such river bordering such State, and providing for such other divisions or apportionments of jurisdiction on such river as may be necessary and appropriate.

SEC. 2. Such compact or agreement shall not be binding or obligatory upon such States unless it has been approved by the legislatures of such States and by the Congress of the United States.

SEC. 3. The right to alter, amend, or repeal this resolution is hereby expressly reserved.

I have heretofore appealed to the fairness and sportsmanship of the citizens of Kentucky.

I base my bill, however, on strong legal grounds as well. I would not ignore the fact that the boundary line of Kentucky is low-water mark on the north shore on the Ohio-Indiana and Illinois side; however, certain specified provisions were set out before the State of Virginia, which held claim to Kentucky as well as Indiana, consented to Kentucky being made a separate Territory or State.

Certain specified provisions were made concerning the Ohio River. One was "that the State to be formed in the District of Kentucky should never claim the exclusive jurisdiction on the Ohio River, but that it should be forever common to them and to the people and States on the opposite side." These conditions were agreed to by the people of Kentucky, and a State constitution was formed in 1792 containing a clause that the compact with the State of Virginia should constitute a part thereof.

When, on December 20, 1783, Virginia ceded rights which made the Kentucky Territory, which later became the State of Kentucky, Virginia put safeguards over the Ohio River that were deemed necessary. Few, if any, restrictions were placed on hunting and fishing rights at that time, so more specific language was not needed. The purpose, however, was too well recognized in their expression, "the rights of the two States to run concurrent and to have equal jurisdiction", covered hunting and fishing rights within all purposes and intents of Virginia when she made this grant to form these States. [Applause.]

Mr. OLIVER. Mr. Chairman, I yield 40 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, a great philosopher, scholar, and sage once remarked: "Some men are born great, others have greatness thrust upon them, and still others achieve greatness." We have with us, as chairman of the Subcommittee on Appropriations that has charge of the State, Labor, Commerce, and Justice Department Appropriation bills, a gentleman who was not born great, who had not greatness thrust upon him, but one who, through his graciousness, magnanimity, and courteousness to his fellow Members of the House for the past 20 years, where he has served the best interests of our Nation, has won their admiration, their respect and approval, as one of the most indefatigable, persevering workers and as one of the most persistent and assiduous caretakers of the interests of the Appropriation Committee, in the person of our beloved colleague, the distinguished Representative from the State of Alabama, WILLIAM B. OLIVER. [Applause.]

Mr. Chairman, may I call to the attention of this distinguished body, that 8 years ago that genial, gracious, courteous, and complacent Member of the House, Mr. OLIVER, granted me 1 hour to speak upon the subject of old-age pensions. Today, it is significant that he again has granted me 45 minutes to speak to you upon the subject of the historic development in the evolution of the social and economic program of the new deal. [Applause.]

The battle between the exploited and the exploiters is not new. It has been waged from the very beginning of history. The first conflict between those who wished to use the forces of might to overcome the forces of right and justice is recorded in the Bible. Therein it is related that Abraham's servants dug a well to get much needed water

in a country sparsely streamed. The Philistines came in numbers and filled the well with earth, and Isaac had to have it dug again. The Garrarites envied Isaac the possession of this well, and they strove with the herdsmen of Isaac for its possession. So Isaac dug another well and again there was strife for its possession, forecasting 50 centuries ago the modern method of exploiters of seizing the product of another man's labor to apply it to their own use and profit.

Today legalistic, economic, and furtive methods are used instead of the bow and arrow and the spear, but the results sought, of gain and profit without work, are the same.

History is full of the actions of the few against the many in order to obtain control and profit from other men's work through special grants of kings and queens, to nobles of their nations, of special privileges.

Queen Isabella did not grant authority and license to Columbus to discover a new world or to prove that the earth is round. Her object was to have him find a new western sea route to the Orient in order to secure its riches that she and Ferdinand might profit thereby.

Frobisher, Baffin, Davis, the Cabots, the Spanish Conquistadores in South and Central America and Mexico, were much more interested in the reputed Northwest Passage to China, and the gold of the Orient, and the gold and silver of the Incas, Aztecs, and Mayans than in any historic glory that might come to them from the discovery of new colonies. Exploitation and profit were the motives that animated their expeditions.

Special privilege to a few, to the exclusion of the many, was the foundation of all economic and commercial enterprises of the prime and secondary rulers who governed the nations of the civilized world in the days that succeeded the awakening of the Renaissance.

When Richelieu first came to the court of France, his annual income was only 25,000 livres. At the end of his career this paltry sum had risen to 3,000,000 livres. Special grants for many purposes, all monopolistic, which Richelieu at first induced Louis XIII to make, and later issued on his own account, were the only apparent sources of this tremendous increase in income.

Louis VIII and his two successors, Louis XIV and Louis XV, thought it quite within their kingly rights to issue special grants for many purposes of profit to their favorites, and in all cases you may be sure that these kings were not averse, to put it mildly, to what, in the common parlance of today is known as the "kick-back." In other words the king shared in the profits of monopolistic enterprises, whether it was in France or in the French colonies beyond the seas.

The Louises were not alone in practicing this method of expanding their fortunes. Philip II, of Spain; Henry VIII, of England—he of the many wives and the inventor of divorce by decapitation; Elizabeth his daughter-queen; the other rulers "by divine right", as they erroneously believed or claimed to believe themselves to be, of all the countries of Europe—and I might include those of Africa, the Levant, and Asia—practiced the same art of "kick-back" on profits from exclusive grants and monopolies they made to favored ones in all lines of commercial enterprise.

The farmer bound to the land he tilled in England; the English artisan, restricted to his native town in the practice of his craft, and imprisoned, or, at times hanged if he ventured therefrom; the serf in Russia; the heavily taxed tradesmen in all countries; the small manufacturer; the exporter and importer of goods were all subject to a levy of some kind or nature, not for the benefit of the welfare of all the people of their nation, but for the benefit of the privileged few.

But there were stirrings in the world of that day. Men began to think, as the art of printing developed. As they thought out their problems of life it came to many of them that any method which regarded a chosen few as of more importance than the people at large must be wrong. At first their thoughts were chaotic and without focus. What was needed for the solution of the problems of that day was a mind that could analyze logically and then synthetize, or build up, some new method that would be for the benefit of the many rather than for that of the few.

In active opposition to this era of special privilege a new era began, led first by Charles Louis de Secondat Montesquieu. He was born near Bordeaux, in France in 1689 and died in 1755. His mother was of Gascon-English stock; his father a member of an important French family. Montesquieu was a lawyer by profession and was educated at Juilly and at Bordeaux. He contributed papers to the Bordeaux Academy on philosophy, politics, and natural science. His Lettres Personnes were razor-edged with satire, and in them Montesquieu unmercifully pilloried the social, political, and ecclesiastical fallacies of his day. A series of pamphlets followed, and then came from his pen the great work on which his fame is found, L'esprit de Loi (the Spirit of Law), which consisted of 31 books, of which 4 were devoted to economics.

Montesquieu was the founder of the sciences of comparative politics and the philosophy of history. Montesquieu's great impetus in his writings was a temperate and tolerant desire for human improvement and happiness. He was free from egotism, doctrinairism, visionary enthusiasm, and rigid systematism. His writings were avidly read by the submerged and semisubmerged classes of France and pointed the way to followers who came after him. Montesquieu was for equal opportunity for all human beings.

Voltaire was born in Paris in 1694 and died there in 1778. His career was a series of adventures in l'amour and exile. Deported to England in 1725, after release from the Bastile, where he was imprisoned because he dared to challenge the Chevalier de Rohan, he made many friends and occupied himself with intensive study of English manners and customs. Queen Caroline, queen of George II, was his patroness for poetry. Voltaire met the Walpoles, Bolingbroke, Congreve, Pope, and other famous men and women of the time.

English toleration of free thought and personal eccentricity made a strong impression on Voltaire that remained with him through life and colored all his later views of church, state, and philosophy. Voltaire was never tolerant of pretense or sham in other men or methods, but in his own dealings with the world he was an adept in what the lawyers call "avoidance"; that is, he was a pastmaster of veiling his true meaning in his dramas, poetry, and prose behind mists of satire and apparent frivolity.

While the writings of Montesquieu and Voltaire lack the direct forwardness of modern economists, and because the machine age had not come to being in the industrial world, their works today have only an academic interest and are not applicable to present conditions, yet these two men blazed a path through the forest of economic confusion of their time and opened up lines of new thought which was the "new deal" of their day. Because of their violent opposition to monopolistic and predatory control of industry and commerce their work led to the beginnings of the era of equal opportunity.

Contemporary with Montesquieu and Voltaire was Jean Jacques Rousseau, born in Geneva in 1712, living much in Paris and its environs, somewhat in England, variously in France. Rousseau's parents were French; his attitude toward life was based on conditions in France. Of all of Rousseau's writings Émile—de l'Éducation and the Social Contract are best known today. Both created a great stir in Rousseau's time and after his death. Émile is a treatise rather than a novel, but it has a narrative backbone and as its title indicates dealt with a new deal in natural education, as opposed to the orthodox, artificial education given to pupils by the clerics of his time.

Rousseau's the Social Contract was based on the theory that all government should be based on the consent of the governed. The Social Contract was definitely opposed to monarchical government, and hence aroused the antagonism of the few whose alleged "divine right" was challenged and the vituperation of their satellites. The Social Contract was not logically worked out by Rousseau, but it contained the germs of an idea new to France, that the people of

France, the common people, had as much "divine right" to govern themselves as the self-chosen and self-appointed individuals who ruled them had to such alleged right.

Rousseau demanded equality and social justice for all human beings. Voltaire attacked political interference by the church with the state and the rigid pseudo-orthodoxy of the clericals. Montesquieu vehemently denounced the monarchical formula of his time and urged the substitution for monarchy of a constitutional and parliamentary government for France, deriving its power from the people of France, and may be credited with reviving the old Latin adage, "Vox populi: Vox Dei" and presenting anew the Italian aphorism "Voce d'uno; voce di niuno"—in English "One voice; no voice", referring to king and monarchs.

The work of these three great Frenchmen led to a change in political, economic, and social thought that gave birth to our modern conception of the new deal, and opened up a new stage of human development that may well be called "The Era of Equal Opportunity." [Applause.]

Turning from France to England and considering certain effects and results of the War of the Roses leads me to think that more developed from that civil conflict than from the struggle of the Houses of York and Lancaster for control of England and the English people. London and most of the trading and manufacturing towns and villages were Yorkist; the country folk were Lancastrian. Hereditary loyalty to the Crown was lined up against the hope and desire for sound and effective government in which all the people would have a part. The isolated country folk, to a great extent, were feudal tenantry who were used as pawns in the political and military games played by the great lords of England. The civil wars that harassed England and ran through the reigns of Henry VI, Edward IV, and Richard III were the precursors of the Great Rebellion two centuries later. Out of the brutal and bloody fratricidal conflicts, after the decisive battle of Tewkesbury, came stolid objection by the English people to feudal and military control of their lives, their freedom, and such property as they had.

In time Henry VII came to the throne and improvement in the lot of the common people came in with him. The Magna Carta opened up a new era to the higher classes; Henry's program opened up a new deal to the common people of England. England began to expand from an agricultural and home and small-shop industries country under Elizabeth, and the colonizing started in her reign continued through the reigns of the Stuarts, and with it came a development of overseas export and import trade until English coal and iron and industrial products reached the ports of the world, carried thereto in English ships.

Feudalism previously applied to the soil and the tillers of the soil changed its methods and was now applied by the growing commercial classes in a modified form to artisans and craftsmen. The principle was the same, a bare subsistence, in the form of low wages and residence in employer-owned houses and purchases of necessities of life in employer-owned or -controlled stores.

Under the reigns of Anne, William, and Mary, and the Georges in England that Nation expanded territorially, commercially, financially, and economically, but this expansion was confined in its benefits to a select coterie of courtiers, nobles, and those who had achieved leadership in manufacturing, domestic trade, and foreign export. The beginning of the machine age in the early decades of the nineteenth century opened up a demand for cheap labor to run the machines. Factories were established and in them worked men, women, and children. One hundred hours a week of forced, sweated work was labor's 7-day stint. Women were used in the mines to haul out coal and actually were chained to the cars they pulled, crawling on hands and knees. Children, at the age of 5, were put to work sorting coal at the tipples.

Labor was not a commodity—it was not as valuable as the cheapest of commodities. It was proletarian—in the Latin and Roman meaning of the word—which is breeders of children for work and as labor units and to serve in Great Britain's wars overseas. Men became senile at 40; women infertile at 35 years of age. Thirty years of work was expected of human beings so children were set to labor at 5 years of age. At hard labor for long hours each day that stunted their bodies, dulled their minds, and dwarfed their souls. The man with the hoe became the child at the machine in the black country, the coal and iron country of midland England.

Merrie England changed to machined Great Britain, later to expand into the British Empire. Native population rose by millions. The land was in the possession of the few. The towns and cities became crowded with inhabitants. Factories sprang up everywhere. Old single-family houses became the slum housing of many families. In Elizabeth's time a shilling would buy a whole live sheep; in the Regency and Victoria's early reign the same shilling would not buy a dressed forequarter of mutton.

Half a century before historic 1800, in Red Lion Street, in Houndsditch, London, there was born a prodigy male child to a London attorney and his provincial wife. At 3 years of age this child began the study of Latin! At 5 he spoke French and could play the violin. He was matriculated at Queen's College, Oxford University. He obtained his B. A. at 15 and the same year entered Lincoln's Inn, one of the Inns of Court and Chancery in London. The prodigy was Jeremy Bentham, and he remained a prodigy up to his death at 84 years of age. At Oxford young Bentham heard the great Blackstone lecture on law, and his keen mind readily saw the fallacies of many of the rounded periods of the sonorous lexiphanic instructor. It was Bentham who said, "The greatest happiness of the greatest number is the foundation of all law and morality." Bentham also suggested the cutting of canals through the Isthmuses of Suez and Panama. His great work was the Principles of Morals and Legislation published in 1789. Bentham protested against the treatment of the common people by civil and criminal law and practice, while he denounced the exemption of rich and powerful from liability to the law of his day. Bentham may be classified as the pioneer crusader for the new deal of his time, battling for civil and criminal justice for the poor.

Immanuel Kant, born in Koenigsberg, in 1724, was the grandson of a Scot immigrant to Germany. At 57 he published his Critique of Pure Reason, 11 years after he had been granted the chair of logic and metaphysics at Koenigsberg. Two years later he published the Prolegomena, as an explanatory introduction to the Critique. In 1787 his slightly modified Critique appeared, and Kant made no further modifications. Kant played havoc with the alleged logic and reasoning of the century in which he was born and the one preceding it. His Critique, despite its frequent obscurity, its novel terminology, and its opposition to prevailing system, became a handbook of philosophy in Germany, especially among the younger students, who flocked to Koenigsberg as a shrine of philosophy.

Kant enshrined reason in the throne of man's mind, and he demolished the speciousness of previous systems of pseudophilosophy. His philosophy might be rendered in the vernacular as playing fair between man and man, and the substitution of logical common sense for the soporifics of metaphysics and ecclesiasticism. He knew English philosophy from Locke to Hume and was profoundly influenced by the teachings of Voltaire and Rousseau.

Kant, by introducing the era of logical and sensible understanding, was the great crusader of the new deal in philosophy.

Johann Wolfgang von Goethe, born in Frankfort on the Main, Germany, in 1749, of Thuringian stock. His great-grandfather was a horseshoer and blacksmith, his grandfather was a tailor and later an innkeeper; his father, Johann Kaspar Goethe, became a lawyer and married the daughter of the burgomaster of Frankfort. From his mother Goethe received his genius. She was the ideal mother for a poet and litterateur, being possessed of a lively, impulsive disposition and remarkable imaginative power. Being only 18 when Johann was born she was a young companion of Goethe's childhood and youth and balanced the stern, pedantic nature of Goethe's father, which, however, gave Goethe that "holy earnestness" and stability of character that served him so well during his life. The varied characteristics of his forebears gave Goethe a dual

personality; the sturdiness of the farrier, the diplomacy of the innkeeper, the logic of the lawyer kept his feet on the ground, while the position in life that come with his mother and her burgomaster father and their progenitors comraded Goethe with the higher classes.

Goethe's stay at the Court of Weimar, his visit to Italy, his life in Switzerland, his idyllic affairs with women, his literary partnership with Schiller as coauthor of Xenien, and his constant self-search through intense introspection combined with his life-long search for the classic ideal in life gave Goethe an understanding of men and women, conditions, and affairs which is admirably expressed in his drama Torquato Tasso in which, the conflict of the poetic nature with the prosaic and practical world is transmuted into imperishable poetry.

Goethe was the "new dealer" of his day. His great contribution to educational progress was his assertion that it was the duty of the state so to educate its people that any one of them would be qualified to rule that State. Goethe urged equality of education with the plea for equal opportunities for all for educational development without guaranteeing equal accomplishments as a result. Thus you behold the great contribution of these pioneers in the new deal, all members of the "brain trust", of their day, toward the intellectual development of Europe, subsequent to the Renaissance, whose main thought was equal opportunities in life for all the peoples of continental Europe.

The writings of these gifted and brilliant personages inspired Adam Smith, of England, and his followers, known as the "Manchester School", the cultured James Mill and his still more precocious son, John Stuart Mill, and also were the familiar reading of David Ricardo, Jeremy Bentham, and Thomas Robert Malthus, whose Principle of Population created such a stir at the time of its publication. Malthus' proposition that "population increases in a geometrical ratio; food in an arithmetical ratio", has been proved fallacious.

His views, however, on rent and the effect of rent rates on the general public were of definite value and real importance. This was Malthus' contribution on the altar of the "new deal" of his period.

Adam Smith's great work, Wealth of Nations, made the treatises of most of his predecessors obsolete. Smith was given to deep and keen observation of social facts and to elicitation of the real significance of conditions in human affairs instead of drawing theoretical conclusions from abstract principles by elaborate chains of reasoning. Smith propounded as the premise of his work that "The annual labor of a nation is the source from which it derives its supply of the necessaries and conveniences of life." He did not contemplate labor as the only factor in production, but said that the greater applicability of labor to manufacture than to agriculture was the cause through which the agriculture lagged behind manufacture in economic development.

Describing all commerce in commodities as being barter at base, that is, the exchange of one thing for another thing, Smith asked: "What is the measure of value? What is the amount of one thing that will be given for another?" and answers his own question by saying, "Labor is the real measure of the exchangeable value of all commodities"; and also "Equal quantities of labor, at all times and places, are of equal value to the laborer. Labor, therefore, never varying in its fundamental value, is alone the ultimate and real standard by which the real value of all commodities can be estimated and compared at all times and places." This might be called today the labor dollar and was the contribution of Adam Smith to the new deal of his day.

Though Adam Smith died in 1790, before the machine age came into economic, industrial, and agricultural life, his premise that labor is the real measure of value of commodities holds good today.

The Manchester School of philosophical radicals, all great economists, adopted Smith's Wealth of Nations as their economic bible. Its principles made the followers of that school, particularly David Ricardo, fight against the long-intrenched privileges of the few and the denial of equal privilege to the many. The principle enunciated by them of equal opportunity for all and special privilege for none was the foundation on which was erected the superstructure of American democracy.

The men who developed American Democracy, Franklin, Paine, Jefferson, Madison, Monroe, were the pioneers of the political revolution in the American Colonies of England based on equal opportunities for all, special privileges for none.

The sparks of American democracy flew from west to east across the Atlantic and started a conflagration which set on fire the minds of Mirabeau, the Demosthenes of the French Revolution, and Lafayette, who made liberty, fraternity, and equality the political trinity of the French Revolution. These social, economic, and political ideals were the foundation on which was built the new deal in France.

Napoleon became dictator in France under a pledge to carry these ideals into execution. He changed his plan to conquest by force of arms, but after his exile to St. Helena these ideals were revised in France and have survived there ever since.

It remained for the Manchester School of philosophical radicals, who spoke at meetings throughout England in favor of rugged individualism, to set up a state of mind in the English people and in continental Europe that led eventually to the policy of laissez faire, an entirely unexpected result.

The policy of laissez faire, meaning in English, "Let us alone", grew in favor of the exploiting classes until at the beginning of the past century it had become the shibboleth of capitalists everywhere. Capital had built up a system of control of production and of the labor of the producing class that worked well for their profits but not so well for the classes that were being exploited. Capital wanted no change. "Let us alone", capitalists cried. "If you disturb methods of production and commerce, you will have the entire economic structure tumbling about our ears. Affairs are going along well. Why disturb them?" So laissez faire, or let us alone, was their constant slogan.

Manufacturing had prospered. Starting in a small way in little shops manufacturers expanded their establishments to care for increased demand for their goods. That meant the employment of more physical labor, but the introduction of machinery and its rapid adoption to production lessened this demand for labor. As establishments producing industrial commodities enlarged their field of operations, more capital was required. Single owners took in partners; partners formed companies; companies grew to corporations; and corporations combined with each other.

Banks began to be more than institutions for savings, and in a small way, at first, the commercial bank, as we know it today, came into being. Foreign exchange became an important branch of banking. Capital, as such, drew away from labor and assumed control of the economic and producing systems. The old, almost family relations between employer and employee passed away, and between the head of the manufacturing establishment and the workers were interposed foremen and superintendents who were given direct charge of employees and exercised the right of hiring and firing workers. The capitalist sat in his counting room and seldom walked into the factory. He knew few of his workers. They ceased to be persons and became part of his machine of production.

Labor began to be exploited as a commodity and suffered therefrom. Children as young as 5 years of age were put to work in mines and factories from dawn to dark, and their frail bodies never saw the sun. Women were given hard labor to do. Working hours ran as high as 100 hours a week. In some of the lesser establishments, notably in London, the "help" were forced to live over the shop, that control of them and their movements might be made more secure in their employers. Economic servitude degenerated into a state that was practically economic slavery. If the working man and woman tried to improve their condition by agitation, they were imprisoned. Work people were confined to their own localities and not allowed to seek work elsewhere, and if they did they were sent to prison.

Under feudalism persons of the working class had a certain amount of freedom of action and liberty, especially in England, and there particularly if they were yeomen of the

bow, equivalent to the national guardsmen of our day. Work was hard and long, but most of it was in the fields and was not required in inclement weather. Under the new economic and industrial conditions there was little liberty and less freedom of action. Working people toiled so hard they were exhausted at the end of their labor day, which averaged 18 hours.

Since individuals could not agitate for better conditions of work, there grew up gradually organizations of labor in the various trades and collective bargaining came into operation. What 1 man was denied, 50 men could obtain by concerted action. The first strike was a daring innovation, entered into with trepidation on the part of the strikers and viewed with amazement first and great resentment later by employers. Labor sank to its lowest depths, and the disgraceful enslavement of English labor cried to heaven for redress.

A few members of middle and upper classes took up the cause of labor, and so was inaugurated the new deal for the working class in an era of social reform. Affairs were much in the same condition in France and in continental Europe in the manufacturing nation. Ireland and Germany lost millions of workers by emigration to the United States—the America of freedom—where they prospered even at heavy labor.

Who were the leaders from the higher social classes who espoused the cause of labor? Claude Henri de Rouvroy, Comte de Saint-Simon, born in Paris in 1760 and died there in 1825, is regarded as the founder of French socialism. At 19, with Lafayette, he aided the American Colonies in their revolution against the British King. He took no part in the French Revolution but was imprisoned in the Luxembourg during that time. Saint-Simon advocated an industrial state directed by modern science in which universal association would suppress war. His views were expressed in a treatise called "L'Industrie", and these views were further developed by Saint-Simon in a magazine he founded, called "L'Organisateur"—the Organizer. Saint-Simon's great work was The New Christianity, in which he propounded as the comprehensive formula of the new Christianity this precept:

> The whole of society ought to strive toward the amelioration of the moral and physical existence of the poorest class; society ought to organize itself in the way best adapted for attaining this end.

The school of Saint-Simon improved on its founder's teachings. Saint-Simon was deficient in system, clearness, and consecutive strength. His views were expressed in a confused and vague manner. His system later was molded by many of the best students of the École Polytechnique who condensed the chaos of Saint-Simon's thought and ideas into a compact system. Among his disciples was the distinguished and militant Louis Blanc. Blanc thought that there were two forces in social life; one critical and negative, the other organic and constructive. The opposing concepts of individualism and collectivism were the two great social principles in Blanc's economic philosophy. The spirit of collectivism tends more and more to prevail over its opponent, rugged individualism, because collectivism extends from the associated family to the city, to the state, to the nation, and to the federation.

Louis Blanc contended that under rugged individualism of his day the industrial chiefs exploited the working class, the members of which, though nominally free, must accept the industrial baron's terms of wages and hours under pain of loss of jobs and starvation. The only remedies for this condition, according to the followers of Saint-Simon and Blanc, are the abolition of the laws of inheritance or the fixing of a maximum amount that can be inherited and the union of all the instruments of labor and labor itself into a social fund and social organization. Society as a whole, not the dining and dancing fragment, thus becomes the proprietor of all resources, natural and factored, and intrusts to social groups, headed by men of merit and ability, the management of the properties and the profits therefrom to go into a general fund for later distribution to the people. Men and, presumably, women were to be placed in the public service according to ability, rewarded according to their works, and with others of like ilk forming a sort of social hierarchy, a spiritual-scientific-social leadership.

With these ideas Saint-Simon and Louis Blanc combined their famous "rehabilitation of the flesh", holding that the body of a human being was equal in importance with its animating spirit and should be given due honor and consideration. The body as well as the spirit was a creation of God. Saint-Simon gave all his millions to the organization of labor cooperative bodies where labor would divide and distribute its wages equally to all members. The project failed, and Saint-Simon died of a broken heart.

Louis Blanc was the precursor, or forerunner, of the reconstruction finance corporation of the new deal in his day, for he was determined to loan the money of France to the working people for commerce, for business, and for industry. He was 90 years ahead of the modern new deal.

The thoughts and actions of Saint-Simon and Louis Blanc contributed to the social and economic "new deal" of their day.

François Marie Charles Fourier projected the idea that social arrangements resulting from the principles of individualism and competition were essentially immoral and imperfect. Fourier proposed to substitute for these principles cooperation or united effort by means of which full and harmonious development might be given to human nature. He contended that his philosophy of harmony existed in the four great departments of creation—animal life, organic life, society, and the material universe. Fourier proposed to establish a series of phalanges, as he termed the cooperative bodies he planned. The phalanges were to consist of about 1,600 persons each, inhabiting a common building called a phalanstere, which was to be set in the center of a plot of tillable ground which was to provide food for the group. Out of the common gain of the phalange a certain portion was to be given each member for subsistence. Of the rest, five-twelfths were to go to labor, four-twelfths to capital, and three-twelfths to talent. Fourier's nebulous scheme was tried out in the United States but it failed, mainly because of public objection to the free-love principle contained in his program. Thus, we find Charles Fourier an abstract, theoretical contributor to the new deal of his day.

I have purposely recalled to your memory the theoretical background of the early crusaders who planned to better the situation of the working classes in order to give you a mental picture of the characteristics of these men and the conditions under which their work was initiated and carried on. It must be remembered that they were pioneers, groping after ideals that seemed utterly impractical to some and viciously revolutionary to those whose claims to special privilege were challenged. As a matter of actual fact not all the first reforms proposed were practical or even desirable, but they blazed a trail through unmapped country. Others followed who widened the trail to a path to be followed by still later ones who made the path a posted road; and this road, by modern effort, has been enlarged to a new-deal highway along which, under the inspiring and practical leadership of our beloved President, Franklin D. Roosevelt, Congress is now pursuing its way toward a greater and more humane destiny. [Applause.]

Let us turn from considerations of social theories to the practical application of methods for the betterment of humanity. This brings before us the phenomenal and remarkable work done by Robert Owen, first of Manchester, England, and later of New Lanark, Scotland, where he put into successful and profitable operation a new and humanized method of dealing with his work people. Love for a girl, the daughter of David Dale, who with Richard Arkwright, had established in 1784 a cotton mill at New Lanark, was the key that opened the door that led to Owen's great success. Owen induced his Manchester partners to buy the New Lanark mills. He married Dale's daughter and became manager and part owner of the mills. The falls of the Clyde furnished the water power that ran the cotton mill. About 2,000 Scots were employed, among them children to the number of 500, 5 and 6 years old, who were taken out of the poorhouses and charities of Edinburgh and Glasgow.

Dale treated these children well, but the lot of the adults was not good. The grown employees were recruited from the lowest classes, as the respectable country people refused to submit to the long hours and heavy drudgery of the factories. Theft, drunkenness, and other vices were common; education and sanitation neglected; most families lived in one room. It was this population that Robert Owen set himself to elevate and ameliorate. He improved their houses, trained them in habits of cleanness, orderliness, and thrift and in this he was aided by his young wife. Owen opened a store, the first of the practical cooperative stores, where goods of the best quality were sold at a price just above cost. The sale of liquor was strictly regulated.

Owen began with the children. He opened the first of the infant schools in England. He gave the children general training, and the manners of the children became beautifully graceful, genial, and natural. Health, plenty, and contentment prevailed among all Owen's work people. The theories on which Owen worked were not new, but he developed a practical application to actual life conditions in an entirely new manner. Good feeling existed between Owen and his workers. And the business was highly profitable.

Some of Owen's plans involved considerable expense, which came out of profits, and this displeased his partners who wanted greater gains. Owen formed a new firm composed of persons who were willing to accept 5-percent return on their capital, and the factories went on to greater success.

Owen's first departure from philanthropy to social progress came in 1817 when he sent in a report to the House of Commons on the poor laws. The close of the Napoleonic wars brought great stagnation to manufacturing and trade in England, and methods of recovery were as much discussed at that time as they have been with us during our depression. Owen clearly traced the special causes connected with the Napoleonic wars that led to the debacle in industry and trade. Owen asserted that the permanent cause of distress was to be found in the competition of human labor with machinery, and that the only effective remedy was the united action of workers and the subordination of machinery. This in the infancy of the machine age, when the problems of that time compared to those of today, was like simple arithmetic to differential calculus.

To New Lanark to see how the new plan worked, to see the work people it affected, and to see the founder of the method of practicing equal opportunities in life for workers, instead of merely dreaming about it, the great ones of England and Europe came. The Duke of Kent, father of Queen Victoria; Nicholas, afterward Tsar of Russia; Lord Liverpool, Premier of Great Britain; many large employers of labor in England and on the Continent were strong proponents of Owen's methods after they had seen the results he achieved.

Owen had the attention of all Great Britain and much of the rest of Europe when at a meeting in London he went out of his way to announce his hostility to all forms of accepted religion. It was not religion, per se, that Owen opposed, but much of the chicanery that was practiced in the name of religion. His words were misinterpreted and misunderstood and aroused the antagonism of many, so that Owen's career as a social reformer was halted.

Owen came to the United States and established a community in Indiana, calling it New Harmony. Owing to its motley membership, ranging from the highly intelligent to vagrants and crotchety enthusiasts of all nationalities instead of the closely blood-condition-allied Scots of New Lanark, the Indiana community failed. Owen returned to London, and because of friction with some of his partners at New Lanark, notably William Allen, he resigned all connection with the Scottish enterprise. Now of limited means, Owen still continued his work for social progress and maintained his battle for secularism. The word "socialism" first became current through discussions in the Association of All Classes of All Nations formed by Owen in 1835.

Owen left four sons, all of whom became citizens of the United States of America. Of these, Robert Dale Owen became a Member of Congress in 1844 and the next year introduced the House bill that provided for the founding of the Smithsonian Institution. This son was a strong proponent of his father's teachings in his adopted country. Robert Owen deserves to receive the great credit of being the practical founder of the social and economic new deal of his day.

Heinrich Karl Marx and Friedrich Engels were so closely associated in their work that it is impossible to consider one without the other. Marx and Engels issued the call to the working classes to unite in communism urging them to do so by telling them that they "had nothing to lose but their chains", and "let us exploit the exploiters and expropriate the expropriators." Of their writings in collaboration, Das Kapital, which proposes to examine historically and critically the whole mechanism of capitalistic economics, is the work on which their fame rests. The first volume deals with the processes of producing capital; the second with the circulation of capital; the third with the movements of capital as a whole, and the fourth with the history of the theories concerning capital. Capital, according to Marx-Engels, is the means of appropriating surplus-value, which is asserted to be created in the process of production only; it is a part of the value of the newly created product that is not given the workman who makes the product as the wage of his labor force. Surplus value is kept by capital. This surplus value is taken first by the employer, and is split up, in the different phases of economic intercourse, into the profits of industrial enterprises, commercial or merchants profits, interest, and ground rent.

Labor is held to have no value in itself, being only the measure of value; but the labor force of the workman has a value represented by the means required to maintain the worker in normal conditions of existence.

Marx-Engels divided capital into two classes—constant capital and variable capital. The first is represented by the plant, machinery, and raw material; the second is used in paying wages for labor force. It is the constant tendency of capitalistic production to reduce the amount paid out for wages and to increase the amount spent for machines. Marx-Engels asserted that the cost of changing raw material to a finished product appears to the practical mind of the manufacturer as the base, or cash value of the product. Marx-Engels asserted, on the contrary, that the real law of value disappears in a society where commodities are bought and sold against money and not exchanged against other commodities.

The scientific achievement of Marx, where his work can be differentiated from that of Engels, in the methods, principles, and details of his investigations, is set forth in his philosophy of history. In this, it is now admitted, Marx broke new ground and opened up new ways and new outlooks. No one before Marx had so clearly shown the role of the productive agencies in historical evolution; nobody so masterfully showed their great determining influence on the forms and idealogies of social organisms. Marx expounded a philosophy of history that has the same significance for the transformation, or evolution, of social organisms that the argument of Darwin had for the theory of the transformation of biological organisms. Marx, in other words, applied the same basis to the evolution of life conditions that Darwin applied to life itself.

Mr. Chairman, what is the economic philosophy of socialism as preached by Karl Marx through his famous work called "Das Kapital"?

First. Scientific socialism pleads for an economic administration where all land and material capital shall be public instead of private property.

Second. Where the state and not the individual capitalist shall be the employer of labor.

Third. Where all production and distribution shall be left, not as they are at the present time, subject to speculation and competition, but they must be regulated in conformity with a planned economy so that no one need be left idle, uncared for, ignorant, illiterate, or poor.

That is the doctrine that underlies orthodox socialism wherever it is preached and practiced by the disciples of Marx and Engels throughout the civilized world. These so-

cialistic crusaders contend that economic necessity is an invisible whip that drives the worker to his daily toil and struggle. They contend that the modern toiler is only a slave with liberty to simply change his masters. The fundamental ideal of socialistic principles is that under the present capitalistic system labor must be exploited. As producers the workingmen are exploited for the capitalists. As consumers for the middle classes and as tenants for the landlords. Socialistic philosophy therefore concludes that the only solution of the labor is a complete disintegration of the entire capitalistic system. What are the five great socialistic ideals found in Marx's Kapital that permeate most of its pages?

First, the economic interpretation of history. That theory contends that underlying all conflicts between labor and capital, between nation and nation, is the economic cause. Marx and Engels believe that the economic interpretation of history is the only pass key which will unlock all the secrets of the past.

Second, the class struggle. Throughout the ages there has always been a conflict between freeman and slave, between lord and serf, between the guildman and the journeyman, between the oppressor and the oppressed, between governor and the governed, and today throughout the civilized world this world depression shows exploitation of the many by the few.

Third, the principle of surplus value. Surplus value, according to Marx and Engels, is the difference between what the laborer produces and what he gets. Wages, declare Marx and Engels, are but an illusion where the toiler gives a full day's work but in reality is only paid for part of the day. The surplus value, Marx contends, is confiscated by capitalist in the form of profits. Thus, Karl Marx contends that the wealth of the nation is being siphoned into the hands of a few while millions suffer from unemployment, hunger, and want.

Fourth, the inevitability of socialism. Marx and his followers believe that because the wealth of the nations of the world has fallen into the hands of the few the economic condition of our people will become dislocated, unemployment will increase, and increasing misery and world crisis be the result. Into the ranks of the working classes, Marx contends, will fall the middle classes, shopkeepers, small farmers who have been ground out of existence through the unjust and unfair distribution of wealth. The middle class, or white-collar brigade, will have to join the working classes, and the two fighting together will have to overthrow capital to save themselves from starvation and hunger.

Fifth, the principle of internationalism. Marx and Engels preach the gospel that the working people have nothing to lose but their chains; they have the whole world to win. Under their Communist Manifesto they cry aloud for the working people of all countries of the world to unite. Marx and Engels believe that there is more in common between the toiling classes of the world than between the capitalists and workingmen of the same country.

This, in short, Mr. Speaker, constitutes the principles, ideals, and philosophy behind the socialistic concepts found in Karl Marx's Kapital.

The works of Marx and Engels marked the beginning of the class struggle. In them was made the earnest appeal for a new-deal era of socialistic development for the workers.

All this was theory. The way was pointed out to practice, but practical application was not forthcoming. The doctrines of Marx-Engels spread to Belgium, France, and England and in Germany. In Germany the militant figure of Ferdinand Lassalle, fought for the Marx-Engel socialistic program. Lassalle was born in 1825, dying in a duel in 1864. Lassalle's contribution saw three stages in the development of labor; the ancient and feudal period, which, through the subjection of the laborer, sought solidarity without freedom; the reign of capital and the middle classes established in 1789, which sought freedom by destroying solidarity; and the new-deal era, beginning in 1848, which would reconcile solidarity with freedom by the introduction of the principle of socialism.

After the death of Lassalle, August Bebel, Wilhelm Liebknecht, and other gathered adherents, built up a tremendous social-democratic organization and spread the idea of socialism, to bring equality to all mankind. It began to look as if a social revolution was ready to burst in Germany, when Bismarck stepped in.

Bismarck, the man of blood and iron, was also a man of diplomacy and conciliation, when it served his purpose. The Iron Chancelor realized that Germany was living over a volcano because of the poverty of its people, especially its lower classes of workers, who were exploited and commercialized by capital and big industry. Though Bismarck was a reactionary and most conservative figure, with all his natural sympathies with monarchy and nobility, he realized that Germany was imperiled unless labor was given greater freedom, better wages, and greater security in life. Bismarck stole the socialistic program for social and economic security, introduced and passed laws in the Reich granting old-age pensions, widows' pensions, unemployment insurance, child-welfare methods, and sickness, accident, and health insurance, ostensibly for the benefit of the German workers but actually to preserve the capitalistic sovereignty of the German Empire in Germany. The legislation broke the backbone of the Socialist Party. Bismarck did what the Socialists only talked about. Action rather than words was always the Bismarckian method.

Thus we find from an unexpected source of practical application of the dreams of dreamers; but this result would never have occurred unless the disciples of the dreamers had become so strong that they might be able to make the dreams come true by force of arms and through bloody revolution.

For almost 100 years the policy of laissez faire, "let us alone", of the capitalistic class had controlled the production and held down labor. Thus, Bismarck, the great Iron Chancelor of Germany, was the first distinguished reactionary statesman to throw laissez faire into the wastebasket. Then and there was born the new deal in Germany which developed compulsory interference by the state in disputes between labor and capital when capital overexploited labor and labor rebelled. Labor unions in Germany were recognized as legitimate in 1881, when Bismarck's new-deal policy became effective.

In 1909 national strikes crippled England. Asquith and Lloyd George took control of the situation and became leaders of the liberal and propressive bloc in Parliament. These two statesmen realized the folly of laissez faire, which was leading the British Empire, and particularly England, to ruin. Twenty-eight years after Bismarck led the way in Germany, Asquith and Lloyd George gave Great Britain the same new-deal legislation of Germany which rescued England from the slough of depression and brought prosperity to the British working classes.

In 1910 general riots broke out all over France. Strikes were called everywhere. The French working people demanded social and economic justice for those who toiled and labored in agriculture and industry. Revolution again was in the air. It remained for a socialistic trio, led by Waldeck-Rousseau, Premier of France, and his two able and fearless associates, Clemenceau and Briand, to stem the tide of revolt by granting to French workmen the same benisons that had been granted German and English workers.

In 1913, at Albany, the capital of the great Empire State, the then Governor of the State, William Sulzer, appointed a commission to inquire into the subject of widows' pensions, child welfare, workmen's compensation, employers' liability, and other remedial methods. Governor Sulzer appointed the Honorable Alfred E. Smith, then speaker of the New York Assembly; Robert Wagner, leader of the New York Senate; James J. Walker, later mayor of New York; Judge Aaron J. Levy, justice of the New York Supreme Court; Franklin D. Roosevelt, then a member of the New York Senate; James Foley, surrogate of New York; Sophie Irene Loeb; Senator Martin McCue; a present Member of Congress; and a number of others, on this special commission.

They prepared and passed social and economic legislation in New York State. Similar legislation since has been adopted in 41 States of our Union.

Mr. Chairman, ladies, and gentlemen of the Committee, legislation and the results that flowed from it were the beginning of the new deal. It made Smith four times Governor of New York and Franklin Delano Roosevelt twice Governor and paved the way for him to the Presidency. On December 8, 1927, in the House of Representatives, I introduced a bill to provide for old-age pensions and spoke for an hour on the subject before the House. The Reverend Francis J. McConnell, president of the Churches of Christ in America, ordered 100,000 copies of that speech and sent them broadcast throughout the Nation.

The following month, in January 1928, Franklin Delano Roosevelt was inaugurated Governor of the State of New York. Several months later Governor Roosevelt forced through the New York Legislature a law creating old-age pensions for the old fathers and mothers in New York State. Today, as President of the United States of America, Franklin Delano Roosevelt insists on Federal and State pensions for every man and woman who arrives at old age and who is deprived of economic security. To some of you, ladies and gentlemen of the House of Representatives, this philosophy is called the "new deal." To pioneers and veterans in the subject, it is the old deal put into operation and coming to fruition, as the new deal of today. [Applause.]

Why have these humanitarian laws, old in Europe, new in our Capital at Washington, taken so long to germinate and develop in our Republic? In a recent interview with our beloved President of the United States I called to his attention the fact that China, India, and the United States were the only nations in the civilized world that were without old-age pensions. Let us escape from the company of India and China and join the onward march of progress with the other civilized nations of the world who have done justice to the old fathers and mothers of their country.

Mr. Chairman, in Europe most of the nations are composed of homogeneous people and there is racial unity between them. The population of the United States of America is heterogeneous. In New England are folk of English, Irish, German, Canadian French, and Portuguese descent. In New York State Dutch and English, and in New York City the greatest cosmos of mankind the world has ever seen. New Jersey was settled by Swedes and English as were early Pennsylvania and Delaware. Pennsylvania also had a large settlement of Germans in colony days and of Welsh and Irish miners and later of Letts, Poles, and others in the mining sections; Virginia by English as also the Carolinas; Maryland by English Catholics; Florida by Spaniards; Louisiana by French. The early Mississippi Valley settlements were by Spaniards and French. The region of the Great Lakes by Jesuits who carried religious training to the early settlers.

Since the early days every nationality in the world has contributed its quota to our heterogeneous population, yet while we may have our difference in racial and religious beliefs and domestic customs we love the country of our forebears, and high above everything else in life on our escutcheon we carry the Stars and Stripes and in our hearts, minds, and souls an adaption of the Latin credo, "Civis Americanus sum"—I am an American citizen—the proudest heritage and the greatest tribute that an American can cherish in his heart, an American not only ready to die for his country in time of war but to live for it in time of peace and help it continue to be one Nation with liberty, justice, and economic security for all. [Applause.]

Mr. LUNDEEN. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman.

Mr. LUNDEEN. I wish to say that I have been very much interested in the able and learned address of the distinguished gentleman from New York. In the light of what he has said about social conditions in his very eloquent address, I should like his opinion on the Lundeen unemployment, old-age, and social-insurance bill, H. R. 2827.

Mr. SIROVICH. In reply to the gentleman from Minnesota, I want to say that I have been working loyally, diligently, and faithfully for 10 years in this House for old-age pensions, social insurance, unemployment insurance, the clearance of slums, and every form of social legislation that would be instrumental in making the life of mankind better. In the Seventy-third Congress the distinguished gentleman from Minnesota introduced the Lundeen bill. No other such bill was before the House, and I gave it my earnest support as a Tammany Hall man. A petition to bring it before the House was at the Speaker's desk, and I was one of the 30 men who signed that petition. I still consider the Lundeen bill as the only bill that would solve the social problem of old-age pensions and unemployment insurance.

Mr. GUYER. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Kansas.

Mr. GUYER. Among the many things the gentleman mentioned was the workmen's compensation bill and the child-welfare bill. They were passed under a Republican administration, were they not?

Mr. SIROVICH. Bills for that purpose had already been passed by the Democratic Legislature in New York, away back in the year 1913.

Mr. GUYER. I am talking about Congress, about Federal legislation. Is not it true that the workmen's compensation law and the child-welfare law were passed under Republican administrations?

Mr. SIROVICH. The child-welfare bill that you refer to permitted children under 16 years of age to work in the mills, the looms, the mines, and the factories, and the only child-welfare legislation ever enacted in this House of Representatives was the legislation of the National Recovery Act, submitted by our beloved Democratic President, Franklin D. Roosevelt in 1933, that forever outlawed and abolished completely child labor in our Republic. That was the great contribution of a Democratic House and Senate on the altar of child slavery, abolishing it completely in every State of the Union. [Applause.]

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I am glad to yield to my distinguished colleague from Michigan.

Mr. MICHENER. The child-labor amendment which accomplishes everything that is accomplished in the abolishment of child labor under the existing law or regulation, was passed by a Republican Congress and was approved by most of the Republican States. Is not that true?

Mr. SIROVICH. It is only true insofar as that fight was aided and abetted by those who were social-minded on the Democratic side and who by their votes helped to pass this legislation even against Republican influence. When it came to enforcing child-labor legislation the Republican Party put men into key positions of power who nullified the act. That is why we found children under 16 years of age working in mills and mines and factories throughout various States of the Union, because of Republican dereliction, and their secret and determined desire not to enforce the child labor law. [Applause.]

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes; I yield to my friend from Ohio.

Mr. HARLAN. In further comment on the question of the gentleman from Michigan [Mr. MICHENER] is it not an obvious thing also that the constitutional amendment was never even attempted until after two acts of the Democratic Congress under President Wilson attempting to keep child labor out of factories had been declared unconstitutional by the Supreme Court, and then a constitutional amendment was attempted, but has never had enough force back of it, through the Republican States very largely, and some Democrats, to carry it through?

Mr. SIROVICH. The gentleman is correct in his observation.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. DOBBINS. I did not understand the inquiry of the gentleman from Michigan [Mr. MICHENER]. Did he say most of the Republican States, or both of the Republican States? [Laughter.]

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. Yes; I yield to my friend from West Virginia.

Mr. RANDOLPH. I have been intensely interested in the able address of the gentleman from New York. In connection with child labor I do want to say, however, that now is the real opportunity for this administration to throw its full weight into those States that are now considering the child-labor amendment. Does the gentleman believe that that should be done?

Mr. SIROVICH. Not only do I believe it, but if the gentleman will search the CONGRESSIONAL RECORD for the past 10 years, in many of my social security addresses, he will find me always appealing for humane and social justice to every boy and girl, to accord them society's guaranty of not being compelled to work and toil while under 16 years of age.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. SIROVICH. I should be delighted to yield to the distinguished gentleman from Wisconsin if I could get more time. Will the gentleman from New York yield me a little more time?

Mr. BACON. I yield the gentleman 2 minutes more.

Mr. SIROVICH. I yield first to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, I rise to ask the gentleman from New York to give the name of the gentleman to whom he referred in his early remarks.

Mr. SIROVICH. I have already referred to the able and distinguished people who assisted us in perfecting and developing old-age pensions, widows' pensions, child labor, child welfare, and workingmen's compensation proposals. In the New York State Legislature in 1912 there was a distinguished colleague of ours, who died only 2 weeks ago, Mr. Anthony Griffin, who also was a member of this Committee on Appropriations, and who worked very faithfully for social and humane legislation. Senator Martin McCue also served the best interests of his State in protecting the widows and orphans.

Mr. BOYLAN. And permit me to say to the gentleman that I also served on the same committee with Alfred E. Smith.

Mr. SIROVICH. I mentioned his name.

Mr. BOYLAN. And with Senator ROBERT F. WAGNER and the late lamented Sophie Irene Loeb and also Surrogate James Foley.

Mr. SIROVICH. All these noble men and women gave of their today that others might have their tomorrow. And for the benefit of my distinguished colleague, with all the modesty that I can command at my disposal, may I state that I happened to be a member of that original commission away back 25 years ago that wrote all this legislation. In those days I studied the prison institutions of our country and the orphan asylums; and that bill which I helped to write in the State of New York has now been adopted in 41 States of the Union, and I am proud to say that old-age pensions are now found in 28 States of the Union. [Applause.] I now yield to the gentleman from Wisconsin.

Mr. BOILEAU. Mr. Chairman, I understand that the New York State Legislature within the last day or two has turned down the child-labor amendment. Will the gentleman state whether that legislature is Democratic or Republican?

Mr. SIROVICH. My distinguished friend from Wisconsin is greatly misinformed. The New York State Legislature will be in session for the next 3 months and, I am sure, will very seriously consider the child-labor amendment and do justice to the cause. Justice crushed to the earth must rise again.

Mr. BOILEAU. I understood a Senate committee pigeonholed the bill.

Mr. SIROVICH. We have had a lot of bills pigeonholed here in the Congress of the United States, but the gentleman and I have tried valiantly and courageously to bring them on the floor of the House in spite of gag rules to the contrary notwithstanding. While there is life there is always hope, and I sincerely trust that the great Democratic Party that has always initiated social legislation will continue in the State of New York until it passes this deserving legislation. [Applause.]

Mr. Chairman, I desire to extend, through you to the Members of the House, my most earnest appreciation for the splendid attention they have given to me for the past hour, and for the very gracious way in which they have received my remarks. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BACON. Mr. Chairman, I yield 15 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, an all-absorbing topic of discussion here at this time is the question of a proper, workable old-age-pension law. Millions of people all over the United States are interested in one plan or another for consideration. Undoubtedly the one most widely discussed is referred to as the "Townsend plan." I believe that it has been mentioned here to such an extent that it is unnecessary to refer in detail to its provisions at this time.

Shortly after October 25, 1934, I received at Portland, Oreg., the following letter from Dr. Townsend at Long Beach, Calif., to which I made no reply:

OLD AGE REVOLVING PENSIONS, LTD.,
THE TOWNSEND PLAN,
148 AMERICAN AVENUE,
Long Beach, Calif., October 25, 1934.

Mr. WILLIAM A. EKWALL,
Portland, Oreg.

DEAR MR. EKWALL: The many millions of advocates of the Townsend plan residing throughout the United States are interested in your stand on their plan of retiring all good citizens 60 years of age and older on a monthly pension of $200, with the proviso that the entire $200 must be spent within 30 days from receipt of same, and that it must be spent within the borders of the United States. This plan is contemplated as a national plan.

To ascertain your stand on the Townsend plan, we would greatly appreciate your answers, either "yes" or "no", to the following questions:

1. Do you endorse the Townsend plan in its entirety without qualifications of any sort?
2. Do you endorse the Townsend plan with reservations? If so, what are they?
3. Are you against the Townsend plan? If so, what are your objections?
4. In the event of your election to the United States Congress, would you champion the cause of the Townsend plan and work for its enactment into law?

This questionnaire is being sent to all congressional candidates. Replies received will be embodied in a bulletin and transmitted to Townsend-plan adherents. An early reply will be greatly appreciated.

Respectfully yours,

OLD AGE REVOLVING PENSIONS, LTD.,
F. E. TOWNSEND, M. D., *President.*

Prior to my election from the Third Oregon District to the Seventy-fourth Congress I advocated an adequate Federal old-age pension. One of my opponents, a very estimable gentleman from my home city of Portland, Oreg., the Rose City of the West, ran as an independent candidate on a platform advocating, among other things, the Townsend plan of old-age revolving pensions. After my election in November 1934, I was invited to discuss old-age pensions at a number of Townsend clubs in my home city, but time would not permit. A mass meeting was suggested to me and arranged at the Benson Polytechnic High School Auditorium, Portland, at which about December 10, 1934, I spoke to some 1,500 citizens of Portland and vicinity. They were for the most part advocates of the Townsend plan, and I was asked to discuss this subject. I reviewed what my understanding was of the merits claimed for this plan, and it must here be said that if the plan were feasible and it could be financed there are many admirable provisions embodied therein. I at that time advised my hearers that I was not an economist, and that I did not then know, nor did I believe that anyone in the room knew, to any degree of certainty, whether the plan was workable, and could be financed, as claimed by Dr. Townsend and his adherents. I told them that I had been advised that the columns of the press had carried a story to the effect that Mr. George Creel, unsuccessful candidate for the Democratic nomination as Governor of California in the 1934 primaries, had gone to Washington, D. C., to lay the plan before President Roosevelt. I advised my hearers that I had promised during the campaign to cooperate with the President wherever I reasonably could in his recovery program, and that I did not intend to be an obstructionist. I distinctly cautioned them that the problem of convincing President Roosevelt and his committee on social-security legislation that the

Townsend plan was workable, that it could be financed, and that it would be the best plan submitted to the Congress was one to be assumed entirely by Dr. Townsend, his advisers, and economic experts. I ventured the opinion that President Roosevelt at the time had more power than any President ever in the White House, not excepting the beloved Lincoln during the Civil War. That I did not know what the President had in mind in the way of an old-age-pension plan, but that in all probability what he might select and suggest the Congress would give him in this regard. I then stated that if Dr. Townsend could convince the President his plan was the best and most workable plan, and it met the President's approbation, that would satisfy me, and I would vote for it, as I felt the committee would have the necessary data and figures upon which to base their recommendation. I suggested that they get in touch with the President and his social-security committee and let them know that they favored this plan. My address was evidently construed by a number of people who were present as an endorsement of the Townsend plan.

When I came to Washington the latter part of December 1934 I received a letter on the stationery of the Congress of the United States, over the printed signatures of various Members-elect, stating, among other things, the following:

> For the purpose of enabling the House Members of the Seventy-fourth Congress to obtain first-hand information about the Townsend plan, and to obtain it in an informal manner, the undersigned committee has invited Dr. Townsend to be its guest speaker at a meeting to be held in the old House Office Building caucus room on Thursday evening, January 3, at 7:30 o'clock sharp. Following his address, Dr. Townsend will answer questions from the Congressmen concerning his proposals. A cordial invitation is herewith extended you to be present on this occasion. Attendance will be limited to House Members only and the press.

I wanted to learn as much as possible about this very interesting subject and accepted the invitation to attend. After Dr. Townsend had concluded his address on his plan, a number of questions were asked by those present, and someone suggested that the plan, if introduced in Congress, would never get out of committee and would be allowed to die there. I then stated that I was not advocating or condemning the plan, being open-minded on the subject, and was there to learn first-hand Dr. Townsend's claims for it; but I thought if the bill was introduced in Congress it should have a respectful hearing and be disposed of one way or another; that "if we do not meet the question this session, we will have to meet it when we get back home." Unfortunately, I was quoted in a Washington (D. C.) paper as saying: "If we don't pass it this session, we'll have to meet it when we get back home."

This statement, among other things, was quoted in the January 14, 1935, issue of Time, and, of course, put an entirely different meaning on my words than I had intended. As a consequence, many people believe that I have endorsed this bill, when, as a matter of fact, I was merely advocating that a fair hearing be given the plan. In nearly 13 years' experience on the bench, I found that it was much better to give a respectful hearing to a case on trial rather than to attempt to decide it post haste, without a reasonable hearing, and I was attempting to apply this logic to the situation then obtaining. Recently I have learned that a regular radio broadcast at Portland, Oreg., has on several occasions given out the information that I have endorsed the Townsend plan. I have never authorized such a statement; and if made, it was entirely without consulting with me in any way.

After the meeting mentioned above, I desired to talk with Dr. Townsend personally and get his explanation of various phases of his plan, and therefore invited him and a number of my colleagues of the House to my apartment to dinner. They very kindly accepted, and we informally discussed the plan further on that occasion. In addition, I attended the hearing before the Ways and Means Committee, at which Dr. Townsend and Mr. Glen Hudson, the actuary from Oakland, Calif., appeared several days ago. With all the information which I have been able to gather on this subject, I am of the opinion that it would be an impossibility to finance this Townsend plan of old-age pensions. I believe it would rapidly bring on financial chaos in this country, and in the world, and that it would, if in operation for only several months, bring on the wildest sort of inflation, defeating the very purpose desired. I feel most keenly for the millions of elderly people of this country who are in distress and want. My own people have always been poor and hard-working. My parents lie buried in the State of California after years of toil and hardships, but I am convinced now that it would do no good to enact a law which is fraught with so much danger and uncertainty as this one introduced by the distinguished gentleman from and poet laureate of California [Mr. MCGROARTY], lovable and accomplished though he is.

Considering the reported statements of members of the President's official family, relative to their views of this plan, there can be no question that the President has definitely declined to consider the same in recommending his program. Indeed, this cannot be seriously doubted, because the President has caused to be introduced the bill embodying his views on old-age pensions and unemployment insurance, which is now also before the Ways and Means Committee. This bill does not, in my opinion, provide for payments large enough, nor is the age limit low enough to fit conditions in my State. We might as well face the facts of our present situation. We have millions of aged people in our country without the opportunity to earn a living. Many of them will never again be absorbed back into the industrial life of the Nation. We must adequately and decently provide for them, within the limits of our ability to do so, safely and on an economically sound basis. Many of the States of the Union are not now in position to match the Federal funds for direct relief, to say nothing of their inability to match Federal funds for old-age pensions as provided in the administration bill. Consequently the method must be provided by the Congress to meet this situation. I am unalterably opposed to sending these aged people to public institutions, or giving them a meager dole which will barely keep body and soul together. It is the function of government to properly provide for its people who unfortunately cannot provide for themselves, through force of circumstances beyond their control and on account of conditions which may obtain indefinitely. I believe that in this land of abundance, with our limitless resources, the machine age here to stay, with ability to produce more than at any time in our history, our attention and efforts must be addressed to devising ways and means of giving at least a more comfortable living to all our people, to providing adequate security in their old age, according to accepted American standards, and to abolishing want and misery and fear from our land. I am equally convinced that in order to do any permanent good, this must be accomplished in a practicable manner and not so as to disrupt our entire economic set-up. I believe our people will not be so unreasonable and arbitrary as to insist ultimately on an alleged cure that will be far worse than the malady.

Dr. Townsend, in advocating his plan, has been, I feel sure, actuated by the best of motives. I have found him to be a lovable, kindly gentleman with a keen sympathy and feeling for those in distress and want. I think his crusade for his pension plan has probably resulted in the consideration of the President's plan at least several years in advance of the time it would ordinarily have been brought about, and that it will ultimately result in larger payments being made and at a lower age limit than otherwise would have been the case. I have received many letters from people in my State, and other States as well, demanding that I use my best efforts to see that this bill is enacted into law this session, and that I also influence other Members to do the same. They say, "Pass this bill and we will take the consequences." The difficulty of that position is that they would be bringing the consequences to coming generations yet unborn, which none of us have a right to do, if not based on sound logic and reasoning. Washington and his men at Valley Forge went through a winter of hell on earth that the coming generations might have a better and more orderly existence and government. In a different degree perhaps we are doing the same thing now, but I am sure we will eventually find a

solution to a better existence for all. Many letters are received every day demanding that the bill be passed without a change of any character. Obviously the writers cannot be informed enough to seriously think this could be done. There are millions of people in the country who have not been heard in any way relative to this plan; is it conceivable that their interests would not be also given consideration? Even Mr. Hudson stated before the Ways and Means Committee he could not support it in its present form.

Some people have suggested that if I do not unqualifiedly endorse this plan, or if I should venture the opinion that it is not workable, it will spell my political doom. What of it? I have an abiding faith that even if I should not come back to these historic halls next term, somehow the country will struggle on without my services, and that, great as the loss would be, a divine providence would again come to the rescue of our beloved country and fill the vacant chair. This office, nor any other that I know of, is tempting enough to cause me to vote and work for a measure which I believe to be economically unsound and unworkable. I shall act as my conscience dictates is right and just, and "if that be treason, then make the most of it."

I favor cooperating with the President in putting into effect the best law we can now enact, with helpful suggestions as to reasonable amendments at this time and with further amendments from time to time, in the best interests of the aged, as experience and time teach us we may safely employ.

We have looking down on us each day in this memorable Hall the portrait of the Father of our Republic, George Washington, and it might be well for us, in considering this measure, to give heed to his words, uttered well over a century ago:

> If, to please the people, we offer what we ourselves disapprove, how can we afterward defend our work? Let us raise a standard to which the wise and the just can repair.

[Applause.]

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

OUR NATIONAL DEFENSE IN THE AIR

Mr. McFARLANE. Mr. Chairman, I wish I had sufficient time this afternoon to go fully into the subject which I desire to discuss for just a few minutes. I wish to take this opportunity to review a little history written in the last two sessions of Congress, regarding the condition of our national defense in the air.

As you Members who were here during the Seventy-third Congress know, this matter was carefully considered by both the Military and Naval Affairs Committees of the House as well as by several other committees in another body. Since the World War there have been 25 separate investigating committees go into the different phases of our aircraft situation, and we are still apparently far from any definite solution of the many problems involved regarding our national-defense policy in the air. Since adjournment of the last session two different Commissions—the Baker and Howell Commissions—have considered the policy we should pursue regarding our air forces, and those two Commissions have now reported. The Howell Commission, appointed by the President, made its report last week. We now have the benefit of the study of those two Commissions, together with the reports filed by both the committees of the House on this subject, and the reports filed by the gentlemen studying this same subject in another body.

I respectfully call to the attention of the House at this time this important question, because nothing is solved until it is solved right. This question in the future is going to be how we, as Members of Congress, are going to write the policy and how are we going to spend in building our air force the many, many million dollars of the taxpayers' money which will be required. The records show that we are now spending in the Army and Navy and have ever since the last war, more than $50,000,000 annually on new aircraft procurement alone. I placed in the RECORD during the last session of Congress, pages 10034–10064, a study on this question. None of the statements contained in that study have been successfully denied by anyone on this floor. As shown by the records of the Comptroller's department, more than 92 percent of all our aircraft purchased by the Army and Navy Departments of the Government since the Aircraft Act of 1926 have been purchased in violation of that law and have been purchased without honest competition. This has cost our Government many millions of dollars in excess of what it should have cost.

The following members comprise the Howell Commission: Mr. Clark Howell, chairman; Mr. Edward P. Warner, vice chairman; Mr. Albert J. Berres, Mr. Jerome C. Hemsacket, Mr. Franklin K. Lane, Jr., and Mr. J. Carroll Cane. They filed a rather exhaustive study on this proposition. Among other things they recommended that the proposition of negotiating contracts be continued as it has been continued, in violation of law, by both procurement divisions of the Army and the Navy since this act was written. This recommendation is as follows:

> Explicit authority should be granted to the Secretary of War and to the Secretary of the Navy to negotiate contracts for quantity purchases of aircraft and other aeronautical material, subject to the requirement of a full report to Congress in each case where the authority is used.

In the last speech he made on this subject, our own beloved Speaker stated on the floor of this House when Congress passed the act of 1926, page 12260, June 29, 1926:

> Mr. BYRNS. I do not think it is a question of honesty on the part of members of the Cabinet, the Secretary of War, or the Secretary of the Navy, but here is the Comptroller General who has been delegated by law to do this work and holds a peculiar relation to Congress, the appropriating body. He has a force for that purpose. The Secretary of War and the Secretary of the Navy do not personally audit accounts or interpret contracts. Now, pursuing the matter further I want to say to the gentleman—and if his time expires I am sure it will be extended—my fear is this: Only the other day the House passed a bill taking from the Comptroller General certain powers to audit, and so forth, in reference to the Internal Revenue or Customs Service. Now we are asked to take from the Comptroller General the authority vested in him by law with reference to contracts carrying nearly $200,000,000. It seems to me that it is just an effort upon the part of these Departments with whom the Comptroller General is not very popular—their attitude is a real compliment to him—I say, it seems to me that it is the purpose of these various Departments piece by piece to eliminate his authority and finally to emasculate the Budget law, and I do not think Congress ought to stand for it, because the Comptroller General was delegated by the Budget law as in a sense the personal representative of Congress. * * *
>
> The Comptroller General has nothing to do with making the contract; but when it comes to a legal interpretation of what the contract means, as to whether the contract shall do this or that, I take it the Comptroller General, who is the legal authority and who has a legal force, is better fitted and more capable to pass upon it than the Secretary of War or the Secretary of the Navy. * * * the Comptroller General is the legal authority to pass upon contracts and audit claims and there is no appeal from him. That is the reason why the Departments want to get out from under him because he is independent of them and will not listen to them in construing contracts and passing upon their accounts.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. OLIVER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. McFARLANE. Time has proven that the position taken by our beloved Speaker [Mr. BYRNS] was correct, because since we have turned over to these departments of Government this unrestricted purchasing power they have violated the strict interpretation of the legal departments of both the Army and Navy and have continued to buy their aircraft equipment in violation of the Aircraft Act of 1926.

THE PRESIDENT WANTS COMPETITION

The President of the United States last year, when the whole question of air-mail procurement was before us, came out in bold statements and said:

> March 8: "Any combinations, agreements, or understandings intended to prevent free competitive bidding should be prevented, and such action should be a basis for cancelation of contracts. Real competition between the manufacturing companies will stimulate inventive genius, and should give to our people safer and better equipment both for commercial and military purposes."

When the Howell Commission recommended that we continue this policy of negotiated contracts, the President said, "No; we want competition."

My friends, the wishes of this Congress will not be respected by those two Departments unless and until this Congress lets those Departments know that we mean business and that Congress must be respected when we pass these laws. I think it is high time that we let them know that the simple letter of the law must be enforced, and that we must have our aircraft bought in the open market, with open competition. What does it mean? Last year I filed a report which shows the latest known performance of every war-plane engine in the world. It shows that we are woefully weak in our performance on our war airplanes and engines, when compared with the performance of that of other countries. We must have honest competition in order to give the right incentive to all concerns so that they may come in and bid if we are to take our proper place among the great powers in the air defense of our country. A study of our national defense in the air will show how woefully weak our aircraft equipment is as compared with that of other nations. [Applause.]

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, I take this opportunity to express appreciation for the inclusion in the bill under discussion of the sum of $1,000,000 that may be used for reconditioning and operating ships for carrying coal and other basic commodities to foreign ports.

A few years back we had an appropriation for the reconditioning of ships for the purpose of the transportation of coal, but for some reason we did not find a sympathetic attitude in those who administered the fund. I recall distinctly that in the first year after the initial appropriation for this purpose there was not a single vessel that cleared an American port carrying coal.

There is a potential market of some 25,000,000 tons in the Mediterranean and in South America for American coal. I am happy to see that this enterprise will be undertaken. It may mean much to the coal sections of this country. It has been proved beyond question that coal can be carried to South American ports with a lesser loss than other cargo carried by Shipping Board vessels. With return cargo, it can be carried with profit.

I again wish to express the appreciation of one section of this country, the coal section, for this action on behalf of the committee, which may prove of much benefit to them.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. VINSON] has expired.

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I have the honor and likewise the obligation to represent the people of the Eighteenth District in California. That district is in the southern portion of Los Angeles County, which, by the way, is represented by a solid Democratic delegation in this House. Among the several towns and cities of the Eighteenth District is the city of Long Beach. I have made my home in this city for the past 8 years. I could not possibly get enough time on the floor of this House to begin to describe all of the advantages by the way of climate, recreation, cultural advancement, and general good living conditions that people enjoy in the "queen of the beaches", Long Beach. Eight short but full and delightful years have made me as enthusiastic over the superior qualities of California as a native son.

Speaking of native sons, my few years in Long Beach leads me to substantiate the remark that appeared under the flattering caricature in Monday's Post. My Republican opponent was a native son, and he is supposed to have made the remark that he did not mind losing so much as he did hate losing to a "damned tourist."

For 8 years preceding my rather sudden descent into the realm of politics I had been teaching the subject of United States history and economics to the young people of the Woodrow Wilson High School in Long Beach. I am frank to confess that there have been several times during the discussions on this floor that I have developed a peculiar nostalgia for the discussions of the high-school classroom. Those same young people, by the way, were greatly responsible for my nomination and election.

Late in 1933 or early in 1934 a man came to me with an idea. He explained it to me and asked me to address a mass meeting of Long Beach citizens espousing his idea. I refused him. That, let me remind you, was before I became an embryo politician. I refused him and he secured the services of another speaker. That speaker was one of five unsuccessful candidates for the Republican nomination for Representative. With that speech, however, the Townsend old-age revolving pensions plan was officially launched.

Considerable, both pro and con, has already been said on this subject. Much more will be said before this session is over. But let me anticipate my whole idea with this observation:

The Townsend plan has been offered and has found favor in various places. There must have been a fertile field of thought prepared beforehand. It is my intention to address myself more to the state of mind that made it possible for the revolving pension of $200 per month to become popular than to the plan itself. In my humble judgment, others of this House might do the same.

At this point two other peculiar California phenomena must be brought into the narrative. For years the State of California had languished under a Republican rule that could have resulted in but one thing, namely, the shameful desuetude of the "Sunny Jim" Rolph regime. California was approaching bankruptcy and "Sunny Jim" took airplane rides, went to rodeos, wore a white carnation, affected boots, and smiled. We were beginning to feel the effects, tardily to be sure, of the inactivity and unwillingness to see of the great engineer while he was in Washington. People were losing their jobs. Their savings in banks and building-and-loan companies, stocks, and bonds became worthless. In the midst of this "Sunny Jim" died and was succeeded by "Fearless" Frank Merriam, and the capital of California unofficially left the State building.

There was no improvement in conditions. Few people expected any improvement.

Then one of the earthquakes for which California is erroneously supposed to be noted hit us out there. This time, however, it was a political earthquake, and no lives or buildings were lost. Upton Sinclair declared himself a candidate for Governor on the Democratic ticket, and the people of the United States were treated to a political show that had its effects in nearly every State of the Union.

At the same time that this happened technocracy was rapidly approaching its zenith, under the spotlight of public enthusiasm and encouragement and was preparing itself for the death blow that was to be administered by Will Rogers and the rest of the humorists called "philosophers", who laughed technocracy out of court but not out of the minds of millions. It was soon to become the foundation for a newer and greater stir.

At about this time I was invited to a meeting one night. I was told that I might be interested in the discussion. I was. It was on the subject of economics. This first discussion led to a large meeting in which actors on a stage described the economic conditions of the country and sought to explain why these conditions existed. Later meetings, called "cycles", sought the sort of reconstruction that would bring relief from our economic impasse. This particular movement is called the "Utopian Society."

Let me say here that anything can start in California. Three things started almost simultaneously: Dr. Townsend, Sinclair, and the Utopian Society.

All of these organizations depended upon the creation and activities of clubs. There were hundreds of Epic clubs. Some of them have become Democratic clubs now, but they are all officered and attended by good, loyal, honest, American men and women who are sincere in their belief that something can be done to better living conditions.

I do not know how many Townsend clubs there are in the United States. But I do know that they number among their members some of the best people on the face of the earth. And I do know that they are not satisfied with present conditions.

There is no way of knowing how many good, patriotic Californians are hermits in the hundreds of workshops of the Utopian Society. I do know, however, that they are conscious of the wealth that America could produce if we could find a way to get it to the consumers. They know what we are talking about when we say that, as far as our technological advancement is concerned, we are in the twentieth century, but our social advancement belongs to the era of the stagecoach. They want to bring it up to date.

All of these organizations find their way to Washington. Upton Sinclair came; Dr. Townsend is here; and the Utopian Society established headquarters here.

Why do I go into all of this detailed history? For this reason, Mr. Chairman, there are, at a conservative estimate, between 900,000 and 2,000,000 people in the State of California who believe that it should be possible for people to be able to live on a much higher standard of living than most of us do today. Remember that these people have done considerable studying. They have listened to speakers. They have gone to meetings—California is a great meeting country. They have read books and magazines on the subject of economics. They have read Nation, New Republic, and Common Sense along with the more conservative magazines. They know something of the productive potentialities of our economic system. They have read Stuart Chase. They know who Veblen was. Some of them have even read Berle and Means. They could tell some of the Members of this House things that it would be well for Members to know.

People of lesser intelligence, people for whom an act of God would be necessary to bring them up to a level of utter ignorance, have sought to discredit these people and block them in their activities by laughing at them, by calling them visionary and fantastic, by calling them Socialists, Communists, radicals, and instituting red hunts against them. Members of this House have been guilty of that on more than one occasion.

These people used to resent this. They are now becoming more tolerant. They now find it possible to excuse the mistakes of ignorance. They now laugh and say, "Yes; he just called me a 'red'."

These people know that they are right—and every survey, the Hoover Commission on Social Trends, every study, every act of curtailment of production and destruction of wealth serves to prove them right. All of them work from the same major premise. We are living in an era of potential abundance, which we cannot enjoy because we insist upon retaining the habits of scarcity. We can produce but we cannot distribute. These people, Sinclair, the utopians, the dated-money advocates, and Dr. Townsend are searching for the method of distribution. Perhaps one of them is right.

But to revert to the immediate subject at hand. The Townsend process became popular and spread to other parts of the State and Nation. Clubs insisting upon the adoption of this idea sprang up everywhere. It is impossible to estimate how many people are sincerely certain that the idea should be adopted by this Congress.

Near the middle of October at a mass meeting held in Long Beach, Dr. Townsend, and Mr. Clements, his secretary, endorsed my Republican opponent as its champion, urging my defeat, saying that I was against the plan. They were not successful in this, however, because nothing could have secured the election of a Republican in the Eighteenth District. At least not this year. There were other things and other organizations in California, and Franklin D. Roosevelt, a Democrat, was in the White House.

I do not at this time care to enter into a discussion of the economics of the plan, but wish merely to state a few facts about the idea that has captured the imagination of millions; I will be willing to go before the Demagogue Club later if its president can be prevailed upon to call a meeting, and answer any and all questions.

I simply say at the present time that several thousand people in my district believe in this idea and are entitled to a public hearing in the open forum of the House.

I want to interject the remark here that I am not holding any brief for any of the leaders of this movement. Nor at the same time am I leveling any accusations against them. Charges are being broadcast. Refutations follow almost as rapidly as the charges are made. I do not enter into this controversy. I am interested only in the people who are so much in need of the social security legislation that sometime will win the approval even of the ultrareactionary. For them I have the maximum of sympathy, and to them I have pledged my every effort to help secure the legislation necessary to make it possible for children to enjoy a happy nourished childhood, for young people to secure an education, and later a job that will make it possible for them to secure a position in society, for heads of families to be made secure in their livelihoods, and for elderly people to enjoy the few remaining years of their lives in the ease and comfort to which they are so genuinely entitled.

These are the people for whom I have asked this hearing. You may not agree with them, but they have a right to be heard. In the interest of fair play, and in fulfillment of my obligation to those people, I summarize the outstanding features of the Townsend Old Age Revolving Pensions Plan, Ltd. I will say this, by way of introduction. If, even as late as 1929, any man had suggested to Congress that they appropriate $5,000,000,000 by a House joint resolution to be used on a public-works program he would have been branded as "cockeyed" and "fantastic."

In brief, the Townsend plan calls for the payment of two hundred each month to every person in the United States who is over the age of 60, a citizen, not an habitual criminal, who is not engaged in a productive activity and who will agree to spend the two hundred each month. This, according to their calculation, will mean the payment of between sixteen and twenty-four billions of dollars each year to between eight and twelve millions of people over the age of 60.

They ask that Congress appropriate $2,000,000,000 for the first payment. Successive payments will be made from a revolving fund created by levying a tax on every financial transaction consummated in the regular course of business.

They willingly admit that under present business activity the tax needed to secure this vast amount of money would be prohibitive. Their contention, however, is that by supplying $2,000,000,000 each month to the marts of trade the stimulation to business would be so great and the financial turnover so rapid that a small tax would suffice. They claim that the subsidy of purchasing power would so release the potential demand for consumers' goods that that turnover would be so augmented as to reach unheard-of amounts as to make it possible to collect by a small percentage, tax enough to pay the pensions without the tax becoming a burden on anyone.

Allow me to repeat that I am not arguing a question in economics now; I am engaged in narrative.

It is the practice and, perhaps I am justified in saying, the strategy of the Townsendites to pass rapidly from the fields of economics in the presentation of their case to the field of sociology. Here their arguments are unassailable.

In brief, the contention is, and correctly so, that if it is possible by legislation to eliminate the specter of poverty from the daily lives of our people by a subsidy to purchasing power and a redistribution of the wealth of the country, all of the attendant evils of poverty would disappear with it.

There is an extremely interesting and, I believe, an equally portentous point in all of this insistent demand. The plan calls for a pension of $200 per month. Many States already have pension systems. These various benefits amount on the average to about $19 per month. They are commonly called "pauper pensions." The proposed plan of the Government to supply $15 for those over 65 to be added to what the States can provide is likewise denounced as a "pauper pension."

Mr. Chairman, I see in this a most remarkable realization on the part of the people. It is only natural that they should say, "If the Federal Government can afford to appro-

priate five billions to provide work, why cannot it also deal in figures of this magnitude to supply old-age pensions? "

And, again, a very important wave of enlightenment has swept over the country; perhaps more particularly in the West, with California as the outstanding example. I refer to the realization on the part of large numbers of the people that with the natural resources, inventive genius, great factories, rich fertility of the soil, modern machinery, and a sufficient supply of both skilled and unskilled labor, it is now possible for us to produce enough wealth to make it possible for all our people to live on a decent, truly American standard of living. In the midst of this potential plenty, starvation is an alarming anachronism. Our people simply want to take advantage of our abundant possibilities.

People are now realizing the possibilities of plenty and are more unwilling to accept the permanence of poverty.

This, then, is what I have in mind when I refer to the portentous point concealed in the crusade of the Townsendites. This is something that cannot be laughed out of court. Let me warn you that the conditions from which this movement grew must not become the subject of jest. Let there be hesitation in the turning of the deaf ear to the demands of the people. Others have been guilty of that to their sorrow.

Turn your attention to the possibilities of our economic system and be done with this perpetuation of poverty by insisting that people be forced to get by on as little as possible.

George the Third chose to deny the wishes of the American people, and the Declaration of Independence was the result.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I asked for this time to pay a tribute, a brief but earnest tribute, to the present Attorney General of the United States, Homer S. Cummings. The Members of the House have witnessed during the past week more or less challenging of departmental policies and more or less challenging of the administration from this side of the aisle. So it is worth while to note that one of the minority rises here to pay earnest tribute to this distinguished and useful public officer, the present Attorney General of the United States, Homer S. Cummings.

Several years ago, in 1930, to be exact, Mayor LaGuardia, then a Member of the House, introduced a bill making it a crime to transport stolen property interstate. At that time there was involved in the transportation of stolen property interstate something in excess of $3,000,000,000. The property was stolen today and was transported over 1, 2, or 3 State lines during the nighttime and then in the early morning it was in the thirteenth story of an office building being taken over by the white-collared fence. A fence of this type was never convicted. Mayor LaGuardia, who was not property-minded, desired to bring the fence to justice and to stop him from recruiting the young men of the metropolitan districts into the criminal mob. He introduced this bill for that purpose.

At that time the then Attorney General of the United States, Mr. Mitchell, stated that that was not the function of the Federal Government. That was an unfortunate and mistaken policy. The attitude of the present Attorney General is that America has burst its swaddling clothes and that this great avalanche of crime, which was becoming more controlling than the law, must be brought under subjection by Federal statutes and their enforcement. Under the urge of the Attorney General there have been placed on the statute books during the last 2 years some seven or eight statutes which give Federal jurisdiction to this national question.

Under Attorney General Cummings' leadership and direction the agents of the Department of Justice, headed by J. Edgar Hoover, have brought to book, bandits who had become national heroes and who were terrorizing the countryside. May I state also in that connection that in the administration of this office the Attorney General has stood firmly back of Hoover and his agents and made their achievements possible. He has resisted the group that were attempting to remove Hoover or to compel him to appoint agents for partisan purposes.

Mr. Chairman, I rise here today as a Republican to pay sincere tribute to this Democratic Cabinet officer for his splendid ability and efficient administration of the Department of Justice of the United States. I predict that in the days to come we will see a great lessening of crime in the United States by reason of his administration of this office. America is already greatly in his debt. [Applause.]

Mr. OLIVER. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Alabama.

Mr. OLIVER. I think I voice the sentiment of every member of the committee in expressing appreciation to the gentleman for the remarks he has made. The Attorney General appears before our committee always in support of the Justice Department bill, and his familiarity with all of the activities of his Department is very remarkable. He has been a leader in the suppression of crime, and I share the views expressed by the gentleman that under his leadership we have had and will continue to have splendid cooperation from the officers of the States.

Mr. CULKIN. I appreciate the gentleman's statements.

[Here the gavel fell.]

The CHAIRMAN. The Chair wishes to announce at this time that the gentleman from Alabama [Mr. OLIVER] has 5 minutes remaining, and the gentleman from New York [Mr. BACON] has 35 minutes remaining.

Mr. BACON. Mr. Chairman, I yield 25 minutes to the gentleman from Alabama [Mr. OLIVER] reserving 10 minutes in case someone comes in who has something to say.

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SHANLEY].

Mr. SHANLEY. Mr. Chairman, ladies and gentlemen, I am deeply grateful to the distinguished Chairman of the Subcommittee on Appropriations, my colleague Mr. OLIVER, of Alabama, for the privilege of making my first speech in the well of this House.

I would be exhibiting an untimely appreciation were I to introduce my subject of rancour into the general debate in the atmosphere of this Committee of the Whole House, which is now under the control of the two gracious majority and minority leaders.

It may not be amiss, after the splendid tribute the gentleman on the other side of the House has paid to Attorney General Homer S. Cummings to answer that tribute in behalf of the Connecticut delegation. We in Connecticut are extremely proud of our native son who is doing such splendid and efficient work in the Cabinet of our President, and we feel doubly honored that this mark of commendation should come from the other side of the House.

In yesterday morning's paper there appeared a dispatch which said that the French Government had loaned money to other foreign nations, despite the fact she was still indebted to this country. I do not wish to discuss this statement but simply to remind the House that in 1932 similar articles appeared about a $50,000,000 loan which France had made to Austria. It was pointed out at that time that this was a very ungracious act on the part of the French Republic, when her debt balance to the United States at that time had been defaulted. When a study of the situation was made it was found that this loan to Austria was nothing more than a credit transaction which permitted France to ship goods to Austria. There was no gold involved whatsoever. The American public at that time was then appeased. Articles like these appear and make international relations a subject of bitterness and reproach. Does it not seem, therefore, that it is time to make a signal and determined study of these debts?

I am aware that there is a distinct group headed by the distinguished advocate of peace, Nicholas Murray Butler, of New York, who favors the complete cancelation of these debts, and another group which demands full payment. I am aware, also, that the President of the United States, in a speech delivered to the Congress of the United States last year, expressed what he thinks is a reasonable middle ground.

At that time he asked forbearance on the part of the House but he indicated in no uncertain terms that the subject must be handled in the near future, and that the debtor nations must make a determined effort, and submit to substantial sacrifices. I also wish to say that I would place no burden on them which would mean disaster nor in any way, as I understand it, deal inequitably or inconceivably with them.

May we not, therefore, utilize the various elements of international intercourse and trade for a basis for ultimate settlement?

Mr. PIERCE. Will the gentleman yield?

Mr. SHANLEY. I yield to the gentleman from Oregon.

Mr. PIERCE. How does the gentleman expect this to be paid back? He states he does not want their goods. We cannot get their gold. How does the gentleman expect to get it back?

Mr. SHANLEY. Let us assume that the nations do get together and decide upon a reasonable sum. Are there not phases of this very international intercourse and trade that may be turned to the advantage of all without being wrecked upon the hitherto difficult rocks of international exchange? I, for one, am personally aware of the difficulty of the commodity solution, and I am well aware of the exhaustion of gold in foreign countries. I am also well aware that the sum of over twelve and one-half billion dollars, which constituted the original war debt, brought to this country an unusual opportunity for exporting over twenty-nine hundred million dollars in munitions, twenty-eight hundred million dollars' worth of cotton, and three thousand million dollars' worth of foodstuff—wheat and flour—and the balance in sundry articles. I realize that that contribution fulfilled the words of President Wilson in his prophecy that this was the one desired factor that meant new hope to the Allies; that is, the extension of credit to those nations who had practically exhausted the credit of their own nationals.

International law prevented the United States from loaning any of the belligerents during the war and the allied countries had exhausted their credit with private individuals in America. Therefore, our entry into the war meant practically unlimited credit, which they welcomed, were eager to pay for, and knew was of inestimable value.

With the full realization of all these things and with a supposition that a definite amount may be obtainable, I am curious to know if there are not every-day occurrences into our national life that might be utilized. I am aware, for example, that Mexico is paying millions of dollars to foreign nations for indemnities due to the foreign nationals as a result of the Mexican revolution. Practically all of these nations are debtors of ours. Is it not possible for Mexico to pay that sum directly to us and have it deducted from the individual foreign nations' indebtedness? Would not the foreign nations involved be able to pay their own currency to their own nationals and reap the benefit of the part payment to this country? Should we not be able to take advantage of the fact that over $6,000,000,000 of money is spent by American tourists in foreign lands every 10 years; that we send remittances to foreign nations totaling over one half a billion every decade and that the Government itself spends millions of dollars every year for the upkeep of United States institutions in foreign lands? Is it not possible out of the maze and welter of international exchange to work out a solution in this wise?

I present these questions in Socratic fashion at this time because you men here, and especially the subcommittee, are deeply interested in the peace of this Nation and that of the world. No one could listen to the distinguished remarks of the minority chairman without feeling that the committee on which he was a member viewed dispassionately the problems of world peace in a nonpartisan and sincere manner. I know what the gentleman is thinking about and I assure him that this is the basis on which I believe help may be obtained.

Mr. PIERCE. Is not the gentleman aware of the fact that there are millions in gold coming to this country all the time and that our gold supply is increasing by reason of the inability of foreign nations to pay us, and if you constantly contend that we do not want to revive our trade and do not want to buy anything from them, and then talk about paying these debts—to my mind it is the sheerest nonsense.

Mr. SHANLEY. I know what the gentleman's thoughts are but I believe that it isn't a question of exchange of payment of the gold. It is a question of utilizing credit-payments in each country such as I have suggested in the Mexican and in the tourists and American expenditures in other countries. I know how in many ways the entire subject has been blocked on the mechanics of national exchange but I am merely suggesting these outlets as hopes for a committee of investigation.

Mr. PIERCE. The balance already is running against the foreign countries, and the gold is coming here to balance it right now and has been for months.

Mr. SHANLEY. Is my distinguished colleague from Oregon able to say how much gold there is in any of the foreign countries at this time?

Mr. PIERCE. I would long ago have made some arrangement with those European countries, and long before they repudiated the debt a deal could have been made, I think, by which certain agreements could have been entered into and these debts canceled. I think any economist that understands world conditions must have realized long ago that they could never have been paid unless we were ready to take goods, because it was not possible for us to obtain the gold.

Mr. SHANLEY. I will say to him that I am very much interested in the utilization of the tobacco and match monopolies of France and Italy. I believe it is possible, as has been suggested, to work out plans whereby our very efficient matchmakers can furnish French and Italian users with matches upon which a tax might be placed, to be collected by the United States Government and thus involve no exchange of gold. I believe this is a subject that may be extended and investigated, although I will say to my distinguished colleague that in all humility I, too, am anxious to reach the bottom of this subject. I might say to him that I do not wish to encourage the reception of products here that might compete with domestic interest. As to the details of any plan I do not know what the President of the United States feels, but I am willing to follow his leadership in any solution inasmuch as he has made as conditions precedents, determined effort, and substantial sacrifices by the debtor nations as a requisite to a complete settlement. Let us put into operation efforts that will ascertain whether these foreign nations are willing to make these sacrifices, for the President himself has said that he is unwilling to see them visited by disaster or burdened with too great a load. [Applause.]

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, recently we have heard a lot of discussion on this floor about the various lending agencies of the United States, particularly the H. O. L. C. lending agency.

Now, I want to refresh your memory upon the ineptitude and injustice that was meted out in thousands of cases to relieve distressed farmers who sought a loan from the Government and were unable to secure that loan because of the dictatorial methods of the bureaucrats in charge of the Farm Credit Administration.

I want to read a statement recently issued by the head of this bureaucratic agency. I refer to Gov. William I. Myers, of the F. C. A.

He says:

> The cooperative credit system which the Farm Credit Administration is building, is founded on the policy of lending money on sound business principles through self-supporting institutions, which assure agriculture of permanent equality with other industries.

I want to say that because of this so-called policy of "sound business principles" in placing loans, farmers in the State of Ohio, by the thousands, have lost their farms and been set out in the road by the sheriff because of these alleged "sound business principles."

I want to read to you from the letter of the wife of a farmer in one of the good grain counties of Ohio. It reads as follows—the letter is from Mrs. Clifford Showers, Urbana, Ohio:

This has been hanging fire for nearly a year. Through the first appraisal last March we were granted $22,500 on 328 acres. The Prudential Insurance Co. secured the title through foreclosure proceedings and refused to accept it, demanding $24,500. We asked for reconsideration twice and have been refused a loan. Last week the last refusal came through a letter from Emmons Stebner, an assistant in the Farm Credit Administration office in Washington, D. C. This is one of the most productive farms in Mad River Valley, and we lost it through the cattle business and low prices for farm products and excessive dry weather here since 1930. This farm was inherited with a $4,900 debt on it. Two thousand four hundred dollars was paid before starting to improve it. This farm was not the productive farm then that it is today, and the man who made it what it is is now being refused a loan. We put over $13,500 in improvements—ditches, fences, buildings, clearing land. * * * It is surely a case of gross injustice, for he has always been a good farmer, an honest, upright man in every respect, a character without blot or blemish, whose friends are legion. Several weeks ago some neighbors unknown to us—or, rather, we did not know about it—circulated a petition securing nearly a hundred names of the best farmers and business men here, recommending that a loan be granted to the amount sufficient to redeem his home. In view of all this he is rejected. How can we get justice? Now we are asked to vacate by February 28, but we have no intention of doing anything of the kind, for if we ever leave it we will not get it back. So, Mr. TRUAX, you see where we are. I am asking if there is any way that you can intercede for us with the Farm Credit Administrator.

I am sorry to state that I know of no way in which a successful intervention can be made. I want to say this, however, that today the Committee on Agriculture is reporting favorably a bill that will make more flexible funds now at the disposal of the Farm Administration and will enable them to make additional funds available. I want to solicit your support of that bill and in the near future I want to present to you for your consideration many similar cases of abortive relief for farmers who have been sold out by this dictatorial method by the bureaucrats. [Applause.]

"Sound business principles", indeed. What hollow mockery! Just travel over the public highways in Ohio and observe the bleaching bones of worthy, honest, and upright farm citizens who have lost their all and been set out in the roads by your so-called "sound business principles" as promulgated and administered by your white-collared incompetent appraisers and officials. Loan costs should be low, so you say, then why not give us a statement in numbers and in amount of the fees that were collected from distressed farmers, whose applications were rejected but whose money was retained. Would you call it cooperation to have one of your Main Street appraisers turn down the application of a hard-working farmer merely because he could not meet your questionable crop estimates and approximations or if the color of his soil was not quite to the fancy of your auguring soil-boring pests? The proof of the pudding is in the chewing of the string; and the acid test of your vaunted cooperation and your sound financing lies in the undeniable fact that you have not nearly exhausted the funds authorized by the Seventy-third Congress, and that many more rejections were made than were loans granted, that these rejections in hundreds of cases were wholly unjustified and uncalled for, and that today, instead of retaining competent qualified employees, you are reducing and cutting your personnel and sending efficient employees back to their homes, and that rank discrimination, favoritism, and plain nincompoopism prevails and dominates from A to Izzard. In contradiction and comparison, regardless of all the criticism, and most of it is justified, heaped on the heads of the bureaucrats who direct the affairs of the H. O. L. C., I would remind you that the H. O. L. C. has at least used the funds that were authorized by Congress for them to use. Granting that enormous amounts have been used indiscreetly and no doubt illegally for the granting of wholesale loans and for the liquidating of mortgage indebtedness held by insolvent financial institutions, yet these bureaucrats of the H. O. L. C. have at least used the funds authorized and allowed for the refinancing of home mortgages. Press dispatches recently indicated that the H. O. L. C. soon would ask Congress to add $1,250,000,000 to its available capital.

As you are all aware, much pressure has been used to urge the authorization of more bonds; suggestions have ranged from $1,000,000,000 to $3,000,000,000, and several bills calling for those amounts have been introduced in the House of Representatives. I beg to call attention that on January 17, 1935, I introduced a bill authorizing additional bonds of $1,250,000,000. My bill will relieve nearly double the number of home owners who are really in distress because the limitation of the maximum amount which can be obtained is $7,500 instead of $14,000.

While there are instances and cases of where a larger amount than $7,500 is required to save the home of the applicant, yet in Ohio I venture to say that a limitation of $7,500 will take care of and save the homes of 95 percent of distressed owners. Under section 4 (1) in my bill the acid test which every applicant must take is the real need and distress of the individual. He actually must be unable to finance his indebtedness through other means, agencies, or institutions. That is the test; that is the determination. But for those thousands and hundreds of thousands of unfortunates who are threatened with foreclosure proceedings and the confiscation of their homes by those ravenous Shylocks and plunderbunds, whose insatiable appetite for more property, more money, and more blood remains unappeased, whose hungry maws gape wide, whose slimy bellies still slap their backbones and cry out for more and more human food and human carcasses, I am asking, requesting, and demanding a 5-year moratorium from foreclosure by these inhuman vultures and hyenas.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I have asked for 2 minutes because I could not get an opportunity to ask a question of the gentleman from Ohio [Mr. TRUAX]. The Farm Credit Administration, and I certainly hold no brief for this department, is loaning more money today on farms in the United States than farmers can pay interest upon. The net profit from farms mortgaged will not be found sufficient to pay interest and amounts coming due each year. I very much fear that there will be many foreclosures if there is not an advance in the price of farm products, resulting in this department of the Government owning many farms. There are not enough net profits on the farms today to pay the expense of the farmer and the interest on the money that the Farm Credit is loaning. Commodity prices are decidedly too low. That is the trouble; and if prices do not advance, we certainly have trouble ahead.

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield if I have the time.

Mr. WEARIN. I think the gentleman will agree with me, will he not, that it is unfortunate our Farm Credit units in some instances have been foreclosing mortgages rather than refinancing them on some of these farms, and then after they have foreclosed them they have turned around and sold those farms to some speculator?

Mr. PIERCE. Without a dollar down.

Mr. WEARIN. Without a dollar down; and they have sold them for less than they could have refinanced them for in the interest of the owner of the farm, who is better able to operate it.

Mr. PIERCE. That has been going on all over the country in every State of the Union.

Mr. OLIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Chairman, the gentleman from Ohio [Mr. TRUAX] and the gentleman from Oregon [Mr. PIERCE] have just called to your attention the situation confronting owners of farms. I desire to again refer to the urgent necessity of securing an additional appropriation for the Home Owners' Loan Corporation in order that it may continue to exercise its functions. There are about 500,000 home owners in this country whose applications meet all of the eligibility qualifications of the home owners' loan legislation and regulations set up thereunder. There are about a million applications pending altogether. If there were sufficient funds,

these 500,000 applications naturally would be closed by the Home Owners' Loan Corporation. Inasmuch as distress is one of the qualifications for securing a loan, it must seem obvious that unless we do provide funds for this organization to carry on its functions, a majority of these 500,000 homes will eventually be foreclosed. In this session of Congress a broad program of social legislation is before us. We are concerned with security legislation, security for persons out of employment and security in old age. Certainly it seems to me that the primary subject we should consider in our security program is the matter of securing the homes of our people. When the funds of the Home Owners' Loan Corporation became exhausted, or when it was indicated that only those applications which were in the legal departments of the various Home Owners' Loan offices could possibly be taken care of, the banks and private lending organizations of the country began foreclosure proceedings. I know of one instance where a bank started foreclosure proceedings on 22 parcels of property, and the owners of these properties all had their applications pending in the Home Owners' Loan Corporation.

Some of them had been filed for a year or 6 months previous to the time when it was indicated that the funds would become exhausted. Those people ought to be entitled to the benefits that have flowed from this legislation. They filed their application in time. They are the people we intended to help when we passed the legislation. The alarming fact is that if we have another wave of wholesale foreclosures, the very things that we tried to avert are bound to happen. We are going to dispossess these people from their homes; we are going to disrupt the family unit and put these people out on the street. Such action will produce a ruinous effect upon real-estate values throughout the country.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. HEALEY. Yes.

Mr. PIERCE. We have some resolutions before the committee to investigate the Home Loan group. I for one would like to see that investigation made. If that investigation goes on, how does the gentleman think it would look to the world to put another thousand million dollars in their hands? We would be investigating with one hand, and with the other hand turning over a billion dollars to them.

Mr. HEALEY. I believe the Congress ought to pass an additional appropriation at once to continue the Home Owners' Loan Corporation, because the private lending agencies and the bankers and insurance companies do not realize that it is to their own benefit to preserve their own security by helping the home owners. Instead of scaling down the mortgages to the genuine appraisal values and extending to these people the provisions of the Home Owners' Loan mortgage, namely, amortization over a long period of years, calling for payments of principal and interest commensurate with the home owners' income, they are insisting upon their pound of flesh upon the terms of their mortgages, and are foreclosing them by the wholesale.

Mr. PIERCE. I read the gentleman's speech before, and if I remember right, he criticized the Home Board.

Mr. HEALEY. I have never criticized them. I merely urged in that speech the passage of an additional appropriation for the Home Owners' Loan Corporation, in order that home owners who have applications pending may receive the relief they merit.

Mr. PIERCE. I am criticizing them. They are thoroughly incompetent. They should all be investigated.

Mr. TRUAX. They all ought to be investigated on general principles; all Government loaning agencies.

Mr. HEALEY. I am simply calling to the attention of Congress the urgency for bringing in legislation providing for an increased appropriation for this Corporation so that it may continue to function.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, that exhausts the general debate. The Clerk may read.

The Clerk read as follows:

PROMOTION OF FOREIGN TRADE

For the purpose of carrying into effect the provisions of section 4 of the act entitled "An act to amend the Tariff Act of 1930", approved June 12, 1934 (48 Stat. 945), including personal services without regard to civil-service laws and regulations or the Classification Act of 1923, as amended, stenographic reporting services, by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), contingent expenses, printing and binding, traveling expenses, and such other expenses as the President may deem necessary, $40,000, together with not to exceed $35,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1935.

Mr. BREWSTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BREWSTER: Page 6, strike out lines 4 to 16, inclusive.

Mr. BREWSTER. Mr. Chairman, this section provides the funds for carrying on reciprocal trade agreements.

A dramatic illustration of the unfortunate position of America in the negotiation of these agreements is now before us when the Congress of Brazil is considering whether or not they will reduce the tariff duties of the United States, and the Congress of the United States has no opportunity whatsoever to say a single word or even to find out what the provisions of the treaty are.

I believe that this humiliating situation must make Members of this House on both sides desire very earnestly that we shall first be provided with knowledge regarding these conditions before treaties shall be made operative. I ask the Members of this House to strike out this provision and to refuse to provide funds until we can have knowledge as to what is going on and what may be contemplated.

It is urged by the defenders of these agreements that public hearings be held at wrich proposed reductions in tariff rates may be considered. Unfortunately the public notice of the Committee for Reciprocity Information in charge of these ex parte proceedings does not bear out the contention. I hold in my hand a copy of the instructions regarding the procedure issued by the committee, which states explicitly that " any oral presentation of views held shall not be in the nature of a public hearing."

I also hold a copy of the announcement of the intention of the Secretary of State to negotiate a trade agreement with the Government of Canada. There are enumerated 560 items which are interchanged between the United States and Canada, any or all of which may be affected by the proposed trade agreement.

Every industry and every agricultural producer in the United States must carry on his activities for many months to come with this unseen sword of Damocles suspended over whatever products he may turn out. Such doubt and uncertainty must inevitably paralyze even the venturesome spirit of Americans. They know not when the sword may fall.

Chiefly involved in the threat are American producers of agricultural and animal products, lumber and its manufactures, meat and dairy products, and fish and furs, which in the past have been imported in large quantities from Canada. Many of these products are of vital concern to the prosperity of Maine, as well as of many other States. The importation of some of these items has greatly diminished under the operation of our existing tariff laws, which now by Executive action, without reference to the Congress, may be changed and America committed for 3 years to leave these barriers down, with possible resultant disaster to producers in many lines and no power to relieve the situation by the Congress of the United States, except as it shall provide further aid from the Public Treasury for the additional millions that will be in need.

Articles upon the free list, such as wood pulp and newsprint, which urgently demand protection under every proper application of the protective principle, may also see any prospect of protection go glimmering with a stipulation which is within the power of the negotiations that they shall remain upon the free list for at least 3 years and thus end any hope of relief.

The entire economic structure of our country may undergo profound alteration by those responsible for the negotiation of these agreements. The paralyzing effect of this procedure upon our economic life can hardly be exaggerated nor the devastating result to agriculture and industry of the tariff

changes that may emerge. The trade agreements thus far negotiated are of minor importance compared to that with Canada.

Within another 12 months these reciprocal trade agreements are altogether likely to be one of the major issues before the people of the United States.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mrs. KAHN. It is presumed, then, that the Congress of Brazil will have knowledge of what articles are being considered and what the duties are to be before the Congress of the United States even knows the names of the articles that are under consideration?

Mr. BREWSTER. The gentlewoman is correct, unless the Brazilian Congress is compelled to vote blindfolded, which I do not think is the case.

Mr. CULKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, some days ago I called the attention of the House to the treaty pending with Sweden with respect to matches. There were various discussions of that question, and it appeared from the discussion that Norman Davis, the itinerant ambassador of the administration, was represented by a proxy at a meeting of an international group whose purpose was to write this tariff and put the Kreuger outfit, the Sweden outfit, in the saddle.

If the amendment of the gentleman from Maine is adopted, it will prevent the making of this treaty which will destroy this great and essential American industry, which, in wages and products, disburses some $15,000,000 to the American people. I thoroughly concur in the gentleman's amendment; and may I say in this connection, Mr. Chairman, that the tariff treaty with Cuba has resulted in vegetables from Cuba coming in and destroying the Florida vegetable grower, wiping him out, and in destroying the potato growers of the northern sections of the country.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. McREYNOLDS. I did not quite understand the connection the gentleman said Mr. Davis had with this international group. I am familiar with what I read in the RECORD some time since about the gentleman's charge that Mr. Norman Davis had some connection with and was trying to get an agreement relative to matches.

Mr. CULKIN. Mr. Chairman, I may say to the gentleman from Tennessee that my information as to that came from two articles which appeared in the New York Times about a year ago, a detailed statement of the meeting at Greystone, the palatial summer home of Samuel Untermyer, international attorney; and it was stated that Price, Waterhouse & Co., an international accounting firm, having its roots in England, was representing Norman Davis at the meeting. That is my authority. Now, I do not wish to impugn the personal integrity of Mr. Davis in any way, I may say to the gentleman.

Mr. McREYNOLDS. Does the gentleman understand that this meeting of which he speaks was particularly for the purpose of negotiating a tariff?

Mr. CULKIN. The purpose of this meeting, as I am advised, was to obtain a preferential tariff from the United States under the treaty and to increase their quota of match shipments to America, ostensibly for the purpose of reimbursing American investors who had been defrauded by this Kreuger swindle to the tune of $250,000,000. In other words, I may say to the gentleman, the American match industry was to be sacrificed in order that the Kreuger swindle might be rectified. That is a fair inference.

Mr. McREYNOLDS. Did the gentleman understand that Mr. Norman Davis is not in anywise interested with these foreign match companies; that while it is true that at one time he was employed as one of the members of an international commission, one member being appointed by England and one by Sweden, dealing with bondholders who had bought some of these stocks from these match companies as the gentleman suggests, yet Mr. Davis was in nowise connected with this Government at the time that he had to do with this employment?

Mr. CULKIN. I will answer the gentleman.

Mr. McREYNOLDS. May I just say further that at no time has he been interested directly or indirectly in trying to procure any agreement between this Nation and the Swedish Nation relative to the match issue; and I want to say further, if the gentleman will permit, that I have a statement in my office caused by a statement the gentleman made on the floor not long since, from Secretary of State Hull, in which he says that Mr. Davis had never discussed, directly or indirectly, or suggested anything relative to this reciprocal trade agreement to which the gentleman refers.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. May I answer the gentleman in this wise: I assure the gentleman I do not impeach the personal integrity of Mr. Norman H. Davis.

I do not question his personal integrity, but I do most emphatically question the propriety of his representing these committees in connection with an international group meeting at Graystone, I think is the name of the place, and being represented by this firm of accountants who uncovered the swindle. As I say, I question the propriety of his appearing in that connection, although I will say to the gentleman I do not think he has any financial connection with the matter. However, I most emphatically question the propriety of the ambassador at large of the administration in throwing the prestige of his connection with the administration into the matter and where, according to the current press reports, he was reported as being represented by proxy by the firm of Price, Waterhouse & Co. That is my sentiment and I hope I make myself clear to the gentleman.

Mr. McREYNOLDS. I read what the gentleman from New York [Mr. CULKIN] had to say in reference to that matter. I was not on the floor at the time, but I thought the gentleman was evidently speaking from newspaper articles and such other information as he had. May I state that I have talked to Mr. Davis about this matter, and he says it is absolutely false, and that he has had no one representing him at any time in trying to procure a reciprocal trade agreement in reference to matches.

Mr. CULKIN. Is it not true that Norman H. Davis was chairman of two of these international committees?

Mr. McREYNOLDS. What two does the gentleman refer to?

Mr. CULKIN. Committees that had to do with the recouping of American losses in this enterprise?

Mr. McREYNOLDS. That is not my understanding. I understood he was chairman of the one commission only, and he refused to accept this chairmanship until he could get leave of absence from the Government, or until such time as he was not any longer connected with the Government. Last summer he finished the purpose for which he was employed, and I would like to have the gentleman bear in mind that never at any time was he connected in a representative capacity with any of these foreign concerns. He was representing, as I understand from him, American people who had purchased bonds from these concerns.

[Here the gavel fell.]

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to include therein this article from the New York Times, of which I have not the date.

Mr. McREYNOLDS. Mr. Chairman, reserving the right to object, what date and to what does it refer?

Mr. CULKIN. This is about a year ago.

Mr. McREYNOLDS. It is not one of these recent articles?

Mr. CULKIN. No. It is simply a story of this meeting at Greystone, Mr. Untermyer's place. May I say Mr. Untermyer, in my opinion, is now substituted for the Congress of the United States? A millionaire lawyer is writing the tariff of the United States for a million-dollar fee in place of Congress writing the tariff.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. McREYNOLDS. Mr. Chairman, I will have to object to the article, not having seen it.

I will say to the gentleman that if I saw the article perhaps I would not object.

Mr. CULKIN. The paper is a reputable one.

Mr. McREYNOLDS. Oftentimes misstatements have been placed in newspapers just as they have been in reference to Norman Davis.

Mr. CULKIN. And just as they have been in reference to Congressmen.

Mr. McREYNOLDS. There has been no man who has been held up to slander by one man in this House worse than has Norman Davis, when he stands before the country and before the people as a high-class, honorable statesman.

Mr. CULKIN. The gentleman will recognize that in my handling of the Norman Davis phase of this situation I was circumspect.

Mr. McREYNOLDS. I noticed the gentleman was.

Mr. CULKIN. I did that largely because of my acquaintance with the brother of Norman Davis. I do not know Norman Davis personally, but I assumed, being of that blood, that he was of good caliber. However, I do not see why the gentleman objects to admitting a report of this kind in the RECORD. It is a matter of current history.

Mr. McREYNOLDS. Would the gentleman object to my inserting in the RECORD at the same place a full and complete statement of Mr. Davis as to this transaction?

Mr. CULKIN. I would consent to that, and I think it is only fair to the gentleman. I believe my consent ought to be preliminary to the gentleman's consent, however.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. I would like to inquire wherein the good name of Norman Davis has any concern in respect to this section which the gentleman from Maine seeks to strike?

Mr. CULKIN. Mr. Chairman, I do not care to yield for a lecture or a declaration of ethics. I refuse to yield further.

Mr. VINSON of Kentucky. The gentleman refuses to answer?

Mr. CULKIN. I refuse to be lectured by the gentleman from Kentucky. I yield to the gentleman for a proper question if he wishes to ask me one.

Mr. VINSON of Kentucky. Was not that a proper question?

Mr. CULKIN. I do not think it was.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Tennessee.

Mr. McREYNOLDS. I appreciate the gentleman's statement, and I am sure he wants to be fair. There is a little statement here that was sent to me by the Secretary of State, Mr. Hull, soon after the gentleman's statement appeared in the RECORD. Reading it at the time, I did not consider it was necessary to put it in the RECORD, but since this discussion has come up today, will the gentleman permit me to read this short statement, or put it in the RECORD?

Mr. CULKIN. If the gentleman will consent that I may insert these clippings.

Mr. McREYNOLDS. I will consent if the gentleman will consent to have this statement by Mr. Davis put in.

Mr. VINSON of Kentucky. Mr. Chairman, I shall have to object to the request of the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, then I object to the request of the gentleman from Tennessee. The battle line is widening apparently.

In view of these facts and in view of these peculiar situations that arise in connection with this tariff-making power which Congress, in my view, has mistakenly delegated to the Secretary of State and his appointees, I rise in emphatic support of the amendment of the gentleman from Maine.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, about the 16th of January, the gentleman from New York had some remarks to make about this same situation. Since that time I have received a statement from the Secretary of State, Mr. Hull, which I did not consider it necessary at that time to bring to the attention of the House; but whenever the charges are reiterated that Norman Davis has had any connection, directly or indirectly, with respect to any reciprocal tariff agreement that might be entered into between this country and Sweden, I shall rise to deny it from his own statement.

Norman Davis is an international character and he has heretofore been slandered on this floor by Members of this House when some of his friends were not present and able to take up his defense.

Why, it has even been charged on this floor, by a gentleman who sits here on the front row [Mr. TINKHAM] that he had been assured by responsible individuals and that he had been promised the official record at an early date, that Norman H. Davis was indicted by a criminal court in Cuba in or about 1913 and that he became a fugitive from justice. He further stated, "Let Norman H. Davis deny that he was indicted in a Cuban criminal court and became a fugitive from justice." The distinguished gentleman made this statement on the floor of this House on June 10, 1933. I am advised by Mr. Davis that this is absolutely untrue and without foundation, and that he was never indicted in Cuba, or any other place. I am sure the gentleman wants to be fair, and I now call upon him to produce his proof or forever hereafter hold his peace.

Here is what Secretary of State Hull says about the reciprocal trade agreement being considered relative to Sweden.

There is not the slightest foundation in fact for the published statement that Mr. Norman Davis has made representations to the State Department concerning the American tariff on matches. Mr. Davis has not discussed any phase of the proposed Swedish trade agreement or any other trade agreement with either the Secretary of State, Assistant Secretary Sayre, or any other official or officials in the State Department. The fact may be recalled that a year ago, on January 6, 1934, Mr. Davis gave to the press a published statement detailing the essential phases of his proposed activities during the period when he was on leave of absence from the Government service and, of course, drawing no Government salary.

Mr. Davis was not on the pay roll of this country when he served the American bondholders or those who had bought the bonds of these match companies. Neither was the man to whom they refer a representative of his in reference to any tariff agreement.

Mr. CULKIN. Mr. Chairman, will the gentleman yield there?

Mr. McREYNOLDS. I will be glad to yield to the gentleman.

Mr. CULKIN. The gentleman says he was not on the Federal pay roll at the time he served as chairman for these bondholders who had lost their money in this Kreuger affair?

Mr. McREYNOLDS. Yes.

Mr. CULKIN. But he did serve on the bondholders' commission?

Mr. McREYNOLDS. He served on this bondholders' commission from last February up until about June, during which time he was not on the pay roll of the Government.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Chairman, I ask unanimous consent to proceed for 5 more minutes.

Mr. OLIVER. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 5 minutes.

Mr. VINSON of Kentucky. Mr. Chairman, the gentleman from Tennessee has asked for 5 minutes and I would like to be recognized at this point.

Mr. CULKIN. I object to that, Mr. Chairman.

Mr. OLIVER. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 8 minutes.

The motion was agreed to.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CULKIN. Will the gentleman please tell the Committee—I do not like to encroach upon his time——

Mr. McREYNOLDS. I yield to the gentleman.

Mr. CULKIN. Just what Norman Davis' connection was with these American or international committees on the rebuilding of the Kreuger regime?

Mr. McREYNOLDS. All I know is from what Mr. Davis told me. A great deal of the stock of two of the concerns in this country and one abroad had been sold in this country and there was quite a mix-up in these stocks and they appointed three commissioners to take up the matter and see if they could untangle it, and he was chairman, and there was an Englishman and a Swede on the committee. As to the details I do not know.

Mr. CULKIN. But he was under pay then.

Mr. McREYNOLDS. No; he was not paid by the Government at all while he was representing Kreuger bondholders of the United States.

Mr. CULKIN. I mean he was under pay from these international groups.

Mr. McREYNOLDS. Not at any time while he was serving our Government.

Mr. CULKIN. I mean after that.

Mr. McREYNOLDS. He was during this interim.

Mr. CULKIN. The gentleman does not know what he received in money?

Mr. McREYNOLDS. No; I did not ask him that at all. I will say to the gentleman from New York I think he has tried to be very fair, and my only reason in appearing in this matter is because I felt that this statement of Secretary Hull should go in the RECORD and correct a statement that has been made in reference to Mr. Davis. I know that Mr. Davis is a high-class gentleman in every respect and commands the respect of the people of this country.

I know from his own statement that the action of our Government has not been embarrassed in any way by his action in representing some people of this country who bought the bonds of these corporations.

Mr. Chairman, I ask unanimous consent to include a short statement by Norman Davis, which will give a complete statement of his employment.

Mr. CULKIN. I objected to that sometime ago, but I have no objection to that now, for I think it is no more than fair.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The matter referred to is as follows:

NEW YORK CITY, *January 19, 1935.*

STATEMENT MADE BY NORMAN H. DAVIS

My attention has been called to a press dispatch from Washington, signed by John T. Lambert, and published in the New York American on January 18, quoting alleged statements made by J. H. Weaver, president of the Columbia Match Co., of Cleveland, which, I understand, is owned by a Canadian corporation, that I "and some American-international banking interests and foreign match manufacturers" have besought the Secretary of State to reduce the tariff on matches by 50 percent in reciprocal treaties now being negotiated with foreign countries, or to grant foreign manufacturers a quota of 5,000,000 gross of matches annually.

There is not one iota of truth in any such allegations. The facts are that I am not interested in any match companies, domestic or foreign, and I have no interest whatever in the importation of foreign matches into the United States. I have never suggested to the Secretary of State or anyone else that the tariff on matches be reduced, and I have never given such a matter any thought or consideration. The only connection I have had with anything relating to the match industry I explained fully in advance in a public statement on January 6, 1934.

That statement read as follows:

"With a view to obtaining a maximum recovery for the many thousands of investors who unfortunately purchased securities in the so-called 'Kreuger companies', the protective committees for the International Match and Kreuger & Toll debenture holders, with the concurrence of the Swedish Match Co., decided some months ago to appoint a committee composed of an American, a Swede, and an Englishman, to study the situation of the three Kreuger companies for the purpose of formulating and recommending a plan of adjustment or reorganization. I was invited to head this committee, but, being unwilling to drop the work on disarmament on which I was engaged for the Government, I was unable at that time to give a definite answer. As it was necessary in any event, however, to prepare certain data which would be required for the guidance of such a committee in formulating its conclusions and making its recommendations, a technical organization was set up for this purpose in the hope that by the time this preparatory work was completed I would be free to proceed with the proposed task. As the Disarmament Conference adjourned last fall until the latter part of this month, I decided, after consultation with the President, to accept the invitation mentioned above upon three conditions:

"First, that my work as chairman of the American delegation to the Disarmament Conference shall take preference; second, that I shall work on the Kreuger matter only when disarmament does not require my attention and when I am specifically granted leave of absence by the Secretary of State and am receiving no compensation from the Government; and, third, that someone be designated to collaborate with me in the Kreuger work and to act as my alternate if and when necessary. Mr. George O. May has consented to act in this capacity.

"I was granted a leave of absence by the Government from November 21 last."

As my services were not required on account of disarmament until the latter part of May 1934, I did devote myself during that interim—and while on leave from Government service—to the Kreuger matter, and the committee of which I was chairman completed the major portion of the work it had been requested to do.

With the exception of about a week during last September, when I was again home on leave of absence, I have had nothing further to do with the Kreuger matter, as Mr. May, my alternate, has dealt with such matters as remained for consideration.

Even this committee, however, has had nothing whatever to do with the actual operation of any of the match properties concerned, or the importation of matches, as the work which it was asked to do had no relationship to any such question as that of seeking markets for any match products. The committee was concerned purely with matters relating to the disputes between the three Kreuger companies, and the formulation of recommendations looking to readjustment or reorganization.

Mr. VINSON of Kentucky. Mr. Chairman, I see that the smearing campaign continues. Of course, I think that all who have listened to the splendid statement of the gentleman from Tennessee will agree that Norman Davis needs no further defense.

I want to call the attention of my Republican friends to what this motion means. I serve notice now that I intend to ask for a division of the vote on the question and see whether any of our Republican friends, except its sponsor, the gentleman from Maine, will vote for this motion to strike out the paragraph on page 6 that deals with the appropriation for the "Promotion of Foreign Trade."

A few short hours ago, yesterday, gentlemen on this side of the aisle were vehement in their denunciation of the fact that there had not been sufficient public hearings under the reciprocal trade agreement provision. I call attention to the fact that this is the paragraph that appropriates the money for the public hearings under the reciprocal trade agreements act. Now, let us see if you were sincere yesterday when you demanded further hearings or whether today you are going to be political and vote to strike out the money appropriated for this purpose. I trust the gentleman from Maine will be here and vote for his motion.

My Republican friends yesterday expressed fear of reciprocal trade agreements and what they were going to do. The only fear that they really have is the fear that they will have no issue in 1936.

Mr. BREWSTER. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield to the gentleman from Maine.

Mr. BREWSTER. Does the gentleman consider a public hearing a hearing upon tariff rates on every commodity consumed in the United States?

Mr. VINSON of Kentucky. I cannot understand the gentleman's question. I might take time to figure it out—public hearings are public hearings.

Mr. BREWSTER. On what?

Mr. VINSON of Kentucky. All items involved in the trade agreements upon which hearings are sought.

Mr. BREWSTER. What are those?

Mr. VINSON of Kentucky. The notices are published in the press which certainly is notice to all the industries affected. You have a publicly printed list of all commodities which may come under tariff-trade agreements. This paragraph of the bill is the item that provides the money for the hearings under the reciprocal trade agreements. I want to know how many of my Republican friends will vote in support of the motion.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. BREWSTER. To ascertain whether or not the gentleman has any knowledge as to a proposed treaty with Canada, about to be negotiated.

Mr. VINSON of Kentucky. I have no notion of what treaties may be negotiated, and I dare say that the gentleman from Maine has not. He probably fears that something may happen. If the gentleman had been here at the last session, he would have heard all these fears expressed while the bill was under discussion, but nothing has eventuated as yet, so far as I have information, that affects detrimentally or will affect detrimentally any substantial industry in these United States. The purpose of these agreements is to benefit our industries, not to harm them.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired. The question is on the amendment offered by the gentleman from Maine [Mr. BREWSTER].

Mr. VINSON of Kentucky. Mr. Chairman, on that I ask for a division.

The Committee divided; and there were—ayes 7; noes 84.

So the amendment was rejected.

The Clerk read as follows:

For salaries of Foreign Service officers as provided in the act approved February 23, 1931 (U. S. C., Supp. VII, title 22, secs. 3, 3a); salaries of Ambassadors, Ministers, consuls, vice consuls, and other officers of the United States, for the period actually and necessarily occupied in receiving instructions and in making transits to and from their posts, and while awaiting recognition and authority to act in pursuance with the provisions of section 1740 of the Revised Statutes (U. S. C., title 22, sec. 121); and salaries of Foreign Service officers or vice consuls while acting as Chargés d'Affaires ad interim or while in charge of a consulate general or consulate during the absence of the principal officer; $3,150,000.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 8, line 5, after the word "officer", strike out the figures "$3,150,000" and insert in lieu thereof the figures "$3,350,000."

Mrs. ROGERS of Massachusetts. Mr. Chairman, in the President's message the first day of Congress he states, in part:

I cannot with candor tell you that general international relationships outside our borders are improved.

He points out the grave danger that we may have with foreign countries. This amendment I offer simply restores to the Foreign Service the $200,000 that the Budget estimate removed this year. The Foreign Service is the eyes, the ears, and the voice of our national defense. It is our first line of defense. Trained men are now in that Service. With this cut of $200,000, 30 or 40 trained men will lose their positions. It is not a question so much of their losing their positions, but of our losing the advantage of their trained service. Some men will probably have to be removed for lack of efficiency; it is proper to remove them; but if this money is not put back into the bill, there will be no replacements for the men who are removed.

The organizations for peace and the women's organizations for national defense, who were here recently, are heartily in favor of restoring this $200,000 to preserve peace, to keep our first line of defense strong. These women may disagree about some of the methods to be employed in preserving peace, but they unite in believing that this is one of the essential ones. These fine men in our Foreign Service, the finest in the world, come from your State and my State; I believe every State in the Union is represented except two. It is entirely a nonpartisan question. The bill was originally introduced and was passed in order that our fine young Americans could go into the Service whether they had money or not. I think every one of you who has been abroad recently must realize the value of that Service, not only in keeping us out of war but in protecting our commerce.

The entire appropriation for the Department of State, for our first line of defense, is only fifteen one-hundredths of 1 percent of the total Federal Budget. The Army and Navy represent 9 percent of the total Federal Budget.

I listened with a great deal of pleasure to the distinguished gentleman from New York [Mr. BACON] as he gave his intensely illuminating and interesting history of the Foreign Service. It is particularly fitting that he should have done so, for his father was Under Secretary of State and later Secretary of State under President Theodore Roosevelt. Mr. BACON'S father, as we all know, was tremendously interested in improving the Foreign Service and in making it a real merit service.

If you take this money from the Foreign Service, you will cripple its activities, just as the Bureau of Foreign and Domestic Commerce was crippled when the trade commissioners were called in from their posts and discharged. We know what the result of that move has been. We know that the foreign trade of this country has vanished into thin air. Part of that loss is attributable to the lack of trained trade commissioners in foreign countries to keep us apprized of trade conditions. Now they are talking of sending out trade commissioners again—another case of "locking the barn door after the horse has been stolen." When you cripple our Foreign Service you do something more than lose commerce or trade, something more vital to this country. You deal with national safety, and that means human lives—American lives. It takes years of training to make a Foreign Service officer. You cannot change your mind a year or two hence, decide to put these men back, and expect to have an efficient service. In asking for this, I do not do it for the Republican Party or the Democratic Party or the new-deal party, but for every party. It is for the protection of every one of our people. It is for the welfare and the safety of the Nation. I earnestly hope that this amendment will be agreed to.

Mr. OLIVER. Mr. Chairman, I move that all debate upon this amendment close in 5 minutes.

The motion was agreed to.

Mr. OLIVER. Mr. Chairman, I appreciate the deep interest the gentlewoman from Massachusetts feels in the Foreign Service and I share that same interest. The State Department and its Foreign Service are the special and confidential agents of the President.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. The President is deeply interested in making effective the Foreign Service. He is thoroughly familiar with what is now being done and he is now having a thorough study made with a view of submitting a supplementary estimate to improve the Foreign Service. Attention is called to that in the committee's report. The committee went into it very fully, and the apprehension of the gentlewoman from Massachusetts that the Foreign Service will be seriously hurt if this appropriation is not restored is groundless, I can assure her. The President is giving special consideration to this whole matter and he is far more interested in it than any individual Member of the House could be, because it is absolutely essential that he have an efficient Foreign Service on which he can rely in the daily contacts he has with foreign governments through the State Department.

There is a commission now studying the records of Foreign Service officers, as the law requires, and this commission will eliminate from the active service probably 35 or 45 officers, but until that commission reports it will be impossible to know what additional personnel will be required and what amount to appropriate therefor. The whole field is

being studied with a view to submitting to this Congress what sum should be appropriated to care for the additional personnel required.

I ask you to vote down the amendment.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. OLIVER. Gladly.

Mrs. ROGERS of Massachusetts. I was going to ask the chairman if the President was not very much interested in this appropriation. I know when the author introduced the bill and through his fight in Congress, which was during a number of years, the President was very much interested, and assisted in securing the passage of the measure. My fear is that some people may be eliminated and the Foreign Service thereby crippled before the Senate will act. I feel that we should be protected.

Mr. OLIVER. Some will be eliminated. As the gentleman from New York [Mr. BACON] stated this morning, they will be eliminated, even though we appropriated a larger sum than the amendment calls for. The President will determine what additional personnel is needed, and Congress cannot by appropriating money compel the President to employ any additional personnel for the Foreign Service. When he determines what personnel is required he will submit an estimate and Congress will appropriate the necessary funds.

Mrs. ROGERS of Massachusetts. But this is such a small sum. The President can increase it later, and I hope he will.

Mr. OLIVER. The gentlewoman from Massachusetts, I fear, has fallen into error in concluding that an appropriation at this time will preclude the Board from elimination of officers now in the Service. If the Board, after studying the records, recommends the retirement or elimination of 35 or 40 officers, they will not be kept because appropriations are available to pay the amount of their salaries. After the Board reports the Department will determine what additional personnel they will ask Congress to appropriate for.

Mrs. ROGERS of Massachusetts. But there will be no replacement of those taken out without this appropriation.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the lady from Massachusetts [Mrs. ROGERS].

The question was taken; and on a division (demanded by Mrs. ROGERS of Massachusetts) there were—ayes 24, noes 72.

So the amendment was rejected.

The Clerk read as follows:

CONTRIBUTIONS, QUOTAS, ETC.

For payment of the annual contributions, quotas and/or expenses, including loss by exchange, in discharge of the obligations of the United States in connection with international commissions, congresses, bureaus, and other objects, in not to exceed the respective amounts, as follows: Cape Spartel and Tangier Light, Coast of Morocco, $784; International Bureau of Weights and Measures, $4,343; International Bureau for Publication of Customs Tariffs, $1,319; Pan American Union, $189,889, including not to exceed $20,000 for printing and binding; International Bureau of Permanent Court of Arbitration, $1,658; Bureau of Interparliamentary Union for Promotion of International Arbitration, $7,500; International Institute of Agriculture at Rome, Italy, $48,441, including not to exceed $11,385 for the salary of the American member of the permanent committee (at not more than $6,000 per annum), compensation of subordinate employees without regard to the Classification Act of 1923, as amended, expenses for the maintenance of the office at Rome, including purchase of necessary books, maps, documents, and newspapers and periodicals (foreign and domestic), printing and binding, allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a), for the use of the American member of the permanent committee, and traveling expenses to be expended under the direction of the Secretary of State; Pan American Sanitary Bureau, $30,438; International Office of Public Health, $3,016; Bureau of International Telecommunication Union, Radio Section, $5,790; Government of Panama, $250,000; International Hydrographic Bureau, $4,323; Inter-American Trade-Mark Bureau, $14,330; International Bureau for Protection of Industrial Property, $1,277; Gorgas Memorial Laboratory, $50,000; American International Institute for the Protection of Childhood, $2,000; International Statistical Bureau at The Hague, $2,000; International Map of the World on the Millionth Scale, $50; International Technical Committee of Aerial Legal Experts, $250; Convention Relating to Liquor Traffic in Africa, $55; International Penal and Penitentiary Commission, $4,282, including not to exceed $750 for the necessary expenses of the commissioner to represent the United States on the commission at its annual meetings, personal services without regard to the Classification Act of 1923, as amended, traveling expenses, and such other expenses as the Secretary of State may deem necessary; Permanent Association of International Road Congresses, $588; International Labor Organization, $174,630; and Implementing the Narcotics Convention of 1931, $8,037; in all, $805,000, together with such additional sums, due to increases in rates of exchange as may be necessary to pay in foreign currencies the quotas and contributions required by the several treaties, conventions, or laws establishing the amount of the obligation.

Mr. OLIVER. Mr. Chairman, the gentleman from Massachusetts [Mr. TINKHAM] wishes to raise a point of order to that part of this paragraph carrying an appropriation for the International Labor Organization amounting to $174,630. If the point of order is overruled, then, as I understand, the gentleman wishes to move to strike out the appropriation. In view of the fact that this discussion may require some time, and since it is growing late and some of the Members may want to leave, and so far as I know, there are no other controversial items in the bill relating to Department for State, I wish to ask unanimous consent that we may pass over this particular item in the bill, reserving to the gentleman from Massachusetts [Mr. TINKHAM] every right he would have at this time, and return to this item tomorrow as soon as we go into the Committee of the Whole, for the purpose of disposing of this one item. The gentleman from Massachusetts to have at that time every right he would have now.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. OLIVER]?

Mr. CONNERY. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. CONNERY. I did not get the first of the gentleman's remarks. Is this the provision to send representatives to a labor conference?

Mr. OLIVER. Yes.

Mr. CONNERY. I wish to say that last year I voted for that, and I have thought the matter over since and looked into the situation, and I do not see any necessity for it, or any good that will come out of such a conference over there. I think we ought to stay out of Europe and mind our own business.

Mr. OLIVER. I make the unanimous request only for the purpose of serving the convenience of the House. The gentleman from Massachusetts [Mr. TINKHAM], who is kind and considerate, readily acquiesced in the motion I made.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama [Mr. OLIVER]?

There was no objection.

The Clerk read down to and including line 12 on page 24.

Mr. OLIVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, had come to no resolution thereon.

PUBLICATION OF THE WRITINGS OF GEORGE WASHINGTON

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 140, to provide for the completion of the publication of the writings of George Washington.

The Clerk read as follows:

Resolved, etc., That for the printing and binding at the Government Printing Office of the remaining volumes of the definitive edition of the writings of George Washington, to be printed, bound, and distributed as provided by section 1 of the act approved March 10, 1932 (47 Stat. 63), there is hereby authorized to be appropriated such sum as the Public Printer estimates will be required for such printing and binding.

SEC. 2. The position of Executive Director of the George Washington Bicentennial Commission, which expired on December 31, 1934, is hereby reestablished, without compensation, to be filled by appointment by the President. The Executive Director is authorized to (a) complete the preparation of the manuscript for,

and provide for the printing and binding of, the remaining unpublished volumes of such writings; (b) distribute that portion of the undistributed sets of such writings required by law to be distributed by the Commission; (c) dispose, in such manner as in his judgment will best serve the purposes for which the George Washington Bicentennial Commission was created, of such other educational material possessed by the Commission as is not required by law to be distributed in a definite way; (d) employ and compensate assistance (not to exceed four in number) in the same manner as the Commission was authorized to procure and pay personnel; and (e) incur expenditures for personnel authorized by this section, for such miscellaneous expenses as may be necessary and/or incident to the administration of this joint resolution, and for the printing and binding authorized by section 1.

SEC. 3. For the payment of personnel and for miscellaneous expenses, there is authorized to be made available not to exceed $14,000 from the unobligated balance of the appropriation available to the Commission on December 31, 1934. And from such sum, when made available payments are authorized to be made for uncompensated services rendered since December 31, 1934, in connection with the purposes of this joint resolution.

SEC. 4. Expenditures authorized to be incurred and payments authorized to be made under the provisions of this joint resolution shall be paid by the Division of Disbursement, Treasury Department, upon vouchers approved by the Executive Director.

SEC. 5. The authority granted under this joint resolution shall expire upon completion of the duties authorized hereby, and in no event later than December 1, 1936.

With the following committee amendments:

Page 2, line 15, strike out the word "assistance" and insert in lieu thereof the word "assistants."

Page 2, line 16, stroke out the figure "4" and insert in lieu thereof the figure "5."

Page 2, line 18, strike out the word "expenditures" and insert in lieu thereof the word "obligations."

Page 3, line 6, strike out the word "expenditures" and insert in lieu thereof the word "obligations."

The committee amendments were agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL BOUNDARY COMMISSION

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 68, to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 12, strike out the word "division" and insert in lieu thereof the word "diversion."

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

"GOD'S COUNTRY"

Mr. DELGADO. Mr. Speaker, I ask unanimous consent to extend in the RECORD a statement I released recently expressing the feelings of my people toward America, a statement I made yesterday before the Committee on Agriculture and Forestry of the Senate concerning the textile treaty in the Philippine Islands, and other features of the commercial relations between the United States and the Philippine Islands.

The SPEAKER. Is there objection to the request of the Resident Commissioner of the Philippine Islands?

There was no objection.

Mr. DELGADO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by me upon my arrival in this country last December:

I come to America with a message of affection and profound gratitude from the Filipino people.

The conduct as a whole of the United States Government and the American people toward the Philippines is a paragon in international relations and colonial administration. It shall always be regarded by the Filipinos very gratefully.

I consider the mission for the present of Philippine Resident Commissioners in the United States as one to enhance and perpetuate the existing very friendly relations between the two countries and their peoples, and to evolve, if possible, a permanent mutually fair and beneficial trade relationship between them, which necessarily will hasten the consummation of America's great work for the Philippines. The more than 13,000,000 Filipinos have developed a keen liking for and will always consume more and more of what America produces (from automobiles to butter and toothpaste, etc.) as long as they are permitted to have the means to acquire them through the taking into the American market of their tropical products much needed here.

I am extremely happy to be back and see again the dear places where as a student I spent 5 of the best years of my adolescence, and Mrs. Delgado and our family are all quite pleased at everything they have seen so far of "God's country."

F. A. DELGADO,
Philippine Resident Commissioner to the United States.

Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by me before the Senate Committee on Agriculture and Forestry on the trade relations between the United States and the Philippine Islands:

STATEMENT TO THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

By F. A. DELGADO, Philippine Resident Commissioner

Mr. Chairman and members of the committee, I am appearing here as a Resident Commissioner of the Philippines in the United States and in behalf of my colleague, Commissioner GUEVARA. This is my first appearance before a congressional committee since I assumed office on January 3 last, and I wish to express grateful appreciation for the privilege.

It is with diffidence, I assure you, that I contribute my humble thoughts to the inquiry you are holding for the discovery of the causes of the radical decline of America's foreign commerce and the formulation of effective measures to recover America's position of primacy in the commerce of the world.

Among the fourscore countries which import American industrial and agricultural products the Philippines ranks eighth in importance. I believe, therefore, that a statement of the conditions prevailing there now is germane and material to the question which you have under examination.

The average annual Philippine-American trade during the last 15 years amounts to about $160,000,000, representing a little over 75 percent of the total foreign trade of the Philippines. Based on our population of 14,000,000, our annual trade with the United States amounts to approximately $10 per capita. That low figure is suggestive of our potentiality. If our natural development and purchasing capacity are not hampered and we could buy on the basis of Cuban purchases from the United States, we could easily develop a billion-dollar trade with this country. There is nothing illusory or fantastic about this. We have infinitely more varied agricultural and metallurgical resources, most of which are yet untouched and undeveloped, than Cuba. Our population is three and one-half times more numerous than theirs and is ever on the increase (from 7,000,000 thirty-two years ago it rose to the present 14,000,000 exclusively from natural growth); and, if I may be pardoned the seeming immodesty, I will add that the Filipinos are among the most progressive people inhabiting the Tropical Zone.

Up to 1934 the Philippines already bought more American cotton goods than any other country in the world, having been surpassed only once during the last decade, and that was in 1930, by Cuba and Canada. Our purchases of American cotton manufactures average about $10,000,000 in round figures a year, which is, roughly, 70 cents per person. This very low consumption reveals the tremendous possibilities of that particular market under the American flag.

But at the present time American cotton goods exporters need more adequate and intelligent backing in the United States. It is not difficult to understand that the American raw-cotton producers should be interested in the progress and prosperity of the American cotton-goods exporters, for their interests and objectives are fundamentally identical. They all want to sell more of their products abroad. They want to maintain price levels at a reasonable elevation. And naturally, I think, they want the Philippine market to be effectively assured for American goods.

This aid to American textile exporters is extremely urgent now because there has been a sharp decline in their exports to the Philippines during the last 12 months, and the rapidly increasing imports of Japanese textiles threaten to displace completely American cotton fabrics there.

A few statistical data would be very eloquent at this juncture. In 1933 the United States supplied 67 percent of all the textile goods imported to the Philippines with Japan supplying only 23 percent. During the first 11 months of 1934 the share of the United States decreased to 40 percent while that of Japan increased to 52 percent. To put it in a more illuminating manner, for the same 11-month period in 1933, the figures were 69 percent for the United States and only 21 percent for Japan.

The determining factors of this state of affairs are: (1) The impairment of the purchasing capacity of the Filipinos, and (2) successful Japanese competition.

I wish to state that the first factor was the direct result of recent legislation by the United States Congress affecting adversely the economic interests of the Philippine Islands. The second was brought about by the increasing mechanical efficiency coupled with low labor costs of the Japanese textile industry. These advantages were accentuated by the action of the Japanese Government devaluing the yen, the Japanese monetary unit.

The second of these factors, however, is merely an incident to the first; that is, that the Filipino people have not turned from the consumption of American textiles to the use of Japanese cotton goods for the sole reason that the latter are considerably cheaper; but rather because their economic situation is such that

they cannot afford to buy the superior but more expensive American cotton manufactures.

American cotton goods are quality goods, so to speak, and their pattern and style are better adapted to the taste and cultural leanings of the Filipinos. The permanency, therefore, of the recent successful Japanese competition in the Philippine Islands depends entirely on the continued inability of the Filipinos to afford to buy the more wear-resisting and higher-quality American fabrics.

It might be well to add that the business trend in the islands is generally determined by the quality and style of the merchandise. In normal times, that is, when the earning capacity of the Filipino is commensurate with the standard of living to which he has become accustomed as a result of the innovations introduced in the islands by the concerted action of the American Government and American business, the average Filipino consumer shuns the "pennywise and dollar foolish" method of procuring the things he needs for his table, for his home, for his family, and for himself. He has always insisted on quality irrespective of price. During the predepression years, in spite of the fact that silk fabrics could be secured from Japan or China at prices that would seem ridiculously low in the United States, a greater demand for American and European silk materials had been maintained. Cheap cotton fabrics made in Japan were always obtainable in the Philippine Islands before the world-wide depression set in; yet, they made no appreciable dent on the demand for American-made cotton and dress materials. And what is true concerning dress fabrics is equally true as regards all classes of merchandise such as food products, toilet and home wares, and even toys.

The Philippine government has not been indifferent to the plight of the American textile export business. On the first ominous signs of a growing competition, it voluntarily raised the tariff rates appreciably, and the President of the United States approved the enabling act of the Philippine Legislature. As American goods enter the Philippines duty free this tariff increase meant enhanced protection against foreign competition. Unfortunately this did not affect Japanese imports, and the inroads of Japanese goods became greater and greater.

We perceived more clearly the impending doom for the American textile in our country when Japan, as Secretary of State Hull pointed out, depreciated her currency 64 percent by Government fiat. But, determined to help American business, our Government unhesitatingly met this contingency by enacting what we call the "parity law", requiring that the valuation of Japanese goods for purposes of tariff computation shall be based upon the exchange value of the Japanese yen before its artificial depreciation. This again failed to hold back the tide of Japanese imports. Japan, it seemed, was determined to attain to the mastery of the Philippine textile market at any cost. She quoted ridiculously low prices, gave unheard-of terms, and established distributing agencies in every center of trade of the islands.

So far no one who has addressed this committee expressed himself as being against the use of the tariff as a means of preventing the annihilation by foreign competition of a long-established and efficiently conducted domestic industry. The textile industry is within this category. Like other American industries, the cost of production of cotton fabrics has gone up under the impact of recent laws. At the same time the Japanese textile industry, which is admittedly among the most modern in the world, is being operated on low labor costs and is achieving an amazingly high technological efficiency. The resultant disequilibrium in production costs is heavily against the American textile industry. What the Philippine government is ready to do is to raise its tariff rates, not only to bring about an equalization of costs but to superimpose thereon a reasonable measure of protection.

Such a step, as you may readily see, entails the heightening of the cost of living for the inhabitants of the islands, because we depend for our wearing apparel on imported materials, and textiles constitute the chief item in this line of essentials. Notwithstanding this contingency, we are, I say again, willing to take this step if it would bring any measure of relief to the distressed American textile trade in the Philippines. As a matter of fact, had it been solely in our power to afford this relief, it would have been extended last year.

This means of restoring American textile trade to its commanding position in the Philippine market is not, however, of enduring results. Indeed, it would have the effect of a mere palliative, because it would not reach the root of the malady. The net result, in the last analysis, would be that that part of the Philippine population that is now forced to consume the cheaper Japanese cotton fabrics because it cannot afford the higher-priced American cotton goods will not be won back to the ranks of the users of this merchandise but would revert to the use of native weaves or reduce their consumption of imported materials to the very minimum.

But as the Filipino is exceedingly dress-conscious and his taste in this respect is decidedly occidental through 350 years of Spanish cultural influence and 36 of American tutelage, there is every reason for the belief that he will resume his dress standard as promptly as he is economically able to do so.

It is manifest, therefore, that while Japanese successful competition appears to be the immediate cause of the decline of the American textile trade in the Philippines, the real reason is the impairment of the buying capacity of the Filipino wage earner.

If, as I venture to assume, the purposes of this investigation are not merely to trace the superficial causes but the root of the alarming decline registered in the American cotton-goods trade in the islands, and to devise not simple palliatives but enduring remedies, I respectfully submit that the only thing that will lead to this achievement is a better understanding of the factual material interests of both countries. More specifically, that trade relations between the United States and the Philippines should be based not on statistically unsupported claims of unfair competition but upon the actual needs of both countries and the true requirements of their respective commercial, agricultural, and industrial interests, unveiled by extraneous and selfish motives.

Such an understanding will necessarily bring about the restoration of the purchasing capacity of the Filipino wage earner to its normal level, which, in turn, would result in the acquisition of merchandise better adapted to his needs and taste, which American goods have created in him.

The only alternative to tariff protection, as I can see it, if the American textile export to the Philippines is to be saved from total destruction, is to permit the Philippine government to allocate import quotas to different countries, giving the United States the lion's share and dividing the remainder equitably among other countries according to their statistical positions for a period of years as importers of Philippine products. This plan should be satisfactory all around. It would not entail the raising of tariff duties in our country. No foreign nation would justly begrudge the preferential treatment given the United States as long as we receive from the United States a similar treatment. But certainly no one could reasonably and fairly expect the Philippine government to consider American manufactures as domestic commodities deserving this measure of protection while Philippine products are treated as foreign for trade purposes in continental United States.

I am suggesting to the American Government to look into the textile export situation in the Philippines for the purpose of immediate remedial action. I am especially hopeful that the raw-cotton producers of the South and the Southwest will take an abiding interest in the subject. They could do no less to promote their self-interest. We Filipinos want you Americans to be able to do more business with us. We like your goods and we trust your traders. But we must have the money with which to pay your higher prices.

The Secretary of State, Mr. Hull, advocates the lifting of obstructions from the channel of trade in order to facilitate and enhance the exchange of commodities between countries. The Philippine-American trade channel, I am happy to say, could easily be rid of such obstructions to the advantage of both countries.

The immediate trade policy between the nationalistic and internationalistic extremes urged by the Secretary of Agriculture, Mr. Wallace, presupposes the reduction of production and the curtailment of exports, on the one hand, and the creation of buying power abroad through increased exports to the United States on the other. The Philippines has buying power which, if not impaired through restrictive or constrictive legislation by Congress, should develop to a degree that would make the Philippines an even more important purchaser of American goods.

The Secretary of Commerce, Mr. Roper, proposes the creation of an international board with power to allocate to the nations of the world their particular part in producing and manufacturing goods for world consumption. That is an exquisitely beautiful conception, but before millenium dawns and Utopia descends upon earth we do not want to neglect the pressing problem of protecting American textiles in the Philippines right now.

According to the Secretary of the Treasury, Mr. Morgenthau, the so-called "gold-bloc countries", as a whole, suffered a decrease of 8 percent in 1933 in their exports, while the non-gold-bloc countries registered an increase of 19 percent. This is to prove that the question of exchange is a vital factor in international trade. Now, I wish to direct attention to the fact that there is no exchange question involved in the commercial intercourse between the United States and the Philippines. Our trade relations should be, therefore, the ideal state which the liberal leaders of thought are aiming to achieve, and we should do everything to develop it toward that goal.

To the farm leaders who addressed the committee, I wish to say that if they look at the oommerce between our two countries in its entirety, and from a national viewpoint, they will inevitably reach the conclusion that it is as much to their best interests as it is to ours to maintain and reinforce the purchasing power of the Filipino people by encouraging their material development and refraining from advocating legislation that might blight or blast their economic life.

At the proper time I shall address the House of Representatives to propose the holding of a conference at the earliest date possible between representatives of the United States and the Philippines to reexamine the Philippine-American commercial relations with a view to establishing between the two countries a greater and more mutually beneficial commerce.

I am of the profound conviction that between the Philippines, a tropical country, and the United States, a temperate one, with their diversity of natural resources, a cooperative economic plan could be devised that would place their production on a complementary basis, eliminating or minimizing avoidable conflicts, emphasizing the point of common benefit, and bring about a reasonably scientific reequilibration of their economic needs.

I sincerely hope that commercially we shall ever be more and more mutually helpful to each other, march upward and onward together, and thus our joint efforts which have been so fruitful of material as well as spiritual and cultural values during the past 36 years may not be unnecessarily brought to a sudden and sad end.

PROTESTING AGAINST RACIAL AND RELIGIOUS PERSECUTIONS AND URGING DEPARTMENT OF LABOR TO INVESTIGATE NUMBER AND CONDITION OF IMMIGRANTS OCCUPYING POSITIONS NORMALLY HELD BY AMERICAN LABOR IN OUR SOUTHERN BORDER STATES

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a bill and resolution I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FENERTY. Mr. Speaker, there has seldom been a time when the necessity of reemphasizing our belief in American fundamentals and in natural rights was so urgent as at present. It is traditional American political doctrine that all men are endowed by their Creator with certain inalienable rights, among which liberty and the pursuit of happiness are equally important with the right to life. Included in the conception of these rights is that of being permitted to worship God according to the dictates of one's own conscience, without governmental or other interference.

It is common knowledge that such rights are forbidden American citizens in Russia, Mexico, and elsewhere, despite the fact that the Government of Russia and the Government of Mexico secured American recognition on the express understanding that our citizens would not be hindered in the free exercise of whatever religious belief they professed. Recognizing, as George Washington has said, that—

> Whatever may be conceded to the influence of refined education upon minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principles—

we must admit that our continued failure to protest against the antireligious, communistic principles of the present Mexican Government will eventually, by its dissemination of subtle and insidious propaganda, weaken the religious and moral fiber of many of our own people and result in serious danger to those ideals which Americans have cherished since the founding of the Nation.

The constant persecution of religion and of religious teachers of all creeds and nationalities by the Mexican Government is resulting in the emigration across our southern border of thousands and thousands of refugees who must, in simple charity and humanity, be cared for by the already overtaxed and impoverished citizens of our own country or who will occupy positions normally held by American labor. For this reason, as well as for the higher and more important reason that America has always upheld the privilege of freedom of religion, of education, of the press, of speech, and of individual opportunity, I last week presented a concurrent resolution and a bill which I here read into my remarks:

House Concurrent Resolution 8

Whereas it is fundamental American political doctrine that all men are endowed by their Creator with certain inalienable rights, and among these are life, liberty, and the pursuit of happiness, which rights are held by every man, not by the tolerance or grant of any State but by the immutable decree of God; and

Whereas among these natural rights is that of worshiping God according to the dictates of conscience, the enjoyment of which right it is not within the legitimate power of any civil government to curtail or destroy; and

Whereas the recognition of this right is in accord with the principles of the Declaration of Independence, the Constitution of the United States, the constitution of the several States, and the belief of civilized governments; and

Whereas the present Government of Mexico, in defiance of the principles of religious and civil liberty recognized in the United States and all other fully civilized countries, has enacted laws whose intent and effect are that teachers and clergymen, native or long resident in Mexico, who were administering to the spiritual, moral, and educational welfare of the people, have, without adequate cause, been expelled from the country; churches have been peremptorily closed and their property confiscated; religious worship has been prevented or abolished; church communicants protesting against the tyranny of the Government of Mexico have been brutally mistreated; educational and charitable institutions, for generations open to the poor and needy, have been closed or confiscated; trial by jury is denied in case of appeal; clergy and religious are denied the right of assembly and the right of the freedom of the press; any and every church of every creed is denied the right of corporate existence; hearings on duly executed and presented petitions of citizens are refused; the right of franchise is denied to all clergymen of all creeds; any and every church of every creed is denied the right to hold property; any and every church of every creed is denied the right to possess a school for the training of candidates for its ministry; American and other foreign-born ministers of the gospel are forbidden to practice their ministry; journals and publications are unreasonably and tyrannously suppressed and the use of the mails denied them; Mexican Government employees have been summarily dismissed for their refusal to parade in sympathy with the Mexican Government's antireligious program; academic freedom is destroyed on the theory that the State must possess the mind of the child; citizens have in part of the country been forbidden to use Christian names for places or persons or even on the tombstones of their dead; liberty of religious worship, of education, of speech, of the press, and of equal opportunity before the law are denied to those who live in Mexico; and all those desiring to exercise the right of religious life are exiled; and

Whereas continuation of these conditions in Mexico will inevitably result in again flooding the United States with hundreds of thousands of Mexican refugees to be fed, housed, and maintained at the expense of the already overburdened people and local relief administrations of this country; and

Whereas the present Government of Mexico, in defiance of the principles of decency and morality recognized and upheld by all truly civilized peoples, has debauched and is continuing to prostitute the lives of children by the wanton and deliberate teaching and encouragement of gross licentiousness and unspeakable immorality; and

Whereas the people of the United States, since the foundation of the American Nation, have ever viewed with abhorrence any violation of the right of religious freedom by any government, and have uniformly recognized the right of academic liberty, as annunciated and affirmed by the Supreme Court of the United States, and consistently upheld the right to establish, possess, and conduct private institutions for the care of the sick, the needy, and the helpless; and

Whereas each and all of these rights are proscribed and abolished by the tyrannical policies of the Mexican Government, all of which calls for condemnation and protest by the Congress of the United States representing the sentiments of liberty-loving American citizens who, regardless of religious belief or affiliation, are shocked and outraged by the atheistic, antireligious, depraved, and deplorable practices of the present Government of Mexico in embracing a policy destructive of all religion and morality and subversive of education and charity: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That while it is not and never has been the desire of the American people to impose American political principles on any other nation; and while it is recognized that the Government of the United States has no diplomatic right to interfere with the internal political policies of any other sovereign State, yet it is the sense of the Congress of the United States that the Department of Labor be directed to report to the Congress concerning the number, nationality, condition, and manner of entrance to this country of aliens in the States on the Mexicon border who are being supported by public or private charity, participating in relief funds, holding positions normally occupied by citizens of the United States, or otherwise disemploying American citizens by cheap labor competition; and be it further

Resolved, That the Government of the United States call upon the Government of Mexico in the name of liberty and humanity to cease in its policy of denying fundamental and inalienable rights to American citizens resident in Mexico regardless of religious convictions or affiliations, and that, if the present policy be persisted in, future diplomatic recognition of the Government of Mexico be withheld until such time as the policies and conduct of the said Government, in relation to religious and other liberty and in regard to the natural rights of educational, moral, and religious institutions of all creeds and nationalities, justify a resumption of these relations.

H. R. 5222

A bill directing the Secretary of State not to enter into any reciprocal-trade agreements or understandings with any nation engaging in religious or racial persecution

Be it enacted, etc., That the Secretary of State is hereby directed not to enter into any reciprocal trade agreements or understandings with any nation engaging in religious or racial persecution.

There is, I hope, no one in this Chamber who would not willingly endorse this bill and resolution. They are entirely nonpartisan and have equal application to people of every religious creed and, as is evidenced by the word "racial", relate not only to those who follow the teachings of the divine Teacher of Nazareth, but also to those who, in the synagogue, worship Jehovah, the God of their fathers.

I ask the Members of this House to give prompt, careful, and courageous consideration to these measures.

ECONOMIC SECURITY ACT

Mr. BACON. Mr. Speaker, at the request of the gentleman from Massachusetts [Mr. TREADWAY] I ask unanimous consent that he may extend his remarks in the RECORD and

include therein a statement made by the Senator from Delaware this morning before the Ways and Means Committee.

Mr. DINGELL. Mr. Speaker, reserving the right to object, I am wondering if the gentleman understands that the Senator's statement will be included in full in the printed hearings of the committee?

Mr. BACON. I may say that I am doing this at the request of the gentleman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following comments by Hon. DANIEL O. HASTINGS, of Delaware, on the proposed Economy Security Act:

The Economy Security Act maps out for the country a policy that is almost entirely new in that it places upon the Federal Government a large portion of the expense of taking care of those persons who need public assistance of one kind or another. Until the present depression came upon us this burden was borne by the States except in instances of earthquakes, floods, etc., where the Federal Government has frequently rendered temporary aid.

The great expense growing out of the present bill pertains to old-age pensions and unemployment assurance.

Assuming it to be necessary for the Federal Government to take upon itself this great burden, the question arises as to the administration of it and the conditions imposed upon the States in order to insure that each State bears its share of the burden.

Let us take the problem of old-age pensions and try to ascertain the best and simplest form of helping the various States with this problem. If the Congress should appropriate a certain sum annually for this purpose and allocate it to the States in such proportion as the number of inhabitants of that State bore to the total number in the country upon one single condition, namely, that each dollar appropriated should be matched by an equal number of dollars from the State's funds, the Federal Government would have but one problem upon its hands, and that would be to find the money with which to make its share of the contribution.

The Federal Government ought to specify the minimum, but not the maximum, age of the recipient of such fund. In other words, the Federal Government might provide that this fund should not be used for the benefit of any person under 65, but leave it entirely to the State to say whether the age limit should be greater than that. This leaves the problem with the State and with the people of that State. The only Federal political question that could arise under this plan would be in case the States were willing to contribute more than that being paid by the Federal Government, but that question would not be anything like as serious as it will be under the plan outlined in this act.

This method of treating this important subject also takes us into a new field, but the simplicity of it would relieve us of great grief that is sure to grow out of the experiments proposed by this new act.

In addition to that, there is nothing under this plan that is so complicated that would prevent it from being easily abandoned if and when the country so recovered from the depression that such contributions upon the part of the Federal Government were found to be unnecessary. In other words, you could treat this at the present, under this plan, as an emergency which might or might not develop into a permanent policy, all of which, including the amount of the appropriation, would depend upon the conditions existing from year to year.

The most difficult thing to understand about the old-age-pension phase of this bill is the annuity feature. I do not have reference to the annuity certificates set forth in section 501 of the bill. I have given no consideration to that section in this memorandum. I refer particularly to the imposition of the earnings tax, title 3, page 15, and the payment of old-age annuities under section 405, title 4, of the bill. It will be borne in mind that beginning January 1, 1937, the total tax of 1 percent, one-half of which is paid by the wage earner and one-half by the employer, is imposed. This tax is increased 1 percent every 5 years until it reaches a total of 5 percent at the end of 20 years. The fund thus created goes into the Federal Treasury and the employee is guaranteed that this money paid in for him and by him will ultimately be returned to him if he lives to be 65 and if he dies before it is all returned to him; his estate will get back the balance of such fund with interest.

The old-age-pension plan under this bill is divided into two parts. For 5 years the annuity part of the plan is not in operation, except for the collection of the tax and return to the estate of the employee the amount that was paid for him in case of his death. Persons over 65 that are in need are taken care of during this first 5-year period by contributions by the Federal Government, plus the contributions by the State government.

Take the next 5-year period as an illustration. During that period there will be a class of persons who have been paying in for a period of 5 years. If a person during that period had earned $100 a month, he or she would be entitled to be paid $15 per month, that being 15 percent of the average wage. He would be entitled to this, provided "he is not employed by another in a gainful occupation." If this $15 per month were not sufficient to sustain him in "health and decency", he must look to the other phase of the old-age-pension plan for sustenance; that is, he must get himself placed upon the pension rolls of the State, but in fixing the amount of the pension the $15 just mentioned would be taken into account.

Let us take another illustration. Suppose a person is 55 on January 1, 1937, and has a tax imposed for the two 5-year periods. Suppose he has earned during the whole of this 10 years $100 per month. When he reaches 65 and is not gainfully employed, he then would be entitled to receive $20 per month; and if this were not sufficient to sustain him in "health and decency", it would be necessary for him to get himself placed on the pension rolls of the State. The $20 per month he was receiving would, of course, be taken into account in determining the amount of pension he ought to receive.

If he goes in at 50 years of age and pays in for a period of 15 years, he is entitled to $30 per month, and if he goes in at 45 years and pays for 20 years, he is entitled to $40 per month. This is the maximum a $100-a-month wage earner could receive.

There is another provision of the law, however, being paragraph 2 of section 405, which relates to persons who do not enter the plan for the first 5-year period, or until January 1, 1942.

It is assumed that in view of the fact that this section applies only to those persons who do not begin to pay in until after 1942 that it will take in the youngest employees, and for the purpose of illustration you might take a person 20 years of age in 1942 who begins to contribute to this fund. Under the first paragraph that I have been discussing, assuming that a person age 45 gets $100 a month from the beginning and throughout the period, he would only have to pay in for 20 years in order to get $40 per month. He and his employer would pay in during that 20-year period a total of $600, which amount at the rate of 3-percent interest compounded would be increased to $758 at the end of the 20 years.

But, take the second paragraph of this section, which makes provision for those who did not begin to pay in until January 1, 1942. In that case the wage earner who begins to pay at 20 years of age and the employer would pay in over a period of 45 years and if the salary was $100 per month, the total paid in would amount to $2,340 and the accumulated interest compounded at 3 percent would bring the total to $4,481. Notwithstanding this fact, such a person would be entitled under the act to receive only $50 per month or only $10 more than the man who had paid in only 20 years under the first paragraph and whose fund amounted to only $758.

I have pointed out that under the first paragraph of section 405 that the employee is not entitled to payments if he is gainfully employed. This condition does not apply to those persons who do not begin to pay in until after January 1, 1942, but paragraph D of section 405 distinctly provides that when a person reaches the age of 65 although he may not be entitled to the benefit, he may claim an amount equal to the amounts that have been paid in for his benefit and that the social insurance board shall pay him such amounts, together with interest accretions as determined by such board.

I think it is important to consider the apparent discriminations above outlined in order that you may reasonably anticipate the objections that will be made to the bill by the individual taxpayer when all of the facts are known to him.

As I understand it, it is contemplated that the tax levied for the benefit of the young persons will not be held in a reserve fund by the Federal Government in order to meet the Federal obligations to such persons, but that as much of said fund as may be necessary shall be used for the purpose of payments made to the older persons who have contributed but a small part of the amount which they are to receive under the act. It is also admitted that after a certain number of years it will be necessary for the Government to make huge contributions to this fund in order to make up the amount that would be in it if the reserve had been maintained instead of expended.

My own notion about this is that it is a complicated system, difficult to explain, and one in which neither the employer nor the employee will willingly contribute.

It will be observed by all thinking persons that this statute passed at this session may be modified by the next or some future session of the Congress and does not have the stability of an insurance annuity contract, executed by a responsible insurance company. Nobody will deny the importance of every person purchasing over the years of his or her young life an annuity that will take care of them in their old age. But an annuity forced upon the people by a Federal Congress is entirely different. First, because it is forced, and second, because there is no guaranty that it will continue long enough for the contributor to get any substantial return.

There is another phase of this which must not be overlooked. This act imposes a tax upon every wage earner, except those receiving more than $250 per month. This group undoubtedly constitutes a large majority of the voters of this country. The committee's expert estimates it will affect 40,000,000 wage earners. It will reach millions of people who do not pay a tax of any kind and who have never paid a tax of any kind. It will reach the families described by Senator WAGNER. He states that there were, in 1929, 6,000,000 families earning less than $1,000 a year; sixteen million families earning less than $2,000, and 20,000,000 families earning less than $2,500. You cannot answer the complaints that will come from these groups by saying that the tax is small. The fact that it is a tax and particularly the fact

that it is a direct tax imposed by the Federal Government will be deeply resented, and no endeavor to bring home to these people that it is, in the end, for their benefit will avail.

The fact that the tax does not take effect until after the next general election is of some significance. I doubt whether any Democratic convention in 1936 would dare write any such proposal in its platform. But whether it did or not, when the actual test is made, this group of people will drive out of office all persons who refuse to vote to abolish such a tax. For these reasons alone this much of this old-age-pension plan is impracticable.

My own judgment is that the only practical plan from the Federal Government's point of view is that which I have originally outlined.

A representative of the committee has assured us that the number of people over 65 that must be aided by some governmental agency amount to 1,000,000 persons. If you take the figures proposed in this bill as the Government's share of that responsibility, namely, not to exceed $15 per month, you would require approximately $180,000,000 annually. This would be upon the assumption that every State adopted an old-age-pension law and contributed as much as $15 per month to each of these million persons.

My own judgment is that we ought not to agree to any pension plan except in this emergency to match the amount contributed by the States.

In my consideration of this matter I have not mentioned the very difficult problem of the individual who has in the past and is at present in some form or another contributing to some insurance company to take care of himself or herself in their old age. A very large percentage of the 60,000,000 persons holding life-insurance policies in one form or another will be affected by this tax. Neither have I mentioned the very serious problem of the several hundred corporations that have had some plan of old-age pensions affecting more than 5,000,000 persons for many years, and which corporations, together with their employees, would be compelled to pay a tax largely for the benefit of a class of persons who have not been so fortunately protected.

Neither have I discussed here the great problem of administering this law. It must be borne in mind that a record must be kept of the millions of people that would be taxed under this plan. Every housewife and every farmer employing a single individual would be compelled to make a return, and it would take an army of people to check up on such individuals. In addition to the amount of money earned by such individuals, it would be necessary to keep a time sheet, because the amount of money payable to every employee depends not only on what he earns but the time he takes to earn it.

Title 6 of the Economy Security Act provides for the imposition of an excise tax, beginning January 1, 1936, of 3 percent upon the employer's pay roll.

Under certain conditions set forth in the bill this 3-percent tax for the years 1936 and 1937 may be only 1 percent. The purpose, however, is to make a definite provision for a 3-percent tax upon the pay roll of all persons employing at least four persons "within each of 13 or more calendar weeks of the taxable year." The Federal and State Governments are excluded as well as municipal corporations.

This tax is a direct tax laid by the Federal Government, but section 602 provides that the employer may have a 90-percent credit allowed upon the showing that he has contributed to some State fund administered under conditions set forth in this section.

The clear purpose of the act is to compel the States to adopt some plan of unemployment compensation. If the State does not adopt such plan, the tax paid by the employer goes into the general fund of the Federal Treasury.

Section 406 provides for an appropriation of $4,000,000 for the fiscal year, ending June 30, 1936, and thereafter not more than $49,000,000 in each year to be allotted to the States adopting an unemployment compensation plan. The allotment is to be made upon the basis of need of the State for such financial assistance.

I cannot see how under our Federal Constitution we can levy a special tax upon the people of the various States when its sole purpose is merely to compel the States to enact for the benefit of the people of such State the kind of law that the Federal Congress believes to be for their benefit.

Personally, I hesitate, even if I believed it to be constitutional, to compel the people of my State to levy a certain kind of a tax upon a certain class of its citizens, although the purpose of it may seem to be desirable, and might from my point of view be considered necessary. I think the question of the necessity and the desirability of such a law should be left to the legislature and the executive of each State.

Heretofore the Federal Government has offered inducements to States to do various things by appropriating money and allocating a portion of it to a State on condition that the State appropriate a like sum for that purpose. We have never heretofore, so far as I know, attempted to compel a State to adopt any particular kind of law believed by the Federal Congress to be desirable or necessary. The adoption of this act thus takes us into an entirely new field.

Regardless of the form of a tax, it is generally conceded that the greater burden will fall upon the very people whom it is intended to protect. It is admitted by all of the witnesses that the employer in many instances cannot absorb the tax and that it must be passed on to the consumer. It is true that the consumer class is larger than the class that will be protected by such unemployment compensation. The consumer will include the farmer, whose burdens we have been endeavoring to lighten.

I am wondering whether it would not be a more satisfactory plan to have the Federal Government follow the plan it has adopted in other instances, and agree to contribute a sum to each State on the basis of $1 from the Federal Government for each $2 paid into such fund through State taxation.

An appropriation of $125,000,000 annually would be approximately $1 for each inhabitant of each State. We probably ought to provide in the bill for this appropriation for at least 3 years, in order that the States might know they would get that much help in building up the compensation fund. This, it seems to me, might be a sufficient inducement to cause the State to adopt some comprehensive plan of its own, administered by its own officials, and the fund for this purpose raised by the imposition of such a tax as such State might deem necessary.

I fully realize that this plan would not be satisfactory to Dr. Frank P. Graham, who was chairman of the advisory committee that assisted in framing this legislation. When Dr. Graham was before the Finance Committee he made the following statement:

"Personally, on the basis of studies made for this committee, I am for this sort of comprehensive program for social security, unemployment compensation, old-age insurance in its three divisions—the old-age pensions, the compulsory contributory, and the voluntary contributory systems—and a public employment program, a youth educational program, a public assistant program, mothers' pensions, maternal care, security for children, a public-health program based on the Public Health Service, and a further study in cooperation with the medical profession of a health-insurance program. * * * I would favor the rehabilitation of crippled children and of crippled people."

I think this statement of Dr. Graham gives us a very clear conception of where it is intended this legislation shall ultimately lead us.

In this connection an article by a German economist by the name of Gustav Hartz is entirely worth-while reading. He calls attention to the fact that Germany was the first to adopt a social insurance about 50 years ago, in the time of Bismarck.

At first the employer contributed three-fourths percent and the employee 1½ percent. Today the entire premium averages nearly 20 percent and in some industries nearly 30 percent. Germany is about to adopt a plan whereby the employer and employee will each contribute 10 percent. At the time this article was written a pay envelope of $38.88 was reduced to $29.45 by the time the taxes were deducted and the check handed to the employee.

Dr. Hartz says:

"It is social insurance therefore that makes needy people, in order to give them after they have become needy very inadequate support."

My fear is that when the Federal Government undertakes the job of social security, through direct taxation for that purpose, it has taken a step that can hardly be retraced. I fear it may end the progress of a great country and bring its people to the level of the average European. It will furnish delicious food and add great strength to the political demagogue. It will assist in driving worthy and courageous men from public life. It will discourage and defeat the American trait of thrift. It will go a long way toward destroying American initiative and courage. No man can determine with any degree of accuracy its cost upon the present or future generation. There is danger of our sympathy for its humane objectives overcoming our mature judgment.

We ought, as I view it at the moment, to treat it as an emergency measure until the people of the country, as well as the Members of the Congress, become acquainted with its absolute necessity or desirability from the point of view of the Federal Government.

LA FAYETTE-MARNE DAY

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. NORTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following transcription of the national exercises in honor of La Fayette-Marne Day at the United States Military Academy at West Point on September 6, 1924:

1757–1777 September 6, 1934 1914–1918

LA FAYETTE-MARNE DAY

NATIONAL EXERCISES UNITED STATES MILITARY ACADEMY, WEST POINT, N. Y., THURSDAY, SEPTEMBER 6, 1934, 3 TO 4 P. M. (DAYLIGHT TIME); BROADCAST BY NATIONAL BROADCASTING CO. (STATION WJZ)

Committees

La Fayette Day National Committee: George W. Wickersham, William D. Guthrie, Maurice Léon, Joseph H. Choate, Jr., Herbert Hoover, Charles Stewart Davison, Theodore Roosevelt, Jr.

Deceased members: Joseph H. Choate, Theodore Roosevelt, Henry Watterson, Charles J. Bonaparte, Judson Harmon, Charles W. Eliot, Caspar F. Goodrich, Myron T. Herrick, Moorfield Storey, George Haven Putnam, Henry Van Dyke.

La Fayette-Marne Day Committee of New York; Executive Committee: Maurice Léon, chairman; Franklin Q. Brown, treasurer; John G. Agar, Mrs. Leland E. Cofer, John H. Finley, Elon H. Hooker, J. Pierpont Morgan, Miss Elizabeth Perkins, James H. Perkins, J. G. Phelps Stokes, Cornelius W. Wickersham.

The American Friends of La Fayette; Officers: Walter P. Gardner, president; Stuart W. Jackson, vice president; Theodore E. Norton, secretary.

Honorary vice presidents: Paul Claudel, Walter E. Edge, André De Laboulaye.

Executive committee: George A. Ball, Gilbert Chinard, William L. Clements, Howard R. Cruse, Warrington Dawson, Allyn K. Ford, Louis Gottschalk, John Francis Gough, William Mather Lewis, Maurice Léon, J. Bennett Nolan, William Francklyn Paris, J. Alexis Shriver, Austin Strong, T. J. Wertenbaker, Louis Wiley.

Whereas Gilbert du Motier Marquis de La Fayette, first and foremost among the friends of American independence, was born September 6, 1757, and the day of his birth for many years past has been deemed an appropriate occasion in which to recall his services, in recalling which at the time of his death Andrew Jackson, President of the United States, said "his memory will be second only to that of Washington in the hearts of the American people"; and

Whereas observance of La Fayette's birthday in the United States since 1915 has been coupled with the observance of the anniversary of the Battle of the Marne, begun September 6, 1914, at the river whose shores were to be the scene of the first important participation by American troops in the victorious advance which ended the World War:

Now, therefore, I, Herbert H. Lehman, Governor of the State of New York, do hereby set aside Thursday, the 6th of September 1934, as La Fayette-Marne Day, and urge its observance by all our people in ways that will best show our lasting appreciation of the blessings of liberty which that day recalls. La Fayette, who fought under the Stars and Stripes, designed the tricolor of France when he helped establish free institutions in his native land, and I request that these two flags be flown upon this, his birthday anniversary. May the example of this friend of America in her hour of need prove an inspiration at this time to the youth of the land whose free institutions are the lasting monument to those through whom American independence was won.

I am glad to express to Governor Lehman our committee's hearty thanks for the inspiring note which his proclamation conveys.

The centenary of La Fayette's death this year was marked by a joint session of Congress on May 20, which was addressed by the President of the United States and the French Ambassador to the United States. The present observance was instituted on August 1, 1915, by means of a call signed by a group of men, most of whom had reached high rank in the life of the Nation and nearly all of whom have since died: Theodore Roosevelt, Joseph H. Choate, Myron T. Herrick, Charles W. Eliot, Moorfield Storey, Judson Harmon, George Haven Putnam, Charles J. Bonaparte, Henry Watterson, Caspar F. Goodrich, and Henry Van Dyke. Though they are no longer in the land of the living, their spirit is with us today.

Our first formal exercises were held at the city hall, New York, September 6, 1916, and the first address delivered there was that of the late Robert Bacon, whose son is to speak to us today. We met again at city hall in New York on September 6, 1917, and there again on September 6, 1918. On all three occasions France was represented by her beloved Ambassador Jusserand. On September 6, 1918, Theodore Roosevelt delivered the principal address, perhaps his last important message on the issues of war and peace, an address the far-reaching effect of which was felt when the German request for an armistice was left to Marshal Foch to deal with.

We in this land are the inheritors of a precious legacy handed down to us by Washington and La Fayette. In that legacy there are benefits, and there are obligations which go with those benefits. The precious gift which it confers is freedom; the obligation which goes with that gift is to uphold freedom.

By a providential coincidence, the order of the day which Joffre as commander in chief issued to those who were defending freedom and which was the starting point of the counteroffensive known as the "Battle of the Marne" was issued on La Fayette's birthday in 1914. And again freedom prevailed. Our tribute today is to the youthful hero whose example brought to Washington the aid which proved decisive at Yorktown, and to the French, the British, and the Belgian commanders, officers, and soldiers, who, responding to the call of Joffre, made freedom prevail at the Marne in 1914 and thereby rendered possible the second Marne in 1918 as the start of the victorious advance which ended the war. Benjamin Franklin once made a homely remark to his own countrymen which is an immortal message to free men everywhere: "We will hang together or hang separately." If I have any message of my own to express today to my countrymen and to our brethren of the British Empire, of France, and of Belgium, it is "Let us hang together." Let us find the solutions which will strengthen our freedom through teamwork in dealing with all the problems that confront us. The only dangers to our institutions are those which arise from our failure to act together for our common benefit and that of free men everywhere.

Before I call on those who are to speak today I wish to read to you some messages which reached me here. The first is from Hyde Park, and it is as follows:

MESSAGE OF THE PRESIDENT OF THE UNITED STATES

MAURICE LÉON,
Care Commandant, West Point Military Academy,
West Point, N. Y.

It is with a deep sense of veneration of the memory of La Fayette that I associate myself with those American and French patriots who have assembled to commemorate the birth of La Fayette and the Battle of the Marne. It is a privilege to honor the life of one who not only collaborated with the authors of the independence of our country in achieving its freedom, but inspired their descendants as well.

I feel that it is peculiarly appropriate for us of the present generation to renew the tribute so gratefully accorded this citizen of two worlds for the spirit of La Fayette, lover of liberty, has never been more needed than in these last decades of world-wide turbulence. May we labor resolutely to restore and to perpetuate the institutions of freedom which he has helped us create.

FRANKLIN D. ROOSEVELT.

This message, for which we are most grateful, recalls to me the scene at the joint session of Congress held May 20 on the very day of the centenary of La Fayette's death. The President delivered on that occasion one of the finest addresses it has been my privilege to hear, an eulogy of La Fayette, to which Ambassador de Laboulaye responded most felicitously.

The next message is from His Excellency M. Louis Barthou, Minister of Foreign Affairs of the French Republic, a noted statesman and scholar:

I am happy to send the La Fayette-Marne Day Committee and the Society of the Friends of La Fayette the most cordial expression of the gratitude of the French Government. Your associations in evoking the symbolic names of La Fayette and the Marne wish to recall the greatest memories of the history of the United States and France. They affirm at the same time the common will of the two nations to remain ardently faithful to the principles of liberty always defended together in the past. The decision of the Governor of the State of New York to observe September 6, 1934, as La Fayette-Marne Day furnishes a new proof of this of which the French Government is highly appreciative.

LOUIS BARTHOU.

GENERAL DE CHAMBRUN'S MESSAGE

On behalf of the French Committee which is today receiving the American Delegation of the Friends of La Fayette and also on my personal behalf, I should like to convey to those who commemorate the double anniversary of La Fayette's birth and the Marne victory, a renewed assurance that at heart we are together.

La Fayette and the Marne. These names will forever call up an image of victorious union.

They symbolize the will of our two nations to stand firmly for the traditions of liberty upheld by both whether singly, hand in hand, or shoulder to shoulder.

While you commemorate these two anniversaries, we over here are together with the American Friends of La Fayette, visiting his birthplace and going over the battlefields where the Marne was fought, reserving enough time to pause on that historic ground of Belleau Wood where America in her turn, fought her battle of the Marne.

Among you, on the 6th of September, if I am not mistaken, is my friend Mr. Bacon. Please let him know that when the heroic past is recalled, that past, when the union of France and America brought assurance of victory, the names of Mr. Jusserand, Mr. Herrick, and that of his beloved father, will never be forgotten.

ADDRESS OF LT. COL. E. LOMBARD, FRENCH MILITARY ATTACHÉ

It was the privilege of the French troops in the days of La Fayette to struggle for American independence.

Little could they foresee that so many years afterward, in a similar situation, General Pershing, commanding an expeditionary force on French soil, would offer the unrestricted assistance of his boys to Marshal Foch. Little could they have thought that the grandsons of their comrades-at-arms would join in imagination the image of the man who helped to free this country and the battle which checked the invasion of France.

Supremacy of moral forces, power of ideals, vanity of destruction, and futility of conquest, I do believe the great chiefs of the war of independence and those of the war of freedom would agree on those points, and they would rejoice in our cementing today our bonds of friendship, not with a spirit of vindictiveness but of union, in paying a tribute of gratitude to those who fought for the cause of freedom.

May I conclude by conveying the thanks of the French Government to the organizers of this ceremony, to the President of the United States for his stirring message, and to Governor Lehman, whose proclamation has tightened the bonds of deep affection existing between both Nations?

ADDRESS OF HON. GASPAR G. BACON, LIEUTENANT GOVERNOR OF MASSACHUSETTS

Eighteen years ago today. September 6, 1916, the La Fayette Day exercises in New York City, my father, Robert Bacon, former Ambassador to France, was privileged to make an address. France was then at war. For 2 devastating years she, with the sturdy sons of the British Empire and of gallant little Belgium, had held back the savage onslaughts of the enemy.

Inheriting, as I have, my father's love for France, how happy am I today to have the opportunity to try to follow in his footsteps by adding my humble word of tribute on this historic occasion.

It has been said that "La Fayette is the only hero whom this country has honored without reserve." The reason is not far to seek. Is it not in the fact that this daring young Frenchman, as Brand Whitlock once said, "was one of those rare and lofty souls whose passion for humanity makes them worthy to be intrusted with the cause of human liberty. They are born with a vision, a courage, and a faith that lift them high above their fellows and yet their love and sympathy keep them close to the heart of mankind."

La Fayette became the symbol of liberty in two countries, to which cause throughout his life he dedicated his indomitable spirit and abundant energies.

La Fayette's own reason for coming to America to aid the struggling colonists, he expresses in his memoirs, thus: "Such a glorious cause had never before attracted the attention of mankind; it was the last struggle of liberty; and had she then been vanquished, neither hope nor asylum would have remained for her * * *; the great work was to be accomplished, or the rights of humanity were to fall beneath its ruin.

"When I first learned the subject of this quarrel, my heart espoused warmly the cause of liberty, and I thought of nothing but of adding also the aid of my banner."

He came as an apostle of liberty, against the advice of his friends and the wishes of his King, to bring succor to the Colonial Armies, the crusaders of liberty and freedom. Upon his arrival in Charleston he wrote to his wife that he was pleased to find Americans truly democratic, just as he had pictured them to himself in France. "Simplicity of manner, kindness of heart, love of country and liberty, and a delightful state of equality, are met with universally. The richest and the poorest men are completely on a level; and although there are some immense fortunes in this country, I may challenge anyone to point out the slightest difference in their respective manner toward each other." This was his description of American people, his dream for a new France, which he carried into the French Revolution, and the ideal which eventually became reality in his own country.

He came to America, just as Americans went to France to help in the struggle to preserve something which to him was sacred. La Fayette was not a radical, for he believed in an orderly, constitutional form of government, but he also believed that everyone born into this world had a right to live a decent and happy life, free from the interference of an autocratic, tyrannical, or arbitrary government. So strongly did he believe in these ideals that he was willing to suffer great hardships to fight for them. Unlike so many modern idealists, he had the courage of his convictions and the will to put them into practice. Once his mind was made up, he never swerved from his course. He scorned a life of ease. He preferred the unmarked path of adventure. He was ever carried forward by the zeal to serve mankind.

La Fayette's faith in the triumph of liberty in America and in France was not unfounded. Down through the years of the nineteenth century that liberty for which he fought on two continents, that liberty which was his very lifeblood, spread throughout Europe. The movement which had been started by Magna Carta and the Bill of Rights was given new life by the Declaration of Independence and the Declaration of Rights of Man. Everywhere there was a new birth of freedom.

"And then suddenly, as though it had stepped out of the Middle Ages", as Brand Whitlock said at La Fayette's tomb in 1917; "autocracy, reincarnated in a military despotism with a camouflage of culture, made its apparition in the modern world, ready to tear up all the charters of human liberty, to destroy the work of centuries. It challenged the validity of the principles on which democratic nations rest, and with them the noblest and most exalted conceptions of the human mind. It impugned justice, it sneered at liberty, it scorned compassion, it flouted honor, and in the name of the amazing theory that any deed is right if one has the brute force to commit it, it would take away what Lincoln called 'the last, best hope of man.'"

What was the reply of the rest of humanity? As if fate had planned it, the first battle of the Marne began on La Fayette's birthday.

At that moment the liberty of France and the liberty of the world were preserved. Out of that battle came new courage and new vigor to continue the fight for the liberty of mankind.

Because the Allied Powers were fighting for an ideal, the United States could not be kept out of the war. For many years America's debt to La Fayette remained unpaid; but finally, 140 years after the gallant French youth had single-handed come to the aid of a struggling nation, General Pershing, in command of the American Expeditionary Forces, and his aide, Colonel Stanton, stood at his grave and announced to the world. "La Fayette, nous sommes ici." La Fayette's mission had not been in vain, for now it was returned in kind.

Stronger than any treaty, any scrap of paper, this love for La Fayette and for his native France has lived through the years. It is inscribed in the hearts of the American people. And in spite of temporary reverses, the ideal which produced the Declaration of Independence and the United States, which brought La Fayette and France to America, which wrote the declaration of the rights of man, which fired the French troops with new strength at the Marne, and which transported American soldiers to France, lives on.

ADDRESS OF COL. MAURICE F. DAY, M. C., BRITISH MILITARY ATTACHÉ

The Revolutionary War took place so long ago that there is no one alive now who remembers it. Therefore it has merged into the romance of history and the historical novel.

The Battle of the Marne is not old enough for that yet. Parents are still alive who lost their sons in it—some day it will be, however, and then bygones will become bygones too—we will hope so, anyway.

Nobody wants war. Least of all we soldiers who have to bear the brunt of it.

We train for war just as the Army football team trains for its matches here at West Point. Otherwise it could not win. Nor could an army do its job without training, and that job is to produce peace as quickly as possible.

England and America compete against each other in all sorts of games and sports and neither begrudges the other any victories that may come along.

Once more I should like to thank you for having me here today and to say how much I enjoy sitting here between my colleagues from France and Belgium.

In introducing the Honorable Raoul E. L. Grenade, representing the Belgian Embassy, Maurice Léon, chairman, said:

The Christian Era was begun with the loftiest example of heroism known to mankind. Since that day the spirit of each nation has been expressed at its best by those who came nearest to the Christian ideal; France had Roland, who fell at Roncevaux; Louis IX of the name her sainted King; Bayard, the fearless, stainless knight; Joan of Arc, the holy, the dauntless maid who saved her people. Britain shared with France Arthur and his knights, and she had her own Alfred, the noblest of England's Kings. We of this country have had Washington and Lincoln, and we share with France the youngest major general of the Continental Army—La Fayette—whom we now honor. But in the twentieth century it was for Belgium to give us the foremost successor to the Christian heroes. He belongs to her because she gave him, but he belongs to all Christendom because what he stood for was the quintessence of the Christian spirit at its best. As long as civilized man shall endure, Albert I, of Belgium, shall be loved and revered as the peer of the Christian heroes I have named. He saved his people by upholding their honor and his own at a time when mere expediency would have suggested that he submit to irresistible force. He thus gave the world such an example of honor firmly adhered to in the face of overwhelming odds and fortitude during the long years of struggle and suffering which followed as to renew the faith of men in God, for the spirit of God is in such men as Albert I, who will go down in history as Albert the Great. He could say, as King Alfred had said in his day:

"My will was to live worthily as long as I lived, and after my life to leave to them that should come after, my memory in good works."

He could also say, as Alfred the Great said in his last message to his people:

"Therefore he seems to me a very foolish man, and very wretched, who will not increase his understanding while he is in the world, and ever wish and long to reach that endless life where all shall be made clear."

Albert, of Belgium, this year reached that endless life where all is made clear. His glorious soldiers of 1914 are represented here most fittingly by one who shed his blood on the Yser in the great battle which followed the Marne. It is a privilege for me to introduce the Honorable Raoul Grenade, the Belgian representative, and to ask him to convey to his sovereign, His Majesty Leopold III, our heartfelt tribute to his father in expressing which we associate the name of that most noble of women, Her Majesty Queen Dowager Elizabeth.

SPEECH OF HON. M. RAOUL GRENADE, COMMERCIAL COUNSELOR OF THE BELGIAN EMBASSY

On behalf of all my fellow countrymen, I want to express our grateful appreciation of the eloquent tribute which Mr. Maurice Léon has paid to the memory of our heroic and lamented sovereign, who with undaunted courage and matchless leadership guided our nation through the perils of war and the dangers of peace, and restored Belgium again, as a free people, to her high place among the nations of the earth.

His dauntless courage, his noble character, his unswerving devotion to justice and honor are recorded in the hearts of his people and in the Golden Book of the world's history. In the midst of our mourning for his loss we look forward with confidence to the future, for his baton of leadership has passed to the competent hands of his son, our present sovereign, His Majesty King Leopold III, who was himself a soldier in the Great War and who is endowed with those same high qualities of head and heart of which his illustrious father was so great an exemplar.

We are met here today to commemorate two great events in the world's history: The birth of La Fayette and the first Battle of the Marne, both of which are landmarks in the progress of human liberty. It is a privilege to associate ourselves with you on this occasion. We venerate the ideals of that young French officer who offered his sword to Washington in the cause of American independence, and who, throughout his life, ever fought and suffered for freedom. We rejoice with you in commemorating the victory of the Marne, the crucial battle of the war, which ensured the safety and continuance of those ideals of liberty and justice for which La Fayette and Washington had fought.

(After the playing of the Marseillaise the meeting was adjourned and the review of cadets took place.)

TO MATCH INDUSTRY

Mr. CULKIN. Mr. Speaker, I ask permission to revise and extend my remarks this afternoon on the subject of Attorney General Homer S. Cummings, and further I ask unanimous consent to extend my remarks by printing in the RECORD a report of the meeting held at Graystone as reported in the New York Times. This is in connection with my discussion with the gentleman from Tennessee on the match situation in America.

Mr. BLANTON. That was taken up with the gentleman from Tennessee and agreed to by him?

Mr. CULKIN. He had no objection at that time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a clipping from the New York Times of date November 11, 1934, on the report of meeting of Kreuger reorganizers, and containing a reference to Norman H. Davis and L. A. Steinhardt, United States Minister to Sweden, which was referred to in the discussion on the tariff of Sweden on this date.

KREUGER REORGANIZERS HERE FROM ABROAD TO DISCUSS PLANS—LUNCH AT UNTERMYER HOME

Twenty-four American and foreign business men and economists interested in the reorganization of properties of the late Ivar Kreuger were guests of Samuel Untermyer at luncheon yesterday at his country estate, Greystone, in Yonkers.

Mr. Untermyer, who is senior counsel for a group of independent committees organized after the bankruptcy of the International Match Corporation and represents holders in the United States in this and other Kreuger companies, said that the gathering was an informal one and that there was nothing to say except that plans were being made to salvage properties of some of the Kreuger companies.

It was announced that Mr. Untermyer and his guests would participate in a series of business conferences to be held soon at 40 Wall Street on the reorganization of the Kreuger & Toll Co., the Swedish Match Co., and International Match. Americans had invested $350,000,000 in the Kreuger properties before their collapse and before Mr. Kreuger's suicide in March 1932.

Fifteen of the guests have come from England, Sweden, and other European countries to attend the conferences. The party included George O. May, senior partner in Price Waterhouse & Co., a firm of public accountants, which is alternate for Norman H. Davis, general chairman of a committee in charge of the general reorganization of the three big Kreuger companies; Jacob Wallenberg and Martin Ferhr, directors of the Swedish Riksbank and representatives of the Swedish Government on the official committee of investigation into Kreuger's affairs at Stockholm; Svon Lindeberg, Swedish liquidator of Kreuger & Toll; M. Gabrielsson, P. S. Carlberg, and Messrs. Settenberg, Ljungberg, and Wetter of Sweden, and L. A. Steinhardt, United States Minister to Sweden.

It was announced recently that Messrs. Ferhr and Lindeberg had come here to confer with representatives of the Marine Midland Trust Co. as successor trustee under the indenture securing Kreuger & Toll debentures which were sold in this country, and with Grayson M. P. Murphy and Bainbridge Colby, heads of the debenture holders' protective committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ASHBROOK, for 2 days, on account of important business.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 88. Joint resolution making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 88. Joint resolution making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Thursday, February 7, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

198. A letter from the president and the secretary of Mount Rushmore National Memorial Commission, transmitting the sixth annual report of the Commission (H. Doc. No. 30); to the Committee on the Library, and ordered to be printed.

199. A letter from the vice chairman of the national legislative committee of the American Legion, transmitting proceedings of the Sixteenth National Convention of the American Legion, held at Miami, Fla., October 22, 23, 24, and 25, 1934 (H. Doc. No. 47); to the Committee on World War Veterans' Legislation, and ordered to be printed with illustrations.

200. A letter from the Secretary of War, transmitting draft of a proposed bill to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COLDEN: Committee on the Disposition of Useless Executive Papers. A report on the disposition of papers in the Government Printing Office (Rept. No. 72). Ordered to be printed.

Mr. McSWAIN: Committee on Military Affairs. H. R. 5232. A bill to amend the National Defense Act; without amendment (Rept. No. 73). Referred to the Committee of the Whole House on the state of the Union.

Mr. KERR: Committee on Immigration and Naturalization. House Joint Resolution 71. Joint resolution to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States or the Territories thereof, to authorize appropriations to accomplish that result, and for other purposes; without amendment (Rept. No. 74). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 5087) for the relief of Edward M. Brown; Committee on the Post Office and Post Roads discharged, and referred to the Committee on the Civil Service.

A bill (H. R. 3159) for injury sustained by Robert W. Krieger; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAYBURN: A bill (H. R. 5423) to provide for control in the public interest of public-utility holding companies using the mails and the facilities of interstate commerce, to regulate the transmission and sale of electric energy and natural gas in interstate and foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDREWS of New York: A bill (H. R. 5424) to provide that foreign-trade agreements must be ratified by the Senate; to the Committee on Ways and Means.

By Mr. BROWN of Georgia: A bill (H. R. 5425) to provide for the improvement and extension of levees on the Savannah River at Augusta, Ga.; to the Committee on Flood Control.

By Mr. CARTER: A bill (H. R. 5426) to amend the Shipping Act, 1916, as amended, for the purpose of further regulating common carriers by water; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 5427) amending sections 2 and 3 of the Intercoastal Shipping Act, 1933, for the purpose of further regulating common carriers by water in interstate commerce of the United States engaged in transportation by way of the Panama Canal; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CELLER: A bill (H. R. 5428) to amend an act entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes", approved January 31, 1935; to the Committee on Banking and Currency.

By Mr. BUCK: A bill (H. R. 5429) to improve the navigability and to provide for the flood control of the Sacramento and San Joaquin Rivers and their tributaries; to provide for the agricultural and industrial development of the said river basins, and for other purposes; to the Committee on Flood Control.

By Mr. COLMER: A bill (H. R. 5430) to provide for the immediate settlement of the obligation of the Joe Graham Post of the American Legion arising out of the purchase of the Ship Island Military Reservation; to the Committee on Military Affairs.

Also, a bill (H. R. 5431) to exempt a limited quantity of cotton produced by small producers from the cotton-ginning tax under the Cotton Act of 1934, to authorize transfers or assignments of exemption certificates under such act outside the county, to provide for the payment of compensation to operators of cotton gins who incur additional expenses by reason of the operation of such act, and for other purposes; to the Committee on Agriculture.

By Mr. DINGELL: A bill (H. R. 5432) extending the classified civil service to include special-delivery messengers; to the Committee on the Civil Service.

Also, a bill (H. R. 5433) to terminate the taxes on motor vehicles and accessories and tires and tubes; to the Committee on Ways and Means.

By Mr. DOCKWEILER: A bill (H. R. 5434) to make certain corrections in the promotion list of the Regular Army of the United States; to the Committee on Military Affairs.

By Mr. DRIVER: A bill (H. R. 5435) for the control of floods in the St. Francis River in Missouri and Arkansas, and for other purposes; to the Committee on Flood Control.

By Mr. FORD of Mississippi: A bill (H. R. 5436) to provide for the construction of the Natchez Trace Parkway; to the Committee on Roads.

By Mr. HARTLEY: A bill (H. R. 5437) to regulate the shipment in interstate commerce, the manufacture, sale, importation, exportation, and use (except for lawful purposes) of explosives, brass knuckles, stilettos, machine guns, tear gas, tear bombs, and other weapons and instrumentalities used in the perpetration of crimes of violence; to the Committee on Interstate and Foreign Commerce.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 5438) to provide for old-age pensions; to the Committee on Ways and Means.

Also, a bill (H. R. 5439) to amend the World War Compensation Act; to the Committee on Ways and Means.

By Mr. JONES: A bill (H. R. 5440) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes; to the Committee on Agriculture.

By Mr. McGEHEE: A bill (H. R. 5441) to provide for the construction of the Natchez Trace Parkway; to the Committee on Roads.

By Mr. NICHOLS: A bill (H. R. 5442) authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901; to the Committee on Indian Affairs.

By Mrs. NORTON: A bill (H. R. 5443) to regulate the election of delegates representing the District of Columbia to national political conventions; to the Committee on the District of Columbia.

By Mr. RAYBURN: A bill (H. R. 5444) to authorize the Department of Commerce to make special statistical studies upon the payment of the cost thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STACK: A bill (H. R. 5445) to renew appointments to regular positions in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5446) to authorize the appropriation of $100,000,000, or so much thereof as may be necessary, to locate and construct through the States of Virginia, North Carolina, Tennessee, Kentucky, and West Virginia, and the District of Columbia, a highway to be known as "Eastern National Park-to-Park Highway"; to the Committee on Roads.

By Mr. TINKHAM: A bill (H. R. 5447) to provide for dispensing with oath or affirmation as a method of verifying certain written instruments; to the Committee on the Judiciary.

By Mr. WERNER: A bill (H. R. 5448) to provide for the erection of a monument in memory of the Indian soldiers of the Standing Rock Indian Reservation, S. Dak., who lost their lives in the World War; to the Committee on Indian Affairs.

By Mr. WHITE: A bill (H. R. 5449) to provide for the development of hydroelectric power at Cabinet Gorge on the Clark Fork of the Columbia River in the proximity of the Montana-Idaho State line, and for the rehabilitation of irrigation districts, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WOODRUFF: A bill (H. R. 5450) to amend subdivisions (a) and (b) of section 400 of the Revenue Act of 1926, as amended, relating to taxes on cigars and cigarettes; to the Committee on Ways and Means.

By Mr. GRAY of Pennsylvania: A bill (H. R. 5451) to prohibit requiring dependence on relief as a condition of employment in certain cases; to the Committee on Expenditures in the Executive Departments.

By Mr. LEMKE: A bill (H. R. 5452) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. MEAD: A bill (H. R. 5453) to extend the classified civil service to postmasterships of the first, second, and third classes, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. ROMJUE: A bill (H. R. 5454) to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. SUMNERS of Texas: A bill (H. R. 5455) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended; to the Committee on the Judiciary.

Also, a bill (H. R. 5456) relating to the powers and duties of United States marshals; to the Committee on the Judiciary.

By Mr. HARLAN: A bill (H. R. 5493) granting the members of the Cabinet the right of debate on the floor of Congress; to the Committee on the Judiciary.

By Mr. DICKSTEIN: A bill (H. R. 5494) to amend chapter 6 of title 33 of the Code of Laws of the United States of America by defining a shipping casualty, and creating a Shipping Casualty Investigation Board, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. LUDLOW: Joint resolution (H. J. Res. 159) proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war; to the Committee on the Judiciary.

By Mr. PALMISANO: Joint resolution (H. J. Res. 160) authorizing the War Department to permit the Old Guard, Maryland National Guard, the use of certain reserve ordnance stores; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Colorado, supporting the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New Mexico, supporting payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of New Hampshire, regarding taxation by the Federal Government of net income from the sale of liquor by the State; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, supporting the Home Owners' Loan Corporation bill; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Idaho, urging passage of an old-age pension; to the Committee on Labor.

Also, memorial of the Legislature of the State of South Carolina, supporting the seed-loan bill; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Indiana, regarding the continuation of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Indiana, regarding the passage of an antilynching law; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Idaho, regarding the manufacture of munitions of war; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of North Carolina, supporting Senate bill 212 and House bill 2066; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Missouri, urging immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Washington, urging that ample funds be provided to fully investigate the munition makers; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Washington, urging immediate payment of the bonus; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 5457) granting a pension to Sarah Ann Jarvis; to the Committee on Pensions.

By Mr. ASHBROOK: A bill (H. R. 5458) for the relief of Charles Schilliger; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H. R. 5459) granting a pension to Matteo Linguiti; to the Committee on Pensions.

By Mr. DARDEN: A bill (H. R. 5460) for the relief of George T. Easton; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 5461) to allow the Distinguished Service Cross for service in the World War to be awarded to Abe L. LeVine; to the Committee on Military Affairs.

By Mr. DRISCOLL: A bill (H. R. 5462) granting an increase of pension to Mary A. Lindy; to the Committee on Invalid Pensions.

By Mr. FENERTY: A bill (H. R. 5463) for the relief of Raymond Kent; to the Committee on Military Affairs.

By Mr. COLLINS: A bill (H. R. 5464) for the relief of L. J. Landry; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 5465) granting a pension to Arthur C. Isenberg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5466) granting an increase of pension to Elizabeth Koontz; to the Committee on Invalid Pensions.

My Mr. HOEPPEL: A bill (H. R. 5467) granting a pension to Anna Olson; to the Committee on Pensions.

Also, a bill (H. R. 5468) granting a pension to John V. Wakkinen; to the Committee on Pensions.

By Mr. IMHOFF: A bill (H. R. 5469) granting a pension to Bessie Humphrey; to the Committee on Pensions.

By Mr. KENNEY: A bill (H. R. 5470) for the relief of the estate of Peter Duffy; to the Committee on War Claims.

By Mr. KNIFFIN: A bill (H. R. 5471) granting an increase of pension to Christena Huffman; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 5472) granting a pension to Susie O. Myers; to the Committee on Invalid Pensions.

By Mr. LAMBETH: A bill (H. R. 5473) granting a pension to Grace B. Everett; to the Committee on Pensions.

By Mr. LORD: A bill (H. R. 5474) for the relief of Lt. M. T. Grubham; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 5475) for the relief of Henry Irving Riley; to the Committee on Military Affairs.

By Mr. PEYSER: A bill (H. R. 5476) for the relief of the heirs of Edward P. Frank, deceased; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 5477) granting a pension to Samuel Smith; to the Committee on Pensions.

Also, a bill (H. R. 5478) for the relief of Charles Jenkins; to the Committee on Claims.

Also, a bill (H. R. 5479) for the relief of Don M. Nixon, Jr.; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 5480) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Richard Williams; to the Committee on Claims.

Also, a bill (H. R. 5481) granting a pension to Henry Combs; to the Committee on Pensions.

Also, a bill (H. R. 5482) granting an increase of pension to William R. Neal; to the Committee on Pensions.

By Mr. SAUTHOFF: A bill (H. R. 5483) granting a pension to Emma Minday Burgess; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5484) for the relief of John E. Ford; to the Committee on Military Affairs.

Also, a bill (H. R. 5485) for the relief of George H. Stahl; to the Committee on Military Affairs.

By Mr. SHORT: A bill (H. R. 5486) granting a pension to Agnes P. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5487) granting an increase of pension to Margaret Cone; to the Committee on Invalid Pensions.

By Mr. SMITH of Washington: A bill (H. R. 5488) for the relief of John Pitkanen; to the Committee on Claims.

By Mr. TERRY: A bill (H. R. 5489) for the relief of James O. Comer and Eben D. Comer; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 5490) granting an increase of pension to Margaret T. Deaver; to the Committee on Invalid Pensions.

By Mr. WALTER: A bill (H. R. 5491) for the relief of Bethlehem Fabricators, Inc.; to the Committee on Claims.

By Mr. WHITTINGTON: A bill (H. R. 5492) for the relief of Henry Scipper; to the Committee on Claims.

By Mr. DOCKWEILER: Joint resolution (H. J. Res. 158) authorizing a preliminary examination or survey of Santa Monica Harbor, Calif.; to the Committee on Rivers and Harbors.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

858. By Mr. ARNOLD: Petition of interested citizens of Illinois, advocating the passage of a national old-age pension; to the Committee on Ways and Means.

859. By Mr. BACHARACH: Petition of the United Catholic Action of St. Peter's Roman Catholic Church, Pleasantville, N. J., protesting against the retention of Josephus Daniels as Ambassador to Mexico; to the Committee on Foreign Affairs.

860. By Mr. BACON: Petition of seven residents of Southhampton, Long Island, N. Y., urging the enactment of

House bill 2856, an old-age pension bill; to the Committee on Ways and Means.

861. Also, petition of Bishop Malloy Council, Knights of Columbus, of Freeport, Long Island, N. Y., protesting against the present political conditions and religious persecution in Mexico; to the Committee on Foreign Affairs.

862. By Mr. BOYLAN: Resolution adopted by Council No. 502, Knights of Columbus, New York City, regarding conditions in Mexico; to the Committee on Foreign Affairs.

863. By Mr. BRUNNER: Resolution of the Morris Park Council, No. 566, Knights of Columbus, Richmond Hill, N. Y., regarding the conditions in Mexico; to the Committee on Foreign Affairs.

864. By Mr. BUCKLER of Minnesota: Petition of Mrs. E. A. Lundquist and J. W. Durham, of Roseau, and 36 other citizens of the communities of Roseau, Malung, Ross, Greenbush, Salol, Badger, and Warroad, all of the State of Minnesota, praying for passage into law of the Townsend old-age pension plan; to the Committee on Ways and Means.

865. Also, petition of John J. Hovorka, of Strathcona; Frank F. Ryan, of Greenbush; and 62 other citizens of the communities of Strathcona, Greenbush, Badger, Middle River, Warroad, and Wannaska, Minn., praying for passage into law of the Townsend old-age pension plan; to the Committee on Ways and Means.

866. By Mr. COLDEN: Assembly Joint Resolution No. 6, chapter 30, adopted by the California Legislature, in the assembly on January 18 and in the senate on January 22, 1935, together with letter of transmittal from the office of the Governor of California under date of February 1, 1935, memorializing the President and Congress to carefully consider the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

867. By Mr. COSTELLO: Assembly joint resolution of the State of California, requesting consideration of the plan for old-age pension; to the Committee on Ways and Means.

868. By Mr. FENERTY: Petition of sundry citizens of the twentieth ward of the city of Philadelphia, urging enactment of legislation providing for a pension of $30 to $50 a month for all persons over 60 years of age; to the Committee on Ways and Means.

869. By Mr. FORD of California: Resolution of the Assembly and the Senate of the State of California, requesting the President and Congress of the United States to carefully consider the enactment of an old-age pension law and study the Townsend plan of old-age revolving pension; to the Committee on Ways and Means.

870. By Mr. HILDEBRANDT: Petition of the Mid West Municipalities, requesting consideration of a site on the Missouri River, a few miles upstream from Yankton, S. Dak., known as Gavin's Point, which, because of the narrowness of the stream at this point, the high banks, and the substantial character of the terrain for anchorage purposes, is ideally adapted for the construction of a dam, and because of its accessibility to the richest and most populous territory in the State and parts of three contiguous States, is just as suitably located for purposes of hydroelectrification; to the Committee on Military Affairs.

871. By Mr. HOEPPEL: Resolution of a mass meeting held in El Monte, Calif., representing a population of 30,000 people, urging that the Townsend old-age pension bill be reported out of committee in the House, that it be fully explained in the Senate before any social security legislation is passed, and that it be enacted into law; to the Committee on Ways and Means.

872. Also, resolution of the Santa Barbara (Calif.) County Farm Bureau, vigorously protesting against any reduction whatsoever in the present tariff schedules on lemons, walnuts, mustard, and olives, and urging that every effort be made to prevent the lowering of the tariff on these commodities; to the Committee on Ways and Means.

873. Also, petition of the Navy Post, No. 278, American Legion, Department of California, urging the enactment of legislation for the immediate payment of the face value of all adjusted-service compensation certificates, together with cancelation of all interest due and unpaid, and refunding of all interest heretofore paid; to the Committee on Ways and Means.

874. By Mr. HOLLISTER: Resolution adopted by Cincinnati Division, No. 137, of the Order of Benefit Association of Railway Employees, Cincinnati, Ohio, supporting enactment of legislation to modify the fourth section of the Interstate Commerce Act as recommended by the Federal Coordinator of Railroads; to the Committee on Interstate and Foreign Commerce.

875. By Mr. SISSON: Petition of residents of the Thirty-third District of New York, favoring Townsend old-age pension plan; to the Committee on Ways and Means.

876. By Mr. LAMNECK: Petition of Mrs. William Clymer, of 1987 Chatfield Road, and other citizens of Columbus, Ohio, urging the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

877. By Mr. LUNDEEN: Petition of the city council of the city of Columbia Heights, Minn., urging the enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

878. Also petition of the city council of the city of Minneapolis, Minn., favoring the immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

879. Also, petition of the City Council of the City of Minneapolis, Minn., favoring the enactment of the Townsend plan of old-age pension; to the Committee on Ways and Means.

880. By Mr. MILLER: Petition of Bettie Love and other citizens of Monroe County, Ark., urging enactment of an adequate old-age pension; to the Committee on Ways and Means.

881. Also, petition of L. E. Akin and other citizens of Stone County, Ark., urging enactment of an adequate old-age pension; to the Committee on Ways and Means.

882. Also, petition of Mary Jones and other citizens of Independence County, Ark., urging enactment of an adequate old-age pension; to the Committee on Ways and Means.

883. Also, petition of Carrie Bullocks and other citizens of Jackson County, Ark., urging enactment of an adequate old-age pension; to the Committee on Ways and Means.

884. Also, petition of S. C. Sherrell and other citizens of Fulton County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

885. Also, petition of citizens of Sharp County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

886. Also, petition of Nancy Jane Bass and other citizens of Randolph County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

887. Also, petition of H. H. Ingle and other citizens of Prairie County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

888. Also, petition of C. D. Baugh and other citizens of White County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

889. Also, petition Onie Alexander and other citizens of White County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

890. Also, petition of Henretta N. Sutton and other citizens of Monroe County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

891. By Mr. MOTT: Petition signed by 107 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

892. Also, petition signed by 13 citizens of Clackamas County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

893. Also, petition signed by 28 citizens of Marion County, Oreg., urging the enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

894. Also, petition signed by 29 citizens of Douglas County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

895. Also, petition signed by 589 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

896. Also, petition signed by 761 citizens of Linn County, Oreg., urging enactment of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

897. By Mr. PFEIFER: Petition of the Commercial Cable Staffs' Association, New York City, opposing mergers in the communications field; to the Committee on Interstate and Foreign Commerce.

898. Also, petition of Verhovay Aid Association, Pittsburgh, Pa., favoring certain bills introduced in Congress providing for unemployment insurance, old-age insurance, etc.; to the Committee on Ways and Means.

899. Also, petition of the Minnesota Society, Sons of the American Revolution, to prevent the dissemination of communistic propaganda; to the Committee on the Judiciary.

900. By Mr. RANDOLPH: Petition of citizens from 11 counties of the Second West Virginia Congressional District, relative to passage of old-age pension legislation; to the Committee on Ways and Means.

901. By Mr. TAYLOR of Tennessee: Petition of W. M. Anderson and others of Knoxville, A. J. Creech and others of Habersham, A. J. Tidwell and others of Jacksboro, R. F. Lane and others of Clinton, A. L. Malone and others of Maynardville, P. Thompson and others of Winfield, J. E. Sweet and others of Fountain City, and J. M. Harmon and others of Lafollette, Tenn., favoring old-age pensions; to the Committee on Ways and Means.

902. By Mr. TARVER: Petition of W. R. Henton and 50 other citizens, of Floyd County, and W. H. Ballew and 19 other citizens, of Murray County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

903. By Mr. TINKHAM: Petitions of residents of Massachusetts, favoring the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

904. By the SPEAKER: Petition of the American Science Foundation, Kansas City, Mo., urging immediate payment of the bonus; to the Committee on Ways and Means.

905. Also, petition of the National Association of Real Estate Boards, regarding the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

906. Also, petition of the city of Portland, Oreg., urging repeal of section 15 of the present air-mail act; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 7, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal Father, creator and preserver of our life, who sleepest not, yet givest sleep to all the creatures of Thy hand; we yield Thee humble thanks for Thy sheltering care during the night that is past, as, with grateful hearts, we rise on the wings of the morning to meet Thy blessing.

Lead us this day to the door of utter self-surrender to Thy will, that we may find the Christ and walk with Him the way of life. Grant us to covet with a fervent mind only those things that shall be pleasing unto Thee, and give us grace that we may wisely ponder them, truly know them, and perfectly fulfill them to Thy honor and glory and the benefit of our beloved country, to the service of which we gladly dedicate our all. We ask it in the name of Jesus Christ, our Lord and Savior. Amen.

THE JOURNAL

The legislative clerk proceeded to read the Journal of the proceedings of Wednesday, February 6, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Cutting	Lonergan	Schwellenbach
Bankhead	Davis	Long	Sheppard
Barbour	Dickinson	McAdoo	Shipstead
Barkley	Donahey	McCarran	Smith
Bilbo	Duffy	McGill	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Glass	Moore	Truman
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Harrison	Norbeck	Walsh
Capper	Hastings	Norris	Wheeler
Caraway	Hatch	Nye	White
Carey	Hayden	O'Mahoney	
Clark	Johnson	Pittman	
Connally	Keyes	Radcliffe	

Mr. BORAH. I desire to announce the necessary absence of my colleague [Mr. POPE] on account of illness, and ask that this announcement stand for the day.

Mr. LEWIS. I announce the absence of the junior Senator from Louisiana [Mr. OVERTON], caused by illness; the absence of my colleague the junior Senator from Illinois [Mr. DIETERICH], who has been called on official business to the State of Illinois; and the absence of the Senator from Maryland [Mr. TYDINGS] and the Senator-elect from Tennessee [Mr. MCKELLAR], who are engaged on business of the Senate in connection with the Philippine Commission.

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent on business of the Senate in connection with the Philippine Commission.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

REPORT OF THE BELLEAU WOOD MEMORIAL COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the honorary president of the Belleau Wood Memorial Association, transmitting, pursuant to law, a report of the association for the year ended December 31, 1934, which, with the accompanying report, was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Nevada, memorializing Congress to enact legislation providing for the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. MCCARRAN on the 6th instant, p. 1509, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of New Hampshire, relating to taxation by the Federal Government of net income from the sale of liquor by the State, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. KEYES on the 4th instant, pp. 1417–1418, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to provide relief for farmers in drought-stricken agricultural areas in Wisconsin, which was ordered to lie on the table.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 1629.)

The VICE PRESIDENT also laid before the Senate a resolution of the Legislature of the State of Nebraska, memorializing Congress to enact legislation establishing General Pulaski's Memorial Day, for the observance and commemo-

ration of the death of Brig. Gen. Casimir Pulaski, which was referred to the Committee on the Judiciary.

(See resolution printed in full when presented on yesterday by Mr. NORRIS, p. 1510, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of Cleveland, Ohio, protesting against the adoption of a policy suggested in an official Government bulletin, setting forth a segregation plan to be instituted in Cedar-Central housing project no. 1001, which was referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of P. W. Harms and several other citizens of Berkeley, Calif., praying for the adopted of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also laid before the Senate a letter from Hon. F. A. DELGADO, Philippine Resident Commissioner to the United States, embodying the résumé of a resolution received from Gen. Emilio Aguinaldo, head of the Veterans of the Philippine Revolution, and adopted by that organization, favoring the granting of Philippine independence within 5 years, and protesting against certain alleged remarks made in Paris by the Senator from Maryland [Mr. TYDINGS] to the effect that the Filipino people made a mistake in demanding independence, and also protesting against an alleged statement of Commissioner GUEVARA favoring the establishment of a protectorate for 25 years over the Philippine Islands, which was referred to the Committee on Territories and Insular Affairs.

Mr. SHIPSTEAD presented resolutions adopted by members of the United States Old-Age Pension Association, of Cottonwood County, at Windom, Minn., favoring the enactment of old-age-pension legislation, operating through a revolving fund as outlined in the so-called "Townsend plan", which were referred to the Committee on Finance.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Appropriations:

STATE OF WISCONSIN.

Joint resolution memorializing the Congress to enact a highway-safety program

Whereas over 750,000 motor-vehicle accidents in the United States each year cause the death of almost 35,000 persons, injuries to over 1,000,000 of our citizens, and property losses estimated at over $1,000,000,000; and

Whereas improvements of our highways, with the objective of safety, such as widening of shoulders, culverts, and bridges, thus minimizing dangers of ditches and end walls, easing sharp curves and turns, banking flat curves, increasing vision at intersections and curves and elimination of other traffic hazards, will decrease this appalling toll; and

Whereas such a program would furnish employment to hundreds of thousands of our citizens; and

Whereas the Federal program known as the "C. C. C." is one of the most popular throughout the country: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Wisconsin Legislature respectfully urges the serious consideration by the President and the Congress of a program to be known as the "highway safety corps", patterned after the C. C. C., to carry out a highway-safety program, thus accomplishing much needed improvements of our highways and providing employment, which program would pay large dividends to the public by cutting down the staggering cost of motor-vehicle accidents, now causing deaths and injuries comparable to our casualties in the World War; and be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States and the United States Senators and Representatives from Wisconsin.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. LA FOLLETTE also presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution relating to memorializing the Congress of the United States to provide relief for farmers in drought-stricken agricultural areas in Wisconsin

Whereas the foremost industry in Wisconsin is dairying, and its farm population is dependent almost entirely on this source of income for its existence; and

Whereas the dairy herds of the State have been bred up and developed to a standard of excellence that has gained them not only national but international reputation; and

Whereas, due to one of the worst droughts in the history of the State, early season crops and small grains were ruined in large areas in the northern part of the State and in many smaller areas throughout the rest of the State; and

Whereas the critical situation of the farmers was accentuated by succeeding forest fires and killing August frosts; and

Whereas many thousands of farmers in this State have been forced to reduce their herds to less than will warrant support of the average farm family, and are still in need, and must obtain help to feed their remaining cattle; and

Whereas the constructive work that has been done through the toil of these people over a period of many years should not now be jeopardized for want of the necessary credit: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin hereby respectfully memorializes the Congress of the United States to provide the necessary machinery and credit to provide loans and relief to the drought-stricken farmers of Wisconsin upon satisfactory terms: Be it further

Resolved, That the properly attested copies of this resolution be transmitted to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to enact the pending so-called "billion-dollar Home Owners' Loan Corporation bill", which was referred to the Committee on Banking and Currency.

(See joint resolution printed in full when presented by Mr. DUFFY on yesterday, p. 1509, CONGRESSIONAL RECORD.)

TOWNSEND OLD-AGE-PENSION PLAN

Mr. BORAH. I present a number of petitions with regard to old-age pensions having particular reference to the Townsend plan. I ask that the body of one of the petitions may be printed in the RECORD and that they be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, it is so ordered.

The petitions presented by Mr. BORAH, numerously signed by sundry citizens of the State of Idaho, praying for the adoption of the so-called "Townsend old-age revolving pension plan", were referred to the Committee on Finance, and the body of one of the petitions was ordered to be printed in the RECORD, as follows:

To the Honorable W. E. BORAH,
Senator, State of Idaho:

The undersigned citizens of the United States request you to introduce in the Congress of the United States at your earliest opportunity the following bills and use your utmost effort to obtain their passage into law:

First. A bill obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his or her life upon the sole conditions that he or she retires from all further business or profession for gain, and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received.

Second. A bill creating a Nation-wide Federal transaction sales tax calculated at a rate sufficiently high to produce the revenue necessary to meet the requirements of bill no. 1.

It is obvious that the passage of these acts and the beginning of their operation will discharge the Nation's obligation to a class of her citizens deserving this reward for past services and at the same time place immediate buying power in the hands of the general public, thus stimulating every avenue of commerce and trade. A quick cure for this depression and a sure prevention of recurring ones.

REPORTS OF COMMITTEES

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 890) for the relief of Michael J. Moran, reported it without amendment and submitted a report (No. 65) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 891) for the relief of Hector H. Perry, reported it without amendment and submitted a report (No. 66) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 888) for the relief of Joseph Gorman, reported it without amendment and submitted a report (No. 67) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 889) for the relief of Albert A. Marquardt, reported it without amendment and submitted a report (No. 68) thereon.

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 887) for the relief of Edward T. Costello, reported it without amendment and submitted a report (No. 69) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 1309) to amend section 114 of the Judicial Code to provide for terms of District Court for the Western District of Wisconsin to be held at Wausau, Wis., and for other purposes, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 1732) for the relief of certain persons whose cotton was destroyed by fire at Kingsland, Ark.; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 1733) for the relief of O. C. Stewart; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 1734) for the relief of Troy E. Wyatt; to the Committee on Claims.

By Mr. REYNOLDS:

A bill (S. 1735) for the relief of the estate of W. W. McPeters; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 1736) to provide for the purchase and sale of farm products; to the Committee on Agriculture and Forestry.

A bill (S. 1737) to prohibit experiments upon living dogs in the District of Columbia and providing a penalty for violation thereof; to the Committee on the District of Columbia.

By Mr. NORBECK:

A bill (S. 1738) granting an increase of pension to Lovina Kenyon;

A bill (S. 1739) granting a pension to Charles H. Carpenter;

A bill (S. 1740) granting a pension to Charlie Kills-In-Sight or Kills in;

A bill (S. 1741) granting a pension to Augustine Whitebird;

A bill (S. 1742) granting a pension to Martin Suppan;

A bill (S. 1743) granting a pension to Running Grouse;

A bill (S. 1744) granting an increase of pension to Mary C. Booth;

A bill (S. 1745) granting a pension to Mattie Gilbertson;

A bill (S. 1746) granting a pension to Lightning;

A bill (S. 1747) granting a pension to Martin Erikson;

A bill (S. 1748) granting a pension to Anthony Penson;

A bill (S. 1749) granting a pension to Emily S. Marlett;

A bill (S. 1750) granting an increase of pension to Louisa J. Rubendall;

A bill (S. 1751) granting a pension to Harriett Warne;

A bill (S. 1752) granting a pension to Howard J. Sheehan;

A bill (S. 1753) granting an increase of pension to Anna Olson;

A bill (S. 1754) granting a pension to William H. Holt;

A bill (S. 1755) granting an increase of pension to Annie Remmert;

A bill (S. 1756) granting a pension to Mabel Parker;

A bill (S. 1757) granting a pension to Mrs. Daniel Ojinca, or Bobtail Bull;

A bill (S. 1758) granting a pension to C. F. Hall, or Holley;

A bill (S. 1759) granting an increase of pension to Hugh M. Jones;

A bill (S. 1760) granting a pension to Ben C. Ash; and

A bill (S. 1761) granting a pension to Mary J. Driscoll; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 1762) for the relief of George B. Pfeiffer; to the Committee on Claims.

A bill (S. 1763) to amend the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended by the act of December 12, 1930; to the Committee on Finance.

(By request.) A bill (S. 1764) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

(By request.) A bill (S. 1765) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; and

(By request.) A bill (S. 1766) to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 1767) to amend section 751 of subchapter XII of the Code of the District of Columbia; to the Committee on the District of Columbia.

A bill (S. 1768) for the payment of the claims of citizens of the United States against the Republic of Mexico; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A bill (S. 1769) for the relief of Percy C. Wright; to the Committee on Military Affairs.

A bill (S. 1770) for the relief of Thomas T. Gessler; to the Committee on Naval Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 52) to authorize the erection on public grounds in the District of Columbia of a stone marker designating the zero milestone of the Jefferson Davis National Highway; to the Committee on the Library.

MORTGAGE AND HOUSING RELIEF

Mr. FLETCHER introduced a bill (S. 1771) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. FLETCHER. Mr. President, at this point in the RECORD I ask that a memorandum on the proposed home-loan and housing legislation may be printed.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON PROPOSED HOME-LOAN AND HOUSING LEGISLATION

(1) Section 1 amends section 2, subsection 6 of the Federal Home Loan Bank Act so as to make mortgages on 4-family houses instead of 3-family houses eligible as collateral in Federal home-loan banks. This is done to conform with the provisions in Home Owners' Loan Act of 1933 and the National Housing Act.

(2) Section 2 amends section 6, subsection (k) of said act, so as to provide for dividends on Federal home-loan bank stock without preference. This is done so as to encourage these banks to lend money at lower rates and to induce member institutions to lend more money and at lower rates.

(3) Section 3 amends section 7, subsections (a), (b), and (c) of said act so as to reduce the directorate of Federal home-loan banks from 11 to 9 and so as to provide for 3 directors to be appointed by the Federal Home Loan Bank Board, instead of 2, with 6 to be elected instead of 9. This is done to reduce the expense of operating the banks, to provide for the appointment of more public-interest directors in consideration of the Government investment, and so as to conform to land bank and Federal Reserve bank directorates.

(4) Section 4 amends section 10, subsection (a) of said act, so as to permit Federal home-loan banks to make long-term loans on Government obligations and obligations guaranteed by the Government, as well as on mortgage collateral. This is done to encourage member institutions to borrow on Home Owners' Loan Corporation bonds on long term for relending.

(5) Section 5 amends section 10, subsection (b) of said act, so as to make mortgages having a maturity up to 20 years eligible as collateral and so as to make mortgages up to $20,000 in amount instead of mortgages on property valued at $20,000 eligible as col-

lateral. This is done to conform to the insured mortgage under the National Housing Act and the Federal Savings and Loan Association mortgage.

(6) Section 6 amends section 13 of said act, so as to give consolidated Federal home-loan bank bonds or debentures the same tax status as the bonds of individual Federal home-loan banks. This is done to correct an oversight in the legislation last year.

(7) Section 7 amends section 19 of said act to provide for the receipts of the Federal Home Loan Bank Board from assessments on Federal home-loan banks and for examination of Federal Savings and Loan Association and other receipts to be deposited in the United States Treasury and withdrawn for expenses. This is done to provide the necessary flexibility for handling funds collected for examination and supervision, as is already provided by law for the Federal Reserve Board and the Comptroller of the Currency.

(8) Section 8 amends section 4, subsection (c) (1) of Home Owners' Loan Act of 1933 so as to increase the authorized bond issue of Home Owners' Loan Corporation from $3,000,000,000 to $4,500,000,000 and so as to give slightly more flexibility in calling in and retiring bonds. This is done to provide the Corporation with additional resources in its effort to assist individual home owners and to assist in solving the home-mortgages problem.

(9) Section 9 amends section 4, subsection (m) of said act by increasing from $300,000,000 to $400,000,000 the total amount which may be used for repairs and improvements.

(10) Section 10 amends section 4 of said act so as to authorize the Corporation to buy Federal home-loan bank bonds or debentures or Federal Savings and Loan Association shares. The purchase of such shares is placed on the same basis as the Secretary of the Treasury now buys the same; $250,000,000 of the resources of the Corporation is made available for this purpose. This is done to enable the Corporation to provide funds to expedite normal mortgage lending by providing cheaper money for the Federal home-loan banks than can be obtained in the market and by encouraging the development of these thrift associations.

(11) Section 11 amends section 6 of said act so as to transfer $200,000 heretofore appropriated for the purchase of Federal Savings and Loan Association shares to a fund for the continued development of Federal Savings and Loan Associations. This is done to enable the Board to continue the development of these associations and to expedite the use of private funds as well as Government funds in lending through such associations on homes.

(12) Section 12 amends section 8, subsection (d) of said act, which is the criminal section, by adding several sections of the United States Code so as to make it a Federal offense when dealing with an official or employee of Home Owners' Loan Corporation as it would be when dealing with a Government employee or official. The purpose of this is to prevent frauds against the Corporation and its property and in connection with its operations.

(13) Section 13 amends section 8 of said act so as to make it a criminal offense to charge a borrower the difference between the market value and par value of Home Owners' Loan Corporation bonds. This is done to prevent oppression of applicants for loans.

(14) Section 14 amends section 402, subsection (c), paragraph (5) of the National Housing Act, affecting Federal Savings and Loan Insurance Corporation by giving that Corporation the use of the mails and providing for its expenditures. This is done to correct an oversight in the original legislation.

(15) Section 15 amends section 403, subsection (b) of the National Housing Act, affecting said Insurance Corporation by extending from 10 years to 20 years the period during which insured institutions are required to build their maximum reserves, and by permitting an insured institution to pay dividends in any 1 year when losses are chargeable to reserves, if such are approved by the Insurance Corporation. The purpose of this is to make the insurance easier to carry and to enable insured institutions to lend at lower rates.

(16) Section 16 amends section 403, subsection (d) of the National Housing Act, affecting said Insurance Corporation, to provide for an admission fee after the first year, measured by the reserves of the Insurance Corporation. This is to correct an error in the legislation of last year.

(17) Section 17 amends section 404, subsection (a) of the National Housing Act, affecting said Insurance Corporation by changing the required annual insurance premium from one-fourth of 1 percent to one-eighth of 1 percent, and changing the additional assessment which may be made from one-fourth of 1 percent to one-eighth of 1 percent of the total amount in insured accounts, plus creditor obligations. This is done for the purpose of reducing the cost of insurance and to enable insured institutions to lend money at lower rates.

(18) Section 18 amends section 406 of the National Housing Act, affecting said Insurance Corporation, so as to give it power to make loans to, buy the assets of, or make a contribution to an insured institution, in its discretion, to prevent defaults. This is done to give the Insurance Corporation greater flexibility and enable it better to protect itself in connection with its insurance contracts.

(19) Section 19 amends the last sentence of section 2 of the National Housing Act, which is a part of title I, providing for modernization loans, so as to authorize the Federal Housing Administrator to insure not only $2,000 advanced on ordinary property, but also to insure up to $50,000 advances for financing alterations, repairs, and improvements upon apartment houses, hotels, office buildings, hospitals, commercial buildings, manufacturing and industrial plants, including installation of new permanent equipment and machinery in such manufacturing and industrial plants. This is done for the purpose of enabling the Administrator by insurance to promote work on large buildings.

(20) Section 20 amends section 301, subsection (d), of the National Housing Act so as to reduce the required capital of national mortgage associations from $5,000,000 to $2,000,000. This is done to make it easier to organize these associations.

(21) Section 21 amends section 302 of the National Housing Act so as to permit national mortgage associations to issue debentures up to 15 times the aggregate par value of outstanding capital stock instead of 10 times as at present.

(22) Section 22 requires expenditures of Home Owners' Loan Corporation, Federal Savings and Loan Insurance Corporation, and Federal Housing Administration to be submitted to the Director of the Budget for his approval before obligations are incurred or expenditures made, and provides for the Secretary of the Treasury to prescribe by regulations the method of keeping a record of such. This is done to give the Director of the Budget and the Secretary of the Treasury control over expenditures.

AMENDMENT OF GENERAL LEASING ACT

Mr. O'MAHONEY. I introduce a bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", and so forth, which I ask may be referred to the Committee on Public Lands and Surveys and published in full in the RECORD.

There being no objection, the bill (S. 1772) to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended, was read twice by its title, referred to the Committee on Public Lands and Surveys, and ordered to be printed in the RECORD, as follows:

A bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended

Be it enacted, etc., That sections 13, 14, 17, and 28 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended, are amended to read as follows:

"SEC. 13. That the Secretary of the Interior is hereby authorized, until and including July 1, 1935, but not thereafter, under such necessary and proper rules and regulations as he may prescribe, to grant to any applicant qualified under this act a prospecting permit, which shall give the exclusive right, for a period not exceeding 2 years, to prospect for oil or gas upon not to exceed 2,560 acres of land wherein such deposits belong to the United States, and are not within any known geological structure of a producing oil or gas field upon condition that the permittee shall begin drilling operations within 6 months from the date of the permit, and shall, within 1 year from and after the date of permit, drill one or more wells for oil or gas to a depth of not less than 500 feet each, unless valuable deposits of oil or gas shall be sooner discovered, and shall, within 2 years from date of the permit, drill for oil or gas to an aggregate depth of not less than 2,000 feet unless valuable deposits of oil or gas shall be sooner discovered. The Secretary of the Interior may, if he shall find that the permittee has been unable with the exercise of diligence to test the land in the time granted by the permit, extend any such permit for such time, not exceeding 2 years, and upon such conditions as he shall prescribe: *Provided*, That no extension of any permit shall be granted under the authority of this act or of any other act after July 1, 1935. Whether the lands sought in any such application and permit are surveyed or unsurveyed the applicant shall, prior to filing his application for permit, locate such lands in a reasonably compact form and according to the legal subdivisions of the public land surveys if the land be surveyed; and in an approximately square or rectangular tract if the land be an unsurveyed tract, the length of which shall not exceed two and one-half times its width, and if he shall cause to be erected upon the land for which a permit is sought a monument not less than 4 feet high, at some conspicuous place thereon, and shall post a notice in writing on or near said monument, stating that an application for permit will be made within 30 days after date of posting said notice, the name of the applicant, the date of the notice, and such a general description of the land to be covered by such permit by reference to courses and distances from such monument and such other natural objects and permanent monuments as will reasonably identify the land, stating the amount thereof in acres, he shall during the period of 30 days following such marking and posting, be entitled to a preference right over others to a permit for the land so identified. The applicant shall, within 90 days after receiving a permit, mark each of the corners of the tract described in the permit upon the ground with substantial monuments, so that the boundaries can be readily traced on the ground, and shall post in a conspicuous place upon the lands a notice that such permit has been granted and a description of the lands covered thereby: *Provided*, That in the Territory of Alaska prospecting permits not more than five in number may be granted to any qualified applicant for periods not exceeding 4 years, actual drilling operations shall begin within

2 years from date of permit, and oil and gas wells shall be drilled to a depth of not less than 500 feet, unless valuable deposits of oil or gas shall be sooner discovered, within 3 years from date of the permit and to an aggregate depth of not less than 2,000 feet unless valuable deposits of oil or gas shall be sooner discovered, within 4 years from date of permit: *Provided further*, That in said Territory the applicant shall have a preference right over others to a permit for land identified by temporary monuments and notice posted on or near the same for 6 months following such marking and posting, and upon receiving a permit he shall mark the corners of the tract described in the permit upon the ground with substantial monuments within one year after receiving such permit: *And provided further*, That any person holding a permit to prospect for oil or gas, issued under this act or extended under the authority of this or any other act in force on or after July 1, 1935, or for which timely and acceptable application for extension shall have been filed prior to said date, shall have the right prior to the termination of such permit to exchange the same for a lease to the area described in the permit without proof of discovery, at a royalty of not less than 12½ percent or value of the production, to be determined by the Secretary of the Interior by general rule and under such other conditions as are fixed in section 17 of this act."

"SEC. 14. That upon establishing to the satisfaction of the Secretary of the Interior that valuable deposits of oil or gas have been discovered within the limits of the land embraced in any permit, the permittee shall be entitled to a lease for one-fourth of the land embraced in the prospecting permit: *Provided*, That the permittee shall be granted a lease for as much as 160 acres of said lands, if there be that number of acres within the permit. The area to be selected by the permittee shall be in compact form and, if surveyed, to be described by the legal subdivisions of the public-land surveys; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease in accordance with rules and regulations to be prescribed by the Secretary of the Interior, and the lands leased shall be conformed to and be taken in accordance with the legal subdivisions of such surveys; deposits made to cover expense of surveys shall be deemed appropriated for that purpose, and any excess deposits may be repaid to the person or persons making such deposit or their legal representatives. Such leases shall be for a term of 20 years upon a royalty of 5 percent in amount or value of the production and the annual payment in advance of a rental of $1 per acre, the rental paid for any one year to be credited against the royalties as they accrue for that year, and shall continue in force as prescribed in section 17 hereof for leases issued prior to July 1, 1935. The permittee shall also be entitled to a preference right to a lease for the remainder of the land in his prospecting permit at a royalty of not less than 12½ percent in amount or value of the production, and under such other conditions as are fixed for oil or gas leases issued under section 17 of this act, the royalty to be determined by competitive bidding or fixed by such other method as the Secretary may by regulations prescribe: *Provided*, That the Secretary shall have the right to reject any or all bids."

"SEC. 17. All lands subject to disposition under this act which are known or believed to contain oil or gas deposits may be leased by the Secretary of the Interior after July 1, 1935, to the highest responsible qualified bidder by competitive bidding under general regulations. Such lands shall be leased in units of not exceeding 640 acres, which shall be as nearly compact in form as possible. Such leases shall be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall be not less than 12½ percent nor more than 25 percent in amount or value of the production, and the payment in advance of a rental to be fixed in the lease of not less than 25 cents per acre per annum, which rental shall not be waived, suspended, or reduced unless and until a valuable deposit of oil or gas shall have been discovered within the lands leased: *Provided*, That the rental paid for any one year shall be credited against the royalties as they accrue for that year.

"The Secretary of the Interior, for the purpose of more properly conserving the oil or gas resources of any area, field, or pool, shall also require that leases hereafter issued be conditioned upon an agreement by the lessee to operate under such a cooperative or unit plan for the development and operation of any such area, field, or pool, as he may approve or prescribe.

"Leases hereafter issued under this section shall be for a period of 5 years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are not within any known geological structure of a producing oil or gas field, and for a period of 10 years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are within any known geological structure of a producing oil or gas field: *Provided*, That no such lease shall be deemed to expire by reason of suspension of prospecting, drilling, or production pursuant to any order of the said Secretary: *Provided further*, That no lease on lands not within any known geological structure of a producing oil or gas field shall be issued if the Secretary shall find upon certification to him by the Director of the Geological Survey that there is no reasonable prospect of the discovery of oil or gas on the lands for which application is made: *And provided further*, That the person first making application for the lease of any lands not within any known geological structure of a producing oil or gas field who is qualified to hold a lease under this act shall during the period of 30 days after the filing of such application be entitled to a preference right over others to a lease of such lands without competitive bidding.

"Leases issued prior to July 1, 1935, under the authority of this act shall continue for a period of 20 years, with the preferential right in the lessee to renew the same for successive periods of 10 years upon such reasonable terms and conditions as may be prescribed by the Secretary of the department having jurisdiction thereof, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That any such lease that has become the subject of a cooperative or unit plan of development or operation, or other plan for the conservation of the oil and gas of a single area, field, or pool, which plan has the approval of the Secretary of the department or departments having jurisdiction over the Government lands included in said plan as necessary or convenient in the public interest, shall continue in force beyond said period of 20 years until the termination of such plan: *And provided further*, That said Secretary or Secretaries shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance.

"Any cooperative or unit plan of development and operation, which includes lands owned by the United States, shall contain a provision whereby authority, limited as therein provided, is vested in the Secretary of the department or departments having jurisdiction over such land to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under said plan. The Secretary of the Interior is authorized, whenever he shall deem such action necessary or in the public interest, with the consent of lessee, by order to suspend or modify the drilling or producing requirements of any oil and gas lease not subject to such a cooperative or unit plan, and no lease shall be deemed to expire by reason of the suspension of production pursuant to any such order.

"Whenever it appears to the Secretary of the Interior that wells drilled upon lands not owned by the United States are draining oil or gas from lands or deposits owned in whole or in part by the United States, the Secretary of the Interior is hereby authorized and empowered to negotiate agreements whereby the United States or the United States and its permittees, lessees, or grantees shall be compensated for such drainage.

"Whenever the average daily production of the oil wells on an entire leasehold or on any tract or portion thereof segregated for royalty purposes shall not exceed 10 barrels per well per day, the Secretary of the Interior, for the purpose of encouraging the greatest ultimate recovery of oil and in the interest of conservation of natural resources, is authorized to reduce the royalty on future production when, in his judgment, the wells cannot be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases issued under this act not included in an approved cooperative or unit plan of development and operation.

"Any lease issued after July 1, 1935, under the provisions of this section, except those earned as a preference right as provided in section 14 hereof, shall be subject to cancelation by the Secretary of the Interior after 30 days' notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the land covered by any such lease is known to contain valuable deposits of oil or gas. Such notice in advance of cancelation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered such notice shall also be posted for a period of 30 days in the United States land office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such leased land then in the post office nearest such land. Leases covering lands known to contain valuable deposits of oil or gas shall be canceled only in the manner provided in section 31 of this act."

"SEC. 28. That rights-of-way through the public lands, including the forest reserves of the United States may be granted by the Secretary of the Interior for pipe-line purposes for the transportation of oil or natural gas to any applicant possessing the qualifications provided in section 1 of this act, to the extent of the ground occupied by the said pipe line and 25 feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers and shall accept, convey, transport, and/or purchase without discrimination, on a 100-percent volume-measurement basis, oil and/or natural gas produced from Government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable: *Provided*, That the Government shall in express terms reserve and shall provide in every lease of oil lands hereunder that the lessee, assignee, or beneficiary, if owner or operator or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government, or of any citizen or company not the owner of any pipe line, operating a lease or purchasing gas or oil under the provisions of this act: *Provided further*, That no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and conditions of this section. Failure to comply with the provisions of this section or the regulations and conditions prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceeding."

SEC. 2. (a) That the Secretary of the Interior is authorized to issue new leases to lessees holding oil or gas leases under any of the provisions of this act at the time this amendatory act becomes effective, such new leases to be in lieu of the leases then held by such lessees and to be at a royalty rate of not less than 12½ percent in amount or value of the production, and upon such other terms and conditions as the Secretary of the Interior shall by general rule prescribe.

(b) Nothing contained in this amendatory act shall be construed to affect the validity of oil and gas prospecting permits or leases previously issued under the authority of the said act of February 25, 1920, as amended, and in existence at the time this amendatory act becomes effective, or impair any rights or privileges which have accrued under such permits or leases.

SEC. 2. That the provisions of this amendatory act shall not be in force and effect until July 1, 1935.

DELIVERY OF OBLIGATIONS UNDER FOREIGN-DEBT AGREEMENTS

Mr. SHIPSTEAD introduced a joint resolution (S. J. Res. 53) directing the Secretary of the Treasury to request the delivery of marketable obligations under foreign debt-funding agreements, which was read twice by its title and ordered to lie on the table.

Mr. SHIPSTEAD subsequently said: Mr. President, this morning I introduced a joint resolution and asked that it lie on the table. I now ask unanimous consent that the joint resolution be printed in the RECORD, and with the resolution paragraph 7, appearing on page 259 of the document entitled "Combined Annual Reports of the World War Foreign Debt Commission—With Additional Information Regarding Foreign Debts Due the United States—Fiscal Years 1922, 1923, 1924, 1925, and 1926."

There being no objection, the joint resolution (S. J. Res. 53) was ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of the Treasury is authorized and directed to request any foreign government which has heretofore entered into an agreement for the funding of the indebtedness of such government to the United States to issue, in exchange for the bonds issued under such agreements and held by the United States, definitive engraved bonds in form suitable for sale to the public, in accordance with the terms of such agreement.

Also, there being no objection, the matter referred to by Mr. SHIPSTEAD was ordered to be printed in the RECORD, as follows:

7. Exchange for marketable obligations: France will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal and/or in fully registered form, and otherwise on the same terms and conditions as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. France will deliver definitive engraved bonds to the United States in accordance herewith within 6 months, or receiving note of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in France, will first offer them to France for purchase at par and accrued interest, if any, and France shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. France agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in France, or elsewhere, and that if requested by the Secretary of the Treasury of the United States it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

WORK RELIEF PROGRAM—AMENDMENT

Mr. HASTINGS. I submit an amendment on behalf of the Senator from Michigan [Mr. VANDENBERG] and myself, intended to be proposed by us to House Joint Resolution 117, making appropriations for relief purposes, the amendment being for the purpose of striking out certain language in the joint resolution and inserting a new section.

The amendment was ordered to lie on the table and to be printed, as follows:

On page 6, line 8, to strike out all after the words "joint resolution" down to and including line 10, and insert a period in lieu thereof.

On page 6, between lines 10 and 11, to insert the following new section:

"SEC. 7. (a) It shall be unlawful for any person selected or appointed by the President to perform any duties under this joint resolution, or any officer or employee selected or appointed under section 3 hereof, or any officer or employee or any corporation created under this joint resolution, or any officer or employee of any existing corporation operating under the provisions of this joint resolution, to—

"(1) Embezzle or willfully misapply any money, goods, or anything of value belonging to the Federal Government;

"(2) Embezzle or willfully misapply any money, goods, or anything of value belonging to any corporation designated by the President to perform any function under this joint resolution;

"(3) Directly or indirectly use any money, goods, or anything of value belonging to the Federal Government or the corporations herein described for any partisan or political purpose.

"(b) It shall be unlawful for any person to pay, or offer or promise to pay to another any money; or to give, offer to give, or promise another anything of value; or to receive or offer to receive any money or anything of value as an inducement to have any person charged with any responsibility under this joint resolution, or any Executive order or rule or regulation issued by the President to carry out its provisions, from doing or refraining from doing, directly or indirectly, any official act hereunder: *Provided, however*, That nothing herein contained shall prevent any person from employing lawyers to defend their personal or property rights, or from presenting any claim against the Federal Government or its corporate agent.

"(c) Any person violating any of the provisions of this section shall be guilty of a misdemeanor and shall be punished by fine of not to exceed $5,000, or imprisonment for not to exceed 2 years, or both."

On page 6, line 11, to strike out "7" and in lieu thereof insert "8."

On page 6, line 17, to strike out "8" and in lieu thereof insert "9."

PRINTING OF REPORTS OF FEDERAL POWER COMMISSION

Mr. NORRIS. Mr. President, yesterday I submitted Senate Concurrent Resolution 8, which was referred to the Committee on Printing, it having to do with the printing of a preliminary report made by the Federal Power Commission. I desire to withdraw that resolution and to offer in its stead another concurrent resolution on the same subject and have it referred to the Committee on Printing.

The VICE PRESIDENT. Without objection, the Committee on Printing will be discharged from further consideration of Senate Concurrent Resolution 8, and the resolution will be indefinitely postponed.

The concurrent resolution now submitted by the Senator from Nebraska will be received and referred to the Committee on Printing.

The concurrent resolution (S. Con. Res. 9) was referred to the Committee on Printing, as follows:

Resolved by the Senate (the House of Representatives concurring), That the reports submitted to the Congress, or which may hereafter be filed pursuant to Public Resolution No. 18, Seventy-third Congress, second session, relative to the investigation by the Federal Power Commission of rates charged for electrical energy, be printed, with accompanying illustrations, as a document; and that there be printed 10,000 additional copies of the preliminary section of said report on domestic and residential electric rates, submitted under date of February 4, 1935, of which 2,500 copies shall be for the use of the Senate, 5,500 copies for the use of the House of Representatives, and 2,000 copies for the use of the Federal Power Commission.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 58) to provide for defraying the expenses of the

American section, International Boundary Commission, United States and Mexico.

The message further announced that the House had passed a joint resolution (H. J. Res. 140) to provide for the completion of the publication of the writings of George Washington, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 140) to provide for the completion of the publication of the writings of George Washington was read twice by its title and referred to the Committee on the Library.

GOVERNMENTAL EXPENDITURES—NEW YORK HERALD TRIBUNE EDITORIAL

Mr. HASTINGS. Mr. President, I have here an editorial from the New York Herald Tribune of January 28, 1935, entitled "The Senate's Opportunity", which I ask unanimous consent to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Jan. 28, 1935]

THE SENATE'S OPPORTUNITY

It remained for Mrs. Franklin Roosevelt, whose frankness is one of her many engaging qualities, to drop a casual sentence which expresses with deadly accuracy the point of view of the administration over which her husband presides. The muddle that is Reedsville was under fire. Its $500,000 deficit had been announced—a small item among the billions pouring out of Washington hither and yon, yet still just so many dollars which hard-pressed taxpayers will sooner or later have to pay.

Responsibility for this unexpected loss has not been easy to fix. Colonel Howe has gallantly agreed that he ordered the portable homes which proved a costly error of judgment. Correspondents in Washington, trying to delve more deeply, were brushed aside by the calm assumption that a wastage of this magnitude was natural enough in an experiment. So they turned to Mrs. Roosevelt, whose interest in Reedsville had been active from the start. They were told that Mrs. Roosevelt had no comment to make on the $500,000. Her secretary ended the episode with these words: "Mrs. Roosevelt says that financial matters don't concern her."

Of course, Mrs. Roosevelt was quite accurate in her remark, and we quote it with no thought of criticizing her. But the point of view has a dismaying universality of application to the whole administration. Finance, whether in terms of thousands or millions or billions of dollars, whether touching the source or destination of public funds, is the last thing that President Roosevelt likes to talk of. It would seem to be equally remote from the minds and tongues of all the other members of the administration who are responsible for the raising and expenditure of moneys and the balancing of the Budget.

In Mr. Farley's case, he not only ignores financial matters so long as the stream of public funds is watering his political acres; but, according to the philatelic societies, he brushes them aside when he is giving his friends sheets of stamps printed by the United States of America. "What's a sheet more or less of unperforated and unissued stamps between friends?" seems to be his attitude. The stamp experts protest in their wrath that in the case of Mr. Ickes, for example, it is a matter of some $50,000 or $60,000, if and when he chooses to sell them. Here again we have another example of the unconcern of the administration toward financial matters. Mr. Farley's heart beats generously for his friends as it does for faithful Democrats throughout the 48 States. Why should he worry about the Budget or the taxpayer?

We hope and expect that the Senate will have a somewhat different attitude when the $4,800,000,000 work-relief fund comes before it. Here is doubtless the greatest single sum ever appropriated anywhere. The President asks that it be turned over to him upon the vaguest terms, with almost nothing explained as to where or how it will be expended. It is to be for work relief, and the President has expressed a pious hope that it will not compete too gravely with private business. For details Congress and the country must wait and see.

Nor has the President made any clear statement as to the relation which this policy bears to the balancing of the Budget. It obviously constitutes a flat abandonment of his plan announced a year ago. What of the future? What of the next fiscal year and the year after that? The answer is silence. No pledge or plan is promised or suggested.

The House dutifully affixed its rubber stamp to the President's bill, closing debate with a highhandedness that has no precedent in any nation pretending to democratic rule. The responsibility cast upon the Senate is all the greater. Since no one in the Roosevelt Administration regards financial matters as his concern, we suggest that the Senate step forward and assume the burden. We hope and expect that there will be a full and prolonged debate of the measure and that such definitions and safeguards as can be devised in the interest of the whole Nation will be added.

If the Nation is not to be plunged downhill into financial disaster, someone must give a thought to financial matters. The Senate has an unusual opportunity to halt the Roosevelt Administration's orgy of spending and insist that carefully planned expenditures follow prudent appropriations. First of all let there be light. The country has a right to know far more of the President's plan than he has yet condescended to reveal. Then let there be a proper debate of its financial soundness—in relation to the Nation's credit and to the Budgets to come. Before Reedsville, before C. W. A., before P. W. A., before all the other lavish streams of expenditure, President Roosevelt expressed a sound dread of an unbalanced Budget. In his economy message of March 10, 1933, occurred these striking sentences: "Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger." The Senate would render a real public service if it could recall him to this earlier outlook.

EDUCATIONAL PROGRAM FOR SHARE-OUR-WEALTH SOCIETY

Mr. LONG. Mr. President, I send to the desk, and, in order to save time, ask to have printed in the RECORD a statement entitled "Educational Program for Share Our Wealth Society."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EDUCATIONAL PROGRAM FOR SHARE OUR WEALTH SOCIETY—GOVERNMENT ASSUMES THE COST AND BURDEN TO GUARANTEE COLLEGE, PROFESSIONAL, AND VOCATIONAL EDUCATION TO ALL STUDENTS

Under the present policy of government the young man and young woman whose parents are possessed of means can be given a college education or vocational and professional training. There are some exceptions to this rule; that is to say, that in some few cases students can find work by which to pay their expenses through college. As a general rule, however, only those with parents possessing extraordinary means can attend college.

"All men are created equal", says the Declaration of Independence, and to all those born the Constitution of our Nation guarantees "life, liberty, and the pursuit of happiness."

These provisions of our immortal national documents are not observed when the right to education rests upon the financial ability of one's parents rather than upon the mental capacity of a student to learn and his energy to apply himself to the proper study necessary for him to learn.

The "share our wealth" program contemplates that from the billions of excess revenue brought into the United States Treasury by limiting fortunes to a few million dollars to any one person, that such large sums will be expended by the Government as will afford college education and professional training to all students based upon their mental capacity and energy rather than upon the wealth of their parents. Such an education contemplates not only the scholarship but such supplies and living costs as a student may have in order to attend college.

This will transfer the youth of our land into making preparation for building a better and greater nation. It will take their surplus labor out of the ranks of employment and afford more room for others; it will mean an immediate expansion of our educational facilities and the bringing back into active service of hundreds of thousands of learned instructors whose intellect and capacities, now idle, may be used for the moral, spiritual, and intellectual uplift of the Nation. Architects, engineers, builders, material men, and craftsmen now idle would find extensive and continued field for employment in providing and maintaining such extended educational facilities in the Nation.

All in all, the program is one of national organization; it means no great or burdensome outlay because there is a surplus of the goods and things needed for the care of all students, and the consuming of the same will immediately aid our problems of overproduction.

HUEY P. LONG,
United States Senator.

THE PRESIDENT—ARTICLE BY ARTHUR BRISBANE

Mr. ROBINSON. Mr. President, I ask that a copyrighted article from the pen of Mr. Arthur Brisbane, published in the Washington Herald under date of February 7, 1935, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald, Feb. 7, 1935]

A HARD-WORKING PRESIDENT—HIS EXCELLENT LETTER

By Arthur Brisbane

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The President writes that Government wishes to know "that those who claim to represent the employees and their wishes are in fact their duly designated and authorized representatives." The President implies that he was elected to represent 125,000,000 Americans, not to represent exclusively and subserviently some small groups organized in labor unions.

It is evidently not clear to the President that his chief duty is to help self-appointed leaders to herd men into unions and collect dues from them. That is the plain English of it. Many union men, paying dues without much information as to what becomes of the money, will approve the President's answer to a union labor official who rebukes the President, because his automobile labor board proceeded to act "without the consent and against the wishes of organized labor."

The President's communication has had a wholesome effect already. William Green, head of the American Federation of Labor, a well-balanced man, walking the tight rope between the left and right wings of union labor, now expresses a desire to seek an appointment with the President to discuss labor matters, and says:

"Roosevelt is our hope and our strength. We want to go over to the White House and discuss all labor problems, and show our faith in him."

That is better than recent messages addressed to the administration by Mr. Lewis, of the miners' union, and others, applying the unpleasant epithet "traitor" to Donald R. Richberg, who is learning now, if he did not know before, that one thing you need not expect when you try to help others is gratitude.

The President looked well, full of energy, as he sat in his White House office yesterday morning, looking out over the snow and discussing, for an hour, matters that interest the public. Every one of the millions that voted for him in the 42 States out of 48 that he carried would vote for him again, some of the missing 6 States also, if they could have heard his conversation and seen his earnest face. Each time you see President Roosevelt you are more deeply grateful that in these times, under these conditions, there should be in the White House a man absolutely honest intellectually, as well as in less important ways, and fearless, with no false front for the crowd that elected him, no back-door entrance for the select few that usually think they own a President.

President Roosevelt will make mistakes. No man could deal with millions of people, billions of dollars, and this depression without mistakes. But they will be his mistakes, not dictated to him by any superpower, and he will be first to recognize them when they are made clear to him.

No sweatshop slave works harder than the President; no man in the world carries responsibilities involving so many difficult problems.

It is unjust to himself, his family, and the public interest for him to remain in the White House, under the existing pressure, for more than 4 weeks at a stretch.

He should get away from Congress, telephones, reporters, labor men, and the diminishing thin red line of worried rich men for at least 3 weeks in every 60 days.

NEBRASKA'S ONE-HOUSE LEGISLATIVE SYSTEM

Mr. COSTIGAN. Mr. President, Hon. GEORGE W. NORRIS, senior Senator from Nebraska, delivered an instructive and valuable radio address on Sunday, December 16, 1934, on the unicameral legislative system adopted by vote of the people of Nebraska at the last general election in that State. The one-house legislative system, which was originated and carried through by Senator NORRIS, is a noteworthy innovation. It is the latest of many experimental proposals of a remarkable American statesman—still, happily, a Member of this body—to increase efficiency, economy, and representative flexibility in popular government on this continent. I ask unanimous consent to have Senator NORRIS' address printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the recent election in Nebraska the people of that State approved an amendment to their constitution which provides that the legislative authority of the State shall be vested in a legislature consisting of one house of not less than 30 nor more than 50 members, elected on a nonpartisan ballot. The amendment also provides that any one member of the legislature shall have the right to demand and secure a roll call upon any motion that may be pending. This advanced step taken by the people of Nebraska is in accord with the opinion of honest students of government everywhere. It cannot be assailed successfully from any unbiased viewpoint.

Why should a State have a legislature composed of two bodies with the same qualifications and exactly the same jurisdiction? The idea of a two-branch legislature in this country was originally copied from the mother country, where a two-branch legislature was then in force. One of these branches—the House of Commons—represented the common people, the other branch—the House of Lords—represented the aristocracy, men of wealth. The House of Commons was elected by the common people; the House of Lords was selected by the King, and membership in the House of Lords was of a life tenure. They were not intended to be responsible to the people. It was intended that the House of Commons and House of Lords, selected in entirely different ways and representing entirely different constituencies, would be a check upon each other and that in this way neither class would be able to legislate to the detriment of the other. Assuming two such classes exist and that their interests conflict, there is some reason for a two-house legislature, but in this country we have no such classes and the constitutions of our various States are built upon the idea that there is but one class. If this be true, there is no sense or reason in having the same thing done twice, especially if it is to be done by two bodies of men elected in the same way and having the same jurisdiction. The principle of two branches of a legislature is not applied to any other governmental business or economic activity.

A bill to become a law in a two-house legislature must pass both branches in exactly the same form. Where there is a disagreement between the two houses, it is referred to a conference committee. This conference committee constitutes in reality a third house. It is more powerful in all matters referred to it than either house, or than both houses combined. Moreover, it transacts its business in an un-American and undemocratic manner. Its meetings are held in secret; there is no such thing as a roll-call vote, and there is no record of its proceedings. A bill, once referred to a conference committee, cannot become a law unless it is agreed to by a majority of the conferees representing each house. Thus, it is within the power of the conference committee, in secret and without a record vote, and without any public record whatever, to absolutely prevent legislation, and to kill or to modify, at its pleasure, any proposed legislation within its jurisdiction.

The conference committee is usually composed of 6 members, 3 members representing one legislative branch and 3 representing the other. They do not vote as an ordinary committee does. The 3 members in the conference committee who represent the senate, for instance, control the vote of the senate; the 3 members representing the house control the vote of the house. In order to reach an agreement, the conferees on the part of the house and the conferees on the part of the senate must vote for the same identical provisions. Therefore two members of the conference committee on the part of the house can, by controlling the house vote, absolutely prevent a conference agreement. Likewise, the two members constituting a majority of the senate conferees have the same power and can, by its exercise, prevent any agreement, or, as often happens, compel a compromise suitable and agreeable to those two members. We thus have legislation on almost all important bills by this third house. Two members can prevent a report or can compel a compromise agreeable to them before any report is agreed to. If a report is agreed to, it is then reported to the house and to the senate, and the bill thus reported cannot be amended. It must either be accepted as a whole or rejected in its entirety. Thus, members of the house and the senate are compelled, without an opportunity to offer amendments, to vote for or against the conference bill as a whole. In order to get the good they may believe to be in a bill, they must accept the bad. If, on the other hand, they think the bad predominates, then, in order to reject the bad, they must likewise reject the good.

I am not complaining of the existence of this conference committee as long as we have a twohouse legislature. In such a legislature the conference committee is a necessity, and without exception exists everywhere in the civilized world where there is a legislature of two houses of equal jurisdiction. Nor am I complaining that the report of the conference committee cannot be amended. This rule is an absolute necessity in order that an agreement may be reached, and exists wherever there is a conference committee.

The only way to abolish the conference committee and its evil effect upon legislation is to provide for a legislature of one house. In a legislature of one house there will be no such thing as a conference committee. The conference committee enables unworthy representatives to cover up their tracks so that their constituents cannot tell just what their records are. It also makes it difficult, and sometimes impossible, for an honest member of the legislature to make a record so clear and simple that it can be understood by the ordinary person without the necessity of becoming a parliamentary expert in order to untangle fully the difficult parliamentary steps through which every bill must pass that is referred to a conference committee.

It must be understood, in considering this question, that special interests, corporations, and monopolies are not as a rule interested in securing the passage of legislation. They are almost universally interested in preventing legislation—legislation which in one way or another regulates their activities and prevents injustice by means of monopolistic control. In order to prevent the passage of legislation it is not necessary to control both the house and the senate. It is only necessary to control one body, or to control the conference committee, or, as we have seen, to control two members of the conference committee from either house. Thus, legislation can be prevented by the handling of two men, and in every conference committee there are two opportunities to control these two men, either the house conferees or the senate conferees.

But that is not all. It often happens that legislation not desired by special interests is prevented by the control of the speaker of the house or the presiding officer of the senate, who by virtue of their official positions appoint the conferees both of the house and of the senate. Upon the convening of every legislature in every State in the Union, there is usually a hard and determined fight made over the election of speaker. If such an election is dominated or controlled by monopoly, the special interests have an advantage during the entire session of the legislature, because in this way they are able to influence, and often absolutely control, the appointment of the conference committees. It thus often happens in a two-house legislature that legislation is influenced

and often defeated by the control of one man, and again the lobbyists or special interests have an opportunity of two chances in the control of two different individuals, one the speaker of the house, the other the presiding officer of the senate.

In a one-house legislature nothing of this kind can occur, especially if any one member of this legislature has the power to demand and secure a roll call upon every vote.

These objections which I have enumerated, together with others I do not have time to mention, must absolutely condemn the two-house legislature as out of date and permitting the control of legislation by special interests, which, through the instrumentality of shrewd paid lobbyists, are able to defeat the will of the people at every session of a legislature consisting of two houses.

The fears of the honest citizen that it is easier for such interests to control legislation in a one-house legislature than it is in a two-house legislature thus entirely disappear. The reverse is absolutely true. In a one-house legislature, where one member of the body has a right to secure a roll call on every vote, it is impossible for anything to be done in secret. Every act of the legislature and every act of each individual must be transacted in the spotlight of publicity. In a two-house legislature, with its necessary conference committee, all kinds of opportunities are offered to perform public business in secret and to cover up the record so the people will not know just who is to blame for the defeat of good laws or for the inclusion of jokers and other undesirable provisions. This is also shown from the fact that in any attempt to adopt a one-house legislature, the proposition is always bitterly fought by trusts, monopolies, lobbyists, and special interests.

It is not only necessary in a democratic form of government to punish the unfaithful public servants, but we should be just as anxious to reward those who are faithful, and the two-house legislature makes it impossible for us either to punish the unworthy or to reward the faithful, without spending a great deal of time in unravelling and uncovering the parliamentary maze through which important bills have to pass in every two-house legislature. In a one-house legislature this difficulty would entirely disappear. Through the daily press it would be a simple and easy matter for the voters to follow the records of the members of such a legislature. There would be no controversy over the election of a speaker. There would be no conference committee; there would be no such thing as passing the buck from one house to the other; and there would be no such thing as shifting responsibility.

That would mean the faithful servant would find his record understood by his people, and it would be impossible for the unworthy legislator to cover up his tracks. The professional lobbyist would find his occupation gone, because his success depends upon his ability to assist the unworthy legislator to make such a record that his constituents cannot easily determine just what it is. A roll call in a one-house legislature would be had upon every amendment and upon every bill of any importance. It would not require an expert to determine just exactly what the record of any member was. The record would be made in the open. Legislation would therefore be simplified and the people of the State would be able, without any difficulty, to punish and reward according to the record.

In a one-house legislature, special interests desiring to control legislation would have to control a majority of the legislature itself. They would have to do this without any possibility of covering up their tracks. If, in this way, they did control a majority of the legislature, the people of the State would know the next morning when they read their newspapers, or perhaps that same day when they listened to the radio, just how it was done. Every student of government knows that when legislators are untrue to their trust, an attempt is made to cover up their tracks and to disguise the record, so it cannot be readily understood. If the methods of legislation were so simplified that such a thing were impossible, a very large percent of such practices would not even be attempted. The adoption of the one-house legislature would bring about such a result and make it impossible for any deception to be practiced. If men sold out, they would do so in the face of the entire public. In a two-house legislature, dust is thrown in the eyes of the people so they are not able to really understand what the records of their public servants are.

In a two-house legislature, special interests attempting to control legislation are able to do so, as we have seen, first by the passing of responsibility from one house to the other; second by the control of two members of the conference committee from the house; third by the control of two members of the conference committee from the senate; fourth by the control of the speaker of the house; fifth by the control of the presiding officer of the senate; and sixth by the handling of parliamentary procedure in such a way that no ordinary person would be able, unless he took a great deal of time, to analyze the parliamentary situation and discover just what the record was.

Nothing of this kind could happen in a one-house legislature. It would be necessary, in such case, to control a majority of the membership of the legislature itself. Not only would this be necessary, but this control would have to take place in the open, in the light of publicity. No opportunity would be presented to shift responsibility or to cover up the tracks of the members.

In addition to this we must not forget that the adoption of the one-house legislature would save a large amount of money to the taxpayers. We could increase the individual salary of the member of the legislature, which we should do in many cases, and yet in the aggregate save a great amount of money in salaries alone. The two-house legislature, especially where the members are elected on a partisan ballot, spend a great deal more of the taxpayers' money than will be necessary in the one-house legislature. There are a great many more appointments to make. There is more than double the expense for printing. There are a great many partisan workers who must be supplied with official positions. There are a hundred different ways and means by which the one-house legislature will be much less expensive to the taxpayers than a two-house legislature. In addition to this, in a one-house legislature public attention will be focused upon a single body, permitting close scrutiny of all legislative proceedings. In a one-house legislature responsibility cannot be avoided. The record of every member can be easily followed by his constituents. Proposed legislation cannot be bandied back and forth between the two houses. Conference committees will be entirely abolished. No legislation will take place in the dark. There will be no item of legislation without a public record. All legislative proceedings will take place in public. Legislative matters will be so simplified that the ordinary person will see through them and understand them perfectly. Logrolling, delays, and deadlocks between the two houses cannot occur. Many of such deadlocks are brought about intentionally by professional lobbyists controlling the activities of public servants.

There is no more reason for a two-house legislature in any of our States than there is for a bank to have two boards of directors or for a city to have two separate boards of aldermen. Indeed, there is no more use for a two-branch legislature than there is for two governors. A two-house legislature makes a safe place for corrupt lobbyists to prevent the people of the State from having the legislation they want.

The adoption of a one-house legislature by the State of Nebraska is a progressive step toward greater democracy. The double house originally came into existence as a defense for royalty and aristocracy. It has no place in a democratic form of government. The original idea was that the monarchy needed a house of lords to protect one class against the inroads of another. It has no place in any country where class distinction has been abolished. The great wonder is that it has been maintained so long in a democracy like ours.

It is worthy of note also that since we modeled our legislatures after Great Britain, that country has made wonderful advance along democratic lines, and today Great Britain, for all practical purposes, is governed by a one-house legislature. Gradually the legislative power of the House of Lords has been taken away until that House is but little more than an ancient relic on the road of human progress. And yet the aristocratic precedent followed by us more than 150 years ago still stands in the way of democratic government in every State in the Union. Great Britain's colonies have also followed the mother country in the march of human progress. Today eight of the nine Provinces of the Dominion of Canada operate under one-house legislatures.

The newest republic in all the world is the proposed new government of the Philippine Islands. Their constitution, which will soon be submitted to our Government for approval, provides for a one-house legislature.

The amendment adopted by the people of Nebraska also provides that the members of the legislature shall be elected on a nonpartisan ballot. While this provision is not fundamentally involved in the one house legislative plan, it is nevertheless of vast importance. Under the partisan system we elect members of State legislatures on a false issue. Our great political parties are divided on questions of national importance, such as the tariff, ship subsidy, League of Nations, our foreign policy, and other questions of national import.

State legislatures have no jurisdiction whatever over any of these national questions. Their jurisdiction is confined to State matters and State issues which usually are entirely different from national policies and with which they are in no way connected. Members of State legislatures should be elected on State issues and the people of the State should vote for or against them according to whether they agree or disagree with them on matters that are State issues. Under the partisan system we select members of the State legislatures because they happen to bear the party label of national candidates. It often happens that the candidate for the legislature may agree with the voter in his alignment on party issues and entirely disagree with the voter upon State matters over which the legislature has jurisdiction. The voter who votes the ticket straight therefore very often votes for a candidate for the State legislature who disagrees with him entirely upon all matters over which he will have jurisdiction, if he is elected to the State legislature.

As a result, we are likely to get a State legislature which is not in harmony with the people of the State on State issues. The legislature elected on a nonpartisan ballot will therefore be one which represents the ideas and views of the people of the State on State matters, but not necessarily upon national questions. This would give us a legislature which would not be responsible and would owe no allegiance to a partisan political party divided on issues which are entirely different and have nothing to do with matters of State importance.

Nebraska, like a great many other States, has for several years elected all its judges and its State and county superintendents of schools upon a nonpartisan ballot. How inconsistent it is to elect a judge who interprets the laws on a nonpartisan ballot, and at the same time elect members of the State legislatures who make the laws upon a partisan ballot.

While a nonpartisan provision for the election of members of State legislatures will give the States better laws and come nearer to providing that the State legislature shall represent the people of the State on State matters, yet, one of the greatest benefits that will come to a legislature thus elected will be that it frees

the members from any obligation to political parties organized and existing under national issues. It will free members of the legislature entirely from the influence and the control of party machines and party bosses. It will have a tendency to make of a State a business organization, rather than a political machine. Where a member of the legislature is elected because he has borne the party label of a political party, we cannot expect him to be free from the influence and domination of politicians. It is a very common occurrence for an official of a party organization to become a lobbyist before the legislature of his State. When such a lobbyist makes a request of the member of the legislature who has been elected through his power and influence, there is a great temptation for the member of the legislature to follow the leader's suggestion and to be controlled in his official action by the demands of the party leader. When he is threatened with defeat at the primary or at the election, it is only human that he should hesitate to go against the wishes or the demands of his party organization.

The members of a nonpartisan legislature will not be responsible for their official acts to party leaders and bosses. They will be responsible to their constituents and to them alone.

It very often happens where the legislature is elected on a party basis that most of the time of the session is taken up in the game of politics. A nonpartisan legislature will be free from this influence. Such a legislature will be a business organization. Matters of interest to the people of the State will be discussed and decided, regardless of the wishes or interests of party bosses and party machines. This change is, of course, opposed by professional politicians who would lose the control they now have of members of the State legislature. The professional politician is mainly interested in jobs. He deals in political jobs and sells them across the political pie counter much as the merchant sells calico and boots and shoes, and he is, of course, opposed to any provision of law which will deprive him of a livelihood.

In the State of Nebraska the present legislature consists of 133 members, 33 in the senate and 100 in the House. In the ordinary session of a legislature there are about as many political appointees as there are members. All of these jobs are taken away from the politicians. They therefore find their power and their influence greatly diminished, and, of course, they object to the change.

The constitutional amendment agreed to in Nebraska provides that the legislature shall consist of not less than 30, nor more than 50 members. It is made the duty of the existing legislature to district the State and is given jurisdiction to fix the number of disricts anywhere between 30 and 50. As to just how many members there should be in any legislature is a question upon which honest men will differ. In a general way, it can truthfully be said that the legislature never should be so large that in the transaction of its business it will be necessary to delegate to a committee the power to control its deliberations. If such a step becomes necessary, it follows that to some extent at least, the control of legislation is delegated to a comparatively few men. This action is similar, in a small degree it is true, but similar nevertheless, to shifting the burden of legislation to a conference committee. A legislature, to be most effective and do the best work, would be one in which there is no possibility, directly or even indirectly, for any member of the legislature to shift any responsibility. If this principle is right, then it follows that most of our State legislatures are entirely too large. A smaller number will give more deliberation, more consideration, and do better work than a larger number, where this responsibility can be shifted and divided. The membership in a small body is of greater importance, the responsibility is greater, and it is much easier for the people of a State to follow the workings of a small legislature than it would be to accurately keep track of one composed of a larger number.

In addition to this, where the number is comparatively small, we can pay a larger individual salary, and still reduce the aggregate expense of the taxpayer. This is an important consideration. Most of our State legislators are underpaid. Legislatures make our laws under which we live and do business. Their function is of vast importance, and the members should be paid a reasonable salary for their services.

This smaller number will do better work and save the taxpayers a vast amount of money. It will have a tendency to concentrate power that must be exercised before the scrutiny of the public gaze and cannot be shifted to other shoulders.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. The calendar is in order. The clerk will state the first bill in order on the calendar.

BILL PASSED OVER

The bill (S. 396) to amend section 1180 of the Code of Law for the District of Columbia, with respect to usury, was announced as first in order.

Mr. ROBINSON. Mr. President, there has been some agreement among Senators particularly interested in the bill. No agreement has been entered of record. I should like to inquire if any Senator is present who is especially familiar with the bill and what disposition is proposed to be made of it.

The VICE PRESIDENT. The clerk calls the attention of the Chair to this statement in the CONGRESSIONAL RECORD of January 30:

Mr. BULKLEY. Mr. President, I ask that that bill go over; and in that connection I wish to state that the Senator from Utah knows I have no purpose to obstruct the bill, but there are certain constructive amendments which are being prepared. I therefore ask unanimous consent that this bill be passed over until notice be given by the Senator from Utah and myself that it may be proceeded with.

Mr. ROBINSON. That is a very unusual proceeding, but under the circumstances I ask that the bill be passed over for the day.

The VICE PRESIDENT. The bill will be passed over for the day.

MILES THOMAS BARRETT

The Senate proceeded to consider the bill (S. 546) for the relief of Miles Thomas Barrett, which had been reported from the Committee on Military Affairs with an amendment on page 1, line 5, after the word "of", to strike out the words "Bridgeville, Pa.", and insert in lieu thereof the words "Portland, Oreg.", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miles Thomas Barrett, of Portland, Oreg., the sum of $109.85 for his services in the United States Army as a private in the Corps of Engineers for the period of May 7, 1918, to August 19, 1918, both dates inclusive: *Provided*, That his service in the United States Army during the period in question is hereby made honorable by virtue of the passage of this act.

Mr. ROBINSON. Mr. President, there is a somewhat unusual provision in the bill. It is the proviso at the end of the bill reading:

That his service in the United States Army during the period in question is hereby made honorable by virtue of the passage of this act.

I do not know what the intention or effect of this provision may be. The Senator from Washington [Mr. SCHWELLENBACH] reported the bill. May I ask him for an explanation of the provision?

Mr. SCHWELLENBACH. Mr. President, this man enlisted in the Marine Corps during the war. He was sent to Texas. He did not desire to serve in this country but desired to serve in France. He therefore left his company in Texas and reenlisted in another company and went to France, where he served with such valor that he was decorated three times by this Government and once by the French Government. It was the feeling of the committee that he should be restored to his rights and be given an honorable discharge.

Mr. ROBINSON. His action was a mere technical breach of discipline?

Mr. SCHWELLENBACH. Yes. It was the fact of his valorous service in France which caused the committee to feel that this action should be taken.

Mr. ROBINSON. Very well.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MICHAEL ILITZ

The bill (S. 488) for the relief of Michael Ilitz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army, Michael Ilitz, who served as master sergeant, Hospital Corps, shall be held and considered to have been retired as captain, military storekeeper, United States Army, on June 28, 1916: *Provided*, That no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

FRED M. MUNN

The bill (S. 417) for the relief of Fred M. Munn was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Fred M. Munn, who served as a private in Troop L, Second

Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on January 10, 1878: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

FARM CREDIT ACT OF 1935

The Senate proceeded to consider the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. LONG. Mr. President, will the Senator from Florida tell us just what the bill is?

Mr. FLETCHER. Mr. President, the bill was referred to the Committee on Banking and Currency and reported out last week. When it came up on the floor for consideration some members of the committee and others wanted to be heard on it, claiming that they had not had an opportunity of examining it. I asked to have it recommitted. It was recommitted. On Tuesday we held further hearings and now the bill is reported again as a result of the recommittal of the bill to the committee.

It is intended to amend the Emergency Farm Mortgage Act of 1933, the Federal Farm Loan Act, the Agricultural Marketing Act, and the Farm Credit Act of 1933, mainly clarifying and to some extent extending the operations of the administration with reference to those acts.

The whole matter is fully covered by the report of the committee. It is quite a long report and it would take some time to read it, but if the Senator wants it read he may have it read.

Mr. KING. Mr. President, I should like to ask the Senator from Florida, as I am not a member of the committee and not very familiar with the bill, what provision of the bill deals with the increases in compensation or salaries of some of the employees serving under the administration. There is a limitation now, and I understand the bill removes the limitation so that any salary might be paid up to the highest conceivable sum.

Mr. FLETCHER. That matter is covered by section 16, page 14, of the bill now reported.

Mr. KING. I want to object to that proviso and shall move to strike it out when it is reached.

Mr. FLETCHER. The present limitation on salaries is $10,000, though in a few instances I believe it is $12,000. Some of the agents functioning for the Federal land bank, some for the intermediate credit bank, and some for the cooperative banks in the purchasing of supplies, seed, and so forth, are very high-class men, men of experience who have been with these organizations a number of years. Private enterprise wants to get them, and is offering more money than the law now permits the administration to pay, $10,000 being the limit. The administration wants a little leeway so they can keep these men who are trained and experienced and very valuable men, holding positions of great responsibility. It was thought advisable by the committee that the limitation of $10,000 should be removed.

Mr. CLARK. Mr. President, will the Senator from Florida yield?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Missouri?

Mr. FLETCHER. I yield.

Mr. CLARK. How much is it proposed to authorize the Farm Credit Administration to pay these men?

Mr. FLETCHER. There is no amount named. That is a matter to be considered by them. It cannot be charged that they have been paying exorbitant salaries to any of their officers or employees. It may be that $12,000 or $12,500 will enable them to hold these men. It is not advisable, we thought, to fix any limit, because if we do that the effort will be made to reach that figure right away, whereas they may be able to keep some of these men at the present salary. We did not want to name a figure which would place it beyond their power to hold these men in their service.

Mr. CONNALLY. Mr. President, has the Senator in mind any particular individuals who are threatening to leave these banks now because private concerns are after them with offers of higher salaries?

Mr. FLETCHER. I think some of them have been offered higher salaries. I have not any particular individuals in mind, but there are only 12 of them in the whole country.

Mr. CONNALLY. That is true; but I am very much opposed to the provision.

Mr. CLARK. Mr. President, if the Senator will permit me, I think it would be a godsend to the country if some of the people in the Farm Credit Administration would leave.

Mr. FLETCHER. That raises another question. We are not now dealing with that section.

Mr. CLARK. We are not?

Mr. FLETCHER. No; we are dealing with section 16.

Mr. NORRIS. Mr. President, I desire to call the attention especially of the chairman of the committee, the Senator from Florida [Mr. FLETCHER], to the fact that, in my opinion, this bill is not properly on the calendar, at least at this point.

Mr. FLETCHER. It is on the calendar.

Mr. NORRIS. It may be printed on the calendar, but it has not any right to be there at this place, at least. It was recommitted to the committee.

Mr. FLETCHER. And reported back.

Mr. NORRIS. And reported back; but then it would go on the calendar at a different place.

Mr. FLETCHER. Oh, no!

Mr. NORRIS. It could not retain its place on the calendar after it had been recommitted to the committee.

Mr. FLETCHER. The bills on the calendar had been disposed of when the report came in. This bill took its place in the regular order of reported bills.

The VICE PRESIDENT. The Chair is advised by the parliamentary clerk that the bill took its regular calendar number. Is the Senator from Nebraska satisfied?

Mr. NORRIS. I am satisfied.

The VICE PRESIDENT. The amendments of the committee will be stated.

The first amendment was, in section 2, page 2, line 10, after the word "additional", to strike out "purposes" and insert "purpose"; in line 19, after the word "section", to insert "(1)"; in line 20, after the word "any", to strike out "individual" and insert "person"; in line 25, after the word "farmer", to insert "(2) the term 'person' includes an individual or a corporation; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation (A) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for"; and, on page 3, line 22, after the word "corporation", to strike out "either in cash or in bonds of the corporation at his election, or, at the option of" and insert "and may make such loans either in cash or in bonds of the corporation, or, if acceptable to", so as to make the section read:

SEC. 2. (a) Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., Supp. VII, title 12, sec. 1016), is further amended by striking out of the third sentence the following: "and made for the purpose of reducing and refinancing an existing mortgage."

(b) Such section 32, as amended, is further amended by striking out the fifth sentence and inserting in lieu thereof the following: "Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other:

Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: "As used in this section, (1) the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations, and includes a personal representative of a deceased farmer; (2) the term 'person' includes an individual or a corporation; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation (A) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

(d) Such section 32, as amended, is further amended by striking out the eighth and ninth sentences and inserting in lieu thereof the following: "Until February 1, 1940, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans either in cash or in bonds of the corporation or, if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after February 1, 1940, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the Corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section."

(e) Such section 32, as amended, is further amended by inserting at the end thereof the following: "Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation."

The amendment was agreed to.

The next amendment was, in section 6, page 7, line 10, after the words "section 21 of", to strike out "title" and insert "Title", so as to make the section read:

SEC. 6. (a) Subsection (a) of section 203 of the Federal Farm Loan Act (U. S. C., title 12, sec. 1041) is amended by striking out the proviso and inserting in lieu thereof the following: "*Provided*, That the aggregate amount of the outstanding debentures and similar obligations issued individually by any Federal intermediate credit bank, together with the amount of outstanding consolidated debentures issued for its benefit and account, shall not exceed 10 times the surplus and paid-in capital of such bank."

(b) Such section 203 (U. S. C., title 12, secs. 1041–1043) is further amended by adding at the end thereof the following new subsections:

"(d) Whenever it shall appear desirable to issue consolidated debentures of the 12 Federal intermediate credit banks and to sell them through a common selling agency, and the Federal intermediate credit banks shall, by resolutions, consent to the same, the banks may issue and sell said debentures subject to the provisions of this section and the provisions of section 21 of title I of this act, insofar as applicable. As used in this act, the term 'debentures' includes such consolidated debentures.

"(e) All debentures issued by Federal intermediate credit banks shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or of any officer or officers thereof."

The amendment was agreed to.

The next amendment was, in section 11, page 10, line 2, after the word "rate", to strike out "of", so as to make the section read:

SEC. 11. Subsection (a) of section 8 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141f), is further amended to read as follows:

"(a) Loans to any cooperative association shall bear such rates of interest as the Governor of the Farm Credit Administration shall from time to time determine to be necessary for the needs of the lending agencies and shall by regulation prescribe (but in no case shall the rate of interest exceed 6 percent per annum on the unpaid principal): *Provided, however*, That the rate of interest on any loan made under the provisions of section 7 (a) (1) hereof, other than upon the security of commodities, shall conform as nearly as may be practicable to a rate 1 percent in excess of the prevailing interest rate paid by production credit associations to the Federal intermediate credit bank of the land-bank district in which the principal business office of the borrower is located; and that the rate of interest on any loan made under the provisions of section 7 (a) (2) hereof shall conform as nearly as may be practicable to the prevailing rate on mortgage loans made to members of national farm loan associations."

The amendment was agreed to.

The next amendment was, in section 12, page 11, line 3, after the word "therein", to strike out "and", so as to make the section read:

SEC. 12. Subsection (a) of section 15 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141j), is further amended to read as follows:

"(a) As used in this act, the term 'cooperative association' means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

"First. That no member of the association is allowed more than 1 vote because of the amount of stock or membership capital he may own therein;

"Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

"And in any case to the following:

"Third. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association."

The amendment was agreed to.

The next amendment was, in section 15, page 13, line 13, after the word "canceled", to strike out the comma, so as to make the section read:

SEC. 15. (a) The first sentence of subsection (a) of section 35 of the Farm Credit Act of 1933 (U. S. C., Supp. VII, title 12, sec. 1134k) is amended by striking out the period at the end and inserting in lieu thereof a comma and the following: "except that, in connection with any loan made on the security of commodities, the borrower shall be required to own, at the time the loan is made, only such amount of stock as may be prescribed by rules and regulations of the Governor."

(b) Subsection (a) of such section 35 is further amended by striking out the second sentence and inserting in lieu thereof the following: "Upon discharge of the loan, stock held by the borrowing association may be, and upon the concurrent or subsequent request of the borrowing association shall be, retired and canceled and the association shall be paid therefor an amount equal to the amount paid for such stock or loaned to subscribe therefor, as the case may be, minus the pro rata impairment, if any, of capital and guaranty fund of the Central Bank, as determined by the chairman of the board of the Central Bank."

(c) Such section 35 is further amended by adding at the end thereof the following new subsection:

"(c) In any case where the debt of a borrower to the Central Bank is in default, the bank may, in accordance with rules and regulations prescribed by the Governor, retire and cancel all or a part of the stock of the defaulting borrower at the fair book value thereof (not exceeding par), in total or partial liquidation of the debt, as the case may be."

The amendment was agreed to.

The next amendment was, in section 17, page 14, line 12, after the word "four", to strike out "year" and insert "years", so as to make the section read:

SEC. 17. (a) The first sentence of subsection (a) of section 30 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "two years" and inserting in lieu thereof the words "four years."

(b) The fourth sentence of subsection (b) of such section 30 is amended:

(1) by striking out the words "occurring more than 60 days after the date of enactment of this act"; and

(2) by striking out the words "a period of 2 years from the date of enactment of this act" and inserting in lieu thereof the following: "a period of 2 years from the date of the enactment of the Farm Credit Act of 1935."

SEC. 18. (a) The first sentence of subsection (a) of section 31 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "for 2 years from the date of the enactment of

this act" and inserting in lieu thereof a comma and the following: "until May 13, 1937".

(b) Subsection (b) of such section 31 is amended by striking out the words "such 2-year period" and inserting in lieu thereof the following: "the period of postponement."

The amendment was agreed to.

The next amendment was, on page 15, after line 6, to insert:

SEC. 19. No obligations, contingent or absolute, shall be incurred for the expenditure or other disposition of funds heretofore or hereafter appropriated, or otherwise obtained, for the carrying out of functions of the Federal Farm Mortgage Corporation unless within estimates of such obligations and expenditures approved by the Director of the Budget; and, to the extent that the Secretary of the Treasury may consider practicable and under such rules and regulations as he may prescribe, there shall be maintained on the books of the Treasury Department such accounts as may be necessary to give full force and effect to this provision.

The amendment was agreed to.

The next amendment was, on page 15, after line 17, to insert:

SEC. 20. Paragraph "Sixth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 771), is further amended by adding at the end thereof the following new sentence: "As used in this paragraph the term 'person' includes an individual or a corporation and the term 'corporation' as used in this paragraph shall include any incorporated association; but no such loan shall be made to a corporation (1) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (2) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

Mr. FRAZIER. Mr. President, when this bill came up the other day I made some objection to the amendments which allow corporations to be considered eligible for loans under the various farm-loan set-ups. I attended the hearings day before yesterday before the Banking and Currency Committee, and it seems to me the amendments put in the bill will properly safeguard the matter of preventing what is known as "corporation farming" in the agricultural States.

We have in those States what are known as "corporation farms", where insurance companies or mortgage companies have foreclosed on a number of farms, and then have organized a corporation which operates all those farms under an overseer or foreman. In that way they are doing a great deal to the detriment of the ordinary, everyday, individual farmer, because the corporation farms can buy and sell collectively, and the individual farmer cannot compete with them.

I believe, however, the amendments which have been inserted in the bill to provide how these loans shall be made, and to limit the way in which they shall be made, properly safeguard that matter. The only fear I have is that this is a step toward financing general corporation farming; that amendments to the law will be requested at the next session of Congress, or some other session, to include general corporation farms. If such a proposal comes up while I am here, I shall be forced to fight it, because I feel that it will be detrimental to the general farm situation.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. I do.

Mr. KING. I invite the Senator's attention to lines 18 to 21, on page 16, reading as follows:

Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under section 12 of this act, may unite to form a national farm-loan association.

Does not that provision contravene the position just taken by the Senator?

Mr. FRAZIER. Mr. President, that is just a slight amendment to the present law. The present law says "natural persons." This amendment leaves out the word "natural." That is the only difference. It means that where no farm-loan association has been formed, 10 or more persons can set up a new organization, a farm-loan association. That is the intention of this part of the measure.

Mr. KING. Would not this provision permit individuals remote from the land to form one of these associations for the purpose of acquiring large holdings in the States, and then to make them tenant lands? Would it not, in other words, encourage absentee landlordism?

Mr. CAREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Wyoming?

Mr. FRAZIER. Yes.

Mr. CAREY. I think the Senator misunderstands the purpose of the amendment. The amendment is to make it possible, where there is no farm-loan association, for 10 or more persons to form one. If there is already a farm-loan association in that locality, they cannot form another one.

That is the sole purpose of the amendment. It does not relate to corporations. It is to permit the organization of an association where it is necessary.

Mr. FLETCHER. Mr. President, each of those 10 persons must be a borrower in order to form a farm-loan association. The amendment, as the Senator has said, does not change the present law, except to strike out "natural" and permit a corporation such as can qualify under the previous section to act as one person in the formation of a farm-loan association.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. FRAZIER. I yield.

Mr. NORRIS. Somewhere else in the bill—I have not the provision before me at this moment—is not the word "person" defined so as to include a corporation?

Mr. FLETCHER. That is the section we are talking about now—section 20, on page 15.

Mr. NORRIS. I know what section we are talking about now, but if the word "person" includes a corporation, why could not several corporations combine? In other words, what is the reason why the committee has struck out of the present law the word "natural" before "persons"? The present law provides that natural persons may form one of these loan associations; but under this measure, where that word is left out, would it not follow that several corporations, each one acting as a person, could form a loan association?

Mr. FLETCHER. If we should leave the word "natural" in this section it would be in conflict with the previous section, which under certain circumstances and conditions permits a corporation to be formed and become eligible for a loan. That is where the owners of the stock of a corporation are all actually engaged in agricultural pursuits. Where all the stock of the corporation is owned by persons who are actually engaged in the cultivation or operation of land or in the raising of livestock the corporation would be eligible to constitute 1 of the 10 borrowers contemplated by this provision.

Mr. NORRIS. I was moved in the question I asked by a fear that was aroused by what the Senator from North Dakota [Mr. FRAZIER] said that this provision might result in absentee landlordism, and the owning of immense tracts of land by corporations instead of individuals, and we would ultimately drift into that kind of farming.

Mr. CAREY and Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. FRAZIER. I yield first to the Senator from Wyoming.

Mr. CAREY. Mr. President, under this amendment no corporation can borrow unless the stockholders themselves of the corporation are actually engaged in farming. That does not mean that any absentee landlord can borrow. The purpose of this amendment—it is my amendment—was to take care of stockmen in the West whose business is largely

incorporated. Many of them are in desperate circumstances through loans on their livestock, and if they could borrow on their lands they could liquidate some of that indebtedness. It would aid materially in liquidating the Regional Agricultural Credit Corporation, which has a great many livestock loans at this time, if those companies could borrow.

There is a proviso at the end of this section under which loans cannot be made by interlocking corporations. For instance, it is not possible for a number of different corporations to be organized simply to borrow. Further than that, the bill itself limits the amount of the loan, so that after a corporation gets that limit, which is $25,000—or $50,000, I believe, with the approval of the Land Bank Commissioner—that is all any corporation can borrow; and, as I say, they cannot, through affiliates, borrow as the measure is drawn.

I call the Senator's attention to the last part of the proviso on page 3, lines 12 to 16. We have tried to safeguard this measure so that the amendment would take care of the men who are actually operating their own business, and to preclude in any way we could any outside corporations engaging in long-distance farming under the bill. I do not think they can borrow as the bill is drafted.

Mr. BORAH. Mr. President, do I understand the Senator to provide that a corporation cannot borrow under this bill unless its stockholders are personally engaged in agricultural pursuits?

Mr. CAREY. Personally engaged; yes, sir.

Mr. FRAZIER. Unless at least 75 percent of them are.

Mr. CAREY. Seventy-five percent; yes.

Mr. FRAZIER. Mr. President, I do not think there is any question that 10 corporations can organize a farm-loan association if they qualify under the provisions of the bill; but, as the Senator from Wyoming [Mr. CAREY] has said, with these limitations it seems to me the matter is fairly well protected. They may get around it; I do not know; but if they do, we will ask for amendments at the next session of Congress.

Mr. FLETCHER. Mr. President, I think the representatives of farm organizations feel that under the present provisions of the bill there is no danger of corporations being formed for the purpose of holding large tracts of land and going into farming. They agree to that. Their only objection to the bill is that they do not like to see corporations of any kind or character admitted under the law at all. They feel that this may be an entering wedge, as they express it. I do not see that there is any danger in this at all, because very few could ever qualify; and under the other limitation of the bill, and under the law generally, there is no danger of corporations acquiring large tracts of land and operating in mass production. They could not do it at all under this provision. All the owners of the stock of a corporation such as the Senator from Wyoming [Mr. CAREY] mentioned must be people who themselves, individually, are actually engaged in livestock raising or agriculture.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the amendment inserting a new section numbered 20.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 16, after line 14, to insert a new section, as follows:

SEC. 21. (a) The first sentence of the sixth paragraph of section 7 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 716), is amended to read as follows: "Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under section 12 of this act, may unite to form a national farm-loan association."

(b) The sixth paragraph of such section 7 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term 'person' includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this act."

The amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 17, after line 2, to insert a new section, as follows:

SEC. 22. (a) The first sentence of the fifth paragraph of section 9 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 745), is amended by striking out the words "any natural person" and inserting in lieu thereof "any person."

(b) The fifth paragraph of such section 9 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term 'person' includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this act."

Mr. NORRIS. Mr. President, I could not get the meaning of the first part of the amendment as it was read. I ask that it be read again.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk again read the proposed amendment.

Mr. ROBINSON. Mr. President, I may say to the Senator from Nebraska that this is to conform to amendments which have already been adopted.

Mr. NORRIS. I am wondering whether this new definition would have any application to any other law than the pending measure. If it applies only to this one, it would be all right.

Mr. CAREY. Mr. President, I may explain to the Senator from Nebraska that the set-up in the first part of the bill as to corporations applies to land bank commissioners' loans. The part under consideration now is in the latter part of the bill, which refers to farm-mortgage loans from the Federal farm-loan banks.

Mr. NORRIS. My question is whether the proposed definition of "person" could be construed to apply to any other law except the pending measure.

Mr. ROBINSON. I think not, Mr. President.

Mr. FLETCHER. It would apply only to this measure.

Mr. NORRIS. The Senator from Florida answers that it would not apply to any other law. I should not like to have a definition made here which might apply to some other law.

The PRESIDING OFFICER. The question is on agreeing to the proposed amendment on page 17, line 3.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 17, after line 13, to insert a new section, as follows:

SEC. 23. The first sentence of the first paragraph of section 31 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 931), is amended to read as follows: "Any applicant for a loan under this act, or officer or representative of any such applicant, who shall knowingly make any false statement in the application for such loan, and any member of a loan committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act, shall be punished by a fine of not exceeding $5,000 or by imprisonment not exceeding 1 year, or both."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 18, line 1, to insert a new section, as follows:

SEC. 24. Paragraph "fifth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., supp. VII, title 12, sec. 771), is further amended by inserting after the third sentence thereof the following: "In determining the earning power of land used for the raising of livestock, due consideration shall be given to the extent to which the earning power of the fee-owned land is augmented by a lease or permit, granted by lawful authority of the United States or of any State, for the use of a portion of the public lands of the United States or of such State, where such permit or lease is in the nature of a right adjunctive to such fee-owned land, and its availability for use as such during the terms of the loan is reasonably assured."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed, on page 18, after line 13, to insert a new section, as follows:

SEC. 25. On and after the date of enactment of this act no person shall be eligible for appointment or election as an administrative or executive official or as a member of the board of directors

of a Federal land bank, or shall continue to hold office as such member or as an ex-officio director of a Federal intermediate credit bank or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. It is proposed on page 18 to renumber section 19.

The amendment was agreed to.

Mr. LONERGAN. Mr. President, on page 18, after line 23, I move to insert a new section.

The PRESIDING OFFICER. The clerk will state the proposed amendment.

The CHIEF CLERK. On page 18, after line 23, it is proposed to insert the following:

SEC. 26. The first sentence of the act entitled "An act to authorize production credit associations to make loans to oyster planters", approved June 18, 1934 (U. S. C., title 12, sec. 1131j), is amended by striking out the following: "who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof."

Mr. FLETCHER. Mr. President, I have no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, section 26 as it now appears in the bill will be renumbered so as to be section 27.

Mr. COSTIGAN. Mr. President, in my judgment section 16 of the bill, appearing on page 14, should be stricken from the bill, and I move that it be stricken. Perhaps in explanation I should direct attention to the significance of the section.

It is proposed by section 16 to amend section 66 of the Farm Credit Act of 1933, which reads as follows:

No director, officer, or employee of the Central Bank for Cooperatives, or any Production Credit Corporation, Production Credit Association, or Bank for Cooperatives shall be paid—

At that point it is proposed in section 16 to insert the words "by any such bank, corporation, or association." Then section 66 continues:

compensation at a rate in excess of $10,000 per annum. No officer or employee of the Farm Credit Administration engaged in carrying out the provisions of titles I to VI, inclusive, of this act shall be paid compensation at a rate in excess of $10,000 per annum.

The committee's report on this amendment is as follows:

Section 16, by amending section 66 of the Farm Credit Act of 1933, will make the present limitation ($10,000) on the salary which any officer or employee of a production credit corporation or bank for cooperatives may receive applicable only to the salaries paid to such officer or employee by that institution, and will have the effect of permitting any such institution to participate in the payment of a salary in excess of $10,000 to the general agent, who serves as a coordinating officer, and is the joint employee of the four major district institutions. It is essential that each production credit corporation and bank for cooperatives be permitted to participate with the Federal land bank and Federal intermediate credit bank of the district in paying, for the position of general agent, a salary which will enable them to secure and retain the best available talent.

We had in the committee hearing, where Governor Myers appeared on January 29, a frank discussion of this section. Governor Myers, with great candor and evident sincerity, urged that there ought not to be any limitation placed, such as the $10,000 now permitted by law. Governor Myers contended that the general agent for these institutions should be permitted a salary in excess of $10,000. At the hearings the able chairman, the Senator from Florida [Mr. FLETCHER] asked Governor Myers this question:

Do you think that is wise? Is not $10,000 enough for any such officer or employee?

To which Governor Myers replied:

I think it is necessary, Senator. We expect to exercise close control and to operate these institutions as economically as it is possible to operate them; but the general agent or any person who is the joint employee of the four major institutions referred to and who is in charge of coordinating their work—one of the Federal land banks has now around $400,000,000 in loans, for which he is to a certain extent responsible. Intermediate credit banks are large financial institutions. The production credit corporations and the banks for cooperatives are sizeable financial institutions; and as business improves, if we are going to run the system efficiently, we must be able to retain some of the most competent men in competition with private business. It just removes what I think is an arbitrary limit and gives somewhat greater freedom in enabling a business institution to attract and keep men who are competent to run the organization.

The Senator from Wyoming [Mr. CAREY] asked:

Who fixes these salaries?

Governor Myers replied:

They are fixed by the board of directors, subject to the approval of the Governor.

An effort was made to persuade Governor Myers to suggest an outside maximum limit on such salaries. He declined to fix such a limit and indicated clearly that he felt that in bidding for a general agent for these institutions the Government's representatives ought to be free to offer salaries competitive with those in private business.

It is obvious, I think, that there ought to be some limitation upon such salaries. In such legislation there is a growing inclination to look with disfavor on what are treated as meager salaries paid to Members of Congress—at least there is such an inclination among business men, but insofar as we have to do with the determination of such salaries in this period of widespread economic distress, I have no hesitation in urging that the present limitation in the law be retained.

Mr. McGILL. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from Colorado yield to the Senator from Kansas?

Mr. COSTIGAN. With pleasure.

Mr. McGILL. Is it the Senator's understanding that the proposed amendment would apply to any officials of the Farm Credit Administration other than the general agents?

Mr. COSTIGAN. So far as the discussion of the subject developed information it was understood that the limitation was merely to be lifted in the case of general agents.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Missouri?

Mr. COSTIGAN. I yield.

Mr. CLARK. If section 16 in the proposed bill should be enacted into law, there would be absolutely no restriction on the power of the Governor of the Farm Credit Administration to fix the salaries of these agents at any sum he might see fit, even if he chose to put it up to $40,000, $50,000, or $60,000 a year. Does the Senator think there would be?

Mr. COSTIGAN. The Governor testified that the salaries would be fixed by the board of directors, subject to the approval of the Governor.

Mr. CLARK. But there is nothing to hamper him in fixing the salaries at $40,000, $50,000, or $60,000 a year, is there?

Mr. COSTIGAN. Absolutely not. Indeed, in the discussion it was clearly indicated that the salaries might go as high as $50,000 per annum, and no limitation whatsoever was favored by Governor Myers.

Mr. McGILL. Mr. President, will the Senator yield further?

Mr. COSTIGAN. I yield.

Mr. McGILL. The Senator understands that the general agents today are paid a salary at the rate of $10,000 a year? Is that not true?

Mr. COSTIGAN. That is my understanding.

Mr. McGILL. Does the Senator, as a member of the Committee on Banking and Currency, know of any general agent who is about to abandon the office to which he has been selected by reason of the salary?

Mr. COSTIGAN. No such information was given to the committee, nor has it been given to members of the committee individually, so far as I know.

Mr. McGILL. No testimony indicating anything of that character was brought before the committee by the Farm Credit Administration or from any other source.

Mr. COSTIGAN. None while I was present or of which I know.

Mr. FLETCHER. Mr. President, will the Senator yield to me?

Mr. COSTIGAN. I yield with pleasure.

Mr. FLETCHER. I do not know whether it developed in the hearings or not, but they lost such an agent in St. Louis.

Mr. CLARK. I will say that no better thing has happened to the Federal Farm Credit system than the loss of that agent.

Mr. FLETCHER. I do not know as to that, but I know they lost him.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Montana?

Mr. COSTIGAN. I yield.

Mr. WHEELER. The truth about this matter as to the Farm Credit Administration is that they have a number of broken-down bankers who failed and who could not make a living, and now they are on the public pay roll in many instances, and being on the public pay roll, they want to get their salaries raised. Mr. President, if some of them should leave there can be found plenty of other people just as good who would be glad to take their places.

Permit me to say, while I am on my feet, that in many of the bureaus we have set up in the last 2 years, we are paying exorbitant salaries all the way down the line, and it ought to be stopped.

Mr. FLETCHER. Mr. President, will the Senator from Colorado further yield?

Mr. COSTIGAN. I yield.

Mr. FLETCHER. I may say that these people are not on the public pay roll at all. They are not paid by the Government. The salaries are furnished by the agricultural organizations. They elect their directors and elect their officers.

Mr. WHEELER. Yes; but they are paid by the farmers who have to get the loans from the organization.

Mr. COSTIGAN. Precisely.

Mr. FLETCHER. They are paid by the associations, who contribute to pay the salaries. Several contribute to pay one salary. So I think it is a mistake to limit the compensation of the general agent. He represents about four organizations handling an immense amount of funds and transactions.

Mr. GORE. Mr. President, I rise to inquire whether there has been an excessive number of resignations on account of the salaries being too low?

Mr. FLETCHER. I do not know.

Mr. GORE. Until it becomes a real menace, threatening the public service and reaching the point where we cannot get anyone at all to take the jobs at the present salaries, I think we might well let the matter rest.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. COSTIGAN].

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the section will be renumbered as made necessary by the amendment.

Mr. HATCH. Mr. President, on page 2, after the words "farming operations" on lines 21 and 22, I move to insert the words "or livestock growing."

Mr. ROBINSON. Mr. President, I think there ought to be an explanation of the amendment.

Mr. HATCH. The reason for the suggested amendment is that in a decision recently rendered by the Federal Court of Nevada it was held that the word "farmer" did not include one engaged in livestock raising. I think it is the intention of the Senate that "farmers" should include livestock raisers. For that reason the amendment is offered, merely to clarify the provision, and I will say that the Farm Credit Administration now construes the present act in accordance with this amendment.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. FLETCHER. I think it is quite true that they do construe those engaged in livestock operations as engaged in farming, but I have no objection to the amendment. That is clearly what they are already doing.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

Mr. GORE. Mr. President, I desire to offer the following amendment: On page 2, beginning with line 20, to strike out through and including line 16 on page 3. It is striking out the two provisions authorizing loans to be made to agricultural corporations. It is the beginning of a new scheme of loans. It is recognizing and enfranchising agricultural corporations. I think this is as harmless as any provision upon that subject that could be drafted, but everyone knows it is the thin edge of the wedge. Everyone knows it is the nose of the camel. There is no stopping this business when once you start it. I believe the State of Kansas has enacted a law prohibiting corporations from engaging in agriculture; that law was the outgrowth of experience with incorporated farming. I know there is a wide-spread sentiment against it in my State, and I think in the Middle West generally. I do not think we ought to let his serpent creep into this garden, modest as is his first appearance in this bill, and I move to strike it out.

Mr. CAREY. Mr. President, the purpose of this amendment is not to encourage corporate farming, but its purpose is to furnish credit to a large number of men who are actively engaged in agriculture, who have been obliged to incorporate their business. In the West many livestock men have businesses which they are required to incorporate. If they had to carry on their businesses under partnership agreements, in time it would involve them in great difficulties. Many of these corporations are very small affairs.

There are other corporations which are entirely family affairs.

As I have explained two or three times on the floor of the Senate, the purpose is not to encourage people to form corporations, to encourage them to buy up lands and operate those lands, and thus encourage absentee landlordism, but it is to take care of men who are actually working on the range and on the ranch and trying to make a livelihood, and all those men have been denied credit through the Federal farm banks. There are many cases where a loan on their real estate, which they cannot obtain in other places, would make it possible for them to work out of their difficulties.

This provision would also aid in the liquidation of the Regional Agricultural Credit Corporation. That Corporation is owned by the Government and holds a large number of loans on livestock.

I have some figures, which I have obtained from the Agricultural Credit Corporation, showing the percentage of those who are farmers who have incorporated their business. Many of these individuals if they could get loans on their lands could pay off their loans to the Government. As it is now, they have short-time paper, and long-time loans would materially benefit them at this time. These are the figures of the percentage of operators whose business is carried on through corporations and who are borrowers from the R. A. C. C.

At the Cheyenne office 6 percent of the borrowers are incorporated; at Wichita, Kans., 5 percent; at Denver, 5 percent; at Santa Fe, 5 percent; at San Angelo, Tex., one-half of 1 percent; at Oakland, Calif., 10 percent of those who are borrowers have incorporated their business; at Salt Lake City, 5 percent; at Helena, Mont., 10 percent of the borrowers are men who have incorporated; and at Boise, 7 percent.

I feel that these men should not be denied the benefit of this proposed act simply because they have incorporated their business. Because two or three men incorporate, instead of operating under a partnership, is no reason why they should be denied the privilege; and I want to say to Members of the Senate that the passage of this bill will be of material benefit to all the States in which the business of livestock growing is conducted. I hope the amendment will not be stricken from the bill.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. CAREY. I yield.

Mr. VANDENBERG. I should like to say to the Senator that the situation which he describes is in no sense confined to the West nor to the livestock industry. Precisely the same situation exists in respect to certain apple orchards in the State of Michigan, for example, where the ownership is essentially related to apple-growing operations; it is intrinsically an apple-growing operation, yet it is so large and so involved that there has had to be incorporation. In at least one of these instances there has been serious handicap to the operation of orchards through the inability of such a corporation to secure these loans. I entirely agree with the Senator's viewpoint.

Mr. FLETCHER. Mr. President, we have previously been all over this matter, and I have no further remarks to make except that I think the amendment ought to be defeated.

Mr. GORE. Mr. President, I will ask to have read to the Senate a statement made yesterday before the Senate Committee on Banking and Currency by a representative of one of the large farm organizations, I think the Farmers' Union. I should like to have the Senate understand what the farmers themselves think about this proposal to invite corporations to invade the field of farming and sooner or later to oust the individual. I should like to have Senators hear what this man, representing the farmers, says.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Mr. HORSFORD. If I had time I could have brought some very good facts about what corporation farming has done to us in the past. We cannot compete with them. It is impossible to compete against mass production. They do not pay property taxes. They have bunk houses and cookhouses on rubber tires, and they engage in mass production. They run tractors day and night; and if we are going to maintain rural agricultural communities we cannot tolerate corporation farming.

Mr. GORE. That is the view of a farmer representing a farm organization. I think his word is entitled to some weight in this assembly. I remember some 3 or 4 years ago I met a one-horse farmer on the street in a little town of Oklahoma. He whispered to me, as I passed by, "Do not permit corporations to engage in farming." He said, "We farmers want to build homes and to be able to maintain homes and raise our families. We cannot do that if you permit corporations to compete with us by engaging in farming." I think that statement, from a humble farmer, contains a warning that the Senate ought to heed and not begin this policy that we will never end, having once begun it.

I wish to have the entire statement printed in the RECORD. I only had one paragraph read.

The PRESIDING OFFICER (Mr. MCGILL in the chair). Without objection, the statement will be printed.

The matter referred to is as follows:

ADDITIONAL STATEMENT OF OSCAR HORSFORD, WOLF POINT, MONT.

Mr. HORSFORD. All that I have to state this morning, Senator, is that after going back to our committee room, after leaving here with Senator CAREY's amendment, and after discussing it, we decided that we should like to further state that we are opposed to leaving an opportunity for an opening wedge for the Government to loan to corporations.

Senator GORE. When you say "we", to whom do you refer?

Mr. HORSFORD. I am representing the Farmers Union Legislative Committee of the Northwest.

Senator GORE. What is your name, sir?

Mr. HORSFORD. Oscar Horsford. I am also interested in the activities of the cooperatives, representing about 75,000 farmers. I have been authorized this morning to speak for Mr. Everson of the National Farmers Union, and they agree with our sentiments relative to loaning to any corporation for farming purposes. We feel that it would let the bars down to big corporations, interlocking with processors and packing plants and large ranch holders, and would make a hardship on the farmers.

The CHAIRMAN. Yet, as to this particular amendment that the committee decided on yesterday, you can see no harm, but you do not like the idea of making a start at loaning to corporations for agricultural purposes.

Mr. HORSFORD. That is it. We feel that it might be an opening to make a start.

Senator GORE. Do you think you can ever stop after you start?

Mr. HORSFORD. No, sir.

Senator GORE. Have you watched the evolution of this lending business?

Mr. HORSFORD. Yes, sir.

Senator GORE. You have seen a group of bills pass, liberalizing lending. If you start to loan to corporations for farming purposes, how are you going to say no to the next man that comes along? Will you say, "This first fellow had a good case, but you have not"? I think we are opening the floodgates. I agree with you. It is like a leak in a dam. The dam will go out by and by.

Mr. HORSFORD. That, Senator GORE, is our attitude exactly.

Senator GORE. Yet you are going to tolerate the amendment that was adopted yesterday?

Mr. HORSFORD. No, sir. We wanted to declare ourselves as opposed to that. We are opposed to leaving an opening wedge.

Senator GORE. I think farmers ought to be able to make homes on the farms. Corporations do not abide on farms; a farm is not their home.

Mr. HORSFORD. If I had time I could have brought some very good facts about what corporation farming has done to us in the past. We cannot compete with them. It is impossible to compete against mass production. They do not pay property taxes. They have bunkhouses and cookhouses on rubber tires, and they engage in mass production. They run tractors day and night; and if we are going to maintain rural agricultural communities, we cannot tolerate corporation farming.

Senator GORE. We are just raising a Frankenstein to destroy the one- or two-horse farm. Has not Kansas passed a law prohibiting corporation farms?

Mr. HORSFORD. I hope they have, because that is where there has been quite a lot of it going on.

If there are no further questions, and if I have made myself clear——

The CHAIRMAN. I think I understand you.

Senator GORE. In my campaign I met a one-horse farmer on the street. He stopped for a second and whispered in my ear. He said, "Don't let these corporations engage in farming. We farmers want our homes and we want to build homes and maintain homes. The corporations do not. You are not building up agriculture when you privilege them to engage in agriculture."

Mr. HORSFORD. We agree with that, Senator.

The CHAIRMAN. Under this amendment the people that would be eligible for loans are people actually engaged in farming. The stockholders of such a corporation, under this amendment, would have to be actually engaged in farming.

Senator GORE. There is the trail of the serpent. It just shows how this thing creeps, and creeps, and creeps, and if you open the door an inch these big fellows will force their way in sooner or later; and a year from now you will be here again.

The CHAIRMAN. The limit of the loan is $7,500, so the big fellows would not get very much.

Senator GORE. What did it start with in the Farm Loan Act? What was the limit?

The CHAIRMAN. $10,000.

Senator GORE. What is it now?

The CHAIRMAN. $50,000.

Senator GORE. There you are! And that is the history of it. You cannot stop it. I do not know what the sentiment is; I do not know whether these western men are still interested. If they are, I believe we can make a drive on the floor. I do not know.

Mr. HORSFORD. I want to thank you very much, Senator.

The CHAIRMAN. We will have your statement printed in the hearings.

Senator GORE. I want to offer an amendment that the law be kept as it is as to the minimum rate. The clerk can put it into form. I do not think we should be exposed to that pressure or that people should be exposed to that temptation. Just let the record show that I made such a motion.

Now I want to offer an amendment that the business done with nonmembers will not exceed the amount done with members. In other words, I want to keep the law as it is.

The CHAIRMAN. Fifty-fifty?

Senator GORE. Yes. I have not had an opportunity to go through this bill from end to end. Does this enable the Commissioner or the land bank to continue refinancing for farmers? Suppose an insurance company holds a mortgage on a farm and the farmer wants to get bonds to pay off that mortgage to the insurance company and have the land bank take over the mortgage. Does this have anything to do with that?

The CHAIRMAN. It does not change the law with regard to that, as I understand it.

Senator GORE. What I want is this, and this is what we ought to have done with the farm-loan business and the refinancing and the Home Owners' Loan Corporation. The mortgagee of the old mortgage ought to have endorsed the obligation and stood between the Government and the farmer. Take a building-and-loan concern as an illustration. They have unloaded their bad loans on the Government through the Home Owners' Loan Corporation——

Senator BARKLEY. If that had been required, Senator, there never would have been any refinancing.

Senator GORE. Yes; I think there would. Wherever it was safe and sound, there certainly would have been. You would not be in any worse position.

Senator BARKLEY. It was hard at first to get them to refinance at all.

Senator GORE. In my State now over half of it has been building-and-loan financing, and they have kept their good loans in their portfolios and unloaded the bad ones on the Government.

The CHAIRMAN. On that subject, Senator Gore, the bill reads [reading]:

"Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

Senator GORE. I want to offer an amendment, and I am prepared to offer it on the floor, that the mortgagee shall endorse the mortgage and become responsible.

I want to say, Senator BARKLEY, that half of these Home Owners' loans in some places are in default now.

Senator BARKLEY. I think you are wrong there, Senator.

Senator GORE. I say, in some places. They report down here 70 percent. I called up and tried to obtain the information. You cannot find out a thing about it in this town; and two people there were rather offensive when I asked about it. I was talking to a State manager about 3 days ago. I said, "They report that 70 percent have paid off and 30 percent have defaulted." He said that that was untrue; that in his jurisdiction half of them were in default. A lot of them have never made a payment.

Mr. CAREY. Mr. President, day before yesterday the same farmer who gave that testimony appeared before the committee when I happened to be present—I was not there yesterday when he appeared—and he agreed with me that this amendment, as drafted, absolutely protected the farmer against corporations getting control of their business. He was perfectly satisfied with it. As I understand now, the only objection that he has to this amendment is that it may be an entering wedge for something to come in the future. One man comes in here saying he represents the farmers—I can say that I represent hundreds of men who are engaged in agriculture—and because he comes here and makes this statement, should we deny these men what they are entitled to?

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Texas?

Mr. CAREY. I yield.

Mr. CONNALLY. What is the purpose of the amendment and what kind of corporations does it embrace?

Mr. CAREY. Under the amendment any corporation in order to borrow must have the owners of its stock themselves actively engaged in the conduct of the business. It does not mean that a man can sit in New York City and own a farm or ranch and borrow, but under this provision he has to be actively engaged on the ranch or on the farm, attending to that business, and taking part in the business.

Mr. CONNALLY. What kind of existing corporations is it desired to include? Under the amendment I understand a group of farmers, just so they own land of their own and operate farms, could then go out and form a corporation which would be independent of their own efforts, and conduct farming on a large scale, provided the stockholders had been farmers.

Mr. CAREY. They have to be actually engaged in farming when they make the loan.

Mr. CONNALLY. I understand; but they might not continue actively to engage in farming.

Mr. CAREY. Oh, yes; they might die or something like that.

Mr. CONNALLY. I really do not see the reason for this amendment from my viewpoint.

Mr. CAREY. The reason for it is to take care of the livestock men, and those in Michigan such as the Senator from Michigan [Mr. VANDENBERG] describes who are in the apple-growing business, who have incorporated their business, and who cannot now borrow, although they have been incorporated for years.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. CAREY. I yield.

Mr. LONG. I might say to the Senator from Texas that last year a man in Louisiana incorporated his cotton farm. He had a little stave mill and he had a little cotton farm. Business had been so precarious that, in order to get credit for the stave mill, he had to incorporate his farm; in other words, he was compelled to do that so that his mill would not be responsible for the farm debt in case of a failure. At the end of the year he was just as much of a farmer as he ever had been. When the time came to apply the Frazier-Lemke law, due to the oversight in not taking care of such corporations, this man's farm was sold and he could not take advantage of the Frazier-Lemke law as he could have done if there had been an amendment to that law to include farm corporations. All this amendment does, as I understand, in this precarious business of farming where a man does not want to be condemned to a farm loss for the remainder of his life and incorporates his business, is to allow him to obtain Government loans under this bill or Government benefits or whatever they may be, the same as though he engaged in the business in his own name. I do not see why, if it is a good law, it should not apply to farm corporations, with the particular provision having been inserted that the owner of the stock of the corporation must be actively engaged in the farming business. It seems to me it would be wise.

Mr. CONNALLY. If a farmer is engaged actively in the farming business, he has got enough to tend to on his farm and probably does not have any extra cash to invest in a corporation formed to conduct farming operations.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LONG. It is not possible, according to the Government statistics, for a farmer to make a living and engage only in the farming business. [Laughter.]

Mr. CONNALLY. The Senator wants him to engage in two farming businesses?

Mr. LONG. Yes; to engage in more than one business.

Mr. CONNALLY. After he has been wrecked in his private business, it is proposed to wreck him again by forming a corporation, according to the Senator's view?

Mr. LONG. No; the Senator misunderstands me.

Mr. CONNALLY. I do not believe that we ought to encourage even indirect corporate farming, because everyone knows that one of the important objects the Government had in mind when it adopted the Farm Credit Act originally was to encourage home ownership, individual farm ownership, rather than the accumulation of large tracts of lands in the hands of a few people and their operation as great commercial or industrial enterprises. I know that this proposal apparently is diluted and dehorned and denatured under the pretext that the men who are going to form the corporation must themselves be directly engaged in farming; but, just as certainly as we adopt this amendment, at the next session of Congress they will be back here to ask that some other sort of relaxation of the loaning rules be made, and cattle corporations will then be here wanting to borrow on their ranches; and all sorts of efforts will be made to extend the operation and scope of what we are undertaking to do.

Mr. HATCH. Mr. President, the cattle organizations are here now. One of the purposes of the provision is to relieve those now engaged in the cattle industry.

Mr. CONNALLY. Exactly. The Senator points out that the cattle corporations are already here, and so they are. As I suggested a moment ago, because they are in that will be used as an argument why we must put somebody else in; and when we put these people in, at the next session of Congress we will have two arguments instead of one to put in somebody else, or some other sort of a corporation. Thus it goes; little by little they nibble off and dig in and chisel away the safeguards we are undertaking to erect in order to protect and to build up the individual farmer who owns his own home.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I yield.

Mr. WHEELER. I do not know just what the provision is of this particular bill, but in my State a few years ago a corporation was organized by a man who farmed probably twenty or thirty or forty thousand acres of land. Would he be able to come in under this bill and borrow money and carry on his farming operations? Certainly we ought not to be loaning money to relieve that particular class of individuals.

Mr. CONNALLY. Mr. President, the corporation idea has permeated practically every industry and every commercial undertaking of the people of the United States. Agriculture has been the one place where there is to be found any individuality, any feeling that man is still in control of his own business. Let us not destroy that condition. Let us not turn over agriculture to corporate exploitation and to corporate organization. I am opposed to it. Senators may argue that this much of a concession does not do any harm, but after we make this concession they will be demanding other concessions. I am opposed to turning over to corporations the control of the real estate essential to the farming operations of America.

Talk about peonage in farm management! Here is a corporation engaged in farming, owning thousands of acres of land. It can only have tenants; it can only be worked by hired labor or by tenants. There is no sense of possession, no sense of personal or individual identity with the enterprise except as hired men.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Wyoming?

Mr. CONNALLY. Certainly.

Mr. O'MAHONEY. Has the Senator read the amendment?

Mr. CONNALLY. The Senator has.

Mr. O'MAHONEY. How can he argue that it will allow tenants of a corporation to occupy or work the land when the amendment specifically declares that a corporation to be eligible to a loan must be composed of stockholders who themselves are engaged in agriculture on the land affected?

Mr. CONNALLY. To be sure, as I pointed out, it is not required that they be engaged in this particular corporation's activities. So long as they own a little 10-acre tract somewhere, they can be stockholders in a corporation owning thousands or hundreds of thousands of acres.

Mr. GORE. It does not require even that. It does not require them to own a single acre.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Iowa.

Mr. MURPHY. I should like to ask the Senator from Wyoming, in connection with the observation he just made, whether there occurs in the amendment at any point a statement that a stockholder in the corporation must be the owner of the land operated?

Mr. CONNALLY. No; he might be only a tenant.

Mr. O'MAHONEY. I will say to the Senator that the amendment has apparently been changed since it was discussed on the floor several days ago. I have not had an opportunity as yet of reading the revision, but it was my understanding that my colleague, who introduced the amendment, intended that this restriction should be included. Am I not correct, may I ask my colleague?

Mr. CAREY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Wyoming?

Mr. CONNALLY. I yield.

Mr. CAREY. If the Senator will read the amendment on page 3, line 3, restricting those who can become eligible, he will find that it reads:

Unless the persons who own all the stock of the corporation are actually engaged in cultivation or the operation of or in the raising of livestock on the farm to be mortgaged.

On that particular farm. They may not buy or own 10 acres elsewhere and borrow on some other land.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. GORE. The required ownership of even 10 acres would be a much more stringent requirement than the section which the Senator just read. That does not require the ownership of 10 acres. It does not require the ownership of 1 acre. The parties may all be tenants and yet worked as peons, as the Senator from Texas suggests, by those who own the corporation and who direct the tenants.

Mr. CAREY. I cannot construe the language to mean that.

Mr. GORE. Would the Senator be willing to insert a provision that they must own the land?

Mr. CAREY. How could they borrow on land they do not own?

Mr. GORE. They could borrow through the corporation, I assume.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield further to the Senator from Wyoming?

Mr. CONNALLY. Certainly.

Mr. O'MAHONEY. I desire now to read the revised language. I had not read it when the Senator from Iowa [Mr. MURPHY] directed his question to me.

Mr. CONNALLY. The Senator was very much concerned a moment ago because the Senator from Texas had not read it, and yet he states now that he himself has not read it.

Mr. O'MAHONEY. My examination of the provision shows that I was correct in my understanding. It reads as follows:

But no such loans shall be made to a corporation (A) unless the persons who own all the stock—

Not a part, but all the stock!—

unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on—

On what?—

on the farm to be mortgaged as security for the loan.

The stockholders could not possibly borrow on any land unless they were all actually engaged in agriculture upon it. The corporation of which they are stockholders must be the owner of the particular farm upon which the loan is to be made. How could there be any peonage or tenantry under such a proposal?

Mr. CONNALLY. I shall try to answer the Senator. I thank the Senator from Wyoming for his very clear enunciation with reference to this particular clause. I want to make a little enunciation of my own about it now.

The corporation owns the land, of course. It owns the soil. It has control of it. It has dominion over it. No one else but the corporation can own the land, the Senator admits. But it is provided that everybody who has stock in it must be—what?

Unless the persons who own all the stock of the corporation are actually engaged in the cultivation of—

All right! Anybody who works on the farm as a hired man at a dollar a day can be a stockholder. He does not have to own anything except the right to work. So a man could be a stockholder if he is a hired man at a dollar a day. But he can do something else. We are not going to confine it to those. We want to make this broad and liberal, it is said. He can be a stockholder if he is actually engaged—

in the cultivation or operation of—

Any clerk who sits in the corporation headquarters and is engaged in assisting the corporation in carrying on its business is "engaged in the operation of," that activity, is he not? So he is eligible, too—

or in the raising of livestock.

Anybody works on the farm who is engaged in helping to raise livestock. This great farm has a chicken department, and the man who has charge of the chickens on the farm is "engaged in the raising of livestock", so he is eligible to be a stockholder. This great farm has a hog pen, and the chief herdsman of the hogs would be eligible, because he is engaged

in producing and raising livestock on the farm. It has to be on this particular farm. We have a cattle department on the farm, so the chief cowboy would be eligible to be a stockholder.

Mr. O'MAHONEY. But they must all be engaged in the operation.

Mr. CONNALLY. To be sure; all of them.

Mr. O'MAHONEY. The president and the secretary and the cowboy and the clerk and all the rest of them.

Mr. CONNALLY. Certainly. That shows the shrewdness with which these Senators and others have drawn this amendment. [Laughter.] It is absolutely waterproof. Let us assume, for instance, the president has to do something. He has to be a stockholder. Here is a great rich corporation that wants to engage in farming. The president of the corporation could own all the stock except perhaps three or four shares, if he so desired, under the laws of the State where it is organized. I do not know what the laws of Delaware require in that regard. So these corporations are going to farming——

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. In a moment. They are going to farming out in Wyoming, but in order to get the proper corporate set-up they go to the great agricultural State of Delaware and get a charter, which requires that there must be at least 3 stockholders, or 5 or 8 or 11, as the case may be. I do not know the definite requirement in that regard. The man who wanted to do so could own all the stock except enough voting shares to qualify the directors, which would be parceled out to the heads of the hog department, the cow department, the chicken department, and to the tenant and the day laborer.

I yield now to the Senator from Wyoming.

Mr. O'MAHONEY. Does the Senator object to a farmer becoming president of a corporation?

Mr. CONNALLY. Oh, no; of course not.

Mr. O'MAHONEY. The farmer might acquire a little property. The Senator does not object to that, does he?

Mr. CONNALLY. It is a very difficult thing for them to do that right now. I am surprised at the Senator from Wyoming. He is trying to inject into the debate, to overawe and subdue the Senator from Texas, the thought that we may tread on some farmers' toes.

I represent the greatest agricultural State in the Union. I represent intelligent farmers. Does anyone think they are going to object to the course I am pursuing because, forsooth, some farmer in my State might accidently be president of a corporation? I am speaking for all the farmers; I am speaking for the man who wants to remain a farmer. I am speaking for the people who do not want the agricultural field exploited and taken over by the corporations, as so many of the activities of the American people are being taken over. One of the causes of the present depression has been this great industrial organization of mass production, in which a few men own the great industries of the land, and the great masses are merely their hirelings, working as day laborers in the factories and the mills.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I yield to the Senator.

Mr. WHEELER. I desire to call the Senator's attention to the description in this bill of what a farmer is.

Mr. CONNALLY. I know what it is. I do not need to have the Senator read it.

Mr. WHEELER. The bill says:

> The term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either—
>
> What?—
>
> either personally or through an agent or tenant.

In other words, under the terms of this bill a man is engaged in farming operations if he has an agent or a tenant conducting the farming operations.

Mr. FLETCHER. That does not apply to these corporations at all.

Mr. CONNALLY. That does not affect the corporations.

Mr. WHEELER. Oh, yes; it does! It affects them because of the fact that farther on the bill contains general language which regulates the whole situation. Farther on it says, "if they are engaged in the operation of a farm." What is meant by "operation"? We turn back to this other section for our definition of a farmer engaged in the operation of a farm, and the bill says that he is engaged in the operation of a farm if he does it either through a tenant or through an agent. In other words, the head of the farm corporation can live in southern California, or he can live in New York, and he can be actually engaged in farming operations under the terms of this bill if he never sees the farm.

Mr. O'MAHONEY. Mr. President, I do not agree with that conclusion of the Senator at all.

Mr. WHEELER. I cannot help it if the Senator from Wyoming does not agree with it; nevertheless, I cannot get away from the plain interpretation of this language.

"Farm operation" means what? "Farm operation" means that if I am sitting in New York City, I may be operating a farm out in Montana. That is what it means. I am operating it because I am putting in the money, and I am directing the operations of the farm, and that means the operation of the farm.

Take any great industrial corporation in the United States of America: Who is directing its operations? The man in the city of New York is directing the operations of mines in Montana. He is the operator of those mines, and he is carrying on their operations. The president of every corporation, the executive of the corporation, is the man who carries on the operation of the corporation's property.

Mr. CONNALLY. Let me say to the Senator from Wyoming, too, that the Senator from Wyoming a while ago insisted that every stockholder had to be engaged in these operations. The bill provides that the land bank commissioner may in certain cases make a loan where only 75 percent of the stock in value is owned by the persons whom he designates in this amendment.

Mr. GORE. That is the first breach in the wall.

Mr. CONNALLY. As the Senator from Oklahoma suggests, that is the first breach in the wall. If the provision as to 75 percent is a good one, they will probably argue next year, "Why not make it 60 percent? Why not make it 50 percent?"

Mr. President, individual cases of rather persuasive character can always be found which we feel possibly ought to be included, but we cannot afford to generalize on a few isolated cases and open up these institutions to corporate organizations.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. Just a moment.

I desire to say to the two Senators from Wyoming that my attitude is in nowise brought about through any opposition to what ordinarily I should like to do, namely, go along with the two Senators. We frequently do go along together on other measures; but I feel so strongly about this matter of undertaking to permit corporations to engage in agricultural pursuits that I am opposed to beginning, even indirectly, a policy which, according to my view, will only grow and widen as time goes on.

I now yield to the Senator from Louisiana.

Mr. LONG. Mr. President, what greater objection is there to letting a farmer have a corporation than to letting anybody else have one?

Mr. CONNALLY. The Senator does not mean that question seriously.

Mr. LONG. Yes; I do. The point I am making is that the kind of relief we are allowing the farmer corporation to have here, and tying it down mightily, is not unlike the relief we have been giving to other pursuits in which corporations are engaged.

Mr. CONNALLY. I do not really think this is in good faith a bona fide farmer corporation, if the Senator will permit me. We permit farmers now to organize, for their mutual benefit, cooperative societies and things of that kind for their marketing.

Mr. LONG. Perhaps the Senator can suggest some sentence that would make it a little bit tighter; but I know that over in the Senator's own State and in my State, which adjoins it, farmers have not made a living for many, many years.

Mr. CONNALLY. That is true.

Mr. LONG. They have necessarily undertaken, therefore, to engage in other vocations; and the great trouble is that if such a farmer undertakes to engage in any other kind of business, the man who is asked to lend him credit, to risk him in the other enterprise, knows the chances are that the man is going to have a big deficit on the farm at the end of the year, and cannot pay whatever he risks on him in the other line. I have been compelled, therefore, to suggest to some of my friends that they incorporate their farms, because they are usually washed out at the end of a year, and that hangs over them for 5 or 10 years.

Mr. CONNALLY. Let me say to the Senator from Louisiana that from a credit standpoint a corporation is not as good a risk as a private individual——

Mr. LONG. I admit that.

Mr. CONNALLY. Because a corporation is responsible only for its assets. There is no personal responsibility. There may be in this bill. I think there is a clause here that in certain cases the stockholders shall become personally liable, but the argument of the Senator from Louisiana is that all farmers ought to incorporate.

Mr. LONG. Yes; I think so.

Mr. CONNALLY. I do not agree with the Senator as to that. I can imagine some of his little Louisiana farmers with 30 acres of land and a mule who would have difficulty in paying the corporation fee to start with, in order to incorporate. I do not believe that our whole salvation lies along the line of incorporating every industry and every business. I hope agriculture will be one citadel of individualism, one place where the ownership of the soil may be kept in the hands of the man who tills it.

Mr. FLETCHER. Mr. President, this amendment has been agreed to. It was adopted earlier in the day. As we read the bill, the amendment was agreed to. Now, a motion is made to strike out certain parts of the bill, which have been agreed to. If the Senator desires to make a motion at all affecting this matter, I think he must move to reconsider.

Mr. CONNALLY. Then I move to reconsider.

Mr. FLETCHER. The motion of the Senator from Oklahoma is pending.

Mr. GORE. I second the motion of the Senator from Texas to reconsider this amendment. If the Senator from Florida is disposed to be hypertechnical about this bill, we will try to conform to parliamentary procedure.

Mr. FLETCHER. Senators will have to do it, whether they try to do it or not. The rules provide that, where an amendment has been agreed to, Senators cannot go back and make a motion to strike out that amendment. They must move to reconsider it.

That is the point I make. I am not trying to cut Senators off from any course they desire to pursue; but we must proceed in the regular way and according to the rules. It will be necessary to move to reconsider this amendment, because it has been adopted.

Mr. CONNALLY. The Senator is right.

Mr. FLETCHER. Unfortunately, the Senator from Oklahoma was not here at the time, but the amendment was adopted.

With reference to the Senator's suggestion about Mr. Horsford, the gentleman representing farm associations, it is quite true that he made the statement to which the Senator from Oklahoma has referred; but this question was put to him:

> The CHAIRMAN. Yet as to this particular amendment that the committee decided on yesterday you can see no harm, but you do not like the idea of making a start at loaning to corporations for agricultural purposes?
>
> Mr. HORSFORD. That is it. We feel that it might be an opening to make a start.

That is the only objection to it. As to the particular amendment, the farm associations do not object to it. They simply say that it may be an opening, and they do not want to make a start at making loans to any kind of a corporation. That is the whole objection.

We have discussed this bill today quite fully, I think. We have gone into it at length. The question now is, Shall we reconsider what we did in regular order?

I hope the Senate will vote down the motion to reconsider, and let us go on with the bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to reconsider the amendment beginning on line 25, page 2.

Mr. LONG. Mr. President, I see the viewpoint of some of my friends who are apprehensive that this provision would be abused through some large concern incorporating the farm business and using the Government agency as a vehicle. I am just as anxious to avoid that as they are; and if there is any kind of a limit or a safeguard that they want to write into this particular part of the amendment to prevent misuse of the Government's assistance, I shall be glad to vote for it. It seems to me, however, that we are drawing the line a little bit late insofar as concerns the general class of people.

We have allowed these loans to be made in all lines, to all kinds of corporations. As a matter of fact, this Government relief started out with corporations. The Reconstruction Finance Corporation started out to lend money to the banks and to the railroads. It started at the top, and we practically limited our relief to corporations for a long time, until we finally got down to the farmer.

The facts of the farm situation are simply these: Down in my State we have rice farms and sugar farms, and we do not know from year to year what the sugar farmer is going to do so far as concerns what may be inflicted upon him by Congress. We never know at what time Congress is going to lift the sugar tariff and have the sugar farmer's cane fields go to waste. Quite frequently Congress has tampered and meddled with the sugar tariff, and broken the whole country down there, and kept it broke for a number of years; and as a result of it people who live by the mercy of Congress must incorporate. They do not know whether the sugar tariff is going to be 2 cents or 1 cent or nothing; and that difference is the difference between solvency and insolvency, as a result of which most of our cane farmers have incorporated, and many of our rice farmers have incorporated, and any cotton farmer who has much sense incorporated 15 years ago.

The only difference in this bill that is now being insisted on is that a farmer must hold himself up to the hazards of insolvency, whereas no one else except a farmer must be held up to the hazards of insolvency. What other law is there providing for loans to be made by an agency of the Government, or by the Government direct, that does not permit those loans to be made to corporations? I know of none. There is not a single other one. In this particular instance the farmer is not only hamstrung, but it is provided that the corporation must be owned by the men actually engaged in the business, and that is tied down, as I understand it, so that in fact they are bona fide farmers merely operating against limited indebtedness or unlimited indebtedness, as the case may be.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HATCH. I did not quite follow the Senator. What did the Senator mean in his reference to insolvent farmers a moment ago?

Mr. LONG. I mean that where a farmer is operating unincorporated—and most of them do operate that way—if he has a market failure or a crop failure, he is likely to go in the hole for $10,000 this year and not be able to get out in 10 years.

Mr. HATCH. The Senator is not referring to the indebtedness which might be created under the terms of this specific bill?

Mr. LONG. No; but I am referring to the conditions which have been brought about by the Congress—and these conditions in the United States have been brought about by the Congress, and by nobody but the Congress, either Congress failing to act or by ill-advised action. The present condition of the farmers in the United States is not due to anything but failure of the lawmakers to act or their having acted unwisely.

The farmer finds himself today necessarily having to incorporate his business because corporations have preempted every other line of endeavor, and the farmer is the only man today who is left to the mercies and the ravages of uncontrolled indebtedness.

If a merchant goes broke, his mercantile establishment usually is leveled to the ground and he walks out at least scot free the next day, so that he may find something to do. But if the farmer goes broke, every dollar that he owes is on top of his head; judgments are rendered against him in the county in which he lives, and in whatever county the poor devil goes to he finds another judgment put on the record against him, so that he never gets his head above water.

There is only one way to remedy the terrible situation prevailing, and the Senator from Texas adequately presented it a moment ago. I was almost looking for my friend the Senator from Texas to make a speech in favor of the redistribution of wealth. If he had kept going, he would have done that, and I waited for some time, hoping that he would. But in this day of inequality, with everything concentrated in a few people's hands, with $252,000,000,000 of indebtedness, an average of $2,000 to every child, why is it that you do not find the means, if you are not going to give relief by some other kind of process, of allowing the farmer to hide behind the corporation fiction as everybody else is doing today? Either stop the Government lending money to corporations or do not throw up the bar against farm corporations to start with.

You have drawn the line at a very bad place. You have drawn the line rather late. Could we not have said in the beginning of this policy adopted under Mr. Hoover and continued under Mr. Roosevelt—there is no difference in the policy; the same thing we proposed under Hoover we are doing under Roosevelt. I believe Hoover did propose plowing up every fourth row, and we propose plowing up every third, but there is not much difference in the policy that I can see from one end to the other. Should we not in the beginning have proposed that we would not lend the Government's money to anybody except to individuals, rather than start out by lending it to the railroads and to the banks and to the other corporations, until finally a few of us got the money loaned to the farmer?

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. BLACK. I am very much interested in the statement of the Senator about the farmers who own the sugar plantations in Louisiana. May I ask the Senator, what is the biggest sugar plantation, in acreage, which is owned in Louisiana by a corporation?

Mr. LONG. I do not know.

Mr. BLACK. I visited that section last year, and I was informed that in the main the sugar plantations to which the Senator refers as being incorporated are incorporated in thousands of acres, that the presidents of those corporations draw large salaries, and that they employ people to work on daily wages on those sugar plantations. Is that correct?

Mr. LONG. There is some of that.

Mr. BLACK. I drove through several hundred miles of that section last year and had pointed out to me by people who claimed to know—and I stopped at one place—that in the main the sugar was raised by corporations owning thousands of acres of land. I went into the corporate headquarters of one of those companies, and I was informed that in the main there were few small farmers left in that section and that the land was chiefly owned in large blocks. Is that correct?

Mr. LONG. No; that is not true; but, unfortunately, the cane farmer became a rather small farmer, as a general proposition, although there were some big corporations, until this depression, and as a result of this depression many of those are in liquidation or in receivership, and they are usually being operated in large blocks in some places by receivers, but, generally speaking, the cane farmer down there is not much different from the cotton farmer in other States. There are some notable exceptions, but, as a rule, he is not much different from the cotton farmer. Generally, however, our cane farmer is not a bigger land tiller than the other farmers.

Mr. BLACK. My reason for asking the question was that I was sure, considering the Senator's usual position on economic questions and his argument, that he was probably not favorable to the Government lending money to corporations in Louisiana or anywhere else which own thousands of acres of land.

Mr. LONG. No; I am not.

Mr. BLACK. And which pay small wages.

Mr. LONG. I am not.

Mr. BLACK. As I read this amendment, it would permit those very people to borrow money.

Mr. FLETCHER. No; I think not.

Mr. LONG. It might.

Mr. BLACK. May I just follow this up?

Mr. LONG. It might need a limitation.

Mr. FLETCHER. No loan can be made exceeding $25,000 under the Farm Loan Act, and $25,000 additional, making a total of $50,000 as the limit.

Mr. LONG. That is too much.

Mr. BLACK. That being true, and assuming that that is all we ever lend, it has been my judgment and my desire—and it is yet—that the Farm Loan Act permit lending to small farmers. As I read this amendment, one man who lived in a $50,000 home, if it were so desired, could own all the stock in the corporation if he incorporated in Delaware. If I am not mistaken, a corporation may be formed with at least one real stockholder and one other share. One man could own all the stock, and everybody else on the farm would be working on daily wages, with no chance of ever owning a small farm himself, by reason of the fact that the wages were so low; and that one man could get a loan.

Mr. WHEELER and Mr. CAREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I just want to say one word, and then I will yield to my friend the Senator from Montana.

I stated in advance that I would be in favor of a limit being put in this bill. I do not favor these $50,000 farm loans. They are not farm loans. I think nearly all of this money that we have been lending has been dissipated by too large loans. I would favor a limit on lending to a thousand dollars, perhaps, and I am satisfied it would do a great deal more good than lending $50,000 to a person. One point against which I am raising my hand is the provision preventing a farm from borrowing because it is incorporated.

Now I yield to the Senator from Montana.

Mr. WHEELER. I have a great deal of sympathy with the purpose of this measure, but let me say that I am sure the Senator from Florida does not intend the interpretation that can be put upon the language here for this reason: The measure first provides, in subdivision (c) of section 2, that "the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant." First, it provides that the term "farmer" means a person, and then it provides that the term "person" includes any individual or corporation. Then it provides that a corporation includes any incorporated association, and that the corporation or the person must be actually engaged in farming.

In other words, if I read this section correctly, it means that a corporation may hold the stock in another corporation and direct the operations of that organization, and, consequently, it can borrow the money. That is the only logical conclusion that one can draw from the language used in

this measure, because it terms a farmer a person, and then describes a person as a corporation. In other words, a farmer is a corporation. And the person must be actually engaged in farming, or in the operation of a farm. As I have said, the operation of a farm may mean that there is simply a corporation organized for the purpose of operating that farm.

The language of this particular section is so poorly drawn, and subject to so many interpretations, that I think it should be stricken, or should be redrafted.

Mr. CONNALLY. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. CONNALLY. Let me say to the Senator from Wyoming that, in order to make our position consistent, when the vote by which this committee amendment was agreed to shall be reconsidered and the amendment voted down, if it shall be, we will then have to move to strike out subdivision (c), since otherwise we would leave the gate wide open, because every corporation would be a person.

Mr. GORE. That is included in my motion, that that be stricken out, as well as the other.

Mr. CONNALLY. The Senator's motion will come up after we reject the committee amendment.

Mr. GORE. Yes.

Mr. CONNALLY. Then we can move to strike out subdivision (c), as I understand the parliamentary mechanics.

Mr. GORE. Very well.

Mr. CONNALLY. My purpose is to vote for the Senator's motion and strike out subdivision (c) after we shall have killed this committee amendment.

Mr. LONG. Mr. President, I think there ought to be a limit so that the proposed loan shall be a farm loan. I do not want to lend the Government's money to men who hire tenants or to men who share profits. I want the large farms and plantations broken up, and I have helped to break up some of them. I do not want to lend the Government's money to somebody in order to enable him to hire a farmer for him to do the work. That is what I want broken up. That is one of our troubles today. What I am complaining of is not allowing the farmer to borrow because of the fact that his farm is incorporated. It does not cost much to incorporate a farm in my State. We can incorporate for $10 down there. I think that can be done in some of the other States just as cheaply.

I believe that section (c), as I now read it, has been badly written. In it the term "farmer" is taken to mean a person who is at the time or shortly to become a farmer, but one who does no farming personally but does it through an agent or a tenant is not a farmer. He is a business man.

Mr. FLETCHER. Mr. President, that is the present law.

Mr. LONG. That is a bad law. I did not know it. But that does not mean "farmer", and that is not the kind of people to whom we ought to lend the Government's money. We ought to lend the Government's money in these days of distress to the poor fellow working from sun up to sun down, who is trying to make a living and trying to get a home of his own. The Government's money ought not to be lent to some man to enable him to hire somebody else to farm for him. I believe that tenant farming and share cropping is a blight and a curse on our country, which ought to be lifted off the farm lands, and I am not in favor of lending the Government's money for that purpose.

When we reach the point of not lending the Government's money to corporations, it is my belief that we have gone too far, because I believe that the farmer ought to be allowed to incorporate the same as anyone else against liabilities. I have many cases in mind, and every other Senator here knows of just as many as I do, where the farm debts which were contracted 10 years ago are still hanging over the heads of farmers at this time; and, if a little man had sense enough to incorporate his business, and if he had a crop failure or if there was a failure of Congress to pass certain sugar legislation, such as we witnessed here several times—or, rather, of Congress acting unwisely in passing such legislation—then he would not for 10 years to come be burdened with debts for which he is not responsible.

Mr. MURPHY. Mr. President, I was detained in reaching the Senate Chamber and, consequently, was not here when this amendment was approved. I hope that the vote by which it was agreed to will be reconsidered.

The cattle industry is a very large industry in my State. There is no demand that I know of for extending to corporations the powers sought to be conferred in this bill to borrow. I think the objective sought may in instances be meritorious, but this amendment is so drawn that it is promotive not merely of absentee landlordism but corporate absentee landlordism.

The farms of this country are very rapidly passing into the hands of mortgagees. These mortgagees are in most instances corporations. It appears from the language of this amendment that the corporation itself may borrow from the Farm Credit Administration. By extending that opportunity to a corporation we encourage the organization of corporations for that very purpose, and, encouraging that, we encourage corporate absentee landlordism, with all its entail of economic and social ills.

Mr. CAREY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Wyoming?

Mr. MURPHY. I yield.

Mr. CAREY. What will be the difference between corporation absentee landlordism and individual absentee landlordism? An individual can borrow just as much under this act as a corporation. An individual can borrow on a farm and move to town. So what is the difference?

Mr. MURPHY. Well, the evil would be multiplied by two; that is all.

Mr. CAREY. How by two?

Mr. MURPHY. It would be multiplied by two. Both of them are evil.

Mr. CAREY. The Senator means there would be two groups?

Mr. MURPHY. Both of them are evil. Corporate absentee landlordism would be just multiplying it by two. We have now individual absentee landlordism.

Mr. CAREY. An individual could own just as much land as a corporation; an individual could borrow just as much as a corporation.

Mr. MURPHY. It is not ordinarily assumed that an individual can command the resources that a corporation can command. That is the reason for corporations; they can command more capital than can individuals.

Mr. CAREY. Not necessarily. There could be small corporations.

Mr. GORE. Mr. President, the evils of which the Senator complains will be aggravated when we authorize the Government to encourage these farming corporations, if we encourage them to borrow money, if and when they are incorporated.

I wish to say that the last statement of the Senator from Louisiana [Mr. LONG] is in accord with the general principles which he has avowed in the Senate and with which he is generally accredited. The Senator both in the Senate and out of the Senate has been the spokesman of the small farmer. He has been the spokesman of the small farmer in Louisiana and out of Louisiana. If his first statement had been allowed to stand unmodified, I have no doubt that the small farmer in Louisiana and elsewhere would have felt just a little lonesome to read the first statement of the Senator from Louisiana.

I agree with the Senator that the farmers have not been able to earn a living on their farms during this period of depression in this greatest agricultural country on the globe—at least, it was in other days. I think their inability to earn a living may be due in some measure to the fact that privileges and favors have been conferred upon favored groups—upon privileged groups. I think that groups have availed themselves of privileges and favors conferred or at least made available by the Government. It has resulted

in a system of privilege in this country, and a system of privilege enables one man to get without earning what another man earns without getting. A system of privilege compels one man to part with something for nothing in order that some other man may get something for nothing. A system of privilege demands a victim. It cannot be made to work without a victim. It is just like the transfusion of blood; one man gives up the blood in order that another may receive it. That is a system of privilege.

I think we have had a system of privilege in this country fostered and encouraged by the Government at times. Like the Senator from Louisiana, I do not so much complain of the law; I do not so much complain of those who avail themselves of such laws, but I complain of the lawmakers who made it possible for a system of privilege to spring up in this country.

I think to some extent the Senator has indicated that the farmers have been the victims of this system of privilege. I do not believe that anybody has more often asserted the fact that corporations in the country have rampaged the country; have gone to and fro seeking whom they may devour. I think the Senator will agree with me on that.

Therefore, I was surprised in the first instance to hear the Senator favor what I regard as the incorporation of a Frankenstein monster to destroy farmers. I think that is what this proposal is. The first argument made by the Senator from Louisiana [Mr. LONG] in favor of this proposal is to my mind the strongest possible argument against it. That argument had not occurred to me. He states, and correctly states, that if and when farmers can incorporate they can avail themselves of the limited liability that characterizes corporations which protects corporations against their creditors. That is true.

When farmers incorporate, and only the big ones will, they can avail themselves of the protection of limited liability as to their debts. Their property, save what is embarked in the corporation, will not be liable for their debts. They will enjoy a bombproof fortification built up by the limited liability safeguards.

If all farmers would incorporate there might be some force in the Senator's argument, but the Senator from Louisiana knows that Tom, Dick, and Harry are not going to incorporate. They never will. There are more than 6,000,000 farmers in the United States. Perhaps a few thousand would incorporate, and those who incorporate will, as the Senator suggests, enjoy limited liability as to their debts, but, sir, that increases the competition which the one-horse farmer has to meet. He will not incorporate. In many States he cannot incorporate. He cannot afford to finance a corporation. He could not attend to the technical details, and yet he must compete with those who are in a situation to incorporate, to take our charters and avail themselves of the protection resulting from limited liability.

This measure invites the corporation against which the Senator from Louisiana has inveighed so often, and so often with justice, to invade the cotton fields, to invade the cornfields, to invade the wheat fields, to embark upon every activity known to the farm.

The PRESIDING OFFICER. If the Senator from Oklahoma will suspend for a moment, the Chair will state that the Senate is proceeding under rule VIII. The hour of 2 o'clock having arrived, the morning hour is closed.

Mr. FLETCHER. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1384.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (S. 1384) to amend the emergency farm mortgage act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. GORE. Mr. President, the Senator from Louisiana, like the rest of us, remembers the story in the Arabian Nights where a magician had the power to raise the devil but did not have the power to control him after having raised him. I think that is the peril of this proposed legislation. We are conjuring up a spirit which once raised we will find it impossible to control, and I am afraid that the small farmer will be the victim of vast incorporated concerns; that the amendment, if adopted, will destroy the character of farming which we hope to revive and not to abolish in the United States. I fear the competition, and I believe the security of the little farmer will be maintained by defeating this proposal.

The PRESIDING OFFICER (Mr. BYRD in the chair). The question is on the motion of the Senator from Texas [Mr. CONNALLY] to reconsider the vote whereby the committee amendment at the bottom of page 2 was agreed to.

Mr. SCHALL. Mr. President, I have a letter here from some people from my State who are interested in this matter, which I ask the clerk to read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WASHINGTON, D. C., *February 2, 1935.*

Hon. THOS. D. SCHALL,
Senator from Minnesota, Washington, D. C.

DEAR MR. SCHALL: We, the undersigned, are the Minnesota members of the Northwest Farmers' Union legislative committee who have come to Washington in the interest of the farmers of our territory.

We seek your special assistance in the matter of defeating an amendment to the bill entitled "S. 1384." It is the Carey amendment which would make it possible for corporations to loan money from the Farm Credit Administration for the purpose of corporation farming.

Our committee is opposed to this bill for the reason that we believe it would add intolerable difficulties to present agriculture.

Believing that you will see eye to eye with us in this matter, we remain,

Respectfully,

P. J. THORSON,
J. EDWARD ANDERSON,
Minnesota Members of the Northwest Farmers' Union Legislative Committee.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas. [Putting the question.]

The motion was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the committee.

Mr. McNARY. Mr. President, may not the clerk state the pending amendment?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. The pending amendment is on page 2, line 25, after the word "farmer", where the committee proposes to insert the following:

(2) the term "person" includes an individual or a corporation; and (3) the term "corporation" includes any incorporated association, but no such loan shall be made to a corporation (A) unless the persons who own all the stock of the corporation are actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the persons actually so engaged, and (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided,* That no loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for.

Mr. CONNALLY. Mr. President, I want to say that if this amendment shall be defeated, then, at the proper time will recur the motion of the Senator from Oklahoma to strike out paragraph (c).

Mr. FLETCHER. Mr. President, of course, under the motion to reconsider, the whole subject is open to further amendment or what not. I hope the Senate will not recede but will stand on the action already taken, and let us go on with this bill. I ask for a division on the motion to reconsider, and I hope the vote will be "no."

Mr. CONNALLY. The question now is on the adoption of the committee amendment, is it not, Mr. President?

Mr. FLETCHER. No.

Mr. CONNALLY. Does the Senator want a roll call?

Mr. FLETCHER. Yes; on the motion to reconsider, I ask for the yeas and nays.

Mr. LA FOLLETTE. I make the point of order that the Senator's request comes too late. The Chair has announced the result of the viva voce vote.

The PRESIDING OFFICER. The point of order is sustained.

Mr. FLETCHER. I first asked for a division, but I now ask for the yeas and nays.

Mr. CONNALLY. I will say to the Senator from Florida that the same result may be obtained by voting on the committee amendment.

Mr. FLETCHER. We have voted on the committee amendment. I do not want to bother with reconsidering and opening up the whole question again.

Mr. CONNALLY. It has already been reconsidered. By voting the committee amendment down or voting it up, we will get the same result.

The PRESIDING OFFICER. The Chair will state for the information of the Senator from Florida that the motion was made to reconsider, the question was put to the Senate, and the result was announced by the Chair as being in the affirmative.

Mr. FLETCHER. I then ask for a division. I believe I have a right to do that.

Mr. GORE. Mr. President, I think the Senator's request comes too late. It was made after the decision had been announced by the Chair.

Mr. CONNALLY. Out of consideration for the Senator from Florida, I ask for unanimous consent that a division may be had on the question of reconsideration.

Mr. LA FOLLETTE. I object, for the reason that I think this question ought to be decided on an affirmative vote as to whether or not this amendment should be adopted.

Mr. FLETCHER. We voted on that once.

Mr. LA FOLLETTE. I understand that, but the Senator is also aware of the fact that we have already voted to reconsider; the Chair has announced the result and the Senator's request for a yea-and-nay vote comes too late.

The PRESIDING OFFICER. Objection is made. The question is now on the adoption of the committee amendment.

Mr. CONNALLY. As I understand, the Senator from Oklahoma has offered a motion to strike out section (c).

Mr. FLETCHER. No; he has not offered such an amendment.

Mr. O'MAHONEY obtained the floor.

Mr. CONNALLY. A parliamentary inquiry. Would a motion now be in order to strike out all of paragraph (c), including the amendment?

The PRESIDING OFFICER. Such a motion would be in order.

Mr. CONNALLY. I now make the motion to strike out paragraph (c).

Mr. O'MAHONEY. I have the floor.

Mr. CONNALLY. I thought I had the floor.

Mr. O'MAHONEY. No; I was recognized.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I understood the motion which was adopted a few moments ago was to reconsider the vote by which this amendment was adopted. What is the pending motion?

Mr. FLETCHER. The question is on the amendment of the committee, it seems to me. I do not believe there is any other motion pending.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McNARY. Exactly.

Mr. O'MAHONEY. Then, Mr. President——

Mr. CONNALLY. I rise to a point of order. The pending question is on the adoption or rejection of the committee amendment. That opens up, however, the whole of section 2. I understand the rule to be, if I make a motion to strike out, that a perfecting amendment takes precedence; and under my motion to strike out the vote would first come on the adoption of the committee amendment, and when that shall be adopted or rejected the question will recur on the motion to strike out paragraph (c). Is not that correct?

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the Senator from Texas is correct.

Mr. O'MAHONEY. It is my purpose, having the floor, to present an amendment to perfect the committee amendment. The purpose of the amendment which I intend to offer is to meet the criticism which has been raised by the Senator from Texas [Mr. CONNALLY], and, having obtained recognition of the Chair, I desire to offer that amendment before the motion to strike out is offered.

Mr. McNARY. Mr. President, does the Senator desire to perfect his own amendment?

Mr. O'MAHONEY. I desire to perfect the amendment of my colleague, the senior Senator from Wyoming [Mr. CAREY].

Mr. McNARY. Which was also modified by the Senator's motion some days ago. I think he is entitled to that privilege.

Mr. FLETCHER. Of course, any Senator may propose to amend the amendment now. It is not a question of perfecting the amendment, but any Senator may propose to amend the pending amendment.

Mr. O'MAHONEY. I am merely anxious to have this amendment before the Senate.

Mr. FLETCHER. The question is on the Senate agreeing to the committee amendment, and any Senator may move to amend that amendment.

Mr. O'MAHONEY. In the interest of orderly procedure, Mr. President, I move now to amend the committee amendment by inserting in line 1, on page 3, after the word "corporation", where it first occurs, the words "now in existence"; by striking out in lines 3 and 4 the words "the persons who own all the stock of the corporation are" and inserting in lieu thereof the words "all the stock of the corporation is owned by individuals themselves", so that the amendment will read as follows:

(2) the term "person" includes an individual or a corporation now in existence; and (3) the term "corporation" includes any incorporated association, but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves actually engaged in the cultivation or operation of, or in the raising of livestock on, the farm to be mortgaged as security for the loan.

The purpose of these two amendments is to meet the two substantial criticisms that have been offered to the committee amendment. The words "now in existence" will make it impossible for any corporation to be created in the future to take advantage of the opportunity to make a loan, thus meeting an objection that was raised by the Senator from Montana [Mr. WHEELER]. The other change is intended to make it absolutely clear that the owners of the stock are the individuals who themselves will be personally engaged in work on the farm or a ranch to be mortgaged, so that no question of absentee landlordism can again be raised.

The PRESIDING OFFICER (Mr. McGILL in the chair). The question is on the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is now on the committee amendment as amended.

Mr. O'MAHONEY. On that question I ask for a division.

Mr. FLETCHER. I ask for the yeas and nays.

Mr. BULKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Black	Capper	Cutting
Ashurst	Bone	Caraway	Davis
Austin	Borah	Carey	Dickinson
Bachman	Brown	Clark	Donahey
Bailey	Bulkley	Connally	Duffy
Bankhead	Bulow	Coolidge	Fletcher
Barbour	Burke	Copeland	Frazier
Barkley	Byrd	Costigan	George
Bilbo	Byrnes	Couzens	Gerry

Glass	Lonergan	Norris	Thomas, Okla.
Gore	Long	Nye	Thomas, Utah
Guffey	McAdoo	O'Mahoney	Townsend
Hale	McCarran	Pittman	Trammell
Harrison	McGill	Radcliffe	Truman
Hastings	McNary	Reynolds	Vandenberg
Hatch	Maloney	Robinson	Van Nuys
Hayden	Metcalf	Russell	Wagner
Johnson	Minton	Schall	Walsh
Keyes	Moore	Schwellenbach	Wheeler
King	Murphy	Sheppard	White
La Follette	Murray	Shipstead	
Lewis	Neely	Smith	
Logan	Norbeck	Steiwer	

Mr. LEWIS. I announce the absence of my colleague the junior Senator from Illinois [Mr. DIETERICH] on official business. I again announce the absence of the junior Senator from Louisiana [Mr. OVERTON] because of illness.

I again announce the continued absence of the Senator-elect from Tennessee [Mr. MCKELLAR] and the Senator from Maryland [Mr. TYDINGS] on the Philippine Commission.

The PRESIDING OFFICER. Eighty-nine Senators havanswered to their names a quorum is present.

Mr. MCNARY. Mr. President, as I understand, the question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] to perfect the amendment proposed by him and adopted a few days ago. I suggest that the clerk state the pending question before we take the vote.

The PRESIDING OFFICER. The clerk will report the amendment as it is proposed to be amended.

The CHIEF CLERK. The amendment to the amendment proposed by the Senator from Wyoming is as follows: On page 3, after the word " corporation ", insert the words " now in existence "——

The PRESIDING OFFICER. That amendment has been adopted. The question is on the amendment proposed by the committee as amended by the amendment of the Senator from Wyoming.

Mr. LONG. Mr. President, a point of order.

Mr. MCNARY. Mr. President, I desire to submit a parliamentary question. A few moments ago when the matter was voted on by the Senate on a viva voce vote, and pending a decision by the Chair when a division was called for, a demand was made for the yeas and nays and the suggestion of the absence of a quorum was then made for the purpose of having Senators present when the yea-and-nay vote is had. I do not recall the Chair making any ruling whatsoever on the proposal submitted by the junior Senator from Wyoming except as I have stated.

The PRESIDING OFFICER. The Chair has announced the adoption of the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] to the committee amendment. The question pending when the yeas and nays were demanded by the Senator from Florida [Mr. FLETCHER] and when the absence of a quorum was suggested was on the committee amendment as amended by the amendment of the junior Senator from Wyoming.

Mr. MCNARY. That is correct.

The PRESIDING OFFICER. The amendment offered by the junior Senator from Wyoming to the committee amendment has been adopted. The question now is on the amendment of the committee as amended.

Mr. MCNARY. And we are now about to vote, not upon the amendment proposed by the junior Senator from Wyoming, but upon the amendment of the committee as amended.

The PRESIDING OFFICER. That is correct.

Mr. LONG. Mr. President, I was out of the Chamber when the amendment was agreed to. I had understood a quorum was being called for the purpose of voting upon the amendment of the Senator from Wyoming. I was not aware of the fact that the Chair was ruling, or was being called upon to rule, on the amendment to limit the corporations to which a loan might be made. That amendment is more objectionable——

Mr. O'MAHONEY. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. LONG. Certainly.

Mr. O'MAHONEY. I wish merely to state the parliamentary situation as I understand it. I believe the Senator from Louisiana is now about to make an address on the merits of the amendment.

What has transpired is this: The amendment proposed by my colleague the senior Senator from Wyoming [Mr. CAREY] was adopted earlier in the day. Later on a motion was carried to reconsider the vote by which the amendment was adopted.

Thereupon, in order to meet the objections that had been raised, I made a motion to amend the committee amendment. That motion was then put, and there was some doubt as to the result of the vote. A division was requested, and thereafter the yeas and nays were requested; and in pursuance of the request for the yeas and nays, a quorum call was made.

The quorum call having been made, it is now my understanding that the next step is to have the yeas and nays on the amendment. In pursuance of that, the Presiding Officer asked the clerk to state the amendment, in order that Senators might know what they were asked to register a yea-and-nay vote upon.

Mr. ROBINSON. Mr. President, will the Senator yield to an inquiry? Has the amendment proposed by the junior Senator from Wyoming [Mr. O'MAHONEY] been agreed to?

Mr. O'MAHONEY. It has not.

Mr. ROBINSON. The Chair stated that the question was on the amendment as amended, which would imply that the amendment of the junior Senator from Wyoming had been agreed to.

Mr. O'MAHONEY. If that amendment has been agreed to, I am happy about it. I did not so understand it.

Mr. LONG. That is the point I am making.

Mr. ROBINSON. Then the question now is upon the amendment as amended?

The PRESIDING OFFICER. That is the pending question.

Mr. CONNALLY. Mr. President——

Mr. LONG. I have the floor. I yield to my friend from Texas.

Mr. CONNALLY. On the point of order, the yeas and nays were not ordered. There was a demand for the yeas and nays, but it was not sufficiently seconded; so the Senator's amendment has been adopted.

Mr. O'MAHONEY. I am very happy about it.

The PRESIDING OFFICER. The question now is on the committee amendment, as amended.

Mr. LONG. Then I ask the Senate to vote down this amendment entirely. The fact of the case is, my stomach had been gradually turning against it even before it was amended. Perhaps my friend from Alabama will have to take the blame for my change of position on this matter, but after reading this whole section, although part of it is the law already, I think this amendment makes it very objectionable.

I have urged, notwithstanding all the pleas of my friends from Oklahoma and Texas, that there is no reason why farmers ought not to be allowed to incorporate their business and secure a loan. I have not argued the merits and demerits of corporations, as my colleagues have, because that is not the point. We have corporations, and they have been growing quite steadily; but I have urged that in this day of evil, if the corporation is an evil—and it has been used more for evil than for good, no doubt, in lots of instances—farmers ought to be allowed to incorporate in order to borrow money from the Government.

Now, why? According to the amendment which has been agreed to, these big sugar plantations that have already incorporated can borrow money. The smart man, the big man, has already incorporated. He can come here now, and his corporation can borrow money. The big men who are already wise to this kind of skin games, if you are going to call them skin games—and I do not call them that—can borrow money. The big men always were wise to this kind of a " shenanigan." They knew in the very beginning, when they began to go broke——

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I think the Senator was altogether correct in the position he took about an hour ago. If he has changed his mind now, it is because he has gained some misinformation with respect to the tenor and purpose of this amendment.

Mr. LONG. No.

Mr. O'MAHONEY. The only effect of the amendment as it now stands will be to open the door for the small man, the farmer or the rancher to form a corporation; and it does not in any degree open the door for the big fellow, because there are two or three limitations on the big fellow in the law and in this amendment.

Mr. LONG. If the Senator will pardon me, did not his amendment provide that corporations now existing could take advantage of this provision? What is that amendment? May I ask to have the clerk read it? At what point was that amendment inserted?

The PRESIDING OFFICER. The amendment heretofore adopted to the amendment will be stated.

The CHIEF CLERK. On motion of Mr. O'MAHONEY, the amendment was amended as follows:

On page 3, line 1, after the word "corporation", where it occurs the first time in line 1, the words "now in existence" were inserted.

Mr. LONG. That is what I meant.

The CHIEF CLERK. And in lines 3 and 4, the words "the persons who own all the stock of the corporation" were struck out, and the words "all the stock of the corporation is owned by individuals themselves" were inserted.

Mr. O'MAHONEY. If the Senator will permit me to explain what was meant by that change, I shall be glad to do so.

Mr. LONG. I shall be glad to hear the Senator; but I should like him to answer this question: It seems that the first amendment merely means that this shall apply to such corporations as now exist?

Mr. O'MAHONEY. That is right. That amendment was adopted at the suggestion of the senior Senator from Montana [Mr. WHEELER], who was fearful that the amendment might be used for the purpose of creating corporations to take advantage of the opportunity afforded. It was the purpose of the first amendment to meet that criticism. The purpose of the second change was to make it absolutely certain that all the stockholders of the corporation should be individuals themselves engaged on the farm. The word "person" having been defined in earlier language of the bill to include a corporation, we have used the word "individual" here to make it quite clear that no agent or tenant is meant.

Mr. LONG. I desire to say that the second amendment is a good amendment; but the first amendment, even though it was adopted at the instance of the Senator from Wyoming——

Mr. O'MAHONEY. I appreciate the commendation of the Senator from Louisiana.

Mr. LONG. I thank the Senator. The second amendment I have no objection to; I think it is a good amendment; but the first amendment makes it just doubly bad. In other words, this amendment now allows farms that are already incorporated to borrow money. In other words, the big man has a chance to borrow as a corporation, but the little man cannot borrow as a corporation. They had already found that out without this law.

As I started to say, I do not refer to corporations as being devious means of evading what is right; but, accepting them in that light, as my friends from Oklahoma and Texas argue, since they term corporations more or less the sinister shadow of something wrong—and they are probably more that that what is right in most cases anyway—none the less, the big man already knew these shenanigans. He was an expert at that sort of thing before this law ever came about. The great big sugar plantations and the great big rice plantations have been incorporated for 15 years or 20 years or 25 years, and their owners are the men who ought to be excluded from the privilege of borrowing money under this measure. They are the very men who ought never to have been allowed to incorporate and to use the banks to carry on this big share-cropping and hiring-farm system in the first place; and the sooner such corporations are broken up the better off the country is going to be.

This provision not only does what the Senator from Oklahoma says, I will admit, but it does more than that. Slavery in the Southern States was not broken up as long as the big farm was left down there. The only difference was that the white man was a slave just the same as the nigger was a slave. Take the situation in my country: I am in a white man's country, as my friend from Alabama said, and I thank him for it. There have been miles and miles and miles of cane plantations and rice plantations down there where they worked the white man and the nigger for from 35 to 40 to 60 cents a day during a season, and for nothing when there was not a season. Those men have already learned to incorporate, and to borrow money, and to float bonds, and to sell stock; and they will be the very first ones to qualify under this law so as to get a loan.

What made me feel favorably disposed toward this bill was the fact that it enabled the little farmer to incorporate, the same as the big business has been incorporating and getting the advantage of these various and sundry laws of the Government. These various and sundry corporations have all been sharing, in one way or the other, in the benefits of the various laws the Government has been passing. So when the senior and the junior Senators from Wyoming came along here sponsoring an amendment by which they said to all the farmers, big and little, old and young, that they could incorporate and thereby place themselves beyond assuming personal liability for the debts of a farm, I was in favor of that because it placed the little farmer on the same basis that the big business had been on for a long time.

Mr. BLACK. Mr. President——

Mr. LONG. I yield to the Senator from Alabama.

Mr. BLACK. The Senator knows, as a practical matter, however, that whether or not the little farmers were now permitted to incorporate, they never would do it.

Mr. LONG. Oh, no; I do not know that.

Mr. BLACK. The farmer living away out on the hillside who has one mule cannot be expected to go into the county seat and incorporate. In the first place, he does not make enough to pay a lawyer to incorporate him.

Mr. LONG. The Senator lives in Alabama. He does not know how we run things in Louisiana. I would have them all incorporate.

Mr. BLACK. I have been down through there, and so far as I saw they are all incorporated now.

Mr. LONG. Yes.

Mr. BLACK. But there are only about six or seven of them who are incorporated, and they work all the others as wage earners.

Mr. LONG. That is right. The point about it, Mr. President, is this: I intend to teach our farmers how to incorporate their farms. If we are going to keep up this "shenanigan" business of letting everybody else avoid being held personally responsible for debts that are incurred, I will show all the farmers in Louisiana how to incorporate. I will sit down with a mimeograph machine, and type off the directions, and send out the blanks, and have the farmers send them in, and I will incorporate all of them in that State.

Mr. BLACK. How is the Senator going to incorporate the small landowner down there when most of the sugar land is already owned by large corporations?

Mr. LONG. No; we have lots of little farms down there.

Mr. BLACK. Where?

Mr. LONG. All over the State—Winn Parish, where I come from. The farms there are all little. I had one of them. I owned a farm myself until they put dead cattle on it that they killed under the Agricultural Act. [Laughter.]

The point I am urging is this: I urged in the beginning, along with my two friends, the Senators from Wyoming, and over the objections of the Senators from Oklahoma and Texas and Montana, that it was not against the policy of the

Government to lend money to corporations, and that there was no reason to proscribe the farmer from borrowing money through his corporation when we were allowing the railroads, the banks, and every other kind of a business to borrow money through their corporations. The Government has already been loaning to the sugar corporations down there. They have been borrowing for sugar refineries; they have been borrowing for one thing or the other down in that country already. They have got about all the good of the money that the Government has been putting out. Also, if the governmental authorities loaned any money to amount to anything on homes, they loaned it to some man on about a fifteen- or twenty-thousand-dollar home in most cases, instead of loaning it to the little man with a $5,000 home. They have been doing that down there for various and sundry reasons that I have already explained on the floor of the Senate. Now we come along with this amendment, which I am willing and glad to support as a matter of principle, to let it be known to the little 1-horse, 2-horse, or any other kind of a farmer in this country that he has just as much right to incorporate and to keep from having his debts swallow him as any other kind of business.

Take the case of an ordinary corner grocer. If he has a thimbleful of sense, the first thing he will do when he goes into business is to incorporate, and the bigger they get the more they are certain to incorporate. But when his business goes broke, he may be a "broke" man, but he goes out with his shoes on and does not owe anybody anything from the top of his head to the soles of his feet. But let a farmer go broke, let the rice farmer or the cane farmer, who has to depend on the mercy of Congress for a tariff, go broke in the month of November, and they will put his debt above his head, and they would take a judgment against the poor devil. He may move over into another county, but they will end the judgment over there and have it entered, and when he has worked 10 years and is about to retire, they will bring suit against him and rewrite the debt on the mortgage record, and keep the farm indebtedness over that poor devil's head the balance of his lifetime.

The only man who suffers today by reason of debt as a personal matter is the little man, who is either not strong enough or who has never learned enough to take advantage of the fictions of the law.

We established a moratorium in Louisiana, and the only man we have to defend from being sold out of what little he has on the farm he might claim under the homestead law is the little man, the little farmer or the little laboring man, who has not been able to incorporate his business.

Therefore I said here this afternoon, let us allow the little farmer to have the same right to incorporate and borrow money from the Government as everybody else has been allowed to have, the right to come and borrow money from the Government, and let him go out just as free from individual indebtedness as the railroad president goes free from individual indebtedness.

What do you do under the Reconstruction Finance Corporation when you lend money to a bank? Is the president of the bank liable personally for the money the bank borrows and never pays back? Is the president of the industry or the railroad responsible for the money the railroad borrows from the United States and never pays back? The railroad may go broke, but the president and the secretary and the vice president owe the Government nothing.

Mr. President, that has not been considered a radical policy. No one undertakes to hold these gentlemen who embark in these various and sundry industries in the guise of corporations as being individually responsible. So it is only fair, if you are going to lend the money of the Government to a man to engage in a farming business, that that man should be no more held liable or responsible for the individual loss of that money than the big corporation to whom you lend perhaps a million times that much money is held liable.

That is why as a principle of law, as a matter of equality, I undertook to keep written into the law the principle that if you are going to disgorge the Government's money into the hands of these various and sundry borrowers, you ought to lend it to the farmer on the same basis, with the same limited liability, as you lend to other businesses borrowing money from the Government.

While we were debating the bill I had depended on my friend the Senator from Montana, who did not understand the bill any too well anyway, and my friend from Kansas. I had inquired of the Senator from Florida in the very beginning of the consideration of the bill what it was about, and when the Senator from Florida undertook to explain to me, one or the other of those Senators passed by and said, "The bill is all right. Stop asking questions", and I took it that it was all right. But we had not gone very far before the Senator from Montana took the floor and showed something else that is already the law. The Senator from Florida said he did not know it was the law. Probably I voted for it not knowing any better, but I shall not vote for it again, now that I do know. But here is the bill. What is there under this measure, as my friend the Senator from Alabama has brought it to my attention? Here it is:

> As used in this section, the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant.

In other words, a man who sits on St. Charles Avenue in the city of New Orleans, takes the telephone down from the hook, and phones 40 miles down the river and says, "How is the rain down there today?"—he is a farmer. I am not proposing to have the Government lend any money of the Government to these Canal Street farmers. I am not proposing to have the Government lend any Government money to these Fairfield Avenue farmers. I am trying to get something through under which the Government will lend a little money to the little farmer, and no man ought to be considered a farmer except some man who has to get behind the plow.

No man should be allowed to participate if he is going to participate in the gratuities of the Government in order to bring up the distressed farmer, except some man who has to take the hoe in his hand, who has to take a bell cord in his hand, and drive a mule down the cotton row or the corn row.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. WHEELER. Under the bill as it was reported, with this amendment in it, it was provided not only what the Senator says with reference to one being a farmer, but it provided that a farmer was a person. Then it provided, also, that a person was a corporation. So that we would have the farmer, under the bill, as a corporation. I did not know that we had any farmers in the United States who were incorporated.

Mr. LONG. And a corporation owning a corporation.

Mr. O'MAHONEY. But we have changed that.

Mr. LONG. I do not know. It says a corporation "now in existence", and a corporation now in existence can own another corporation. The New York Life can be a farmer under this measure.

Mr. O'MAHONEY. Oh, no.

Mr. LONG. Perhaps not.

Mr. O'MAHONEY. Because all the stock must be owned by individuals who are just exactly the kind of farmers the Senator is trying to defend. The sum total of the Senator's argument is that an ordinary dirt farmer who has his hand on the plow shall not be permitted to create a corporation, shall not be permitted, if he does incorporate, to take advantage of this act.

Mr. LONG. That is what the Senator from Wyoming has done. The Senator from Wyoming has put into the measure the words "in existence." I want to say to the Senator from Alabama that the minute I heard this thing being argued on the floor of the Senate I almost had a touch of wisdom. I saw a chance. I knew exactly what I was going to do. I was going right back to the State of Louisiana, where my friends have a political organization in every county, and a good one, and we were going to mimeograph

off some corporation forms, and we were going to incorporate every dad-gummed farmer in the parish. In other words, we were going to give the farmers the same advantage in sharing in this Government money that the big men have been getting in sharing in the Government money, and if the farmers lost the money—as they will, just like a bankrupt coming into court; he comes there because he is broke—when the farmers lost the money, I would have been able to say to them, "You are in the same fix with Mr. Atterbury with the Pennsylvania. You can step out foot free, and not owe anybody anything. You can move from Winn Parish over into Caldwell Parish and make a living, if you can find a way to make one, and judgments cannot follow you."

In other words, I have been trying to live under that system of government you want to impose on my people. If you are going to keep these bloated corporations, this plutocracy, as the ruling element in this country, I am going to undertake to see that my people take advantage of it in every way, shape, and manner they can to live under. If you are going to continue to hold out the hand filled with Government funds to every corporation in every undertaking this country knows anything about, then I want to give that same kind of advantage to my farming people in Louisiana. That is why, and that is the only reason why, I saw merit in this particular provision of the measure that would allow a farmer to incorporate and then borrow money. I think we can incorporate them in Louisiana for about six or seven dollars a head, and that would be a very small charge, and it would be done in order to enable them to have the full benefit of what the Government has been granting to others.

Then you come and head us off. I am surprised at my friend the Senator from Montana agreeing to this amendment while I was out of the Chamber. I thought he was going to protect us.

An amendment was adopted inserting the words "now in existence." That refers only to the corporations that are already organized as farmers; that they can borrow money as corporations under this measure. In other words, the big sugar baron of Louisiana can borrow money and assume not nearly as much responsibility as the little man.

The little man is in this condition. Every man knows that a farmer is bound to go broke. You do not have to see what is going to happen next year. If you know what happened last year and year before last and the year before that and 10 years before that, if you are a man whose feet can be guided by the lamp of experience, if you will judge the future by what has happened in the past at all, you know that the farmer is bound to go broke. That is something you know. Any man sitting in this Chamber who does not know that a farmer is bound to go broke under the present set-up of the situation in the United States, even if I am that man, ought to be bored for the hollow horn.

The average income of the farmer is not a living income, and everybody knows that it is not a living income.

Not able, therefore, to make a living on the farm, they would get out and go into the tie business, they would go into the stave business, they would go into this new business they have of planting tung trees, or any other kind of business in which they could put 8 months out of the year or 6 months out of the year to try to make a living in order to make what the family had to have, that they could not make on the farm, and then with both of them put together they could not make it. But the first thing that such a man would have flashed in his face would be this: "We cannot credit you for any money to go into this business; we cannot do any business with your little stave mill or your little tie mill, because you are farming, and before the year is over the Government is going to come in on you and make you a debtor for $1,000 or $2,000 for money that you borrowed from one of these various Government agencies."

Therefore, Mr. President, I favored most strongly this provision of the law which the distinguished Senators from Wyoming had caused to be incorporated, which would have meant that the farmer could have gone into any other business he wanted to, and everybody would know that neither that farmer individually nor the other business that he managed to establish would be liable for any of the money that had been loaned to him as a farmer. That is why I favored this corporation fiction, and that is why I was glad to hold out for it.

Mr. BULKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. I yield.

Mr. BULKLEY. Does the Senator want to strike out the words "now in existence", which were agreed to?

Mr. LONG. Yes.

Mr. BULKLEY. I agree with the Senator. Mr. President, I make the parliamentary inquiry whether it is possible to reconsider the vote by which the amendment to the amendment was agreed to, and to have those words stricken out?

The PRESIDING OFFICER. A motion to reconsider would be in order.

Mr. BULKLEY. I should like to make that motion, unless the Senator from Louisiana [Mr. LONG] is going to make it.

Mr. LONG. I should rather the Senator from Ohio [Mr. BULKLEY] would make the motion, and I now yield to him for the purpose of his making the motion, and I will vote for it.

Mr. BULKLEY. Mr. President, I move that the Senate reconsider the vote by which the amendment to the amendment was adopted.

Mr. O'MAHONEY. Mr. President, I have no objection whatsoever to the elimination of those words.

The PRESIDING OFFICER. The question is on the motion of the Senator from Ohio [Mr. BULKLEY], to reconsider the vote by which the amendment to the amendment was agreed to. Without objection, the motion to reconsider is agreed to.

Mr. BULKLEY. I now move that the words "now in existence" be eliminated from the amendment.

Mr. CONNALLY. Mr. President, the question, as I understand, is now on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]. The Senator from Ohio moved to reconsider the vote by which the amendment of the Senator from Wyoming was agreed to. It has been reconsidered. So the question now is, Shall the amendment be agreed to?

Mr. BULKLEY. The amendment offered by the Senator from Wyoming was in two parts. My purpose is to strike out the first part—the words "now in existence."

The PRESIDING OFFICER. The question is now on the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to insert the words "now in existence."

Mr. BULKLEY. Is the question now separated so that we can vote on that separately from the other amendment of the Senator from Wyoming?

The PRESIDING OFFICER. That is the only portion of the amendment reconsidered. The question now is on the amendment of the Senator from Wyoming [Mr. O'MAHONEY] to insert the words "now in existence."

Mr. O'MAHONEY. Mr. President, let me repeat that I have no objection to the elimination of those words. I withdraw the amendment, if I may do so in the present parliamentary status. I withdraw that part of the amendment so that the question now comes up on the committee amendment as amended by the second insertion which I moved.

The PRESIDING OFFICER. The Senator from Wyoming asks permission to strike from his amendment the words "now in existence." Without objection, it is so ordered.

Mr. CONNALLY. Mr. President, I beg the Senate's pardon for taking up any of its time now, but since the quorum call a good many Senators have come in who probably are not advised as to just what we have been undertaking to do.

The question now before the Senate is the adoption of the Senate committee amendment, on page 2, beginning at the bottom of page 2, running down to line 17 on page 3. There is pending an amendment offered by myself to strike out the whole of section (c). The preferential motion, however, will come first.

Those of us who want to strike out this provision and who want to defeat the Senate committee amendment take such

a position because we are opposed to opening up Government loans to corporations engaged in agriculture, and our reasons are that we do not favor encouraging in any way the operation or the formation of corporations to engage in agricultural pursuits or to hold great bodies of land devoted to agricultural purposes. I do not expect to elaborate our views on that question.

Senators may say that this provision is quite harmless; that a loan is only permitted to a corporation whose stockholders are engaged in agriculture on the particular farm on which the loan is requested. But we have already pointed out that there is no requirement that these stockholders own any interest in land. They may be day laborers, they may be tenants, just so they are engaged in operating the farm. The corporations might be owned by one or two individuals, except for a few shares of stock which they would parcel out to their employees.

Mr. BULKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Ohio?

Mr. CONNALLY. I yield.

Mr. BULKLEY. The one or two individuals would have to be engaged in the same operation.

Mr. CONNALLY. Yes.

Mr. BULKLEY. And if they do not incorporate the one individual would get along just the same.

Mr. CONNALLY. That is true, but he would not be an individual, he would be a corporation.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Wyoming?

Mr. CONNALLY. I yield.

Mr. O'MAHONEY. All of them would have to be personally engaged on the farm.

Mr. CONNALLY. Exactly. I do not intend to open up that question again, but, as I undertook to point out a little while ago, all that would be required of the stockholder is that he be actually engaged either in the cultivation of, the operation of, or the raising of livestock on that particular farm. In other words, a day laborer might be a stockholder, the owner of $10 worth of stock, we will say, or $1 worth of stock. The real property in the corporation might be owned by one or two or three individuals; they might own not 160 acres of land, the Government size of a homestead, but they might own 160,000 acres of land, and yet, because little puppet stockholders, phantom stockholders might own a dollar's worth of stock or one share of stock—some hired man, some office employee, some stool pigeon of the corporation, if I may use that term—it would bring that corporation within the terms of this bill, and it might come to the Government and receive a loan on the pretext that it is a person engaged in farming. Yet, it would, in fact, be a corporation.

Mr. President, those are the views of those of us who are insisting on striking out first the committee amendment, and later all of section (c). I hope the Senate will vote down the committee amendment, and then will strike out all of section (c).

Mr. BARKLEY. Mr. President, I think our friends are unduly alarmed about the effect of this amendment and of this subsection. I realize that whenever the word "corporation" is mentioned many of us suffer from the rising of the rabid blood in our veins, and we do not like to legislate with reference to it.

I am not interested in this proposal one way or the other. There are no such corporations in my State, I presume, and I doubt if any will be organized, but I do realize the fact that in some of the States, especially in the far West, farmers have as much right to incorporate as has anyone else.

If three or four or half a dozen actual farmers engaged in cultivating the soil or in operating farms or in raising cattle on farms, in order that they might form a mutual organization for the purchase of machinery or for reducing the overhead in operating five or six or a dozen farms which they themselves own, want to incorporate and borrow money as a corporation, I can see no objection to it.

Reference has been made here today to the tenant farmer, the day laborer. I do not know that there is any reason why a day laborer on a farm or a tenant farmer ought not to enjoy some of the privileges of the Farm Loan Act. He cannot now qualify because he does not own land. He cannot offer any security. But it is perfectly ridiculous to assert that under this language and under this amendment a number of day laborers on farms, or tenant farmers, can form a corporation and borrow money, because every one of them must sign as an individual as security for the loan, and if he owns nothing which would offer any security the Federal land bank would not make the loan.

If three or four or five or half a dozen tobacco growers in my State, in order to buy machinery that can be used in common among all of them, in order that they might buy any sort of equipment that they themselves might use, not one of them being able to buy it himself, want to buy it as a corporation, borrow money, and have all their farms mortgaged individually, and then each one of them signs the obligation individually in order that they might do that, I cannot see, to save my life, why there should be any objection to it.

We have protected this situation by providing that no one can form the corporation except individual farmers. They are required to be practically eligible themselves for individual loans in order that they may form a corporation which may be used to borrow the money collectively.

I cannot understand the psychology of fear here that absentee landlords, who under present distressing conditions have gone out and bought up land, are to form a corporation; that, although they themselves do not live on the farms and do not actually cultivate them, they are going to form a sort of supercorporation and go out and borrow money from the land banks and operate those farms as a corporation.

Certainly we ought not to discourage the right of farmers to act cooperatively. Certainly we ought not to discourage the right of farmers who are actually engaged in farming whether they live on the farm or whether it is being worked by a tenant.

If a man owns a farm and lives on it, he can borrow money on it; if he owns a farm and does not live on it but has a tenant on it, he can borrow money on that farm; so that, under the law as it now exists, a man is not required to live on the farm in order that he may borrow money on it. So we are not abolishing absentee landlordism under the Federal land-bank system. Every man who owns a farm and operates it through a tenant today individually may borrow money if he is otherwise qualified. Why deny him the right to go into a corporation with his neighbor or with four or five of his neighbors, form an agricultural corporation so as to buy machinery or to buy seed or to work their hands together, and thereby liable not only as a corporation but individually, their farms at the same time being equally liable for the loan which they obtain as a corporation? I cannot see, to save my life, that there is anything here that offers any encouragement to such a thing as absentee landlordism.

Mr. MURPHY. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Iowa?

Mr. BARKLEY. I yield.

Mr. MURPHY. The farmer has a right now to borrow as an individual. Why have a corporation?

Mr. BARKLEY. I have just been trying to tell why he ought to have it.

Mr. MURPHY. The Senator imputes to the farmer an increased borrowing capacity by reason of incorporation.

Mr. BARKLEY. Not at all; that is a matter in the discretion of the farm-loan bank and the farm-loan association. If he happens to be a member of a farm-loan association, he cannot pyramid his borrowing power by forming a corporation beyond his ability to pay, because the farm-loan bank which makes the loan or the farm-loan commissioner who might make the loan will, of course, have to take into consideration his individual responsibility as a borrower and as a member of the corporation.

Mr. MURPHY. Mr. President, will the Senator yield further?

Mr. BARKLEY. I yield.

Mr. MURPHY. This does not take away from the farmer any right he now has and does not give him any particular additional opportunity by permitting him to borrow as a member of a corporation. The objection is not particularly to this feature in itself, but it is to the menace that it opens up to the increase of absentee landlordism.

Mr. BARKLEY. What is the menace? I have been trying to disabuse the Senator's mind that there is any menace.

Mr. MURPHY. We have spent a good deal of time here today discussing the potential menaces.

Mr. BARKLEY. Yes; and we discussed them in the committee.

Mr. MURPHY. One potential menace is that a corporation might own stock in a corporation authorized under this amendment to borrow money.

Mr. BARKLEY. But that corporation must itself be eligible to borrow and it must be composed of men who are actually engaged in farming.

Mr. MURPHY. Precisely, or in operating a farm. I own a couple of farms and I may be classified as an operator of farms, although I operate them at a distance, under a tenancy. That is not a condition to be encouraged by the use of the corporation device. There is now a constantly increasing tendency toward the operation of farms by tenants. Our farms are very rapidly passing into the hands of mortgagees. Tenancy in one county in my State has increased to 85 percent. The statement is made that tenancy in Iowa at large has increased to 62 percent. The social consequences of that condition are terrible.

I am fearful that letting corporations get their feet into the door as borrowers will encourage that very tendency which we must do everything we possibly can to arrest. This is an opening wedge. There is no farmer now on a farm who is not to the extent of his resources taken care of in his ability to borrow from the Farm Credit Administration. His borrowing capacity is not increased. The borrowing capacity of the individual farmer working with his hands on the farm is not increased by this amendment, but the borrowing capacity of somebody else is increased—not the actual farmer, but the absentee—and I do not purpose helping that along. I want to head it off.

Mr. BARKLEY. If the Senator, as he no doubt does, entertains the fear that it allows the camel's nose to get under the tent, so as to open up indefinitely to the corporations of the country that are not engaged in farming the opportunity to borrow money under the guise of being farmers, of course he ought to vote against this amendment; and if I felt that that was the truth, I myself would not support it. But we have protected it against any such possibility by requiring that every stockholder of such a corporation must himself be a farmer who is engaged in the cultivation of the soil. If a farmer who owns two farms can borrow money on both of them, although he only lives on one of them and cultivates the other through a tenant, I cannot see where there is any danger in allowing that farmer to join with one other or two others or half a dozen others in forming a little local agricultural corporation in order that they may use that corporation to borrow money for their mutual benefit and for their mutual use as an agricultural enterprise.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. Let me invite the attention of the Senator to the fact that the bill not only uses the word "cultivation", as the Senator says, but it also employs the words "or operation." There is a vast difference, as the Senator will find by looking in the dictionary, between the term "cultivation" and the term "operation." As I have previously pointed out here, the president of a great corporation operates that corporation and a man may operate a farm, as men do in Montana at the present time, and live far away. A man who lives pretty nearly nine-tenths of his time in California operates farms in Montana consisting of fifty or sixty thousand acres of land. That kind of a farmer, in my judgment, and that kind of a corporation should not be permitted to borrow money.

I have not any objection to loaning to the small farmer who actually cultivates his farm and is incorporated or to enabling the man who owns cattle and conducts a cattle business on his ranch to borrow money through a corporation or otherwise, but I do object to the Government loaning, say, $50,000, that was intended to be loaned to the individual farmer who is cultivating his land, to some man who spends his time, as a matter of fact, elsewhere and who merely employs tenants to work upon his farm, but who may be said to be engaged in the operation of it. The purpose of this bill is to help the farmer who is on the farm and not to help the corporation or the operator of the farm.

Mr. BARKLEY. The Senator and I are not far apart, so far as the word "operation" is concerned. I think that I may say that the use of that word is the result of the legal technicians who felt that, inasmuch as a man owning two or more farms can live on only one of them, and actually does not himself cultivate any of the others, but cultivates only the one on which he lives, operating the others through tenants, he ought not to be barred from the privileges of this amendment. But inasmuch as the language has been hedged about so as to require that the men who borrow money through corporations must themselves as individuals be actively engaged in the cultivation of the soil or the operation of a farm they do not happen to live on, I do not entertain the fear, which the Senator seems to entertain, that the amendment opens up to anybody who happens to own a farm off somewhere away from his direct control the opportunity to form a corporation and borrow money.

As I said a while ago, this bill will not affect anybody in my State. It is offered largely as a means of benefiting cattle raisers of the West, and it was specifically stated that one of the conditions under which they might form a corporation was that they cultivate the farm or operate it or are engaged in raising livestock upon it.

The Senator from Montana is more familiar with the western conditions than am I, and I would not, of course, put myself up against him as to a statement of fact as to the customs and traditions of farming in the West, especially in the production of cattle; but it certainly seems to me that we are counseling unduly with our fears when we anticipate that the mere use of the word "corporation" or the word "operation" will open the door indefinitely to absentee landlord corporations to borrow money.

Mr. WHEELER. Mr. President, let me say the conditions that exist in Iowa have been explained by the Senator from Iowa [Mr. MURPHY]. There is much farming land held by insurance companies and others, as I understand.

Mr. LONG. The insurance companies own much land.

Mr. WHEELER. Yes; and so do mortgage companies. Assuming that the word "operation" remains in the bill, such companies may organize a corporation to operate a farm or farms, although they do not actually cultivate them. I think that the word "operation" ought to come out.

I will say to the Senator that, so far as Montana is concerned, it will not affect us nearly so much as it will the Middle Western States. The provision perhaps will help a few cattlemen in my State and in neighboring States, but when we put it in we are going to find exactly what has been charged here, that people claiming they operate farms are going to be borrowing money, and it is going to mean that there will be an increase in tenant farming.

I am opposed to one of the provisions of the present law. I am going to move to amend it by striking out of paragraph (c) of the pending bill the words beginning in line 22, page 2, "either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations."

Mr. BARKLEY. That has been the law ever since it was enacted in 1916. It seems to me, the object of the Farm Loan Act being for the benefit of agriculture and to allow farmers to have all the facilities of credit that other classes of people

have always enjoyed, it would be a distinct disservice to the farmers to provide that they can borrow money only on land where they live, although they may own another farm within a mile of that and cultivate it for the benefit of some tenant as well as for themselves. It would be a distinct disservice to provide that they may not borrow money on that farm because they cannot live on more than one farm at a time.

Mr. WHEELER. As a matter of fact, a farm is not limited to 160 acres of land or to 500 acres of land.

Mr. BARKLEY. Of course, if it were all contiguous, a man could live on all of it.

Mr. WHEELER. So far as being a disservice to the farmer, there is not, in my judgment, a real honest-to-God farmer in the Northwest or the Middle West who would not be delighted to have us put a stop to the loaning of money to the absentee landlord. When we stop that—and that is what my proposal would do—then the situation will be such that the farm will be sold to somebody who is going to be able to buy it and actually operate it. We are providing Government funds for the absentee landlord under this measure.

Mr. BARKLEY. My idea of an absentee landlord is the man who lives in a city or town and owns a farm, or two or more farms, out in the country, 40 or 50, or 100 miles away. I am not enamored of any such absentee landlordism as that, any more than the Senator is; but there are thousands of farmers in the country who have been able to invest their money in land. It may not be invested in contiguous tracts. A farmer owning two farms may find himself with 5 miles between the two tracts which he owns. The Senator would deny him the right to borrow money on the farm 5 miles away from where he actually lives.

Mr. WHEELER. Not at all. The Senator is entirely wrong if he thinks that is true. That language might well be stricken out. I may own a farm, but I do not have to live on a particular acre of land in that farm. I may own a farm consisting of 160 acres here and another 160 acres 5 miles away. That is 320 acres of land in my farm. I want to strike out this language because the bill provides for money to be loaned to the absentee landlord and that ought not to be permitted. The purpose of Congress ought to be to help the man who is actually living on the land, who is actually farming the land, and not somebody who is just holding it for speculative purposes, who has some tenant farmer on it.

Mr. BARKLEY. Under the Senator's proposal every man who all his life had lived on his farm, even if he only owned one farm, and raised a family of children to the point where he wanted them to be educated, and, in order to educate them, moved into the little county seat, where they had school facilities, could not borrow money on the farm which he had cultivated and on which he had lived all his life.

Mr. WHEELER. I would agree to that, because the man we want to help is the man actually on the farm. I am not in favor of the Government of the United States going into all kinds of loaning business. I thought what we were trying to do was to help the poor farmer who is actually on the farm and trying to make a living upon it.

Mr. BARKLEY. That is the main object of the proposed legislation.

Mr. WHEELER. Under the guise of helping the farmer who actually lives on the land, we are, as a matter of fact, going out and making it possible for the absentee landlord to borrow money from the Government for the purpose of speculation and holding up the price of farm lands. It is being done also for the purpose of letting corporations operate the land.

Mr. BARKLEY. I think the man who could raise the price of farm lands now would be a distinct benefactor to the farmer.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. LONG. Mr. President, I want to propose an amendment. On page 3, line 5, I move to amend by striking out the words "or operation."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment it is proposed, on page 3, line 5, to strike out the words "or operation", so as to read "Engaged in the cultivation of, or in the raising of livestock on the farm."

Mr. LONG. In other words, in order to comply with the apparent unanimity of opinion here, I propose to strike out the words "or operation" so it will apply to anyone engaged in the cultivation of, or in the raising of livestock on, the farm to be mortgaged.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LONG. Certainly.

Mr. CONNALLY. If we adopt that amendment the corporation owns the land, of course.

Mr. LONG. Yes.

Mr. CONNALLY. Just so a man was a day laborer on the farm, he would be eligible for a loan.

Mr. LONG. The stockholders would have to be men working on the farm, cultivating the land.

Mr. CONNALLY. An ordinary day laborer would be eligible just so he owned a share of stock.

Mr. LONG. Everybody would have to be a day laborer. Everybody would have to cultivate the land. The corporation borrowing the money, instead of being the operator of a farm, would be the man who cultivated the farm.

Mr. BLACK. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I yield.

Mr. BLACK. I have a very high regard for the Senator's legal ability. I am sure if he will look at the bill he will find that the man who sits on Canal Street and picks up the telephone can still cultivate the land 50 miles away. There can be no question that the exact situation the Senator pictured could continue even if we strike out the words "or operation." It does not mean he has to be there himself to cultivate it with his hands.

Mr. O'MAHONEY. The amendment was amended to mean exactly that, that he has to be there himself.

Mr. BLACK. It does not say so.

Mr. LONG. Yes; it does.

Mr. BLACK. No; it does not.

Mr. LONG. How does it read?

Mr. BLACK. It reads:

Unless the persons who own all the stock of the corporation are actually engaged in the cultivation—

And so forth.

Let us see what that means. A man is engaged in the cultivation of land, it has always been held, if he does it through someone else. He does not have to go there and use the plow himself. I am wondering whether the plow would be handled by the president of the corporation, the secretary of the corporation, or the board of directors. Perhaps they would have to have rules promulgated and bylaws adopted to determine whether the president should drive the mules or whether the secretary should hold the plow handle.

Mr. LONG. That trouble comes because of the first part of the section rather than because of the amendment. The first part of paragraph (c) is where that trouble arises, because it permits them to farm through agents and hired hands.

Mr. BLACK. I am willing to admit that striking out the words "or operation" does not do the bill any injury, from the viewpoint I take; but I do take the position that any fair construction of the bill would mean exactly what the Senator said a while ago—that a man sitting in Canal Street in his nice beautiful home, owning land 15 or 25 or 50 miles away, could call up and cultivate his land by telephone. I understand the Senator does not want a provision which would lend money to that kind of man.

Mr. LONG. I do not; but the trouble is we already have that provision. We are discussing the amendment. The Senator from Alabama refers to paragraph (c). We are now about to vote on the part of the bill printed in italics.

Mr. BLACK. I understand that; but I say, if we strike out paragraph (c) entirely, we still leave the bill in such

form that money is to be loaned to the corporation where all the stock of the corporation is owned by individuals themselves actually engaged in cultivation.

Let us see what that means. Let us suppose the Senator's friend on Canal Street has a wife; that he and his wife organize a corporation; that he is president and she is secretary. All the stock would be owned by them. They call up over the telephone and direct how the land shall be cultivated. They drive out to the land in their automobile and in through the roadway they have had to build through their farm, and look to see whether or not their hired help are properly plowing the mules. They direct its operation as directors of the corporation. They would be eligible for a loan under the terms of the bill. I am sure the Senator will agree with me on that point.

Mr. LONG. I agree the whole law is wrong. There is no question about that. I am talking about the whole law, and not merely the bill which we now have before us.

Mr. FLETCHER. Mr. President, in order to save time and limit this discussion, and obviate drawing these fine technicalities, I am willing, so far as I am concerned, to accept the amendment to strike out the words "or operation."

Mr. LONG. All right.

The VICE PRESIDENT. Without objection, the amendment suggested by the Senator from Louisiana to the committee amendment is agreed to. The question is on the committee amendment, as amended.

Mr. LONG. Mr. President——

Mr. BLACK. I thought the Senator had finished.

Mr. LONG. I yield to the Senator from Alabama.

The VICE PRESIDENT. The Chair thought the Senator was speaking on his own amendment, and that is the reason why the Chair put the question.

Mr. BLACK. That is perfectly all right, if the Senator has another amendment.

Mr. LONG. I have another amendment.

Mr. BLACK. I think the more amendments are offered the better the bill will be.

Mr. LONG. I will improve it. Any time my hand touches anything it will be better. [Laughter.]

On page 3, line 10, after the word "engaged", I move to strike out the comma and insert a period. Then I move to strike out all the rest of line 10, all of line 11, all of line 12, and the rest of the word "*Provided*" and the word "That" on line 13, and change the "n" of the word "no" to a capital "N."

That sounds like a whole lot, but what I have done by means of the amendment is this: I have placed the farmer borrowing money through a corporation in the same status as any other person borrowing money from the Government through a corporation.

I know this amendment is going to seem very radical; I know it is going to seem horrible; but it allows a farmer to borrow through a corporation on the same basis as a railroad or a bank or a store or a refinery, or any other big interest. In other words, this is a very radical thing. I realize that it is a radical suggestion. It would not be radical if I were suggesting it for a bank or for a railroad or for a refinery or for a power house, or something like that. We understand that; but this amendment is to permit the farmer to borrow money through a corporation just as anybody else borrows money through a corporation; that is all.

It is a radical thing that I am suggesting; but the time will come when we will regard the farmer in the same way as anybody else. I know it is going a long way to consider him as anything except gun wadding, or something like that; but my idea is that a farm corporation should be able to borrow money on the same terms and under the same surveillances and with the same appraisals as anybody else, and that it is just as fair that it should do so as that anybody else should do so. In other words, if one of my little farmers borrows $2,000, and loses out, mostly through the action of the Government, after he has given up all he has, if he moves off the farm and lets the Government take it just as they take the railroad, just as they take the bank, just as they take the power house, he should be able to go away without having himself mortgaged for the rest of his lifetime.

If we are willing to lend $100,000,000 on that basis, there is no reason why we should subject the farmer to a personal liability for a few thousand dollars, and from what little I know about the thing, I should say we have made loans of close to $10,000,000,000 up to this time.

This is intended to be, and will be, beneficial legislation. It will be fine legislation. We know what a corporation is, however, and I am only asking you when you lend money to the corporation of the little farmer to say to him, "We loaned the Baltimore & Ohio Railroad $50,000,000, and we did not call upon the president or the stockholders of that road to sign up that they were individually liable for that money. We loaned the power house a little money, and we did not call upon the president or the stockholders of the power house to sign up that they were individually responsible to the corporation to whom that money was loaned. Now we are going to put the farmer in exactly the same category. We are going to let the farmer's corporation borrow money, and let him hold up his hand on his appraisal, the same as any other corporation."

In this Senate of fair-minded and honorable men I do not believe anyone will contend that we ought to say that a farm corporation must have an individual liability, but that any other kind of corporation borrowing money from the United States Government does not have to have an individual liability. That is the line I am trying to draw. That is the discrimination I have been trying to avoid by this amendment. When it is incorporated in this measure, it will be a splendid, beneficial piece of legislation for the first time.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana to the amendment of the committee. [Putting the question.] The "noes" have it, and the amendment to the amendment is rejected.

Mr. LONG. I call for a division.

The VICE PRESIDENT. A division is demanded.

Mr. LONG. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Cutting	Lonergan	Schall
Bankhead	Davis	Long	Schwellenbach
Barbour	Dickinson	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McNary	Steiwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Glass	Moore	Trammell
Bulow	Gore	Murphy	Truman
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Walsh
Caraway	Hatch	Nye	Wheeler
Carey	Hayden	O'Mahoney	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	

Mr. LEWIS. I desire to announce that the junior Senator from Louisiana [Mr. OVERTON] is detained from the Senate by illness.

My colleague the junior Senator from Illinois [Mr. DIETERICH] is necessarily detained from the Senate.

The senior Senator from Maryland [Mr. TYDINGS] and the Senator-elect from Tennessee [Mr. MCKELLAR] are necessarily absent on a mission to the Philippine Islands.

The VICE PRESIDENT. Ninety Senators having answered to their names, a quorum is present.

Mr. LONG. Mr. President, I should like to get a yea-and-nay vote on this amendment of mine if I can, please. I hope there will be no objection to it.

The VICE PRESIDENT. That, of course, depends upon the will of the Senators present in the Senate Chamber.

Mr. LONG. Before the Chair asks whether or not there is a second to my request, I desire to explain for just 1 minute to the Senators who have come in in answer to the quorum call what it is that I am asking.

I have explained to those who were present that I am only asking that a farmer's corporation borrowing money be put on the same basis as any other corporation borrowing money. That is all I am asking. I am asking that if a farmer, through a corporation, makes one of these little two-by-four chicken-feed loans from the Government, his corporation shall be on the same status as the banks and railroads borrowing money by the hundreds of millions of dollars.

In other words, in the case of the power companies and the railroads and the banks, we do not hold the stockholders composing them, or the officers directing them to an individual liability on any loan they make from the Government. We lend that money to the power companies, to the railroads, and to the banks without there being any individual liability at all. I am asking that the same rules apply to one kind of corporation that apply to the others; that there be no more individual liability against a farmers' corporation than there is against these other corporations.

This is a small matter. Under this whole bill I do not suppose it is proposed to lend more than a billion dollars to farmers. Under the Reconstruction Finance Corporation Act we proposed to lend 8 or 10 billions of dollars and there was no individual liability on 10 billion dollars of loans. I ask the same thing for the farmers in this case; and I ask for a yea-and-nay vote on my amendment, Mr. President. I think the Senate ought to give me a yea-and-nay vote on this principle.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator.

Mr. NEELY. If the pending amendment shall be adopted, will it not become as easy for the rice planters of Louisiana to borrow money from the Federal Government as it now is for the Kingfish to borrow money from the Bank of Weber City? [Laughter.]

Mr. LONG. Well, I will put it in a better place. The Senator from West Virginia has been listening to that radio broadcast and I have not; but I will tell him how it would be: It would not be quite as easy, but it would be almost as easy as it was for General Dawes to borrow $100,000,000 from the Reconstruction Finance Corporation. The only difference would be that the farmer could borrow by putting up as security what he individually owned, valued at a thousand or two thousand dollars, on the same basis that General Dawes borrowed $100,000,000.

I know this is a radical piece of legislation. It is a horrible thing to talk about letting the farmer borrow a thousand dollars on the same basis on which you let a railroad or a bank borrow a hundred million dollars! It is a terrible thing to come into the United States Senate and to propose this outlandish, Bolshevik doctrine that a farmer be allowed to borrow a thousand dollars on the same basis on which Dawes borrowed a hundred million dollars, or Atterbury borrowed a hundred million, or some railroad borrows $50,000,000! It is a horrible thing! But I am trying to convince the Senate that if you take everything that a farmer has as collateral, and he has put up every dime he has and his crop fails, and he goes to the demnition bowwows and moves away and gets a hundred-dollar job by which to feed his wife and children, you ought not to follow him and plaster a judgment on his head in the next county to which he moves.

That is what you have been doing in the lending of ten to fifteen million dollars to the biggest, and you have been lending it to them five million dollars at a time, ten million dollars at a time, a hundred million dollars at a time, and you have never yet asked a single member to sign as an individual guarantor for the repayment of what he borrowed for the corporation. I am asking for the same treatment for the little chicken-feed money that you lend to the farmers.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG] to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, as amended.

Mr. BLACK. Mr. President, I desire to take only a few moments to express my views in opposition to this amendment. They are different from some of those which have been stated.

In the first place, I desire to suggest that there is a much easier way to prevent personal liability on the part of a farmer than to require him to incorporate. For instance, the Legislature of Louisiana could be called in session in a very short time. It may be they have already enacted the law I am about to suggest, but they could meet and provide against deficiency judgments. If they will do that, it will not be necessary for the farmers to incorporate. It will certainly be far better for the farmers of Louisiana to have a law passed protecting them from deficiency judgments than to require them to incorporate, with all the expense incident thereto.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. LONG. The Senator faces two things which he would not, I am sure, be able to answer, in that connection. The first is that the Federal lending agency would decline to lend. Number 2, that the Federal laws would supersede State laws, and the Federal law requires that there be individual liability in the making of a loan. Those would be the two things.

I want to say to the Senator from Alabama that this is the first time since he has been in the Senate, or since anybody else has been in the Senate, that they ever voted that there should be individual liability for a corporate loan. The only time it has ever been done since this thing has been here from the days of Washington was in the case of lending money to a farm corporation.

Mr. BLACK. Mr. President, insofar as my vote is concerned, that is immaterial to the issue, but if there is any importance to be attached to it, I will state that I voted against the Reconstruction Finance Corporation law in the outset. I have voted against each amendment that has been offered on every occasion, which proposed to extend the provision for lending to corporations or to business interests of this Nation. I have taken the view that it was not proper to lend Federal money for such purposes. So, if my personal vote has anything to do with it, I may state that, if there is any advantage, I am clear of having voted to make those loans.

I am against lending money to corporations engaged in farming. I am against it fundamentally.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. BLACK. I yield.

Mr. WHEELER. Like the Senator from Alabama, I also voted against the Reconstruction Finance Corporation law, and, as the Senator will recall, when we created the Reconstruction Finance Corporation and let the railroads and insurance companies and banks reach their hands into the public coffers for the purpose of maintaining their capital structure and for the purpose of paying interest upon their bonded indebtedness, some of us at that time said it would be only a short time before every class of individuals would be coming to the Government of the United States and asking for the privilege of borrowing money out of the Treasury.

Mr. President, we find the great corporate interests of this country deploring the fact that farmers are coming here asking for money, asking for loans. We find them deploring the fact that individuals are looking to the Government of the United States. But I want to take this occasion to recall the fact that those very individuals who deplore that condition are the men who set the precedent for everybody else looking to Washington for aid from the Government of the

United States, and the men who set that precedent are the ones who are responsible for the condition in which we find ourselves today.

What farmer is there who is coming to the Government of the United States and asking for money to pay the interest upon bonds he has outstanding? Yet we find the great railroads of the country borrowing money to pay interest upon their bonded indebtedness. Likewise we find great banks and great corporations upon whose great capital structure it is impossible for them at the present time to pay interest, coming here to get money for the purpose of keeping it up, and foisting it upon the people of the United States.

Mr. BLACK. I thank the Senator for his remarks. I desire to state that, in my judgment, this proposed legislation is thoroughly unfair.

Mr. LONG. Mr. President, will the Senator yield to me, inasmuch as he has been interrupted already?

Mr. BLACK. I yield.

Mr. LONG. I did not vote for the R. F. C.; I was not here when the law was passed. I did not come here until after the Congress had passed the law. But I want to ask the Senator this question: Does he see any reason, if we are going to lend to one corporation, why we ought to require the personal endorsement of the farmer and his corporation and not require the endorsement of the railroad and the bank for loans made to their corporations? I just want to get the Senator's opinion.

Mr. BLACK. I expect to discuss the whole subject in a very brief time. I will state, however, that I do not have to surmise; I know, as everybody else here knows, that the great masses of American farmers are never going to organize corporations. I know, as every other practical man here knows, that those who incorporate will be the kind of farmers described by the Senator from Louisiana, men who farm by telephone, and with their automobiles travel to their farms. I know that the farmers of Alabama, living far out on a country hillside, are not going in to the county seat and organize a corporation, either in Alabama or Delaware. They are farmers. They are not going to be the presidents or the secretaries or the boards of directors of a corporation.

Imagine a corporation following a mule down a crooked row on a country hillside. You ask, "Who is plowing?" The answer is, "That is the president of the corporation."

"Who is chopping the cotton?"

"That is the treasurer."

"Who is that coming along there hoeing that row of cotton?"

"That is not the treasurer; that is the chairman of the board of directors." [Laughter.]

Then you find him as he goes down the corn row, and you find another member of the board of directors plucking corn from the stalks, and another member of the board of directors pulls the fodder.

Mr. LONG. Mr. President, the Senator is not answering my question.

Mr. BLACK. I expect to answer the Senator's question.

Mr. LONG. The point is this——

Mr. BLACK. I may not answer it satisfactorily to the Senator, but I expect to answer it.

Mr. LONG. The point is this, if for $10 they can incorporate—and they can incorporate for $10; then can incorporate for less than $10—if for $10 a farmer can get from under individual liability for farm debts, what is the harm in his being a corporation?

Mr. BLACK. In the first place there are precious few of them who have the $10, or who will have the $10, as the Senator knows. In the next place, if the Federal land bank wanted to decline to lend money to the individual because his State passes a law protecting him against deficiency judgments, the Federal land bank will decline to lend a corporation money. The Federal land bank, in other words, has the right to determine in each instance, and the idea of saying that we can anticipate that the farmers of America, 6,000,000 of them, away out in the country, will organize corporations to borrow money from a Federal agency, is absurd and ridiculous.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. BLACK. I yield.

Mr. GORE. In addition to what the Senator said about the deficiency judgments, I desire to make another suggestion. I have the authority of one of the leading industrial concerns in the United States, one of the leading industrial concerns on the globe, that the American farmer is the best credit risk there is. During the history of this concern they have sustained a loss at the hands of the farmers, through good and evil days, of less than 1 percent—a fraction of 1 percent. True, it has been some time since I received the report.

I do not think the farmers are seeking a refuge to escape their debts. I think the farmers are willing to pay their debts. What they want is a chance, ways and means with which to make payment, conditions of survival which will enable them to make a living for their families and pay their honest debts. I do not think they are looking for refuge or loopholes; and I wanted to mention the fact that one of the leading industrial concerns in the world said that the American farmer is one of the best credit risks there is.

Mr. BLACK. I agree with the Senator from Oklahoma as to that.

Mr. President, I had just started to say that the permission to incorporate and as a corporation to borrow money will, in my judgment, be a detriment and an injury to the great mass of American farmers.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. If I understand the Senator from Louisiana [Mr. LONG], he believes that each individual farmer should incorporate himself.

Mr. LONG. Yes.

Mr. BLACK. And get money from the Government?

Mr. LONG. Yes.

Mr. CONNALLY. Each of them to be a perambulating corporation.

Mr. LONG. Yes; and get the Government money.

Mr. CONNALLY. I suppose the Senator knows there is a requirement of law that the head office of the corporation shall be fixed at a certain place. I suppose the Senator would provide for that.

Mr. BLACK. The head office would be in the barn.

Mr. CONNALLY. He could not go to the adjoining county or move from place to place.

Mr. BLACK. And the board of directors would meet in the stable.

Mr. GORE. Mr. President, it may be like General Polk in the Civil War, who sent a report to Abraham Lincoln on the eve of the second Battle of Manassas, and he signed the report with the famous expression, "Headquarters in the saddle." He lost the battle. Lincoln said the reason why he lost it was that he had his headquarters where his hindquarters ought to have been. [Laughter.]

Mr. BLACK. Mr. President, I have already occupied a longer time than I had intended to take, and I have not yet expressed my views on this amendment. I started to say that, in my judgment, this provision is unfair to the great masses of farmers. I say that because I believe that only a very small number would ever incorporate. As a matter of fact, I do not believe one out of a million real dirt farmers would incorporate. There are 6,000,000 farmers. I do not believe six real dirt farmers would incorporate. I am sure that some would incorporate.

Mr. President, I thoroughly agree with the Senator from Oklahoma that there is no greater honesty, no greater integrity, no greater desire and intention to pay an honest debt among any class of people than among the American farmers.

I was told a few days ago that less than three-tenths of 1 percent of the farmers of Alabama who borrowed money last year under the Crop Production Loan Act had failed to pay those loans up to date. Is there any reason why that 99 and more percent of farmers should ever desire to organize a corporation? Certainly not.

I am against this provision because I do not believe in corporation farming. I believe the history of the world demonstrates, if it demonstrates any one thing, that one of the greatest evils which can happen to a nation is to have the land owned by people who do not live on it. Wherever we find a stretch of land anywhere in America owned by people who do not live on it, where the products of the land go into the pockets of those who go off the land, we find a blight over that section of the country.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Texas?

Mr. BLACK. I yield.

Mr. CONNALLY. Is it not true that the original Farm Loan Act had in view the identical thing which occurred—the furnishing of funds to individual farmers to enable them to buy homes and stay there?

Mr. BLACK. If the Farm Loan Act did not have that as its purpose, then in my judgment its purpose was bad. I believe the object of the Farm Loan Act was to lend money to farmers, small farmers, people who live on their land, people who cultivate the soil, people who rear their children on that property, who have around that farm the tenderest, gentlest traditions of human life.

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The point of order will be stated.

Mr. LONG. Does the Senator from Alabama understand that my amendment has been voted on?

Mr. BLACK. I understand that the amendment of the Senator from Louisiana has been voted on; but I understand that the amendment of which the Senator is in favor part of the time, which is with reference to the lending of money to corporations, has not been voted on.

Mr. LONG. No vote was taken on my amendment, as I understand.

The VICE PRESIDENT. The Senator from Louisiana offered an amendment to the committee amendment. The Chair put the question. The Chair announced that the noes had it and started to put the question on the committee amendment as amended. Then the Senator from Louisiana said, "I suggest the absence of a quorum and ask for a roll call." A roll call was ordered. The Senator addressed the Senate. Then the Senator tried to get the yeas and nays, and the Chair asked whether the request was seconded. Only three Senators raised their hands. The Chair then declared the amendment rejected.

Mr. LONG. Mr. President, a further point of order.

The VICE PRESIDENT. The point of order will be stated.

Mr. LONG. The Chair would not have announced that the noes had it, otherwise there could not have been a yea-and-nay vote. The Chair started to say that the noes had it when I asked for a quorum call.

The VICE PRESIDENT. The Chair is quite positive in his recollection. He has consulted with three clerks. Their memory is the same as that of the Chair. They are the ones who sit in front of the Chair to keep tally.

Mr. LONG. They could all three be wrong, too.

Mr. BLACK. Mr. President, if the Senator's memory has now been refreshed as to his point of order, and he desires to raise no other, I should like to conclude my remarks.

The question has been asked whether I favor the farmers who organize corporations being held liable, individually, while I am opposed to business men who organize corporations being held liable, individually.

In the first place, no farmers are going to incorporate. No real farmers have incorporated. A real farmer is a farmer; he is interested in raising a crop of some kind, in cultivating the soil, or in raising cattle or sheep. The great mass of farmers, as stated by the Senator from Oklahoma [Mr. GORE], are honest people. They seek no method of organizing a corporation to escape individual liability. If any corporation should be organized for the purpose of escaping individual liability, it would be done by so-called "farmers" who want to speculate on the value of land, who want to go out and buy distress property which has gone into the hands of the insurance companies, and who want to accumulate a number of thousands of acres of land and call themselves farmers by telephone, from Canal Street or some other street, and then organize a corporation with the hope that the value of the land will go up.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield to the Senator from Louisiana.

Mr. LONG. The Senator says that the people who organize a corporation will do so to escape liability. Is not that the purpose of every corporation that has ever been formed—to escape personal liability for debts?

Mr. BLACK. I may state to the Senator, if our views are important on that suggestion, that I have somewhat wondered if we did not open a Pandora's box when we created the idea of the original corporation; and I somewhat agree with Thomas Jefferson in his ideas with reference to such institutions and the ideas of others who foresaw the dangers of corporations, and who questioned the decision of the Supreme Court, I might state, in permitting such things to stand. I am by no means sure that corporations have been a blessing. Certainly they have not been an unmixed blessing. I am not willing now to try to encourage people who want to speculate on land or who want to organize corporations with the idea that they can get an advantage that the individual farmer does not get. I am not willing to vote for any such purpose. I am not willing to vote to lend money to corporations when I know that the natural tendency is to concentrate the land of this country in the hands of people who do not cultivate it and who do not work. I am not willing by my vote to support an amendment which tends toward that which has hung around the neck of Great Britain and the country of Ireland for century after century. No one need fool himself about this. It is no simple thing. It is a question of whether we want to vote to encourage the ownership by corporations of this country of land which, if it is to be properly cultivated so as to accomplish the most humane and useful purpose, ought to be cultivated by individuals whose families live on that soil, and whose children are reared there to love it as they love that which gives them birth and gives them nourishment.

So, Mr. President, I have no hesitation in saying that no amendment can be added to this amendment which can cause it to get my vote. I think the purpose of the amendment is iniquitous. If we should adopt an amendment which would enable, perhaps, millions of American farmers to incorporate in order to defeat their debts, I do not believe they would do it. The farmers are honest. They have honesty inbred in their very bodies and in the very fiber of their beings. They are not going to adopt any such system. It does not make any difference how well prepared any States might be to bring about the organization of the small individual dirt farmers of this Nation. Such a system could not be fastened around their necks.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield.

Mr. LONG. It is admitted, I think, that the mechanism of American corporate control is a dishonest thing to start with. I think the Senator from Alabama is correct. I made the argument that the farmer should be given the same right to escape liability that has been given to the big man since corporations came into existence. I agree that the whole mechanism of concentrated corporation manipulations is dishonest in principle to start with; but the reason I made the suggestion is, since we have got to live in a world of chicanery and despotism, we ought to let the farmer in on the grass with the others.

Mr. BLACK. The argument I was making with reference to that suggestion is that the farmers of this Nation do not desire to take advantage of any such condition. It is wholly contrary to their conception of honesty and integrity. They would not take advantage of it if the opportunity were offered. This amendment, if adopted, and if it should become a law, would be a step toward lending Government money to people who are not actually engaged in farming, whose great objective is not to rear their families on a small farm where they live and which has become endeared to them by reason of the fact that there they have lived and reared their offspring.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield?

Mr. BLACK. I am glad to yield to the Senator.

Mr. LONG. The Senator is making an able argument to keep the farmer honest and to keep him from getting into corporations so as to keep him honest. I think I can assure the Senator that the farmers would much rather have something to eat and be in corporations than to be barred from so doing in order to keep them honest. We have been trying to keep the other fellow honest, and we have not done it; and so we would like to get the farmer in and get something of what the other fellow has.

Mr. BLACK. I thoroughly understand the argument which the Senator is making. He may be speaking for himself, but he is not speaking for the farmers of this Nation. In the first place, the farmers do not ask for the privilege of organizing corporations; they are not going to organize corporations. They have protested against it. All the messages from them of which I have heard which have come here have been protests. It may be true, as the Senator has said, that he has such a wonderful organization in Louisiana—and I think the indications are that he has rather an effective organization in that State—that he can organize the "Long" farmers with the hope that they may form a corporation; but what is going to happen if there be any anti-Long farmers? What benefit would they get from these corporations if they should depend altogether on them?

Mr. BARKLEY. They might become tenants of the "Long" farmers. [Laughter.]

Mr. BLACK. That is correct; I had forgotten that contingency.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. I understand that none of the "Long" farmers could get any money from any of these Government agencies anyway; they would be blacklisted.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield to the Senator.

Mr. LONG. The Senator is saying that the farmers are not asking for the privilege to organize farm corporations without being individually liable. If the Senator and others like him will allow the farmers to avail themselves of this right, they will find that the farmers will come here and borrow this money faster than a duck ever went to water. There will be no question about their borrowing it.

Mr. BLACK. Of course, a duck may go fast sometimes and not go fast at others. He might have had all the water he needed or he might be afraid the water was poison; there might be various reasons why the Senator's illustration would not apply; but the fact remains that this is a move toward corporate farming in America; it is a move toward having large landowners speculate with Government money. In my judgment, it is not for the benefit of the individual farmer and ought to be defeated.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

Mr. FRAZIER. Mr. President, I agree largely with what the Senator from Alabama has said. There happen to be at the present time about a dozen representatives of the farmers' union organizations from Middle Western States here in the city. Several of them attended the hearings the other day, and one or two of them spoke there, but after the hearing they got together and agreed among themselves that they were opposed to the corporation amendment in this bill on the ground that they were afraid it would lead to the financing of general farming corporations, and they came to me and expressed themselves in that way.

Mr. GORE. Mr. President, for the benefit of Senators who were absent when the earlier discussion took place, I will state that the pending question is on the committee amendment as amended. The committee amendment provides that money may be loaned to farm corporations. A vote "yea" is a vote to entitle corporations to borrow money from the farm-land banks, while a negative vote is opposed to that departure and is opposed to that policy.

Mr. President, I agree with the Senator from Alabama [Mr. BLACK]. No amendment to this measure could secure my vote. My objection to it is fundamental. In the first place, it permits the Government to lend money to incorporated farming. Not only does it permit such loans, but it will encourage such loans; and not only will it encourage such loans but it will encourage competition and raise up competition on the part of chartered farmers against unincorporated farmers, against the individual farmer. I think this measure is wrong at the root. I think we are inviting the serpent into the garden. Instead of scotching the serpent, we invite it to enter, and we indulge the fatuous hope that once admitted we will control and tame and charm the serpent.

Mr. President, this measure strikes at the root of our civilization. The home is the unit of our economic system. I desire to preserve that unit if it can be done. The family is the unit of our social system. I desire to preserve that unit if we can. I do not want to charter the family; I do not wish to incorporate the home. I am old-fashioned enough to think that the home is still the most sacred institution ever raised up among the sons and daughters of men, and I should be the last to destroy it; I should be the last to jeopardize that institution.

Mr. President, let us take a case. I know of an instance in one of the great Western States where an insurance company has taken over 300 farms, some of them under foreclosure proceedings, and some of them under forced settlements that did not differ materially from foreclosure. The insurance company has a manager in charge of each of these 300 farms. The purpose is to make taxes and interest on the investment. I do not know, but it might be possible under this measure for such an insurance company to bring about an incorporation of those 300 tenants, 300 vassals who are living on those farms.

Let me ask Senators this question, and particularly the Senator from Louisiana. As was indicated by the Senator from Iowa [Mr. MURPHY] there are thousands of mortgages existing in his State. I do not doubt that there are a number of Western States in which one insurance company holds today thousands of mortgages on thousands of individual farms, which have not yet gone to foreclosure, which have not yet gone to the auction block, which have not yet been knocked down under the sheriff's hammer. What would prevent that insurance company from coercing those agricultural peons to form one of these corporations, borrow money, pay the insurance company at least in part, and then continue the struggle for existence as vassals of this concern? This measure relieves the incorporated farmer of liability for its debts other than would be provided by the corporation itself.

The chief business of government, as I see it, is to protect the individual, to protect the individual in his rights, the right of life, liberty, and the pursuit of happiness, to restrain citizens from injuring each other, and to bring about survival conditions under which honest men by their honest toil and thrift can wage a struggle for existence and can win in that struggle.

I want to restore, as far as we can, maintain, as far as we can, conditions in this country under which our farmers can

exist. When we make the individual farmers subject to competition with incorporated farmers, who are free from liability for their debts, who enjoy rather the privilege of limited liability, we subject those individual farmers to conditions in which they cannot survive. We make it impossible for them to win in the struggle for existence. That is my fundamental objection to this proposal to incorporate agriculture, to charter farming, and to allow these incorporated farmers to range to and fro in this country enjoying the privilege of limited liability, and driving the individual farmer out of competition, out of existence, and into a state of vassalage and peonage.

Mr. BORAH. Mr. President, I desire to ask a question with reference to paragraph (c). As I understand, the amendment still stands, so that unless the holders of 75 percent in value and number of shares of stock of the corporation assume personal liability for the loan, no loan can be made.

Mr. FLETCHER. That is correct.

Mr. BORAH. Of course, with that provision in the bill I do not see how anyone can vote for paragraph (c). The farmer is then put in the position where he is the only man in the United States who must assume responsibility as a stockholder in order that his corporation may make a loan. I am very much opposed to that provision.

Mr. LONG. Mr. President, I move to reconsider the vote by which my amendment was rejected.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana, who moves to reconsider the vote by which his amendment was rejected.

Mr. LONG. Mr. President, the amendment is the one referred to by the Senator from Idaho [Mr. BORAH]. The Senator from Idaho was not in the Chamber at the time my amendment was rejected. I have canvassed Senators in the Chamber in the last few minutes, and unless I have been badly informed many Senators are of the same impression I am. As the Senator from Idaho said, the amendment ought to prevail.

I propose by the amendment that the farmer shall not be singled out by law as being the only man who is required as a stockholder to assume individual responsibility for the debts of the corporation. I am glad to have had the view of the Senator from Idaho expressed at this time.

I believe we ought to let further consideration of the bill go over until tomorrow. It is 15 minutes after 4 o'clock. I believe we have had such hasty discussion on this important principle that it would be better if we should let the bill go over until tomorrow. Those of us who consider these questions carefully and prayerfully will be slow, on reflection under the influence of the rising of the early morning sun, to come back here and stand for writing into the statutes of the United States a new provision that a stockholder or an officer of a corporation shall assume responsibility for the debts of the corporation, and make that apply only against the farmer. If we are going to incorporate that principle of law into the body of our law, let us have it apply to everybody and not alone to the farmer.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. LONG. I yield to the Senator from Florida.

Mr. FLETCHER. The proposal about enabling the organization or corporation under the circumstances mentioned in the amendment to become eligible for loans was suggested mainly because of those in the West or Midwest who have cattle ranches which are owned by certain individuals, largely in a family, and it is more convenient for them to operate as a corporation. It never was expected and I do not think it is possible for the provision to operate as has been suggested.

I think the Senator from Alabama [Mr. BLACK] was quite correct. It does take care of the situation in the livestock-growing regions and among the ranches in the Northwest. No harm could come of it because of the fact that the corporation is owned by people who actually are engaged in agriculture or livestock raising, that in the first place being a limitation in and of itself.

An objection was made the other day that it was opening the door to corporations. Then we added the provision that the owners had to be individually liable, and that was done in order to avoid the opening of the doors to corporations generally. That provision was inserted on the ground that otherwise we were letting corporations into agriculture in that way.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. LONG. Certainly.

Mr. ROBINSON. The language of the amendment is general. Any kind of a farming corporation can secure a loan. If it is intended to apply only to one class of corporations, why was not that class specified?

Mr. FLETCHER. It is specified in the particular amendment. The corporation has to be organized by people who are actually engaged in agriculture and are cultivating a farm.

Mr. ROBINSON. Yes; but I understood the Senator to say—and I am asking for information—that it was done to meet the demands of livestock producers, farmers engaged in that particular vocation.

Mr. FLETCHER. I think so. That is the main purpose.

Mr. ROBINSON. It has been suggested here that under the language which is employed, any kind of a farmers' organization could procure a loan.

Mr. FLETCHER. Yes.

Mr. ROBINSON. It is not limited to livestock corporations.

Mr. FLETCHER. No; it is not limited to them. That is quite true; but they are the ones for whom it is designed.

Mr. ROBINSON. Could farmers incorporate, procure funds, and invest them in real estate under this language?

Mr. FLETCHER. If they complied with the requirements of the bill; if the people who owned the stock were actually engaged in agriculture.

Mr. BULKLEY. Mr. President, the farm corporation is subject to exactly the same limitations as any other individual borrower.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BLACK. The bill says:

> The term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations.

Mr. FLETCHER. That does not apply to these corporations. That is in the existing law as to farm loans.

Mr. ROBINSON. Mr. President, may I ask the Senator another question for information?

Mr. FLETCHER. Yes.

Mr. LONG. I yield to the Senator from Arkansas.

Mr. ROBINSON. Has the Farm Credit Administration considered this amendment?

Mr. FLETCHER. Yes. We had hearings on it, and went into it for about 3 days.

As to the modified provision, the language the Senator refers to, "or shortly to become", is now in the law as applied to Federal land-bank loans. The only change this bill makes in that provision is to add those words, "or shortly to become", as to loans made by the Commissioner. These are Commissioner loans that we are talking about; not the ordinary Federal land-bank loans, but Commissioner loans.

Mr. LONG. Mr. President, I hope we shall not take a wide range in this discussion. As I understand from the Senator from Florida, if I correctly judge his words, and if I correctly judge the words of the Senator from Arkansas, they know of no reason why a farmer corporation should have its stockholders underwrite the indebtedness of the corporation any more than why that should be done by the stockholders of any other corporation. That is the point which is now before the Senate.

SEVERAL SENATORS. No.

Mr. LONG. Oh, yes, it is! I called for reconsideration of the vote by which my amendment was declared rejected. Everybody in the Senate knows it ought to be voted in if he has studied the question as much as I have. I have called

back here for reconsideration the question whether or not the Senate is going to go on record as changing the law that has prevailed in the United States for a hundred years, that the members and officers and stockholders of a corporation are not individually responsible for the debts of the corporation. I have called upon the Senate to say whether it is going to vary that fundamental law of corporations which has existed since the day of their creation; if it is now going to have stockholders and officers underwrite the loans made to their corporations; if it is going to single out the farmer as the only man who is liable for the individual debts of a corporation.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Arkansas.

Mr. ROBINSON. When I asked my question, I did not have in mind the amendment of the Senator from Louisiana. I had in mind the committee amendment which extends to farmer corporations the right to obtain loans.

Mr. LONG. I am not opposing the committee amendment. I am undertaking to amend the committee amendment. I must say that my view is that the philosophy of the committee amendment is right. My view is that the farmer has just as much right to incorporate and borrow money as a railroad or a store, or a power company, or anybody else has a right to incorporate and borrow money. I think the philosophy of the amendment is positively good, and in many cases necessary. The only part of the amendment about which I am complaining is that it undertakes to add another clause, and to say that in the case of a corporation owned by farmers, the individual stockholders and officers shall be individually liable for the debts of the corporation.

That is the only issue here. That is what I have brought back before the Senate. I do not believe a Member of the Senate who will think this thing over during the nighttime will for one minute undertake to invoke this discrimination.

I do not believe any Senator will go out of this Chamber and say tomorrow morning that it is all right for the Government to lend money to power companies and not have their stockholders individually liable, and it is all right for the Government to lend money to banking institutions and not have their stockholders individually liable, and it is all right for the Government to lend money to motor companies and not have their stockholders individually liable, but that while it is all right for the Government to lend money to farmers, the stockholders of the farmer corporations must be individually liable.

Who has drawn this distinction and who is going to justify this distinction? Who has a right to say that farmers cannot form a corporation any more than that any other kind of a corporation cannot exist? Who is going to draw any such line?

My friend from Alabama [Mr. BLACK] says, in effect, that this whole fiction of corporation government is dishonest. He did not say it in those exact words, but that is what the Senator from Alabama meant to say. He described it as a dishonest and discreditable act for a farmer to undertake to avoid individual liability in connection with a concern through which he borrows money by reason of the limited liability he invokes through the corporate cloak. Why did we not say something about this "dishonesty" during the past 3 or 4 years that I have been here in the United States Senate? If we are to say that it is a dishonest act for the money of the United States Government to be borrowed by a man who can avoid assuming individual responsibility for that loan on account of making it through a corporation, why did we not say something about it before we loaned the $10,000,000,000 that we have loaned through the Reconstruction Finance Corporation?

Back yonder in the days when Hoover was President we had a Democratic doctrine, but when we get into power we have not any Democratic doctrine. We lost the party when we won the election. [Laughter.] Away back there, when we had up the Reconstruction Finance Corporation bill, it was the contention of the Democratic Party that we ought to apply these benevolent statutes to the individual, to the man at the forks of the creek, or at the shoemaker's last, or at the counter, just the same as they were applied to the man on the twenty-first floor of the counting house. That was the good old Democratic doctrine at that time. We never did do it, however. We could not get it done, but we stood for it just the same for a while, until we got to where we could do it; and now we come up with this kind of legislation. Now that we can do it, what do we say about this equality among mankind? We say, "Oh, my goodness alive! It is a dishonest act for a corporation to be allowed to shield its members."

What has the statesman from Alabama ever done to stop this dishonest practice that has been rampant throughout the United States ever since he and I have been members of the bar of the United States? What have the Senators from Texas or Oklahoma ever done to stop this dishonest system of government by which corporations have been borrowing the money of the people of the United States and not having the members and stockholders of the corporations responsible for it?

Mr. BLACK. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. LONG. I yield to the Senator from Alabama.

Mr. BLACK. I will state to the Senator that, so far as I am concerned, I have voted in each instance against permitting corporations to come here and borrow money; and I do not think the Senator from Louisiana can make that statement, because, if I am not mistaken, he voted to extend the lending of money by the Reconstruction Finance Corporation to business in general. I think he will find that that is the case if he will look up the record.

Mr. LONG. I will not deny that.

Mr. GORE. Mr. President——

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. GORE. At this point I should like to say that I did not vote for the bill creating the Reconstruction Finance Corporation. I have never voted for any amendment to extend its lending powers, and I never will.

Mr. CONNALLY. Mr. President, since the Senator from Louisiana included me with this distinguished pair of Senators, I will say that I did not vote for the original creation of the Reconstruction Finance Corporation.

Mr. LONG. Are there any more confessions? [Laughter.] Evidently, then, this whole thing has been a mistake ever since I have been here.

Mr. BLACK. A great deal of it has been since the Senator has been here. [Laughter.]

Mr. LONG. My friend from Alabama did not catch the question I propounded, though. I asked what the Senator from Alabama or the Senator from Texas or the Senator from Oklahoma has ever done to do away with this dishonest system of corporation government by which the stockholders and officers of a corporation are not responsible for the debts of the corporation. In other words, what have they ever done to do away with the practice to which the Senator from Alabama referred? If I had been Chief Justice of the United States a hundred years ago, and had felt then as I feel now, I never would have held it to be constitutional or fundamentally right to have a corporation in this country.

In other words, that is the mistake the country made—that I was not born 200 years ago. [Laughter.]

Mr. BLACK. I agree with the Senator in that. [Laughter.]

Mr. LONG. I thank the Senator. There have been lots of mistakes made since that time.

However, Mr. President, what are these distinguished citizens doing to do away with this law? There is no law to be found on the books accomplishing that result. They have been here dealing with all the evils they could find out anything about. I am satisfied that there is no evil they found rampant in this country about which the Senator from Alabama has not tried to do something.

Mr. President, I am willing to have this matter go over until tomorrow. I would rather prefer to wait until tomor-

row, because I want Senators to sleep on it. We do lots of things in the haste of an afternoon rush. This matter requires sober thought; it requires deliberate judgment. It is of such serious importance that it requires prayerful consideration, I say for the benefit of the Senator from Montana. [Laughter.] If he does not know what that means, after we get through here I will tell him.

Mr. President, this bill should not be disposed of, and a fundamental change of this kind made at this time, without more serious thought than it has had.

Do Senators desire to keep corporations in existence? I am willing to do away with them tomorrow. So far as I am concerned, I am one man who can help you on any course on which you go. You cannot go too far to suit me. You will never go too far in decentralizing the ownership of business and property to suit me; and if you were to wake up tomorrow morning and find there was not a single corporation in existence, probably we would be much better off than we are now.

I think corporation government, properly regulated, can be made a good thing for aggregated effort, but we are not arguing the wisdom of having started this system. We are living under a system of government by which corporations are allowed to borrow money, and the greatest lending agency under the living canopy of heaven today to the corporations is the United States Government. The United States Government lends more money to one corporation alone than it lends to a whole State. If the United States Government is now going to lend this little chicken-feed money, this little pie dough, these little nickels and quarters and dimes and half dollars, which you propose to lend to the farmers, and if it is justice to lend it to the farmers, just as you loaned it to 10,000 corporations, if that many have made application for this kind of money, then what is the justification for calling on no corporation except the farm corporation to make the individual stockholder and member subscribe for the individual debts and liabilities of that corporation? There is no justification. My friend the Senator from Alabama does not argue that. My friend the Senator from Texas does not argue that point.

Mr. BLACK. We do not get a chance.

Mr. LONG. They do not argue that point at all. Oh, yes, you have had a chance. That has not been the trouble. They do not argue it and they will not argue it; there is nobody here who is going to argue it. I am advocating a cause that is so right that no voice is raised, even in the slightest protest, against it. When I am talking about one thing, the Senator from Alabama is talking about something else. The Senator from Alabama rises here and talks about everything on the living face of the earth except the point at issue. The Senator does not get down on the mat and discuss this one little principle of whether or not, in the case of a corporation owned by farmers, the stockholders ought to be made individually liable and the other corporations allowed to shield their members and stockholders from individual liability.

Where is the man who is going to say that is not proper? Where is there a man sitting here in the United States Senate in this year of our Lord 1935 who is going to say that if we are going to lend money to corporations—and we are certainly going to lend it to them because we have been doing it all along—that you are going to make the farmer subscribe for the individual indebtedness of the corporation of which he is a member, but that you are not going to make the bank or the railroad or the counting house or the grocery store or the drygoods store or the oil refinery subject to the same rule, that the individual stockholders and members have to sign up for the debts of the corporation?

I have not lived long enough to understand such inequality. I am surprised, I am astounded, I am mortified. [Laughter.]

Mr. BLACK. Mr. President, does the Senator mean that we have been able to mortify him?

Mr. LONG. Oh, no; not you.

Mr. BLACK. If we have, I think we have accomplished a great deal. [Laughter.]

Mr. LONG. Well, you might do that yet.

I am astounded, to put it rather mildly, that in this day of supposed-to-be-human government, whether it is or not, we come here and say that the system of corporation government is wrong; that all along we should never have had corporations, and that all along the members of the corporations ought to have been held individually liable for the debts of the concerns. Now, we are to start out, says the Senator from Alabama, in effect, and says the Senator from Texas, in effect, we are to start out and rectify this old wrong, this wrong which is 100 years old, we are to start out to rectify this injustice, this crime against conscience, which allowed an individual to escape indebtedness by reason of a corporate fiction. How are we to start? We are not to let any farmers have loans through corporations unless they sign that they are individually liable for the debts of the corporations. What are you going to say about the counting house and the railroads?

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. BLACK. I understand the Senator says that we took the position that the farmers, individually, were going to have to stand for corporate indebtedness. The Senator evidently left the Chamber, or did not understand what we said.

Mr. LONG. The Senator has been on both sides of this question ever since we have been discussing it.

Mr. BLACK. The Senator from Louisiana has been on four sides, if there are four; but on this particular question I have consistently maintained the same position. I stated before, and I state again, that I think everybody here knows that this is largely a talk about nothing so far as the farmers' organizing is concerned. Farmers are not going to incorporate. What I said was that actual farmers were not going to incorporate, and that I was opposed to any measure which suggested that they were going to incorporate, when the real thing that would be accomplished would be lending money to people to buy up farm land which ought to be owned by individual farmers.

Mr. LONG. Mr. President, the Senator still does not argue the question. I am going to ask the Senator, if it is permissible, in my own time, if we are to lend money to other corporations without there being individual liability of the stockholders, is there any reason why we should not lend money to farm corporations without liability?

Mr. BLACK. I state to the Senator that, so far as I am concerned, if I had my way about it, we would not lend corporations Government money with or without individual endorsement. I would rather have it with individual endorsement. I tried my best to prevent the lending of any Government money at all to any of the corporations, and I tried the last time the matter came up to prevent it, and the Senator did not help me. If I had had his assistance, I believe I would have won.

Mr. LONG. No; the Senator would have gotten less votes than he did get. I gave the Senator votes by being against him, and he does not realize it.

Mr. BLACK. That is likely true. [Laughter.]

Mr. LONG. The Senator still does not answer the question. I am arguing fundamental justice. I am arguing the law of the blind goddess, which the Senator does not dare undertake to controvert. I am arguing that if the United States Government has loaned and does lend its money to the corporations of the United States—and it has and does—for which loans there is no such thing as a personal or an individual liability on the part of the stockholders or officers of the corporations, then the United States Government should lend its money to farm corporations without any more liability on the part of the stockholders than there is in the case of industrial corporations.

There is no one here who will dispute that as the correct philosophy of law. I do not believe anyone here will dis-

pute it, because I know Members of the Senate are reasonable.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield.

Mr. ROBINSON. I will state to the Senator from Louisiana that it is my purpose to move an executive session and then a recess.

Mr. LONG. Very well.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nominations of the following assistant surgeons to be passed assistant surgeons in the Public Health Service, to rank as such from January 4, 1935:

Benton O. Lewis;

Charles T. Meacham, Jr.;

Henry L. Wollenweber; and

David C. Elliott.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Albert C. Benninger, of New York, to be United States marshal for the eastern district of New York.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. McGILL in the chair). The reports will be placed on the Executive Calendar.

The calendar is in order.

THE CALENDAR—THE JUDICIARY

The legislative clerk read the nomination of John McDuffie to be judge of the United States District Court for the Southern District of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George L. Grobe to be United States attorney for the western district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harry C. Gravelle to be United States marshal, district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Jesse Jacobs to be United States marshal, northern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Samuel S. Dickson to be consul.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of George Henry Payne, of New York, to be a member of the Federal Communications Commission for the term of 2 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Irvin Stewart, of Texas, to be a member of the Federal Communications Commission for the term of 3 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Norman Case, of Rhode Island, to be a member of the Federal Communications Commission for the term of 4 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. METCALF. Mr. President, I find there has been a mistake in the name of Mr. Case. His full name is Norman S. Case. Through the Secretary of the Senate I have received permission from the President to have that mistake corrected. I ask to have the mistake corrected and the initial "S" incorporated in the name.

The PRESIDING OFFICER. Without objection, the correction will be made.

The legislative clerk read the nomination of Paul Walker, of Oklahoma, to be a member of the Federal Communications Commission for the term of 5 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHEELER. Mr. President, there is also a mistake in the name of the nominee just read. The full name should be Paul A. Walker. As in the previous case, in a communication received from the President of the United States through the Secretary of the Senate I have received permission to have that mistake corrected. I ask to have the mistake corrected, and the initial "A" incorporated in the name.

The PRESIDING OFFICER. Without objection, the correction will be made.

The legislative clerk read the nomination of Thad H. Brown, of Ohio, to be a member of the Federal Communications Commission for the term of 6 years from July 1, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

EUGENE O. SYKES

The legislative clerk read the nomination of Eugene O. Sykes, of Mississippi, to be a member of the Federal Communications Commission for the term of 7 years from July 1, 1934.

Mr. ROBINSON. Mr. President, I understand that the Senator from Mississippi [Mr. BILBO] desires to speak on that nomination.

Mr. BILBO. Mr. President, with due deference to the decision and judgment of the members of the Committee on Interstate Commerce in recommending the confirmation of Judge Sykes, I most respectfully request that the RECORD show that I registered my vote against his confirmation. I am willing to concede that with the facts and evidence before the committee possibly this was the only course the committee could pursue, but I am forced to entertain the strong belief that if the committee could have made a thorough investigation of all the acts of the old Radio Commission, and could have known how the gentleman in question has discharged the duties of his office in every respect, there would be a different story to tell.

In explanation and justification of my action and vote in this matter, I respectfully ask unanimous consent to have printed in the RECORD at this point my formal and written statement presented before the committee.

The PRESIDING OFFICER. Without objection, the statement will be incorporated in the RECORD at this point.

The statement is as follows:

SENATE OFFICE BUILDING,
Washington, D. C., January 16, 1935.

Senator BURTON K. WHEELER,
Chairman Interstate Commerce Committee,
Washington, D. C.

DEAR SENATOR AND MEMBERS OF THE COMMITTEE: I am most respectfully asking your indulgence in submitting this, my protest, against any probable action of your honorable committee in recommending to the United States Senate the confirmation of Judge Eugene O. Sykes as a member of the Communications Commission.

In the presentation of all the facts and circumstances supporting my protest I shall try to be fair, unbiased, and unprejudiced, and therefore invite your serious attention to and careful consideration of the well-founded objections I shall present to the confirmation of Judge Sykes and the positive proofs of the unfitness and unworthiness of this gentleman to sit in such high authority as that which appertains to a member of the Communications Commission.

Permit me to give in the outset with befitting brevity the details of my personal and political relations with the subject of this discussion from the time, not so long ago, when he was an unknown barrister in the little town of Aberdeen, Miss., up to and including the period covered by the campaign I have recently closed in my race for the United States Senate.

A vacancy occurred in the Supreme Court of Mississippi in 1916, when I was the Governor for the first time of that State. It was my duty as Governor to fill this vacancy by appointment; I took into consultation much of the available legal talent of north Mississippi, and after numerous interviews with these attorneys of pronounced ability and high standing before the bar, I decided to name Judge Eugene O. Sykes as supreme court judge from the northern district for the State of Mississippi.

At the expiration of the term of office to which he had been appointed to serve, he became a candidate before the people of his district to succeed himself. It was my good pleasure at that time to throw all the influence I had to the support of Judge Sykes with the result that he was elected, it being extremely doubtful, however, that he would have been successful in this race but for my assistance.

When Judge Sykes' second term of office expired, I was not then Governor, and consequently he did not choose to run. The fact that I was a private citizen at that time, and had returned to my home in Poplarville, Miss., only 40 miles from the Gulf of Mexico, a section far removed from the northern supreme court district in which Judge Sykes lived, and by the people of which district he would be elected, or rejected, if he should choose again to run, very probably influenced the judge's decision to withdraw from public life.

This latter incident is brought out to show how completely helpless he was except when supported by another, and if through the inevitable vicissitudes of politics, the arm upon which he had been for so long a time accustomed to lean, should be resting and reclining momentarily in the shades of private life, this political weakling must of necessity descend to the level from which he was lifted.

Not so long after his voluntary retirement from the Supreme Bench, he sought under President Coolidge's administration appointment on the Radio Commission through the aid of Senator PAT HARRISON and my predecessor, Senator Hubert D. Stephens. These Senators were able to secure for him this appointment and thereafter his confirmation by the Senate.

In the capacity of Radio Commissioner he served until the administration of President Roosevelt set up a Communications Commission. By virtue of his Radio Commission membership he was automatically made a member of the Communications Commission, and his appointment for membership on this latter Commission is now awaiting the consideration of your committee.

This brings me to the point where a discussion of certain activities of Judge Sykes which took place during my campaign for United States Senator in the Democratic primary of Mississippi will be in order; and when they are fully developed I assure you they will give to your committee a very clear, definite, and dependable conception of the character of man you are to recommend or refuse to recommend for confirmation by the United States Senate for appointment on one of the most important and altogether powerful commissions under our scheme of government.

Notwithstanding the fact, as heretofore related, of my proven personal and political friendship for Judge Sykes over a long period of time, and notwithstanding the further fact that Judge Sykes accepted my political favors with seeming appreciation and with frequent expressions of his obligations to me for the recognition I had given him, he took it upon himself and resolved in his heart at the very time when I was sorely pressed from the heat of battle during my campaign for the Senate, to leave his exalted station in Washington and travel all the way to Mississippi and there place himself in the front ranks of the opposition that was fighting so stubbornly to encompass my defeat, and did everything that was humanly possible to turn the tide of battle against me.

This interference in a matter that should have been of no particular concern to him other than the exercise of his right to vote for the man of his choice, and allowing every other voter to do the same, became all the more reprehensible when he dared to make not one trip on his proselyting mission, not two trips, but three trips at timely intervals to the State of Mississippi, spending altogether many weeks apart from his duties in Washington, and there labored with all his might and main, resorted to all manner of political intrigue and machinations, from the petty practices of ward politicians to the exercise of the great power and influence that goes with high position, to encompass my defeat in the Democratic primaries of my native State.

Not being satisfied or content to bring to bear upon this memorable campaign the weight of his own personal contributions to my undoing, he sent out from Washington other employees of the Commission, of which he was a member, who formerly lived in Mississippi and had influential friends and acquaintances there, and commanded them to go to Mississippi and help his friends and their friends to destroy THEODORE G. BILBO, after instructing them in the technic of political chicancery.

The first of these emissaries was Hon. Paul B. Spearman, who was then and is now General Counsel for the Communications Commission; the second was Hon. George Hill, Associate Counsel for the Radio Commission. These gentlemen, in the employ of the Commission of which Judge Sykes is a member, made, at the instance and under the direction of Judge Sykes, repeated trips to Mississippi to contact many key men among my supporters for the purpose of proselyting them and thereby destroy the morale of the forces they were leading in my behalf. I am prepared to say that it is a matter of common knowledge among many reputable people that George Hill distributed large sums of money over the northern section of the State to be used to buy, bribe, influence, and corrupt the voters of Mississippi; that George Hill did, in person, pay as high as $50 to one man to turn his support and influence against THEODORE G. BILBO.

These three men, Judge Eugene O. Sykes, Paul B. Spearman, and George Hill, collectively spent approximately 9 weeks in Mississippi exercising their wits to the nth degree to prevent THEODORE G. BILBO from crossing the Potomac in 1935 as Mississippi's junior Senator.

In the loom of Mississippi politics they plied like a shuttle back and forth between Washington and Mississippi bearing messages from the Capital City to the unsuspecting and confiding voters, that authorities who occupied the exalted places in Washington did not want THEODORE G. BILBO to be elected United States Senator.

During the closing days of the campaign for United States Senator in Mississippi, Judge Eugene O. Sykes became suddenly seized with a panic fear that the activities of himself and confederates along the lines I have heretofore indicated would not prove altogether effective in accomplishing my defeat at the final primary, and consequently, out of sheer desperation, the said Judge Sykes undertook to and did enlist the broadcasting services of broadcasting stations in three States subject to his control and regulations as a member of the Federal Communications Commission, by requesting them personally to furnish free service in broadcasting my opponent's speech made September 17, 1934, the day before the last primary at Jackson, Miss., and also in broadcasting the speech delivered at the same time and from the same platform by Ross A. Collins, who, having been defeated in the first primary, was then denouncing and vilifying THEODORE G. BILBO whenever opportunity was afforded him.

Mr. C. A. Lacey, the advertising manager of Station WJDX at Jackson, Miss., in the presence of Mr. Pete Lutken, a high and controlling official of the Lamar Life Insurance Co., that owns Station WJDX, and Judge Eugene O. Sykes, Chairman of the Federal Communications Commission, talked over long-distance phone from a hotel room in Jackson, Miss., a few hours prior to the date of the aforementioned speeches to Memphis, Mobile, New Orleans, and Vicksburg broadcasting stations, respectively, requesting a hook-up of these stations to carry the final speeches in Jackson of my opponent and Mr. Collins; and when each of these stations, in due course of this conversation, mentioned compensation, Mr. C. A. Lacey advised, in the presence of Judge Eugene O. Sykes, that Judge Eugene O. Sykes, Chairman of the Communications Commission, desired and in his presence requested service free; and free service was accordingly granted and later rendered.

This act within itself is of such culpability as to justify a denial of confirmation of the appointment of Judge Eugene O. Sykes to the office he has no ignobly, if not unlawfully, prostituted to the end that it might serve his own selfish and sordid ambition. The proof of all these things may be furnished upon the order of an investigation by your honorable committee, before whom the parties herein named may be summoned to testify.

The opposition of Judge Eugene O. Sykes, were he stripped of authority and the glamor that goes with a gilded greatness by virtue of his position on the Communications Commission, would have been as but a pebble dropped into the turbulency of the political seas in Mississippi.

Judge Eugene O. Sykes as an uncrowned commissioner walking beneath the stately elms that grow along the sidewalks of his native city, Aberdeen, trying to influence the voters in his own precinct against me, would have exhibited that measure of effectiveness only that is so often blurred by the tears that laughter brings.

Not so, however, when enthroned with all the power and pomp and prestige that executive authority bestows, striking from Washington, carrying in his left hand the alleged mandate of official instructions from the Nation's Capital; for thus panoplied, he was equipped to drive his treacherous sword deep into the ranks of my faithful followers.

So effective became his onslaught and that of his three captains in crime that I seized upon his perfidious conduct and held it up before high heaven to the scorn and contempt of all good men and women, and made the question of his permanency in authority in Washington a dominant issue in my campaign. I denounced him and his two confederates upon every stump in the State of Mississippi; I pledged myself to the people that, when elected to the United States Senate, I would fight his confirmation as a member of the Communications Commission, and if I failed to succeed in my efforts, I would continue my warfare against him until he had been driven from the councils of the mighty.

Beginning in his home town and county I denounced him throughout the entire State as the most conspicuously despicable personification of ingratitude that ever clouded the horizon of Mississippi politics.

I further contended that it was contrary to every right conception of fairness and justice, loyalty, and decency for a man enjoying the emoluments of a Federal office to take the time that should be given solely to the duties of that office and the compensating funds derived from that office, and devote both the time and money to the defeat of a fellow Democrat who had been his political benefactor.

Therefore, in view of the foregoing facts, it becomes readily apparent that the question of the confirmation of Judge Eugene O. Sykes by the United States Senate became in my campaign an outstanding issue. My pledge to the people to throw the weight of my influence against his confirmation was so well and universally known and appreciated that every man in voting for me understood by that act, by the casting of his ballot, that he was saying to the United States Senate to reject the confirmation of Judge Eugene O. Sykes. Their endorsement of THEODORE G. BILBO

at the polls meant the endorsement of the paramount issues discussed and proclaimed by him upon every political platform in the State. Therefore, gentlemen of the committee, you have a mandate from the people of a sovereign State to deny the confirmation of Judge Eugene O. Sykes.

I would not have the members of your committee for a moment to think that this protest is motivated by a spirit of retaliation, that I am unduly peeved and aggrieved at an unjustice or an affront done me personally. To make objection to confirmation upon that unsound basis would be unworthy of a United States Senator.

I would have you know that conduct, such as may be and herein has been attributed to Judge Sykes, would appeal to me equally as disreputable and deserving of universal condemnation if directed against any individual other than myself and who was similarly circumstanced.

The elements of character that go to make up the man, Eugene O. Sykes, are not, I affirm, those that bespeak for him the requisite qualifications for the duties of the office he seeks. A man not only utterly forgetful and at all times oblivious of the rungs in the ladder by which he has climbed, but also disposed to discredit and destroy the indispensable instrumentalities by which he has progressed—to bite the very hands that formerly fed him—cannot be expected to do justice as between the interests of those placed before him for adjudication. That fine sense of fairness common to and inherent in minds of splendid judicial poise is obtuse in him, and cannot therefore point its way to an unerring decree.

Here is an opportunity, it seems to me, for your honorable committee to take such action as that hereafter no public official, made so by Presidential appointment, will ever again dare to use the powers that go with his office, the personnel of his office, and the time of himself and office personnel that belong to the duties of that office, to influence or to determine a political issue as between fellow members of the same political party.

In closing this feature of my protest permit me, for the reasons already assigned, if for no other, to urge your honorable committee to refuse to recommend to the Senate the confirmation of the appointment of Judge Eugene O. Sykes as a member of the Federal Communications Commission; for by so doing you will at the selfsame time serve notice to all men everywhere now holding places of trust and responsibility under the flag that the Senate of the United States demands of them a manifest showing of the utmost probity in all their dealings, and an official record evincing the strictest conformity to all the rules, regulations, and requirements of the Government with respect to their official conduct before any semblance of hope of confirmation by the Senate may be entertained.

I now invite your attention to a telegram addressed to President Franklin D. Roosevelt, dated November 19, 1934, and sent by George Llewellyn, of Atlanta, Ga., formerly assistant supervisor in the office of supervisor of radio, Atlanta, Ga., making special reference to Judge Eugene O. Sykes as being involved in certain charges he had made to the Justice Department agent, that were in line with what he considered to be his duty, the full text of said telegram being, and the same is, as follows:

ATLANTA, GA., *November 19, 1934.*

Hon. FRANKLIN D. ROOSEVELT,
Warm Springs, Ga.:

This appeal to you is last resort of crucified Government employee thrown out of service because he tried to do his duty exposing crookedness in previous administration. You alone can rectify wrong. Here are facts: Two years ago my superior in Atlanta district for Radio Commission was investigated by Department of Justice and suspended by Commission on charge of misconduct in office. I knew all facts in case and made statement to Department agent which involved Commission employees here, as well as at Washington, and Commissioner Sykes. Among things reported was sale of broadcasting frequency for $6,500. This contract of sale took place in Atlanta office with full knowledge of Commission, in violation of Radio Act. Commission Assistant General Counsel Fisher told me Judge Sykes wanted to lay off phase of investigation involving lawyer friend. I did not lay off and was dismissed outright. It was proved that district supervisor had accepted money from broadcasting stations for services. He admitted one case of accepting $500 to induce Georgia broadcasting station to buy transmitter. This man was reinstated to position, resigning later. I have tried frantically to get hearing before Commission, but all I hear is nothing can be done. Congressman RAMSPECK and Senator RUSSELL believe in me and have tried, without avail, to get hearing. Discharge has ruined my future. Formerly respected by all, now I cannot even get job. Congressman RAMSPECK says it would be useless to appeal to Civil Service Commission, as it is just rubber stamp. There is nothing left for me to do but to appeal to you as a World War veteran to see I get at least a square deal from gross miscarriage of justice by having thorough and fair investigation. If I hear nothing from this, I will know justice is indeed blind, deaf, and dumb.

Respectfully,

GEORGE LLEWELLYN,
445 Atwood Street SW.

I direct your attention also to a letter discussing the matters referred to in said telegram, the same being addressed to me by Hon. W. F. Brandt, of Atlanta, Ga.; which letter, bearing date of January 11, 1935, reads as follows:

ATLANTA, GA., *January 11, 1935.*

Hon. THEODORE BILBO,
United States Senator, Washington, D. C.

MY DEAR FRIEND: It has been so many years since I had the pleasure of seeing you until it occurs to me that you may have forgotten me, but you will probably recall me in the "McDonald case", years ago here in Atlanta, when both of us fought for our friend, who since has passed on.

I am prompted in writing to you having noticed from press dispatches your fight against Eugene Sykes.

In 1932 I represented one George Llewellyn, who was at the time assistant radio supervisor of the Federal Radio Commission in the Atlanta office; his superior officer was Walter Van Nostrand, who held position as radio supervisor of the local office. Someone preferred charges against the said Van Nostrand for malfeasance in office, bribery, shakedowns, etc. We demanded an investigation to be made, having in our possession full knowledge of certain transactions in which Sykes, himself, was involved; we called upon the Department of Justice to make this investigation.

Mr. Fisher, connected with the Department of Justice, came to Atlanta to make the investigation. Upon his arrival here he immediately conferred with the entire office personnel, and particularly with Mr. Llewellyn, who was familiar with all the transactions. In the conference with Mr. Llewellyn, Llewellyn told Fisher of a certain transaction involving Sykes, to which Mr. Fisher suggested that he, Fisher, did not want to go into any matter which would or could involve Sykes.

The outcome of the entire matter was this, Van Nostrand was promptly reinstated but soon thereafter resigned (Van Nostrand was a personal friend of Sykes), and soon thereafter Mr. Llewellyn, who had given the information and protected the Government from losses, was fired; and charges which he, Llewellyn, was fired for was lack of respect toward the officer in charge of the Atlanta (Ga.) office, and that he, Llewellyn, conspired with other employees in the office against the wishes of the officer in charge, thereby creating dissension and turmoil in said office. Both Senator Russell and Congressmen have full detailed information as to the matter I am referring to, and you can obtain the entire files of this matter from either of them, and also a report from the Department of Justice of its investigation.

I am enclosing some of the correspondence, also a copy of a telegram sent to the President while at Warm Springs, to which no reply has ever been made.

I feel confident that if you go into this matter you will have enough on Sykes to stop his confirmation.

With kind personal regards, I am,

Cordially and sincerely yours,

W. F. BRANDT.

An incomplete story of the irregularities alleged to have been carried on openly and with the full knowledge of the office personnel in the Atlanta office of supervisor of radio, with charges and countercharges brought by the employees of that office, is furnished you herewith in the form of a series of letters arranged chronologically, which clearly show from the viewpoint of those who have gone fully into the matters complained of that a great injustice has been done Mr. George Llewellyn because of the cooperation he tried to give the Justice Department in its investigation of the irregularities alleged to have existed, and for the further reason in all probability that he dared to tell what he knew about the activities of Judge Eugene O. Sykes and his very personal friend, Mr. Walter Van Nostrand.

It will be noted that the specific charges against Judge Eugene O. Sykes do not appear in any of the letters herewith submitted for the reason that the facts involving Commissioner Sykes, when made known to the representative of the Justice Department, were rejected by him with the statement that he did not want to go into any matter involving Judge Sykes and consequently these charges were intentionally omitted in all correspondence.

That the nature of these charges, reflecting upon the honesty and integrity of Judge Eugene O. Sykes, made by Mr. George Llewellyn, one time trusted employee of the Federal Radio Commission, may be made fully known to your honorable committee in all their details, I most respectfully suggest that you have Mr. George Llewellyn, of Atlanta, Ga., whose present address is 445 Atwood Street SW., Atlanta, Ga., and Hon. W. F. Brandt, attorney for and personal advisor of Mr. George Llewellyn, whose address also is P. O. Box 1914, Atlanta, Ga., to appear before your honorable committee and there be requested to make in all particulars the charges referred to in the telegram and letter herein quoted and embodied in this protest.

Respectfully submitted.

THEO. G. BILBO,
United States Senator.

The PRESIDING OFFICER. The question is on the confirmation of Eugene O. Sykes, of Mississippi, to be a member of the Federal Communications Commission. [Putting the question.] The ayes have it, and the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of Richard P. Williams to be brigadier general in the Marine Corps.

Mr. BLACK. Mr. President, I ask that that nomination go over until the committee has acted on the nomination of General Russell, so that they may be taken up together.

Mr. TRAMMELL. Mr. President, that question was considered when the committee had the nomination of General Williams under consideration; and we did not feel that there was anything whatever in regard to the nomination of General Williams that would have any bearing upon the nomination of General Russell. Therefore, the committee reported favorably General Williams' nomination. He was recommended by an entirely different board from that which passed upon General Russell and was appointed by the President at a different time and prior to the appointment of General Russell. We do not feel that in the appointment of General Russell there is any question involved which would in any wise affect General Williams. So I hope the course suggested by the Senator from Alabama will not be pursued.

Mr. BLACK. Mr. President, of course, if it is necessary to do so, I can discuss the question this afternoon, and I think there are some other Senators who are willing to discuss it. I think it would be better, however, not to do so.

General Williams is a member of the board which has just acted in the selection of officers of the Marine Corps. It is a very strange and unusual situation that has brought about these promotions. The commandant of the Marine Corps, General Russell, instead of having 9 junior members of the board, had, as I understand, 6 members. According to information given me—I can not vouch for its credibility, but we can find out before the committee—at least four of the men who were serving under General Russell on this selection board owed their appointments as generals to General Russell. In other words, it was a "Russell" board. That is the information given me. The information is given me that General Williams particularly was a Russell appointee. I have asked that both these matters be taken up before the committee. The nomination of General Russell is to come up before the Naval Affairs Committee tomorrow. General Russell, I may state, is the general who was in command in Haiti at the time a United States Senator was denied the privilege of landing on that island. It is my understanding that General Williams was also there at that time, or later.

Mr. RUSSELL. Mr. President, I am sure the Senator from Alabama [Mr. BLACK] would not wish to make a misstatement.

Mr. BLACK. Absolutely not.

Mr. RUSSELL. I should like to correct that statement. General Williams was not in Haiti at that time.

Mr. BLACK. I said he was there at that time or later.

Mr. RUSSELL. He could not have been connected with the matter relating to the Senator from Utah if he was not there.

Mr. BLACK. He might not have been connected with that particular transaction. I do not know how many of the statements which have been made to me by people who know about the marines are correct.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. BARKLEY. Frankly, I do not know just what all the facts are with reference to the Haitian incident; but I happened to be in Haiti at the time of this unfortunate and unpleasant incident, and it was not my understanding that General Russell had anything to do with it. The incident was entirely due to the action taken by the President of Haiti, and not by General Russell.

Mr. BLACK. I happened to be there shortly after it happened, and the Senator from Minnesota [Mr. SHIPSTEAD], I think, happened to be there at the time it happened.

Mr. BARKLEY. I think the Senator from Minnesota and I were there together. We went on the same trip.

Mr. BLACK. I do not believe the President of Haiti could have controlled the commandant of the Marine Corps of the United States, who was actually head of the marines there, part of the same marines who had forced the Haitians to adopt the constitution changing the law with reference to the ownership of land that had existed for a hundred years. It may be true that the President of Haiti, instead of the representative of the United States, determined that. The evidence may show that; but I am very frank to state it would require very strong and conclusive evidence to convince some of us that such was the case.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BLACK. Certainly.

Mr. SHIPSTEAD. It was a question of controversy as to who was in charge of Haiti, whether it was Borno, the President of Haiti, or the high commissioner, General Russell. I can only state that it is well known that as soon as the marines were ready to leave Haiti, President Borno took an automobile and skipped the country. He was there only because he was held there and protected by the marines. As soon as the marines were taken out of Haiti, or ready to leave Haiti, he left; in fact, he left before they did.

Mr. BLACK. It would be much better if all these matters would come out after we have acted on the nomination of General Russell.

Mr. BARKLEY. I care nothing about either of the men. I am not interested in the controversy. I did not confer with the President of Haiti about the incident, nor did I confer with General Russell. I am not interested in the controversy between General Russell and President Borno as to who was responsible for the incident to which reference has been made. I only know what I saw in the newspapers at the time. That is where I got my information. I may be mistaken about it of course. I am ready to acknowledge that there are others who have more knowledge of the intimate facts about the rather high-handed and arbitrary action taken with reference to the Senator from Utah.

Mr. BLACK. I am very frank to say if the Senator from Florida desires and insists that we go on this afternoon, I shall proceed as long as I am able to do so. I think it is unfair to make an effort to dispose of the matter this afternoon. I do not know that I shall have one word more to say if the matter is postponed.

Mr. ROBINSON. Mr. President, if the Senator will yield to me I desire to give notice that it is my intention to move to return to legislative session.

Mr. BLACK. Very well; I yield.

Mr. ROBINSON. While we are yet in executive session I ask unanimous consent that the President be notified of the action of the Senate in confirming the nomination of JOHN MCDUFFIE to be United States district judge, southern district of Alabama.

The PRESIDING OFFICER. Without objection, the President will be notified.

LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate resume legislative session.

The motion was agreed to, and the Senate resumed legislative session.

SPECIAL COMMITTEE TO INVESTIGATE THE ADMINISTRATION OF BANKRUPTCY AND RECEIVERSHIP PROCEEDINGS

On motion of Mr. ROBINSON, it was

Ordered, That the Senator from Arizona [Mr. ASHURST] be excused from further service as the chairman of and as a member of the Special Committee to Investigate the Administration of Bankruptcy and Receivership Proceedings in United States Courts; that the Senator from California [Mr. MCADOO] be named chairman of the said special committee; and that the Senator from Nevada [Mr. MCCARRAN] and the Senator from Maine [Mr. WHITE] be appointed to membership thereon.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Friday, February 8, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 7, 1935

UNITED STATES DISTRICT JUDGE

John McDuffie to be United States district judge, southern district of Alabama.

UNITED STATES ATTORNEY

George L. Grobe to be United States attorney, western district of New York.

UNITED STATES MARSHALS

Harry C. Gravelle to be United States marshal, district of Nevada.

Jesse Jacobs to be United States marshal, northern district of New York.

FOREIGN CONSUL SERVICE

Samuel S. Dickson to be consul.

FEDERAL COMMUNICATIONS COMMISSION

George Henry Payne to be a member of the Federal Communications Commission.

Irvin Stewart to be a member of the Federal Communications Commission.

Norman S. Case to be a member of the Federal Communications Commission.

Paul A. Walker to be a member of the Federal Communications Commission.

Thad H. Brown to be a member of the Federal Communications Commission.

Eugene O. Sykes to be a member of the Federal Communications Commission.

POSTMASTERS

IOWA

Mollie J. E. Kachelhoffer, Ackley.

NEW MEXICO

Herman E. Kelt, Carrizozo.
Charlotte Kohlhousen, Cimarron.
George W. Dexter, Deming.
Frank J. Wesner, Las Vegas.
Theodore Raff, Los Lunas.
Emmet J. Corn, Tucumcari.
Vera Clayton, Tularosa.

NEW YORK

John Fleming, Clayville.
James E. Dailey, Deposit.
Peter J. Carpenter, Dobbs Ferry.
Clarence F. Dilcher, Elba.
Mary A. McGoey, Hartsdale.
Daniel J. Ryan, Johnsonville.
Frank J. Leedings, Ravena.
William Winne, Selkirk.
Napoleon Ponessa, West Haverstraw.

OHIO

Beulah G. Roshon, Baltimore.
Florent G. Orr, Basil.
Mollie M. Morrow, Bergholz.
Elden E. Schott, Brewster.
Charles A. McCrate, Columbus Grove.
Elmer E. Eller, Cuyahoga Falls.
Lloyd K. Heckman, Ellet.
Christ M. Rose, Fort Jennings.
Paul E. Ruppert, Franklin.
Arthur C. Battershell, Hicksville.
Frederick B. Mowery, Kingston.
Ernest A. Rowland, Lodi.
C. Wood Bowen, Logan.
Neal D. Roshon, Medina.
Carl V. Beebe, Mount Gilead.
Iva A. Falls, Shawnee.
Hattie D. Hufford, West Mansfield.

SOUTH DAKOTA

Mabel M. Fitzgerald, Plankington.

TEXAS

Alfred H. Clark, Bremond.
James A. Hilburn, Childress.
Alvin L. Clements, Copperas Cove.
Walter E. Holloway, Detroit.
William W. Sloan, Falfurrias.
James S. Griffith, Houston.
George F. Sheppard, Italy.
Eldon C. Wade, Jayton.
Lois H. Knox, Justin.
Ray H. Griffin, Kosse.
William B. Collins, Llano.
Louis E. Phillips, Lott.
Ben C. McElroy, Marshall.
Joe December, Orange Grove.
Marcus E. Jud, Riesel.
Alejo C. Garcia, San Diego.
William F. Sellers, Walnut Springs.

WEST VIRGINIA

Effie L. Hedrick, Mabscott.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 7, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful God, we are unable to rejoice in an unblemished past. Be gracious unto us and bless us in the prospective ministries of unselfish service. May we identify our privileges, delights, and opportunities with justice, humanity, and truth. Help us to enfold them more and more in our own lives, for by these we shall rise to the competency of the higher life. Heavenly Father, inspire us to bear ourselves as citizens of an immortal commonwealth, carrying with us princely courage and hope. Through faith in Thee, may we never lower the standard or surrender our ideals. Hasten, oh hasten the day everywhere when men shall love as they have hated, when they shall grow more sensitive to moral truth, and when discordant elements shall dissolve into the harmony of the divine will. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 56. An act for the relief of Patrick J. Mulcahey;

S. 255. An act for the relief of Margaret L. Carleton;

S. 547. An act for the relief of Alfred W. Kliefoth;

S. 823. An act for the relief of Benjamin H. Southern;

S. 1095. An act for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; and

S. J. Res. 24. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital.

CRIMINAL ACTIVITIES IN THE DISTRICT OF COLUMBIA

Mr. WARREN. Mr. Speaker, I call up a privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House Resolution 92

Resolved, That the expenses of conducting the investigation authorized by House Resolution 94 incurred by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $5,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by

such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendments:

In line 4, page 1, strike out "$5,000" and insert in lieu thereof "$1,500", and at the end of the resolution insert the following:

"SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

WE WANT COMPETITION

Mr. PLUMLEY. Mr. Speaker, on March 8 of last year, when the question of air-mail procurement was under discussion, the President of the United States said in no uncertain terms that "any combinations, agreements, or understandings intended to prevent free competitive bidding should be prevented, and such action should be a basis for cancelation of contracts. Real competition between the manufacturing companies will stimulate inventive genius and should give to our people safer and better equipment, both for commercial and military purposes."

While I do not agree with the policy pursued by the administration with respect to the cancelation of the air-mail contracts, nevertheless I am in most hearty accord and agreement with the statement of the President with respect to "competitive bidding."

Now comes the Federal Aviation Commission, and in direct opposition to the directive of the President, it recommends that the policy of competitive bidding be scrapped and that "the Secretary of War and the Secretary of the Navy shall negotiate the contracts for quantity purchases of aircraft and other aeronautical material." To this suggestion the President most emphatically says: "No; we want competition."

In this respect it is my pleasure to oppose the recommendation of the Commission and to most heartily support the President.

Mr. Speaker, with a very distinct appreciation of the fact that I am in no sense qualified as an expert, either military, technical, or scientific, to discuss matters and things pertaining to the development of aviation along military, industrial, technical, or scientific lines, nevertheless, ignorant as I am, I have undertaken to inform myself as a layman, and being very much interested in the subject matter of aviation, I am taking the liberty to presume upon the good nature of the House to remark that there are some things in the report of the Federal Aviation Commission with which I am in distinct disagreement, and to which, in my opinion, every unprejudiced Member of this House of Representatives will find himself in opposition if he takes the necessary time to study both sides of the question.

Together with the other members of subcommittee no. 3 of the Committee on Military Affairs, under and by virtue of House Resolution 275, authorizing and directing the Committee on Military Affairs "to inquire into and investigate alleged profiteering in military aircraft, irregularities in the leasing of public property by the War Department, and profiteering in the purchase of property from public funds, and other matters in which the problem of national defense is involved", I sat and listened to evidence adduced before that committee with respect to the matters and things covered by the above resolution from the 12th day of February to the 3d day of July 1934, 54 days. Then I came back down here the 3d day of December last and sat for something like 2 full weeks listening to testimony covering in part the same matters and things.

The committee conducted an exhaustive and impartial investigation during which all phases of aviation including research, development, manufacture, and methods of procurement were thoroughly canvassed and considered. The advantages and disadvantages of both "procurement by negotiation" and "competitive bid" were carefully weighed.

The conclusions I have reached, as a result of the time spent in undertaking to inform myself, are such that I feel I would be derelict in my duty did I not, at least, direct the attention of my colleagues to such sources of information as are available.

May I suggest that if, and when, the recommendations of the Federal Aviation Commission, as transmitted by the President in his recent message, come before you in concrete form for consideration and for action, your vote will be motivated by carefully considered conclusions based on a study of the whole subject matter. To that end, therefore, the message of the President in connection with the submission of the report may well be particularly observed and notice taken as to how the recommendations made by the Federal Aviation Commission are handled by him.

I should like to call your attention to the reports which have been made and filed by the Subcommittee on Military Affairs. Those reports are nos. 1506 and 2060, Seventy-third Congress, second session, and specifically to certain opinions which are to be found in these reports; viz, the opinion of the Judge Advocate General of the United States Army, found on pages 40 to 45 of report no. 1506; that of the Judge Advocate General of the Navy, or an excerpt therefrom, found on page 46 of the same report; and to the opinion of the Comptroller of the United States, found on pages 46 to 55 of report no. 1506. The final report of the committee is of date December 28, 1934, made pursuant to House Resolution 275 to the first session of the Seventy-fourth Congress.

In order that these opinions referred to may be read understandingly and the full force and effect of each may be appreciated, one should familiarize himself with the provisions of section 10 of the act of July 2, 1926 (44 Stat. 788). This section 10 may also be found on pages 4 to 7 of report no. 1506.

To be fully advised with respect to the law and the reason for it and leading up to its enactment one may well read the discussion of H. R. 10327 as found on pages 750–757 et sequentes of the CONGRESSIONAL RECORD of the Sixty-ninth Congress, first session.

While there are a good many things in the report of the Federal Aviation Commission of which I do not approve and am in accord with the position taken by President Roosevelt with reference thereto, I am particularly opposed, as I have stated, to the recommendation to the effect that the Secretary of War and the Secretary of the Navy be expressly authorized to make purchases by direct negotiation with the manufacturer best able to provide the desired equipment, and that they report to Congress in each case the reason for employing negotiations and the exact way in which the price to be paid was determined.

It has to be admitted that no one can successfully contend that a negotiated contract is not the easiest method of procuring any article, but I insist that in view of the law as established by Congress your committee and Congress rightfully take the stand that such a method of expenditure of Government funds is contrary to law, to national policy, and should be resorted to only where justified by exceptional circumstances. Provision for such action, when and if justified by such circumstances, is made and provided by the law itself.

In its consideration of this particular matter the committees of Congress gave long hours of thought and study to the administrative difficulties which might arise in obtaining the finest type of aircraft, keeping in the foreground in its discussions the cardinal principle that our armed forces must be equipped with the most advanced type of fighting airplanes for the national defense.

Uninfluenced by anything other than the law and the testimony before it, and only after mature and careful consideration representing weeks of study from all angles, the Committee on Military Affairs was unanimous in its opinion, agreeing that authority for purchase by negotiation is not necessary in the interest of national defense except in the placing of experimental orders, for which a "purchase by negotiation" provision is now made in the existing law.

Your Committee on Military Affairs collaborated with the Assistant Secretary of War, in charge of procurement, in working out a method of procurement which has already justified its having been established. That method permits all qualified manufacturers to compete for the business, while at the same time the interests of the Government are adequately protected. What more can industry ask? How can the interests of all the people be better served? Moreover, the present plan now working so satisfactorily conforms to the existing law, permits the prompt and efficient procurement of aircraft of the latest type, makes performance the criteria rather than price, and thereby assures us that our Army will be equipped with the finest aircraft capable of being produced in this country. Recent contracts by the War Department let in conformity with this plan of procurement have in each and every and all cases resulted in the procurement of airplanes which have performance characteristics substantially greater than airplanes purchased heretofore but now in use in the service.

If the War Department had continued to follow the plan of negotiated purchase, there is no question in my mind that in the course of 2 or 3 years we would have had the most restricted purchasing of any office of procurement in any department of the Government. The negotiated-contract method tends toward a decision by the Air Corps in favor of one particular manufacturer and necessarily eventually stifles progress and development. Were it to be followed, it is obvious that in the case of emergency we would have only 1 company that could manufacture bombardment planes, possibly only 1 that could manufacture pursuit planes, and 1 that could manufacture attack planes. We must have wide competition of design in order to broaden the field of competition and give every manufacturer, inventor, and man interested in aircraft production or invention a chance. Such a plan has been evolved and is in operation.

In my judgment it accords with what Congress had in mind when it passed section 10 of the act of 1926.

After days and weeks running into months of hearings before the committees and boards in which both sides—viz, those in favor of negotiated contracts and those in favor of competitive bidding—were given all the chance in the world to testify, and after Congress had studied the reports based on these hearings, the law of July 2, 1926, was finally enacted, the result being that the policy of competitive bidding was approved and established as against that of "purchase by negotiation."

There is much to be said, and I am aware that too much may have been said for the good of the industry by both sides, nevertheless, I believe Congress acted wisely and for the good of all concerned. A careful study of the accumulated bibliography and literature to which I have called your attention will, I believe, convince every open-minded, unprejudiced student of the problem of the correctness of the action of Congress heretofore and will justify opposition to any amendment of the law along the line resulting from recommendations contained in the report of the Federal Aviation Commission.

Under the existing law the Secretary of War and the Secretary of the Navy have ample contractual authority to procure promptly and efficiently such airplanes as shall meet the needs of national defense. Authority for purchase by negotiation is not only unnecessary, but is highly undesirable in the best interests of the Government.

Procurement by means of negotiated contracts stifles competition; opens up the avenue for charges of fraud; offers a premium to high-pressure salesmanship; narrows the field; keeps the dreamer and inventor and the experimenter with vision out of competition with the established order. The broader the field, the greater the opportunity afforded for competitive development and improvement, the grander will be the eventual accomplishment.

We do well to keep in mind the fact, as was suggested by a witness before our committee, that "the world has become much smaller in the last hundred years. It has become much smaller in the last 10 years. It has become much smaller even since Amelia Earhart flew across the Pacific Ocean just a few weeks ago." Airplanes, regardless of what the agents tell you, have not yet reached perfection. The automobile salesman who tells you the last car you bought is the acme of perfection is mistaken. Automobiles are going to be greatly improved, and airplanes are going to be greatly improved.

Some of these days—and perhaps you and I who are sitting here will live to see it—there will be no gasoline required to fly a plane. There will be no airplane engine. Instead, you will have an electric motor in it, and you will draw your current from a power house 500 or 1,000 or 5,000 miles away. The airplane will be able to sustain flight for a day or a week or a month. The pilot will not have to fear running out of gasoline. He will just keep drawing the "juice."

You may think that is a dream, gentlemen, but there are people working on it. As a boy, I rode by the experimental station of De Forest, out by the McCormick reaper works in Chicago. That was in bicycle days, and I was just a boy riding a bicycle. People rode in carriages. There were no automobiles, and I heard highly intelligent, well-dressed people say, "The poor fool! Some insane asylum is shy a boarder!" But De Forest developed the tube. Marconi developed the wireless, and we hear it round the world—music, your voice, even pictures, today.

It is just a couple of steps, gentlemen, to the transmission of energy, and if you could transmit enough energy to turn even an electric fan, the problem is solved, because all you have got to do then is to step it up. It is something to think about.

What has all this to do with the practical question of negotiated contracts and competitive bidding? A great deal, I say, for, from the sentimental as well as the practical standpoint, we should forever be opposed to closing any and every door to experimentation, invention, research, or suggestion by either the individual of limited means or the representative of big business with his many millions to back his theories.

However impractical or seemingly senseless may be the schemes of the dreamer, none can be stranger or more fanciful than some of the dreams of just such men that have come true. In days to come I guarantee that your prophecies and mine of what is going to happen and of what our age shall accomplish will be laughed at by those who come after us and look back to see the progress of which we boast, the inventions of our age of which we are so proud, and all of our accomplishments present and projected, as insignificant milestones along the road of progress over which humanity has traveled to achievements far beyond the limits of our wildest dreams and transcending our ability to comprehend.

In the words of my friend Walter J. Coates, may I say:

SIC ITUR AD ASTRA

"So men ascend the skies." The realm of sleep
Confirms the age-old lesson daylight brings;
One Elan Vital through all cycles sings—
Change, which nor light nor dark enslaved may keep.
This winged adventuress of the cosmic deep
Disdains all metes and bounds and careless flings
Fresh largesses of unexpected things.
Across the dusty fields we sow and reap.
New genius sings from yet unwritten lays,
New joy, new hope lie wombed in days to be,
New zest of living walks untrodden ways,
Life lurks around next corners mockingly.
Beatitudes beyond tomorrow's range
Await rebirth from the great goddess Change.

LOANS TO FARMERS IN DROUGHT- AND STORM-STRICKEN AREAS

Mr. JONES. Mr. Speaker, I call up the conference report on the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in

drought- and storm-stricken areas, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers in the United States (including Alaska, Hawaii, and Puerto Rico), during the year 1935, for fallowing, for the production of crops, for harvesting of crops, and for feed for livestock, or for any of such purposes. Such loans shall be made and collected through such agencies, upon such terms and conditions, and subject to such regulations, as the Governor shall prescribe.

"SEC. 2. (a) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production or harvesting, or both, is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Fees for recording, filing, and registering shall not exceed 75 cents per loan and may be deducted from the proceeds of the loan. Each loan shall bear interest at the rate of 5½ per centum per annum. For the purpose of carrying out the provisions of this act and collecting loans made under other acts of the same general character, including loans made by the Governor with funds appropriated by the Emergency Appropriation Act, fiscal year 1935, the Governor may use the facilities and services of the Farm Credit Administration and any institution operating under its supervision, or of any officer or officers thereof, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses; and such institutions are hereby expressly empowered to enter into agreements with the Governor for the accomplishment of such purposes.

"(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed $500: *Provided, however*, That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations and with such maturities as he may prescribe therefor.

"(c) No loan shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe: (1) that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act; and (2) that such applicant is cooperating directly in the crop-production control program of the Agricultural Adjustment Administration or is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the success of such program.

"SEC. 3. (a) The moneys authorized to be loaned by the Governor under this act are declared to be impressed with a trust to accomplish the purposes provided for by this act (namely, for fallowing, production, harvesting, or feed), which trust shall continue until the moneys loaned pursuant to this act have been used by the borrower for such purposes.

"(b) It shall be unlawful for any person to make any material false representation for the purpose of obtaining, or assisting another to obtain, a loan under the provisions of this act; or willfully to dispose of, or assist in disposing of, except for the account of the Governor, any crops or other property upon which there exists a lien securing a loan made under the provisions of this act.

"(c) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

"(d) Any person violating any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not more than $1,000, or by imprisonment for not more than 6 months, or both.

"SEC. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as the Governor deems practicable, to the rates established by the Classification Act of 1923, as amended.

"SEC. 5. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of not to exceed $60,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any part of such sum may be made up as follows: All unobligated balances of appropriations and funds available thereunder to enable the Secretary of Agriculture or the Governor to make advances or loans under the following acts and resolutions, and all repayments of such advances and loans and interest: March 3, 1921 (41 Stat. 1347); March 20, 1922 (42 Stat. 467); April 26, 1924 (43 Stat. 110); February 28, 1927 (44 Stat. 1251); February 25, 1929 (45 Stat. 1306), as amended May 17, 1929 (46 Stat. 3); March 3, 1930 (46 Stat. 78, 79); December 20, 1930 (46 Stat. 1032), as amended February 14, 1931 (46 Stat. 1160); February 23, 1931 (46 Stat. 1276); March 3, 1932 (47 Stat. 60); February 4, 1933 (47 Stat. 795); February 23, 1934 (48 Stat. 354); and June 19, 1934 (48 Stat. 1021).

"(b) The moneys made available under subsection (a), and all collections of both principal and interest on loans made under this act, may be used by the Governor for making loans under this act and for all necessary administrative expenses in making and collecting such loans.

"(c) Expenditures for printing and binding necessary in carrying out the provisions of this act may be made without regard to the provisions of section 3709 of the Revised Statutes."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill; and the Senate agree to the same.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

E. D. SMITH,
B. K. WHEELER,
G. W. NORRIS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 3247) to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1 of the House bill provides for the making of loans during 1935 to farmers for fallowing, production, and harvesting, and for feed for livestock, subject to the limitation that not more than $1,000,000 may be devoted to loans for feed for livestock. The Senate amendment authorizes similar loans (including loans for feed for livestock in drought- and storm-stricken areas), but with no limitation on the amount of loans for feed for livestock. The conference agreement adopts the House provision except that no limitation is placed upon the amount of loans which may be made for feed, and makes clarifying changes which make certain that loans may be made for any or all purposes authorized.

Both the House bill and the Senate amendment (sec. 2 (a)) require first liens as security for the loans. The House bill places a maximum of 50 cents on the amount of the charges for recording, filing, or registering loans, and requires the amount to be paid by the borrower with authority to deduct the amount of the charges from the proceeds of the loan. The Senate amendment places a maximum of $1 on recording and other fees in connection with the loan, which charges are to be paid by the Farm Credit Administration. The conference agreement makes the maximum charge 75 cents, omits the requirement that the fees be paid by the borrower, authorizes the charges to be deducted from the proceeds of the loan, and clarifies the language so that the total amount charged shall not exceed 75 cents, whether fees are charged for recording, filing, or registering, or for any one or more of such operations.

Both the House bill and the Senate amendment (sec. 2 (a)) authorize, for the purpose of carrying out the bill and for collecting loans under prior similar acts, the utilization of services of the Farm Credit Administration and of institutions under its supervision, and also authorize payment for such services. The House bill specifically includes the emergency appropriation act as one of such prior acts, which act is included generally in the Senate amendment. The Senate amendment authorizes payment for such services out of funds made available under section 5 of the amendment, while the House bill authorizes such payment out of any funds made available for administrative expenses. The conference agreement adopts the House provision.

Under the House bill (sec. 2 (b)) loans to any one borrower may not, in the ordinary case, exceed $250. The Senate amendment (sec. 2 (b)) makes this sum $500. The conference agreement adopts the Senate provision. The conference agreement also omits as surplusage, in view of the action in agreeing to a $500 maximum in the ordinary case, the provision of the House bill which authorizes a loan of not exceeding $500 when the Governor of the Farm Credit Administration deems circumstances warrant it and the comparable provision of the Senate amendment which authorizes a loan of not exceeding $700 in the same circumstances.

Under the House bill (sec. 2 (c)) the borrower, to obtain a loan, has to establish that he is cooperating in the program of the Agricultural Adjustment Administration or that he is not proposing to increase his production of agricultural commodities in a manner detrimental to that program. The Senate amendment (sec. 2 (c)) requires a similar showing of cooperation or a showing that the borrower is not proposing to increase his 1935 production of basic agricultural commodities in a manner detrimental to the program. The conference agreement adopts the Senate provision.

The House bill (sec. 3 (a)) makes it unlawful to use the moneys loaned for any purpose other than that for which loaned or willfully to fail to plant, cultivate, or harvest the crops, and makes such wrongful use or failure evidence of intent to defraud the United States. The Senate amendment omits this provision. The conference agreement omits the provision of the House bill referred to but adopts the House language in other parts of the subsection with clarifying changes.

Under the House bill (sec. 3 (d)) the maximum fine on conviction of violating the act is $5,000, and the maximum imprisonment is 2 years. Under the Senate amendment (sec. 3 (c)) these figures are $1,000 and 6 months, respectively. The conference agreement adopts the Senate provision.

The House bill (sec. 5 (a)) authorizes an appropriation of not to exceed $40,000,000 for the purposes of the act. The Senate amendment (sec. 5) authorizes an appropriation of $100,000,000. The conference agreement authorizes an appropriation of not to exceed $60,000,000.

Under the House bill (sec. 5 (a)) the moneys authorized are to be appropriated out of certain unobligated balances and repayments under prior similar acts. Under the Senate amendment (sec. 5) the appropriation is authorized to be made out of unappropriated money in the Treasury. The conference agreement authorizes the appropriation to be made out of unappropriated sums in the Treasury but also authorizes any part of the amounts authorized to be appropriated out of the funds specified in the House bill.

The Senate amendment (sec. 5) authorizes the use of money available for the purposes of the act for collecting loans under prior similar acts. The comparable provision of the House bill contains no such authority. The conference agreement adopts the House provision.

The House bill authorizes expenditures for printing and binding under the bill to be made without advertising for bids. There is no comparable provision in the Senate amendment. The conference agreement adopts the House provision.

The conference agreement adopts the title proposed in the Senate amendment.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. JONES. Mr. Speaker, this is a unanimous report. The main change is in the total amount that is made available.

Under the terms of the House bill provision was made for $45,000,000, under the Senate bill an outright authorization for $100,000,000 was provided. The conference report makes available not to exceed $60,000,000 and provides that any part of it may be transferred from other funds which may be available as specified. This is the only change that is of great interest.

Mr. SNELL. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from New York.

Mr. SNELL. I looked over this statement rather hastily and it seems to me that practically the only difference is in amount. The conferees agreed on an amount in between what the Senate and House passed. There is no other change practically in the conference report over the bill that was originally passed by the House?

Mr. JONES. Yes. It is practically the House bill with that change, and with some other minor changes.

Mr. PIERCE. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Oregon.

Mr. PIERCE. Is the maximum loan $500 or is it still $300?

Mr. JONES. The maximum is $500, except where there is an especially distressed area.

Mr. PIERCE. Do they have to come to Washington to get an authorization for $500?

Mr. JONES. No; but for anything over that amount they have to come to Washington. They may get a loan up to $500 without coming to Washington.

Mr. PIERCE. It was $300 in our bill, and this has been raised now to $500?

Mr. JONES. Yes. You understand, of course, that the average loan will be much less than this amount. This is simply the maximum.

Mr. CASTELLOW. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. CASTELLOW. What is the amount now allowed for recording fees?

Mr. JONES. Seventy-five cents. The House bill provided for 50 cents, the Senate bill $1, and the conference report makes it not to exceed 75 cents.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THE REHABILITATION OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, it has been agreed that all the initiatives and purposes for the reconstruction of Puerto Rico, not only as suggested in the report of the Puerto Rican Commission but also in accordance with the final recommendations which the Federal administration is preparing on the subject, will be placed, it is stated, in a body of representatives who are to head a corporation to be created by the Legislature of Puerto Rico, clothed with definable powers to carry on the greatest task of rehabilitation ever to have been undertaken in the island. It may go as far as the President desires.

In conferences which I have had with high officials, and which I shall continue to have, it has been plainly stated that no party or individual shall claim or obtain any personal advantage, politically or otherwise.

The final plan and its purposes, which are expected to inaugurate a new era of social justice, require the authority and cooperation of the legislature of the island and of its leaders and of all those who represent labor and capital in the fields of agriculture and in industry, and who would work in collaboration with the Federal and Insular Governments to assure success for the welfare of the people of Puerto Rico.

On the other hand, in considering our social problems, we are confronted with a situation which we must admit is not at all satisfactory. A large percentage of our population is composed of peasants whose only source of livelihood is derived from their work in the cane fields. The standard of living and education among the poorer classes, although constantly improving, is not as high as we should like to see it, and there is a dire need for improvement.

During the last few years Puerto Rico has felt the effects of the depression which, combined with the devastating hurricanes of 1928 and 1932, have caused considerable suffering in the island. Our relations with the mainland as part of the American community are so intimate that we cannot possibly conceive of working out our problems without looking to Washington for proper consideration.

We are affected by any change of conditions in this country and by any legislation of a national character enacted by Congress. The representatives of the Congress of the United States cannot fail at this time to realize the importance of such relations and the necessity of giving to our problems their most sincere and whole-hearted attention.

Regardless of whatever other plans the administration may have in mind for the rehabilitation of Puerto Rico, I believe that the enforcement of our organic law in an intelligent way is essential to prevent not only a serious and dangerous disturbance in our economical and social set-up but the harmful effects of any impairment to our present structure, with the result that future measures will be made very much more costly and complicated. For example, I desire to call attention to a declaration issued by the president of the chamber of commerce:

Specifically, Puerto Rico in 1933–34 has suffered to the extent of $32,244,951 by legislation, which Mr. de Hostos detailed as follows: Increased cost of commodity purchases in the United States, $8,193,652; flour processing tax, $1,000,000; excess over benefit payments from processing taxes on commodities produced in the island, $800,000; sugar surplus, $15,000,000; wage loss through sugar restriction, $2,000,000; wage loss in tobacco and needlework industry, $500,000, and many others, including losses from business stagnation and restriction.

On this important economic matter, let us see what the Chief of the Bureau of Insular Affairs has to say in his annual report of 1934:

Although the general economic situation in Puerto Rico continues to present serious difficulties, there are a number of factors that indicate substantial improvement during the period covered by this report. This improvement is evidenced by an increase both in volume and value of the external trade, in prices received for the principal exports from the island, and by the general improvement in the fiscal affairs of the island. Progress toward recovery has been greatly aided by liberal assistance from the Federal Government with funds provided by the Public Works Administration, the Federal Emergency Relief Administration, the Civilian Conservation Corps, and from loans by the Reconstruction Finance Corporation to the city of San Juan.

Activities of Federal emergency agencies.—During the fiscal year ending June 30, 1934, the island has had the benefit of funds allocated by the various agencies of the Federal Government as follows:

Public Works Administration	$2,241,409
Federal Emergency Relief Administration	8,185,201
Reconstruction Finance Corporation	1,660,000
Civilian Conservation Corps	334,200
Total	12,420,810

The beneficial effect of the expenditure of these funds is reflected in some measure by the increased volume of external trade and in the improved fiscal condition of the insular government.

We are confident and conscious of the earnest desire of the administration to carry out a complete social and economic rehabilitation of the island, for which the people of Puerto Rico express their profound gratitude. We have urged the administration to accept the cooperation of all legitimate representatives of the insular government so that any efforts displayed in the near future may have further assurance of meeting with the desired success.

The funds being assigned to Puerto Rico by the Emergency Relief Administration practically constitute the only means whereby the national administration has so far endeavored to alleviate the acute situation in the island. In the light of sound reason and a sober spirit of justice, the assignment of such funds really constitutes a compensation of the load directly and indirectly being imposed upon the people by the legislation intended to remedy conditions on the continent, notwithstanding the fact that said compensation is being extended in such manner that the same is being disposed of through an organization over which the insular administration has no control. Such a practice has resulted in the establishment there of an organization which, in fact, is exercising the functions and powers of a separate regime.

The Governor in his message to the legislature expressed the following thought:

In all plans of the national administration for the future, Puerto Rico will be accorded most sympathetic consideration and the rehabilitation of our island may be confidently expected. It is true that our sugar production has been restricted, which has caused considerable embarrassment, but no sure prosperity can be predicated on a precarious dependence on one crop, the very existence of which is conditioned on high-tariff protection. Our most fertile lands are held in too few hands and a redistribution should be effected. According to the plans being developed, a new economic structure will be reared here on foundations so sound that the benefits from agriculture, trade, and industry will be more widely diffused throughout the island, and our people will share a prosperity more real than ever in the past, inasmuch as it will contribute to the well-being of every inhabitant.

That is why the responsible representatives of the insular legislature have asked me to urge the Members of Congress to give thorough consideration and their best judgment to the suggestions contained in the following lines:

You know, of course, that House Joint Resolution No. 117 invests the President with the most extraordinary powers to dispose of $4,880,000,000 to protect and to promote the general welfare of the people. This includes $500,000,000 derived from the processing tax on sugar. The above stated resolution is applicable to Puerto Rico, and, in the development of so great a scheme, permit me to say that care must be exercised so that the organic laws of the island be upheld, and, under no circumstances, should a "supergovernment" impose itself to the extent of ruining Puerto Rico's chances of sharing in the benefits of so large an appropriation, for whatever projects the President may have in mind.

The association and intimate relations of the island with the Nation brought about certain conditions which made possible an intercourse of business that proved very favorable, not only to the people of the island but, in a higher degree, to the citizens of the mainland.

Puerto Rico stands today as the first best buyer of the United States goods in all Latin America, and the eighth of all the European nations. The fact that Puerto Rico has bought, and is continuing to buy, millions upon millions of dollars' worth of goods from continental United States is vitally interesting. It is estimated that Puerto Rico has purchased $2,000,000,000 worth of commodities from the mainland in the last 30 years.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL—1936

Mr. OLIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; and pending that, may I ask the gentleman from New York [Mr. BACON] if he would have any objection to my asking unanimous consent that the gentlewoman from Indiana [Mrs. JENCKES] may be allowed to speak out of order for 10 minutes after we go into the Committee of the Whole? There was a misunderstanding yesterday in reference to the time to be allotted to her.

Mr. BACON. I feel that there will be no objection on this side of the aisle. May I also say that the gentleman from Massachusetts [Mr. TINKHAM] has an amendment which he desires to offer and would like to have 10 minutes to speak on his amendment instead of 5 minutes.

Mr. OLIVER. I shall have no objection.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman from Alabama [Mr. OLIVER] permit the gentleman from South Carolina [Mr. MCSWAIN] to have 10 minutes additional to speak on Boy Scout Activities.

Mr. OLIVER. I may say to the gentleman that I think that will be arranged tomorrow to the satisfaction of the gentleman from South Carolina [Mr. MCSWAIN] and the gentleman from Pennsylvania.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5255, with Mr. ROGERS of New Hampshire in the chair.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to return to page 17, in order that the gentleman from Massachusetts [Mr. TINKHAM] may make a point of order to the item for the International Labor Organization, carrying an appropriation of $174,630, and that he may have all rights that he had on yesterday had not this paragraph been passed over by unanimous consent.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TINKHAM. Mr. Chairman, in relation to the appropriation of $174,630 for the International Labor Organization, I make the point of order that there is no legislative authority to support this appropriation and, Mr. Chairman, I make the further point of order that the appropriation in any event is limited to the terms of the instrument which sets up the International Labor Organization, namely, title XIII of the Versailles Treaty.

Mr. Chairman, there has been no legislative action to support this appropriation except a joint resolution which is found on page 11343 of the proceedings of the last Congress.

The resolution is as follows:

Resolved, etc., That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives of its members and through its International Labor Office, collects information concerning labor throughout the world and prepares international conventions for the consideration of member governments with a view to improving conditions of labor.

SEC. 2. That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations.

I wish to read a section of title XIII of the Versailles Treaty which sets up the International Labor Organization. Article 299 reads:

Each of the members will pay the traveling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the conference or the governing body as the case may be. All the other expenses of the International Labor Office and of the meetings of the conference or the governing body shall be paid to the Director by the Secretary General of the League of Nations out of the general funds of the League. The Director shall be responsible to the Secretary General of the League for the proper expenditure of all moneys paid to him in pursuance of this article.

My point of order is this: First, I contend that there is no legislative authority to make this appropriation at all; and second, that if it should be ruled that such authority is contained in the resolution which I have just read, passed by the last Congress, the appropriation must be limited to traveling and subsistence expenses of delegates and advisers and of representatives attending the meetings of the conference or governing body, as the case may be, as provided for in article 299 of title XIII of the Versailles Treaty to which I have referred.

Mr. McREYNOLDS. Mr. Chairman, we insist that the point of order is not well taken, from the fact that this resolution was passed giving the President of the United States the right to enter this Government in the international labor organization.

That necessarily carries with it whatever expense there might be in joining that organization. When this bill was considered on its passage the distinguished gentleman from Massachusetts [Mr. TINKHAM] insisted at that time in his speech that it would cost something like $150,000 or $400,000. So the House was put on notice that whenever the resolution was passed giving the President the power to join it carried with it the right of authorization to pay all the expenses.

Mr. SNELL. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. SNELL. It seems to me that the real crux of the situation does not depend on what the gentleman from Massachusetts [Mr. TINKHAM] said at that time, but on the law passed and the real facts set forth in the Versailles Treaty as to what we would have to pay if we did join the international labor organization.

Mr. McREYNOLDS. I hardly think so.

Mr. SNELL. What the gentleman from Massachusetts said at the time the resolution was passed would not affect it.

Mr. McREYNOLDS. The gentleman would not contend that the Versailles Treaty sets out what the expense would be; that is a matter for the Appropriations Committee. You must go outside of the terms of the treaty to determine what the expenses are.

Mr. SNELL. It seems to me that it is specific as to what they will have to pay if they join. It simply says:

For traveling expense and maintenance, and all other expenses outside of the organization will be paid by the League of Nations.

To me that was the basis of our entry.

Mr. McREYNOLDS. The gentleman from Massachusetts did not read all that was in the treaty. There are a great many other expenses outside in keeping up the organization, and other countries are contributing largely.

Mr. SNELL. The other countries are members of the League of Nations. It seems to me the section read by the gentleman from Massachusetts is very specific, and I will ask him to read it again.

Mr. McREYNOLDS. I do not care to have him read it again, but I know there are other provisions.

Mr. SNELL. What are those other provisions?

Mr. McREYNOLDS. I think the statute passed is sufficient. Whenever you pass a joint resolution giving the President the right to take the country into a labor organization, that carries with it the expense incidental thereto, and the question of what the expense is, is a matter for the Appropriation Committee, which they have brought before the House.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. Yes.

Mr. SNELL. I agree with the first part of the gentleman's statement, that that means we should pay the expenses necessary to join, and that is set out specifically in the section of the Versailles Treaty that the gentleman from Massachusetts [Mr. TINKHAM] has presented. Unless there is some other section that sets out something in addition, I think we should be governed at this time by the section which has been read by the gentleman from Massachusetts.

Mr. McREYNOLDS. I am willing to have the Chair rule.

Mr. OLIVER. Mr. Chairman, I call the Chair's attention to some precedents to be found in Hinds' Precedents, brought up to date by the gentleman from Missouri [Mr. CANNON]. I read from page 847:

A treaty establishing an international institute authorizes an appropriation in a general appropriation bill for sending delegates to the institute.

In support of that I cite the further precedent, to be found on page 841, section 8246:

A convention with foreign nations organizing and establishing an international association was held to justify an appropriation for its support.

Mr. SNELL. Those are general appropriations and general authorizations, but the question before the Committee today is a specific authorization under definite law or agreement based on the Versailles Treaty. That is in an entirely different position, because we have definite specifications set forth that we must comply with. That is entirely different from a general appropriation.

Mr. OLIVER. The position I take is that since Congress by specific mandate authorized the President to accept membership in the International Labor Organization, congress is authorized to appropriate such sum as in its judgment is deemed proper.

Mr. SNELL. As a general proposition I agree with the gentleman, but here it is specifically set forth in the treaty that the only thing the individual members are called upon to appropriate for is for traveling expenses and subsistence of their delegates to that convention, and it specifically states that all other expenses of this international labor organization are paid by the League of Nations. If that is so, what are these appropriations for?

Mr. OLIVER. The association, as I understand, does draw some money from the League.

Mr. SNELL. It is definitely set forth.

Mr. OLIVER. And that money is paid by governments that are members of the League.

Mr. SNELL. That is true, I think.

Mr. OLIVER. The organization also permits governments that are not members of the League to become associated with it, and the understanding of the State Department is that our contribution is not paid to the League, but whatever we may decide to appropriate is paid to the association direct.

Mr. SNELL. Where do they get that understanding, when it is specifically set forth in the treaty itself just exactly what we pay. If the gentleman will point to something in the treaty that tells where that understanding comes from, I shall agree that he is right; but the point of order made by the gentleman from Massachusetts is that there is no law authorizing it, and as you have not presented any such law, only general suppositions, I think the point is well taken.

Mr. OLIVER. The difference between the gentleman from New York and myself is this: That Congress alone determines

what amount it will appropriate and to whom such amount will be paid. The State Department informs me that whatever Congress appropriates will be paid to the international association and not to the League. The joint resolution expressly stipulates that our Government assumes no obligation under the Covenant of the League of Nations.

Mr. TINKHAM. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. TINKHAM. All authority of the House in this matter must come from the joint resolution providing for United States membership in the International Labor Organization or from the instrument which sets up that organization. There is nothing in the resolution adopted last year which gives authority for the appropriation. I understand the gentleman to argue that if we join an international body there is implied the right to make an appropriation. We have joined an organization, and the instrument setting up that organization states definitely what shall be paid by the members, and what shall be paid from the general funds of the League. That instrument provides that each member of the organization will pay the traveling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the conference or governing body, as the case may be, and that all other expenses of the organization shall be paid out of the general funds of the League of Nations. Where is our authority to make the proposed contribution? It is not contained in the resolution providing for United States membership in the organization, or in the instrument setting up the organization. Where is the power?

Mr. OLIVER. The power rests on the statutory authorization given the President to become a member, and the power now is with Congress as to what amount it will appropriate for this purpose. We are not required, since we expressly refused to assume any obligation to the League, to pay anything to the League and, as I have previously stated, whatever appropriation Congress approves will be paid to the association—not to the League.

Mr. TINKHAM. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. TINKHAM. By the joint resolution adopted June 16 we merely joined this organization.

Mr. OLIVER. That is to say the President was authorized to accept membership for the Government of the United States of America in the International Labor Organization under very definite limitations—one being that our Government assumed no obligation whatever under the Covenant of the League of Nations.

Mr. TINKHAM. When we joined the organization we became subject to the limitations and proscriptions of the instrument which set up that organization.

Mr. OLIVER. There is a very definite limitation on our membership in the association, imposed by the joint resolution, which authorized acceptance of membership.

Mr. TINKHAM. There is a very definite limitation as to what is to be contributed; first, by the members of the organization, and, second, from the general funds of the League. My point is that there is no authority to make any appropriation except what the instrument says shall be made by the members of the organization.

Mr. OLIVER. I would like to read two paragraphs of the resolution which I think effectively answers the argument of the gentleman from Massachusetts [Mr. TINKHAM]:

> Whereas special provision has been made in the constitution of the International Labor Organization by which membership of the United States would not impose or be deemed to impose any obligation or agreement upon the United States to accept the proposals of that body as involving anything more than recommendations for its consideration: Therefore be it
>
> *Resolved*, That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations.

The position I take is that since we have authorized the President, under very definite limitations imposed by the joint resolution, to become a member of the association, and the President has accepted membership in the association, subject to such limitations, Congress alone is authorized to fix the amount of the expense it will contribute to the association. Nothing that the gentleman has read determines what Congress must appropriate. We will appropriate only such amount as the Congress determines. The precedents I have cited justify the conclusion that whatever Congress may determine is necessary can be appropriated. I respectfully submit to the Chair that the Appropriations Committee has under the joint resolution authority to recommend to the House an appropriation for its consideration.

Mr. LEHLBACH. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. LEHLBACH. Can the gentleman tell us from estimates underlying this item how the $174,630 is broken down?

Mr. OLIVER. The State Department informs me that the amount recommended to be appropriated is in strict accord with the practice approved by Congress in reference to other conferences in which the United States has participated. It is the same, I understand, that Great Britain contributes. Population is the usual basis for determining such contributions.

Mr. LEHLBACH. Then the contribution does not include traveling expenses of any kind?

Mr. OLIVER. No.

Mr. LEHLBACH. It is completely a contribution?

Mr. OLIVER. Yes; that is my understanding.

Mr. O'CONNOR. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. O'CONNOR. Is not the crux of this question determinative upon the fact that this resolution of last June is the only legislation pertaining to it? The resolution of last June is the legislative authority, and nothing that the gentleman from Massachusetts [Mr. TINKHAM] has read?

Mr. OLIVER. That is what I have tried to make clear to the gentleman from Massachusetts. What he has read has no bearing on the question the Chair is called upon to decide, in my opinion.

Mr. O'CONNOR. They could not.

Mr. OLIVER. No.

Mr. SNELL. Will the gentleman yield?

Mr. OLIVER. I yield.

Mr. SNELL. Does the gentleman mean to say that when we passed that resolution last year we authorized a contribution to the Court of International Labor? Does the gentleman say that that was before this House and that this House understood that proposition in that respect?

Mr. OLIVER. In passing that resolution, you carried implied authority for the Appropriations Committee to submit to the House for its consideration the amount now recommended to be appropriated.

Mr. SNELL. But the Appropriations Committee must have authority before they present these amounts to the House. There must be authority in law back of them.

Mr. OLIVER. The gentleman is returning to the question that we have argued for sometime, namely, whether the act of June 16, which is the only legislation on the subject, carries authority for the Appropriations Committee to bring in for the consideration of the House this particular item.

Mr. SNELL. If you would get complete authority to make a contribution to the International Court of Labor under that resolution, the gentleman would be all right, but if he cannot, I do not think the gentleman is right, and I think the point of order raised by the gentleman from Massachusetts [Mr. TINKHAM] should be considered.

Mr. O'CONNOR. Is that the only point he makes, as to a contribution and not expenses?

Mr. SNELL. Under the provisions of the Treaty of Versailles there is no authority given in that resolution to make this contribution or to appropriate for anything except the traveling expenses and maintenance of your own people over there.

Mr. O'CONNOR. The Treaty of Versailles could not possibly be any legislative authority for us.

Mr. SNELL. That is true, but that sets forth all you can do, or are required to do to become a member.

Mr. O'CONNOR. If we set up an agency or bureau by a resolution or bill, it would impliedly carry a sufficient appropriation to permit it to function.

Mr. SNELL. The gentleman cannot show any authority for this appropriation.

Mr. MAY. Will the gentleman yield?

Mr. OLIVER. In just a moment I will yield to the gentleman from Kentucky. The gentleman asked if notice was served on the House whether the joint resolution, if passed, would necessitate an appropriation and if he will read the debate he will find that the gentleman from Massachusetts [Mr. TINKHAM] stated that in his judgment it would cost from $150,000 to $400,000.

Mr. SNELL. The gentleman's judgment was very good.

Mr. OLIVER. After that debate the House passed the joint resolution.

Mr. SNELL. But the mere statement of the gentleman from Massachusetts [Mr. TINKHAM] or a Member on the floor under ordinary circumstances would not control as far as authority for making the appropriation is concerned.

Mr. OLIVER. No; but it at least shows the House understood when it voted that perhaps it would be called on to consider an appropriation incident to membership.

Mr. SNELL. The gentleman means that the gentleman from Massachusetts understood it.

Mr. MAY. Mr. Chairman, if the gentleman will permit, I shall quote a portion of the language of the resolution of June 19, 1932, particularly section 2 of the resolution, which, after authorizing the President to take a membership in the International Labor Organization, contains but a single reservation or condition, and that is that the President shall assume on behalf of the United States no obligation under the government of the League of Nations.

Is it not directly implied where there is a specific reservation that the President has all authority other than that which is restricted; and that under this authority this Government did become a member, and, having become a member, the Congress has the duty to appropriate the money necessary?

Mr. OLIVER. I think the gentleman is correct.

Mr. Chairman, I ask for a ruling on the point of order.

The CHAIRMAN (Mr. ROGERS of New Hampshire). The point of order raised by the gentleman from Massachusetts [Mr. TINKHAM] involves the question as to the authorization of an appropriation under title I of the bill (H. R. 5255) granting to the International Labor Organization the sum of $174,630.

In order that we may not be confused, the Chair feels it proper to state that the reference to the Versailles Treaty in regard to the legality of this appropriation, and the point of order raised thereon, is absolutely irrelevant. The Versailles Treaty is no part of the law of the United States of America, is not mentioned in the paragraph providing this appropriation, and is not referred to in the joint resolution passed in the Seventy-third Congress and approved June 19, 1934. The law under which this appropriation is proposed results from the joint resolution approved June 19, 1934, which provided that the President of the United States was authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives and its members and through its International Labor Office, collects information concerning labor throughout the world, and prepares international conventions for the consideration of member governments, with a view of improving conditions of labor. The Versailles Treaty and other matters of that kind are not referred to in that joint resolution.

The question, it seems to the Chair, resolves itself into whether or not a reasonable interpretation of the law passed during the Seventy-third Congress includes therein an authorization of the Congress of the United States, which enacted that legislation, to make reasonable appropriations to carry it into effect. Bearing on the generally recognized standard of interpretation of legislation of this kind, the Chair thinks that it is proper to refer to the language of the distinguished gentleman from Massachusetts [Mr. TINKHAM] when this bill was under debate in this House on June 16, 1934, when he said:

> Let me ask the chairman of the committee, on which I have the honor to serve, has there been an estimate of the cost to the American people of our annual contribution to this organization; if so, how much?

The gentleman from Tennessee [Mr. MCREYNOLDS] said:

> That will depend on a number of circumstances.

Then the gentleman from Massachusetts made this remark:

> Mr. Speaker, I may say that it is estimated that we shall contribute to the support of this organization from $150,000 to $400,000 a year.

At that time it seems to have been contemplated that a reasonable appropriation to be made by Congress was involved in the passage of that legislation. In view of that interpretation it seems to the Chair that the joint resolution approved June 19, 1934, is sufficient authorization for this appropriation, and the Chair is of the opinion that the point of order should be overruled.

The Chair therefore overrules the point of order. [Applause.]

Mr. OLIVER. Mr. Chairman, can we not reach an agreement in reference to debate on this item?

Mr. BACON. I may say to the gentleman from Alabama that the gentleman from Massachusetts [Mr. TINKHAM] would like 15 minutes to discuss his amendment, and there will be no other speeches on this side of the aisle.

Mr. OLIVER. I understood the gentleman from Massachusetts desired only 10 minutes.

Mr. BACON. I made a mistake. The gentleman from Massachusetts asked for 10 additional minutes, and I misunderstood him to say 10 minutes in all. I hope the gentleman from Alabama will accede to the unanimous-consent request of the gentleman from Massachusetts that he may proceed for 15 minutes.

Mr. TINKHAM. Mr. Chairman, I hope the honorable Representative from Alabama will not limit debate because as debate proceeds there may be Members on both sides of the aisle who want to speak, and if there is a limit put on this debate before it starts it may restrain them.

Mr. OLIVER. Mr. Chairman, I want to be perfectly fair to the gentleman and grant such time as he may need within reason. Suppose the gentleman from Massachusetts proceeds for 5 minutes and then has an extension of 5 minutes. Then I may make a motion to limit debate.

Mr. TINKHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. TINKHAM: Page 17, lines 11 and 12, strike out "International Labor Organization, $174,630."

Mr. TINKHAM. Mr. Chairman, before beginning the argument I want to say that this is an opportunity not only for this House but for the country to see who in this House are international eunochs, who in this House wish to put us into Europe, who in this House wish us to sit down with Fascist Italy, sit down with national socialistic Germany, with murderous, homicidal communistic Russia. That is the issue in its largest aspect in relation to this appropriation.

Mr. BLANTON. Mr. Chairman, a point of order.

Mr. McREYNOLDS. I will say to the gentleman from Massachusetts that that is not so.

Mr. BLANTON. Mr. Chairman, I ask that the words of the gentleman from Massachusetts [Mr. TINKHAM] about former Speaker Rainey and Speaker Byrns be taken down. If he has no respect for the living, he ought to have some respect for the dead. I ask that his words be taken down. We will call the gentleman down on that now.

Mr. TINKHAM. Well, you can go ahead.

Mr. BLANTON. Mr. Chairman, I ask that under the rules the gentleman from Massachusetts be seated until the Chair has his words taken down and reported.

The CHAIRMAN. The gentleman will indicate the words to be taken down.

Mr. BLANTON indicated the words objected to, referring to former Speaker Rainey and to present Speaker Byrns.

The CHAIRMAN. The gentleman from Massachusetts will take his seat, and the Clerk will report the words objected to to the Committee.

Mr. CONNERY. Mr. Chairman, while the words are being taken down, may I call the attention of the House to the fact that we have present a former Member of this House, and a very distinguished former Member of the House, the present Governor of Massachusetts, James M. Curley. [Applause.]

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read to the Committee the words objected to.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5255, certain words were used in debate by the gentleman from Massachusetts [Mr. TINKHAM], which were objected to, and on request were taken down and read at the Clerk's desk, and he reported the same to the House.

The SPEAKER. The Clerk will report the words.

The Clerk read the words objected to.

The SPEAKER. The Chair feels some delicacy in ruling on the language inasmuch as he is involved, and the Chair will ask the gentleman from New York [Mr. O'CONNOR] to take the chair.

Mr. O'CONNOR assumed the chair as Speaker pro tempore.

Mr. BLANTON. Mr. Speaker, I make the point of order that the words taken down and objected to are violative of the rules of the House.

Mr. LEHLBACH. Mr. Speaker, I do not realize that a point of order at this time is the proper procedure. I believe the Speaker automatically determines the question, but in view of the fact that the Chair has entertained the point of order on the subject, I would like to be heard.

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair did not intend to entertain the point of order, but in view of the fact that the Chair did listen to the gentleman from Texas, the Chair will hear the gentleman from New Jersey.

Mr. LEHLBACH. Mr. Speaker, the right of free debate in a parliamentary assemblage is the one privilege which the minority in such a body has, and which no deliberative assembly, certainly no English-speaking assembly, has ever sought to abridge or suppress.

Unparliamentary language is the use of abusive epithets or abuse or improper and excessive use of words, but it does not extend to criticism of anybody connected with the Government or characterization of the acts so criticized, and that is all that is involved here. It is a criticism of what the gentleman charges was done, and it is entirely aside from the question of whether that charge is true or not as to whether the language is unparliamentary. The gentleman has a perfect right to charge that in the conduct of any kind or detail of the function of government certain acts were performed by certain officials. He has the right to condemn those acts, and he has the right to characterize them in any way he sees fit as long as he confines the language in which he makes his criticism to language ordinarily used by a gentleman.

The SPEAKER pro tempore. The Chair is ready to rule.

Mr. BLANTON. Mr. Speaker, since I made the point of order, I would like the Chair to hear me a moment, in fairness, since the Chair heard the gentleman from New Jersey.

The SPEAKER pro tempore. The Chair will hear the gentleman from Texas.

Mr. BLANTON. The statement by the gentleman from Massachusetts [Mr. TINKHAM] referred to the President and the former Speaker of the House, Mr. Rainey, who is now dead, and the majority leader, who is our present Speaker [Mr. BYRNS], in a manner that is not permitted in debate, and it is properly before the Chair to determine whether the gentleman from Massachusetts [Mr. TINKHAM] was out of order.

The SPEAKER pro tempore (Mr. O'CONNOR). In the course of debate the gentleman from Massachusetts used these words [reading the words objected to].

It is well established under the precedents of the House that it is out of order in debate to arraign the motives of Members. Of course, the Speaker is a Member of the House. In a ruling on May 31, 1934, it was held that language used in debate which charged that the Speaker dishonestly resolved the House into Committee of the Whole House on the state of the Union, that he repudiated and ignored the rules of the House, was a violation of the rules of the House and held to be out of order.

In view of that precedent and others, which the Chair has had the opportunity to examine, the Chair now rules that the language used by the gentleman from Massachusetts [Mr. TINKHAM] violates the rules of the House.

Mr. LEHLBACH. Mr. Speaker——

Mr. BLANTON. Mr. Speaker, I move that that colloquy embracing the objectionable language just read and passed upon be expunged, and upon that I move the previous question.

Mr. SNELL. Mr. Speaker, I appeal from the decision of the Chair on the point of order.

Mr. LEHLBACH. Mr. Speaker, I was on my feet, no one having the floor, to propound a parliamentary inquiry when the gentleman from Texas sought to take me off my feet.

The SPEAKER pro tempore. The gentleman from New York appeals from the decision of the Chair.

Mr. LEHLBACH. Mr. Speaker——

Mr. BLANTON. Mr. Speaker, I make the point of order that the appeal is not debatable.

Mr. McREYNOLDS. Mr. Speaker, I move to lay that appeal on the table.

The SPEAKER pro tempore. The Chair will put the question. The question is, Shall the decision of the Chair stand as the judgment of the House?

Mr. LEHLBACH. Mr. Speaker, an appeal from the decision of the Chair is debatable and I seek recognition.

Mr. BLANTON. But, Mr. Speaker, the gentleman from Tennessee [Mr. McREYNOLDS] has moved to lay the appeal on the table. That is not debatable.

The SPEAKER pro tempore. The gentleman from Tennessee moves to lay the appeal on the table.

Mr. LEHLBACH. But the Chair recognized me and I have the floor.

The SPEAKER pro tempore. The Chair has not yet recognized the gentleman from New Jersey. The question is on the motion of the gentleman from Tennessee to lay the appeal from the decision of the Chair on the table.

Mr. SNELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 264, nays 102, answered "present" 3, not voting 63, as follows:

[Roll No. 16]

YEAS—264

Arnold	Casey	Dempsey	Fitzpatrick
Ayers	Castellow	Dickstein	Flannagan
Barden	Celler	Dies	Fletcher
Beam	Chandler	Disney	Ford, Calif.
Beiter	Citron	Dobbins	Ford, Miss.
Berlin	Clark, Idaho	Dockweiler	Frey
Binderup	Cochran	Dorsey	Fuller
Bland	Coffee	Doughton	Fulmer
Blanton	Colden	Doxey	Gassaway
Boehne	Cole, Md.	Drewry	Gavagan
Boland	Colmer	Driscoll	Gildea
Boylan	Connery	Driver	Gillette
Brennan	Cooley	Duffey, Ohio	Gingery
Brown, Ga.	Cooper, Tenn.	Duffy, N. Y.	Granfield
Brown, Mich.	Costello	Duncan	Green
Buchanan	Cox	Dunn, Pa.	Greenwood
Bulwinkle	Cravens	Eagle	Greever
Burch	Crosby	Eckert	Gregory
Caldwell	Cross, Tex.	Edmiston	Griswold
Cannon, Mo.	Crosser, Ohio	Eicher	Hamlin
Cannon, Wis.	Crowe	Evans	Hart
Carden	Cullen	Faddis	Harter
Carmichael	Cummings	Farley	Healey
Carpenter	Daly	Ferguson	Hennings
Cartwright	Deen	Fernandez	Higgins, Mass.
Cary	Delaney	Fiesinger	Hildebrandt

Hill, Ala.	McKeough	Patton	Somers, N. Y.
Hill, Knute	McLaughlin	Pearson	South
Hill, Samuel B.	McMillan	Peterson, Fla.	Spence
Hobbs	McReynolds	Peterson, Ga.	Stack
Hook	Mahon	Pettengill	Starnes
Huddleston	Maloney	Peyser	Steagall
Igoe	Mansfield	Pierce	Stubbs
Imhoff	Martin, Colo.	Polk	Sutphin
Jacobsen	Mason	Quinn	Sweeney
Jenckes, Ind.	Massingale	Rabaut	Tarver
Johnson, Okla.	Maverick	Ramsay	Taylor, Colo.
Johnson, Tex.	May	Ramspeck	Taylor, S. C.
Johnson, W. Va.	Mead	Randolph	Terry
Jones	Meeks	Rankin	Thom
Kee	Merritt, N. Y.	Rayburn	Thomason
Kennedy, Md.	Miller	Reilly	Thompson
Kennedy, N. Y.	Mitchell, Ill.	Richards	Tolan
Kenney	Mitchell, Tenn.	Richardson	Tonry
Kerr	Monaghan	Robertson	Truax
Kleberg	Montague	Robinson, Utah	Turner
Kloeb	Montet	Rogers, N. H.	Umstead
Kniffin	Moran	Romjue	Utterback
Kocialkowski	Moritz	Ryan	Vinson, Ga.
Kopplemann	Murdock	Sabath	Vinson, Ky.
Lambeth	Nelson	Sadowski	Walter
Lamneck	Nichols	Sanders, La.	Warren
Lanham	Norton	Sanders, Tex.	Wearin
Lea, Calif.	O'Connell	Schulte	Weaver
Lee, Okla.	O'Connor	Scott	Werner
Lesinski	O'Day	Scrugham	West
Lewis, Colo.	O'Leary	Sears	Whelchel
Lloyd	Oliver	Secrest	White
Ludlow	O'Malley	Shanley	Whittington
McAndrews	O'Neal	Shannon	Wilcox
McClellan	Owen	Sirovich	Williams
McCormack	Palmisano	Sisson	Wilson, La.
McFarlane	Parks	Smith, Conn.	Wood
McGehee	Parsons	Smith, Va.	Young
McGrath	Patman	Smith, Wash.	Zimmerman
McGroarty	Patterson	Snyder	Zioncheck

NAYS—102

Allen	Ekwall	Kinzer	Robsion, Ky.
Andresen	Engel	Knutson	Rogers, Mass.
Andrew, Mass.	Englebright	Lambertson	Sauthoff
Andrews, N. Y.	Fenerty	Lehlbach	Schneider
Arends	Fish	Lemke	Seger
Bacharach	Focht	Lord	Short
Bacon	Gearhart	Lundeen	Snell
Blackney	Gehrmann	McLean	Stefan
Bolton	Gifford	McLeod	Stewart
Buckbee	Gilchrist	Maas	Taber
Buckler, Minn.	Goodwin	Mapes	Taylor, Tenn.
Burdick	Guyer	Marcantonio	Thomas
Burnham	Gwynne	Marshall	Thurston
Carlson	Halleck	Martin, Mass.	Tobey
Carter	Hancock, N. Y.	Merritt, Conn.	Turpin
Christianson	Hartley	Michener	Wadsworth
Church	Hess	Millard	Welch
Claiborne	Higgins, Conn.	Mott	Wigglesworth
Cole, N. Y.	Hoffman	Perkins	Wilson, Pa.
Collins	Hollister	Pittenger	Withrow
Crawford	Holmes	Powers	Wolcott
Crowther	Hope	Ransley	Wolfenden
Culkin	Hull	Reece	Wolverton
Darrow	Jenkins, Ohio	Reed, Ill.	Woodruff
Ditter	Kahn	Reed, N. Y.	
Dondero	Kimball	Rich	

ANSWERED "PRESENT"—3

Amlie	Gray, Pa.	Tinkham

NOT VOTING—63

Adair	Corning	Haines	Pfeifer
Ashbrook	Darden	Hancock, N. C.	Plumley
Bankhead	Dear	Harlan	Rogers, Okla.
Bell	DeRouen	Hoeppel	Rudd
Biermann	Dietrich	Houston	Russell
Bloom	Dingell	Keller	Sandlin
Boileau	Dirksen	Kelly	Schaefer
Brewster	Doutrich	Kramer	Schuetz
Brooks	Dunn, Miss.	Kvale	Smith, W. Va.
Brunner	Eaton	Larrabee	Sullivan
Buck	Ellenbogen	Lewis, Md.	Sumners, Tex.
Buckley, N. Y.	Gambrill	Lucas	Treadway
Cavicchia	Gasque	Luckey	Underwood
Chapman	Goldsborough	McDuffie	Wallgren
Clark, N. C.	Gray, Ind.	McSwain	Woodrum
Cooper, Ohio	Greenway	O'Brien	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Biermann (for) with Mr. Treadway (against).
Mr. Harlan (for) with Mr. Plumley (against).
Mr. Corning (for) with Mr. Cooper of Ohio (against).
Mr. Bloom (for) with Mr. Eaton (against).
Mr. Dietrich (for) with Mr. Doutrich (against).
Mr. Schaefer (for) with Mr. Brewster (against).
Mr. Luckey (for) with Mr. Dirksen (against).
Mr. Ashbrook (for) with Mr. Cavicchia (against).

General pairs:

Mr. Bankhead with Mr. Boileau.
Mr. McSwain with Mr. Kvale.
Mr. McDuffie with Mr. Bell.
Mr. Dear with Mr. Buckley.
Mr. Gambrill with Mr. Pfeifer.
Mr. Rudd with Mr. Russell.
Mr. Sullivan with Mr. Wallgren.
Mr. Haines with Mr. Dunn of Mississippi.
Mr. Sandlin with Mr. Brunner.
Mr. O'Brien with Mr. Chapman.
Mr. Larrabee with Mr. Brooks.
Mr. Gasque with Mr. Ellenbogen.
Mr. Goldsborough with Mr. Adair.
Mr. DeRouen with Mrs. Greenway.
Mr. Woodrum with Mr. Lucas.
Mr. Keller with Mr. Kramer.
Mr. Underwood with Mr. Houston.
Mr. Kelly with Mr. Smith of West Virginia.
Mr. Schuetz with Mr. Lewis of Maryland.

The result of the vote was announced as above recorded.

On motion of Mr. BLANTON a motion to reconsider the vote by which the appeal was laid on the table was laid on the table.

Mr. BLANTON. Mr. Speaker, I move to expunge from the RECORD the colloquy that occurred in Committee of the Whole House on the state of the Union, in which the gentleman from Massachusetts [Mr. TINKHAM] used the words to which the point of order was laid, and which have been held out of order; also where those words were repeated in Committee of the Whole, when they were reported from the desk; also when they were reported to the House from the Committee of the Whole, and when they were reported from the desk at the direction of the Speaker, and also when they appear in the ruling of the Speaker pro tempore, so that they will not appear in the RECORD at all.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Texas to expunge from the RECORD wherever the same may appear the words which were taken down which had been uttered by the gentleman from Massachusetts and were reported from the desk and the colloquy which occurred in respect to them.

Mr. BLANTON. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question now recurs on the motion of the gentleman from Texas to expunge the words referred to from the RECORD.

The question was taken.

Mr. SNELL. On that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 264, nays 102, answered "present" 2, not voting 64, as follows:

[Roll No. 17]

YEAS—264

Arnold	Cooper, Tenn.	Fernandez	Johnson, Tex.
Ayers	Costello	Fiesinger	Johnson, W. Va.
Barden	Cox	Fitzpatrick	Jones
Beam	Crosby	Flannagan	Kee
Beiter	Cross, Tex.	Fletcher	Keller
Berlin	Crosser, Ohio	Ford, Calif.	Kennedy, Md.
Bland	Crowe	Ford, Miss.	Kennedy, N. Y.
Blanton	Cullen	Frey	Kenney
Boehne	Cummings	Fuller	Kerr
Boland	Daly	Fulmer	Kleberg
Boylan	Darden	Gassaway	Kloeb
Brennan	Deen	Gavagan	Kniffin
Brown, Ga.	Delaney	Gildea	Kocialkowski
Brown, Mich.	Dempsey	Gillette	Kopplemann
Buchanan	Dickstein	Gingery	Kramer
Buck	Dies	Granfield	Lambeth
Bulwinkle	Dingell	Gray, Pa.	Lamneck
Burch	Disney	Green	Lanham
Caldwell	Dobbins	Greenwood	Lea, Calif.
Cannon, Mo.	Dockweiler	Greever	Lee, Okla.
Cannon, Wis.	Dorsey	Gregory	Lesinski
Carden	Doughton	Griswold	Lewis, Colo.
Carmichael	Doxey	Hancock, N. C.	Lloyd
Carpenter	Drewry	Hart	Lucas
Cartwright	Driscoll	Harter	Ludlow
Cary	Driver	Healey	McAndrews
Casey	Duffey, Ohio	Higgins, Mass.	McClellan
Castellow	Duffy, N. Y.	Hildebrandt	McCormack
Celler	Duncan	Hill, Ala.	McFarlane
Chandler	Dunn, Pa.	Hill, Knute	McGehee
Citron	Eagle	Hill, Samuel B.	McGrath
Clark, Idaho	Eckert	Hobbs	McGroarty
Cochran	Edmiston	Hook	McKeough
Coffee	Eicher	Huddleston	McLaughlin
Colden	Ellenbogen	Igoe	McReynolds
Cole, Md.	Evans	Imhoff	Mahon
Colmer	Faddis	Jacobsen	Maloney
Connery	Farley	Jenckes, Ind.	Mansfield
Cooley	Ferguson	Johnson, Okla.	Martin, Colo.

Mason	Patman	Sanders, Tex.	Terry
Massingale	Patterson	Sandlin	Thom
Maverick	Patton	Schulte	Thomason
May	Pearson	Scott	Thompson
Mead	Peterson, Fla.	Scrugham	Tolan
Meeks	Peterson, Ga.	Sears	Tonry
Merritt, N. Y.	Pettengill	Secrest	Truax
Mitchell, Ill.	Peyser	Shanley	Turner
Mitchell, Tenn.	Pierce	Shannon	Umstead
Monaghan	Polk	Sirovich	Utterback
Montet	Quinn	Sisson	Vinson, Ga.
Moran	Rabaut	Smith, Conn.	Vinson, Ky.
Moritz	Ramsay	Smith, Va.	Walter
Murdock	Ramspeck	Smith, Wash.	Wearin
Nichols	Rankin	Snyder	Weaver
Norton	Rayburn	Somers, N. Y.	Werner
O'Connell	Richards	South	West
O'Connor	Richardson	Spence	Whelchel
O'Day	Robertson	Stack	White
O'Leary	Robinson, Utah	Starnes	Whittington
Oliver	Rogers, N. H.	Steagall	Wilcox
O'Malley	Romjue	Stubbs	Williams
O'Neal	Russell	Sutphin	Wilson, La.
Owen	Ryan	Sweeney	Wood
Palmisano	Sabath	Tarver	Woodrum
Parks	Sadowski	Taylor, Colo.	Young
Parsons	Sanders, La.	Taylor, S. C.	Zimmerman

NAYS—102

Allen	Englebright	Lambertson	Rogers, Mass.
Andresen	Fenerty	Lehlbach	Sauthoff
Andrew, Mass.	Fish	Lemke	Schneider
Andrews, N. Y.	Focht	Lord	Seger
Arends	Gearhart	Lundeen	Short
Bacharach	Gehrmann	McLean	Snell
Bacon	Gifford	McLeod	Stefan
Blackney	Gilchrist	Maas	Stewart
Bolton	Goodwin	Mapes	Taber
Buckbee	Guyer	Marcantonio	Taylor, Tenn.
Buckler, Minn.	Gwynne	Marshall	Thomas
Burdick	Halleck	Martin, Mass.	Thurston
Burnham	Hancock, N. Y.	Merritt, Conn.	Tobey
Carlson	Hartley	Michener	Treadway
Christianson	Hess	Millard	Turpin
Church	Higgins, Conn.	Mott	Wadsworth
Cole, N. Y.	Hoffman	Perkins	Welch
Collins	Hollister	Pittenger	Wigglesworth
Crawford	Holmes	Plumley	Wilson, Pa.
Crowther	Hope	Powers	Withrow
Culkin	Hull	Ransley	Wolcott
Darrow	Jenkins, Ohio	Reece	Wolfenden
Ditter	Kahn	Reed, Ill.	Wolverton
Dondero	Kimball	Reed, N. Y.	Woodruff
Ekwall	Kinzer	Rich	
Engel	Knutson	Robsion, Ky.	

ANSWERED "PRESENT"—2

Amlie	Tinkham

NOT VOTING—64

Adair	Clark, N. C.	Haines	Nelson
Ashbrook	Cooper, Ohio	Hamlin	O'Brien
Bankhead	Corning	Harlan	Pfeifer
Bell	Cravens	Hennings	Randolph
Biermann	Dear	Hoeppel	Reilly
Binderup	DeRouen	Houston	Rogers, Okla.
Bloom	Dietrich	Kelly	Rudd
Boileau	Dirksen	Kvale	Schaefer
Brewster	Doutrich	Larrabee	Schuetz
Brooks	Dunn, Miss.	Lewis, Md.	Smith, W. Va.
Brunner	Eaton	Luckey	Sullivan
Buckley, N. Y.	Gambrill	McDuffie	Sumners, Tex.
Carter	Gasque	McMillan	Underwood
Cavicchia	Goldsborough	McSwain	Wallgren
Chapman	Gray, Ind.	Miller	Warren
Claiborne	Greenway	Montague	Zioncheck

So the motion was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Corning (for) with Mr. Cooper of Ohio (against).
Mr. Dietrich (for) with Mr. Doutrich (against).
Mr. Schaeffer (for) with Mr. Brewster (against).
Mr. Bloom (for) with Mr. Eaton (against).
Mr. Warren (for) with Mr. Carter (against).
Mr. Luckey (for) with Mr. Dirksen (against).
Mr. Ashbrook (for) with Mr. Cavicchia (against).

General pairs until further notice:

Mr. Bankhead with Mr. Boileau.
Mr. McSwain with Mr. Kvale.
Mr. McDuffie with Mr. Bell.
Mr. Dear with Mr. Buckley of New York.
Mr. Gambrill with Mr. Pfeifer.
Mr. Sullivan with Mr. Wallgren.
Mr. Haines with Mr. Dunn of Mississippi.
Mr. O'Brien with Mr. Chapman.
Mr. Larrabee with Mr. Brooks.
Mr. Goldsborough with Mr. Adair.
Mr. DeRouen with Mrs. Greenway.
Mr. Underwood with Mr. Houston.
Mr. Kelly with Mr. Smith of West Virginia.
Mr. Schuetz with Mr. Lewis of Maryland.
Mr. Rudd with Mr. Biermann.
Mr. Reilly with Mr. Cravens.
Mr. Miller with Mr. Clark of North Carolina.
Mr. Brunner with Mr. Gasque.
Mr. Gray of Indiana with Mr. Harlan.
Mr. McMillan with Mr. Claiborne.
Mr. Montague with Mr. Hennings.
Mr. Nelson with Mr. Zioncheck.

The result of the vote was announced as above recorded.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] may be allowed to proceed in order.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from New York?

Mr. FULLER rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Arkansas rise?

Mr. FULLER. I rise to object. I do not believe any Member who uses the language which the gentleman used is entitled to speak.

The SPEAKER pro tempore. Objection is heard.

Mr. SNELL. Mr. Speaker, I move that the gentleman from Massachusetts be allowed to proceed in order.

The question was taken; and on a division (demanded by Mr. FULLER) there were—ayes 160, noes 60.

So the motion was agreed to.

The SPEAKER pro tempore. The Committee will resume its session.

The Committee resumed its session, with Mr. ROGERS of New Hampshire in the chair.

The CHAIRMAN. The gentleman from Massachusetts [Mr. TINKHAM] is recognized.

Mr. TINKHAM. The issue before the House is whether or not an appropriation of $174,630 shall be made out of the Public Treasury of the United States for the United States to enter the League of Nations, which is the political system of Europe.

Article no. 392 of the Treaty of Versailles states:

> The International Labor Office shall be established at the seat of the League of Nations as part of the organization of the League.

The International Labor Office is one of two parts of the International Labor Organization. The other part is the International Labor Conferences. The question, therefore, is, Shall we join the political system of Europe?

Another question is, Shall we consummate one of the most contemptible intrigues ever attempted in the parliamentary history of this country?

The joint resolution in pursuance of which this appropriation is sought was introduced in both the Senate and the House just before adjournment last June. No hearings were held on the resolution by the Senate and House committees reporting the resolution. No witnesses appeared before the committees. A quorum was not present when the committees voted to report the measure. The resolution passed the Senate without debate or explanation and without a roll call in a day of great confusion. The discussion of the resolution in the House was limited to 40 minutes, the debate occurred late at night, and the resolution was passed by a margin of 4 votes after coercive tactics had been employed to change a sufficient number of votes which had already been cast against the resolution to insure passage of the resolution. I wish to ask the Chairman of the Committee on Foreign Affairs to explain at this time why it was that the members of the committee were not notified that this most important issue was to come before the committee? Second, why no witnesses were called?

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. TINKHAM] has expired.

Mr. FISH. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TINKHAM. Second, why there were no witnesses called before the committee? Why the resolution was passed by this committee and reported to the House without a quorum being present in committee?

Mr. McREYNOLDS. The gentleman was not present, was he?

Mr. TINKHAM. I was not, for I received no notice that the subject was to be considered.

Mr. McREYNOLDS. As a matter of fact, the gentleman does not attend when he does receive notices.

Mr. TINKHAM. That is an unfair comment, and it is not true.

Mr. McREYNOLDS. I will say to the gentleman that my impression is there were notices sent out. I will say the records show that there were 12 members of that committee present.

Mr. TINKHAM. That is not a quorum.

Mr. McREYNOLDS. The gentleman was not there to raise the question.

Mr. TINKHAM. That is true, because I received no notice that the resolution was to be considered.

Mr. McREYNOLDS. The fact of it is the gentleman has been in that committee only three or four times during the last year; is that not true?

Mr. TINKHAM. The gentleman is wrong, and the RECORD will show that he is.

Mr. McREYNOLDS. And is it not a fact that the gentleman receives notices and he does not take part except on some special thing where he is particularly interested?

Mr. TINKHAM. That is not true.

Mr. McREYNOLDS. And did not the gentleman have 20 minutes to argue this case before the House the last time and the chairman of the committee only took 4 minutes?

Mr. TINKHAM. It took him only that time to say all that he could say in favor of the resolution. [Laughter.]

Mr. McREYNOLDS. I will say to the gentleman that the chairman was very anxious to accommodate the gentleman on that time; and when the chairman went down to present this case, the gentleman from Massachusetts followed from the other aisle. Now, I will ask the gentleman if he asked to have any witnesses come before that committee?

Mr. TINKHAM. I had no notice that the resolution was to be considered.

Mr. McREYNOLDS. Was the gentleman here the last week during that Congress or was he away in Massachusetts?

Mr. TINKHAM. I was here, and the RECORDS will show that I was here.

Mr. McREYNOLDS. I will ask if the gentleman has not been smarting under that ever since he was defeated on that occasion.

Mr. TINKHAM. I had just grounds to be, with the methods which were used.

Mr. McREYNOLDS. I am sorry the gentleman feels that way.

Mr. TINKHAM. The only communication before the committee in support of the resolution was a letter from the Secretary of Labor which mendaciously stated that—

> The organization is not even now an integral part of the League of Nations, and membership in the organization does not imply affiliation with the League. * * *

Mr. McREYNOLDS. Will the gentleman yield at that point?

Mr. TINKHAM. I yield.

Mr. McREYNOLDS. The clerk of the committee has just brought the record, and the record shows that notices were sent out on that occasion. I hold the record before me.

Mr. TINKHAM. I do not deny that notices were sent out, but what I do contend is that the notice did not indicate what was to be considered, as was usually the case.

Mr. McREYNOLDS. Did not the gentleman ask me whether notices were sent to the members of the committee?

Mr. TINKHAM. What I asked was whether notice was given that this resolution was on the agenda. There was no notice given that this resolution was to be considered; yet it was the most important resolution to come before the committee in the 2 years of the last Congress.

Mr. McREYNOLDS. We not only considered this bill but we considered others at that hearing.

Mr. TINKHAM. And there was nothing on the agenda to indicate that this resolution was to be considered.

Mr. McREYNOLDS. And two of the gentleman's Republican colleagues were present and voted for the resolution, the gentlewoman from Massachusetts, Mrs. ROGERS, and the gentleman from Connecticut, Mr. Bakewell.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mrs. ROGERS of Massachusetts. If I voted for it, I did not know what had been brought up.

Mr. McREYNOLDS. The gentlewoman may not have, possibly, when she voted for it. [Laughter.]

Mrs. ROGERS of Massachusetts. If I did, it was presented in such a way that I could not, it should be said in justice to myself.

Mr. TINKHAM. Mr. Chairman, this resolution, in pursuance of which this appropriation is asked, involves the United States in the political affairs of Europe, the International Labor Organization being a part of the League of Nations, and being established by article XIII of the Versailles Treaty.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. Mr. Chairman, is it in order for one Member of the House to state how another Member voted in committee?

The CHAIRMAN. The Chair will state to the gentleman from New York that the Chair does not think that a parliamentary inquiry at this time.

The gentleman from Massachusetts will proceed in order.

Mr. TINKHAM. I do not believe this House desires to have the United States enter the League of Nations.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BLANTON. Mr. Chairman, I think it is only fair that the gentleman have further time. I think every Member has a right to be heard on any pending subject. I ask, therefore, unanimous consent that the gentleman from Massachusetts may proceed in order for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TINKHAM. Mr. Chairman, in addition to the fact that this appropriation means United States entry into the League of Nations, there are other fundamental objections. One is that the resolution itself is unconstitutional. The Federal Government is a government of limited and enumerated powers. The Supreme Court has repeatedly said that it is a government of limited and enumerated powers. The tenth amendment to the Constitution is as follows:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Unless a Federal act, a resolution—as in this case—or a statute can cling to some constitutional grant of power, it is not a legal act, resolution, or statute at all, but is pure usurpation.

There is no authority in the Constitution, except the treaty-making power, by which what has been done in this resolution can be done constitutionally. There is in the Constitution no delegated power which allows the Congress to provide for United States membership in the International Labor Organization without a treaty. The action of the Congress in this matter was pure usurpation; there is no constitutional authority for it.

By entering the International Labor Organization, the United States is subject to trial and judgment, and to enforcement of economic boycotts and sanctions by the Court of the League of Nations, which Court is outside the judicial system of the United States. There is involved, therefore, a relinquishment of sovereign rights of the United States. In other words, you appropriate money for membership in an international organization which involves the surrender of sovereign rights of the United States; you pass a resolution

and you appropriate money for membership in an international organization which allows the Court of the League of Nations to levy boycotts and sanctions against the United States. I believe that in justice to yourself, and certainly in justice to the people of the United States, you should not take this action.

This International Labor Organization considers labor legislation. Who belongs to the organization? Communistic Russia. Can they improve the labor legislation of the United States, or will they listen to suggestions from the United States in relation to labor legislation? Another member of this organization is Fascist Italy. Do we want their labor legislation here? Can we influence them with the record they have in relation to labor legislation? Another member is national socialistic Germany. What legislation can they suggest to us, and what can we suggest to them that will be acceptable to them? In other words, American representatives will be formulating labor legislation for the United States in cooperation with whom? With Communists, Fascists, and National Socialists.

The proposal upon its face is revolutionary and should be rejected by this Congress, as it can be rejected if this appropriation is refused.

Organized labor in the United States is opposed to communism, is opposed to the Russian philosophy, is opposed to what fascism in Italy represents, and is opposed to what national socialism in Germany represents; yet Congress would provide funds for United States membership in the International Labor Organization influenced, in part, by these Communists, Fascists, and National Socialists, whose philosophy is alien to ours.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. BLANTON. Ever since I have been in this House I have been against participation by this Government in these conferences abroad; such, for instance, as the agricultural conference in Rome; but I am afraid my friend from Massachusetts has been voting for many of these other matters.

If he is so unalterably against this one, and I am against this one, too, and against the balance of them, why has the gentleman not been against all of the others?

Mr. TINKHAM. I have been, and I am today, against the United States' joining any political organization in Europe.

Mr. BLANTON. Did not the gentleman vote last year for the agricultural conference in Rome and for the United States to maintain a representative in Rome, Italy, to represent the farm interests, with a salary of $5,000 a year and expenses?

Mr. TINKHAM. I did not consider that a political relationship, but a wholly economic one. Of course, I have no objection to economic relations with any nation.

Mr. BLANTON. Is the present one any more political than the one at Rome, Italy?

Mr. TINKHAM. Very much. The Treaty of Versailles says the International Labor Office shall be established at the seat of the League of Nations, as a part of the organization of the League.

I object to the United States' going into the League of Nations. I object to the United States' going into any part of the League of Nations, because it is a political organization. This labor organization is interwoven with the Secretariat of the League of Nations, with the Council of the League of Nations, purely political bodies, and with the League Court, which is a court of a political character. If you approve of this appropriation of $174,630, as I have explained, we are subject to economic boycotts and sanctions which it may be found that the League Court can enforce against the United States for certain acts. I object to those things because it affects the nationality and the independence of the United States.

Mr. BLANTON. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from Texas.

Mr. BLANTON. The time and place to stop such matters is in the committee from which they emanate and to do it by proper minority reports and proper procedure on the floor of the House when it comes up under those minority reports. I am against engaging in all of these transactions in various parts of Europe on various questions. Practically all of them are junkets.

Mr. RICH. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman believe our participation in this labor conference will do more to drag American labor down to standards that are set in foreign countries than to continue to keep American labor on the plane it is now or on a higher plane?

Mr. TINKHAM. It seems to me that result would be inevitable.

Mr. COLDEN. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from California.

Mr. COLDEN. Is not the gentleman aware of the fact that this International Labor Organization is making a world-wide investigation of wages, hours, sanitation, and the conditions surrounding the health of the workingmen and other questions important to the labor people of the entire world?

[Here the gavel fell.]

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. OLIVER. Mr. Chairman, I hate to object, but I thought we had an understanding that we would try to limit debate.

Mr. FISH. Will the gentleman not consent to 2 additional minutes?

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. TINKHAM. Mr. Chairman, in reply to the question of the gentleman from California [Mr. COLDEN], may I say that all of our labor laws set a standard much higher than the standards of Europe, and that any international conference which may be held and any action which may be taken, or any recommendation which may be made must be in the nature of lowering American standards rather than raising them.

Mr. COLDEN. Is it not a fact that as the result of the investigations made by the International Labor Organization of the conditions of the workingmen in certain countries, those conditions have been improved and the results have been very beneficial to the workingmen in that territory?

Mr. TINKHAM. I do not know about that, but I do know that the results could not be beneficial to the workingmen of the United States.

Mr. COLDEN. Well, I do.

Mr. TINKHAM. I know that our standards are the highest standards in the world, and that any recommendations that may come from countries with a much lower standard, if adopted, will only impair our standards and our splendid record in relation to labor.

Mr. COLDEN. May I say to the gentleman that I have visited this institution. I have read many of their reports, and I am convinced that it is one of the very valuable international agencies that exist.

Mr. TINKHAM. I have been there four times myself.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. TINKHAM. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. Is it not a fact that the American Federation of Labor has endorsed this measure?

Mr. TINKHAM. The facts are that this issue was for years before the American Federation of Labor after Samuel Gompers' death, and that the federation refused approval of the proposal. It was not until the Congress had passed the resolution providing for membership in the organization that the federation approved United States membership.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I voted for this resolution last June when it was brought up in the House. At that time many Members asked me what the stand of the American Federation of Labor was and how I was going to vote. I went to the telephone and called Mr. Green, who told me they were in favor of it. At that time John Lewis, president of the United Mine Workers, was on his way to Europe to take part in the Conference. I believe he was on the ocean at that time.

I intend to vote for the amendment offered by my colleague, the gentleman from Massachusetts [Mr. TINKHAM]. I voted for the resolution last June; but when I went home, I took it up with the labor men in my district. One of the first questions they asked me was, "Why did you vote to get us mixed up in Europe?" I explained my reasons. I talked it over with members of the central labor unions throughout my district, and I found that invariably they were opposed to this proposition.

In 1929, at the convention of the American Federation of Labor held in Toronto, Canada, Mr. Andrew Furuseth, of the Seamen's Union, had this to say:

If anybody here knows anything about the League of Nations, and especially the Labor Office, it is your humble servant. I was at its birth, and the representatives of labor in Europe, sir, are not telling the truth. It was not the American Federation of Labor or its president that had anything to do, especially with the formation of the Labor Office. He was there, and they wanted a labor office established. The representatives of labor in Europe were eager for the Labor Office, and knowing that Sam Gompers would be a thorn in their side on the floor they put him in the chair.

I sat in a corner when they were drawing up a constitution for that body. I noted the general beautiful language in general terms. I could have brought the very words here if I had thought it was going to come up, but in substance it was this: That they guarantee fair and humane conditions to all men, women, and children in Europe; they guarantee fair conditions to those of the tropics—no such thing, if you please, as a standard by which to tell whether it was humane or not, or whether it was just or not, or whether it contained any signs of freedom or not. And I drafted up or repeated the thirteenth amendment to the Constitution of the United States and asked Sam Gompers, who was in the chair, to see that it was submitted as a standard by which to judge.

He introduced it, and you would hardly believe it, but it is as true as I am standing here, and I am willing to be struck dead right now if it is not, that laughingly, without discussion, it was voted down. And it was voted down by those representatives who want what? They want markets in America, they want raw materials from America upon their own conditions, they want access to America upon their own terms.

Now, then, when they had voted down that proposition to apply as a test the thirteenth amendment, that there shall be no slavery or involuntary servitude within the jurisdiction of the League, when they had voted that down laughingly, and there wasn't one that didn't have laughter in his face, Samuel Gompers introduced the other—that the labor power of the human being is not to be treated as a commodity or article of commerce. That was adopted, and when the proposition came before the League to endorse the drafted constitution it was amended so as to read: "The labor power of a human being is not simply a commodity, but an article of commerce." In other words, labor power can be sold or bought, and that can't be done without selling or buying a laborer. You know that. But it says it is not "merely" that it is something more or something less. It reverses the meaning of the declaration entirely. Instead of denying that it was an article of commerce, it said that it was.

I hope the American Federation of Labor will never again make the terrible blunder of endorsing that infernal rotten thing called "the labor office."

The foregoing remarks show the attitude of Mr. Furuseth on the question of the I. L. O.

A few moments later Vice President Matthew Woll, of the federation, said:

Just a moment ago we adopted a resolution covering both the League of Nations and the labor office, and this is the report the convention adopted:

"In lieu of resolution no. 56, your committee desires to recommend that, in view of the fact that the United States is not a member of the League of Nations, no action should be taken by the American Federation of Labor to affiliate with the International Labor Organization, which is a division of the League."

That is the declaration of the convention as unanimously expressed only a moment ago.

So the American Federation of Labor at that convention said unanimously that as long as the United States is not in the League of Nations we do not believe the United States should enter this labor board. The United States today, I am happy to state, is not a member of the League of Nations. The American Federation of Labor at its last convention took no action, but simply called attention in their report to the fact that, since Congress had passed the resolution, they, of course, would naturally want one of their own representatives to be there.

Mr. COLDEN and Mr. DUNN of Pennsylvania rose.

Mr. CONNERY. I shall be pleased to yield in a moment.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 5 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. If my friend is going to ask me if these conferences have not helped labor conditions throughout the world, I will say to him frankly I think that these conferences have not had anything to do with labor conditions being bettered throughout the world.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from California.

Mr. COLDEN. Does not the gentleman believe, as one of the outstanding friends of labor on this floor——

Mr. CONNERY. I thank the gentleman.

Mr. COLDEN. That any agency that has for its purpose the raising of the standard of living in other countries and improving the conditions of labor in such countries, is also making a contribution to the status of labor in our own country?

Mr. CONNERY. The only difference of opinion I have with the gentleman is that that cannot be done by entering the League of Nations through the back door. It can be done by open conferences between those countries and the United States similar to the disarmament conference and other conferences that we have had with other countries which do not tie us up politically with Europe.

Mr. COLDEN. If the gentleman will permit a further question, may I say that in his references he spoke of the nations of Europe. Is it not true that nations all over the world are represented in the I. L. O.?

Mr. CONNERY. Yes; and will the gentleman answer this statement? If the gentleman thinks that any representative of the United States going over and sitting in with these men can do anything to get Japan to pay decent wages and shorten their hours, I am sure he is much more optimistic than I am. [Applause.]

Mr. COLDEN. I will say to the gentleman that if he will read the reports that have come from the I. L. O., I am sure he will find that some very substantial contributions have been made to the labor situation in other parts of the world.

Mr. CONNERY. In their talk, perhaps, but anything England has got, in better labor conditions, anything that Germany has got, or any other country, they got through the trade unions in those countries and not from these conferences under the League of Nations.

Mr. COLDEN. Is not the gentleman aware of the fact that investigations have been held in countries where labor was not organized and where labor was helpless?

Mr. CONNERY. Yes.

Mr. COLDEN. And by reporting and exposing those conditions the situation has been substantially corrected and remedied.

Mr. CONNERY. No; I do not know of any situation that has been corrected as a result of these conferences.

Mr. COLDEN. I can show the gentleman some from the reports that have been made.

Mr. CONNERY. I want to point out this fact. I do not see how any Member in this House could believe that a representative of the United States Government can go over to a labor conference, dealing with the representatives of Mr. Mussolini, the representatives of Mr. Hitler, the representatives of Mr. Stalin, with any possibility of wages being increased or hours reduced in those countries where those

dictators control wages, control hours, and absolutely control the lives of the people who are living in such countries. [Applause.]

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. O'MALLEY. Like myself, I believe the gentleman was one of the few Democrats who opposed this resolution that would get us into the International Labor Organization?

Mr. CONNERY. No; I voted for it last year.

Mr. O'MALLEY. I am sorry. Did not the delegates come back from that conference disgusted, and did they not admit in press statements that when they got over there they found they could do nothing unless we got into the League of Nations, too?

Mr. CONNERY. I do not know about that, I will say to the gentleman.

Mr. O'MALLEY. The Associated Press carried the statement that one of the delegates said we were expected to join the League of Nations before we could do any good in that labor organization.

Mr. CONNERY. I do not know about that.

Mrs. GREENWAY and Mr. BLANTON rose.

Mr. CONNERY. I yield first to the gentlewoman from Arizona.

Mrs. GREENWAY. Would it not be possible, if we were allied with these conferences, to find out how, or under what conditions, things are produced, and prevent competition from our own country with products produced in that way?

Mr. CONNERY. I will say to my friend from Arizona that all she needs to do is to come in any day and sit with the Committee on Labor and she will find out what is going on in every part of the world on labor conditions, including what they are paying and what their hours are, and we are trying to remedy that in this country with a 30-hour-week bill.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas.

Mr. BLANTON. The question is whether we are more concerned about the welfare of our own American labor at home or whether we are more concerned about doing missionary work for alien labor in foreign countries. [Applause.]

Mr. CONNERY. Mr. Chairman, I am particularly pleased to find the gentleman from Texas and myself in accord on any labor proposition [laughter], and I want to say to the gentleman from Texas that on a proposition of this kind I agree with Will Rogers. He never made a truer statement than when he said that the United States never lost a war and never won a conference, referring to these conferences held abroad.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more, in view of the fact that so many Members desire to ask questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman.

Mr. MARCANTONIO. Mr. Chairman, is it not a fact that any important action of the International Labor Organization will have to be ratified ultimately by the Assembly and the Council of the League, where we have no representation at all and where we do not want to go?

Mr. CONNERY. That is true; and, furthermore, in this appropriation we are helping to pay the expenses of this organization which is under the League of Nations.

Mr. MARCANTONIO. Exactly.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. ANDREWS of New York. Does the gentleman feel that if this appropriation fails it will stop our participation in the Labor Organization?

Mr. CONNERY. My experience is that any time the House refuses to appropriate money for a specific object, as in this case, it fails.

Mr. HEALEY. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. HEALEY. Is it not a fact that when this matter was before Congress, it was represented that the American Federation of Labor was in favor of its passage?

Mr. CONNERY. Yes.

Mr. DUNN. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Will the gentleman tell us what the attitude of the American Federation of Labor is to this participation in the organization?

Mr. CONNERY. I haven't any knowledge of that, except the report of the federation at the last convention, in which they mentioned the fact of its existence, and that is about all, and they would take advantage of the fact that it does exist. The gentleman can get that report.

Now, as I say, I think this is dangerous to the United States. I do not see any advantage of appropriating this sum of money for a representative to that organization where the cards are stacked against him before they start. We know that when labor gets anything in England they get it through their trade unions. When labor in Germany gets anything they get it through their trade unions, and so with any other country in the world. I think this is a waste of money to send a representative to this international organization, which is merely the adjunct and tool of the League of Nations.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. McREYNOLDS. Does not the gentleman think that after this organization has incurred these liabilities it would be embarrassing for Congress to refuse to make an appropriation now?

Mr. CONNERY. No; I do not think it is embarrassing. I would be in favor of paying any past expenses. I believe in paying any debts the Government has entered into by contract or otherwise, but I think we ought to step out and stop it in the future. I want to say that I regret that the bill came up before the House under suspension of the rules.

Mr. McREYNOLDS. The gentleman was on the floor at the time, and did he not ask for an opportunity to make a speech?

Mr. CONNERY. Yes, to say that I had talked with Mr. Green, because many Members had asked me the position of the federation.

Mr. McREYNOLDS. Are they still for it?

Mr. CONNERY. I do not know. The gentleman can telephone Mr. Green.

Mr. McREYNOLDS. The gentleman from Tennessee does not telephone Mr. Green like the gentleman from Massachusetts.

Mr. CONNERY. I know this much, that my congressional district is very much against it, and that comes first with me.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. COLDEN. The gentleman from Massachusetts mentioned that the American Federation of Labor already possessed statistics sufficient to satisfy our needs. Does not the gentleman believe that in the I. L. O., where all nations sit, where each nation is represented by three delegates, one representing labor, one capital, and one the Government, you can get much better information in the other countries by those countries participating than you can here sitting around a table with a few figures before you?

Mr. CONNERY. No; I do not think so. I think the results the gentleman is seeking can be obtained promptly by consultation with the labor unions of those countries without governmental intervention. I hope the amendment of the gentleman from Massachusetts [Mr. TINKHAM] will prevail.

Mr. WOOD. Mr. Chairman, I very much dislike to take issue with my good friend from Massachusetts, Mr. CONNERY,

but I rise in favor of this appropriation. I do not think Congress made a mistake last session when we passed the resolution referred to. The American Federation of Labor is in favor of the International Labor Court, or the International Labor Union. They are so much in favor of it that 3 months ago they sent to Geneva Mr. Wilson, a representative of the executive council of the American Federation of Labor, and last evening I had a talk with Mr. Green, president of the American Federation of Labor, Mr. Roberts, and Mr. Hushing, the legislative representatives, and they all expressed to me that they are heartily in favor of this appropriation. I do not think it is necessary for us to get so disturbed about an appropriation of a little $174,000, when it deals with a question which involves the welfare of labor throughout the world, particularly when we have been dealing out millions and billions without the blinking of an eye in the past two sessions of Congress and in this session.

This Nation has been carrying on conversations in numerous conferences, and we have had treaties and have discussed everything on the face of the earth with the civilized nations of the world except labor conditions of the workers throughout the world. All of these conferences, as we all know, are based on trade and commerce. Whatever else you may say, whatever we may contend in these conferences about the high purposes of all the conferences we have held with other nations, yet at the bottom of the whole subject rests trade and commerce. That is all the nations confer about. They talk about a good many other things, but the real intent and purpose of their having representatives to deal with other nations is because they want to get more trade and commerce. We may just as well agree with that.

We have on the north of us a great empire, the Empire of Canada. An imaginary line 3,000 miles long separates us. The workers in Canada receive a similar wage and have similar hours and similar working conditions to the workers in this country. The result has been that we have not had very much controversy with Canada in our trade relations, and we have not because the wages in Canada and the United States have been almost on a par, when considering the purchasing power.

Just assume that we had China on the north or India, with their 10- and 15-cents-a-day labor. Every Member of this House knows that that miserable wage could not prevail in Canada, and if it did, that we could not do business with Canada unless we had a standing army from one end to the other on the border line between this country and Canada. It has been said here, and well said, that this Nation has about the highest wage standard of any nation on the face of the earth. That is about true, and I am proud of it; but when we discuss the 6-hour day we immediately talk about the importation of cheap goods, cheap commodities from foreign countries manufactured under conditions of longer hours and lower wage standards which come in unfair competition with American-made goods.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOOD. In considering our legislation regulating the hours of labor, the prevailing rate of wages, and so forth, especially the 6-hour day and the 30-hour week, we are constantly met with the argument that if we pass a 6-hour day without an embargo it will destroy the working conditions of the workers of this Nation. I think that the International Labor Union is a noble effort, and I can see no objection to the representatives of labor throughout the world meeting in conference so that we may discuss matters and conditions that surround each and every nation and try to enter into some kind of an agreement looking toward the lowering of the hours of labor in the Nation and improving the working conditions of the people of those nations. It has been said that we have not accomplished anything. We have had many conferences on disarmament and many other things, and it has taken conferences throughout the years to accomplish anything. I do not agree that the International Labor Union is perfect and I do not expect, nor does anyone, that we can accomplish everything with one session.

But let us try. Let us spend this $174,000, because labor not only of this Nation but throughout the world wants this conference, and they believe they can accomplish something by the conference.

Mr. O'MALLEY. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. O'MALLEY. Does the gentleman think we could possibly enter into an agreement that would be kept with representatives of nations that have not as yet kept their agreement to pay their debts to us?

Mr. WOOD. Yes; I believe we can, because there is an element in this that does not prevail in a conference with respect to our war debts and to our treaties.

Mr. O'MALLEY. A European conference is a European conference.

Mr. WOOD. This International Labor Union will represent the expression of labor in all these nations. That is an entirely different situation than when you are discussing our war debt or treaties.

Mr. O'MALLEY. Nobody in that conference will represent Italy who does not represent Mr. Mussolini's viewpoint, or he would be recalled.

Mr. WOOD. The gentleman cannot say that. I would not say that because Mr. Wilson, who represented the American Federation of Labor, did not represent the views of President Roosevelt. He represented the views of labor, as represented by the American Federation of Labor. When the gentleman says that, then he reflects upon the good purpose of the representatives of organized labor who are sent over there.

Mr. WELCH. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. WELCH. Is it not a fact that the executive council of the American Federation of Labor has endorsed it?

Mr. WOOD. They have endorsed it and have sent a member of the council to the conference.

Mr. WELCH. Is it not also a fact that William Green, president of the American Federation of Labor, has been elected as permanent representative to the International Labor Organization?

Mr. WOOD. That is a fact; yes. As I have said before, last night I talked to him and the two legislative representatives of the American Federation of Labor, all of whom advised me the American Federation of Labor was unqualifiedly in favor of participation by this Nation in the International Labor Union.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. MARCANTONIO. The actions of this bureau will have to be approved by the assembly and Council of the League of Nations, where we have no representatives and where we have decided not to join. Does the gentleman think that under those conditions we will receive a square deal, or a deal equal to the deal which other nations receive who are members of the League?

Mr. WOOD. I will say I am not depending upon the League of Nations. I am depending upon the sentiment that will be disseminated by the representatives sent to this conference from our own country. It will have a great moral effect upon the people of the nations which they represent, irrespective of what the League of Nations does.

Mr. MARCANTONIO. But the gentleman admits this is a part of the League of Nations?

The CHAIRMAN. The time of the gentleman from Missouri [Mr. WOOD] has again expired.

Mr. DUNN of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman have 5 additional minutes. I desire to ask him a very important question.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. DUNN of Pennsylvania. Is it not a fact that the gentleman is now president of the Federation of Labor of the State of Missouri?

Mr. WOOD. That is right; the State Federation of Labor.

Mr. FORD of California. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. FORD of California. Does the gentleman agree with the sentiment expressed here, that the labor representatives from the rest of the world, who go to that conference, are all crooks who are laying for the American representatives, ready to take their shirts?

Mr. WOOD. No; I do not agree with that, because the American Federation of Labor receives representatives from a number of European countries, and the views expressed by those representatives in all conferences are not the views of their government, and we have reason from many years' experience to have confidence in their high purposes in the interest of world humanity.

Mr. STUBBS. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. STUBBS. Is it not the gentleman's conviction that sooner or later, unless we are able to bring the wage standards of the other countries of the world up to our wage standards, we will have to eventually drag our wage standards down to theirs?

Mr. WOOD. The gentleman is absolutely right, in my opinion. There is no question about it, because we cannot hope to lift up our wage standards if all of the other nations of the world continue to maintain a low-wage policy.

Mr. CONNERY. Will the gentleman yield?

Mr. WOOD. I yield to my friend from Massachusetts.

Mr. CONNERY. That can all be taken care of very simply and without any conference at all if the Secretary of the Treasury were instructed by Congress that wherever the total landed cost of any article or commodity imported into the United States was less than the cost of production of a similar article or commodity in the United States, it should be barred.

Mr. WOOD. I will say to the gentleman from Massachusetts [Mr. CONNERY] the governments of this world have been trying to do that all these years. The gentleman ought not to have any objections if representatives of labor throughout this world desire to meet and discuss these matters and see if they cannot solve the problem.

Mr. CONNERY. Does the gentleman mean that that representative from Italy, from Germany, or from Russia would be a representative of labor at that conference?

Mr. WOOD. Yes. They would be, certainly.

Mr. CONNERY. How could a man come from Italy or from Germany or from Russia, under Mussolini, Hitler, or Stalin, and say, "We want shorter hours of labor and higher wages" without getting shot when he got back home?

Mr. WOOD. Oh, we cannot let Italy or Russia or Germany stand in the way of the progress of the rest of the world. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. MAY. Considering the amount of cost of production of articles in this country that is included in the wage scales, would it not be vitally important to this country if we could participate in an agreement by which the scales of wages in other countries would go up and thereby restrict the manufacture and production of articles in China, for instance, which come in competition with our higher-priced articles?

Mr. WOOD. Absolutely. That is the purpose which the American Federation of Labor had when it sent Mr. Wilson to the Geneva Conference.

Mr. COLDEN. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. COLDEN. Is it not a fact that every one of these nations must send a labor representative, and that representative is striving for better conditions in labor all the world over?

Mr. WOOD. Absolutely. There is no disagreement among the wage earners of all nations on that important point.

Mr. TRUAX. Will the gentleman yield?

Mr. WOOD. I yield.

Mr. TRUAX. I am glad to verify what the gentleman from Missouri has stated, namely, that the American Federation of Labor is 100 percent back of this proposal. We cannot control or dictate the policies of European representatives, but we surely have confidence in the delegates who will be sent there by the American Federation of Labor.

Mr. WOOD. Absolutely.

Mr. O'MALLEY. Will the gentleman yield further?

Mr. WOOD. I yield.

Mr. O'MALLEY. Has the American Federation of Labor ever put this question of our entering into this International Labor Organization to a vote of the members of the various unions?

Mr. WOOD. Oh, I do not know anything about this rank and file vote of the different unions.

Mr. O'MALLEY. They would not find one local that would vote in favor of our going over there if they did.

Mr. WOOD. In the legislation which we pass here, would the gentleman be in favor of this Congress referring to a referendum vote of the people every law that is passed by the Congress?

Mr. O'MALLEY. Oh, no.

Mr. WOOD. In the American Federation of Labor we meet and we do things in a certain manner. They elect their delegates. The national labor unions elect their delegates to the American Federation of Labor.

Mr. O'MALLEY. And they go to a convention?

Mr. WOOD. Yes; convention of the American Federation of Labor. Now, they do not mold sentiment there. There is a State federation of labor in the 48 States of the Union. They meet annually. They are the ones who mold public sentiment. They are the ones who are the moving spirit in what the American Federation of Labor does.

Mr. O'MALLEY. How can anybody presume to speak for labor on an international question like this without first letting the members of the unions, which will be affected by anything they do over there, have something to say about it and state their position?

Mr. WOOD. The members of the unions are in favor of this international labor tribunal.

Mr. O'MALLEY. I think the gentleman is mistaken and that a vote of the membership would develop some surprises.

Mr. CONNERY. I wish to assure the gentleman from Wisconsin that the only time that it was brought up at an American Federation of Labor convention in the form of a resolution it was defeated by the unanimous vote of the convention, as I have pointed out in the remarks of Matthew Woll, vice president of the American Federation of Labor.

Mr. WOOD. No.

[Here the gavel fell.]

Mr. OLIVER. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. OLIVER. Mr. Chairman, I yield one-half minute to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I thank the distinguished gentleman from Alabama very much for his unfailing courtesy. I want to correct the RECORD. The Chairman of the Committee on Foreign Affairs was in error when he said I voted for this labor bill. I did him the courtesy at the time he mentioned it a few minutes ago of saying that if it came to a vote while I was in the room I did not understand it. I think he knows that I vote for every measure of his that I can, but I never voted for this; I was not even in the committee room.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield me 1 minute?

Mr. OLIVER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. McREYNOLDS].

Mr. McREYNOLDS. Mr. Chairman, I do not have any independent recollection about this matter. All I know is that the record shows that Mrs. ROGERS and others were present. Since the lady says she did not vote, then, of course, I am not questioning her statement.

Mr. FISH. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. FISH. Mr. Chairman, I make the point of order that the gentleman from Tennessee is out of order in stating how a member of his committee voted.

The CHAIRMAN. The point of order is well taken. The Chair sustains the point of order.

Mr. McREYNOLDS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McREYNOLDS. Mr. Chairman, when a member of a committee appears before this House and undertakes to state how he or she voted and says that the chairman of the committee misrepresented the matter, would the present occupant of the chair hold that the chairman of the committee could not say what the records show?

The CHAIRMAN. As the Chair understands it, the action to be taken is to make a point of order against the statement being made originally. This is the Chair's understanding of the rules.

The point of order is well taken.

The gentleman from Alabama will proceed.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

Mr. OLIVER. Mr. Chairman, I decline to yield.

No one could add to the very splendid address of the gentleman from Missouri [Mr. WOOD], and all of you know how deeply interested he is in every cause that affects labor. I am informed, as he stated he was informed, that Mr. Green, the president of the American Federation of Labor, is very much in favor of this item being carried in the bill. I am sure the resolution would not have passed at the last session had not Congress felt at that time that labor favored the resolution. It is in the interest of labor. Let us assume that we may not be able to accomplish anything at first. Yet this is a time when we must take counsel of our hopes and not of our fears.

If you will read the resolution passed by the last Congress, and which this appropriation seeks to make effective, you will find the resolution is carefully worded and seeks to improve the condition of the wage earners, such being its clearly declared purpose. American representatives by the terms of the resolution are clothed only with authority to confer with representatives of other countries and to report the result of such conferences. Such conferences are advisory only.

The friends of labor in this country know that no recommendations which even suggested the lowering of the standards of living in this country, as now approved by organized labor, would for a moment be considered. Like churches, we are simply sending missionaries into the field to be of service to wage earners, if possible. These missionaries may not accomplish what we hope, but we will at least be performing the Christian duty of making an earnest effort to improve and uplift the standards of labor in every country of the world.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. I yield.

Mr. FISH. I wish the gentleman would make it clear to me, and I think the gentleman knows that the House would like to know, too, whether the decisions of the International Labor Organization must be submitted to the Council or Assembly of the League of Nations.

Mr. OLIVER. Not so far as we are concerned, since the joint resolution clearly states that our Government assumes no obligations to or under the League of Nations. Our delegates only bring back such recommendations as they may desire to submit to our Government for consideration. They are neither required nor authorized to submit such recommendations to the Council or Assembly of the League of Nations.

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mrs. ROGERS of Massachusetts moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am sure that in the excitement the gentleman from Tennessee, Chairman of the Foreign Affairs Committee, did not quite realize what he said. I was present only a short time at the meeting the day when this so-called "labor bill" came up. I left before the bill was brought up or before it came to a vote. I left before a vote was taken on the bill that was reported out of the committee previous to this so-called "labor bill"; I did not vote for this labor agreement. I should not have voted for it, because I should have thought it very unwise, very harmful to the labor of this country. I have a large labor district myself. I know only too well what it means for the people to be out of work. The fact that economic conditions are very bad at this time was forcibly brought to my attention when I went to Gallinger Hospital today to see a very ill patient. Eight hundred patients were there. The place was terribly overcrowded. On one floor four very sick people were occupying beds in the hall. When I asked why there was so much sickness which resulted in this overcrowded condition the reply was, "Probably bad economic conditions."

You can easily see why I would not have voted for this bill.

Mr. MARTIN of Massachusetts. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I may say that last year when this bill first came up I asked the gentlewoman from Massachusetts if she was present in the committee when the vote was taken. She replied she was not there and did not know anything about the vote.

Mrs. ROGERS of Massachusetts. There was no record vote, according to the clerk's record. I believe there were two other Republicans and myself there in the early part of the session, but no record was made when I left, and I believe one of the other Republicans left before this labor bill was brought up.

Mr. Chairman, I ask unanimous consent to withdraw the preferential motion.

Mr. BULWINKLE. Mr. Chairman, I object.

The CHAIRMAN. The question is on the preferential motion offered by the gentlewoman from Massachusetts.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TINKHAM].

The question was taken; and on a division (demanded by Mr. TINKHAM and Mr. MARTIN of Massachusetts) there were—ayes 65, noes 82.

So the amendment was rejected.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to return to page 23, line 17, in order to offer an amendment which has been sent up by the State Department.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

CLAIMS ADJUSTMENT, UNITED STATES AND TURKEY

Committee amendment: On page 23, line 17, insert a new paragraph as follows:

"Such portion as may be necessary of the appropriation for participation of the United States in the examination and settlement at Istanbul, Turkey, of claims provided for by public resolution entitled 'Joint resolution authorizing appropriations for expenses of representatives of the United States, to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either country against the other and for expense of proceedings before an umpire, if necessary'

approved June 18, 1934, fiscal year 1934, to remain available until June 30, 1935, is made available as of November 1, 1934, and shall continue to be available until June 30, 1936, for the expenses, including all items of expenditures specified in said resolution and personal services and rent of offices in the District of Columbia, of preparing in the District of Columbia for the approval of the Secretary of State, distribution after making the said deductions provided for in said resolution of the amount received or to be received from the Turkish Government in settlement of said claims."

The committee amendment was agreed to.

The Clerk read as follows:

Contingent expenses: For stationery, furniture and repairs, floor coverings not exceeding $300, file holders and cases; miscellaneous expenditures, including telegraphing and telephones, postage, labor, typewriters and adding machines and the exchange thereof and repairs thereto, street-car fares not exceeding $300, newspapers, press clippings, and other necessaries ordered by the Attorney General; official transportation, including the repair, maintenance, and operation of 5 motor-driven passenger cars (1 for the Attorney General, 2 for general use of the Department, 2 for the Bureau of Investigation for investigative work), delivery truck, and motorcycle, to be used only for official purposes; purchase, including exchange, of a motor-propelled passenger-carrying automobile for the Attorney General at not to exceed $2,500; purchase of law books, books of reference, and periodicals, including the exchange thereof; traveling and other miscellaneous and emergency expenses, authorized and approved by the Attorney General, to be expended at his discretion, $153,000: *Provided*, That this appropriation may be reimbursed for expenditures in connection with cars herein authorized for the Bureau of Investigation from the appropriation for the expenses of said Bureau when approved in writing by the Attorney General: *Provided further*, That not to exceed $2 per volume shall be paid for the current and future volumes of the United States Code, Annotated.

Mr. McMILLAN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment: On page 24, line 19, strike out "$300" and insert in lieu thereof "$1,000."

The committee amendment was agreed to.

The Clerk read as follows:

Printing and binding: For printing and binding for the Department of Justice and the courts of the United States, including not to exceed $6,000 for printing and binding the decisions of the District Court of the Panama Canal Zone, $288,000.

Mr. FISH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the last word has not anything to do with what I propose to speak about, except that it involves money. I was not here yesterday at the time the section involving the State Department was under discussion, and particularly that part that had to do with money appropriated to maintain the service.

As a member of the Foreign Service Buildings Commission and the only Republican member besides Senator BORAH, I want to call the attention of the House to the fact, and particularly the Chairman of the Subcommittee on Appropriations, that we appropriated last year $1,200,000 for an embassy in Soviet Russia to house a personnel of 70. We have sent over 40. It is proposed to reduce that probably to 20. We have, however, provided $1,200,000 for building purposes, and there is no way in this bill to reduce this amount of money. If there was, I should offer an amendment, and I think it would be an appropriate amendment, to cut the sum in half.

There is no reason for building an embassy and a consulate at an expense of $1,200,000, which was originally planned for a personnel of 70 when that personnel is going to be reduced to 20. We could therefore save $600,000 or more and apply that amount in the building of a legation in Finland, which has not repudiated its debts or pledges, or to the erection of an embassy or legation in some other country where we do a great deal more trade and commerce than we do with Soviet Russia. I make the statement at this time because this is the proper place to make it and because the chairman of the subcommittee yesterday found fault with me when he said that although I had opposed the recognition of Soviet Russia, I favored this appropriation last year. I did favor it. Once Soviet Russia was recognized by the President it was an accomplished fact and, of course, we had to appropriate money for an ambassador, and you appointed a very able ambassador, who is still there. We had to appropriate money for an embassy. But in view of the fact that Soviet Russia has failed to keep its promise, in view of the fact that we transact practically no trade with them, and in view of the fact this $1,000,000,000 worth of trade that was held out to us in the way of bait has all fallen by the wayside, it is up to the Appropriations Committee to revise their estimate for the American Embassy in Moscow before it is completed. This was a building designed to hold 70 American diplomatic agents and other officials. This will be reduced to 20 or less. England only has 25 consular agents at Moscow and does a larger amount of trade.

I submit that the chairman of the subcommittee when his committee considers this matter again should bring back another measure reducing the amount of money we appropriated last year at least by half and apply that money to Finland or to erect an American Legation or Embassy in some other country.

In conclusion, may I say that I may not agree with all that the gentleman from Massachusetts [Mr. TINKHAM] said today, but I believe in his right to say it and anything he wants in the way of criticism of Members of the House when he is willing to substantiate it. That is the essence of free speech and that is the issue here. I want to warn the House that it is a very improper custom for the Members of the House of Representatives to assail, malign, and impugn people's motives outside of the House of Representatives who cannot answer for themselves, and then when some one here in debate criticizes a Member, to delete what he says from the RECORD. Every Member has the right to freedom of speech in the House, and every Member has the right to defend himself. Certainly the gentleman from Massachusetts [Mr. TINKHAM] should have the right to prove his charges before some committee of the House.

The issue involved was merely that of freedom of speech, and before we expunge the statements of Members of the House from the RECORD, I submit we ought to be careful what we say about others outside of the House of Representatives.

The pro forma amendment was withdrawn.

The Clerk read as follows:

UNITED STATES SUPREME COURT

Salaries: For the Chief Justice and eight Associate Justices; Reporter of the Court; and all other officers and employees, whose compensation shall be fixed by the Court, except as otherwise provided by law, and who may be employed and assigned by the Chief Justice to any office or work of the Court, $410,500.

Mr. OLIVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment: On page 30, line 24, strike out "$410,500" and insert in lieu thereof "$416,000."

The committee amendment was agreed to.

The Clerk read as follows:

Salaries of judges: For 41 circuit judges; 150 district judges (including 2 in the Territory of Hawaii, 1 in the Territory of Puerto Rico, 4 in the Territory of Alaska, and 1 in the Virgin Islands); and judges retired under section 260 of the Judicial Code, as amended, and section 518 of the Tariff Act of 1930; in all, $2,195,000: *Provided*, That this appropriation shall be available for the salaries of all United States justices and circuit and district judges lawfully entitled thereto, whether active or retired.

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: On page 31, lines 20, 21, and 22, strike out "and judges retired under section 260 of the Judicial Code, as amended, and section 518 of the Tariff Act of 1930", and in line 22, strike out "$2,195,000" and insert in lieu thereof "$1,959,000."

Mr. YOUNG. Mr. Chairman, the purpose of this amendment is to eliminate the retired pay of the Federal judges of this country. This amendment is offered by me in the interest of the taxpayers of our country. Too little is done here in the Congress for the taxpayers.

The question is, Shall retired Federal judges of our country be considered a privileged class? At the present time the retired judges are receiving $236,000 per annum. These

judges, during the time following their appointment, it is true, devote themselves to their judicial duties. Then $236,000 per annum is being paid from the funds of the United States to these gentlemen who have retired at full pay. These are the only officials of our Government who are receiving full pay following their retirement.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. BLANTON. If the Committee of the Whole House on the state of the Union were to adopt the gentleman's amendment and strike out this amount of money, these judges eventually would get their retired pay, because there is a law giving them retired pay. This amendment would merely take away this appropriation. Their claim against the Government would be allowed under existing law, and some future Appropriations Committee would have to bring in a bill appropriating the money to pay them.

Mr. YOUNG. The gentleman from Texas is correct in his statement that these retired judges would still have a claim against the Government. I have introduced a bill in the House providing for the repeal of retirement pay for Federal judges.

Mr. BLANTON. That should come first. Until you repeal the law you have got to pay them. For instance, we could not pass a law to take the gentleman's salary away from him. He would still have a claim against the Government for his salary which would be good 50 years from now, and as long as there is a law authorizing retired pay to these judges you cannot take it away from them by simply striking money out of this bill.

Mr. YOUNG. As I stated, the gentleman is correct in his statement that the retired judges have a claim for their full salary, but I offer this amendment to bring the matter before the Committee to show that this is a privileged class that we have built up by a special law. I think it is high time that the Congress in the present session should repeal this retired pay law and eliminate this class. Federal judges receive salaries of $10,000 and $12,500 per annum and then are privileged to receive retirement pay in the amount of their salary, and to show my desire that this provision be repealed and to show the saving, I figured this up after making inquiry at the Library of Congress and at the Treasury Department and found it was the rather astounding sum of $236,000 per annum.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. YOUNG. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

PENAL AND CORRECTIONAL INSTITUTIONS

For all services, including personal services compensated upon fee basis, supplies, materials, and equipment in connection with or incident to the subsistence and care of inmates and maintenance and upkeep of Federal penal and correctional institutions, including farm and other operations not otherwise specifically provided for in the discretion of the Attorney General; gratuities for inmates at release, provided such gratuities shall be furnished to inmates sentenced for terms of imprisonment of not less than 6 months, and transportation to the place of conviction or bona fide residence at the time of conviction or to such other place within the United States as may be authorized by the Attorney General; expenses of interment or transporting remains of deceased inmates to their homes in the United States; maintenance and repair of passenger-carrying vehicles; traveling expenses of institution officials and employees when traveling on official duty, including expenses of attendance at meetings concerned with the work of the several institutions when authorized by the Attorney General, and including expenses incurred in pursuing and identifying escaped inmates; traveling expenses of members of advisory boards authorized by law incurred in the discharge of their official duties; rewards for the capture of escaped inmates; newspapers, books, and periodicals; firearms and ammunition; tobacco for inmates; and the purchase and exchange of farm products and livestock, when authorized by the Attorney General: *Provided*, That any part of the appropriations under this heading used for payment of salaries of personnel employed in the operation of prison commissaries shall be reimbursed from commissary earnings, and such reimbursement shall be in addition to the amounts appropriated herein.

Mr. McMILLAN. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 41, line 5, after the semicolon, insert the following: "packing, crating, drayage, and transportation of household effects, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty, and uniforms for the guard force when specifically authorized by the Attorney General."

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

The Clerk read as follows:

United States Industrial Reformatory, Chillicothe, Ohio: For the United States Industrial Reformatory at Chillicothe, Ohio, including not to exceed $287,000 for salaries and wages of all officers and employees, $531,000.

Mr. OLIVER. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 43, line 19, strike out the figures "$287,000" and insert "$293,500."

The committee amendment was agreed to.

The Clerk read as follows:

United States Southwestern Reformatory: For the United States Southwestern Reformatory, including not to exceed $192,000 for salaries and wages of all officers and employees, $390,000.

Mr. OLIVER. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 43, line 23, strike out the figures "$192,000" and insert "$196,000."

The committee amendment was agreed to.

The Clerk read as follows:

Federal jails: For maintenance and operation of Federal jails, including not to exceed $296,500 for salaries and wages of all officers and employees, $528,940.

Mr. OLIVER. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 44, line 6, strike out the figures "$296,500" and insert "$300,000."

The committee amendment was agreed to.

The Clerk read as follows:

This title may be cited as the "Department of Justice Appropriation Act, 1936."

Mr. OLIVER. Mr. Chairman, I ask to return to the first paragraph under the Department of Justice to make a statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Mr. Chairman, there was a reduction made in the appropriation carrying salaries in the Department of Justice for the Attorney General's office. It was not the purpose of the committee to stipulate how that reduction should be made, but simply to leave to the discretion of the Department the allocation of the same in the filling of positions, and in the exercise of that discretion the Department is fully authorized to appoint an assistant budget officer.

The Clerk read down to and including line 7 on page 67.

Mr. OLIVER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5255, making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, and had come to no resolution thereon.

DEVALUATION VERSUS REGULATION OF THE DOLLAR

Mr. FIESINGER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by placing therein a letter I sent to the Attorney General on the question of the devaluation versus the regulation of the dollar.

The SPEAKER. Is there objection?

There was no objection.

Mr. FIESINGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter which I sent to the Attorney General on the question of the devaluation versus the regulation of the dollar:

Re Federal court action in gold clause contracts—Devaluation versus regulation.

JANUARY 14, 1935.

Hon. HOMER S. CUMMINGS,
Attorney General, Washington, D. C.

DEAR MR. CUMMINGS: In your address before the Supreme Court in the gold contract cases on January 9, attacking the gold clauses in contracts, you are reported as having said: "Their effect, if enforced, is of such serious consequence as substantially to deprive the Congress of the power to regulate the value of the dollar."

I am a Member of Congress from the State of Ohio and of the only committee of Congress which, in my opinion, has made an exhaustive study of this question. In view of its great importance, I am constrained to write you an open letter so that the American people may be advised of the fundamental fallacies involved in the above-quoted statement. I do this recognizing that these matters are so vital to our national welfare and because it may be that in the crux of these things we shall find the remedy for much of our present sufferings.

Let me repeat that the only committee of Congress which has exhaustively studied this question, one which so far has not been allowed to express its views, is abundantly able to sustain the proposition that the courts can uphold the gold clause agreements without impairing the power of Congress to regulate the value of money by a sound compliance with well-known principles of economic law.

The gold content bill was not drawn by the Congress, notwithstanding that the Constitution has so directed by implication. The committees of Congress could not ascertain who drew the gold clause bill. As a Member of the House, I was not allowed to debate it. But if the House committee of authorized jurisdiction had been permitted to hold hearings on these bills and debate them fully, we should have been able to determine who framed the measure; and we would have shown in debate that it was not drawn in the interest of the United States for two reasons: First, because it was not an act regulating the value of money; second, because it called for the abrogation of contracts—exactly what you are now asking the Supreme Court to do.

I call your attention to the wording of the Constitution: "Congress shall coin money and regulate the value thereof, and of foreign coins." Congress can coin money only by the process of fixing upon an agreed weight and fineness, the stamp placed upon the coin being in the nature of a certification of "weight and fineness", as provided by law. By this process you fix the weight of coins. Only by another process can you regulate value. Clearly coining money is a process of fixation whereby weight and fineness are fixed. Regulating the value thereof is a separate function which must be and can only be done in full recognition of the inevitable and inexorable force of economic law.

It is a striking fact that Congress has never enacted any law in compliance with this provision of the Constitution.

After fixing the weight of the coin, when we leave the value of the metal therein to fluctuate, we not only fail to regulate the value of the coined money but we increase the instability of paper money and bank credits, which are measured by the coin as a unit of value. We must recognize that collateral back of paper money is changed in value if the value of the coin is allowed to fluctuate. The stability of our paper money and of our whole credit structure is involved in our neglect to regulate the value of the metal contained in the coin.

In your arguments before the Court, due apparently to your zeal to support the administration's policies, you have confused these two separate provisions of our fundamental law, namely, to "fix" weights and to "regulate" values. I am so sure that this is unintentional on your part that I am endeavoring to bring the matter forcefully to your attention. I feel sure you would not intentionally confuse the issue in the public mind, possibly including members of the Court itself, for you yourself have fully emphasized the gravity thereof.

To regulate the value of the coined money involves a clear understanding of two words, "regulate" and "value." After changing the weight of a coin Congress, under the Constitution, must still regulate its value or purchasing power. There is nothing in the present law which regulates the value of the gold dollar after its weight is changed from 23 to 14 grains. Is it not just as important to regulate the value of the gold in the 14-grain dollar as in the 23-grain dollar? The fluctuating value of gold is as destructive in one case as it is in the other.

This matter is so clearly fundamental that misunderstanding is unfortunate. Fixing the weight is an act of coining. Regulating can only relate to the value of the monetary metal from which the coin itself is made; and this can be done only, as far as Congress is concerned, by operating upon the demand-supply ratio of the metal. This is a statement of a fundamental truth. Any doubt about it is set at rest by the words of the Constitution which immediately follow: "And foreign coins." How can the United States regulate the value of foreign coins otherwise than by regulating the value of the metal out of which those coins are made? Congress is required to regulate the value of the metal of its coins for domestic use, and also the metal out of which foreign coins are made, to assure United States export trade at profitable price levels. The Government's presentation before the Supreme Court completely ignores this fundamental factor. You may say Congress cannot regulate the value of the metal gold. I say it can. It is the business of Congress to do it. If left free to act, Congress can and will do it. The bill that was to open debate before Congress on this specific point was suppressed by the House Rules Committee.

You speak of an international agreement. Congress, under its constitutional powers, has another plan. What will become of this constitutional power of the Congress to regulate the value of its coins if we unalterably commit ourselves to fixation by an international agreement? In that case will not the bankers of Europe have power to exercise control regulation instead of Congress? Can Congress make such a delegation of power under the Constitution as you have presented to the Court?

By your position, then, you are asking the Court not only to destroy confidence in the sanctity of contracts but at the same time you propose to destroy the effectiveness of the very provisions of the Constitution you advance as a basis for this dangerous action. Is not this a statement of fact, Mr. Attorney General?

In the present confused state of world economics, it is vital for the Supreme Court to refuse to set up the principle of repudiation of contracts; but it is equally important that we permit Congress to regulate the value of money as well and to recognize their oath of office and preserve all other provisions of the Constitution, which our forefathers, with profound and inspired vision, have established.

Can you not recognize the fact that the very foundation of civilization may give way under the impact of such an attack, which might well abolish the remnant of confidence that now staggers on the brink of an abyss? Is not the oath of office imposed to take these fundamental questions out of political considerations?

So grievous is this error and so grave the consequences of it that, in my humble opinion, the destiny of this Nation rests upon a simple, sane, and clear conception of the fundamentals here involved. Under such circumstances will you pardon me for presenting for your serious consideration my reasons why it is not necessary for our country to tear down the bulwark of confidence as to the sanctity of contracts, and why the power of Congress to regulate the value of the money it coins has no relation in fact to the gold clauses; but, on the contrary, the relation you have urged upon the Court rests upon a fundamental misunderstanding and misconception of the simplest application of basic economic law.

That which you ask the Court to do does violence to the sanctity of contracts. You admit it. You must recognize this as one of the cornerstones of Anglo-Saxon law. You justify such violence by urging upon the Court that Congress would be divested of its constitutional power to coin money and regulate the value thereof. This is error based upon error, and of such grave consequence, in my judgment, that you should seriously consider modifying your position before the Court. You must recognize that devaluation—fixation—is not regulation, and I am sure that you agree with me that political policies must take second place to the economic security preserved to us in the Constitution, and which in this case so manifestly affects the general well-being of the Nation and the world, and even touches the preservation of a civilization which it has taken centuries to evolve.

With great respect and high personal esteem, I beg to remain,

Yours very sincerely,

WILLIAM L. FIESINGER,
Member of Congress, Representing the Thirteenth Congressional District, Ohio.

EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the St. Lawrence waterway project, including therein a letter from Major Ripley, to the president of the New York State Waterways Association, containing valuable information which, I believe, will be of use to the Members of the House.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, for the moment I object because we have been objecting to extensions of this character.

CRIMINAL ACTIVITIES IN THE DISTRICT OF COLUMBIA

The SPEAKER. Without objection, the proceedings whereby House Resolution 92 was adopted this morning will be vacated, and without objection on line 2 of that resolution the figures "66" will be stricken out and the figures "94" inserted. This action is taken because of a mistake in the drafting of the resolution as read from the Clerk's desk. Is there objection?

There was no objection.

The SPEAKER. The question now is on agreeing to the committee amendments.

The committee amendments were agreed to, and the resolution as amended was agreed to.

ST. LAWRENCE SEAWAY A WHITE ELEPHANT

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, I feel, after the many debates in both the House and Senate during the Seventy-third Congress on the controverted question of the St. Lawrence waterway, that any man ought to apologize for taking any further time of the Members of the House.

Even though they have other duties, I ask them to remain in the Chamber long enough to enable me to point out some of the things which enter into the consideration of the question.

For exactly 4 centuries white men have dreamed of using the St. Lawrence River as the highway to power and wealth.

Today that desire is stronger than ever, but with a dozen generations come and gone since white men first used this route into the interior of North America the goal has not been reached. The mighty barriers which nature placed along the route have not been removed by man as the centuries passed.

But now a climax has been reached in the quest for gold. Two great nations within the next few weeks must determine whether they are ready to spend hundreds of millions of dollars to help the men of commerce achieve their dream.

There are those in the United States, and in Canada, too, who claim this would be an investment yielding great profit. There are others who brand the scheme to convert the rapids and shoals of the St. Lawrence into a mighty seaway as an economic crime.

Some supporters of the plan argue that it would create along the St. Lawrence Valley a mighty industrial empire, aiding both nations on the unfortified border.

Others see only disaster to already great cities, a looting of the Great Lakes region by the mariners of other nations. Some even profess to fear that American cities on the Great Lakes—Buffalo, for example—might some day face the fire of guns of the British Navy should the seaway be built.

I recognize that there are two sides to the question, and certainly every Member of Congress or of the Senate has a right to take any position which his judgment causes him to assume.

I have been an opponent of the proposed treaty, and, of course, what I shall have to say will be in opposition to the treaty.

From the report which the Senate Foreign Relations Committee made on the St. Lawrence Seaway Treaty, one would think that opposition to the canalization of the boundary river to provide passage to the Great Lakes for ocean-going ships was confined to the railroads and a few ports on the Atlantic seaboard. This idea is dissipated by the Merchants' Association of New York City, which has listed a multitude of organizations and interests on record against the pending treaty.

Of course, all the shipping interests in New York State are opposed to the seaway plan. But so are the Baltimore Association of Commerce, the Lake Carriers' Association, the Board of Commissioners of New Orleans, the Lumbermen's Exchange, the Ocean Traffic Bureau, the Commercial Traffic Managers, the Northeast Chamber of Commerce, the New England League, the Newport News Chamber of Commerce, the Philadelphia Bourse and the board of trade there, the Mississippi Valley Association, and the Illinois State Chamber of Commerce—to mention only a few.

The organizations formally on record against the St. Lawrence seaway represent in their memberships citizens having investments aggregating many billions of dollars.

In considering the vote of the Mississippi Valley Association against the treaty it looks as if the hydro-power treaty, masquerading as seaway pact, is about to experience the same difficulty in being ratified this session as it did about a year ago.

The Senate last March rejected the St. Lawrence Treaty on a vote of 46 for and 42 against, two-thirds being necessary for ratification. Nothing has happened since then that would tend to increase support of the treaty on its merits. The fundamental fallacy of the waterway project, reputable economists say, is in assuming that the project means cheap transportation, or that it is needed. Before the country engages to spend hundreds of millions for a seaway to the Great Lakes it should make certain that it is going to get benefits commensurate with the outlay required. The weight of acceptable opinion holds that the project is not economically sound.

In its resolution on the controversial seaway pact the Mississippi Valley Association went on record thus:

> We oppose the ratification of the St. Lawrence Treaty * * * until its inequities shall have been protected * * * until a commercially useful Lake-to-the-Gulf waterway shall have been made secure. * * *

We have not given all the "untils" because the one that really counts, so far as the Mississippi Valley is concerned, is the one that relates to the Chicago-New Orleans waterway. This waterway required diversion of water from Lake Michigan into the Illinois River via the Chicago Drainage Canal, and so to the Mississippi. Since this means diversion of water from the St. Lawrence Watershed, Canada insisted, when the St. Lawrence Treaty was drawn, that a maximum of water divertible at Chicago be made a clause of the treaty. This was done. That the Mississippi Valley Association will oppose the treaty as long as this provision remains a part of it could be taken for granted even if the association had not adopted a forthright resolution:

> If the Senate ratifies this treaty it will hand to the United States a "white elephant" that will need to be fed constantly. The scheme cannot be made to pay.

Frank P. Walsh, chairman of the Power Authority of the State of New York, reported to President Roosevelt that the seaway treaty now has the militant backing of the Governors of 20 States and the mayors of more than 50 cities, regardless of party. He, therefore, predicts that the Senate will ratify the treaty, and that work on the project will be started next spring.

Mr. Walsh professes belief that the seaway will assure a saving of $79,000,000 a year to land-locked States on foreign commerce alone; and he says that—

> The savings in electric rates in the nine States in the Northeast within transmission distance of the St. Lawrence power project have been conservatively estimated at $200,000,000 a year.

Mr. Walsh must know that the St. Lawrence seaway proposal was advanced in the interest of the wheat growers of the Middle West, that the estimate as to saving on foreign commerce was based principally on the shipment of their surplus product. He should be informed that the proposed savings to the grain trade by the seaway would not materialize because of rapidly diminishing exports. He must know as well that St. Lawrence power could not be transmitted to the nine States of the Northeast cheaply enough to make it economically available. Yet he talks glibly about saving them $200,000,000 a year in reduced rates for electricity.

Mr. Walsh is a most amazing man in the figures that he presents and in the methods that he employs as an official of the State of New York. For instance, he takes no account of the fact that the taxpayers of New York State will have to pay the cost of the St. Lawrence power development. The bill that will be charged against them for it is $90,000,000. He does not say anything of benefits to them from this huge expenditure.

They will be called upon to invest $90,000,000 that the people of nine other States may have cheap electrical power. And they are paying Mr. Walsh at the rate of $75 a day to go up and down the Northeast to sell that idea.

The Chamber of Commerce of the State of New York opposes it, as does virtually every other business organization of importance throughout the State. Its only supporters, virtually, are Frank P. Walsh, chairman of the State power

authority, and Delos Cosgrove, his echo and assistant. Despite every evidence to the contrary, both these men continue to go about the country advocating ratification of the treaty, persistently misrepresenting the State and the wishes of its people.

If we have too much wheat, we plow it under and destroy it, paying the farmers out of the Treasury. If we have too much corn, we do likewise. With too much cotton, we reduce the acreage and give the farmers baled cotton out of the Government warehouse. With too many pigs, we kill the litters of young pigs and pay the farmer for having put less pork and bacon on the market.

But when we have too much transportation, with existing facilities only partly used, we dip into the Treasury to build a parallel line that will throw thousands of American railroad men out of work in order to keep Canadian ships busy.

It would be far worse to increase the transportation facilities of the Nation, either by rail or by water, than it would be to increase the pork, cotton, and wheat supplies, because the railroads, suffering now from too much competition and too much taxation, form the backbone of the Nation. Proceeding with the St. Lawrence project now or in any time in the future would be tumbling this once giant structure, which needs strengthening.

In view of the recent declaration in opposition to the project voiced by Representatives of the Western and Middle Western States it was most designed to benefit, there would seem little use for pursuing the matter further. The consensus of that opinion was that the treaty was entirely too one-sided, giving the bulk of the benefits to Canada for which the United States was to pay the greater part of the costs. It was decried, even, as an unemployment relief project in view of the fact that the greater part of the unemployment relief would accrue to Canada while Uncle Sam would pay the bill. Such benefits as might accrue to the United States, it was held, were negligible and not worth considering.

The treaty would result in depriving the southern and Atlantic ports of much trade. There is plenty of electric current for this part of the country to be obtained from the northern part of New York State, which is largely mountainous. And, as Senator WAGNER points out, this is not the time to expend so large a sum of money as would be called for, which would go largely to pay Canadian labor, when millions of our men are out of work.

From a commercial viewpoint, 79 percent of the Nation's electrical generating capacity is fuel burning. It is cheaper. Furthermore, from a commercial point of view, while only one-sixth of the country's waterpower has been harnessed, the remaining sites are expensive to develop, distant from markets, unreliable in flow or undesirable in some other respect from the strictly commercial viewpoint. So that if further electric power production is to be based on a commercial set-up, fuel-burning plants rather than water power would be used. And at present rates there is 50 to 75 percent excess capacity in many areas.

The ideal combination is to use water power as a supplementary source to carry peak loads for brief periods, while all of the load part of the time, and the bulk of the load the rest of the time, are carried by the economical fuel burners.

The Montreal (Canada) Gazette, had the following to say against the approval of the St. Lawrence Waterway Treaty, which clearly sets forth what the organizations believe the cost to both Nations would have been and, therefore, what has been saved:

> Two arguments advanced by the proponents of the waterways scheme, in order to influence affirmative action by the Senate, are: (1) That it will save the Central West wheat farmer sufficient sums on his freight bills to make it possible to sell his product in Europe; (2) that the railways of the country very soon will be unable to handle the Nation's traffic, and therefore it is necessary to increase at once transport facilities to help them out.

Thinking Americans, however, will note that the United States is selling little or no wheat in Europe, and they must know that Australia and the Argentine, to mention no other competing wheat-producing countries, are able, and will continue to be able, to supply Europe with all the wheat it needs at lower prices than it can be profitably grown and shipped from the Great Lakes even at the saving in the costs of transportation which it is contended will be possible under the Lakes-to-Atlantic waterway plan. Such a saving for the few would be at the great expense of the many.

Competent engineers have demonstrated that the taxpayers will have to pay 11 cents for every 4 cents that the provision of the new seaway facilities may save the farmers on the transportation of their wheat to a European market if and when such a market can be secured. Regarding the second argument, surely the prospects of the country's railways being inadequate to handle the Nation's traffic in a few years are wholly imaginary.

In the knowledge of the enormous financial liability involved in the seaway scheme, there is force and pertinence in the contention advanced in the Senate and outside the Senate that, even if traffic prospects were as substantial as seem by those with whom it has long been a gilded dream, some day ocean ships will carry their goods down the Lakes, down the St. Lawrence, and across the Atlantic, it would be less expensive to construct another railway from the Central West to the eastern coast than to build the contemplated seaway, which will require from $25,000,000 to $50,000,000 annually to pay the interest on the investment and maintain the property.

One thing certain is that, because of its extraordinary heavy costs, the seaway, considered apart from the power potentialities of the project, cannot be made to pay its way, for if the rates for transport thereon are made high enough to provide the shadow of a chance of a return on such a vast capital expenditure, they will necessarily be so much superior to the rates charged by the railways as to forbid traffic.

Let us consider what further effect it would have had upon American and Canadian railroads and their employees. If the St. Lawrence waterway were capable of handling during the navigable season of the Great Lakes, which is approximately 7 months each year, any considerable amount of traffic, the amount handled would be taken from the railroads or from the ships now operating on the Great Lakes. The public, however, would still expect that during the remaining 5 months of the year, when the Great Lakes are not navigable, the American and Canadian railroads would have been requested to hold, ready for service, equipment to carry on the commerce of both Nations and railroad employees would have been expected to hold themselves in readiness to man this additional train service. Consequently we would have had more part-time workers on our railroads and more idle equipment; in addition, we would have placed upon each Nation not only a debt to meet the cost of construction but an everlasting maintenance cost.

UNEMPLOYMENT INSURANCE

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, 50 years ago the first law of modern unemployment insurance of the world came into force. It was the law referring to sick insurance for industrial workmen in Germany. Starting in Germany, the idea of social insurance spread slowly but has ultimately found its way into many great nations. It has become the basis and cornerstone of modern workmen's social politics.

When, under the great statesman Bismarck's chancelorship, social insurance was first introduced, he was warned against taking this " jump in the dark ", for nowhere did any experience in the matter exist.

Now, the introduction of social insurance no longer means jumping in the dark. We can look back upon an experience of 50 years that points the way to real social politics—and at the same time shows how they should not be made.

WHAT IS SOCIAL INSURANCE?

Generally speaking, social insurance falls into four broad categories:

First. Accident, including workmen's compensation.

Second. Sickness, including maternity.

Third. Old age, including invalidity or physical incapacity to earn a living.

Fourth. Unemployment.

WHERE IS IT IN FORCE?

Unemployment insurance, in most cases coupled with other social legislation, under public control or authority, has been established in 18 foreign countries. The systems established fall into two main groups, usually distinguished by the terms "compulsory" and "voluntary." Compulsory systems are those in which unemployment insurance is made obligatory for certain designated classes of workers and under definite conditions prescribed by law. Voluntary systems are those in which unemployment insurance through private organizations is recognized, encouraged, and even subsidized by the state, but the establishment of such insurance is not obligatory.

The 18 countries having unemployment-insurance legislation are almost equally divided between these 2 types, the legislation in 9 countries being compulsory in character and in 8 voluntary, while in 1 country—Switzerland—the cantonal legislation is in some cases compulsory and in others voluntary. The distribution of the 18 countries on this point and the date of the first legislation on unemployment insurance in each country are as follows:

Compulsory system:	
Austria	1920
Bulgaria	1925
Germany	1927
Great Britain	1911
Irish Free State	1920
Italy	1919
Luxemburg	1921
Poland	1924
Queensland	1922
Voluntary system:	
Belgium	1920
Czechoslovakia	1921
Denmark	1927
Finland	1917
France	1905
Netherlands	1916
Norway	1915
Spain	1931
Mixed system:	
Switzerland	1924

As is indicated by this chart, elaborate state systems for unemployment insurance are comparatively new, although innovations along this line trace back 50 years. Germany, itself, did not complete a full-rounded social-insurance program until 1927. All but two of the systems were established since the World War.

HOW HAS IT WORKED IN FOREIGN COUNTRIES?

A study of the various unemployment- and social-insurance systems now in force throughout the world reveals a wide difference in policy and operation. They are alike only in their objective—namely, the relief of the evils and hardships of unemployment, distress, and poverty through some form of insurance. Otherwise, they differ among themselves on practically all important points, including coverage, methods of contributions, amount, and character of benefits, provision for emergency benefits, method of administration, and so forth.

A sweeping view of the foreign systems yields convincing proof that the compulsory type has many advantages over the voluntary type.

Belgium, which began its program in 1920, is now about to revamp its system and change from a voluntary system to a compulsory system.

Denmark has had the unpleasant experience within the last few years of seeing the payment benefits far outstrip the incoming contributions. She has been left with an increasing deficit each year and contemplates a change to the compulsory system.

The Netherlands has an older system, beginning a voluntary program in 1916. It is conducted by trade unions, under Government authorization and supervision. It developed that the trade unions found themselves unable to keep up the benefit payments since they far exceeded the voluntary contributions. It was necessary, therefore, for the various municipal governments to help them out. The state then found it necessary to aid the municipal governments. Result: A rising tax burden, with the state in actual practice supporting the plan. At present the country has what is known as "social support", the state contributing three times as much as the municipalities. Its weakness lies in the fact that there are no compulsory employer-employee contributions, and the state is carrying all the burden.

France does not have a strict insurance scheme. She has set up an elaborate system of national unemployment agencies. Her voluntary unemployment-insurance program became a virtual dole, with the state subsidizing an overlapping system of agencies and municipal offices. Under the plan direct aid was given the unemployed for a certain number of days by the state and then he fell back on his community. The state was aiding the community so this failed to solve the problem. A recent movement for a new system, similar to President Roosevelt's program of the new deal, is proving successful, and France will soon have a compulsory system of social insurance.

Germany's system called for 50–50 contributions from the employer and employee. The state did not propose to assist. As a compulsory system it worked well for those physically able and fortunate enough to secure work, although the state found it necessary to subsidize the municipalities to some extent. The difficulty arose over the necessity for taking care of the increasing unemployed, who could not be helped beyond a limited point by the employer-employee contribution system. Germany set up a system for welfare support, making direct grants to local governments to take care of this. The difficulty has developed over the double relief system, one being handled by the employers and employees without Government help, and the other existing as direct Government relief. Criticism is that the present awkward program is discouraging initiative and placing an increasing burden on the state. The unemployment-insurance system needs to be nationalized, loopholes plugged and adjusted to take care of all classes.

Italy has a triple contributory plan, government, employer, and employee each contributing. It is compulsory in name only, inasmuch as there are many exceptions and only 21 percent of the workers are covered. During the period it has been in operation benefits have totaled less than one-half the contributions. Very small benefits are allowed. Because of present large surplus there is an agitation for larger benefit payments. Italy's well-rounded, old-age, invalid pension, orphans', widows', maternity, and unemployment insurance, sternly administered by the state, demonstrates the need for national control and supervision.

Great Britain, observing the errors and pitfalls of past experience of her own and other nations, adopted a remodeled unemployment-insurance program in June of 1934. It is similar to the American proposal for a complete social insurance system.

Chile has, perhaps, one of the most successful social insurance systems now in operation. Beginning 16 years ago, it has operated well and effectively in abolishing poverty, acute depression, and acts as a cushion for severe economic and social shocks. Its present social security administration includes:

(a) Unemployment insurance: Compulsory for all persons under 65—except a few in the higher brackets or covered by special schemes. Financed by triple contributions—3 percent borne by employer, 2 percent by worker, 1 percent by state.

(b) Maternity benefits.

(c) Invalidity benefits.

(d) Old-age pensions: This is formed by accumulating in the account of each insured person that part of the triple contribution which he, himself, pays, namely, 2 percent of his wage. It becomes payable at the age of 55, 60, or 65, at his choice.

(e) Direct relief: Direct food, clothing, and shelter to destitute. Financed by a special tax on income from investments and business profits, and on salaries above $500 a month.

(f) Public assistance: State provides hospitals, dispensaries, lunatic asylums, infirmaries for aged, and workhouses. Money raised by tax on betting, patents, and by revenue derived from the institutions themselves. Administered by regional offices.

(g) Low-cost housing: Loans made to industrious persons for new-home building. Slum eradication encouraged by Government. Liberal loans granted.

OPINIONS "CON" AND "PRO"

While the movement in favor of all types of social insurance is rapidly growing, particularly as it concerns unemployment and old-age insurance, there is still a body of opinion opposed to the establishment of any such system.

AGAINST

The essential arguments of those opposed to social insurance are as follows:

First. Social insurance is paternalistic and therefore incompatible with individual freedom.

Second. Social insurance undermines the character of the workingman, taking away incentives for thrift, self-reliance, efficiency, and so forth.

Third. The administrative machinery involved would necessarily be too complicated and too liable to political pressure.

Fourth. Industry should care for these matters itself.

Fifth. Social insurance would put too heavy a burden on the taxpayer.

Sixth. Social insurance would put too heavy a charge on industry.

Seventh. Social insurance prevents the reduction of wages.

Eighth. Federal legislation in this field is of doubtful constitutionality.

Ninth. The sound investment of insurance reserves presents great difficulties.

FOR

First. The advocates of social insurance maintain that since we have long recognized our responsibility toward the weaker members of society, our responsibility to feed, clothe, and house those who cannot care for themselves, a certain degree of paternalism on the part of our Government is no new thing; and that, so long as it is necessary to protect the great masses of workers and to guarantee them a decent minimum standard of living, this paternalism is justifiable.

Second. It is held by the proponents of social insurance that a contributory system would not lead to thriftlessness or a loss of self-respect, but would rather encourage thrift, in that it would set up an organized and collective system of savings; and, in removing the charity element from emergency funds, would permit the maintenance of self-respect even during those periods when earnings were cut off.

Third. Relative to the administration of such a system, it is pointed out that plans adopted abroad vary greatly in complexity; that unquestionably the simpler types have been the more successful; and that, therefore, there is no reason to suppose that simplicity would not characterize the plan adopted in this country.

Fourth. Social-insurance administration abroad has been singularly free from scandal and abuse and distinctly less costly than that of private insurance companies.

Fifth. In reply to the allegation that the cost of social insurance to industry would be too great, it is noted from foreign experience that "the resulting charge which enters into the cost accounts of productive enterprise may be estimated as being on the average rather less than 1 percent of the value of gross output."

Sixth. Although its advocates acknowledge that social insurance might make the lowering of wages more difficult, they hold that to be desirable. As for the increased tax burden involved, the reduction in the present cost of welfare relief, now largely met by the Government, would tend to offset the cost of such a plan to the taxpayer. To the extent that social insurance ameliorates the tragic consequences of unemployment, sickness, and old-age dependency, to that extent it reduces their social cost. Furthermore, it offers the only coordinated, efficient, and economical plan of administering relief—a method far superior to the piecemeal, haphazard, uncoordinated, and wasteful systems of private and public charity in vogue in this country today.

Seventh. As for the constitutionality of such law and the soundness of the investment of insurance reserves, these are matters largely to be determined by the act itself, and are purely technical. The arguments favoring social insurance are fundamental; most of the arguments against are labored and superficial.

WHAT HAVE WE LEARNED FROM OTHER SYSTEMS?

From a survey of the strength and weaknesses of the various foreign systems, the United States may well draw the following conclusions:

First. The system must be compulsory: This is the only way of protecting all those who need protection, as experience with voluntary systems abroad has demonstrated. Otherwise the young, the healthy, and often even those who most need insurance fail to take advantage of the system, once it is established, thereby making its membership too limited to have much effect on the social problem it was designed to solve and jeopardizing its financial status by overweighing it with "poor risks."

Second. The cost must be spread as widely as possible: (a) The employee should contribute: This encourages thrift, promotes self-respect, and makes very clear the distinction between insurance and welfare relief. Moreover, it gives the worker the right to participate in the administration of the system, as it is then not just something set up for his benefit but something for which he has paid and in which he has a definite interest. (b) The employer should contribute: The employment hazards of the worker result largely from the progress and operation of the industries from which the employer profits. It is fair to make the cost of social insurance in part a charge upon industrial production, just as the depreciation of machinery, fire, theft, and liability insurance are items in the cost of production. (c) The State should contribute: It is the recognized duty of the Government to promote the citizen's welfare and to protect those who cannot protect themselves against insecurity. Funds for the Government's contribution must be raised by taxes of one form or other.

Third. The family must be the unit for social-insurance purposes: A comprehensive system of insurance should embrace not only the hazards facing the breadwinner directly, but also those affecting his dependents. Hence the need for insurance reserves for old age, widows, orphans, invalids, insane, and maternity.

Fourth. Benefits should be lower than normal wage: Because of the cost involved and to prevent slackness and desire for idleness on the part of the worker, benefit payments should not be at the full wage rate, but only sufficient to maintain a national standard of well-being.

Fifth. Government should conduct the program: Experience in foreign nations offers convincing proof that a sound, workable social insurance program cannot be successfully carried out by private groups. All the various types of insurance should be conducted by the same governmental agency, thereby eliminating chances for duplication, waste, loopholes, and so forth. In this country our State governments may be given opportunity to preserve a measure of responsibility, but all should work together under the general supervision of the Federal Government. Defects have been found in the Switzerland system, where the various Cantons are permitted to accept or reject the social insurance program. This independence of the Federal system has led to a condition whereby at the present time certain Cantons have a compulsory system and other Cantons a voluntary system. Our Nation should profit by this exhibition of the lack of coordination and establish a uniform national operation. This is practically vital if the Government is to join in contributing a percentage to the reserve funds.

SYNOPSIS OF THE UNITED STATES PLAN

The Wagner-Lewis bill now before Congress provides briefly:

First. Unemployment-insurance plan permitting maximum compensation of $15 a week under State-sponsored programs. This would be financed by a uniform pay-roll tax, starting at

1 percent next January 1 and moved up to 3 percent in 2 years, unless business recovery made a quicker step-up possible. A 90-percent credit allowed employers contributing under compulsory State plans; the remaining 10 percent used for State and Federal administration.

Second. Three-pronged old-age pension plan, providing noncontributory compulsory and voluntary phases with Federal subsidies not more than enough to pay a $30 a month total to any person over 65. Compulsory fund financed by pay-roll tax graduated from 1 percent in 1937 to 5 percent after 1957, and borne 50–50 by employers and employees. Persons too old to build up their own insurance would be cared for. Voluntary system permits supplemental annuities up to $50 a month.

Third. Federal subsidies to States in aid of mothers and dependent children from $25,000,000 annual fund. Annual federation appropriation of $4,000,000 for State maternal and child health grants; annual $2,000,000 appropriation for State crippled-child care, and $1,500,000 annually for aid to child-welfare services.

Fourth. Supplemental Federal aid to State and local public-health agencies from $10,000,000 annual appropriation, $2,000,000 to go for Bureau of Public Health research; remaining $8,000,000 allotted to States on a basis of need.

Only wage earners drawing under $250 a month could participate in the compulsory old-age pension plan. The President's Economic Security Committee proposed similar eligibility under State-drawn unemployment-insurance plans, with Government workers and beneficiaries under the Railway Retirement Act exempted.

Excluded from the program is any provision for so-called "health insurance", although studies are being made, in consultation with representative physicians, looking to supplementary legislation along this line.

Under the unemployment-insurance plan workers are assured their right to strike. Compensation would begin 4 weeks after an employee lost his job and continue for a 16-week maximum. The employee could receive work relief under the Public Works program when insurance benefits expired.

Entering the voluntary-retirement insurance field, heretofore reserved for private companies, the three-headed old-age pension plan would permit the Government to sell old-age annuities to persons either not eligible under the compulsory plan or who wished to increase their annuity. No such policy would have a maturity value of over $9,000.

Following recommendations submitted by the President's Committee on Economic Security, the Federal Relief Administrator would handle Federal subsidies for old-age pensions and dependent-child care; the Labor Secretary, subsidies for maternal and child welfare; Public Health Service, State health allocations; while the Treasury Secretary would manage and invest all deposits for unemployment insurance and old-age pensions. A social insurance board would study the course of the experiment and advise with the Labor Secretary.

INQUIRY INTO THE POSTMASTER GENERAL'S DISTRIBUTION OF IMPERFORATE STAMPS

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLARD. Mr. Speaker, a practice has recently grown up that I feel should be brought to the attention of the Members of this House, and made the subject of an investigation by the members of the Committee on the Post Office and Post Roads, so that those responsible for it may be given an opportunity to defend themselves and to make an explanation.

On behalf of the 9,000,000 philatelists in the United States, and because I feel that the American people are entitled to know the facts concerning the Postmaster General's practice of bestowing valuable gifts upon his friends and officials of the Federal Government, I introduced the following resolution of inquiry, which was referred to the Committee on the Post Office and Post Roads:

Resolved, That the Postmaster General be, and he is hereby, directed to furnish to the House of Representatives the following information:

1. Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department.

2. Whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public.

3. Whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public.

4. The name or names of officers or employees of the Post Office Department, if any, who have since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

While I was motivated in asking this inquiry by the request which I received from the Westchester County (N. Y.) Chapter of the American Philatelic Society, the questions involved here are so broad that they interest every citizen, whether a stamp collector or not. The real question at issue is not whether certain philatelists or stamp dealers have been injured but whether Mr. Farley or any official of the United States has used his official position to show favors and bestow valuable gifts upon a special group of people.

If the Postmaster General or any other official of the Government has so used his position, I think we will all agree that it is unethical and improper. I will reserve any expression of opinion whether it is anything more than that until the House is fully informed of the facts and can pass judgment upon the legality of this practice.

At the outset only the philatelists viewed the practice of the Postmaster General with alarm, realizing that the imperforate and ungummed sheets distributed by him would be classed as rarities and therefore command a high price in philatelic markets.

The American Philatelic Society feels that this new deal in philately is a discrimination against the rank and file of stamp collectors, because sheets of imperforate stamps are not made available to them for purchase.

During the present administration it has been the practice of the Postmaster General, when there were new issues of stamps, to requisition from the Bureau of Engraving and Printing the first few sheets printed, before they had been gummed and perforated, autograph them, and present them to a favored few of his friends. When the Mother's Day stamp was issued, Mr. Farley autographed and presented the first full sheet of 200 subjects to Mrs. Roosevelt. Later he inscribed one of these imperforate sheets of stamps for the President, Colonel Howe, and one for his own children—Betty, Ann, and James A., Jr.

With the printing of the Wisconsin stamp which followed, sheets are said to have been autographed by the Postmaster General for the President, his secretary, Third Assistant Postmaster General, and this time one for each of Mr. Farley's three children.

This procedure appears to have been followed with each new issue until the national parks stamps when the first sheet was presented to the Secretary of the Interior.

I have no definite knowledge of how many of these sheets have been distributed, though the members of the Post Office Committee have shown me the courtesy of letting me see the reply furnished by the Postmaster General in response to the resolution of inquiry. I think, however, a fairly accurate estimate would be considerably over 100. There has been an estimate made of 160. Press reports have criticized the presentation of some of the recent stamps to the President, Mrs. Roosevelt, Secretary Ickes, the children of the Postmaster General, the Secretary to the President, Louis Howe, the First Assistant Postmaster General William W. Howes, the Acting Second Assistant Postmaster General Jesse Donaldson, the Third Assistant Postmaster General Clinton B. Eilenberger, Gen. Hugh Johnson, an unnamed friend of Mr. Farley in Norfolk, Va., and it is rumored that a set went to a

Member of the United States Senate and another to a Senator's son.

The Norfolk Philatelic Society addressed a letter to President Roosevelt urging him to "take steps immediately to discontinue this favortism in the distribution of imperforate stamps"; and prompted by the report that a collector in that locality had a sheet of 200 Mother's Day stamps, which had a face value of $6, but which he had insured for $20,000, and for which he had been offered $30,000 by a New York stamp company. Sometime ago a similar sheet of the Mother's Day stamp was in New York. It bore a signature, "James A. Farley, May 18, 1934", and like the Norfolk sheet, was said to be insured for $20,000. The owner and dealer, however, could not come to terms.

I am told that the dealer, who has not made public the name of the owner offering the sheet for sale, has twice invited the Post Office Department to send an inspector to see him concerning the sheet, to give him an opportunity of informing the Post Office Department of the name, but the inspectors have not availed themselves of the opportunity.

Speaking of the Norfolk sheet, Mr. Farley, in reply to an inquiry by the Herald Tribune, said:

> At the time of the Mother's Day stamp issuance I purchased five sheets of the ungummed and imperforate stamps. These sheets went to the President, Mrs. Roosevelt, Secretary Ickes, and Louis McHenry Howe, the President's Secretary. Also I presented one to a friend of mine in Norfolk, Va., and that probably was a mistake.

Mr. Farley further clarified his position by explaining that in sending the sheet he used an imperforate one because the holes in the perforated sheet caught the point of his pen.

Again commenting further to the press on the sheet offered for sale in Norfolk, Mr. Farley prefaced his explanation by saying, "The worst part of it is it was." In other words, Mr. Farley's regret seems to be not that he made valuable gifts but that his friends disposed of the gifts. I have not seen nor have I heard any adequate defense. His attempts at justification of the issuance of autographed imperforate sheets because his pen stuck in the perforated ones does not vindicate him even in the eyes of those who are endeavoring to shelter him.

It develops that a sheet of imperforate and ungummed stamps is a museum piece and of great value. I am credibly informed that there are 9,000,000 stamp collectors in the United States who purchased stamps last year amounting to several million dollars. Any little irregularity in a stamp creates a value entirely unrelated to its nominal price. The Postmaster General has brought out a lot of new issues on the theory that the people are getting tired of the old ones. Up to the present time he has turned out 20 special issues. There were 10 of various denominations in the national parks series; 1 for the town of Newburgh, N. Y.; 2 for the Chicago exposition; 1 for the N. R. A.; 1 for Kosciusko; the *Graf Zeppelin* flight stamp; the Byrd "Little America" stamp; the Maryland commemorative stamp; the Mother's Day issue; and the Wisconsin Tercentenary stamp.

The president of the local chapter of the society in my own county informs me that he knows of collectors who have paid as high as $175 each for the imperforate stamps in pairs and in blocks. I have a letter written by Eugene Klein in Philadelphia, a dealer, offering for sale another stamp, the 2-cent Grand Canyon, imperforate, pair at $350, from one of the sheets given by the Postmaster General.

One of our colleagues has received the following letter from Mr. George R. M. Ewing, 52 Vanderbilt Avenue, New York City, commenting on the practice of the Postmaster General to which I have referred:

> Postmaster General Farley is presenting entire sheets of new stamps to some of his friends, including the President. These sheets are not perforated nor are they cut apart into small panes of 50 to 100 as we buy them in the post office. Consequently they constitute an entirely different variety of stamp from the perforated stamps sold in the post offices. It is absolutely impossible for any private citizen to buy any of these imperforate stamps. Consequently anyone getting one of these sheets pays Farley the face value and gets a sheet of stamps that is worth thousands of dollars in the philatelic market.
>
> As an example, several weeks ago I saw an unperforated sheet of Mother's Day stamps—200 stamps on the sheet (when cut into panes, we bought them in small panes of 50) and it bore the signature of Mr. Farley on one of the sheet margins. The sheet of stamps was sent to the Scott Stamp & Coin Co., 1 West Forty-seventh Street, New York City, for them to purchase and the owner asked $20,000 for the sheet. They cost 3 cents a stamp and he asked $100 a stamp from the dealers. The Scott Co. refused to buy the sheet and sent it back. They will not divulge the name of the owner to private individuals, but Hugh M. Clark (head of the Scott Co.) has twice requested the local postal authorities to send up an inspector to question him, and he would give the inspector the information. His invitation has been absolutely ignored to date.
>
> Not only sheets of Mother's Day issue but of every issue brought out under Farley's supervision has been distributed, and some day these are coming on the market—if not by the present holders, then by their estates—and stamp collectors are going to be forced to absorb United States stamps that they never had the opportunity to acquire when they were current. Naturally they will be forced to pay through the nose—as they are being asked to do at the present time.
>
> I, personally, have been offered blocks of the 4-cent national parks and the 8-cent national parks, imperforate (and these can only come from the presentation sheets) at $250 per stamp, $500 for a pair of stamps, and $1,000 for a block of four. They were offered to me by a dealer, and he said they were offered to him from a source in Washington in exchange for United States stamps that the owner desired for his collection. I refused to buy and the dealer later told me that he declined the order as he couldn't place the stamps at that price—but, a few days later, he received the same identical want list from a dealer in Washington. In other words, the owner found a Washington dealer he could do business with.
>
> So that you will not think that it is a case of "sour grapes" with me relative to these unperforated sheets, I want you to know that I own a pair of unperforated 2-cent national parks stamps that I bought from a dealer (Eugene Klein) in Philadelphia in September and paid him $250 for them. This was before I was aware of what was going on, and they were represented to me as having been found in a post office out West. If we succeed in getting the Department to issue these sheets unperforated, the value of my pair will drop from $250 to 4 cents; nevertheless I want to see it done.

It took comparatively little effort to ascertain that blocks of stamps which can only have been a part of the incomplete sheets such as were requisitioned by Mr. Farley have found their way into the hands of dealers in several parts of the country and are held for high prices to be sold to persons who can afford to buy.

Suppose if we give the present possessors of the sheets the benefit of the doubt, though we know single imperforate stamps, pairs, blocks, and sheets have more than once been offered for sale at high prices, there is nothing to prevent their heirs or estates after their death from placing them on the market. We know of instances where men have left nothing to their heirs but valuable stamp collections. On the auction block these have created huge fortunes. One of our late colleagues in the House is said to have left a collection of stamps valued at $1,000,000. Now, if a single sheet of 200 stamps, the face value of which with perforations is four to six dollars, is salable unperforated in the philatelic market for $20,000, a set of the 20 special and commemorative issues is worth $400,000. I am informed that the President has two such full sets, and Mr. Secretary Ickes has another, and from newspaper reports there are many others. From this it is easy to understand why there has been such a tempest raised among philatelists against this distribution by the Postmaster General.

The score of philatelic organizations which have passed resolutions condemning the distribution of imperforate sheets of commemorative stamp issues not available to the general public offer suggestions as to how to right the wrong which they feel has been done them. The first of these resolutions was adapted in July by the Westchester County Chapter and presented at the American Philatelic Society's convention as early as last August. The resolution asked the Post Office Department to discontinue the practice as detrimental to stamp collecting in that rare varieties of United States stamps were being created which would at some future time command exorbitant prices in the stamp market. The fears of the members were justified, for we now know that some of these stamps have already found their way into the hands of dealers and are being offered and sold for tremendous prices.

Again on January 18, 1935, the Westchester County Chapter No. 85, adopted a resolution asking the officers of the American Philatelic Society to call to the attention of the Post Office Department that the policy of issuing imperforate presentation sheets of stamps causes confusion and is "detrimental to the best interests of American philately." The members believe that the "practice has continued to the further detriment of collectors of the United States stamps, as some of those imperforate stamps have already been offered for sale and there is nothing to prevent any and all of them being offered at some future time." The resolution asks further that the Post Office Department recall and deliver to the Bureau of Engraving and Printing, for destruction, all such irregular and contraband productions. It was further resolved that a copy of the resolution be forwarded to President Roosevelt, a fellow member of the American Philatelic Society, with the request that he personally intervene in the matter in the interest of collectors in general and for the preservation of the credit of philately in the United States. This resolution was passed after it was absolutely authenticated several new stamps, including the Mother's Day and the national parks stamps, had been issued before being perforated and had found their way into the hands of dealers. The members, in adopting the resolution, felt that such issuances and practices have a strong tendency to cast suspicion that favoritism is practiced by the head of an important department of our Federal Government, who, like Caesar's wife, should be above and beyond suspicion.

In a poll taken by the National Federation of Stamp Clubs it was found that the clubs are unanimously against the policy of giving out imperforate sheets of stamps to favored individuals.

The practice of making presentations of these special varieties originated with the present administration. Before this time the Post Office Department and the Bureau of Engraving and Printing have zealously guarded against knowingly issuing any special varieties, and every precaution has been taken to see that no stamps were issued other than the regular common stamps available at the Philatelic Agency and in the post offices to the public.

The Bureau of Engraving and Printing, I find upon careful inquiry, acts merely as a manufacturer executing a contract. The Postmaster General, under the law, requisitions from the Bureau the quantity and type of stamps needed or desired and the Bureau executes the order.

In the case of the imperforate and ungummed stamps the Postmaster General specifically ordered them delivered to him unfinished, or if he did not do so by what authority were they issued? The Bureau of Engraving and Printing is extremely careful in the issuance of all stamps, that they be just as requisitioned and perfect in every way. The Director has no discretion in the matter. He carries out his instructions to the letter. If the Bureau of Engraving and Printing, in furnishing these special stamps to the Postmaster General, acted upon regular requisitions submitted by the Post Office Department in accordance with the established practice, that Bureau is, of course, without blame.

It was of interest to me to learn that the first United States stamps issued in 1847 in 5- and 10-cent denominations were imperforate. These were cut from sheets furnished to the post offices by the postmaster who sold them. There were also legitimate imperforate sheets of stamps issued by the Post Office Department subsequent to 1917 for use in vending machines. These were placed on sale in sheets of 100 at the Philatelic Agency and at post offices.

When sheets of imperforate Red Cross stamps were accidentally turned out several years ago, the error was discovered before the stamps were offered for sale and all copies were destroyed, the Post Office Department at that time having gone so far as to refuse the request of the Postal Museum for a sheet for its collection.

In 1929 or 1930 a sheet of the Von Steuben stamps, through an oversight, was issued without perforations. The Post Office Department immediately took steps to retrieve it, and 3 of the 4 panes were found and destroyed. Later the fourth was purchased in a small Texas city by a minister said to have been Leslie Boone. Mr. Boone, realizing its philatelic value, cut the sheet into blocks, which he offered for sale at $500 each.

In other years and in previous administrations such errors as imperforate sheets have been known to occur by accident, and in that event when discovered they were destroyed before being placed on sale. When errors were not detected, such as in 1917, when the die of a 5-cent stamp was placed in a sheet of 2-cent stamps, or in 1918, when the center of the 24-cent air mail stamp was inverted, the stamps were sold at regular face value before the discovery. These have, of course, attained high value since because of their rarity. A single air mail stamp with the plane printed upside down is known to have brought $3,200 at auction.

I am told that in Canada a few sheets of 2-cent King Edward stamps were blown out of a window before they were perforated. The Canadian Government promptly made an effort to retrieve them, and upon its failure to do so issued similar sheets of stamps without perforations.

In 1919 we know of another similar instance. This time imperforate sheets of Bavarian stamps were stolen. To offset their fictitious value the Bavarian Government printed and issued a whole set of imperforate sheets and placed them on public sale.

For some time Russia has issued perforate and imperforate sheets of stamps for the acknowledged purpose of creating a demand for both issues in the philatelic market. This is well known and frankly admitted to increase the sales of stamps to collectors.

How other governments have corrected their stamp abuses and problems is not our concern, however, except insofar as we wish to follow their example.

The question is not whether there is a law prohibiting a restricted distribution of incompletely manufactured or imperforate stamps but rather a question of whether the Postmaster General has authority under the law to issue or release any stamps for purposes other than strictly postal use. Many lawyers believe that he is only authorized to do those things authority for which is specifically given him in the statutes or the postal regulations. Clearly the Postmaster General's authority in regard to the issuance of postage stamps finds its source in the statutes and is limited to the issuance of stamps for postal purposes. The imperforate sheets under consideration were not released for postal purposes—Mr. Farley has so stated. He stated that they were given to his selected few friends as souvenirs of the occasions. There is nothing in the statutes or the postal regulations which authorizes the Postmaster General to engage in the souvenir-vending business. The United States of America is not in the souvenir business.

Small sheets of 6 and 25 stamps were issued on four occasions, beginning with July 14, 1933. These were not restricted in sale to the Postmaster General's selected friends, and in addition to the 200 and 400 subject sheets. In each instance an inscription on the margin of the small souvenir sheets stated—

Printed * * * under authority of James A. Farley, Postmaster General * * * in compliment to * * *.

In the several official circulars issued to postmasters throughout the country and in the Postal Bulletin the sheets were referred to as souvenir stamps, capable of serving postal duty but issued for the benefit of stamp collectors. No reference is made in the circulars as to the source of the Postmaster General's authority for issuing these souvenir sheets for purposes primarily other than postal uses.

The possible precedent of a somewhat similar sheet in connection with the International Philatelic Exhibition of October 1926 is not comparable with the 1933–34 souvenir sheets, since in the 1926 instance the stamps were fully perforated, gummed, and incapable of being distinguished from identical individual stamps on sale at all post offices.

Since the printing and distribution of the 1933–34 souvenir sheets and the accounting and distribution of them, as well as their sale, entailed an expenditure of Government funds, it might be interesting to obtain an opinion from the Comp-

troller General as to the propriety of the expenditures made. The fact that the sales may have netted a profit would not affect the legal question involved.

It is a fundamental concept that Government property and governmental facilities are public property and exist for the benefit of the public at large alone. The restricted or monopolistic use of Government property or facilities for private gain is abhorrent to the fundamental concept of popular government.

It is not at this time contended that the Postmaster General or any member of his staff received any private monetary reward for having made it possible for a selected few to obtain the sheets in question, but it is contended that through the exercise of his control of the great institution which has been intrusted to his management he has impressed certain Government property with great and extraordinary value. This property he has made available to the exclusive benefit of a few persons of his own individual selection.

This clearly is an indirect circumvention of that which is fundamental to popular government, namely, special privilege.

On February 1, I offered an amendment to the Treasury and Post Office appropriation bill, as follows:

Provided, That no part of the appropriation shall be used for the manufacture and distribution of any postage stamps that shall not be fully perforated and gummed and ready for sale at post offices or other places where postage stamps are sold—

which, if it had been adopted, would have specifically prohibited unusual distributions. Perhaps such unusual distributions made by the Postmaster General are already illegal, but this amendment would have cleared up any doubt on that question. The amendment, however, became, instead of a question of right and wrong, a partisan matter on the part of the Members on the other side of the aisle, and was voted upon as such. It consequently failed of passage. Perhaps some of those on the other side who voted against that amendment feel that no new legislation was necessary to make illegal practices of this character; and if there were Members of the House whose vote on the amendment was influenced by such consideration, I am sure they are taking a keen interest in this discussion.

Examining the resolution of inquiry which I presented last Monday, and which was before the Post Office Committee on February 5, and the reply of the Third Assistant Postmaster General, it is plain to be seen no more evasive reply was ever made. The Third Assistant Postmaster General does not answer a single question in my resolution. He does not state how many imperforate stamps have been issued; he does not give the names of the persons to whom they were issued.

The resolution asked:

1. Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department.

2. Whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public.

3. Whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public.

4. The name or names of officers or employees of the Post Office Department, if any, who have since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

The reply, which was not sent to the committee by Mr. Farley, but by his Third Assistant Postmaster General, is a masterpiece of evasion.

The Committee on the Post Office and Post Roads, to whom was referred the resolution (H. Res. 76) requesting information from the Postmaster General, having had the same under consideration, report it back to the House and recommend that the resolution do not pass.

The action of the committee is based upon the following informative letter from the Post Office Department:

POST OFFICE DEPARTMENT,
THIRD ASSISTANT POSTMASTER GENERAL,
Washington, February 4, 1935.

Hon. JAMES M. MEAD,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR MR. CHAIRMAN: Since January 1, 1933, 27 varieties of postage stamps have been issued by the Department. A list of these stamps, together with the quantities issued and made available for sale to the public, is attached (exhibit A).

All of these stamps, with the exception of the souvenir sheets, were made available to the public in sheets of either 50 or 100, according to the size of the stamp, which is the usual form in which they are distributed to postmasters. These sheets were perforated and gummed. The 1- and 3-cent Century of Progress souvenir sheets were in panes of 25 stamps, imperforated and ungummed; the souvenir sheets of the 3-cent Little America stamp were in panes of 6 stamps, imperforate and ungummed; the souvenir sheets of 1- and 3-cent national parks stamps were issued imperforate but gummed in panes of 6 stamps.

With the exception of the souvenir stamps, the sheets of stamps first come from the press in 200 subject form, imperforate, and ungummed. Since January 1, 1933, 98 of these sheets (including souvenir sheets) from 20 of the varieties have been presented to high Government officials as specimens of new issues. In filling an order for some stamps, through inadvertence, one of the large sheets was sold to a man in Norfolk, Va. He apparently exhibited this sheet to several dealers in New York and elsewhere and it has been the subject of a great deal of comment in philatelic circles, with a high valuation placed thereon. This man paid $6, or face value, for this sheet, which went out through error, and the Department is making an effort to recover it.

The records disclose that thousands of die proofs of newly issued stamps and sets of stamps, including those of the postage-due variety, have been given out by previous administrations. It has also been the custom of the Post Office Department during previous administrations to prepare several hundred albums containing specimens of the current issues to be given to the delegates to the international postal conventions. There exist, therefore, several precedents for the furnishing of specimens of stamps, and none of the sheets presented by this administration was in any wise intended for speculation or for sale. On the contrary, it seems that the publicity and complaint on the part of the collectors and philatelists has arisen mainly by reason of exhibition of this sheet of stamps by the man at Norfolk.

There has been no loss to the Government, and I am satisfied that the supposed value placed upon a sheet of these stamps is inflated and fictitious and is merely intended for purposes of criticism.

The Post Office Department has invariably adhered to a policy of providing commemorative stamps for sale to the public in such forms as to be readily usable for postage; that is to say, sheets of convenient size, perforated and gummed. The only deviation from this policy whatever has been the issuance of the small souvenir sheets in imperforate form in honor of philatelic gatherings of unusual importance.

Very respectfully,

C. B. EILENBERGER,
Third Assistant Postmaster General.

Postage stamps issued since Jan. 1, 1933

Description	Denomination	Number issued
	Cents	
General Oglethorpe	3	61,729,200
Proclamation of peace	3	73,382,400
Century of Progress	1	295,189,300
Do	3	304,379,300
Century of Progress souvenir sheets in panes of 25 stamps	1	11,588,050
Do	3	11,232,500
N. R. A. emergency	3	1,869,145,100
Gen. Thaddeus Kosciusko	5	41,429,200
Little America	3	26,300,800
Little America souvenir sheets in panes of 6 stamps	3	4,441,650
Maryland Tercentenary	3	42,092,700
Mother's Day	3	210,000,000
Wisconsin Tercentenary	3	65,000,000
National parks:		
Yosemite	1	80,000,000
Grand Canyon	2	75,000,000
Mount Rainier	3	85,000,000
Mesa Verde	4	15,000,000
Yellowstone	5	35,000,000
Crater Lake	6	15,000,000
Arcadia	7	15,000,000
Zion	8	15,000,000
Glacier	9	15,000,000
Smoky Mountains	10	20,000,000
National parks souvenir sheets in panes of 6 stamps:		
Yosemite	1	4,800,000
Mount Rainier	3	3,000,000
Zeppelin	50	3,260,000
Air mail—special delivery	16	10,000,000

Under the rules of the House a resolution of inquiry addressed to the head of one of the executive departments must be reported by the committee to which it is referred within a week. The committee made its report to the House on February 5; recommended that the resolution not pass on the basis of the information furnished by the Third Assistant

Postmaster General. The matter again became a purely partisan one, and the motion to lay the resolution on the table was carried.

In one respect at least the Third Assistant, Mr. Eilenberger, does not agree with his superior concerning the sheet of Mother's Day stamps offered for sale for $20,000 by the owner from Norfolk. Mr. Farley said:

> At the time of the Mother's Day stamp issuance I purchased five sheets of ungummed and imperforate stamps These sheets went to the President, Mrs. Roosevelt, Secretary Ickes, and Louis McHenry Howe, the President's Secretary. Also I presented one to a friend of mine in Norfolk, Va., and that probably was a mistake.

In his reply to the resolution the Third Assistant Postmaster General reports concerning the same sheet:

> In filling an order for some stamps, through inadvertence, one of the large sheets was sold to a man in Norfolk, Va.

Shall we believe the Postmaster General or shall we believe his Third Assistant?

By reason of the fact that the Postmaster General did not answer the questions put to him in the resolution of inquiry, I offered the following resolution, which was referred to the Committee on Rules:

> *Resolved*, That the Committee on the Post Office and Post Roads be, and it is hereby, authorized and directed to inquire into the sale and distribution of stamps by the Postmaster General and/or the Post Office Department through channels other than those provided by law or postal regulations for the sale of imperforate stamps to the public and to report to the House whether imperforate stamps, valuable by reason of their imperfections, have been distributed by the Postmaster General and/or officials of the Post Office Department, with the names of the persons to whom such stamps have been distributed and the prices, if any, paid therefor; and said committee shall have the power to subpena witnesses, administer oaths, and send for such papers as may be necessary to carry out the investigation herein authorized.

Within a few hours after its introduction I was informed that the Post Office Department had decided to take the one step possible to correct the abuse by placing on sale, through the Philatelic Agency in Washington, imperforate sheets of all issues of which imperforate specimen or souvenir sheets have already been run, and these will be printed in sufficient numbers to meet the request of all collectors.

Furthermore, orders have been issued that hereafter no sheets of any stamp will be allowed outside of the Bureau of Engraving and Printing except in the form in which the stamp is available to the public over the counter. It would appear from the order that such stamps have been allowed outside the Bureau, though the Third Assistant Postmaster General, in his reply to the committee, would have us understand differently. The order will, I hope, put an end to the abuse, whether it was intentional or otherwise, so that it may not happen again.

Notwithstanding the decision of the Post Office Department to print and place on public sale imperforate stamps in every way like those distributed by the Postmaster General, I am of the opinion that legislation should be enacted at this session of the Congress which will settle any doubt as to the legality of such a practice and put an end to it for all time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RUDD for 2 days on account of illness.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 58. A joint resolution to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 3 minutes p. m.) the House adjourned until tomorrow, Friday, February 8, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

201. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1935, to remain available until December 31, 1935, for the Department of Agriculture, Bureau of Entomology and Plant Quarantine, for the control of chinch bugs, amounting to $2,500,000 (H. Doc. No. 94); to the Committee on Appropriations and ordered to be printed.

202. A letter from the Secretary of War, transmitting report of an accumulation of documents and files of papers which are not needed nor useful in the transaction of the current business of the War Department; to the Committee on Disposition of Useless Executive Papers.

203. A letter from the Secretary of the National Institute of Arts and Letters, transmitting the report of the Institute covering 13 months; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JONES: Committee on Agriculture. H. R. 5440. A bill to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes; without amendment (Rept. No. 84). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 5227. A bill providing for the appointment of an additional justice of the United States Court of Appeals for the District of Columbia, and for other purposes; with amendment (Rept. No. 85). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 240. A bill for the relief of Capt. Alexander C. Doyle; without amendment (Rept. No. 76). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 318. A bill for the relief of Arthur Van Gestel, alias Arthur Goodsell; without amendment (Rept. No. 77). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 1119. A bill for the relief of Joseph W. Harley; without amendment (Rept. No. 78). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 1565. A bill for the relief of Frank R. Carpenter, alias Frank R. Carvin; without amendment (Rept. No. 79). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 1575. A bill to correct the military record of John S. Cannell, deceased; without amendment (Rept. No. 80). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 2485. A bill for the relief of William Estes; without amendment (Rept. No. 81). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 3787. A bill for the relief of Robert D. Hutchinson; without amendment (Rept. No. 82). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 3830. A bill for the relief of John H. D. Wherland, alias Henry Lowell; without amendment (Rept. No. 83). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS: A bill (H. R. 5495) to provide for entry upon public lands for the purpose of establishing health habitations; to the Committee on the Public Lands.

By Mr. DOUGHTON: A bill (H. R. 5496) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 5497) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes; to the Committee on Labor.

By Mr. HILDEBRANDT: A bill (H. R. 5498) to provide for loans to farmers in the United States for crop production, and for other purposes; to the Committee on Agriculture.

By Mr. MONAGHAN: A bill (H. R. 5499) to provide funds for cooperation with School District No. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children; to the Committee on Indian Affairs.

Also, a bill (H. R. 5500) to provide funds for cooperation with Joint School District No. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation; to the Committee on Indian Affairs.

By Mr. PETTENGILL: A bill (H. R. 5501) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. BACON: A bill (H. R. 5527) to amend the act entitled "An act to authorize production-credit associations to make loans to oyster planters", approved June 18, 1934; to the Committee on Agriculture.

By Mr. CLAIBORNE: A bill (H. R. 5528) to amend the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases", approved April 22, 1908; to the Committee on the Judiciary.

By Mr. McSWAIN: A bill (H. R. 5529) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace; to the Committee on Military Affairs.

By Mr. GREEVER: A bill (H. R. 5530) to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended; to the Committee on the Public Lands.

By Mr. STEAGALL: A bill (H. R. 5531) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. FLANNAGAN: A bill (H. R. 5532) to provide for the acquisition of a portrait of Thomas Walker Gilmer; to the Committee on Naval Affairs.

By Mr. LEMKE: A bill (H. R. 5533) to provide for the impounding, conserving, and making use of the unappropriated waters of the eastern slope of the Rocky Mountains, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. PETTENGILL: Resolution (H. Res. 103) requesting the Secretary of War to maintain a perpetual military guard at the Tomb of the Unknown Soldier; to the Committee on Military Affairs.

By Mr. WOLFENDEN: Resolution (H. Res. 104) to pay to Carolyn S. Breneman, daughter of the late Henry R. Breneman, 6 months' compensation and not to exceed $250 funeral expenses; to the Committee on Accounts.

By Mr. SHANLEY: Joint resolution (H. J. Res. 161) directing the President of the United States of America to proclaim November 11 of each year as a national memorial day for the observance and commemoration of the signing of the armistice; to the Committee on the Judiciary.

By Mr. WARREN: Joint resolution (H. J. Res. 162) relating to clerk hire of Members of the House, Delegates, and Resident Commissioners; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding amendments to the War Risk Insurance Act; to the Committee on World War Veterans' Legislation.

Also, memorial of the Legislature of the State of New York, regarding the Hamilton Avenue-Governors Island-Battery vehicular tunnel; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to provide relief for farmers in drought-stricken areas in Wisconsin; to the Committee on Agriculture.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding the mortgaging of vessels of less than 200 gross tons; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Arizona, urging immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, regarding the Townsend old-age-pension bill; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, urging passage of the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of New York: A bill (H. R. 5502) to authorize a preliminary examination and survey of Cayuga Creek and Little River, Niagara Falls, N. Y.; to the Committee on Rivers and Harbors.

By Mr. COLE of Maryland: A bill (H. R. 5503) authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

Also, a bill (H. R. 5504) granting a pension to Abbie V. Hull; to the Committee on Invalid Pensions.

By Mr. COLMER: A bill (H. R. 5505) for the relief of J. B. Herrington; to the Committee on Claims.

By Mr. CROSS of Texas: A bill (H. R. 5506) for the relief of Sterling Fisher Lamb; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 5507) granting an increase of pension to Ellen Jones; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 5508) extending the time for consideration of application for retirement of Otis L. Sims under the Emergency Officers' Retirement Act; to the Committee on Military Affairs.

By Mr. GEHRMANN: A bill (H. R. 5509) for the relief of Carl C. Christensen; to the Committee on Claims.

By Mr. GILLETTE: A bill (H. R. 5510) for the relief of Alva A. Murphy; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 5511) granting a pension to Ella May Farris; to the Committee on Invalid Pensions.

By Mr. HEALEY: A bill (H. R. 5512) for the relief of John Francis Prendergast; to the Committee on Naval Affairs.

By Mr. KING: A bill (H. R. 5513) for the relief of Ralph E. Woolley; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 5514) granting a pension to Julia A. Taylor; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 5515) directing the conveyance of certain lands in Alaska to Herman Hoppell; to the Committee on the Public Lands.

By Mr. McKEOUGH: A bill (H. R. 5516) authorizing the President to issue a posthumous commission as second lieutenant, Air Corps Reserve, to Archie Joseph Evans, deceased, and to present the same to Maj. Argess M. Evans, father of

the said Archie Joseph Evans, deceased; to the Committee on Military Affairs.

Also, a bill (H. R. 5517) granting a pension to Annie Marie Swingle; to the Committee on Invalid Pensions.

By Mr. PETERSON of Georgia: A bill (H. R. 5518) for the relief of George Tatum; to the Committee on Military Affairs.

By Mr. PETTENGILL: A bill (H. R. 5519) for the relief of James O. Kurtz; to the Committee on Military Affairs.

By Mr. SADOWSKI: A bill (H. R. 5520) for the relief of Lukasz Komajda; to the Committee on Claims.

By Mr. SOMERS of New York: A bill (H. R. 5521) for the relief of Frank Williams; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 5522) for the relief of Robert J. Smyth, Jr.; to the Committee on Naval Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 5523) for the relief of A. H. Sphar; to the Committee on Claims.

By Mr. TAYLOR of South Carolina: A bill (H. R. 5524) for the relief of W. H. Hughs; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 5525) for the relief of George Current; to the Committee on Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 5526) granting an increase of pension to Elijah W. Morgan; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

907. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, urging legislation to provide that a mortgage on vessels of the United States of smaller tonnage than 200 tons shall have the same priority over liens as vessels of 200 tons or upwards; to the Committee on Merchant Marine, Radio, and Fisheries.

908. By Mr. AYERS: Resolution of Order of Benefit Association of Railway Employees, Livingston Division, No. 39, Livingston, Mont., requesting enactment of legislation to modify the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

909. By Mr. BUCKLER of Minnesota: Petition of Arthur Isakson and Mary Peterson, of Deer Creek, and about 578 other citizens of the communities of Henning, Vining, Hewitt, Deer Creek, New York Mills, Fergus Falls, Battle Lake, Ottertail, Richville, Clitheral, Parkers Prairie, and Almora, all of the State of Minnesota, praying for passage into law of the Townsend old-age-pension plan; to the Committee on Ways and Means.

910. Also, petition of Orville Kruschke, secretary-treasurer, and members of the Sunnyside Local, No. 18, of Breckenridge, Minn., a unit of the Minnesota Farmers Union, praying for the rectification of the discrimination against cooperative elevators in the storage of relief seed and feed grains in the Northwest; to the Committee on Ways and Means.

911. By Mr. CANNON of Missouri: Petition of the St. Louis (Mo.) Medical Society, urging legislation to control the use of narcotic substances derived from the hemp plant; to the Committee on the Judiciary.

912. By Mr. CRAVENS: Petition of citizens of Crawford, Sebastian, Scott, Logan, Polk, Montgomery, Pike, Howard, Sevier, Little River, and Miller Counties, Ark., asking enactment of the old-age-pension legislation; to the Committee on Ways and Means.

913. By Mr. CULKIN: Petition of the Senate of the State of New York, requesting that the Hamilton Avenue-Governors Island-Battery vehicular tunnel project be included in the Federal works program; to the Committee on Appropriations.

914. Also, petition of the Senate of the State of New York, requesting hay and roughage for the farmers in the drought-stricken counties of western and northern New York; to the Committee on Agriculture.

915. By Mr. HOEPPEL: Resolution of the city council of the city of Pomona, Calif., endorsing the Townsend old-age revolving pension plan and urging that it be enacted into law; to the Committee on Ways and Means.

916. By Mr. HULL: Resolution of the Wisconsin State Legislature, memorializing the Congress of the United States to provide relief for farmers in drought-stricken agricultural areas in Wisconsin; to the Committee on Agriculture.

917. By Mr. LAMNECK: Petition of Howard Powell, of 2421 Southway Drive, and other citizens of Columbus, Ohio, urging for the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

918. By Mr. LUNDEEN: Petition of officials and other citizens of Yellow Medicine County, Minn., urging that seed be given to farmers, and that payment be made in kind, bushel for bushel, one-half to be paid to the Government from the 1935 crop and one-half to be paid to the Government from the 1936 crop, farmers to pay handling charge; to the Committee on Agriculture.

919. Also, petition of the City Council of Duluth, Minn., favoring further legislation for the continuation of the Home Owners' Loan Corporation activities; to the Committee on Appropriations.

920. Also, petition of the North Como Improvement and Protective Association of St. Paul, Minn., urging the creation of a central national bank, the issuance of currency by the National Government, the abolition of tax-exempt securities, the retiring of interest-bearing bonds by currency or non-interest-bearing bonds, the revision of the National Recovery Act to protect labor, the temporary continuation of public works on a large scale, the development of the Mississippi Valley, continuation of slum eradication, the abolition of holding companies for public utilities; to the Committee on Banking and Currency.

921. Also, petition of the Lac qui Parle County Farmers' Union, Minn., urging the investigation of the Bowman formula for eradicating Bang's disease in herds; to the Committee on Agriculture.

922. By Mr. MARTIN of Massachusetts: Memorial of the Great and General Court of Massachusetts, favoring legislation to assist the fishing industry; to the committee on Merchant Marine, Radio, and Fisheries.

923. By Mr. MARTIN of Colorado: Petitions of residents of Colorado, in behalf of House bill 2858, by Representative ROGERS of Oklahoma, providing a national system of old-age pensions (the Pope plan); to the Committee on Ways and Means.

924. By Mr. MEAD: Petition of the National Building Granite Quarries Association of New York, regarding the deplorable condition of the granite industry; to the Committee on Labor.

925. Also, petition of the Order of Benefit Association of Railroad Employees, Buffalo, N. Y., Division No. 84, recommending the passage of the Pettengill bill (H. R. 8100); to the Committee on Interstate and Foreign Commerce.

926. By Mr. MERRITT of New York: Memorial of the Legislature of the State of New York to the United States Congress, urging that consideration be given to amendments to the War Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk insurance policy in the exact proportionate amount of his disability rating for compensation purposes, etc.; to the Committee on World War Veterans' Legislation.

927. By Mr. MILLER: Petition of J. W. Rich and other citizens of Prairie County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

928. Also, petition of Florence McCullugh and other citizens of Fulton County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

929. Also, petition of Walter M. Cross and other citizens of Stone County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

930. Also, petition of Georgia Bailey and other citizens of Jackson County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

931. Also, petition of Mrs. M. J. Carter and other citizens of Lawrence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

932. Also, petition of B. Z. Webb and other citizens of Independence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

933. Also, petition of R. L. Baker and other citizens of Randolph County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

934. By Mr. PFEIFER: Senate Concurrent Resolution No. 33 of the Senate of the State of New York, Albany, favoring a vehicular tunnel from Hamilton Avenue, Brooklyn, to lower Manhattan via Governors Island, such project to be included in the Federal public works; to the Committee on Appropriations.

935. Also, Senate Concurrent Resolution No. 38 of the Senate of the State of New York, Albany, memorializing the Congress to give consideration to amendments to the War Risk Insurance Act; to the Committee on World War Veterans' Legislation.

936. Also, Senate Concurrent Resolution No. 28 of the Senate of the State of New York, Albany, memorializing the United States Department of Agriculture to make available to the several drought-stricken counties of western and northern New York sufficient hay and other roughage so that the farmers of such counties may maintain their herds for the rest of the winter; to the Committee on Agriculture.

937. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, urging leglislation that will assist and preserve the fishing industry of the United States; to the Committee on the Judiciary.

938. By Mr. SADOWSKI: Petition of the Czechoslovak mass meeting, February 2, 1935, favoring the Workers' Unemployment and Social Insurance Act; to the Committee on Ways and Means.

939. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin memorializing the Congress of the United States to provide relief for farmers in drought-stricken areas in Wisconsin; to the Committee on Agriculture.

940. By Mr. STARNES: Petition of citizens of the Fifth Congressional District of Alabama, endorsing House bill 2856; to the Committee on Ways and Means.

941. By Mr. SUTPHIN: Petition of the New Jersey Association of Credit Men, urging that no action be taken to change the monetary base; to the Committee on Coinage, Weights, and Measures.

942. Also, petition of the board of directors of the Verhovay Aid Association, Pittsburgh, Pa., concerning bills introduced in Congress providing for unemployment insurance, old-age insurance, and sick-benefit insurance, and for legislation abolishing sweat shops and child labor; to the Committee on Ways and Means.

943. By Mr. TARVER: Petitions of Charley M. West and 18 other citizens of Walker County, D. A. Epperson and 11 other citizens of Murray County, J. C. Campbell and 19 other citizens and John Massey and 14 other citizens of Dade County, W. S. Brown and 18 other citizens and Tilda Ewing and 14 other citizens of Haralson County, and Frostic Pistom and 7 other citizens of Floyd County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

944. By Mr. TAYLOR of Colorado: Petition of citizens of Chaffee County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

945. Also, petition of residents of Mancos, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

946. Also, petition of residents of Pagosa Springs, Colo., urging the enactment of House bill 2856 for an old-age pension; to the Committee on Ways and Means.

947. Also, petition of citizens of Mesa County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

948. Also, petition of citizens of La Plata County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

949. Also, petition of citizens of Delta County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

950. By Mr. TRUAX: Petition of the Ashtabula County Democratic Executive Committee, by their chairman, R. J. Goggin, requesting the immediate payment of the adjusted-service certificates to the ex-service man; to the Committee on Ways and Means.

951. Also, petition of Raymond S. Smith and other farmers of Champaign County, Ohio, urging and demanding the passage of the cost of production and the Frazier-Lemke refinance bill, as they feel that these are the only measures that will help the farmer and cut the strangle hold that the monetary system has on agriculture; to the Committee on Agriculture.

952. Also, petition of Owsie Ellis and other citizens of Powhatan Point, Ohio, demanding that Congress enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum, as embodied in House bill 2856, introduced by Representative WILL ROGERS of Oklahoma, embracing a Federal pension of $30 to $50 per month to every man and woman above the age of 55, financed on a contributory basis, or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pension; to the Committee on Labor.

953. Also, petition of Summit County Distressed Property Owners Association, of Akron, Ohio, by their president, L. C. Washburn, demanding that Congress in any amendment appropriating more funds for the Home Owners' Loan Corporation eliminate the institutional amendment of April 23, 1934, and the distress of the individual mortgagor be made the sole test of eligibility; to the Committee on Appropriations.

954. Also, petition of Mrs. Georgia McDowell and other citizens of Cleveland, Ohio, demanding that Congress enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Non-Partisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS of Oklahoma; to the Committee on Labor.

955. By Mr. WELCH: Assembly Joint Resolution No. 6 of the California State Legislature, memorializing the President and Congress to carefully consider what is known as the "Townsend plan of old-age revolving pension"; to the Committee on Ways and Means.

956. Also, resolution adopted by Board of Supervisors of the City and County of San Francisco, memorializing Congress to hear proponents of Townsend old-age revolving pension plan; to the Committee on Ways and Means.

957. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, urging the enactment of legislation authorizing the Reconstruction Finance Corporation to make loans to owners of fishing vessels of less than 200 tons in need of financial assistance; to the Committee on Banking and Currency.

958. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to provide relief for farmers in drought-stricken agricultural areas in Wisconsin; to the Committee on Agriculture.

959. By Mr. ENGLEBRIGHT: Petitions favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

960. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on Banking and Currency.

961. Also, petition of the Washington Camp, No. 92, Pennsylvania Patriotic Order Sons of America; to the Committee on Military Affairs.

962. Also, petition of the Central Labor Union, Columbia, Pa.; to the Committee on the Judiciary.

963. Also, petition of the Knights of Civilization, San Francisco, Calif.; to the Committee on Ways and Means.

SENATE

FRIDAY, FEBRUARY 8, 1935

(Legislative day of Thursday, Feb. 7, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MILLARD E. TYDINGS, a Senator from the State of Maryland, and ERNEST W. GIBSON, a Senator from the State of Vermont, appeared in their seats today.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, February 7, 1935, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Ashurst	Copeland	Lewis	Russell
Austin	Costigan	Logan	Schall
Bachman	Couzens	Lonergan	Schwellenbach
Bailey	Cutting	Long	Sheppard
Bankhead	Davis	McAdoo	Shipstead
Barbour	Dieterich	McCarran	Smith
Barkley	Donahey	McGill	Steiwer
Bilbo	Duffy	McNary	Thomas, Okla.
Black	Fletcher	Maloney	Thomas, Utah
Bone	Frazier	Metcalf	Townsend
Borah	George	Minton	Trammell
Brown	Gerry	Moore	Truman
Bulkley	Gibson	Murphy	Tydings
Bulow	Glass	Murray	Vandenberg
Burke	Gore	Neely	Van Nuys
Byrd	Hale	Norbeck	Wagner
Byrnes	Harrison	Norris	Walsh
Capper	Hastings	Nye	Wheeler
Caraway	Hatch	O'Mahoney	White
Carey	Hayden	Pope	
Clark	Johnson	Radcliffe	
Connally	King	Reynolds	

Mr. LEWIS. I announce the absence of the Senator from Pennsylvania [Mr. GUFFEY] and of the Senator from Nevada [Mr. PITTMAN], who are necessarily detained, and also the absence of the junior Senator from Louisiana [Mr. OVERTON], caused by illness.

Mr. AUSTIN. I desire to announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent, and that the Senator from New Hampshire [Mr. KEYES] is unavoidably detained.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

ADMINISTRATION OF OATH TO SENATOR-ELECT M'KELLAR

Mr. BACHMAN. Mr. President, I desire to announce that the Senator-elect from Tennessee [Mr. MCKELLAR] is present in the Chamber. His credentials have been presented and filed, and he is now prepared to take the oath of office.

The VICE PRESIDENT. The Senator-elect will present himself at the desk and the oath of office will be administered.

Mr. MCKELLAR, escorted by Mr. BACHMAN, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

CLAIMS OF OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to claims of certain officers and employees of the Foreign Service of the United States for reimbursement of losses sustained by them by reason of catastrophes, war, and other causes during or incident to their service in foreign countries.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve these officers and employees of the Government of the burden these losses have occasioned.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1935.*

(Enclosures: Report of the Secretary of State, with enclosures.)

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of War, transmitting, pursuant to law, a list of documents and papers on the files of the War Department which are not needed in the conduct of business and have no permanent value or historical interest, and asking for action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SHEPPARD and Mr. CUTTING members of the committee on the part of the Senate.

REVISED LAWS OF HAWAII, 1935

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, transmitting copy of the Revised Laws of Hawaii, 1935, which laws are subject to the approval of the Legislature of Hawaii, convening on the 20th instant, which, with the accompanying document, was referred to the Committee on Territories and Insular Affairs.

NOVEMBER REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Federal Emergency Relief Administration, transmitting, pursuant to law, the report of that Administration covering the month of November 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Commerce:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

RESOLUTIONS IN BEHALF OF THE FISHING INDUSTRY

Whereas the Congress of the United States has enacted legislation authorizing loans by the Reconstruction Finance Corporation to industrial enterprises in need of financial assistance; and

Whereas the fishing industry of Massachusetts and other States is also seriously in need of such assistance; and

Whereas under the present statutes of the United States a valid mortgage having priority over subsequently accruing liens may be executed and recorded covering vessels of 200 gross tons and upwards only, and accordingly no adequate security can be given by the owners of fishing vessels of less than 200 tons to the Reconstruction Finance Corporation for any loans which they may require: Therefore, be it

Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation which will provide that a mortgage on vessels of the United States of smaller tonnage than 200 tons shall have the same priority over such liens as vessels of 200 tons or upwards, or such other legislation as it may deem necessary, to the end that the fishing industry of the United States may be assisted and preserved; and be it further

Resolved, That certified copies of these resolutions be sent by the secretary of the Commonwealth to the presiding officers of both branches of the Congress and to each of the Senators and Representatives from this Commonwealth.

In senate, adopted January 30, 1935.

In house of representatives, adopted in concurrence February 1, 1935.

A true copy.

Attest:

[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Finance:

Assembly Joint Resolution 6

Adopted in assembly January 18, 1935.

ARTHUR A. OHNIMUS,
Chief Clerk of the Assembly.

Adopted in senate January 22, 1935.

J. A. BEEK,
Secretary of the Senate.

This resolution was received by the Governor this 26th day of January, A. D. 1935, at 1:30 o'clock p. m.

MARK LEE MEGLADDERY, JR.,
Private Secretary of the Governor.

CHAPTER 30

Assembly Joint Resolution No. 6, relative to memorializing the President and Congress to carefully consider what is known as the "Townsend plan of old-age revolving pension"

Whereas the care of the dependent aged has become so great a financial burden to some States that the economic welfare and stability of such States are seriously affected and even threatened; and

Whereas the problem of the care of the dependent aged has recently attained major proportions throughout the Nation, owing largely to the increasing mechanization of our industrial system and to the fact that the economic depression has destroyed the financial independence of a large number of our people, including even those who had prudently prepared for the time when they could no longer earn a livelihood; and

Whereas it seems wise to retire from industry and business those whose efficiency is declining because of advancing old age, thus giving more opportunity for employment and advancement to younger workers; and

Whereas experience has shown that when ownership of property disqualifies the owner for receipt of an old-age pension, a serious injustice is effected and a penalty imposed upon those whose prudence and thrift has led them to prepare for old age by investment in a home or other small holdings, but who have no income with which to support themselves and to preserve their property, particularly since there is often no market for the property; and

Whereas Dr. F. E. Townsend, of Long Beach, Calif., has devised a plan commonly known as the "Townsend plan of old-age revolving pension"; and

Whereas the President of the United States has recognized the responsibility of the Federal Government in this matter, and has indicated that he will recommend to the Congress of the United States, at its next session, that there be legislation bearing on this problem: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the President and the Congress of the United States is hereby respectfully urged to carefully consider the enactment of an old-age-pension law and to study the Townsend plan of old-age revolving pension; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully urged to study such legislation.

EDWARD CRAIG,
Speaker of the Assembly.
GEO. J. HATFIELD,
President of the Senate.

Attest:

[SEAL]

FRANK C. JORDAN,
Secretary of State.

Endorsed: Filed in the office of the Secretary of State of the State of California, January 26, 1935, at 4:15 o'clock p. m.

FRANK C. JORDAN,
Secretary of State.
By CHAS J. HAGERTY,
Deputy.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Finance:

A concurrent resolution petitioning the Congress of the United States and President Franklin D. Roosevelt, respectfully, to pass and approve an adequate old-age pension act

Whereas there are several million persons in the United States who by reason of old age and destitute circumstances have no means of support; and

Whereas many of the local communities which in the past have carried the burden of supporting the aged and destitute are no longer able to do so by reason of the economic depression prevailing throughout the United States; and

Whereas the National Government possesses taxing powers not possessed by the States and can levy taxes uniformly throughout the United States, which cannot be evaded by removal of property or business from one State to another; and

Whereas by reason of this Nation-wide taxing power the National Government can, better than the States, carry the burden of an adequate old-age pension law; and

Whereas an adequate old-age pension law is urgently needed to provide for the aged who are in need of help: Therefore be it

Resolved, by the Senate of the State of Minnesota (the house of representatives concurring), That we respectfully petition the Congress of the United States and President Franklin D. Roosevelt, respectfully, to pass and approve an adequate old-age pension act; be it further

Resolved, That the secretary of state be instructed to send copies of this resolution to the Honorable Franklin D. Roosevelt, President of the United States; the Honorable John N. Garner, Vice President of the United States; the Honorable Joseph Byrns, Speaker of the House of Representatives of the United States; and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

HJALMAR PETERSEN,
President of the Senate.
GEORGE W. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 31st day of January 1935.

G. H. SPAETH,
Secretary of the Senate.

Passed the house of representatives the 1st day of February 1935.

JOHN I. LEVIN,
Chief Clerk House of Representatives.

Approved February 5, 1935.

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed February 5, 1935.

MIKE HOLM, *Secretary of State.*

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original resolution in my office of S. F. No. 14, being Resolution No. 6, Laws 1935, and that said copy is a true and correct transcript of said resolution and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 6th day of February, A. D. 1935.

[SEAL] MIKE HOLM, *Secretary of State.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Public Buildings and Grounds:

Joint resolution memorializing Congress to use granite and natural stone in the construction of public buildings

Whereas the Federal Government is contemplating an extensive public-works program, under which many public buildings will be erected throughout the United States; and

Whereas the present status of unemployment in the granite and stone industries in the State of Minnesota and other granite- and stone-producing States is deplorable, it being estimated that from 80 to 85 percent of granite and stone employees are on Federal relief; and

Whereas the greater portion of the cost of finished granite and stone is incurred by labor; and

Whereas the quality and durability of granite and stone buildings unquestionably excels that of buildings constructed of inferior materials; and

Whereas from the standpoint of economy and prudent policy it is advisable that lasting and durable materials be used in the construction of public buildings: Now, be it therefore

Resolved by the Senate of the State of Minnesota (the house of representatives concurring), That Congress be respectfully urged and petitioned to enact legislation, or to otherwise take appropriate action to require that granite and natural stone be used in the construction of public buildings to be erected under the public-works program; and that the secretary of state be in-

structed to send copies of this resolution to the President, Vice President, Secretary of the Treasury of the United States, and to the Members of Congress from the State of Minnesota.

HJALMAR PETERSEN,
President of the Senate.
GEORGE W. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 1st day of February 1935.

G. H. SPAETH,
Secretary of the Senate.

Passed the house of representatives the 1st day of February 1935.

JOHN I. LEVIN,
Chief Clerk House of Representatives.

Approved February 5, 1935.

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed February 5, 1935.

MIKE HOLM,
Secretary of State.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original resolution in my office of S. F. No. 345, being Resolution No. 7, Laws 1935, and that said copy is a true and correct transcript of said resolution and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 6th day of February, A. D. 1935.

[SEAL]

MIKE HOLM,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Special Committee on Investigation of the Munitions Industry:

STATE OF WISCONSIN.

Joint resolution memorializing Congress to continue investigation into activities of munition manufacturers and to publish the findings and recommendations of the Senate committee thereon

Whereas the Senate investigating committee, inquiring into the activities of munition interests, has uncovered many selfish and treacherous methods indulged in by such interests to stimulate wars and preparations for wars; and

Whereas munition manufacturers amassed enormous profits from sales of munitions to the several countries engaged in the World War, and in many instances increased their annual profits from $5,000,000 to $50,000,000 while nations were being crushed and peoples destroyed with their own deadly products; and

Whereas since the World War these same munition concerns, in order to perpetuate war profits, have unscrupulously, contrary to the public good, and in order to defeat world-wide efforts for universal peace, promoted propaganda through subsidized newspapers and periodicals throughout the Nation and the civilized world, breeding malevolence, mistrust, and anxiety among peoples of nations; and

Whereas these interests have been active in Federal Army and Navy affairs for business aggrandizement; and

Whereas the facts regarding such activities of munition manufacturers are of vital interest and importance to the American public, and have not been publicized sufficiently to enlighten the reading public thereon; and

Whereas the investigation of the munition manufacturers has not sufficiently disclosed the foul and inhumane tactics by them resorted to in promoting munition sales and profits to enable Congress to intelligently and effectually provide ways and means to stop the evil practices herein related: Therefore, be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin respectfully memorializes the Congress of the United States to promptly authorize the Senate investigating committee inquiring into activities of munition manufacturers to continue such investigation and to publish in the CONGRESSIONAL RECORD, or in such other manner as will reach the reading public, the substance of the findings and recommendations of the committee thereon; and be it further

Resolved, That properly attested copies of this resolution be sent to both Houses of the Congress of the United States and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, favoring the prompt enactment of legislation providing for the immediate cash payment of veterans' adjusted-service certificates, with cancelation of accrued interest and refund of interest paid, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. DUFFY, p. 1764.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring inclusion in the Federal Public Works program of the Hamilton Avenue-Governors Island-Battery vehicular tunnel project, which was referred to the Committee on Appropriations.

(See concurrent resolution printed in full when presented today by Mr. COPELAND, p. 1765.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of new income-tax laws or such other suitable and appropriate legislation as will remove entirely the profit to all persons, firms, and corporations from any future war in which the United States may be engaged, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. BAILEY, p. 1764.)

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from Winter Capitol Lodge, No. 595, Improved Benevolent and Protective Order of Elks of the World, New Orleans, La., praying for the prompt enactment of the so-called "Costigan-Wagner antilynching bill", which was referred to the Committee on the Judiciary.

Mr. BAILEY presented the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Agriculture and Forestry:

Resolution 15

Joint resolution requesting that the Congress of the United States, without further delay, pass the Frazier-Lemke farm-refinance bill (S. 212 and H. R. 2066)

Whereas unless immediate relief is given, hundreds and thousands of additional farmers will lose their farms and their homes, and millions more will be forced into our cities and villages, and the army of the unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness, and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas the Frazier-Lemke refinance bill, being S. 212 and H. R. 2066, in the Congress of the United States, provides for the liquidating and refinancing of agricultural indebtedness at a reduced rate of interest through the Farm Credit Administration and the Federal land banks; and

Whereas the Frazier-Lemke bill has the endorsement of 22 State legislatures, and in addition the lower houses of the States of New York and Delaware, and of many commercial clubs, chambers of commerce, bank organizations, and of business and professional men and women, as well as the great majority of the farmers of this Nation; and

Whereas the enactment of this bill will have a vital effect not only upon agriculture but upon all classes of industry; and

Whereas agriculture is the basic industry of this country, and there can be no recovery until agriculture is put upon a sound basis: Now, therefore, be it

Resolved by the house of representatives (the senate concurring),

SECTION 1. That it is the sense of your memorialists, the members of the General Assembly of the State of North Carolina, that the Congress of the United States should enact the Frazier-Lemke bill without further delay.

SEC. 2. That a copy of this memorial, duly authenticated, be sent by the secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator LYNN J. FRAZIER and Congressman WILLIAM LEMKE.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

In the general assembly, read three times, and ratified this the 31st day of January 1935.

A. H. GRAHAM,
President of the Senate.
R. G. JOHNSON,
Speaker of the House of Representatives.

Examined and found correct.

L. W. LEGGETT, *for Committee.*

Mr. BAILEY also presented the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Finance:

Resolution 17

Joint resolution of the house of representatives and the senate memorializing the Congress of the United States of America to enact legislation to take the profit out of war

Be it resolved by the house of representatives (the senate concurring)—

SECTION 1. That the General Assembly of the State of North Carolina do memorialize the Congress of the United States of America to take action by the passage of new and additional income-tax laws or such other suitable and appropriate legislation as will, in the judgment of that honorable body, remove entirely the profit to all persons, firms, and corporations from any future war in which the United States of America may be engaged.

SEC. 2. That this resolution and the record of its adoption be transmitted through the usual and appropriate channel to the Congress of the United States of America.

In the general assembly, read three times and ratified this the 7th day of February 1935.

A. H. GRAHAM,
President of the Senate.
R. G. JOHNSON,
Speaker of the House of Representatives.

Examined and found correct.

J. D. BLANTON, *for Committee.*

Mr. METCALF. Mr. President, I present two resolutions adopted by the General Assembly of the State of Rhode Island, one recommending immediate payment of adjusted-service certificates and the other praying for the relief of the textile industry.

The VICE PRESIDENT. The resolutions will be received, printed in the RECORD, and appropriately referred.

To the Committee on Finance:

STATE OF RHODE ISLAND, ETC.,
IN GENERAL ASSEMBLY,
January Session, A. D. 1935.

Resolution of the general assembly recommending to Congress the passage of legislation providing for the payment of adjusted-service certificates at their face value (passed Jan. 30, 1935)

Whereas there is pending in the Congress of the United States certain bills providing for the payment of adjusted-service certificates at their face value; and

Whereas the passage of such legislation would be of considerable benefit to the soldiers, sailors, and marines who served in the World War; and

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief: Therefore be it

Resolved, That the general assembly respectfully requests the Senators and Representatives of Rhode Island in the Congress of the United States to give their earnest support to said bills and to use their efforts to secure the early passage of this legislation by the Senate and House of Representatives of the United States; and be it further

Resolved, That copies of this resolution be transmitted by the secretary of state to the Senators and Representatives of Rhode Island in the Congress of the United States.

To the Committee on Manufactures:

STATE OF RHODE ISLAND, ETC.,
IN GENERAL ASSEMBLY,
January Session, A. D. 1935.

Resolution requesting the Senators and Representatives of Rhode Island in the Congress of the United States to use their efforts to secure the passage of legislation which will ameliorate suffering caused by textile conditions in this State (passed Jan. 30, 1935)

Whereas the unsatisfactory conditions in the textile industry are a cause of great distress in Rhode Island and the lack of work imposes a heavy burden upon the relief agencies in the State; and

Whereas Federal legislation is needed to correct the conditions in the textile industry and to ameliorate suffering: Therefore be it

Resolved, That the general assembly respectfully requests the Senators and Representatives of Rhode Island in the Congress of the United States to take such steps as will remedy the conditions now existent in the State; and be it further

Resolved, That copies of this resolution be transmitted by the secretary of state to the Senators and Representatives of Rhode Island in the Congress of the United States.

Mr. DUFFY presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

STATE OF WISCONSIN.

Joint resolution relating to the immediate cash payment of the veterans' adjusted-service certificates and the cancelation of accrued interest and refund of interest paid thereon

Whereas in the Soldiers' Bonus Act of 1924 the United States Government promised the men who served this country during the World War, at a wage of $1 per day, that the pecuniary losses which they sustained through this service would be partially compensated; but this debt, due and owing now for 11 years, still remains unpaid; and

Whereas the Government of the United States is now definitely committed to the policy of spending public money for the purposes of relieving human suffering and stimulating business and industry; and

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public; provide relief for the holders thereof who are in dire need and distress because of the unfortunate economic conditions; and lighten the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will discharge and retire an acknowledged contract obligation of the Government: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin respectfully memorialize the Congress of the United States to promptly enact legislation providing for the immediate cash payment of the veterans' adjusted-service certificates, with cancelation of accrued interest and refund of interest paid; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. DUFFY also presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on the Judiciary:

Joint resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorializes the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the Congress: Be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and to each United States Senator and Representative from Wisconsin.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. DUFFY also presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

STATE OF WISCONSIN.

Joint resolution requesting the Congress of the United States to advise the Legislature of Wisconsin as to the effect upon Congress of resolutions memorializing that body

Whereas during past sessions of the legislature, both regular and special, a large number of resolutions have been adopted memorializing the Congress of the United States to take certain action or to refrain from taking certain action on many and diverse subjects; and

Whereas such resolutions have not only increased to a considerable extent the printing bill of the legislature but also have consumed much valuable time; and

Whereas many members of the legislature feel that such resolutions have little, if any, effect upon the Congress of the United States: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature respectfully seek the advice of the Congress of the United States as to what, if any, benefit that body derives from the numerous resolutions which are forwarded to it from the legislature of this State, and respectfully requests the Presiding Officer or Chief Clerk of each of the Houses of Congress to give the advice herein requested to this legislature; be it further

Resolved, That properly attested copies of this resolution be forwarded to the Presiding Officers of both Houses of the Congress and to each Wisconsin Member thereof.

THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. COPELAND presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Appropriations:

STATE OF NEW YORK,
IN SENATE,
Albany, January 29, 1935.

Senate Concurrent Resolution 33 (by Mr. Howard)

Whereas the increasing traffic congestion in the areas in the city of New York now served in part by the Brooklyn Bridge requires immediate relief; and

Whereas large numbers of the residents and business enterprises in the Borough of Brooklyn and in the Borough of Manhattan are greatly inconvenienced because of inadequate transit facilities; and

Whereas the construction of a vehicular tunnel from Hamilton Avenue, Brooklyn, to lower Manhattan, via Governors Island, would afford such much-needed relief; and

Whereas this important public improvement is urgently needed and will afford employment to large numbers of our cititzens to the great benefit of the city and State of New York: Now, therefore, be it

Resolved (if the assembly concur), That the Hamilton Avenue-Governors Island-Battery vehicular tunnel project should be included in the Federal public works now being formulated by the Federal Government, and the Secretary of the Interior of the United States and all other public officials and duly constituted bodies having control of all or part of such Public Works program are hereby respectfully urged to take appropriate action to include such tunnel project therein; and be it further

Resolved (if the assembly concur), That a copy of this resolution be transmitted to the Secretary of the Interior, the Clerk of the House of Representatives, the Secretary of the United States Senate, and to each United States Senator and Member of Congress elected from the State of New York, and that the latter be urged to use their best efforts to procure the accomplishment of the purposes of this resolution.

By order of the senate.

JAMES J. REILLY, *Clerk.*

In assembly, January 30, 1935.

Concurred in without amendment by order of the assembly.

HOMER W. STOREY, *Clerk.*

Mr. COPELAND also presented a concurrent resolution of the Legislature of the State of New York, favoring the enactment of legislation to compel every manufacturer of firearms to mark such firearms manufactured with a plainly visible serial number to be registered with the Department of Justice, which was referred to the Committee on the Judiciary.

(See concurrent resolution printed in full when presented by Mr. WAGNER on the 4th instant, p. 1446, CONGRESSIONAL RECORD.)

Mr. COPELAND also presented a concurrent resolution of the Legislature of the State of New York, favoring the making of amendments to the War Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk insurance policy in the exact proportionate amount of his disability rating for compensation purposes, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 6th instant, pp. 1550–1551, CONGRESSIONAL RECORD.)

Mr. COPELAND also presented a resolution of the board of supervisors of Erie County, N. Y., favoring inclusion in the joint resolution (H. J. Res. 117) making appropriations for relief purposes, of a provision allotting a suitable appropriation to the railroads for grade-crossing improvements, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Ninth Ward Taxpayers Association, Buffalo, N. Y., favoring the enactment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, but not with a Federal bond-issue provision in connection therewith, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the board of directors of the American Water Works Association, New York City, N. Y., favoring the allocation of a substantial part of the funds to be provided in the joint resolution (H. J. Res. 117) making appropriations for relief purposes, to waterworks and sewerage projects, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the convention of the National Guard Association of the State of New York, favoring the elimination from that portion of the Army appropriation bill affecting National Guard activities for the fiscal year 1935–36 of any provision which in any way might affect the right to Federal pay and allowances or Federal recognition of any member of the National Guard of New York qualified to serve therein pursuant to the provisions of the National Defense Act and the military law of the State of New York, which were referred to the Committee on Appropriations.

He also presented resolutions adopted by the Buffalo (N. Y.) Division, No. 84, Order of Benefit Association of Railway Employees, favoring the enactment of legislation to modify the fourth section of the Interstate Commerce Act so as to permit railroads to compete with unregulated forms of transportation, which were referred to the Committee on Interstate Commerce.

He also presented a resolution of the transportation committee of the Elmira (N. Y.) Association of Commerce, favoring the enactment of legislation to amend section 4 of the Interstate Commerce Act so as to meet competition with unregulated forms of transportation, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by Wallkill Council, No. 92, Junior Order United American Mechanics, of Middletown, N. Y., protesting against any weakening of the immigration laws, which was referred to the Committee on Immigration.

He also presented resolutions adopted by Endwell Council, Junior Order United American Mechanics, of Endwell, N. Y., favoring the enactment of legislation providing that aliens seeking asylum in the United States be made to declare their intention to become citizens, to register with the proper Government officials every 6 months, and at the end of 5 years and 6 months, if they have failed to become citizens, to be deported, which were referred to the Committee on Immigration.

He also presented resolutions adopted by the Albany County Committee, American Legion, Department of New York, favoring immediate payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Alps Community Club, of Flatbush, N. Y., favoring the immediate payment of adjusted-compensation certificates of World War veterans, which was referred to the Committee on Finance.

He also presented a resolution adopted by the board of directors of the Verhovay Aid Association, Pittsburgh, Pa., favoring the enactment of legislation providing for unemployment, old-age, and sick-benefit insurance, and for the abolition of sweatshops and child labor, which was referred to the Committee on Finance.

He also presented a resolution adopted by members of the Chenango County (N. Y.) Farm and Home Bureau Association, favoring the enactment of legislation raising the price of gold to the limit allowed by law to the end that farmers' returns may be made adequate for the discharge of their obligations, and also for the recovery of industry, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the executive committee of the Rehabilitation and Modernization Association, Inc., New York City, N. Y., favoring the prompt enactment of the bill (H. R. 4687) to amend section 2, title 1, of the National Housing Act, approved June 27, 1934, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Board of Supervisors of Erie County, N. Y., commending the efforts of the Senators from New York [Mr. COPELAND and Mr. WAGNER] and also Representatives JAMES M. MEAD, ALFRED F. BEITER, and WALTER G. ANDREWS to have the sewerage disposal system of the Niagara frontier built by the Government as a Federal project, which was referred to the Committee on Commerce.

He also presented a resolution adopted by the committee on public health relations of the New York Academy of Medicine, favoring the taking of a mid-decennial census as being desirable from a civic and social standpoint, and also as being indispensable for the technical, medical, and health needs of New York and other large population units, which was referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 886) for the relief of Marino Ambrogi, reported it with an amendment and submitted a report (No. 70) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (S. 920) for the relief of Ruth J. Barnes, reported it without amendment and submitted a report (No. 73) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (S. 246) for the relief of Elmer Blair, reported it without amendment and submitted a report (No. 74) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 4018) to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States, reported it without amendment and submitted a report (No. 71) thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 31) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff, reported it without amendment and submitted a report (No. 75) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 250. A bill authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W. Va. (Rept. No. 76);

S. 737. A bill to amend section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, as amended (Rept. No. 77);

S. 812. A bill authorizing the Arizona State Highway Commission to construct, maintain, and operate a toll or free bridge across the Colorado River at or near Parker, Ariz., within the Colorado River Indian Reservation (Rept. No. 78);

S. 1076. A bill relating to the Oregon-Washington Bridge Board of Trustees (Rept. No. 79);

S. 1144. A bill to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo. (Rept. No. 80);

S. 1308. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill. (Rept. No. 81);

H. R. 2030. A bill authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho (Rept. No. 82);

H. R. 2874. A bill granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo. (Rept. No. 83);

H. R. 3018. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y. (Rept. No. 84);

H. R. 3057. A bill granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma (Rept. No. 85);

H. R. 3891. A bill to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C., (Rept. No. 86); and

H. R. 3983. A bill to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va. (Rept. No. 87).

Mr. SHEPPARD also, from the Committee on Commerce, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 1222. A bill to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak. (Rept. No. 88); and

S. 1342. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn. (Rept. No. 89).

Mr. KING, from the Committee on the District of Columbia, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 409. A bill to amend certain sections of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, relating to descent and distribution (Rept. No. 90); and

S. 1519. A bill permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia (Rept. No. 91).

Mr. KING also, from the Committee on the District of Columbia, to which were referred the following bill and joint resolution, reported them each with amendments and submitted reports thereon:

S. 1019. A bill to define, regulate, and license real-estate brokers and real-estate salesmen; to create a real-estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes (Rept. No. 92); and

S. J. R. 49. Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Shrine Committee, Inc., and for other purposes (Rept. No. 93.)

INQUIRIES INTO DISASTERS AT SEA

Mr. COPELAND, from the Committee on Commerce, to which was referred the resolution (S. Res. 7) relating to the investigations of the steamship *Morro Castle* disaster and the adequacy of methods and practices for the safety of life at sea, reported it with amendments and submitted a report

(No. 72) thereon; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

A bill (S. 1773) for the relief of certain Indians on the Cheyenne River Reservation (with accompanying papers); to the Committee on Claims.

By Mr. POPE (by request):

A bill (S. 1774) to amend the act of March 1, 1879, chapter 125 (20 Stat. 351), as amended by the act of March 3, 1883, chapter 121, sec. 1 (22 Stat. 488), and for other purposes; to the Committee on Banking and Currency.

By Mr. STEIWER:

A bill (S. 1775) for the relief of Ernest Donald Chapman; to the Committee on Naval Affairs.

By Mr. O'MAHONEY:

A bill (S. 1776) granting a leave of absence to settlers of homestead lands during the year 1935; to the Committee on Public Lands and Surveys.

By Mr. SCHWELLENBACH:

A bill (S. 1777) to protect agriculture and agricultural products; to the Committee on Agriculture and Forestry.

By Mr. COUZENS:

A bill (S. 1778) to authorize a preliminary examination and survey of the bay at the mouth of Tobacco River at Gay, Mich.; to the Committee on Commerce.

By Mr. BYRD:

A bill (S. 1779) to confer jurisdiction on the District Court of the United States for the Eastern District of North Carolina to hear, determine, and render judgment upon the claims of the Pamlico Timber Corporation against the United States; to the Committee on Claims.

A bill (S. 1780) to provide for the inclusion of Warner Hall, Gloucester County, Va., in the Colonial National Monument, Va., and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. CLARK:

A bill (S. 1781) for the relief of George Voeltz; to the Committee on Claims.

A bill (S. 1782) granting a pension to Mable Forrer; to the Committee on Pensions.

By Mr. SCHALL:

A bill (S. 1783) for the relief of John F. Patterson; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S. J. Res. 54) relating to the continuance on the pay rolls of certain employees in cases of death of Senators, Representatives, Delegates, and Resident Commissioners; to the Committee on Appropriations.

FARM CREDIT ACT OF 1935—AMENDMENT

Mr. LONG submitted an amendment intended to be proposed by him to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, which was ordered to lie on the table and to be printed.

WORK-RELIEF PROGRAM—AMENDMENT

Mr. ADAMS submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 1, strike out lines 3 to 12, inclusive, and strike out all of page 2 and lines 1 to 4, inclusive, on page 3, and substitute therefor the following:

"That in order to protect and to promote the general welfare by providing relief from the hardships and alleviating distress attributable to wide-spread unemployment and disorganization of industry and agriculture and conditions resulting therefrom, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President for such purposes, to be immediately available and to remain available until February 1, 1936, the sum of $2,000,000,000, together with the separate funds established for particular areas by proclamation of the President pursuant to section 15 (f) of the Agricultural Adjustment Act (but any amounts thereof shall be available for use only for the area for which the fund was established); not exceeding $500,000,000 in the aggregate of any savings or unexpended balances in funds of the Reconstruction Finance Corporation; and not exceeding a total of $380,000,000 of such unexpended balances as the President may determine are not required for the purposes for which authorized, of the following appropriations, namely: The appropriation of $3,300,000,000 for national industrial recovery contained in the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 274); the appropriation of $950,000,000 for emergency relief and civil works contained in the act approved February 15, 1934 (48 Stat. 351); the appropriation of $899,675,000 for emergency relief and public works, and the appropriation of $525,000,000 to meet the emergency and necessity for relief in stricken agricultural areas, contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055); and any remainder of the unobligated moneys referred to in section 4 of the act approved March 31, 1933 (48 Stat. 22)."

INVESTIGATION RELATIVE TO RECEIVERSHIPS AND BANKRUPTCY PROCEEDINGS

Mr. McADOO submitted the following resolution (S. Res. 72), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution No. 78, agreed to June 13, 1933, authorizing a special committee to make an investigation of the administration of receivership and bankruptcy proceedings in the courts of the United States, in the more populous centers and elsewhere in the judgment of the committee, with particular reference to the appointment of receivers and trustees in bankruptcy in such proceedings, and the fees received in the course of such administration, and other matters concerning which information would be desirable in order to correct by legislation such abuses as may be found, be, and the same hereby is, continued in full force and effect during the Seventy-fourth Congress.

ROBERT Y. NEWELL, SR.

Mr. McKELLAR submitted the following resolution (S. Res. 73), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Robert Y. Newell, Sr., father of Bessie Newell, late an assistant clerk to the Senate Committee on Post Offices and Post Roads, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3247. To meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes; and

H. J. Res. 58. Joint resolution to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico.

TWENTY-FIFTH ANNIVERSARY OF BOY SCOUTS OF AMERICA

Mr. BARBOUR. Mr. President, today is the twenty-fifth anniversary of the founding of the Boys Scouts of America—the quarter century mark in the history of this great influence for character building and American citizenship. It seems fitting that a few words should be said in honor of this great organization and its almost countless members at one time or another who have benefited through their Boy Scout training and who, through the training they received, have benefited America.

For 25 years this organization has been carrying on a program for the boyhood of America. What they are seeking to accomplish in their own words is to "build character and train for citizenship." That means something to which every thoughtful American can subscribe.

Of course, boys enjoy the program for the camping, the hiking, the outdoor training, and the other features that are founded on fundamental boy interest. To them scouting is a game. But anyone who has had chances to make a study of Scouts as they carry on their activities in troops

and patrols can see that every single activity has been developed with the express purpose of giving boys a chance to make themselves healthy, resourceful, brave, and to stiffen their moral fiber, to teach them initiative and self-reliance, qualities which our steam-heated, oversoft, modern civilization does not engender in our young people.

During the past quarter century a grand total of 6,530,330 different persons have had membership in various branches of the Boy Scouts of America. They have adopted a program the object of which is to give one boy in every four at least 4 years of Scout training. This, Scout leaders claim, will be a contribution to the American Nation, a group of new male citizens expressly trained for citizenship, of high character, sufficiently numerous to have definite influence on the body politic.

Scouting is neither militaristic nor antimilitary. It is definitely religious but nonsectarian. It has no political entanglements. It is something to which every red-blooded man who is interested in boys can whole-heartedly give his support. I hope that American manhood will stand squarely back of American boyhood through the Boy Scouts of America.

The high point of the twenty-fifth anniversary will be the national jamboree—the first in our history—to be held in Washington, D. C., on August 21–30, 1935, sponsored by President Roosevelt, the honorary president of the organization. Over 30,000 Boy Scouts, Sea Scouts, and leaders will camp in the Nation's Capital for 10 days. This will be the greatest gathering of boys the western world has ever witnessed.

The jamboree will teach these Scouts about their Nation's Capital and their Government. It is a magnificent national enterprise in citizenship education. The Scouts will return home with a better knowledge and understanding of our Government and their obligations as citizens of the United States.

THE 30-HOUR WEEK

Mr. BLACK. Mr. President, I send to the desk and ask unanimous consent to have read a very short news release with reference to a meeting held in Washington last week in connection with the 30-hour-week bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read as requested.

The legislative clerk read as follows:

[Extracts from release by one of the newspaper press associations on Feb. 5, 1935]

WASHINGTON.—Watch out for a flood of manufactured "public opinion" against the 30-hour week!

A secret conference of leading industrialists was held in Washington February 4 to plan the campaign.

Spokesmen of 30 of the chief employing groups in the country, connected with the National Association of Manufacturers, gathered to hear the reports of their lobbyists. They included representatives of the steel, automobile, lumber, coal, metal and machinery, and other important industries.

The Black 30-hour-week bill has a good chance of passing the Senate, the lobbyists reported. Reviving labor militancy may drive it through the House.

Something must be done at once to kill the 30-hour-week bill in the House, the lobbyists told their bosses. They thought a big enough and liberally enough financed campaign could stop it there.

Congress is to be flooded with telegrams, the bosses decided—not telegrams from themselves so much as from mayors, civic groups, prominent citizens, and anyone and everyone who can be bribed or fooled into doing the job for them.

Radio speeches, newspaper headlines, and all the machinery of creating "public opinion" will soon be brought into play to make people imagine that the employers' interests are theirs.

A representative of the bituminous-coal industry at the secret conference is said to have claimed that the 30-hour week would cost his group of employers $100,000,000 additional. Allowing for propaganda exaggeration, such figures give an idea of how much big business may be willing to spend to stop the 30-hour week.

CONDITION OF BUSINESS

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD sundry brief newspaper articles relating to the condition of business in the country.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sunday, Feb. 3, 1935]

AUTO INDUSTRY LEADING NATION TO PROSPERITY, OFFICIALS SAY—CITE SCOPE OF TRADE TO BACK ASSERTION UPTURN HAS BEGUN—2,885,000 CARS AND TRUCKS, WITH VALUE OF $1,453,800,000, MADE IN 1934; 5,000,000 WORKERS AIDED IN MANUFACTURE—$1,000,000,000 WAGES FOR YEAR; MOTORISTS USED ABOUT 85 PERCENT OF GASOLINE PRODUCED; OWNERS PAY HUGE TAXES

DETROIT, February 2.—Automobile manufacturers tonight presented a complete picture of the many ramifications of the automotive industry to justify their claim that their industry can and is leading the country back to prosperity.

The network of industries allied with the automobile manufacturing business or actually dependent upon it is so huge that it may control the future welfare of the country, they said.

To back up their assertions they pointed out that the industry in 1934 produced 2,885,000 cars and trucks with a total value of $1,453,800,000. Working either directly in the industry or in allied industries were 5,000,000 persons.

Wages and salaries paid during 1934 approximate $1,000,000,000, with more than $300,000,000 of that sum paid to the 325,000 persons directly engaged in the production of automobiles. The average wage paid was 75 cents an hour.

In addition, more than 900,000 persons were employed in Federal and State highway construction on which $1,600,000,000 was expended for labor and materials.

CAPITAL INVESTMENT

Automobile manufacturers in the United States have almost $1,400,000,000 capital invested in their industry. They have made themselves the largest consumer of steel, rubber, gasoline, malleable iron, mohair, upholstery leather, lubricating oil, plate glass, nickel, lead, and lumber produced in this country.

Henry Ford is the only individual automobile manufacturer who is independent to a certain extent in the production of the raw materials used in his cars and trucks.

At the start of 1934 the Ford Motor Co. had assets of $639,000,000, of which half was in cash or liquidable paper. Henry Ford owns 58½ shares of stock in the company, while his son, Edsel Bryant Ford, owns the remainder.

VAST FORD PLANTS

Between father and son, the Fords own coal mines, glass factories, iron mills, rubber plantations, a fleet of 37 ships, and other units for the production of his raw materials. The Ford steel mills, recently completed at River Rouge, Mich., produce all of the steel used in his factories in the United States.

More than 4,000,000 gross tons of steel, or 23 percent of the entire output in the United States, is consumed by other manufacturers. Eighty percent of the rubber produced goes to automobile plants, while aluminum, copper, tin, and zinc are used in thousands of tons.

The wholesale value of parts and accessories used last year for replacements and service equipment reached $517,677,000. The value of motor vehicles, accessories, service equipment, and replacement of parts and tires was $2,216,477,000.

Motorists used approximately 85 percent of the 345,000,000 barrels of gasoline produced. Lubricating oil and antifreeze solutions are used almost exclusively in the manufacture and operation of automobiles. Fifty-three percent of all lubricants produced last year was used by motor vehicles.

More than 195,000,000 pounds of cotton fabric was used in 1934 for the production of tires.

Automotive freight on railroads is expected to exceed the 3,000,000 carload mark this year, with an estimated revenue to railroads of more than $350,000,000. A total of 2,930,000 carloads was shipped last year.

EXCISE TAXES PAID

Products of the automotive industry pay 71 percent of all Federal excise taxes. Automobile owners pay approximately $1,200,000,000 in motor taxes each year with more than $300,000,000 paid as motor vehicle registration fees and $600,000,000 paid the States as gasoline taxes.

In 1934 there were 34,600,000 motor vehicles registered throughout the world, with 72 percent of the total registered in the United States.

Concerned with the automobile retail business are approximately 37,000 car and truck dealers in the United States. There are 98,000 garages, service stations, and repair shops in the country. The total retail outlet, with duplications eliminated, is almost 106,000. There are 6,000 wholesalers in the United States and 315,000 retail gasoline dealers who did a business of approximately $2,725,000,000 last year.

WISCONSIN SEES BUSINESS GAINS; BANK DEPOSITS UP TO $8,000,000—FARMER GETTING BETTER PRICES, ABLE TO SAVE MONEY, EXPLAINS STATE BANKING COMMISSION—UNITED STATES BOND SALES ALSO BOOM

MADISON, WIS., February 2.—Wisconsin State bank deposits increased $8,720,199 from October 20 to December 31, 1934, the Wisconsin Banking Commission announced today, citing business improvements as the main cause.

Uniformity of deposit increases throughout agricultural counties "indicate that the farmer is getting a better price for his products and is again able to place money in the bank", said Stanley N. Schafer, commission secretary. Improved retail business also is indicated in these counties by increased deposits in city and village State banks, he added.

Increased investment of $6,689,518 in Government bonds showed continuation of the policy of curtailing extension of local credit for which the commission criticized the banks last fall.

Nine Milwaukee County State banks, owned by the Wisconsin Bankshares Corporation, became united with the First Wisconsin National Bank after the condition of State banks was surveyed on October 20, 1934. This caused their deposits, totaling $9,986,921 on that date, to be transferred from State-bank to National-bank accounts. Therefore the total of $291,715,279 of State bank deposits on December 31, when the next survey was made, was $1,266,722 lower than the total of $292,982,001 listed on October 20 in spite of more than an $8,000,000 increase during this interval, the commission explained.

State banks' loans and discounts allowing for withdrawal of the nine banks were $7,054,742 less than at the October survey. Reduction in amount of loans and discounts was due largely to payment of notes in districts where many loans advanced for agricultural production have been met since crops were harvested.

DECISIVE UPTURN IN HOG MARKET BOOSTS WEST'S ECONOMIC HOPES

CHICAGO, February 4 (Special).—Economic skies of the West brightened further today with a decisive upturn in the hog market and steady cattle prices. There has been a definite rise in the cattle market recently and observers have looked upon the gains as a real indication of better times.

CHICAGO, February 4.—The hog market, having marked time most of last week, spurted sharply higher today on the hint of continued below-normal receipts.

Prices gained 15 to 25 cents above Friday's level, with the top soaring to $8.15, within 5 cents of the highest price since 1931. Weights above 200 pounds sold at $8 to $8.10, while lighter animals sold as low as $7.

The market had 22,000 fresh hogs, including 11,000 direct. This run was around 11,000 below offerings a year ago, however, and only 1,000 holdovers were available. The average price a year ago was $3.90. Outside markets also showed strength, prices rising as much as 20 cents in instances.

Though business was transacted at a slow pace in the cattle trade, steer and yearing prices were fully steady. In fact, with sellers resisting unevenly lower bids, best fed steers, of which few were available, were held above the 4-year peak of $13.65. The early top was $13.50. Lower grade cattle, including most she stock, were weak to 25 cents off, however. Receipts were 14,000.

Bids and sales in killing lambs were fully steady with sellers asking higher, holding choice lambs at $9.10 and upward. Sheep were steady, and feeders firm. Receipts totaled 15,000. Below-average run for the date.

PENNSYLVANIA AUTO REVENUE NEARS RECORD—$64,100,000 PAID DURING 1934 BY MOTORISTS OF STATE

HARRISBURG, PA., February 2.—Approaching the peak year of 1930, the State treasury collected $64,100,000 in gasoline tax and registration fees from Pennsylvania motorists in 1934, and the most of it was spent on highway improvements.

That sum was exclusive of the money collected by the Federal Government through its 1-cent-a-gallon gasoline tax and motor accessories levies.

The State realized $66,472,507 from license fees and gasoline tax in 1930, the peak year, when the gasoline levy for a time was 4 cents a gallon. Last year's increase in revenue broke a yearly decrease which began in 1931.

NEAR PEAK FIGURE

During 1934 registration fees for motorists accounted for $30,744,688 and gasoline taxes yielded $33,356,395 for the motor fund. The gasoline revenue was within $155,000 of the 1930 figure, while the registration income was down $2,215,000.

In addition to these motor fund receipts, the highway department received approximately $18,890,000 in Federal-aid grants for road improvements. While that sum was available at the beginning of the Federal fiscal year starting July 1, 1933, it was designated as the 1934 allocation.

The State's Federal-aid grant was $9,590,000 for 1935, which the State may use for road work by providing a similar amount.

Pennsylvania registered its first automobiles in 1906. That year the revenue on 10,954 cars amounted to $42,460. The registration increased yearly until 1930, when the peak was reached.

FIRST GASOLINE

Gasoline taxes were collected first in 1921. For the last 3 months of the year the income amounted to $668,646. For the 12 months of 1922 the 1-cent-a-gallon tax yielded the State $2,654,052.

The tax was increased to 2 cents a gallon, then to 3 cents and for a year and a half during the administration of Gov. John S. Fisher, the State levy was 4 cents. While there is a 4-cent tax at the present time, one-fourth of it goes to the Federal Government.

Some of the revenue is used for the sinking fund and interest payments on the $87,000,000 in highway bonds and for maintaining the bureau of motor vehicles and the motor patrol.

Last year the legislature transferred $5,500,000 from the motor fund for unemployment relief with the understanding that it would be be repaid from the general fund.

Whether the present legislature will make provisions for repaying that amount remains to be seen. Also it is generally believed that the road-building program practiced by the Pinchot administration will be severely curtailed by the new Democratic administration of George H. Earle.

THE 30-HOUR WEEK—ADDRESS BY SENATOR BLACK

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an able address delivered over the radio on February 5 by the senior Senator from Alabama [Mr. BLACK] on the subject of the 30-hour-week bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, there is pending in the United States Senate today a bill offered by me limiting the work of men and women in industrial and business activities to 6 hours in any 1 day and 30 hours in any 1 week. Farming is dependent upon weather and season, and this law, if passed, would not apply to it. On account of the courtesy of the National Broadcasting Co., I shall discuss this 30-hour week bill with you at this time.

There was a time when men, women, and children worked in manufacturing and industrial activities 12, 14, and even 16 hours per day. When opposition developed to such practices in this and other countries these long hours were defended by employers and managers, who profited from them, and by their paid writers and propagandists. Self-styled economists asserted the imperative necessity of these long hours. Those who sought to bring about a reduction in these long hours of work were branded as anarchists and enemies of business, organized society, and civilization.

At a later period efforts were made to reduce working hours to 8 per day. Organized industry, organized manufacturers, organized chambers of commerce, and organized so-called "patriotic societies" again protested against such reduction of hours. Newspapers and magazines dependent for their advertising income upon the goodwill of these organized groups, joined in the clamor against the 8-hour day. Economists with sixteenth century conceptions protested. Again they branded those who favored a shorter workday as anarchists, Communists, Socialists, and enemies of business, society, and civilization.

During all these years of controversy, machines were producing more and more of life's necessities, and human labor was becoming less and less necessary to operate machines. Production increased and man hours per unit of production decreased.

Two years ago I offered a bill in the United States Senate providing for a 6-hour day and 30-hour week in industry and business. This bill passed the United States Senate. It did not pass in the House of Representatives. It was opposed by the same old groups and was met with the same old arguments and denunciations.

At the time the bill was originally offered there were more than 12,000,000 American citizens wholly and completely unemployed, and perhaps an equal number, partially unemployed. Hunger, poverty, misery, and destitution stalked abroad in the United States of America at that time. The suffering and deprivation of farmers and wage earners and the masses of American citizens had reached an all-time high peak in the history of the Nation. With a surplus of everything men and women needed to relieve the sting of cold, to satisfy the gnawings of hunger and to provide shelter for the homeless, many Americans citizens went without relief from cold, without adequate food, and without sufficient shelter. On January 9, 1933, I talked to the people on the 5-day week over a Nation-wide hook-up of the National Broadcasting Co. At that time I insisted that it was necessary for us to choose between a dole system and a system of work for the people. I stated to you then as follows:

"One thing is clear in all the tumult of conflicting views and clashing theories—our people will not permit the starvation of these unemployed millions. Two courses are open to prevent this. It will not stand delay. In some way they should be given a chance to earn an honest living by work. Failing this, we must broaden, expand, and probably perpetuate a system of public care. We are now unmistakably at the crossroads, where we must choose between the evils of a dole system and some method of supplying work for our people."

Since the time I made those statements the United States Government has fed millions of hungry people and supplied them with warmth and shelter. The Government has also brought about a slight reduction of the hours of work in industry, thereby giving employment to several million people.

It is still necessary, however, for us to choose between work and a permanent dole.

Today more than 20,000,000 American citizens receive Government relief. This is one-sixth of our population. In some States one person out of every four is on Government relief.

Millions of other people receive relief from States, counties, relatives, and charitable institutions. Varying estimates tell us that seven to twelve million American citizens are still deprived of the opportunity to earn their living. Private industry has been wholly unable to give work to all these unemployed upon the existing hours of labor, and few thoughtful people believe it can. Congress is now about to pass an appropriation of between 4 and 5 billion dollars to put 3½ million of these unemployed to work on public activities.

There are four possible courses to be followed with reference to these unemployed. These courses are as follows:

First. Abandon all forms of relief to them and leave them without jobs, without food, without heat, and without clothes and shelter. This is the most inhumane and the most dangerous course to follow, and this country will not choose it.

Second. Continue to feed 20 million or more idle people out of the products of the toil and labor of the other citizens who work. This course is unjust to those who work and those who are fed without work, and the dangerous consequences of such a course cannot be foretold. While some privileged groups blindly ask that we feed people without work because it is cheaper, it is difficult to believe that this course will be adopted. It puts dollars first and people last.

Third. To give work to our millions of unemployed upon public projects, such as public roads, waterway developments, soil erosion, reforestation, slum clearance, and other useful projects. This is a stupendous task, and no other government has yet found it possible to absorb all of its unemployed in public works. In my own judgment it is necessary for us to contemplate more extensive public works in order to supplement private employment, but I do not believe it possible to put everybody to work that way.

Fourth. The fourth method of meeting the problem of unemployment is to recognize the fact that it is the duty of private business under our economic system to supply employment to our citizens. Since private business has been unable to coordinate its functions in such way as to supply employment, it is necessary for us to bring about by law the necessary coordination of business in such a way that it can supply employment to our people.

Looking toward such action as will bring work to our unemployed in private business, there are two ways theoretically possible in which it can put our millions to work.

One way is to increase production to such an extent that additional workers will be needed to produce and to make necessary the work of our unemployed in such additional production.

The second method of providing employment is to shorten the hours of labor for workers, so that it will require a larger number of people to do the necessary amount of work.

It is my own belief that both of these methods will have to be adopted and carried out, if private business gives work to our people and supplies the goods and services they need.

This analysis brings us face to face with two questions: First. Can we produce in the United States what is necessary to keep our economic system functioning on a 6-hour day and 30-hour week? Second. Will the adoption of this shorter work week and workday, together with the higher wages it provides for the workers, increase production and aid business or decrease production and retard business?

Recently those who oppose shorter hours and who favor the old economic ideas have sought to lead the people to believe that we could not produce what we need on a 30-hour week. This supposed fact has been seized upon as an argument for long hours and low wages by those newspapers, magazines, institutions, and propagandists who seek to safeguard the citadels of privilege and plunder made possible by excessive profits, high interest, outrageous salaries, and unearned bonuses.

Let us examine this contention. We will first refer to certain figures advanced by two independent groups with reference to our industrial production in 1929. One of these studies was made by the National Survey of Potential Products Capacity, a governmental agency utilizing the services of a large number of engineers and economists. This group, working under the auspices of our Government, found that in 1929, $90,000,000,000 worth of goods and services were produced in the United States. They also found that this production might have been expanded to $135,000,000,000, if the existing plants had been operated at approximate capacity. The $90,000,000,000 production meant an average of $2,800 for each American family, and a $135,000,000,000 production would have supplied an average of $4,400 for each family.

A so-called "study" made under the direction of the Brookings Institution, the results of which are published under the title of "America's Capacity to Produce", reaches the conclusion that in the peak year of 1929 industry was producing approximately 80 percent of its practical capacity. While I am sure that a careful study of this book, particularly with reference to the Government statistics upon which it is alleged to be based, will lead any thinking person to the belief that this conclusion is erroneous, I do not have time now to analyze the report. I expect to point out its inaccuracies and fallacies at a later date. It is most interesting, however, in connection with this book to consider a part of a pamphlet published by this institution against the 30-hour week, dated January 3, 1935. On page 10 of this pamphlet it is stated that man-hour productivity in manufacturing industries has increased 25 percent since 1929. While they attempt to offset this conclusion by certain surmises, if it is correct, and their other assertion that we lacked 20 percent of producing to capacity in 1929 is also true, it follows that industry could have produced 45 percent more in 1934 than it did actually produce in the peak year of 1929.

If the study made by the national survey of potential products capacity, under the auspices of the United States Government, is correct, and the Brookings Institution is correct in saying that productivity has increased 25 percent since 1929, our national productive machine could today produce in 1 year, with only as many workers as were used in 1929, $169,000,000,000 worth of goods and services. Working on a 30-hour week, with only as many employees as we had in 1929, we could, therefore, produce over $100,000,000,000 worth of goods and services in 1934, as compared with ninety billion during the peak year of 1929.

It must be borne in mind, however, that there are far more people available for employment than were actually employed in 1929. Even if common sense and common observation, therefore, did not show every citizen that we can produce in magnificent abundance on a 30-hour week, these figures, taken in part from the enemies of the 30-hour-week bill, are sufficient to convince the most skeptical, if the mind is open to receive the truth. As a matter of fact, industry has not for a long time had a sufficient stimulus to produce to its possibilities.

On last Thursday evening one of the opponents of the 30-hour-week bill spoke over radio station WEAF and said as follows:

"If someone will improve the present tools and machinery so that a man can produce in 6 hours as much as he does now in 8, why then, we can pay him one-third more and maybe cut the price to you of the goods he makes."

Taking this gentleman at his word, I remind him that it has been found that since 1929 improvements have been effected to the extent that a man's productive capacity has been increased 25 percent. This means that he can now produce practically the same in 6 hours that he could produce in 1929 in 8 hours.

A study made by President Hoover's committee on recent economic changes showed that from 1919 to 1927 the output per man-hour had increased in manufacturing 74 percent and that it actually increased 39 percent in the 3-year period from 1924 to 1927.

Between 1922 and 1929, or for a period of 7 years, our annual production increased in this country at the rate of 3.7 percent a year, or more than 25 percent. This 25-percent increase in production resulted with practically the same number of workers. The output per man in the automobile production went up 888 percent between the years 1914 and 1925.

In all the fields of industrial and business activity the same picture is seen. Machines and power, generated by water, coal, and oil, are taking the place of men.

With these few well-known facts called to your attention, and in view of the fact that many millions of workers have stood by in enforced idleness, as they watched many hundreds of factories and mines wholly and completely idle, it borders on the ridiculous to assert that a 30-hour week will curtail production. The very manufacturers and producers who are combining together to alarm the public with the idea that a 30-hour week will reduce production have been for a long time and are now failing to run their mills, mines, and factories to capacity. A 30-hour week will not reduce the output of our great productive machines, but it has been reduced in the past and will continue to be reduced in the future by lack of purchasing power on the part of those upon whom we must depend to consume our goods.

There has been a very substantial loss to the American people in the failure of production since 1929. If our great productive machinery had been running to capacity, a conservative estimate is that we would have produced almost $300,000,000,000 worth of goods and services since 1929, more than business has actually produced. This failure to produce $300,000,000,000 worth of goods and services to add to the comfort and happiness of the people of America has not been due to any 6-hour day and 30-hour week. It has been due to the fact that idle machines, idle mines, and idle factories have combined with idle men and idle women to present to the world a picture of the greatest waste in all human history. Every factory, mine, and business enterprise that is idle in whole or in part, which could produce the things people want and need, as well as the failure to utilize the services of more than 10,000,000 people, is a daily, weekly, and monthly waste.

Under our economic system factories, mines, and business enterprises do not run simply because we have men, women, and power ready and able to run them. After we have built the factories and dug the mines and have available human labor there is still something else needed to put these mines, factories, business enterprises, and people to work.

Not a mine will produce nor a wheel turn in a factory unless the owners believe that they will be able to sell the output to somebody at a profit. The thing that has retarded business in the past under our economic system, and that will retard it in the future, is an absence of purchasers financially able to buy. Purchasers able, willing, and ready to buy could start the wheels in every factory in America within a week. They could bring the hum of prosperity back to the mining and manufacturing regions and fill railroad cars with the comforts and necessities of life, speeding north, east, south, and west.

It therefore becomes of supreme importance to consider the effect of a 30-hour week upon supplying customers with money who can start the wheels of industry.

The only way to supply purchasers with money in the United States is to have a fair, just, and balanced distribution of incomes. Over 95 percent of the purchasers of American goods live in the United States. In 1929, 92 percent of these purchasers had incomes under $5,000. Seventy-eight percent of these purchasers had incomes under $3,000. This 92 percent of the people, however, received only 58 percent of the total national income, leaving 42 percent of the income for 8 percent of the people; and the 78 percent of the people with incomes under $3,000 obtained only 40 percent of the national income, leaving 60 percent of the income for 22 percent of the people. Since over 95 percent of the buyers of American goods live in the United States, and over 90 percent of these purchasers depend on farm prices and business wages and small salaries for their income, it is clear that if these incomes are

inadequate to buy the output of private business, private business cannot sell its goods at a profit.

For a number of years up to 1929 the share of the national income going to the farmer and to the wage earner has been rapidly descending, while the share of the national income going to those with incomes so large that they do not buy consumable goods, has been rapidly increasing.

This is illustrated by the fact that from 1909 to 1929 the farmers' share decreased 50 percent.

During that same period the number drawing incomes over $25,000 increased from 40,000 people in 1921 to 102,000 people in 1929, and their total increase went from $2,000,000,000 to $8,000,000,000.

In 1921 there were 21 people with an income of over a million dollars, and in 1929 this number had risen from 21 people to 513. The increase of income of those receiving over a million dollars had ascended from $49,000,000 in 1921 to $1,200,000,000 in 1929.

A striking example of the difference between the small income families who buy the consumable goods of the Nation and the large incomes is that in 1929 one-tenth of 1 percent of the families of the United States at the top of the income list received as much income as 42 percent of the families at the bottom of the list. In other words, about 144,000 people received an income of about $10,000,000,000, and at the same time and in the same year, about 47,000,000 people received incomes of about $10,000,000,000.

There is nothing strange about the fact that after 1929 the collapse of business occurred. Business had failed to distribute to its worker-purchasers a sufficient amount of income to buy its goods. Greed had reached such a point in 1929 that 513 people received as much income as 8,000,000 people.

In 1919 the farm-mortgage debt was one-half the total gross farm income, but by 1932 the farm-mortgage debt was twice the amount of the gross farm income. This is a tragic picture of the decline of farm income.

We therefore find that business has been pursuing a suicidal course. The farmers with small incomes and the wage earners and salaried employees and the small business men with little incomes have constantly received a smaller and smaller share of the aggregate products of the Nation. Instead of a scarcity of goods as they had in the days when Joseph's brothers went to Egypt, we have had a scarcity of customers able to buy. The very people who produced the wealth have received such a small part for their work on farms and in factories that they have been unable to exchange their labor for the necessities of life.

Economically, in this system, the fate and destiny of the American farmer and the American worker are inseparably linked together. About 30,000,000 people in the United States depend for their income upon the products of the farm. During the so-called "boom" years, from 1921 to 1929, the American farmer did not realize any boom for himself. Year by year he became less and less able to buy the goods he needed.

During the same period as I have already pointed out the wage earner and small-salaried employee did not receive a fair share of the Nation's products.

These millions of American farmers and millions of American workingmen are the chief customers for one another's goods. Five-cent cotton, 15-cent corn, 25-cent wheat, and other farm prices in proportion practically take the farmer out of the market for manufactured goods. This reacts directly upon the men who receive wages, because it has always been true that the employer has made the wage earner bear the brunt of decreased demands for goods by partial or total unemployment and lower wages.

On the other hand, wage earners who receive such small amounts for their work that they are compelled to eke out an existence on the barest necessities of life cannot pay the farmer an adequate price for his cotton, wheat, corn, milk, butter, eggs, and other farm products.

Bearing in mind that over 90 percent of the goods of farm, factory, and mine must be sold to farmers, wage earners, and salaried employees in the lower brackets, it must be manifest to every person that low wages in industry mean low prices to the farmer, and low prices to the farmer mean low wages to industry.

It is because of the fact that these two large groups of American citizens are so closely connected in economic interests that the small privileged group that has been destroying our system of commerce and trade by their greed and cupidity and by their huge profits, large salaries, and large dividends always bend every possible effort to drive a wedge between the farmer and the wage earner. At this very moment, and with reference to this very bill, which is intended to put millions of human beings to work in order that they can buy the products of the farmer and industry, the propagandists of the greedy privileged endeavor to make the farmers of America believe that this bill would do injury to them. I would again call to the attention of the farmers of this Nation who might be listening in that in 1929 one-tenth of 1 percent of the families of America received such stupendous incomes from the products of the toil and labor of all of the people that the aggregate income of this one-tenth of 1 percent of the people was more than the aggregate income of 42 percent of the families of farmers and wage earners at the bottom of the income list.

In other words, I want these farmers to remember that 144,000 people, who were not farmers and who were not wage earners, received more income in 1929 than 47,000,000 people, composed of farmers and wage earners and small-salaried employees.

It is this one-tenth of 1 percent and their propagandists and satellites who seek to make you farmers believe that it is to your interest that hours shall not be shortened and wages not be raised. They always fight laws that raise farm prices and wages.

The farmers of this Nation are not injured by reason of the fact that their chief customers, the wage earners and small-income class, receive enough to buy the farmer's goods. Farmers of this Nation are injured, and injured materially, when the wage earners do not receive adequate income; and when there is so much excess profit, so many outrageous salaries and bonuses, and such excessive interest, that the wealth produced by all of the people is largely centralized in the control of a few of the people.

There is absolutely no reason why the prices of goods, commodities, and services should be raised merely because the wage earner receives a fair return for his work. Wages only constitute about one-sixth of the cost of manufacturing. Those who have heretofore obtained more than a fair share of profits, more salaries, bonuses, and interest, must be satisfied with less. If they will content themselves with an adequate return and permit the wage earner to draw an adequate return and the farmers to receive a fair price for their products, the purchasing power of the farmers and the wage earners can be sustained and our trade and commerce will flourish and prosper.

A work week of 30 hours and a work day of 6 hours, without a decrease in wages, would put millions of people back to work. I believe that it would put 4,000,000 directly back to work within a very short time. It is idle to state that business would decline to operate under a 30-hour week. Business operates when business believes it can make a profit. It believes it can make a profit when it can get purchasers with money. If our people are put to work and they are paid fair and adequate wages, business can sell its output at a profit.

Let me urge that the farmers of this Nation be not deluded by any efforts to antagonize you against the other workers of the Nation. When they attempt to make you believe that the farmer is injured by good wages to the men that work, ask them what they have done to reduce the fabulous profits, the outrageous salaries and bonuses, and the high interest rates that have taken the products of the toil and labor of the men on the farm and the men in the factory, and placed it in the pockets of people who have received so much that they cannot spend it nor invest it profitably.

The only fair way in which to make this economic system work or continue to function, with justice and impartiality, is to raise the income of the farmers of America and increase the incomess of that large group of wage earners who make so little that they cannot support themselves and families in accordance with decent American standards.

Those who have greedily grabbed more of the products of our national economic structure than they can either spend or invest with profit are the real obstacles to recovery. If too much of our national income goes to interest, rent, and profit too little goes to wages and to the farmers.

If we put four millions of America's unemployed back to work, in her mines, factories, and on her transportation systems, their demands will increase, and these demands will raise the prices of the farmers' products, and put other factories and mines to work producing to meet their needs.

People who work on our farms, and in our factories, mines, and our business, must, and will, continue to produce that which supports the people of the Nation. If all are permitted to work, all will help feed and support themselves. If, however, we continue to let 20,000,000 people live in idleness, it means a permanent dole system, supported by the workers of this Nation.

I stand for jobs for the idle, supplied so far as possible by private industry and business. I stand for wages that will enable the workers to buy the farmers' produce and the goods of business, to keep it functioning smoothly and evenly. I stand for higher farm prices giving the farmer value received for his work and giving him his necessary power as a consumer. The issue is plain and unmistakable. This Government must decide between a permanent governmental dole and a shorter work week and work day.

In order to sustain the manhood and womanhood of this country in accordance with our best traditions, I favor work in preference to the humiliating dole.

FARM CREDIT ACT OF 1935

The Senate resumed the consideration of the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana to reconsider the vote by which his amendment was rejected.

Mr. LONG. Mr. President, I hope, after talking with the Senator from Florida [Mr. FLETCHER], that perhaps there will be no serious objection to the vote being reconsidered and my amendment being adopted. I do not want to take up the time of the Senate, but I think, after looking into the matter, that the Senator from Florida will not see any serious obstacle in the way of adopting the amendment.

Mr. POPE. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. I yield.

Mr. POPE. I ask that the clerk state the amendment submitted by the Senator from Louisiana.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed by Mr. LONG, on page 3, line 10, after the word "engaged", to strike out the comma and insert a period, and to strike out the following words:

And (B) unless the owners of at least 75 percent in value and number of shares of the stock of the corporation assume personal liability for the loan: *Provided*, That no.

And insert at that place "No" with a capital "N."

Mr. LONG. In other words, what that means is that there will be no more liability on individual farmers than there is on each individual stockholder of any other corporation. That is the purpose of the amendment.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana to reconsider the vote by which his amendment was rejected.

The motion was agreed to.

Mr. FLETCHER. Mr. President, a bill previously passed by the Senate requires personal liability in other instances, but the whole amendment is not so vital, in my opinion, and therefore I shall interpose no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the committee.

Mr. McNARY. Mr. President, is this a modification of the amendment offered by the committee?

The VICE PRESIDENT. This is an amendment to the committee amendment.

Mr. McNARY. The committee amendment as proposed by the senior Senator from Wyoming [Mr. CAREY]?

The VICE PRESIDENT. It was reported by the committee.

Mr. McNARY. I appreciate that, but it has been so identified as the proposal of the senior Senator from Wyoming. I wish to ask the Senator from Louisiana if his amendment is acceptable to the chairman of the committee?

Mr. LONG. Mr. President, I understand there is no objection on the part of the Senator from Florida. I have discussed it with him. I cannot see that it should be objectionable to anyone favoring the committee amendment.

Mr. CAREY. Mr. President, I have consulted with the chairman of the committee and I think there is no objection to accepting the amendment of the Senator from Louisiana.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana to the amendment of the committee.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was rejected.

The VICE PRESIDENT. That completes the committee amendments.

Mr. LONG. Mr. President, we are proceeding here pretty fast. Let us understand just what has been done.

The VICE PRESIDENT. The question was distinctly put by the Chair. The question was on agreeing to the committee amendment as amended; the noes prevailed, and the Chair so announced.

Mr. WHEELER obtained the floor.

Mr. CAREY. Mr. President——

Mr. WHEELER. I yield to the Senator from Wyoming, who desires to offer an amendment.

Mr. CAREY. Mr. President, I desire to offer an amendment.

Mr. CONNALLY. Mr. President, my understanding is that the pending question is an amendment to strike out the remainder of the section. Is not that the case?

The VICE PRESIDENT. The Chair has not examined the RECORD.

Mr. FLETCHER. Mr. President, the situation is that the Senator from Louisiana [Mr. LONG] offered an amendment to the committee amendment. His amendment to the committee amendment was agreed to. Then the question came on the adoption of the committee amendment as amended. That was the last question on which we voted, and the Vice President declared the committee amendment as amended was rejected.

The VICE PRESIDENT. Let the Chair state to the Senator from Florida his understanding of the parliamentary situation. The Senate has rejected the committee amendment as amended. There is now no amendment pending.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. Yesterday the junior Senator from Texas, myself, offered an amendment to strike out all of paragraph (c). It was not voted on at the time because a perfecting amendment, which was the committee amendment, had precedence.

The VICE PRESIDENT. The Chair was not informed about that. If that be the case, then the question would be on the motion of the Senator from Texas to strike out paragraph (c) on page 2.

Mr. LONG. Mr. President, I want to submit a motion to reconsider the vote by which the committee amendment was rejected.

The VICE PRESIDENT. The Senator from Wyoming [Mr. CAREY] has the floor. Does he yield for that purpose?

Mr. CAREY. I should like to ask the Senator from Texas if he will first permit me to offer an amendment modifying paragraph (c)?

Mr. CONNALLY. That would be in order, I believe.

The VICE PRESIDENT. Does the Senator from Wyoming desire to amend the committee amendment?

Mr. CAREY. I want to offer a substitute for the matter stricken out.

The VICE PRESIDENT. That would be an amendment to the paragraph. An amendment to the paragraph is now in order, but an amendment to the committee amendment is not in order, because the committee amendment as amended has been rejected and is out of the bill.

Mr. CAREY. I desire to offer the following amendment in the nature of a substitute for paragraph (c). I shall have to read it myself, as it is not written out in full.

I propose so to amend paragraph (c) that it shall read as follows:

Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: "As used in this section, (1) the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, and the principal part of whose income is derived from farming operations, and includes a personal representative of a deceased farmer; (2) the term 'person' includes an individual or corporation engaged in the raising of livestock; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and a number of shares of the stock of the corporation is owned by the individuals personally actually so engaged.

The purpose of the amendment is to confine corporate loans entirely to those who are engaged in the production of livestock. It also provides that the members of the corporation must individually be actually engaged in the livestock business.

The VICE PRESIDENT. Let the Chair make a statement as to the parliamentary situation. The Chair stated a moment ago that the pending question before the Senate is the motion of the Senator from Texas [Mr. CONNALLY] to strike out paragraph (c). The parliamentary clerk calls the attention of the Chair to the fact that the Senator from Texas never was permitted to offer his amendment, because the Senator from Wyoming [Mr. CAREY] did not yield for that purpose. The only question pending before the Senate now is the amendment of the Senator from Wyoming to para-

graph (c). The clerk will report the amendment proposed by the Senator from Wyoming.

The CHIEF CLERK. It is proposed, on page 2, line 25, after the word "farmer", to insert:

(2) The term "person" includes an individual or corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association, but no such loan shall be made to a corporation unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged.

Mr. CAREY. Mr. President, I have stated—but I do not know that Members of the Senate clearly understand—that the amendment would apply strictly to those who are in the livestock business, also the stockholders in a corporation must be devoting all their time to that business. Under this provision it would not be possible for a corporation whose stockholders are living away from their ranches or farms to borrow.

As I have stated several times, in the Western States most of the livestock men are incorporated and carry on their business in that form.

These corporations in most instances are not large corporations. Many of them are made up of the members of a family, perhaps a father and his son, or one or two brothers. These are not corporations that have sold stock all over the country. The money of these corporations is money that these men earned in the business or money that they may have been able to borrow from their local banks. Further than this, they are not selling stock throughout the country to people. They are not in the same class as these big corporations that people fear or that have robbed the public through the issuance of worthless securities.

I feel that these men who are struggling to maintain their industry in the Western States, who are fighting blizzards or droughts, are trying to develop a new country, are entitled to the same consideration from the Congress of the United States as a railroad or an insurance company or other companies I might mention which are permitted to borrow.

The livestock men are in a desperate condition. They have had to borrow on their livestock in some instances more than it is worth. If they can get a loan on their land they will have a long time in which to repay it, instead of having to meet short-time paper or obligations which they cannot meet. It will enable them to get through this emergency.

I appeal to Senators who have been opposing the original amendment to support this amendment in the form in which it has been modified, because I know it cannot bring about absentee landlordism or the acquisition of large bodies of land by corporations, but will be the salvation to the livestock industry.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. CAREY. I do.

Mr. VANDENBERG. May I ask if this amendment excludes incorporated orchardists?

Mr. CAREY. It does exclude them.

Mr. LONG. Mr. President, I am for the Senator's amendment. The fact of the case is, if that is all we can get, I shall not raise any particular quarrel about it. In other words, I am for the amendment if that is all we can get.

I think the Senate took very ill-advised action, after we had perfected this other amendment to the point where it was really a farmers' amendment, in striking it out of the bill. I think that was very unwise. The arguments made and the good, cogent, sound reasons advanced should have prevailed, and I hoped they would prevail; but, naturally, there are always some people who do not see matters as we do, and never will, we are afraid.

Mr. President, I was hoping we would be able to put this whole amendment back in the bill as it came out of the committee. If we are not, however, unless there is some change in the positions of Senators, if there is not to be any particular argument over this amendment of the Senator from Wyoming, I shall have no more to say; but if there is to be any argument over his amendment, I think we ought to go back and move to reconsider the whole thing and have it out.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Michigan?

Mr. LONG. I do.

Mr. VANDENBERG. I think the Senator's original position was the sound one. If this is rational, logical relief for the incorporated livestock farmer, it is equally logical for the incorporated orchardists in Michigan or the incorporated farmer in Louisiana. It seems to me the Senator from Louisiana is correct. If anything of this sort is to be done, we should return and do it equitably for all concerned.

Mr. LONG. I feel this way about it: The Senator from Michigan is absolutely right, and that is my position; but perhaps the Senate is not willing to place all farmers on the same basis as other people. If we cannot do that, I should like at least to give the cattle raisers fair consideration. It seems that when the Senate decides that it is no longer fair to discriminate between a farmer and a railroad, when it comes to lending the Government's money, the thing to do then is to strike it all out of the bill.

In other words, Senators disagreed with my position yesterday, and said I was not right about it; and this morning they all agreed that I was right, and then they struck the whole thing out of the bill after agreeing that I was right. [Laughter.] That sort of thing leaves a man where he does not know what kind of ground he is standing on. One time he is right, the next time he is wrong, and then everybody says he is right; and then they strike the whole thing out of the bill just because he was right.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Kentucky.

Mr. LOGAN. If the newspaper reports be true, the Senator from Louisiana must have been right yesterday, because it is said that he made a speech on both sides of the question. [Laughter.]

Mr. LONG. Yes; that is what the newspapers said, and if the Senator from Kentucky continues to take the newspapers as his bible of instruction he will remain in this bewildered state. [Laughter.]

The facts are these, however, as I undertook to present them to the cultured minds of Senators: You see, Mr. President, it is always difficult to make the learned mind understand plain gospel. I am not able to dilute it and then put it in such tangled condition that it will pass through the measures and curves of the legalistic and legislative frame of mind. For that reason it took a long time for me to convince the Members of the Senate yesterday that what I was asking the Senate to do was merely to let the farmer borrow money in the same shape, manner, and form that we are letting everybody else borrow money today.

In other words, we lend the Government's money now only to corporations. We do not lend individuals any money to amount to anything. The little money we are talking about lending in this bill is mere chicken feed compared to the amount of money we have been lending. We have been saying to the banks, "If you have a bunch of people who want to get hold of some of the Government's money, organize a trading corporation or a development corporation and come up here and get the Government's money; and in case your scheme does not work out, nobody will be personally liable for a dime of the money that the business borrows and cannot pay back to the Government."

So when I saw this bill, which looked to me like a meritorious measure, I came in here and proposed to strike out the clause which said that a farmer organizing his business into a corporation, to borrow money, must subscribe for the indebtedness of that corporation, differently from the treatment that had been accorded to other corporations, I

moved to strike out that distinction which had been made against farmers, and this morning it was stricken out. In other words, everybody thought there was no sound, logical reason why a corporation that did not hold its members liable generally should be changed to hold farmers liable because it was a farmers' concern.

Now we are back at the same place where we started out yesterday. The whole thing has been struck out of the bill. Why? For the simple reason which I am about to state. Senators may not know this, but if they had as much time to think this matter over as they had to think over my amendment—in other words, if they had another night to think it over—I think perhaps they would come to the same view now that they did this morning on my other amendment. Why is it that the amendment was struck out? For the simple reason that we have come down to the point where it is proposed to allow farmers to borrow money through corporations just the same as all industries borrow it today.

That is all there is to it. The Government is going to lend money, and therefore we have decided that we will not permit it to be lent to a farmer unless he signs individually for the obligation that the Government places the money in his hands to cover. In other words, take the case of John Smith, who desires to borrow $2,500. That is about all the Government will ever lend to a farmer. Perhaps I should say that a loan of $2,500 to the ordinary farmer would be a big loan. It would be bigger than anybody in my parish would get. I do not believe we have a farmer in my parish who could borrow $2,500. I am talking about $2,500, not $25,000. All we want is $2,500. All we want is a little money. We do not want any big money. I am not interested in these big loans. I should be glad to see the Senate reform this measure right now and say that nobody can borrow more than $2,500. All I am interested in is the little man who sits on his front porch and sees the cotton and the cane and the potatoes and various other crops grow, from the front porch.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from North Dakota.

Mr. FRAZIER. I should like to ask the Senator from Louisiana if he knows of any farmers in his State who are organizing a corporation now?

Mr. LONG. No, sir.

Mr. FRAZIER. I should like to ask the Senator how he can conceive of the ordinary, everyday small farmer getting into a corporation?

Mr. LONG. That is very easy. I shall be glad to explain it to my friend, because my friend is certainly one of the greatest exponents of the farmers in this body.

Here is how it would be done: I will tell the Senator how I would do it in my State. I would say to my farmers back there, in a circular letter which I would send out to them "You have a right to organize a corporation and to borrow money from the United States Government to carry on your business; and if you fail to make a crop, or if, after you have made a crop you cannot sell it, and you go into debt, you need not worry that the debt is going to follow you. The only thing the Government can ever take is the land that you have mortgaged."

It is not a difficult matter to incorporate an institution. Certain corporations can be organized in my State for ten or twelve dollars. That is not a big thing. Why, we pay these sharp-eyed Federal investigating lawyers more money to dig up an abstract than it costs to incorporate a farmer.

Talk about the expense: I am willing to venture the assertion that the common, ordinary farmers in my country have paid more money to these two-by-four abstractors and special lawyers that the Government has had down there to investigate and pass on the loans than the amount of money they have borrowed.

We actually made up a list there one month to see how we were coming out, and we found that we were paying the men who had been designated by the bureaucrats here in Washington more money to investigate the titles and to investigate and approve the loans than we got out of them in the way of loans for the time the work has been going on; so what we want to try to do now is to get a little relief for farmers.

I know some loans have been made down in Louisiana. A few loans have been made down there. Most of those loans have been made, however, to big cane plantations that did not have any business with those loans in the first place—people who were working their laborers for 65 and 75 cents a day. If they had a good crop and a good market, the poor old laborer stayed in overalls, and the man owning the plantation went to Europe and took himself a vacation. If he lost out, the Government paid the loan anyway. The Government has made that kind of loans down there on refineries and on various and sundry other kinds of things where there has been no particular individual responsibility about it. Some of the loans have been made through the banks. Some of them have been made through the development associations. There has always been a way in which the big man could get a loan; but now, when the little farmer is about to be permitted to get a loan on the same basis, we have to draw the line.

I desire to say to the Senate that I am surprised that this amendment ever got into this bill. It has surprised me that the farmer ever got that much consideration. I want to compliment the Senate. Although it voted the amendment out this morning, I want to thank the Senate for one time in its life having momentarily considered placing the farmer on the same level with everybody else in borrowing money from the Government.

I want to say that even though we lose this amendment we feel glad in our hearts for the kind of very lucid consideration we have been accorded here in the Senate. It is the first time since I have been here that momentarily, haphazard though it may have been, we have actually for awhile considered letting the farmer borrow money on the same basis on which railroads or banks are allowed to borrow money.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LOGAN. I should like to ask the Senator whether it would be any more difficult for a farmer to become a member of a corporation than it is for him to become a member of a national farm credit association, of which the farmers must become members now before they can borrow.

Mr. LONG. Not a bit more. I think it is just as easy. The only thing I cannot understand in the logical minds of my colleagues is this: That we have been talking about giving relief to the little man, and every one of us wants to give relief that reaches the little man; but every time we give any relief to the little man, we tie him down with so many millstones around his neck that before he gets through with the season, he has been cursed by reason of having received any gratuity from the Government. We do not do that with the individuals forming the industrial societies to which we are lending money now. We do not do that with any number of them which could be mentioned. We give them the right to come here in the name of John Smith, Inc., and borrow a million dollars, or $50,000,000, for a railroad. We loaned the Dawes bank, I think, $100,000,000, was it not? How much was it?

Mr. GORE. Ninety million, I think.

Mr. LONG. Was it not $90,000,000 that we loaned to the Dawes bank? Everyone knew that was Col. Charles Gates Dawes' bank. And he was not the only banker who had come here and backed up the wagon and got what he wanted and rolled off with it. They just came here and laid the law down and got what they wanted. They were not fooling around with any of this little business we are fooling with now. They were doing business on a big scale—$90,000,000. Mr. Dawes could afford to borrow $90,000,000, because Mr. Dawes would not be held personally liable if Mr. Dawes' bank could not pay back the $90,000,000; and it could not, and it will not, and they knew it would not when they let them have the money. They knew it was never going to pay it back.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LEWIS. It is due to the community for which I speak, the great Chicago, as well as to the RECORD, that I inform the able Senator from Louisiana that the report from the President of the Reconstruction Finance Corporation is that the Dawes loan has now been practically, if not completely, paid off.

Mr. LONG. What does the Senator mean by "practically, if not completely paid off"?

Mr. LEWIS. What does the Senator think such words mean? It means what I am sure the Senator would indicate in his debate when he says he has practically and completely presented his question.

Mr. LONG. My understanding is that several million dollars have never been paid and never will be paid, and that no interest will ever be paid.

Mr. LEWIS. I am informing the Senator that the report of the Reconstruction Finance Corporation is that the debt has been paid; whether paid in cash, or paid by securities, or in what form, I am unable to do more than use the exact language of the report.

Mr. LONG. I believe they did bring a suit against the stockholders of the bank the other day.

Mr. LEWIS. I understand two suits were brought by the State and others in order to force the stockholders to respond to the stock for which they have not paid.

Mr. LONG. I will be happy if it has been paid.

Mr. LEWIS. I merely rose to say that the report is that the debt has been paid, and I was anxious, for the credit of my community, that the statement that $90,000,000 taken from the Treasury would never be repaid should not stand without answer.

Mr. LONG. I did not make that statement.

Mr. LEWIS. I feared that was the object of the Senator.

Mr. LONG. No; I said Dawes would not have come here and borrowed that $90,000,000 if he had been personally liable for it. I am not talking about Dawes particularly. He is a good man. I know General Dawes. He is a good man. He was the most decent man in the public-utility business I ever knew in my life. I used to regulate his companies when I was on the public-utilities commission in Louisiana. He is not the only man who has ever done what he did. I would have done the same thing if I had been in Dawes' fix, or if my bank had been. As a matter of fact, I did come up and help them get some of that money myself two or three times. [Laughter.] Some of it has not been paid back, and some of it never will be paid back, I am afraid.

Mr. LEWIS. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. LEWIS. Has that part which the Senator helped Mr. Dawes get been paid back?

Mr. LONG. I did not help Mr. Dawes get his.

Mr. LEWIS. I so understood the Senator.

Mr. LONG. No; but I helped some of them get money, and I doubt whether it has been paid back, and I helped some of them get money which I doubt ever will be paid. I will cast that stone at myself, not ask any other Senator to do the same thing, but if any of them will get up and tell the truth, they will all admit the same that I say. [Laughter.]

At any rate, we let these gentlemen come here for money, and they came. I used Dawes just for one example. He came and asked to borrow $90,000,000 because he knew that if he should not be able to pay back the $90,000,000, he would not be individually responsible or held liable for the $90,000,000. But if you lend a farmer any Government money, you tie it up; you give these Federal land bank agents the right to take any other collateral and security they can get, and by the time they get through, they take a mortgage on the place and a lien on all he is going to raise in the summer, and also the various and sundry other things which may come to the farmer's account, such as chicken sales and sales of hides that may come from cattle that die because he has not feed enough to keep them alive, and such things; they tie everything up with a wet blanket and sew it up and leave him there to struggle, and somehow or other make money enough to pay back the loan. If he does not pay back the loan, they not only sell his place, because nobody is going to bid against the Federal land bank, but they take a deficiency judgment against the poor old farmer for the debt, which is about $2,000, and the place will sell for about $250, because nobody will bid against the Federal land bank. They take a deficiency judgment for $1,750, and if he moves over into another county they record that deficiency judgment over there against him, and then 10 years go by, and he thinks it is about to expire, and they go into court and get another judgment and write it on the mortgage records for another 10 years, and as a matter of fact, the poor fellow goes to his grave weighted down, struggling against the curse put on him by the United States Government.

We have finally reached the point where we could give actual constructive relief to the farmer. We could afford to say to him, as I said to my people before, "I would not take that loan." I have said to my friends down in Louisiana, "I would not take that loan if I were you, because the chances are that when summer comes you are going to be worse off than if you had never had that loan. Then they are going to sell your place out and take a deficiency judgment against you, and you will have that thing hanging around your neck the balance of your lifetime. It makes no difference where you go, you are going to have a judgment recorded against you, and you cannot get a job and you cannot buy anything because of the judgment. There is no way of canceling it, and a moratorium cannot be granted against it."

Therefore we came along accidentally—I must say this thing came here through accident—we came along here accidentally and made provision for the farmer to borrow money so that they could not record a deficiency judgment against him. I say that accidentally this morning through the first accident, and this morning through the second accident, we managed to reform the amendment coming from the Senate in such a manner that a farmer would be allowed to borrow money so that the United States Federal land bank would not be allowed to take a deficiency judgment against him if he were not able to pay the loan. We managed to put that into the measure just before they struck it out.

Mr. President, I think this amendment we have here does not cover the situation. I do not think it is right. I am going to vote for this if it is all we can get; I will vote to help the cattle farmer. But I do not think this amendment does justice in the matter. I think we ought to allow these farmers the right to borrow money through these corporations, just as the Senator from Kentucky says, just as easily as they can borrow through the credit corporation. We ought to allow these men to borrow money through these corporations, but ought not to adopt anything here that shuts them off from doing it.

Perhaps the whole bill ought to be killed. I would not care if you killed all these lending agencies today. If you were not going to treat justly the little farmer back in Louisiana who is a friend of mine, I would not want any of this legislation. It never has been operated straight. It has been a crooked business from start to finish down in my country most of the time it has been run. I have offered the evidence here in the United States Senate on these various matters, which Senators who care to read can peruse again.

They have discriminated in the making of these loans to suit themselves. They have let people have the money they wanted to have it, and they have not let the people have the money whom they did not want to have it. Sometimes they have enforced a mortgage against one man, and another man with a little political power has managed to get his suspended. One man they would take a deficiency judgment against, and another man they would make some kind of a trade with so that there would not be any deficiency judgment taken.

The whole thing has been enforced in a way that has been a curse to the farmers in my section of the country ever since it has been on the statute books, and I am sorry Congress ever passed a law establishing the Federal land bank.

It has been a curse to my people from the day it was voted. I wish none of these things had been passed if they are to be worked as they have been in the past, as far as I have had any knowledge of them.

However, if Congress is going to pass any bill providing for the lending of any money to farmers, which this bill contemplates doing, and which I should like to see passed, if in it are included the proper amendments which I think ought to go into this bill, the matter of deficiency judgments should be considered. I am trying to have the farmer given a chance to borrow without having a threat of a deficiency judgment hanging over his head the day that he borrows the money.

I do not think we ought to vote on this amendment first. I think my friend, the Senator from Wyoming [Mr. CAREY] ought temporarily to withdraw his motion, and let us move to reconsider the vote by which the Senate struck the other amendment out of the bill. I do not believe all the Members of the Senate thought for a minute that there was any danger of striking that amendment out of the bill when they did it about 20 or 30 minutes ago. I do not believe the majority of the sentiment of the Senate would be to strike that amendment out of the bill. I do not believe so. Perhaps it would be the sentiment of the Senate to do so. I may be wrong about that.

Mr. CAREY. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. LONG. I yield.

Mr. CAREY. Just what was the Senator's amendment?

Mr. LONG. We took the amendment which the Senator already had in the bill and we struck out the personal liability of farmers for corporation debts.

Mr. CAREY. That is not included in the pending amendment.

Mr. LONG. No. After my amendment had been adopted, which left the Senate amendment just as it came from the committee, except that a man was not held individually liable for the farm corporation's debt, after adopting my amendment to do away with personal liability, then when I turned around to start to go out and get a drink of water the Senate struck out the whole amendment and left nothing. If I had known they were going to do that I can say to the Senate that it would have taken more time to do it. I thought the whole fight was over. I did not think they were going to do anything like that, and I will say that it would have taken a little while longer than it took to get that amendment out of the bill if I had known that that was what Senators were fixing to do.

So what I think we should do is this: We are in no hurry about this business. We have nothing to do and nowhere to go. What I think we ought to do is just to withdraw this amendment. I suggest to the Senator that he withdraw his amendment. I ask my friend from Wyoming if he will withdraw just temporarily his amendment which he has just offered, and let us go to the bat here on a reconsideration of the vote by which the Senate struck out the committee amendment, and we will have a "hot time in the old town tonight" before they cut this thing out. We have not started from taw yet on this thing. If one is right, both of them are right.

Mr. CAREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Wyoming will state it.

Mr. CAREY. If I withdraw the amendment temporarily, will I have the privilege of offering it again?

Mr. LONG. Oh, yes.

The PRESIDING OFFICER. If the Senator withdraws the pending amendment in the nature of a substitute for paragraph (c) of section 2 the next proceeding will be the engrossment and third reading of the bill.

Mr. CAREY. Then I cannot withdraw the amendment.

Mr. LONG. Do I understand that the Senator from Wyoming withdraws his amendment?

Mr. CAREY. No; I cannot withdraw the amendment.

Mr. LONG. Mr. President, a point of order. Certainly the Senator can withdraw his amendment and reoffer it.

The PRESIDING OFFICER. The Chair did not mean to intimate that the Senator had no right to withdraw his amendment, but if he withdraws his amendment there will then be nothing pending except the question of the engrossment and third reading of the bill.

Mr. CAREY. Can I reoffer the amendment?

The PRESIDING OFFICER. Oh, yes; the Senator can reoffer his amendment.

Mr. CAREY. Then I will temporarily withdraw the amendment.

Mr. LONG. Mr. President, I move that the Senate reconsider the vote by which it disagreed to the committee amendment as amended, beginning on page 2, line 25.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana to reconsider the vote by which the Senate disagreed to the committee amendment as amended, beginning on page 2, line 25.

Mr. LONG. Now, Mr. President, I desire to state the position we are now in, from a parliamentary standpoint, on this amendment. We are now considering again the amendment as amended; and I want to read to Senators the amendment we are now considering.

Mr. FLETCHER. Mr. President, was the motion of the Senator from Louisiana put?

Mr. LONG. No; the Presiding Officer has not put the motion yet, but I do not want to lose my position. I want to speak on the subject. I have made the motion to reconsider. I read the amendment, "the term 'person'"—this is what was stricken out a minute ago—"the term 'person' includes an individual or a corporation; and the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation unless the persons"—and we amended that so they had to be persons actually engaged, not in operation, but in cultivating a farm or raising livestock. That is how strong we went. In other words, we simply provided by law that the man who followed the plow would have the same right to incorporate his business, or incorporate the business of three or four neighbors with him, and borrow money from the Federal land bank, and not be subjected to a deficiency judgment or a personal liability, as any other man or concern that is borrowing money today.

How do the grape growers of California borrow money? The grape growers do not come here and borrow individually. They come here through the California Fruit Exchange, if they come at all. How do real-estate concerns borrow money? Do they come here in the name of the real-estate agent? The chances are that they come here in the name of real-estate corporations, or they come here through a bank, or, perhaps, a bank in liquidation, and they borrow money for the various purposes that they want from the Government, if they stand in pretty well—and it always helps, if we stand in well, in getting the money. I can tell Senators that the better you stand in with the Government, the better chance you have for getting money for your client. That goes in the Government business, naturally. But when a man comes here and gets the money, he is not personally liable if he cannot pay it back at the end of the year. The only thing the Government can do is to take a judgment against the corporation, and if the corporation has not the money to pay it they can take it out of the assets that the corporation has mortgaged to them for the loan. That is the only harm that can be done; and if the Government cannot get the money out of the collateral, the Government cannot get it at all.

Mr. President, this is what is being done today, and this is what will be done under the provisions of the bill if the amendment does not stay in the bill. If a farmer borrows $2,500, the Government officials take a mortgage from that farmer; and when the loan comes due, and the farmer does not pay off the mortgage, they put up his place for sale, and they go out there and bid it in without the benefit of appraisement. They bid it in without the benefit of appraisement, and they bid just what they please for the property. They bid it in for just what they want to pay for the prop-

erty. They bid in for $100 property that is covered by a $2,000 mortgage, and then they take a deficiency judgment against the farmer for $1,900 and put that on the record; and if the farmer raises a bale of cotton, or if he buys a cow, they come out and seize the cotton or the cow; or, if some friend of his sends him down a couple of yearlings, they go and seize the yearlings. They keep that mortgage and that judgment of record for years and years, and 95 percent of the farmers who borrow go to their graves with that Federal land-bank deficiency judgment hanging over them that they worked a lifetime trying to pay, and never did pay.

Those are not mere tinkling cymbals and illustrations. Those are positive, actual facts. We would do better never to pass another bill providing for lending the farmer another 5-cent piece of Government money unless we do away with this right of the Government to levy a deficiency judgment for the unpaid balance. I have seen those little farmers—and they are the only farmers I care anything about; the only farmers I care anything about are the little farmers back there in the country who follow the plow and work for their families from sunup to sundown, when they can get any work to do—I have seen those farmers in one parish in Louisiana forced into the hands of the courts; I have seen their places sold out from under them, and I have gone out and hunted up some of them a job, and I have seen their wages garnisheed under judgment, after they have left and given up the farm into the hands of these concerns, or maybe these boards and commissions to which they had mortgaged their lands.

We want to get rid of the deficiency judgments. That is what I am trying to do now. Perhaps other Senators would provide for this in a little different way. I will provide for it in a way that my friend from Alabama suggested the other day.

If Senators do not want the corporation fiction, let us put in the bill a provision that there shall be no deficiency judgments against the farmers. Let us put in the bill a provision that we will have no deficiency judgments against the farmers. The Senator from Alabama suggested that the other day. If Senators do not like this system of letting the farmers borrow through corporations—and that seems to be the preferred system—let us write in here that there shall be no such a thing as deficiency judgments, or let us do something to place these men borrowing money as farmers on the same basis as industry and business in borrowing money.

Mr. President, before we vote down this proposal, if we vote it down, I want every Senator to understand just what he is voting for. I want him to understand that he is voting to place a deficiency judgment against the farmer on any loan he makes from the Government, and that it is the only deficiency judgment the Government takes against any individual to whom it lends money of this kind, so far as I know. I do not think we lend money to any individuals except farmers. I think that is about all. With regard to any other concern that borrows money, there is no such thing as a deficiency judgment or an individual liability pursuing the borrower.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Gibson	McKellar
Ashurst	Caraway	Glass	McNary
Austin	Carey	Gore	Maloney
Bachman	Clark	Hale	Metcalf
Bailey	Connally	Harrison	Minton
Bankhead	Coolidge	Hastings	Moore
Barbour	Copeland	Hatch	Murphy
Barkley	Costigan	Hayden	Murray
Bilbo	Couzens	Johnson	Neely
Black	Cutting	King	Norbeck
Bone	Davis	La Follette	Norris
Borah	Dieterich	Lewis	Nye
Brown	Donahey	Logan	O'Mahoney
Bulkley	Duffy	Lonergan	Pope
Bulow	Fletcher	Long	Radcliffe
Burke	Frazier	McAdoo	Reynolds
Byrd	George	McCarran	Robinson
Byrnes	Gerry	McGill	Russell
Schall	Steiwer	Truman	Walsh
Schwellenbach	Thomas, Okla.	Tydings	Wheeler
Sheppard	Thomas, Utah	Vandenberg	White
Shipstead	Townsend	Van Nuys	
Smith	Trammell	Wagner	

Mr. LEWIS. I reannounce the absence of certain Senators as announced by me on the previous roll call.

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Louisiana [Mr. LONG] to reconsider the vote by which the committee amendment, as amended, was rejected.

The motion to reconsider was rejected.

Mr. CAREY. Mr. President, I desire to offer an amendment.

The PRESIDING OFFICER. The Senator from Wyoming proposes an amendment, which the clerk will report.

The CHIEF CLERK. On page 2, it is proposed to strike out after line 16 all down to and including line 16, on page 3, and in lieu thereof to insert the following:

(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: "As used in this section, (1) the term 'farmer' means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock growing and includes a personal representative of a deceased farmer; (2) the term 'person' includes an individual or a corporation engaged in the raising of livestock; and (3) the term 'corporation' includes any incorporated association, but no such loan shall be made to a corporation unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the land bank commissioner permits the loan if at least 75 percent in value and number of shares of the stock of the corporation is owned by the individuals personally and actually so engaged. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wyoming [Mr. CAREY] in the nature of a substitute for the committee amendment.

Mr. CAREY. Mr. President, on the amendment I ask for the yeas and nays.

Mr. GORE. Mr. President, I should like to know what the "bug under the chip" is in this amendment. I do not understand it from the reading. I mean no improper implication by that term; but we have just defeated an effort to open the lending agencies of the Government to incorporated farming. Does this propose to do the same thing?

Mr. CAREY. Mr. President, this amendment would permit loans only to those engaged in the growing of livestock; it is confined to corporations engaged in that kind of business, but the amendment further makes it necessary that, in order to borrow, the stockholders of the corporation must individually and actually themselves be engaged in the business. It does not permit outside landlordism, as has been suggested might be possible under a system of loans to corporations. I have offered the amendment to take care of the situation that exists in the West, and, as I have said, it is confined entirely to those engaged in the livestock business.

Mr. GORE. Mr. President, this amendment is typical of this entire campaign to extend the lending facilities of the Government to one class after another, to one group after another. The Senate has just defeated—and I think wisely—the committee amendment designed to permit the lending agencies of the Government to lend money to incorporated farming. We have just protected the individual farmer, as I see it, against "Farmer Frankenstein, Inc.", but immediately he rises from the dust. We have just scotched the big serpent at the gate of the garden, and here comes a little serpent wriggling in, slithering in, knowing full well that he can attain complete development once he has entered the forbidden ground.

The Senator from Michigan [Mr. VANDENBERG] a few minutes ago made an unanswerable argument upon this point. He made the common argument; he made the invariable

argument; he made the universal argument that if incorporated cattle growers are entitled to borrow money from their Government on the security of their land, there is no reason why the same privilege—I will not say "right"—should not be extended to incorporated fruit growers in his State, to those who have orchards in Michigan. He says if the Government lends money to cattlemen, and cattlemen are not to be favored children of the common Government, then there is no reason why the Government should not lend money to incorporated sugar growers in the State of Louisiana, pampering, I suppose, the source where the Sugar Trust rises, making pet children of them.

Mr. President, there is not any reason why, if the Government lends money to incorporated cattle growers, it should refuse loans to incorporated fruit growers or to incorporated sugar growers or to incorporated peanut growers or to incorporated squash growers. There is not any place to stop when once we start.

That is the reason why I have opposed any such scheme of legislation. So long as the Government adopts justice as its standard as a standard for the treatment of its citizens, it has a fixed rule of conduct treating each and every citizen alike. What is better still, what is infinitely better, there is a place where the Government can say "no" so long as its rule is justice. When any citizen asks more than justice there the Government should say "no", and when it has justice as its standard there the Government can say "no." It can extend equal rights to all citizens. The Government cannot in the nature of things extend equal privileges to all; it cannot extend equal favors to all. A favor is unavailing if it is visited alike upon every applicant.

When the Government grants a favor to one group, how can it say "nay" to apply to another group? Group A makes application for a loan and obtains it, makes application to secure legislation authorizing the Government to make loans to its particular members. Group B makes application for the same favor. The Government undertakes to say "no" to group B, saying that group A had a just cause, had a good claim, and was entitled to a favor at the hands of its Government.

Mr. President, equality is a philosophy in this country. It is a tenet in our political creed. We do not always practice it, but we always profess it. When we adopt this amendment authorizing the Government to lend money to incorporated cattlemen we cannot say "no" to incorporated fruit men, incorporated peanut men, or anybody else incorporated. They have votes, too. I say to the Senator from Michigan that he may well possess his soul in peace if we adopt this amendment. His time is coming. If this amendment wins, his amendment will win in the next session. We cannot stop this business.

Incorporated farming was attempted in Kansas. A corporation secured a large tract of land. It farmed the land with tractors and machinery. A few days in the fall it sowed with machinery drawn by tractors. For a few days in the summer it harvested with machinery drawn by tractors. It had a few bunk houses and a few transient helpers to operate the tractors and the machinery. They came like birds of passage and they went like birds of passage. They builded no nests in Kansas. They did not build up homes in Kansas. They did not add to the civilization or the organized society of Kansas. They made it impossible, or would have made it impossible, for the dirt farmers in Kansas to compete, to survive, to maintain their homes, and to maintain their families. The State of Kansas did what the Senate has done this morning—declared against incorporated farming, knowing that it is a competition which the individual farmer cannot meet; that it means his extinguishment.

Mr. President, that is all I have to say at this time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wyoming [Mr. CAREY] in the nature of a substitute for the committee amendment. On that question the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Lewis	Reynolds
Austin	Costigan	Logan	Robinson
Bachman	Couzens	Lonergan	Russell
Bailey	Cutting	Long	Schall
Bankhead	Davis	McAdoo	Schwellenbach
Barbour	Dieterich	McCarran	Sheppard
Barkley	Donahey	McGill	Shipstead
Bilbo	Duffy	McKellar	Smith
Black	Fletcher	McNary	Steiwer
Borah	Frazier	Maloney	Thomas, Utah
Brown	George	Metcalf	Townsend
Bulkley	Gerry	Minton	Trammell
Bulow	Gibson	Moore	Truman
Burke	Glass	Murphy	Tydings
Byrd	Gore	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Pope	White
Clark	King	Radcliffe	

Mr. LEWIS. I merely reannounce the absences and the reasons for the same as given by me on a previous quorum call.

The PRESIDING OFFICER. Seventy-nine Senators having answered to their names, a quorum is present.

The question is on the amendment of the Senator from Wyoming [Mr. CAREY], in the nature of a substitute for paragraph (c) of section 2. [Putting the question.] By the sound the ayes seem to have it.

Mr. CONNALLY. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BARKLEY (after having voted in the affirmative). I have a general pair with the Senator from Iowa [Mr. DICKINSON]. I understand that on this question he would vote as I have voted, and that he has a special pair on the question; so I will permit my vote to stand.

Mr. KING. I have a special pair on this question with the Senator from Iowa [Mr. DICKINSON], and therefore withhold my vote.

Mr. LEWIS. I announce a pair between the Senator from New Hampshire [Mr. KEYES] and the Senator from Nevada [Mr. PITTMAN].

I also announce that the Senator from Arizona [Mr. ASHURST], the Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Arizona [Mr. HAYDEN], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. PITTMAN], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate on official business.

I also desire to announce that the Senator from Louisiana [Mr. OVERTON] is detained on account of illness.

The result was announced—yeas 45, nays 33, as follows:

YEAS—45

Adams	Davis	Metcalf	Steiwer
Austin	Donahey	Minton	Thomas, Utah
Barbour	Fletcher	Moore	Townsend
Barkley	Gibson	Murray	Trammell
Borah	Hale	Neely	Truman
Bulkley	Hastings	O'Mahoney	Vandenberg
Burke	Hatch	Pope	Wagner
Capper	Logan	Radcliffe	Wheeler
Caraway	Long	Reynolds	White
Carey	McCarran	Schwellenbach	
Costigan	McNary	Sheppard	
Cutting	Maloney	Smith	

NAYS—33

Bachman	Clark	Glass	Robinson
Bailey	Connally	Gore	Russell
Bankhead	Copeland	Harrison	Schall
Bilbo	Couzens	Lewis	Shipstead
Black	Dieterich	Lonergan	Tydings
Brown	Duffy	McGill	Van Nuys
Bulow	Frazier	McKellar	
Byrd	George	Murphy	
Byrnes	Gerry	Nye	

NOT VOTING—17

Ashurst	Hayden	McAdoo	Thomas, Okla.
Bone	Johnson	Norbeck	Walsh
Coolidge	Keyes	Norris	
Dickinson	King	Overton	
Guffey	La Follette	Pittman	

So Mr. CAREY's amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert the following after the semicolon in line 6 on page 10:

The rate of interest on any loan made upon the security of commodities shall conform as nearly as may be practicable to the prevailing interest rate on commodity loans charged borrowers from the Federal intermediate credit bank of the land-bank district in which the principal business office of the borrower is located.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the bill takes off the minimum limitation of 3 percent on loans made by banks for cooperatives to cooperative farm organizations. Under the law as it now exists the Federal intermediate credit banks may make loans to cooperative farm organizations for as low as 2 percent interest; but the banks for cooperatives, which we have set up for the purpose of making loans to cooperative associations, must charge not only the prevailing rate in the intermediate credit banks but 1 percent more than that. So that now cooperative organizations desiring to borrow money on commodities, not on real estate, must pay 3 percent interest, whereas they can go to the Federal intermediate credit bank and borrow the money for 2 percent. Therefore they have to split up their line of credit. In this bill we have removed that limitation; but this amendment merely provides that the loans on commodities shall be made at the prevailing rate charged by the Federal intermediate credit banks, so that the system shall be uniform.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I yield to the Senator.

Mr. BORAH. I should like to ask the Senator what would be the average rate which would likely prevail under this amendment?

Mr. BARKLEY. The rate now being paid is 2 percent, and this conforms to the commodity loans made by the bank for cooperatives to cooperative organizations, and the same rate at which they can make loans now at the intermediate credit bank.

Mr. BORAH. Then, would it be 2 percent?

Mr. BARKLEY. Two percent. Of course, that rate may be changed by the intermediate credit banks; but that is the rate prevailing at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

Mr. WHEELER. Mr. President, I send an amendment to the desk which I desire to offer.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add as a new section at the end of the bill the following:

(a) The first sentence of paragraph twelfth of section 12 of the Emergency Farm Mortgage Act of 1933 is amended:

(1) By striking out the words "within 2 years after such date";

(2) By striking out the figures "4½" and inserting in lieu thereof "3½"; and

(3) Striking out the words "occurring within a period of 5 years, commencing 60 days after the date this paragraph takes effect."

(b) The second sentence of paragraph twelfth of section 24 of the Emergency Farm Mortgage Act of 1933 is amended:

(1) By striking out the figure "5" and inserting in lieu thereof the figure "4";

(2) Striking out the figures "4½" and inserting in lieu thereof "3½."

Mr. WHEELER. Mr. President, I may say that the purpose of this amendment is to reduce the interest rate charged by the Farm Credit Association to the farmers from 4½ to 3½ percent. Every one of the great farm organizations in the country has endorsed it, and I am introducing it at their request.

The statement which has been made to me is to the effect that at the present time the banks of the United States are filled up with money which at least some people can borrow at interest rates as low as 1 percent. Other people are borrowing it at 2 percent, as has just been stated to me. But when the farmer goes to borrow money at the present time, he has to pay 4½ percent to these credit organizations.

All of the bonds of these farm-credit associations at the present time are endorsed or guaranteed by the Government of the United States, and I am informed that they would have no difficulty whatsoever in selling those bonds which are guaranteed by the Government bearing interest at anywhere from 2½ to 3 percent, so that there would be no trouble in selling the bonds.

I desire to read the statement given to me with reference to this matter by the Washington representative of the National Grange. He states:

In considering the question of farm credits, the National Grange, at its recent annual convention, went on record as favoring the reduction of interest rates to farmer borrowers to the lowest point consistent with a sound loaning policy.

At the present time farm mortgages are being refinanced by the Farm Credit Administration at 4½ percent. Would it not be well to amend the Farm Credit Act now pending so as to reduce the interest rate to 3½ percent?

As is well known to everybody, interest rates have been greatly reduced in this country during recent years, and farmers should get the full benefit of this downward tendency in interest rates.

In connection with its refunding operations the Treasury Department on December 15, 1934, offered a large block of Government bonds carrying interest of 3⅛ percent, due in 1952, callable in 1949. On April 16, 1934, an issue was offered at 3¼ percent, due in 1946, callable in 1944; and in June of 1934 an issue was offered at 3 percent, due in 1948, callable in 1946. These Treasury offerings were quickly taken by the bankers of the country and some of them were oversubscribed several times.

The banks of the country at the present time are bulging with idle money which is seeking safe investment. With the Government standing behind farm-loan bonds to the extent that it does under present conditions, lower interest rates on farm mortgages are warranted and justified.

This is signed by Mr. Frederick Brenckman as Washington representative of the National Grange.

To a similar effect I have a letter written by the American Farm Bureau Federation, as follows:

The American Farm Bureau Federation is now, and has been for several years, fighting to reduce interest rates on farm mortgages.

The Pending measure by Senator FLETCHER has some admirable features in it; in fact, it has nothing in it which should be deleted; but the thing that the farmers are thinking about is cheaper money, which means a lower interest rate on farm mortgages.

I trust it will be possible that an amendment may be presented by you on the floor during the debate on this measure which will reduce the interest rate below the present 4½ percent per annum.

Although I have no authority to speak for other farm organizations, I can speak of them, and convey to you the definite assurance that no farm organization is content with the interest rate on farm mortgages which now is required to be paid by all farm debtors.

Mr. President, one of the big problems facing the debt-ridden farmers of this country is the question of lower interest rates and how they are going to meet their fixed charges. Interest rates are coming down all over the United States, and, with the help the Government of the United States has given to the Federal land banks and other agencies, it seems to me that the one place where we should reduce interest rates is on the farm mortgages of the United States.

I would not contend that we should reduce the rate to a figure so low that they could not carry on, but in view of the fact that the Government is able to sell these bonds at the rate of interest I have stated, and in view of the fact that I am sure the interest rate will be further lowered to at least 2½ percent, I can see no reason why at this time we should not ask that in the refinancing of farm mortgages the rate should be 3½ percent, instead of 4½ percent.

Mr. FLETCHER. Mr. President, I hope the amendment will not be agreed to. The situation is this: Under the Farm Loan Act, Federal land-bank bonds are not guaranteed by the Government, either as to principal or interest. Intermediate credit debentures are not guaranteed by the Government. The law provides that the farmer shall pay interest of not less than 1 percent. It has been less than half of 1 percent above what the bonds issued against collective mortgages sell for in the market.

The bonds are 4-percent bonds, and the rate is fixed here at 4½ percent to the farmer, because about half of 1 percent is required for the expenses of administering the system. The rate now is very low, 4½ percent, and that is all the farmer pays. The bonds issued against the farm mortgages now bear 4 percent.

The proposal now is to reduce the rate which the farm borrower must pay from 4½ to 3½ percent. In other words, the Government would have to make up the difference. Somebody would have to do it. It would not come from the proceeds of the bonds. It would have to come from the Government. That would mean that the Government of the United States would have to pay a hundred million dollars a year for 5 years out of its pocket to take care of this interest.

Of course, it is out of the question. It cannot be done. The only mortgages guaranteed by the Government with respect to principal and interest, under the Credit Administration, are the mortgages issued by the Federal Farm Loan Mortgage Corporation. Those bonds are guaranteed by the Government. They were authorized to the amount of $2,000,000,000. Over a billion dollars' worth have been sold and disposed of. The Government could not get its money from those bonds to make this good. There is no way of doing it except by making the Government pay the difference between 4½- and 3½-percent interest.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. BORAH. It should be borne in mind that, while the rate of interest is 4 percent, by the time the farmer gets his loan, after paying the expenses, cost of appraisal, and so forth, it is a good deal more than 4 percent.

Mr. FLETCHER. Not a great deal more. He does not pay any commission on the loan. He has to take 5 percent of his loan in stock, but that comes back to him in the final settlement. There is not much expense. He pays for the examination, and for the appraisement, I believe, which probably costs $10, or something like that. Then he furnishes an abstract of title, and that has to be paid for.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. FLETCHER. I yield.

Mr. WHEELER. The Senator says he pays $10 for appraisement. As a matter of fact, in many instances the land banks have sent out and had appraisements made, charging the prospective borrower $15 or $20 for the appraisement, and then, as a matter of fact, in many instances never did anything further. What the Senator from Idaho has said is true, that while the interest rate is 4½ percent by the time the farmer gets the money, he has to pay considerably more than that.

Mr. FLETCHER. He pays for an examination of the title and for an abstract of title which he furnishes, I take it. He pays for the appraisal. But that is done through the National Farm Loan Association, and the expenses are to be kept as low as possible. The responsibility for that rests a good deal on the National Farm Loan Association, of which the borrower has to be a member before he can borrow, and he puts up 5 percent of the amount of his loan in stock of the association, which is pledged as security for his loan and comes back to him eventually when he makes his final settlement, with the interest on it. There are other expenses; I grant that; but there are no commissions paid to agents, or anything like that.

Mr. BORAH. I do not have reference to the commissions in a general sense, but they have to have an abstract and appraisal.

Mr. FLETCHER. Yes.

Mr. BORAH. They have to make an appraisal; and I have seen many loans which have been estimated to be at 7 percent by the time the farmers had secured the loans.

Mr. FLETCHER. That might be for the first year. However, these loans run for 30 years; and while the farmers may have to pay something more than 4½ percent the first year, after that such payment does not have to be repeated. The farmer does not have to furnish an abstract every year or have an appraisal made every year. It is done once, and that is the end of it for 30 years. The amendment would make the Government pay the difference between 4½- and 3½-percent interest on these loans, and that would cost the Government $100,000,000 a year for 5 years.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana [Mr. WHEELER].

Mr. WHEELER. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. The Senator from Montana asks for the yeas and nays. Is the request seconded?

The yeas and nays were not ordered.

Mr. WHEELER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	King	Pope
Austin	Connally	Logan	Radcliffe
Bachman	Copeland	Lonergan	Robinson
Bankhead	Costigan	Long	Russell
Barbour	Couzens	McCarran	Schall
Barkley	Cutting	McGill	Schwellenbach
Bilbo	Davis	McKellar	Sheppard
Black	Donahey	McNary	Shipstead
Borah	Fletcher	Maloney	Smith
Brown	Frazier	Metcalf	Steiwer
Bulkley	George	Minton	Thomas, Utah
Bulow	Gerry	Moore	Townsend
Burke	Glass	Murphy	Trammell
Byrd	Hale	Murray	Truman
Byrnes	Hastings	Neely	Vandenberg
Capper	Hatch	Norbeck	Wagner
Caraway	Hayden	Nye	Wheeler
Carey	Johnson	O'Mahoney	White

The PRESIDING OFFICER. Seventy-two Senators have answered to their names. A quorum is present.

The question is on the amendment of the Senator from Montana [Mr. WHEELER].

Mr. WHEELER. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BANKHEAD. Before the roll is called, I should like to hear the amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed by Mr. WHEELER to add a new section at the end of the bill, as follows:

(a) The first sentence of paragraph (twelfth) of section 12 of the Emergency Farm Mortgage Act of 1933 is amended:

(1) By striking out the words "within 2 years after such date"; and

(2) By striking out the figures "4½" and inserting in lieu thereof "3½"; and

(3) Striking out the words "occurring within a period of 5 years", and inserting "60 days after the date this paragraph takes effect."

(b) The second sentence of paragraph (twelfth) of section 24 of the Emergency Farm Mortgage Act of 1933 is amended:

(1) By striking out the figure "5" and inserting in lieu thereof the figure "4";

(2) Striking out the figures "4½" and inserting in lieu thereof "3½."

Mr. FLETCHER. Mr. President——

Mr. WHEELER. I call for the regular order.

The PRESIDING OFFICER. The regular order is the Senator from Florida is recognized.

Mr. WHEELER. No.

The PRESIDING OFFICER. No Senator has answered to his name on the call.

Mr. WHEELER. I beg pardon.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. FLETCHER. Mr. President, I have previously stated the effect of the amendment, if adopted, but as some of the Senators now in the Chamber may not have been present at that time, perhaps I ought to let them know now what the amendment means, and I am going very briefly again to state its effect.

Under the Emergency Farm Mortgage Act of 1933 it is provided that on existing mortgages the rate of interest the mortgage bears shall be reduced to 4½ percent. In other words, the Federal land banks had mortgages running at 5 percent, or 5½ percent, or whatever it was. The emergency

act provided that such mortgages should be reduced to 4½ percent, the Treasury making up the difference.

There are about a billion dollars of these mortgages. The Treasury now makes up the difference between what they bear, 5 or 5½ percent, and 4½ percent, so that the borrower gets his money at 4½ percent. It is proposed by the amendment to reduce that to 3½ percent; in other words, the Treasury must make good 1 percent per annum additional on about a billion dollars of outstanding mortgages, which is equivalent to a tax on the Treasury of a hundred million dollars a year for 5 years. Of course, it is impossible to do that, and I hope the Senate will not agree to the amendment or think of doing so for a minute, as, in all probability, the President would then have to veto the bill.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana [Mr. WHEELER], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MCNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from Iowa [Mr. DICKINSON], and will vote. I vote "yea."

The roll call was concluded.

Mr. ROBINSON. I desire to announce the following general pair on this question:

The Senator from Nevada [Mr. PITTMAN] with the Senator from New Hampshire [Mr. KEYES].

I also desire to announce that the Senator from Arizona [Mr. ASHURST], the senior Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Illinois [Mr. LEWIS], the junior Senator from Illinois [Mr. DIETERICH], the Senator from Wisconsin [Mr. DUFFY], the Senator from Oklahoma [Mr. GORE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Mississippi [Mr. HARRISON], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. PITTMAN], the junior Senator from North Carolina [Mr. REYNOLDS], the Senator from Oklahoma [Mr. THOMAS], the Senator from Maryland [Mr. TYDINGS], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate on official business.

I regret to announce that the Senator from Louisiana [Mr. OVERTON] is detained from the Senate on account of illness.

Mr. GIBSON. I inquire if the junior Senator from California [Mr. MCADOO] has voted?

The PRESIDING OFFICER. The Chair is advised that that Senator has not voted.

Mr. GIBSON. Having a general pair with him, and not knowing how he would vote if present, I withhold my vote.

Mr. ROBINSON. I desire to change my vote from "nay" to "yea."

The result was announced—yeas 39, nays 33, as follows:

YEAS—39

Austin	Davis	Minton	Schwellenbach
Bilbo	Donahey	Murphy	Sheppard
Borah	Frazier	Murray	Shipstead
Bulow	George	Neely	Smith
Byrd	Hatch	Norbeck	Steiwer
Capper	Johnson	Nye	Thomas, Utah
Caraway	Logan	Pope	Trammell
Clark	Long	Robinson	Truman
Costigan	McCarran	Russell	Wheeler
Cutting	McNary	Schall	

NAYS—33

Adams	Byrnes	Hastings	O'Mahoney
Bachman	Carey	Hayden	Radcliffe
Bankhead	Connally	King	Townsend
Barbour	Copeland	Lonergan	Vandenberg
Barkley	Couzens	Maloney	Wagner
Black	Fletcher	McGill	White
Brown	Gerry	McKellar	
Bulkley	Glass	Metcalf	
Burke	Hale	Moore	

NOT VOTING—23

Ashurst	Duffy	La Follette	Reynolds
Bailey	Gibson	Lewis	Thomas, Okla.
Bone	Gore	McAdoo	Tydings
Coolidge	Guffey	Norris	Van Nuys
Dickinson	Harrison	Overton	Walsh
Dieterich	Keyes	Pittman	

So Mr. WHEELER's amendment was agreed to.

Mr. ROBINSON. Mr. President, I move to reconsider the vote by which the amendment was adopted.

The PRESIDING OFFFICER. The question is on the motion of the Senator from Arkansas to reconsider the vote by which the amendment was adopted.

Mr. LONG. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana to lay on the table the motion of the Senator from Arkansas.

The motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Arkansas to reconsider the vote by which the amendment was adopted.

Mr. ROBINSON. Mr. President, I believe the effect of the amendment is not fully understood. The matter has been clearly stated by the Senator in charge of the bill, the Senator from Florida [Mr. FLETCHER]. The effect of the amendment is to impose an additional charge on the Treasury of the United States of $100,000,000 a year. The object of it is wholesome. It is to reduce the interest rate which farmers must pay on their loans.

As stated by the Senator from Florida, under the act of 1933 the rate was reduced to 4½ percent, the Government being required to make up the difference between that rate and the rate which the obligations bear. Further to reduce the rate will impose an additional burden on the Treasury of the United States.

I, as much as any Senator, am in sympathy with the farmers of the country, anxious to contribute in any reasonable way I can to a diminution of their burdens; but I do not believe we are justified in adopting this amendment and in imposing this additional burden on the Federal Treasury. I hope Senators may be prompted, upon a reconsideration, to reject the amendment.

I know too that it is easy to cast a vote which invites and wins the favor of those who are in debt and who must meet their obligations, but I think that on this measure we ought not further to revise the rates of interest which farm mortgages bear. The amendment would cripple the Farm Credit Administration.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. ROBINSON. I yield.

Mr. BARKLEY. The Senator will remember that the farm-loan system had practically collapsed for a period of a year prior to the enactment of the emergency Farm Loan Act of 1933. There were many Members of this body and many people throughout the country who felt that it would be almost impossible to revive the lending functions of the farm-credit system. However, due to the fact that new money was injected into it by the Government of the United States out of the Treasury, it has been revived; but it ought to be stated that practically all the money that has been available for the Farm Credit Administration from that time until now has been money which has been put into it by the Government of the United States through the Federal Treasury. There has been no private money to speak of brought into the farm-loan system. This amendment will make it more difficult for the Treasury to continue to finance the farm-loan system through its own operation, and may result in breaking down the system almost entirely.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON. I yield.

Mr. LONG. I have just figured that at 3½ percent it would cost us around $9,000,000,000 to pay the interest alone on all our debts in America. Our national income is only $42,000,000,000. In other words, our interest alone at 3½ percent on our debts, public and private, would be around $10,000,000,000, and our national income is about $42,000,000,000. It is clearly evident we will have to do something about interest if we are ever to pay out.

Mr. ROBINSON. Mr. President, as stated by the Senator from Kentucky, we have made a liberal arrangement looking

to the reduction of interest on farm mortgages, and through that arrangement a great advance has been made. The various institutions under the Farm Credit Administration, during the period from May 1, 1933, to December 31, 1934, according to a statement supplied by the Governor of the Farm Credit Administration, have loaned $2,377,407,590 to farmers and farmers' cooperative associations. Of this total, $1,500,000,000 was farm-mortgage loans, more than $688,000,000 was short-time production credit, and about $195,000,000 was loans to cooperative associations.

As stated by the Senator from Kentucky, the farm-credit system had completely broken down prior to the period beginning May 1, 1933, when the Farm Credit Act became effective. Since that time the farm-mortgage loans have been increased by $1,500,000,000.

It is stated by the Senator from Louisiana that the indebtedness of the Nation is very great, and that is true, but some one must meet these obligations and the proposal here is to transfer them, from those who owe the obligations, to the Treasury of the United States to the extent of $100,000,000 a year.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Montana.

Mr. WHEELER. I understood the Senator to say "$100,000,000." I may be wrong about it, but was not the amount $10,000,000 instead of $100,000,000?

Mr. ROBINSON. It is 1 percent on the farm mortgages outstanding, which I understand to be about $9,000,000,000. I have not the exact figures.

Mr. WHEELER. I have not, either.

Mr. ROBINSON. Referring again to Governor Myers' memorandum on December 31, 1934, loans and discounts outstanding on the account of the Farm Credit Administration amounted to nearly $3,000,000,000, as compared to approximately $1,600,000,000 on April 30, 1933, the last month-end prior to the organization of the Farm Credit Administration. The increase in the volume of mortgages held by the Federal land banks and Land Bank Commissioner from $1,100,000,000 to $2,500,000,000 accounts for the entire increase in total loans of the Farm Credit Administration outstanding. The amount of short-term credits in force was approximately the same on each date, while the loans outstanding to farmers' cooperative associations had declined somewhat.

During the past 20 months the Farm Credit Administration has had two important tasks to perform. One was the emergency task of refinancing farm indebtedness so as to give the borrowers the benefit of reduced rates of interest at, probably, however, a considerable expense to the Government. The permanent task was to establish and maintain a unified system of farm credit institutions. In more than 91,000 loans the indebtedness has been substantially scaled down.

It is manifest from these figures that the amendment of the Senator from Montana imposes a very heavy additional burden on the Federal Treasury and will interfere with the operations of the Farm Credit System; and, in addition, as indicated by the Senator from Florida, the incorporation in the bill of this amendment probably will encompass the defeat of the proposed legislation.

I think it is desirable from every reasonable standpoint that the work of the Farm Credit Administration be carried forward as effectively as may be possible. The figures I have quoted are only a few of those which are pertinent to this discussion, but they show a large expansion of credit. They disclose transactions amounting to very large sums.

I am prompted to make the motion to reconsider by a sense of duty, and I hope the Senate may pass favorably upon the motion.

Mr. BANKHEAD. Mr. President, before the vote is taken I desire to express the thought, which I am convinced is correct, that the adoption of this amendment would not be, in the long run, a real service to the farmers.

If the amendment were limited merely to existing mortgages, and resulted in the transfer to the Treasury of the burden of around $100,000,000, and ended there, there might be some reason for giving the farmers that relief. It is perfectly clear to me, however, that a requirement that the Government shall loan money to the farmers at a loss to the Treasury, at a lower rate of interest than the money is available, plus some reasonable carrying charge for the expense of operation, will result in a most rigid program for the extension of credits hereafter to farmers, if in fact it does not result in a complete discontinuance of the entire farm-credit program.

I think it is incumbent upon Members of the Senate who are interested in the welfare of the farmers, and who believe in a system of reasonable farm credits, to take into account the effect of a program which seems to me, at least, to endanger the continuance of that program. We should not confine our consideration solely to existing loans, as large as they may be; but we are obliged to bear in mind that as the years come and go farmers will need loans of this character, and naturally an administration whose duty it is to protect the interests of the taxpayers of the country will be most reluctant to proceed upon a program which carries to the Treasury an expense upon every loan made to a farmer.

Mr. President, I believe it is better, in the interest of the farmers, to let a credit program proceed upon sound, reasonable business principles. I want the farmers, of course, as all of us do, to have as low a rate of interest as is possible and consistent with the cost to the Government of securing the money provided to the farmers under these loans. If this program is adopted to furnish credit to our farmers at a lower rate of interest than it can be obtained, it is inevitable that that will promptly be followed by an organized movement on the part of the city home owner, who has a loan program similar to the farm-loan program; and then we shall be confronted with the proposition of shifting upon the Treasury this additional burden in excess of 3½-percent interest, and such a program will also break down future loans upon the part of the Home Owners' Loan Corporation.

Therefore, Mr. President, so far as I am concerned, in voting against this program I believe that in the long run, however it may appear at present upon the surface, I am casting a vote in the real, true interest of the farmers and the continuation of a farm-loan program.

Mr. BARKLEY. Mr. President, I realize how alluring always is the prospect of a reduction in the rate of interest charged the farmers for money borrowed by them from any agency; but I am convinced that in considering this particular amendment we ought to look at it from the standpoint of sound business judgment.

One of the reasons why the farm credit system had collapsed—practically no loans had been made for a year—prior to the enactment of the Emergency Farm Credit Act of 1933 was because private capital would not invest in farm-loan bonds. It had been impossible for more than a year to sell any farm-loan bonds; and the farm-loan bond brings into the Agricultural Credit Administration the new blood which enables it to function. It was never intended when this law was enacted in 1916 that money should be taken out of the Treasury for the purpose of furnishing working capital to the farm-loan banks or to the intermediate credit banks later organized. The primary object and plan of the farm-loan system was that by making these bonds sufficiently attractive to bring into the system private capital which would invest in them, a reserve of credit would thereby be afforded to the farmers of the Nation; and all those who had anything to do with the enactment of that law at the time realized that unless there could be a regular and constant stream of private money flowing into the farm-loan system, it would be impossible for it to function. Nobody ever dreamed in the beginning that it would ever be necessary for the Federal Government to make appropriations to furnish working capital for the farm-loan system.

We recognized in 1933, however, in this body and in the other body, and in the administration generally that it would be a great disaster to the farmers of the Nation to allow the farm credit system established in 1916 to collapse, and that if it were permitted to exist only nominally over a

period of years without functioning, the inevitable result would be its collapse, and that if it collapsed it would be difficult ever to organize another farm-loan system in the United States.

I should be willing to say that the average interest borne by the farm-loan bonds that are now out is not less than 4 percent. Some of them are bearing 4½ percent. These bonds have been bought by men willing to invest their money in farm credit obligations. Of course, it was realized in the beginning that there ought to be at least something like 1 percent spread between the rate of interest borne by the bonds of the farm-loan system and the rate of interest paid by the farmer to obtain loans through his farm-loan association. As a matter of fact, the law as it now exists, making the maximum rate 4½ percent, leaves only about one-half of 1 percent spread between the rate paid by the farmer and the rate paid upon the bonds which represent the credit out of which he has been able to obtain his loan.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. How much money did the Government put into the farm-land banks? Has the Senator any idea as to that?

Mr. BARKLEY. My recollection is that we first appropriated $125,000,000. We added $50,000,000 later, I believe. My recollection may be a little faulty, but I know that in the beginning we put in $125,000,000, and we increased that amount later.

Mr. FLETCHER rose.

Mr. BARKLEY. Does the Senator from Florida recall the total amount?

Mr. FLETCHER. Mr. President, the Government originally put capital in the 12 regional banks——

Mr. BARKLEY. Yes; but I am speaking now of the emergency appropriation.

Mr. FLETCHER. That was partly paid back by the national farm-loan associations. Then in 1932 the Government appropriated $125,000,000 to take care of the capital needs of these banks.

Mr. BARKLEY. I was not thinking of the original capital put into these banks by the Government, but my recollection was that after we had appropriated the $125,000,000 originally, in 1933, we increased the amount. However, I may be mistaken about that.

The point I am making is that unless there is sufficient spread between the rate of interest borne by the farm-loan bonds and the rate of interest paid by the individual borrower to take care of overhead expenses, then the overhead expenses must be borne out of the Treasury of the United States.

If the amendment offered by the Senator from Montana shall be adopted, it will mean that the rate of interest paid by an individual borrower will be one-half of 1 percent lower than the interest on the bonds outstanding now representing farm credits in the United States. I ask seriously whether we desire to place that sort of a burden on the Treasury of the United States.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHEELER. Is it not a fact that if the Government had not put $125,000,000 into these bonds, which are now selling at par, they would not be worth anything at all today?

Mr. BARKLEY. I would not say they would not be worth anything, but these bonds today are down, I think, somewhere in the sixties.

Mr. WHEELER. As a matter of fact, a few speculators went around and picked up a lot of these bonds and the Government of the United States went in and made them good. What we did with reference to that was simply to make good the bondholders, the big land banks, and they did not take any losses on account of them at all.

Mr. BARKLEY. Of course, the Senator will realize that nobody would buy a farm-loan bond in the future at par when those already outstanding were selling for 60 or 70 cents on the dollar, and the very collapse of the farm-loan-bond market was the reason why the Federal Government had to put its own money into the farm-loan system in order to keep it from ceasing to function altogether. It may be that some speculators bought these bonds cheaply, but we cannot ever guard against that condition. The question is whether we are to charge enough interest on the money that is loaned to pay the interest on the bonds which are outstanding and pay the expense of the farm-loan administration.

Mr. WHEELER. In the case of the Reconstruction Finance Corporation, they loaned money to the banks, to the railroads, and to the insurance companies, and the Government today is refunding their bonded indebtedness at 3 percent. Not only that, but the Chairman of the Committee on Agriculture will bear me out that the testimony before that committee showed that, as a matter of fact, on their short-term notes, they have been getting loans from the banks over in the city of New York at as low as one-half of 1 percent.

I am not a prophet or the son of a prophet, but I venture this opinion: That every bond the Government has outstanding at the present time it could refund at 2 percent, or at least 2½ percent, and the banks would be delighted to take them.

Mr. BARKLEY. They have not been doing it.

Mr. WHEELER. Yes, they have been cutting the interest rate down.

Mr. BARKLEY. They have been cutting it down some, but some of our Liberty bonds outstanding now bear 4 and some 3½ percent.

Mr. WHEELER. The Government ought to take those Liberty bonds and refund them, as they have been doing with the others, and they could refund those Liberty bonds tomorrow at 2 percent.

Mr. BARKLEY. The Government has proceeded on that course as the bonds have become callable or due, but the Liberty bonds are outstanding for a certain length of time, and they are not callable until a certain date. The Government cannot go out indiscriminately and take them all in and refund them or pay them off before the period stipulated by law has been accomplished.

The point is this: The Reconstruction Finance Corporation has made loans to industry. It has not, according to my recollection, made loans to industry at as low a rate of interest as the rate provided in the Senator's amendment, although all the overhead charges and expenses of the Reconstruction Finance Corporation are borne by the Government of the United States.

Mr. WHEELER. Exactly.

Mr. BARKLEY. But if we want the Federal Treasury to pay the expenses of all the farm-loan associations, and all the Federal land banks, and the farm-loan banks, and the intermediate credit banks, and the banks for cooperatives, and all the rest, change our entire policy about that so as to make them not self-sustaining, but sustained out of the Treasury of the United States, that presents a different proposition from the one we have now before us.

Mr. WHEELER. I say the Government could call in these bonds, and I say that it could reissue them at 2 percent, without a question of doubt, and I am sure that the Senator will agree with me that it could make these banks self-sustaining and could reduce to 3½ percent the interest the farmers have to pay. Unless that shall be done and unless the farm indebtedness of this country shall be reduced and the farmers' overhead shall be reduced, then there will be a pauperized community from one end of this country to the other.

Mr. BARKLEY. I do not understand that the Government can go out and redeem the farm-loan bonds that are issued on a 20- or 30-year basis. They are bonds not of the United States Government, but they are bonds issued by the

Federal land banks of the United States. They are private obligations.

Mr. WHEELER. I understand.

Mr. BARKLEY. They are obligations issued by private corporations, fostered, it is true, by the Government of the United States. These are private bonds issued by the Federal land banks, which are private corporations, owned by the farmers and others interested in agriculture.

I do not agree with the Senator that the Government of the United States can go out and call those bonds in and redeem them now at any rate of interest, and if it could be done I doubt very seriously whether it could be done at 2 percent, or even 3 percent, as to long-term bonds, such as they have to be.

I do not think there is any analogy between a bond of that sort, running over a period of years almost equal to a generation, and a short-term loan obtained by somebody in a bank in the city of New York, where the banks are full of money and willing to lend it at almost any rate.

Mr. WHEELER. They would be tickled to death to lend money on these bonds at 2 percent.

Mr. BARKLEY. I do not know what information the Senator has from any of the banks that leads him to state that. I myself have no such information.

Mr. President, I do not want to take the time of the Senate. I think the adoption of this amendment practically would kill the bill. I do not see how the President could sign it if it were sent to him with this amendment included in it.

I know nothing about the President's feelings about the matter. I just know that, as a business matter of sound judgment, to place this sort of a charge on the Treasury of the United States under present circumstances certainly would present great difficulties to the Chief Executive in determining whether he should sign a bill with this sort of an amendment on it or not.

We are trying to do something constructive for the farmers. Let us not nullify what we are trying to do by creating an impossible requirement as to these bonds which are outstanding.

Mr. WHEELER. Mr. President, to people who are so solicitous about the farmers, let me say that every farm organization in the United States that I know of has approved this amendment. The representative of the National Grange has written me a letter asking me to propose the amendment.

Someone says, "You are going to ruin the farmer." If the farmers are to be ruined by this amendment, then the National Grange ought to know it. They would be the last ones who would want to have the amendment adopted in the event it were going to ruin the farmer. I read the letter before, and I wish to read it again. It is as follows:

> In considering the question of farm credits, the National Grange at its recent annual convention went on record as favoring the reduction of interest rates to farmer borrowers to the lowest point consistent with a sound loaning policy.
>
> At the present time farm mortgages are being refinanced by the Farm Credit Administration at 4½ percent. Would it not be well to amend the Farm Credit Act now pending so as to reduce the interest rate to 3½ percent?
>
> As is well known to everybody, interest rates have been greatly reduced in this country during recent years, and farmers should get the full benefit of this downward tendency in interest rates.
>
> In connection with its refunding operations the Treasury Department, on December 15, 1934, offered a large block of Government bonds carrying interest of 3⅛ percent, due in 1952, callable in 1949. On April 16, 1934, an issue was offered at 3¼ percent, due in 1946, callable in 1944; and in June of 1934 an issue was offered at 3 percent, due in 1948, callable in 1946. These Treasury offerings were quickly taken by the bankers of the country, and some of them were oversubscribed several times.
>
> The banks of the country at the present time are bulging with idle money which is seeking safe investment. With the Government standing behind farm-loan bonds to the extent that it does under the present condition, lower interest rates on farm mortgages are warranted and justified.

To the same effect is a letter from the American Farm Bureau Federation, and at the close of their statement Mr. Chester Gray said:

> The American Farm Bureau Federation is now, and has been for several years, fighting to reduce interest rates on farm mortgages.
>
> The pending measure by Senator FLETCHER has some admirable features in it; in fact, it has nothing in it which should be deleted; but the thing that the farmers are thinking about is cheaper money, which means a lower interest rate on farm mortgages.
>
> I trust it will be possible that an amendment may be presented by you on the floor during the debate on this measure which will reduce the interest rate below the present 4½ percent per annum.
>
> Although I have no authority to speak for other farm organizations, I can speak of them and convey to you the definite assurance that no farm organization is content with the interest rate on farm mortgages which now is required to be paid by all farm debtors.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from South Carolina?

Mr. WHEELER. I yield.

Mr. SMITH. Let me ask the Senator a question. What is the percentage of the actual appraised value on which a farmer can borrow?

Mr. WHEELER. I cannot give the figures offhand.

Mr. SMITH. I think it cannot exceed 60 percent.

Mr. WHEELER. I think that is true.

Mr. SMITH. Very well. The basis of all the wealth in this country and the basis of the support of 120,000,000 people is in our real estate. A farmer goes to borrow, and he gives a mortgage to secure the money, upon which mortgage the bond is based, and that is based on 60 percent of the appraised value of his real estate. Apparently we cannot get our bankers and cannot get our Government to realize that fundamentally the prosperity and well-being of this country must start at the ground; and every rate of interest that can be lowered should first be lowered to the man who has taxes to pay, whose every expense incident to the production of the commodity in which he is interested is deducted before the article is sold. Before a hog is bought, the expenses of processing and getting it ready for market are deducted. The same thing is true in the textile world. So the expense of the entire organized framework of our Government rests on those who produce.

Look where taxes have gone. Look where interest rates of those who are privately engaged in lending money have gone. Now we are told by the leader of the majority that if we do not give 1-percent spread—to whom? to the officials set up for the distribution of this money—if we do not give 1-percent spread, the whole thing will collapse.

Mr. BARKLEY. Mr. President, there is now a spread of only one-half of 1 percent.

Mr. SMITH. Very good. He said 1 percent, and I think the calculation will show that it will amount to about $10,000,000. One-half of 1 percent would be $5,000,000, distributed to whom? To the officers who take charge of and collect and distribute this money.

If we are to start a program of economy necessary for the recovery of our country, it is essential in doing so to have due regard to those who produce the fundamentals, the raw wealth out of which all finished products are made. When appeals are made to the R. F. C. on behalf of the railroads, on behalf of insurance companies, we hear the cry that the widows and orphans have invested their money in the bonds and in the liabilities of those companies. How many farm widows and orphans have stock in any of those corporations?

We have just had what some of the newspapers have called a "clinic" on why we have lost our export trade and what is essential to recovery. What is the first thing we found to be the cause of the loss of our foreign trade? The first thing was the antidumping law which puts manufacturing in a bombproof. Next were the countervailing duties in the midst of the high, unspeakable, and ridiculous tariff provisions of the Smoot-Hawley Act. Next was the total inability of the foreign countries to buy from us by virtue of the fact that we are a creditor nation. The whole burden rested on the farmer, however, because he could not find a market in this country for his raw material; then he could not ship his raw material abroad; and now he is bearing the weight of taxes, the weight of the entire superstructure of our civilization, and we are declaring that as a Government we cannot provide him with a rate of interest which will enable him to get from under this intolerable burden.

It is the duty of the Government to furnish the farmer the wherewithal to make the bread we eat and the clothes we wear, without interest, if necessary. Talk about selling bonds! We are proposing to sell $5,000,000,000 of bonds, to do what? We are also committing ourselves to the sale of $45,000,000,000 of bonds; and does anyone doubt who will ultimately pay the interest and retire those $45,000,000,000 of bonds?

Mr. President, I ask the Senator's pardon for interrupting his speech; but when it comes to a question of doing something practical, something beneficial, if the public will not buy the farm-loan bonds, the United States Government ought to assume the burden and take care of those who feed and clothe and shoe us. We can extend all sorts of accommodations to those who in return can furnish the money to furnish the votes to put us back here; but the time has come in this country when that false principle wrought into our life is working itself out in disaster. The Shylocks have exacted their pound of flesh, and the victim has bled to death. We sit here and quibble about technicalities concerning what the middleman must have as a spread. One percent is guaranteed him, and the man who lends the money is guaranteed 2½ percent or 3½ percent, while the man who makes the wherewithal with which the debt has to be paid goes in the red, and his farm is mortgaged and lost.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. The Senator from Montana [Mr. WHEELER] has the floor.

Mr. LONG. I just want to ask the Senator from South Carolina a question.

The PRESIDING OFFICER. Does the Senator from Montana yield for that purpose?

Mr. WHEELER. No, Mr. President.

Mr. SMITH. I beg the Senator's pardon, but I will say to him that I lose my temper now and then.

Mr. FRAZIER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. WHEELER. I yield.

Mr. FRAZIER. The Senator from South Carolina asked the amount which would be loaned under the Land Bank Loan Act. It is 50 percent of the appraised valuation of the land, and 20 percent of the insurable value of the buildings. In many cases the buildings are worth as much as the land sells for at the present time. So an average of about 35 percent of the value of the land and the buildings is all the borrowers can get under the Land Bank Loan Act, and they pay altogether too high a rate of interest for the money.

Mr. WHEELER. Mr. President, I thank the Senator from North Dakota.

I do not think we should treat this problem very lightly. I desire to say that the Government of the United States——

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. No, Mr. President; I will not yield at this time.

Mr. CONNALLY. Mr. President, who has treated this problem lightly? I thought this was the most serious discussion I had heard in the present session.

Mr. WHEELER. Mr. President, I do not care to discuss that matter now. I wish to say to the Senate that what I meant was that one of the most fundamental of the problems facing the Congress for decision at this time is the problem of reducing interest rates to the farmers.

This Government of ours is spending billions upon billions of dollars, and we are giving it away. We may talk about taking money out of the Treasury of the United States to make it up to the land banks, but what will happen to the farmers of this country unless they can get a reduction of interest rates? The land banks will own the farms, and then what will be done with them?

There is not a farmer in South Dakota today, there is not a farmer in North Dakota today, there is not a farmer in Montana today, there is not a farmer in Idaho, or elsewhere in the Northwest, who can pay 4½ percent interest upon the money he borrows. In every single case of these refinancings the farmers will lose their farms, and the farm land banks will take them over in a very short time.

Do we want to let the farmers stay on the farms; do we want to keep them there, or do we want to make conditions such that they cannot stay there? Do we want to take the farmers off the farms and feed them, as something over one-third of the population of the State of South Dakota is going to be fed from the Public Treasury at this time?

I say as a practical proposition that when money is loaned to the farmer at a reasonable rate of interest we are not giving the money away, we are not doling it out to someone who does not want to work, but we are trying to make it possible for the man to stay upon his farm and make it possible for him to raise his children, send them to school, and educate them.

Someone will say, "You cannot do it, because it is going to cost the Government a few million dollars."

Mr. President, who made it possible for the bondholders who are getting 4 percent on their bonds to sell their bonds at par at the present time? The Government of the United States put up the money in these land banks to make it possible for the holders of the bonds of the Federal land banks to get par for their bonds. Could not the Government of the United States say, "We made your bonds sell at par, some of which were selling for practically nothing, and speculators got hold of some of them, and the Government of the United States came in and made them good"?

I ask that the rate of interest be reduced 1 percent. The farmers may feel that it should be lower than 3½ percent at the present time and under present conditions. I seriously doubt whether the farmers of the country can pay 3½ percent, but let us show them that we are at least trying to do something for them which will be of practical benefit.

Oh, yes; we passed the allotment plan, and we said to the farmers, "You must cut down your acreage; you cannot plant so much of this, that, and something else." We passed many laws here, but I say to the Senate that I am offering something which will be of more practical benefit to the farmers of the country than all the allotment plans put together. I am sick and tired of people coming here and saying, "I am doing this for the farmers." What are we doing it for? We are doing it for the bondholders. We are simply saying to them, "We are going to pay that 4½ percent."

Mr. President, the land banks are loaded down today, from one end of this country to the other, with a lot of cheap politicians who are holdin gpositions. There ought to be a general investigation of every single one of the land banks in the United States of America. Their forces ought to be reduced; and a general investigation of the whole Federal land bank system of the United States ought to be conducted by the Senate.

Not only that, Mr. President, but nobody got up on the floor of the Senate and complained when the Reconstruction Finance Corporation loaned money in order to save a railroad. When we passed the Reconstruction Finance Corporation bill, the Van Sweringens were down there sitting on the front porch waiting to get their hands into the Public Treasury.

Lose $100,000,000! We are going to lose more than $100,000,000 from the loans which have been made by the Reconstruction Finance Corporation to the railroads, to the banks, and other institutions. Indeed, we are going to lose much more than that. Which is more important—to lose some money to keep the farmer upon the farm so that he may raise his children, so that he may live upon it and help produce commodities or to save $100,000,000 and drive him off the farm and send him to the city to be fed out of the public trough? That is what is happening now. We are soon going to appropriate more than $4,000,000,000. What for? Most of it to feed hungry mouths, many of them the hungry mouths of farmers who have left the farm; and if we continue to charge them 4½-percent interest we will drive many more of them to the cities, because farms all over the country will be taken over by the Federal land banks.

I know what the conditions are in the Middle West, and I know what they are in the Northwest, and I am saying to you, Mr. President, that there is not a farmer today in the entire Northwest who can afford to pay 4½-percent interest upon his farm. There is today in the State of Wisconsin, one of the richest agricultural States in all this Nation, hardly a farmer who can pay 4½-percent interest; and when we go farther into the Middle West and Northwest there is not any farmer who can pay it. Yet we are haggling as to whether or not we are going to charge the farmer 3½ percent or 4½ percent.

I repeat what I have said, that what the Government ought to do, of course, what it should have done, was to take over the Federal land banks.

It is asked, "Shall the Government finance all the farmers?" It had better finance the farmers and make loans to them at low rates of interest—I do not care how low—than to drive them away from their farms. It is to the interest of the United States of America to keep the farmers upon their farmers and to make them decent, respectable citizens. It is much more to the interest of the Government to do that than it is to loan money to insurance companies, to power companies, to bonding companies, to railroads, and other similar institutions all put together.

Oh, yes; as the Senator from South Carolina [Mr. SMITH] says, when we come to touch the great utility corporations of this country, when we come to touch the holding companies, they say, "You must not regulate us, you must not do this, because think of the widows and orphans to whom we have sold our bonds and our stock. Those bonds and those stocks are now held by widows and orphans, and you must not touch us."

So when we attempt to do anything with the railroads they say, "You must not do that, because think of the widows and orphans who have got their money in the savings banks." But the Senator from South Carolina pointed out that few are thinking about the widows and orphans, and those who are going to be widows and orphans, who are trying to make a living with their hands and not asking for charity from the Government of the United States, not asking for doles, if you please, but who are asking the Government of the United States to make it possible for them to earn their daily bread, to keep their farms by reducing their interest rates; and we, the Senate of the United States and the Congress of the United States, will not do it; and some Senator has even suggested that the President of the United States would not sign the bill with such a provision in it. I say to you, Mr. President, I do not believe the President of the United States would hesitate one moment to approve such a measure.

The most important thing before this country is, how are we going to keep the farmers upon the farms; not how we can make a little money off them, not how we can make them pay more interest—but how are we going to keep them upon their farms? The question is, How are we going to make it possible for them to raise their children and send them to the country schools, give them an education, and make them decent citizens? The most important thing, I repeat, is to keep the farmers upon their farms.

The Farm Credit Board, with a lot of clerks and economists sitting in their swivel chairs, may figure how much interest the farmers should pay; but the problem that is confronting us is, How are we going to make it possible for the farmers to keep their homes; how are we going to make it possible for them to increase their purchasing power so that industry may prosper throughout the United States, and how these men can get off the dole? We are either going to do one thing or the other—either keep them upon the farm, even if we have to loan money to them for little or nothing, or we are going to have to feed them and carry them on a dole; that is all.

Mr. BARKLEY. Mr. President, I apologize to the Senate for speaking again upon this matter. I hope that we will not be swayed by any prejudice we may have against anybody who might be called a bondholder. I happened to be a Member of Congress when the Farm Loan Act was passed in 1916, and I remember that we were seeking to bring about a reduction in the interest rates paid by farmers from 8 and 10 and, in some instances, 12 percent to a decent rate which they could afford to pay. We have reduced the rate from 10 and 12 percent to 4½ percent. We have been able to do that because men who had money were willing to buy farm-loan bonds and thereby become bondholders. It was not because of the banks, but because millions of our people who had a few hundred dollars laid aside invested a few hundred dollars each in farm-loan bonds. I have friends, all Senators here have friends whom they can call by name, who put their money in farm-loan bonds, and without their assistance we would not have been able to reduce the rate of interest from 8 to 10 and 12 percent to 4½ percent. Yet because these men and these women had faith in this institution set up by the Government of the United States, and because everybody knew that unless men invested their money in farm-loan bonds the system could not be successful, they are denounced here as bondholders with some imputation of dishonesty or cupidity or selfishness or some design upon the farmers of the United States.

The banks of the country now hold about $16,000,000,000 of Government obligations, only $900,000,000 of which are guaranteed in any respect by the United States Treasury or the United States Government. It is now a serious question whether, in the new financing of the Government ahead of us we will be able to induce the banks to take very many more of its bonds at the prevailing rates of interest, and if this amendment shall be adopted I am quite sure none of them will ever take any more farm-loan bonds.

Reference has been made here to loans to railroads and insurance companies. I think it ought to be stated that the loans made by the Reconstruction Finance Corporation to the banks are regarded as wholesale credit. We all understand the difference between wholesale credit and retail credit. A bank in my home city or in yours, Mr. President, desires to loan money out to factories or stores of men or women or corporations able to borrow money and pay interest on it. They are able to borrow money at what are called "wholesale rates." The Reconstruction Finance Corporation has furnished to some banks what is called "wholesale credit" at 4 percent. Any bank that has any business judgment is not going to loan that money out for less than 5 percent, because it has got to have spread enough to make expenses, and, at least, hold out some hope of profit to the men who invest their money in the stock of the bank, but the loans which have been made by the Reconstruction Finance Corporation to industries now bear a rate of 6 percent, and not a rate lower than that which is borne by the farm-loan bonds of the United States.

Mr. WHEELER. What is the rate of interest on loans to the railroads?

Mr. BARKLEY. It varies between 4 and 6 percent. It is not below 4, and sometimes is around 5, and perhaps in some instances 6. It depends a good deal on circumstances, but none of them bear below 4 percent, and, I think, none above 6.

Mr. WHEELER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. Some of the money we have loaned to the railroads has gone to pay interest upon their bonded indebtedness.

Mr. BARKLEY. That may be true. We have demonstrated our desire to furnish cheap credit to the farmers. We have provided that the production credit associations which we have set up under the amended Farm Loan Act may have a wholesale credit of 2 percent on the money which they borrow, and of the cooperatives the same thing is true; they also get money at 2 percent, and loan it out upon commodities such as corn, wheat, cattle, or hogs or anything for a quick turn-over. But the amendment of the Senator from

Montana will provide that the individual loans on long-term paper from 20 to 30 years will bear only 3½ percent. I should like to see the rate reduced even below that; I should like to see it reduced to 3 percent or 2 percent, if it were possible to do it on the basis of sound business judgment.

This was a sacrifice to the land banks. The Senator has said they are being manned by a lot of cheap politicians who ought to be fired. I do not know anything about any of the land banks except the one in the district where I live. In the city of Louisville, which is in the fourth land-bank district, we have a land bank with which there is not one politician connected. With the exception, perhaps, of one other this is the most successful and most useful of all the land banks of the United States. The men in charge of that bank are business men and farmers. They are not politicians. I can say, so far as that bank is concerned, that it would welcome any sort of investigation that might be proposed by the Senator from Montana.

Mr. WHEELER. We tried to get an investigation at the last session of Congress, but we could not get it.

Mr. BARKLEY. I do not know about those out in the Senator's section of the country, where it may be that politicians are in charge. I doubt that, however.

Mr. WHEELER. I happen to know that they are.

Mr. BARKLEY. Did the Senator recommend any of them?

Mr. WHEELER. Yes; I recommended some men to be put in charge, but they were not of that type—very few of them, I believe. Not only have there been complaints with reference to the bank out there, but the Senator will find the same complaints with reference to practically every single land bank in the United States.

Mr. FRAZIER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Dakota?

Mr. BARKLEY. I yield.

Mr. FRAZIER. Is not a large percentage of farms being foreclosed in the Senator's State at this time, and has not that been the case for the last year or so?

Mr. BARKLEY. No; that has not been the case. I will say to the Senator in explanation of my answer to his question that a year or two ago, when the farm-loan system had collapsed or ceased to function, there was a threat of wholesale foreclosure upon farms. I believe the Louisville Land Bank went as far as it was possible to go to withhold all possible foreclosures. The foreclosures which were instituted even in those distressing circumstances were where the farm owners had abandoned their farms and ceased to pay interest and moved away, and as a matter of self-preservation the land bank had to take some step in order to preserve the loans it had made upon such farms. I think that situation has been greatly alleviated by reason of new blood we injected into the land-bank system through appropriations from the Federal Treasury.

Mr. FRAZIER. There was one landowner from Kentucky here last winter who was very much interested in an amendment to the Farm Bankruptcy Act. He made the statement that in his county, unless something was done, 90 percent of the farmers would lose their farms through foreclosure.

Mr. BARKLEY. He was a little pessimistic. That prophecy not only has not come true but it has not even been approached. I do not doubt his good faith and sincerity, but it is easy for a man to come here and say, "Unless something is done, 90 percent of the people will have something happen to them in the near future." It just did not work out that way. In the first place, there were not 90 percent of the farmers in that county who had loans on their farms.

The thing we ought to keep in mind is to try to preserve some uniformity with respect to our farm-loan system. We should not become prejudiced against somebody who has, out of his savings of a lifetime, invested some of his money in farm-loan bonds. Without them the farmers never would have gotten the benefit of the farm-loan system. I think it is quite unfair to them to hold them up to scorn on the floor of the Senate because they, believing in agriculture, have been willing to invest their savings in the bonds representing credits to the farmers of the United States today.

Mr. WHEELER. Mr. President, will the Senator tell me someone who held them up to scorn?

Mr. BARKLEY. The Senator himself referred to bondholders——

Mr. WHEELER. May we not refer to a bondholder without holding him up to scorn?

Mr. BARKLEY. Yes; but it seems that the Senator from Montana cannot. There was a peculiar emphasis, it seemed to me, of scorn when the Senator emphasized the word "bondholders."

Mr. WHEELER. What I said about bondholders was that there were a lot of speculators who bought up the bonds.

Mr. BARKLEY. I doubt whether there are very many speculators involved. It may be that some did that. Of course, we all have the speculative instinct. We cannot legislate that out of the human heart.

Mr. WHEELER. But a lot of them bought the bonds because they thought certain legislation was going to be enacted.

Mr. BARKLEY. Many people bought silver because they thought certain legislation was going to be enacted. We cannot prevent the people doing things of that kind. We cannot prevent men from trying to capitalize what they think Congress will do by reason of certain legislation that may be pending.

Mr. WHEELER. That is true; but that is no reason why we should permit them to continue. That is no reason why we should not see to it that the interest rates are reduced to the farmers of the United States.

Mr. FLETCHER. Mr. President, I hesitate to take up any time discussing the matter further, but it is a very important question. It is very vital to the people, in one way and another. I do feel that I ought to draw attention to the situation in which we find ourselves in reference to this matter. I have already mentioned it, but I repeat briefly because there are some Senators here now who were not present at that time.

I am somewhat familiar with the legislation that led up to this situation. I was chairman of the United States commission appointed by President Wilson to make a study of agricultural conditions in Europe and in this country with a view to deciding upon some scheme or system or plan for financing the American farmer. The Senator from Oklahoma [Mr. GORE] was a member of that commission. We made a report, but I shall not go into it. No one ever knows I was chairman of that commission unless I happen to tell it myself.

We submitted a report, Senate Document 214, comprising 1,000 pages and covering the entire investigation we made in Europe, with the determination if possible to establish a system for financing agriculture in this country under which the farmer could live and thrive. The older countries of Europe had had their various systems, the credit mobilier and such other plans, in operation for hundreds of years. That is the reason why we went there, to study those plans and see if they could be applied to this country. They have worked there marvelously.

I introduced a bill on the subject, the first bill that was introduced. It was referred to the Committee on Banking and Currency. The bill was amended in the committee and the chairman of the subcommittee then reported the bill as amended, and my name never became connected with the legislation in any manner. I was a member of the conference committee between the House and the Senate which settled the Farm Loan Act. That was the beginning. Out of the work of these commissions resulted the Farm Loan Act. As the Senator from Kentucky [Mr. BARKLEY] said, one of the main ideas and purposes of that act was to secure decent interest rates for the farmers. That was the purpose of it.

It was attacked on that ground. Bankers objected to it on that ground. A suit was begun in Missouri and was carried to the Supreme Court of the United States involving the constitutionality of the Farm Loan Act. One of the grounds of attack was that it exempted the Federal farm-loan bonds from taxation. That provision had been incorporated in the law for the purpose of securing to the farmer a reduced rate

of interest. The law provided that he should be charged not to exceed 1 percent above what the bonds sold for. It was estimated that if we did not have such a provision in the body of the bonds, the farmer would have to pay 2 percent more for his money. The bonds would probably sell, in other words, for 2 percent more than they would sell for with the tax-exempt feature. What I mean to say is that if we did not have the tax-exempt provision in the bonds, they would have to sell for 2 percent more than otherwise, and the farmer would have to be taxed that 2 percent plus the cost of administration, which was estimated at 1 percent. It never amounted to 1 percent. It never has amounted to more than one-half of 1 percent; but it was contemplated that the cost of administering the system would be borne by the people who enjoyed its benefits. That is not outrageous. It is not unfair. It is entirely reasonable.

As a matter of fact, the system does not bear all the expense now. The expenses of the administration here in Washington are paid by the Government. The expenses out in the field of the Federal land banks, and all that sort of thing, are paid by the borrowers there. One-half of 1 percent takes care of that, but it does not take care of the salaries of those in Washington who are administering the act.

The passage of the Farm Loan Act did accomplish a reduction of interest to farmers all over the country—not only for farmers, but for commerce and industry. There was a reduction in bank rates following the passage of the act. There was a reduction in commercial rates of all sorts as the result of the legislation, just as the bankers predicted. They said it would reduce interest rates, and it did; and that is what we wanted to do. The Supreme Court sustained the constitutionality of the act in every feature and in every respect, including the provision in regard to the exemption from taxation of the farm-loan bonds.

Before the system was inaugurated the farmers of this country were paying all the way from 6-percent to 20-percent interest. The evidence before our committee showed that in some instances they were paying as high as 20 percent for the financial accommodations they required.

The Farm Loan Act provides that charges to the borrower shall never exceed 6 percent. That includes the cost of administration; so every year since that act was passed there has been a saving of $450,000,000 to the farmers of the country in interest alone.

I am very deeply concerned about this matter of interest to the farmer. I have always endeavored to help agriculture, and to accomplish through that farm-loan legislation benefits to agriculture, especially with reference to the farmer's financial operations. I am interested in that today; but I do not want to break down a system which has done so much good for agriculture. We shall destroy it if we ride it to death, if we keep imposing upon the Government conditions which will ultimately ruin the system. I agree with what the Senator from Alabama [Mr. BANKHEAD] has said about that. There must be a limit to the extent to which the Government can go.

Today, under the law, a man borrows a thousand dollars. His interest rate is 5 percent, as specified in the mortgage. His agreement, his contract, is to pay 5 percent. On the back of that contract is endorsed a credit of one-half of 1 percent for 5 years. That is, under the existing law a reduction is made to 4½ percent.

The interest rate now fixed by our act is 4½ percent, and the credit is endorsed on the farmer's mortgage. If it is a 5½-percent mortgage, there is a credit of 1 percent. If it is a 5-percent mortgage, the credit is one-half of 1 percent. That credit for 5 years is endorsed on the farmer's contract today under the law as it stands. In other words, he pays only 4½ percent, although his contract originally was for 5 percent. The Government, the Treasury of the United States, takes care of the difference between what the farmer contracted to pay—5 percent, we will say—and 4½ percent. It has been doing that under the present law; and that provision of law will expire in 1938, as I understand.

The proposal of the Senator from Montana [Mr. WHEELER] is worse than I thought it was. I thought he was going to continue the present reduction in interest for 5 years; but he leaves his reduction indefinite for all time to come. He proposes that the interest rate shall be 3½ percent, and the Treasury must make up the difference between the contract rate specified in the mortgage and 3½ percent. In other words, he adds 1 percent to the one-half of 1-percent reduction already provided for 5 years. He makes the reduction 1 percent from now on, for all time for the future, without any limit at all.

That means that for 5 years the proposal would cost the Government $100,000,000 a year. I do not know how much it would cost altogether, because we do not know how long the reduction would last. It is to last indefinitely under this amendment; and I presume—I think the Senator from Oklahoma [Mr. GORE] made that statement—that very likely, if that is done this year, next year a demand will be made for a reduction to 3½ or 3 percent, and perhaps after that there will be a demand for a reduction to 2 percent, and perhaps after that it will be demanded that the interest shall be paid entirely by the Government.

For heaven's sake, have we not done about as much as we can for agriculture? We first brought the interest rate down to 5 percent, and then down to 4½ percent; and, in addition to all that, we have agreed upon benefits and allotments and compensation here and there, benefits of all sorts that we have established for agriculture. Is there not any limit, any place where we will stop? As the Senator from Kentucky [Mr. BARKLEY] has said, we shall break down the whole system if we do not stop at a reasonable stopping place; and I think we have gone the limit already.

The Government cannot afford to do what is proposed. One hundred million dollars a year for 5 years is the amount of the donation that is asked. We have appropriated $125,000,000 to bring new life into the system and have it go on. Now we are asked to appropriate this other benefit.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. FLETCHER. I yield to the Senator from Kentucky.

Mr. BARKLEY. It ought to be stated also that the Farm Credit Administration has been able to bring about a total reduction of about $32,000,000 in the interest paid by farmers since the revival of the farm-credit function.

Mr. FLETCHER. Yes.

I have before me here, in our hearings on this bill, a statement by Governor Myers, found on page 10 of the hearings. I asked him this question:

> I should like to ask whether or not the agricultural situation is improving; whether farmers are going deeper and deeper into debt or whether they are paying out.

That question was put to him. It is a very important question. In view of the statements made here by the Senator from South Carolina [Mr. SMITH] and the Senator from Montana [Mr. WHEELER], it looks as though we are in a most desperate situation as to agriculture—as if every farmer in the country is about to starve to death, quit his farm, and all that sort of thing.

Mr. Myers said this—I read from his testimony:

> They are paying out, Senator. I have put on this sheet [exhibiting] some figures that show the results of our refinancing operations to date.
>
> Table 3 shows that out of nearly $1,500,000,000 of loans made 89.7 percent has been to refinance existing debt; that is, mortgage debts, short-term debts, and taxes. That is practically 90 percent of the loans that have gone to refinance debts.

Then he mentions other percentages of the loans.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Does that refer to land-bank mortgages, farm mortgages?

Mr. FLETCHER. Yes.

Mr. SHIPSTEAD. Ninety percent of all outstanding mortgages have been refinanced?

Mr. FLETCHER. Yes; exactly. I understood the Senator to ask whether the loans have been used for refinancing. Yes; the proceeds of 90 percent of the loans have gone to refinance farm mortgages and farm debts of all sorts, taxes and all that sort of thing.

Mr. SHIPSTEAD. Does that mean 90 percent of all farm mortgages in the farm land-bank system?

Mr. FLETCHER. Yes.

Mr. SHIPSTEAD. In how long a time—2 years?

Mr. FLETCHER. No; 90 percent of the $1,600,000,000 of loans made by the Farm Credit organization.

Mr. SHIPSTEAD. In 2 years?

Mr. FLETCHER. Yes; I think it is 2 years—from May 1933 to date. That is the amount they have handled since the act went into effect.

Mr. ROBINSON. Mr. President, will the Senator permit an interruption?

Mr. FLETCHER. I yield to the Senator from Arkansas.

Mr. ROBINSON. Of the more than $1,000,000,000 that has been loaned in connection with farm mortgages by the Farm Credit Administration, 70.9 percent has gone to the refinancing of existing farm mortgages, 15.8 percent to refund short-term debts, and 3 percent to pay taxes, according to preliminary estimates. Those are the figures supplied me by the Farm Credit Administration.

Mr. FLETCHER. Mr. Myers further states in this hearing:

Where the debts of the farmer exceeded the amount that could be loaned, it was required that these debts be composed within that amount.

In other words, the Farm Credit officials succeeded in adjusting these debts with creditors in the interest of the farmer.

The aggregate scale-downs have been about $5,000,000.

That is to say, the Farm Credit officials have benefited the farmers by their facilities in handling the matter to the amount of $5,000,000 in the scale-down of their debts.

Mr. SHIPSTEAD. Out of a total of how much?

Mr. FLETCHER. One billion six hundred million dollars.

Mr. SHIPSTEAD. They scaled that sum down $5,000,000?

Mr. FLETCHER. They saved $5,000,000; yes. The aggregate scale-down has been about $5,000,000.

Mr. Myers continues:

The next table shows—

And Senators will find these tables attached to the hearing, if they care to turn to them—

The next table shows that in refinancing to date the interest savings of farmer borrowers aggregated about $22,000,000 a year.

That has been accomplished—$22,000,000 a year. In these refinancing operations the Farm Credit officials have accomplished a reduction of interest, and they have saved the farmers $22,000,000 a year. Are we not doing something for the farmers?

Mr. Myers says:

That represents a saving of about one-fourth of the interest previously paid. And in addition to that $22,000,000 the interest payments of farmers who owed mortgage loans to the Federal land banks prior to the beginning of the operation of this act were reduced about $10,000,000 a year.

They reduced the interest rate to farmers on mortgages made prior to this act, so that they saved $10,000,000 a year.

This means that the present annual interest saving is about $32,000,000 a year.

Finally, in table 6 it shows that on all of the installments of interest on Land Bank Commissioner's loans that matured up to December 31, 1934, 82.3 percent had been paid by that date, which leaves 17.7 percent delinquent; and more than half of that delinquency is less than 2 months.

The farmer is not in such terribly impoverished and hopeless condition as pictured here. The farmers have paid 82 percent of the commissioners' loans up to this time. That leaves about 12.7 percent delinquent, and more than half of that delinquency is less than 2 months old. About 12.7 percent of the delinquency on the commissioners' loans are of but 2 months' standing.

In other words, in spite of the drought and the fact that the depression still exists in some areas, we have collected about 82 percent of the interest maturities up to December 31 on Land Bank Commissioner's loans, that went to the farmers who were most heavily in debt.

Mr. President, that is the testimony of Dr. Myers before our committee recently. That shows something of the conditions. I do not want it to appear that just because somebody can stand here on this floor and propose that interest be reduced to any figure—we might just as well make it 2 percent, and there is a temptation always to reduce interest—that that is as far as we can see. We have to look ahead and see something of the consequences. Where would this lead? Where can we go?

I say that it would be endangering the whole system, not only endangering this legislation, which might not be so terrible, but it would be endangering the whole system set up for the benefit of agriculture, which is now working admirably, serving the interests of the farmers of the country in a most satisfactory and splendid way, and I think it would be a great mistake to adopt this amendment.

Let the laws which exist now, which are working well, continue to operate for the benefit of the farmers.

PROPOSED CHILD-LABOR AMENDMENT TO THE CONSTITUTION

Mr. COSTIGAN. Mr. President, it is not my habit to interrupt important discussions such as the one now proceeding before the Senate, but after waiting 2 days with patience I feel I must say something without more delay on an issue of public importance now pending before the legislatures of a number of States of the Union. I refer to the proposed child-labor amendment to the Federal Constitution, which—lest we forget—reads as follows:

SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

SEC. 2. The power of the several States is unimpaired by this article, except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress.

It is a source of great satisfaction to those who have the welfare of children at heart that during child-labor week, which ended last Sunday, Wyoming became the first of the 44 States, whose legislatures are in session this year, to ratify that amendment. Since then, Utah and Idaho have ratified it, and the amendment has been approved by one house in each of the Legislatures of Indiana and Nevada. This brings to 23 (with the possibility of other States being soon added) the number of States that have ratified it since the amendment was submitted to the States by Congress in 1924. Bills or resolutions for ratification are now before the legislatures of a number of States and have already been the subject of much discussion.

FALSE PROPAGANDA AGAINST AMENDMENT

Within the last few months active opposition to the amendment has arisen under the direction of a group self-styled the "National Committee for the Protection of Child, Family, School, and Church." This committee is the outgrowth of an organization formed in Missouri in November 1933 to oppose ratification in that State.

The committee has been extremely active and has published a number of leaflets, folders, and pamphlets setting forth arguments against ratification. Some of this literature and some of the arguments apparently sponsored by committee members in the daily papers indicate that a great deal of misinformation is being disseminated in regard to the amendment. As one who took an active part in helping draft the child-labor amendment, I feel certain responsibility in clarifying some of the misunderstanding which has been created in regard to it, especially since those opposed to it have repeatedly and openly challenged its authorship.

The Missouri committee was headed by Sterling Edmunds, a member of the bar of St. Louis. In a letter to the editor of the Louisville (Ky.) Courier-Journal, Mr. Edmunds stated that in November 1933, he accepted an invitation to become a member of the executive council of the so-called "Sentinels of the Republic", an organization with headquarters in Boston, and that as a member of the executive committee of the Sentinels, he undertook to organize a Missouri group to oppose the amendment. Of the 50 members of the ambitiously self-labeled "Committee for the Protection of the Child, Family, School, and Church", listed by Mr. Edmunds, 19 are known to be also members of the Sentinels and 4 are known to be members of what is known as the "Woman Patriot Publishing Co.", organizations which have been long-time enemies of the child-labor amendment.

The Woman Patriot was formerly the official organ of the Association opposed to Woman Suffrage, and its publicity has been used by manufacturers' organizations in campaigns not only against the child-labor amendment but also against other progressive enactments.

The Sentinels organization was started in 1922 by the late Louis A. Coolidge, of Boston, treasurer of the United Shoe Machinery Co. Though a relatively small organization, confining its activities chiefly to Massachusetts and Washington, D. C., its propaganda has been country-wide. Mr. Coolidge appeared at Senate hearings on the child-labor amendment in Washington in 1924, proclaiming his opposition not only to that measure but also to the woman suffrage amendment to the Constitution and to Federal income taxes.

The most significant fact to be noted in regard to members of the National Committee for the Protection of Child, Family, School, and Church is that practically none of them has had any standing in modern movements for child welfare or present-day organizations for social betterment. Their experience has not been calculated to give them progressive and humane contacts with problems of child labor or to enable them to judge and apply remedial assistance, and their opposition has been the more active the less intimate or accurate the knowledge they have displayed of the real history, purpose, and authorship of the child-labor amendment.

From a folder issued by the committee the following question and answers are quoted:

> Who drafted this amendment? It was not drafted by Congress. It was drafted by Mrs. Florence Kelley Wischnewetsky, chief lobbyist for the creation of the Federal Children's Bureau, in collaboration with Misses Julia Lathrop, Grace Abbott, and Anna Louise Strong, of the Children's Bureau.

Rarely have erroneous statements so crowded a brief space, and their falsehood has persisted in spite of conclusive and authoritative repudiations. The names of Mrs. Florence Kelley and Miss Strong are audaciously used today, as they were 10 years ago, to make persons unfamiliar with the facts believe that the amendment originated in Moscow. It must be amazing to those unfamiliar with the vitality of gross libels that arguments discredited and proven false 10 years ago should be thus persistently revived.

It is of record that Mrs. Kelley neither drafted the amendment nor lobbied for the Children's Bureau. Of course, she was one of many thousands of public-spirited citizens who favored establishing such an agency of our National Government. But it is well known that the idea was first suggested by Miss Lillian D. Wald, noted founder of the Henry Street Settlement in New York; and although many bills to that end were introduced from 1906 to 1912—the first by Senator Winthrop Murray Crane, of Massachusetts—it was President Theodore Roosevelt who gave the movement its greatest impetus, first by his recommendations to the first White House conference, which he called in 1909, and later in his message to Congress on the subject. A Federal Children's Bureau was recommended by unanimous vote of those who attended the White House conference, prominent men and women representing every type of interest and all creeds. Mrs. Kelley, however, was not there.

Certainly I should be among the last to detract in any way from the notable record which won for the late Mrs. Florence Kelley a place forever secure in the admiration and affection of her contemporaries. Her flaming soul of justice-loving mercy will inspire countless men and women long after our generation is dust. The use of the name of this great woman in propaganda against the child-labor amendment has been shocking even to opponents of this measure. Former Gov. Alfred E. Smith, of New York, although no longer a supporter of the amendment, has defended the memory of Mrs. Kelley, whom he knew for many years, against such defamation. In a telegram to a member of the League of Women Voters in Massachusetts, where the charge of radicalism had been raised against the amendment and Mrs. Kelley, ex-Governor Smith said:

> If any statement that the late Mrs. Florence Kelley was a Communist and that she devoted her life to social revolution and efforts to overthrow the Government was made, that statement was not correct. Mrs. Kelley was for many years at the head of the Consumers' League and favored all constructive legislation for the betterment of labor, practically all of which was enacted into law.

There is the same disregard of truth in the assertion that Mrs. Kelley drafted the child-labor amendment. The fact is that the amendment was written by a group of the ablest constitutional lawyers in this country acting with labor leaders and child-welfare experts. These lawyers included Senator George Wharton Pepper, of Pennsylvania; the late Senator Thomas J. Walsh, of Montana, who was to have been President Roosevelt's Attorney General; Senator Samuel M. Shortridge, of California, who introduced the final draft of the amendment in the Senate; and Representative I. M. Foster, of Ohio, who introduced it in the House.

HISTORY OF AMENDMENT

After the second Federal child-labor law was declared unconstitutional, the demand for an amendment to the Constitution which would enable Congress to pass a Federal law became so widespread that more than 40 resolutions were promptly introduced in House and Senate by representatives in Congress of 14 States, all proposing amendments to give Congress such authority. Twenty-three of these resolutions fixed the age limit at 18 years, and one—a resolution of Representative John Jacob Rogers, of Massachusetts—at 21 years. The House of Representatives in 1923 passed the resolution of Mr. Foster, of Ohio.

While a member of the United States Tariff Commission I personally aided in drafting the measure, and am thoroughly familiar with its history. The original draft was prepared by a committee headed by the extraordinary labor leader, Samuel Gompers, for many years president of the American Federation of Labor, an organization which had been advocating uniform child-labor standards since 1884. Mr. Gompers' committee was made up of representatives of more than 20 national organizations of men and women, one of which was the Consumers' League, the head of which at that time was the former Secretary of War, Newton D. Baker. Mrs. Florence Kelley, for many years secretary of the Consumers' League, represented Mr. Baker on the Gompers committee. Other members were Monsignor, then Father, John A. Ryan, professor of moral theology and industrial ethics at the Catholic University of America; Dr. Worth M. Tippy, executive secretary of the Commission on Social Service of the Federal Council of Churches; Mrs. Maud Wood Park, former president of the National League of Women Voters; Mrs. Alexander Wolf, of the Council of Jewish Women; and many others representing the leading national organizations of the country. The original draft was submitted by the committee to several distinguished lawyers, among them Dean Roscoe Pound, of the Harvard University Law School; former Secretary of War Newton D. Baker; and Prof. Ernst Freund, of the University of Chicago Law School. After many conferences between the legal advisers of Mr. Gompers' committee and the lawyer members of the Senate Judiciary Committee, the language of the proposed amendment was given final form. In shaping it the late Senator Thomas J. Walsh, of Montana, and ex-Senator George Wharton Pepper, of Pennsylvania, had important parts. Senator Walsh, in a speech in the Senate, subsequently stated that Mrs. Kelley was not present at any of these conferences.

CONGRESSIONAL HISTORY

After Mr. Foster introduced the measure in the House and Senator Shortridge in the Senate, hearings were held before the Judiciary Committees of both Houses. In the House of Representatives seven Members of Congress appeared in support of it. They were Messrs. Connery, Dallinger, Frothingham, Rogers, and Tague, of Massachusetts, Lineberger of California, and Cooper of Wisconsin. They were strongly seconded by representatives of church, labor, civic and welfare organizations. In the Senate President Samuel Gompers personally appeared to urge adoption, and directed the presentation of the case for the proponents of the amendment. Mrs. Florence Kelley, representing the Consumers' League, was one of a long list of prominent men and women, including Julia Lathrop and Grace Abbott, past chiefs of the Children's Bureau, who appeared in behalf

of the amendment at the Senate hearings. Despite assertions made by opponents of the amendment, the records show that Miss Anna Louise Strong had no part whatever in drafting the amendment. Miss Strong, who had been employed by the Children's Bureau for a few months in 1915 and in a minor clerical capacity to set up some exhibit material at the Panama-Pacific International Exposition held in San Francisco, had left the Children's Bureau many years before the child-labor amendment was drafted, was not a member of the committee interested in it, and, as stated, did not appear at the hearings. Among those who did appear at the hearings, in addition to those already mentioned, were William Draper Lewis, professor in the University of Pennsylvania Law School; Dr. E. O. Watson, secretary of the Federal Council of the Churches of Christ in America; Rev. R. A. McGowan, of the National Catholic Welfare Council; Mrs. John J. O'Connor, representing the National League of Women Voters; Mrs. Maud Swartz, of the National Women's Trade Union League; Mrs. Arthur C. Watkins, of the National Congress of Parents and Teachers; Mrs. Alexander Wolf, of the Council of Jewish Women; Mrs. E. A. Yost, of the National Woman's Christian Temperance Union; Miss Mary Stewart, of the National Federation of Business and Professional Women's Clubs; Mrs. Emily Newell Blair, vice chairman of the Democratic National Committee; Mrs. Harriet Taylor Upton, vice chairman of the Republican National Committee; Miss Agnes Regan, of the National Council of Catholic Women; and Owen R. Lovejoy, of the National Child Labor Committee.

The child-labor amendment was passed by Congress in 1924 by a vote of 297 to 69 in the House of Representatives and 61 to 23 in the Senate. In the Senate the late Henry Cabot Lodge, Republican leader of the Senate in 1924, and his successor, Senator Charles C. Curtis, and Joseph T. Robinson, Democratic leader, supported it. In the House of Representatives the late Nicholas Longworth and William A. Oldfield, Democratic whip, likewise supported it.

Such details of the history of the amendment have been thus recited because it has appeared wise to make perfectly clear the facts as to the real authorship of this much-debated measure and concerning individuals and organizations endorsing it.

Some other statements circulated by the hostile committee already named are as fantastic as those pertaining to the authorship of the amendment. The claim, for instance, has been made in one of the committee's folders that Mrs. Florence Kelley organized the National Child Labor Committee in 1923. This organization is frequently referred to as "Mrs. Kelley's Child Labor Committee." This is another inexcusable misstatement. The National Child Labor Committee, as is well known and completely demonstrated, was founded in 1904, and incorporated by Congress in 1907. Its founders included Grover Cleveland, former President of the United States; His Eminence James Cardinal Gibbons, archbishop of Baltimore and one of the most revered churchmen of any faith America has ever known; such distinguished humanitarians and citizens as Jane Addams, of Hull House, Chicago; Felix Adler, of New York City; Stanley McCormick and Mrs. Emmons Blaine, of Chicago; Hon. Gifford Pinchot, former Governor of Pennsylvania; Hon. Hoke Smith, of Atlanta, Ga.; Edward T. Devine and Paul Warburg, of New York City; such well-known publishers as Hon. Clark Howell, publisher of the Atlanta Constitution, and Adolph S. Ochs, publisher of the New York Times; such outstanding educators as Dr. Samuel McCune Lindsay, then commissioner of education in Puerto Rico and professor of sociology at the University of Pennsylvania, and now professor of social legislation at Columbia University, and the distinguished and beloved president of Harvard, Dr. Charles W. Eliot.

PRESIDENT ELIOT'S COMMENTS

The name of President Eliot recalls that he was not only one of the founders of the National Child Labor Committee but also an outstanding advocate of an amendment to the Constitution which would enable Congress to pass laws applicable to the whole country. President Eliot had no patience with the argument raised at the time the amendment was pending in Congress, and revived by opponents today, that Congress cannot be trusted with the authority such an amendment would confer. In an address before the Society of Harvard Dames, published in the Harvard Alumni Bulletin for November 1924, President Eliot said:

I am surprised at the illogical character of the argument set up by the intelligent and experienced persons who are protesting against the child-labor amendment. That amendment does nothing but provide that Congress shall have power to pass laws concerning child labor which shall apply to the whole country. That power seems to me absolutely indispensable to the correct, sound, orderly management of the whole subject of child labor and its confessed evils. How else can we arrive at any law which will be applicable to the whole country? How else can we deliver all the children of the country from forced labor in mines and factories? But those who protest against the amendment say we cannot trust either the present Congress or the next. Congress will do some silly thing if we give it power to pass laws applicable to the whole country. They predict that Congress will, for instance, forbid children under 18 to work on the family farm, that they will forbid children to perform manual labor of any sort in school. Is not that an extraordinary assumption? It seems to me an assumption inconsistent with real faith in democracy.

The only question is whether Congress shall have power to pass any laws applicable to the whole country. If they are not to have that power, we might as well give up the regulation of child labor. There is no hope of regulating wisely the conditions of child labor if nobody has the power to make any regulations applicable to the whole country. We shall be forced back upon a condition of things which has prevailed already for too long in our country—the competition between the States, not for the best regulation of child labor, but for the regulation which each State thinks for its own interest or advantage.

Mr. President, distinguished members of the Harvard faculty have supported the child-labor amendment no less ardently than did President Eliot. Dean Roscoe Pound, of the Harvard Law School, has been, and still is, one of its foremost legal advocates. A strong argument in favor of ratification of the amendment has been advanced by Dr. Manley O. Hudson, Bemis Professor of International Law at Harvard. In that statement Dr. Hudson cites Thomas Reed Powell and Arthur N. Holcombe, his colleagues in the Harvard Law School, among others who endorse this measure.

Other well-known members of the legal fraternity who favor the amendment include William Draper Lewis, director of the American Law Institute; Dr. M. R. Kirkwood, dean of the Stanford University Law School; W. W. Cook, professor of law in the Johns Hopkins University; Donald Richberg, Executive Director of the Emergency Council, and many others.

DEAN ROSCOE POUND

Opponents of the amendment have, of course, attempted to invoke legal authorities to strengthen their arguments. In this connection may be quoted a letter written by Dean Roscoe Pound, of Harvard, to the general secretary of the national child labor committee, in which, discussing the charge that the amendment would give Congress too much power, he aptly said:

I have read attentively the voluminous literature which has come out on this subject recently in which some very good lawyers (obviously retained for the purpose) have expended the resources of ingenious advocacy in conjuring up bogies in this connection. It should be remembered that excellent lawyers have always done this with respect to every important measure in our history. We have certainly never had a greater lawyer in this country than James Kent. But he thundered against the Louisiana Purchase as unconstitutional, revolutionary, and subversive of American institutions. Nothing that I have read about the child-labor amendment paints a gloomier picture for the future than that which this eminent lawyer painted in his opposition to acquisition by the United States of a territory which would make it an American empire.

In a memorable speech in the Senate in January 1925 the late Senator Thomas J. Walsh also took issue with those who challenge the discretion of Congress and impeach its good sense.

It was ever thus—

He said—

even from the infancy of the Republic. And yet it is the only reliance of the Nation and somehow or other it has done fairly well in the 135 years since it commenced operations. The average of its output, at least, it must be conceded, has been fairly good. The people intrust to it the supreme issue of war and peace, and yet some profess to be alarmed at the prospect of its being called upon to legislate on child labor lest it act senselessly in the matter.

This review of history has been given because it has appeared wise to make perfectly clear the facts as to the authorship of the child-labor amendment and as to individuals and organizations supporting it when passed by Congress.

All of us who rejoice that child labor has been temporarily reduced to a minimum by codes approved under the National Recovery Administration, hope that this retirement of an old evil will be advanced toward permanency by the early ratification of the child-labor amendment by the necessary number of States. The list of those who now share this hope is no less impressive than the list of those who supported it 10 years ago. Heading it we find the President of the United States and members of the Cabinet; the Governors of many States, including several which have not yet ratified the amendment; and the following national organizations:

American Association of Social Workers.
American Association of University Women.
American Federation of Labor.
American Federation of Teachers.
American Home Economics Association.
American Legion.
American Nurses' Association.
Camp Fire Girls.
Central Conference of American Rabbis.
Council of Women for Home Missions.
Federal Council of the Churches of Christ in America.
General Federation of Women's Clubs.
Girls' Friendly Society of America.
National Child Labor Committee.
National Congress of Parents and Teachers.
National Consumers' League.
National Council of Jewish Women.
National Education Association.
National Federation of Settlements.
National League of Women Voters.
National Woman's Christian Temperance Union.
National Women's Trade Union League.
Service Star Legion, Inc.
The Railroad Brotherhoods.
Young Women's Christian Association.

ANSWER TO BAR ASSOCIATION COMMITTEE

In conclusion, a word should be said concerning a recent report of a special committee of the American Bar Association, which undertakes to declare the proposed amendment no longer in force because of the lapse of some 10 years since Congress referred it to the States and because of adverse action taken at one time or another by certain State legislatures. These objections have often been advanced and as often have been answered. The contention is unwarranted in the deliberate judgment of American constitutional lawyers of highest standing. The argument in reply has been concisely stated in a brief compiled by Joseph P. Chamberlain, professor of public law at Columbia University; Charles C. Burlingham, former president of the Association of the Bar of the City of New York; W. W. Gardner, assistant of the legislative drafting research fund, Columbia University; and Herman A. Gray, professor of law of the New York University Law School, which should perhaps be reproduced in part at the conclusion of my remarks.

I ask that the brief referred to may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

THE PROPOSED AMENDMENT IS STILL OPEN FOR RATIFICATION

It is necessary at the outset to dispose of the contention that the proposed amendment is no longer open for ratification. Two factors require consideration: The lapse of time since the amendment was proposed by Congress on June 4, 1924, and the effect of earlier rejections by a number of the States.

RATIFICATION WITHIN THE NEXT FEW YEARS IS NOT UNREASONABLY LONG AFTER THE PROPOSAL OF THE AMENDMENT

The Constitution itself contains no limitation upon the period of time in which the States may validly ratify an amendment proposed by Congress. Article V reads:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution * * * which * * * shall be valid to all intents and purposes as part of this Constitution when ratified by the Legislatures of three-fourths of the several States * * *."

If the words be taken literally, an amendment once proposed enjoys a deathless existence until ratification. No one argues that they are to be read literally. It is, however, important to remember that any limitation which is sought to be introduced must be a qualification of the literal import of the words employed in the Constitution.

Prior to the submission of the eighteenth amendment all proposed amendments were submitted to the States without limitation upon the period of ratification. At the instigation of Senator ASHURST, an additional section was added to that amendment by which ratification was required within 7 years if the article were to be operative.

In the extensive debates which accompanied this change there was considered only the desirability of so limiting the ratification period and, more extensively, the constitutionality of such an attempt. It occurred to no Senator that the proposal was anything other than a limitation upon the time otherwise open for ratification by the legislatures of the several States. (See vol. 65 CONGRESSIONAL RECORD, pt. 1, pp. 5556–5559, 5643–5666.)

In *Dillon* v. *Gloss* (256 U. S. 368, 375–376) the limitation clause so inserted was seized upon by one convicted under the National Prohibition Act as invalidating the eighteenth amendment. The application for writ of habeas corpus was denied by the Supreme Court. Mr. Justice Van Devanter, speaking for a unanimous Court, said:

"We conclude that the fair inference or implication from article 5 is that the ratification must be within some reasonable time after the proposal.

"Of the power of Congress, keeping within reasonable limits, to fix a definite period for the ratification we entertain no doubt. As a rule the Constitution speaks in general terms, leaving Congress to deal with subsidiary matters of detail as the public interests and changing conditions may require; and article V is no exception to the rule. Whether a definite period for ratification shall be fixed so that all may know what it is and speculation on what is a reasonable time may be avoided is, in our opinion, a matter of detail which Congress may determine as an incident of its power to designate the mode of ratification. It is not questioned that 7 years, the period fixed in this instance, was reasonable if power existed to fix a definite time; nor could it well be questioned considering the periods within which prior amendments were ratified."

From this language two conclusions may be drawn. One is that a proposed amendment is not indefinitely open to ratification, but must favorably be acted upon within a reasonable length of time if the ratification is to be valid.

The second conclusion is that whatever content may be given to the term "reasonable time", it is some period greater than 7 years. The argument before the Court was directed exclusively to the alleged unconstitutionality of the congressional limitation of the time of ratification. The Court was considering only the power of Congress to shorten an otherwise reasonable period for ratification.

What a reasonable period might be cannot be said. Certain it is that it is longer than the 7-year limitation challenged in *Dillon* v. *Gloss*. The problem of how much longer is made more predictable if it be considered that neither laws nor amendment are unconstitutional, per se. They are declared to be unconstitutional. They are, further, judged as to their validity by a court which has many times expressed its deep reluctance to hold unconstitutional an act of Congress or of a State legislature.

(*Fletcher* v. *Peck*, 6 Cranch. 87, 128; *Mayor* v. *Cooper*, 6 Wall. 247, 251; *Atkin* v. *Kansas*, 191 U. S. 207, 223; *Williams* v. *Baltimore*, 289 U. S. 36, 42, 46.)

It cannot be though that this Court would invalidate a ratification of an amendment to the Constitution because it did not occur immediately after the proposal by Congress. The Constitution contains no clear requirement that such be done. On the contrary, if its words be read literally, the amendment could not be invalidated on this score. Other than that which establishes it as more than 7 years, there is no decision of the Court which affords any guide to what is a reasonable period of time for ratification. If to invalidate an act of Congress is a duty "of great delicacy, and only to be performed where the repugnancy is clear and the conflict irreconcilable" (*Mayor* v. *Cooper*, 6 Wall. 247, 251), how much more delicate would be the task of declaring void the action of the amending power of the Constitution itself.

RATIFICATION IS NOT BARRED BECAUSE OF PRIOR REJECTION

The proposed child-labor amendment has been rejected by vote of both Houses in more than 13 States, and of those rejecting 6 have subsequently ratified. It is argued that once having been rejected by 13 States the proposed amendment is automatically killed. The argument runs counter to the words of the Constitution, the constitutional history of the Government, the declaration of the Supreme Court, and the virtually unanimous opinion of the textwriters.

The Constitution states that proposed amendments "shall be valid to all intents and purposes, as a part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof." The language does not read, "unless rejected by one-fourth of the several States." Nor is there specified any condition to the power of ratification. The Constitution simply calls for ratification—from its words can be found no indication that this ratification must be at the time of initial action by the legislatures.

The proposed amendment is by no means the first instance of ratification subsequent to an earlier rejection. The fourteenth amendment was adopted only by virtue of ratification subsequent to earlier rejections. Newly constituted legislatures in both North Carolina and South Carolina, respectively, on July 4 and 9, 1868, ratified the proposed amendment, although earlier legislatures had rejected the proposal. The Secretary of State issued a proclama-

tion which, though doubtful as to the effect of attempted withdrawals by New York and New Jersey, entertained no doubts as to the validity of the ratification by North and South Carolina (15 Stat. 706). The following day, July 21, 1868, Congress passed a resolution which declared the fourteenth amendment to be a part of the Constitution and directed the Secretary of State so to promulgate it (15 Stat. 709). The Secretary waited, however, until the newly constituted Legislature of Georgia had ratified the amendment (15 Stat. 708) subsequent to an earlier rejection (15 Stat. 710), before the promulgation of the ratification of the new amendment. In the 66 years which have followed, in which the fourteenth amendment has become the most bitterly litigated portion of the Constitution, none has doubted the validity of its ratification.

The question is foreclosed by this long acquiescence by the Court and by the Nation. If more be needed, it should be recalled that there is here more than acquiescence; there is also affirmative action by Congress. And "the practical construction of the Constitution by Congress * * * is entitled to great consideration, especially in the absence of anything adverse to it in the discussion of the convention which framed, and of the conventions which ratified, the Constitution" (*Veazie State Bank* v. *Fenno*, 8 Wall. 533, 544). There was, it should perhaps be noted, no discussion of the question here considered in the cursory attention given the amending procedure in either the constitutional convention or the Federalist. (See Madison's Debates on the Adoption of the Federal Constitution, Elliott's Ed., 1845, pp. 530–531, 551; Federalist, No. 43.)

Not only is there the action by Congress and the long acquiescence of the Court, but there is also a declaration by the Supreme Court which seems completely to foreclose any question of the validity of such ratifications which follow earlier rejections. In West Virginia, despite senate rules of procedure which forbade reconsideration of a measure during the session in which it was defeated, the senate ratified the proposed nineteenth amendment subsequent to a rejection in the same session (Orfield, Procedure of Federal Amending Power, 25 Ill. Law Rev. 418, fn. 38, pp. 436–7; argument of counsel, *Leser* v. *Garnett*, 66 L. Ed. 505, 506–7). The Supreme Court, in *Leser* v. *Garnett* (258 U. S. 130), refused to look behind the certification of the Secretary of State, or to allow him to look behind the official notices sent him. It said (at 137):

"As the Legislatures of Tennessee and of West Virginia had power to adopt the resolutions of ratification, official notice to the Secretary, duly authenticated, that they had done so, was conclusive upon him, and, being certified to by his proclamation, is conclusive on the courts."

Finally, it is perhaps of interest that the writers who have considered the question are virtually unanimous in their belief that an earlier rejection does not bar subsequent ratifications.

(See Jameson, Constitutional Conventions, sec. 579; Willoughby, the Constitutional Law of the United States, sec. 329a, v. 1, p. 593; Burdick, the Law of the American Constitution, sec. 20, p. 43; Orfield, Procedure of Federal Amending Power, 25 Ill. Law. Rev. 418, 439; Dodd, Amending the Federal Constitution, 30 Yale Law J. 321, 347; Grinnel, Finality of State's Ratification of a Constitutional Amendment, 11 Am. Bar Assn. J. 192; Miller, Amendment of the Federal Constitution, 60 Am. Law Rev. 181–184; Ames, Proposed Amendments to Constitution, p. 229; 12 Corpus Juris 682; Watson on the Constitution, v. 2, pp. 1315–18; Garrett, Amending the Federal Constitution, 7 Tenn. Law Rev. 286, 294; Wheeler, May Ratification Be Repealed, 20 Case and Comment 548, 550; Contra, Cadwallader, Amending the Federal Constitution, 60 Am. Law Rev. 389, 393.)

FARM CREDIT ACT OF 1935

The Senate resumed the consideration of the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] to reconsider the vote by which the amendment of the Senator from Montana [Mr. WHEELER] was agreed to.

Mr. WHEELER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Davis	Hatch
Ashurst	Burke	Dieterich	Hayden
Austin	Byrd	Donahey	Johnson
Bachman	Byrnes	Duffy	King
Bailey	Capper	Fletcher	La Follette
Bankhead	Caraway	Frazier	Lewis
Barbour	Carey	George	Logan
Barkley	Clark	Gerry	Lonergan
Bilbo	Connally	Gibson	Long
Black	Coolidge	Glass	McAdoo
Bone	Copeland	Gore	McCarran
Borah	Costigan	Hale	McGill
Brown	Couzens	Harrison	McKellar
Bulkley	Cutting	Hastings	McNary
Maloney	Nye	Sheppard	Tydings
Metcalf	O'Mahoney	Shipstead	Vandenberg
Minton	Pope	Smith	Van Nuys
Moore	Radcliffe	Steiwer	Wagner
Murphy	Reynolds	Thomas, Okla.	Walsh
Murray	Robinson	Thomas, Utah	Wheeler
Neely	Russell	Townsend	White
Norbeck	Schall	Trammell	
Norris	Schwellenbach	Truman	

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] to reconsider the vote by which the amendment proposed by the Senator from Montana [Mr. WHEELER] was adopted.

Mr. ROBINSON. Mr. President, I understand there will be further debate. The indications are that the Senate is not ready for a final vote this afternoon. I therefore ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon on Monday next; that at not later than 3 o'clock on that day the Senate proceed to vote on the pending motion and on all amendments that may be pending or that may be offered, and take a final vote on the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas?

Mr. LONG. Mr. President, as I understand the Senator's request it is that at 3 o'clock we vote on all amendments.

Mr. ROBINSON. Yes.

Mr. LONG. I have another amendment to submit.

Mr. ROBINSON. I understood the Senator had. I assume that 3 hours would give ample time for conclusion of the matter. The debate on the pending motion has apparently been nearly exhausted.

Mr. LONG. I do not know whether that would leave much time for consideration of my amendment or not. I was about to make a suggestion of modification, that we vote on the pending motion say at 2 o'clock.

Mr. ROBINSON. I think we will be ready to vote on the pending motion before that.

Mr. LONG. I mean not later than 2 o'clock.

Mr. ROBINSON. And take a final vote when?

Mr. LONG. Let me offer my amendment. We might dispose of it now.

Mr. ROBINSON. I think that cannot be done under the parliamentary situation.

Mr. LONG. I should like to have a little time on my amendment.

Mr. ROBINSON. Let me submit a modification of my unanimous-consent request. I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon on Monday next; that after the hour of 1 o'clock on Monday, February 11, debate be so limited that no Senator shall speak more than once or longer than 15 minutes on the bill or any amendment or motion that may be pending or that may be offered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, I send to the desk the amendment which I desire to offer and ask that it be printed and lie on the table.

Mr. FLETCHER. May we have the amendment read?

The VICE PRESIDENT. The clerk will read the amendment for the information of the Senate.

The CHIEF CLERK. It is proposed to insert a new paragraph (f), as follows:

(f) Whenever any loan or part thereof made by any Federal land bank, land-bank commissioner, or Federal farm-mortgage corporation, shall not have been paid or otherwise discharged, there shall never be entered any judgment against any debtor for any sum beyond that realized from the property mortgaged or hypothecated for said loan, and deficiency judgments against debtors for any sum beyond the amount realized from the sale of the property mortgaged are specifically prohibited.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. LONG. It is to stop deficiency judgments.

WATER BOUNDARY LINES BETWEEN WASHINGTON, OREGON, AND IDAHO

Mr. BORAH. Mr. President, will the majority leader yield to enable me to call up a measure which I think will lead to no discussion?

Mr. ROBINSON. Yes; though I will state to the Senator from Idaho that at the conclusion of the unfinished business now before the Senate it is my purpose to arrange for a call of the calendar and the consideration of bills now on the calendar. However, if the Senator desires to dispose of his bill at this time, I have no objection.

Mr. BORAH. The only reason why I ask it is because the Legislature of Idaho is in session at this time.

Mr. ROBINSON. Very well.

Mr. BORAH. I refer to Senate Joint Resolution 23, Order of Business 51.

The VICE PRESIDENT. Does the Senator from Idaho request the present consideration of the joint resolution?

Mr. BORAH. I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The title of the joint resolution will be stated.

The CHIEF CLERK. Joint resolution (S. J. Res. 23) giving consent of the Congress of the United States to the States of Washington, Oregon, and Idaho, or any two of said States, to agree upon the jurisdiction to be exercised by said States over boundary waters between any two or more of said States.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., The consent of the Congress is hereby given to the States of Washington, Oregon, and Idaho, or any two of them, by such agreement or compact as they may deem desirable or necessary, or as may be evidenced by legislative acts enacted by any two or more of said States, not in conflict with the Constitution of the United States or any law thereof, to determine and settle the jurisdiction to be exercised by said States, respectively, over offenses arising out of the violation of the laws of any of said States upon any of the waters forming the boundary lines between any two or more of said States, or waters through which such boundary line extends; and that the consent of the Congress be, and the same is hereby, given to the concurrent jurisdiction agreed to by the States of Oregon, Washington, and Idaho as evidenced by the act of the Legislature of the State of Idaho approved , 1935, the act of the Legislature of the State of Oregon approved , 1935, and the act of the Legislature of the State of Washington approved , 1935.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

NOMINATIONS REFERRED AND NOMINATION WITHDRAWN

The VICE PRESIDENT laid before the Senate several messages from the President of the United States, submitting nominations and withdrawing a nomination, which were referred to the appropriate committees, or ordered to lie on the table.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. COPELAND, from the Committee on Commerce, reported favorably the nominations of several officers in the Coast Guard.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

The calendar is in order.

THE CALENDAR—IN THE MARINE CORPS

The Chief Clerk read the nomination of Richard P. Williams to be brigadier general in the Marine Corps.

Mr. SMITH. Mr. President, a certain investigation is now going on before the Naval Affairs Committee which may have considerable effect upon the attitude of the Senate in reference to this nomination. Without prejudice to the nominee, but in view of the investigation which is going on, I ask that the nomination go over until all the facts are known.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nomination will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of Albert C. Benninger to be United States marshal for the eastern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk read the nomination of Benton O. Lewis to be passed assistant surgeon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Charles T. Meacham, Jr., to be passed assistant surgeon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Henry L. Wollenweber to be passed assistant surgeon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of David C. Elliott to be passed assistant surgeon.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations of postmasters are confirmed en bloc.

That completes the calendar.

IN THE ARMY

Mr. SHEPPARD. From the Committee on Military Affairs I report back favorably a few nominations, and ask that they be approved at this time. They are mostly routine nominations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? The Chair hears none.

The Chief Clerk read the nomination of Col. Harry Lee Steele, Coast Artillery Corps, to be Chief of Coast Artillery, with the rank of major general.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nominations of the following-named officers for appointment, by transfer, in the Regular Army of the United States:

TO QUARTERMASTER CORPS

First Lt. James Edgar Macklin, 2d, Infantry (detailed in Quartermaster Corps).

TO ORDNANCE DEPARTMENT

First Lt. Joseph Milton Colby, Cavalry (detailed in Ordnance Department).

First Lt. William James Latimer, Jr., Field Artillery (detailed in Ordnance Department).

TO FIELD ARTILLERY

Col. William Fitzhugh Jones, Quartermaster Corps.

TO COAST ARTILLERY CORPS

Second Lt. Earl Sipple Eckhart, Infantry.

Also the following-named officers for promotion in the Regular Army of the United States:

TO BE MAJOR

Capt. George Ralston Middleton, Field Artillery.

TO BE CAPTAIN

First Lt. James Longstreet Whelchel, Coast Artillery Corps.

TO BE FIRST LIEUTENANT

Second Lt. David Haytor Buchanan, Infantry.

The VICE PRESIDENT. Without objection, the nominations are confirmed.

Mr. SHEPPARD. I ask that the President be notified.

The VICE PRESIDENT. The Senator from Texas asks unanimous consent that the President be notified. Is there objection? The Chair hears none.

RECESS

Mr. ROBINSON. As in legislative session I move, pursuant to the order heretofore entered, that the Senate stand in recess until 12 o'clock noon on Monday.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 4 o'clock and 24 minutes p. m.) the Senate, in legislative session, under the order previously entered, took a recess until Monday, February 11, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 8, (legislative day of Feb. 7), 1935

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Leo J. Keana, of Michigan, now a Foreign Service officer of class 1 and a consul general, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Honduras.

COAST AND GEODETIC SURVEY

The following-named officers of the Coast and Geodetic Survey in the Department of Commerce to be—

Hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy) by promotion from junior hydrographic and geodetic engineer (with relative rank of lieutenant (junior grade) in the Navy), Walter Herbert Bainbridge, of Texas, vice Charles Shaw, promoted.

Junior hydrographic and geodetic engineer (with relative rank of lieutenant (junior grade) in the Navy) by promotion from aide (with relative rank of ensign in the Navy, Edward Bunyan Brown, Jr., of South Carolina, vice Walter Herbert Bainbridge, promoted.

Aide (with relative rank of ensign in the Navy) by promotion from deck officer, William Noble Martin, of Oklahoma, vice Edward Bunyan Brown, Jr., promoted.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Edward Eugene McCammon, Infantry, from January 31, 1935.

Lt. Col. Albert Thurston Rich, Quartermaster Corps, from February 1, 1935.

Lt. Col. Charles Bean Amory, Jr., Cavalry, from February 1, 1935.

TO BE LIEUTENANT COLONELS

Maj. Harvey Henry Fletcher, Infantry, from January 31, 1935.

Maj. John Frederick Landis, Infantry, from February 1, 1935.

Maj. Joseph Stephens Leonard, Infantry, from February 1, 1935.

TO BE MAJORS

Capt. Guy Douglas Thompson, Cavalry, from January 31, 1935.

Capt. Marlin Clark Martin, Infantry, from February 1, 1935.

Capt. David Lee Hooper, Corps of Engineers, from February 1, 1935.

TO BE CAPTAINS

First Lt. David Adams Taylor, Cavalry, from January 31, 1935.

First Lt. Edward Ward Smith, Ordnance Department, from February 1, 1935.

First Lt. Ronald Austin Hicks, Air Corps, from February 1, 1935.

First Lt. John Hadley Fonvielle, Coast Artillery Corps, from February 1, 1935.

First Lt. John Bartlett Sherman, Infantry, from February 1, 1935.

First Lt. Elmer Vaughan Stansbury, Cavalry, from February 1, 1935.

First Lt. Joe David Moss, Coast Artillery Corps, from February 1, 1935.

TO BE FIRST LIEUTENANTS

Second Lt. Stanley Walker Jones, Infantry, from January 31, 1935.

Second Lt. Francis Hobdy Lynch, Infantry, from February 1, 1935.

Second Lt. Ronald John Pierce, Infantry, from February 1, 1935.

Second Lt. James Joseph Fitzgibbons, Infantry, from February 1, 1935.

Second Lt. Robert Henry Chard, Infantry, from February 1, 1935.

Second Lt. Herbert John Vander Heide, Infantry, from February 1, 1935.

Second Lt. Luke Bruce Graham, Infantry, from February 1, 1935.

Second Lt. Rexford Wellington Andrews, Infantry, from February 1, 1935.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. Charles August Hoss, Infantry (detailed in quartermaster Corps), with rank from July 1, 1920.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8 (legislative day of Feb. 7), 1935

UNITED STATES MARSHAL

Albert C. Benninger to be United States marshal for the eastern district of New York.

PUBLIC HEALTH SERVICE

Benton O. Lewis to be passed assistant surgeon.
Charles T. Meacham, Jr., to be passed assistant surgeon.
Henry L. Wollenweber to be passed assistant surgeon.
David C. Elliott to be passed assistant surgeon.

APPOINTMENTS IN THE REGULAR ARMY

TO BE CHIEF OF COAST ARTILLERY, WITH THE RANK OF MAJOR GENERAL

Col. Harry Lee Steele.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. James Edgar Macklin, 2d.

TO ORDNANCE DEPARTMENT

First Lt. Joseph Milton Colby.
First Lt. William James Latimer, Jr.

TO FIELD ARTILLERY

Col. William Fitzhugh Jones.

TO COAST ARTILLERY CORPS

Second Lt. Earl Sipple Eckhart.

PROMOTIONS IN THE REGULAR ARMY

TO BE MAJOR

George Ralston Middleton, Field Artillery.

TO BE CAPTAIN

James Longstreet Whelchel, Coast Artillery Corps.

TO BE FIRST LIEUTENANT

David Haytor Buchanan, Infantry.

POSTMASTERS

MAINE

Louis A. White, Eastport.
John H. McSweeney, Old Orchard Beach.
Henry J. Saucier, Van Buren.
Mary Freeman, Washburn.

NEW JERSEY

Harry Kramer, Metuchen.
Frank H. Moran, Middlesex.
Russell J. Noncarrow, Morristown.
Patricia B. Hanlon, Mountain Lakes.
Abraham G. Nelson, New Market.

PUERTO RICO

Alfredo F. Irizarry, Cabo Rojo.
Julio Ramos, Cayey.
Francisco R. Fernandez, Guayama.
Jose Carrera, Humacao.
Eduvigis de la Rosa, Isabela.
Pedro Muniz Rivera, Manati.
Alberto Bravo, Mayaguez.
Antonio Godinez, Rio Piedras.
Felipe B. Cruz, Vieques.
Simon Semidei, Yauco.

RHODE ISLAND

Joseph E. Murray, Ashaway.
Andrew J. McKeon, Hillsgrove.

WITHDRAWAL

Executive nomination withdrawn from the Senate February 8 (legislative day of Feb. 7), 1935

William T. Whittenburg, to be postmaster at Skiatook, Okla.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 8, 1935

The House met at 12 o'clock noon.

Rev. Dr. George B. Gilbert, rector of the Epiphany Church, Durham, Conn., offered the following prayer:

O God, who hast given us this wonderful world with all its beauty and its boundless abundance for the needs of all Thy children, and whose spirit is always brooding over the hearts of Thy people, striving to enter more and more into their lives, we beseech Thee to give us such open minds as may enable us to receive from Thee grace and insight, to perceive what things we ought to do, and power to fulfill the same.

May we feel a sense of our great responsibility, a desire to promote fellowship among all peoples, and a sincere longing to better the condition of all those in any distress. Guide our deliberations this day. We ask it in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 417. An act for the relief of Fred M. Munn;

S. 488. An act for the relief of Michael Ilitz; and

S. 546. An act for the relief of Miles Thomas Barrett.

The message also announced that the Vice President had appointed Mr. SHEPPARD and Mr. CUTTING members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the War Department.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet on Tuesday at noon, and that the District of Columbia business which would be in order on Monday next may be in order on Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

HUMANITARIAN LEGISLATION

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, it was with great interest that I listened to the address of the distinguished gentleman from New York [Mr. SIROVICH] on Wednesday afternoon. His outline of the history of the development of humanitarian principles in legislation was indeed enlightening. In his zeal to uphold the party of which he is a member, however, I am afraid he has overlooked the meritorious advances made in this type of legislation made by States other than his own.

I would not belittle the great Empire State for the progress it has made in enacting laws assisting the laboring man. Neither would I attempt to detract from the glory that belongs to many of our great progressive and forward-looking statesmen who have contributed to the life of the Democratic Party. But I do invite his attention, and the attention of this House, to the fact that not New York but the great and progressive States of California and Wisconsin have been the pioneers in the type of legislation referred to by the distinguished gentleman.

In 1909, while a member of the California State Senate, I was the author of a constitutional amendment providing for workmen's compensation. In accordance with the laws of the State of California, this amendment was submitted to the people in the next general election which occurred in the following year, 1910. By an overwhelming majority the people of California adopted the amendment to their State constitution. In the next session of the legislature, in 1911, and under the administration of that great Progressive Republican leader, Senator HIRAM W. JOHNSON, who was then Governor, the present workmen's compensation laws, as well as other humanitarian legislation, was enacted. With slight amendment these laws have continued to be not only a part of the laws of the State but an integral part of California's constitution.

It was at about the same time that Wisconsin, under the leadership of another great Progressive Republican leader, the late lamented Senator Robert M. La Follette, a former Governor of that State, enacted workmen's compensation laws for the benefit of the workingmen of that State.

So it will be seen that both of these States antedated New York in providing this type of legislation on behalf of their laboring thousands.

All three States should be commended for their progressive leadership in those early days of humanitarian legislation, as indeed should every other State in the Union which has enacted these principles into law.

ELECTION TO COMMITTEES

Mr. SNELL. Mr. Speaker, I present a resolution and ask for its present consideration.

The Clerk read as follows:

House Resolution 105

Resolved, That CHARLES A. HALLECK, of Indiana, be, and he is hereby, elected a member of the following committees of the House of Representatives, to wit, Civil Service, Pensions, and World War Veterans' Legislation; and

That RALPH E. CHURCH, of Illinois, be, and he is hereby, elected a member of the Committee on Revision of the Laws.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SNELL]?

There was no objection.

The resolution was agreed to.

REAL ESTATE BONDHOLDERS REORGANIZATIONS INVESTIGATION

Mr. COCHRAN. Mr. Speaker, I present a privileged resolution (H. Res. 79) from the Committee on Accounts, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 79

Resolved, That the further expenses of conducting the investigation authorized by House Resolution 412 of the Seventy-third Congress and supplemented by House Resolution 39 of the Seventy-fourth Congress, incurred by the Select Committee to Investigate Real Estate Bondholders Reorganizations, acting as a whole or by subcommittee, not to exceed $100,000, including expenditures for the employment of experts, clerical, stenographic, accountants, attorneys, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee or any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

SEC. 2. That the official reporters shall serve said committee at its meetings in the District of Columbia.

With the following committee amendments:

In lines 6 and 7 strike out the figures "$100,000" and insert in lieu thereof "$50,000."

At the end of the resolution add the following:

"SEC. 3. Whenever, in the opinion of the committee, evidence is developed in connection with the investigation which discloses or tends to disclose any violation of any Federal law, the committee is authorized and directed to request the Department of Justice, the Post Office Department, the Treasury Department, or any other Federal agency, whichever department or agency has jurisdiction to administer such law, to assign attorneys or agents thereof to the committee."

Mr. COCHRAN. Mr. Speaker, I report this resolution by direction of the Committee on Accounts. It reduces the amount asked for in the original resolution $50,000. The select committee was originally provided for in the Seventy-third Congress, and this Congress extended the life of the committee about 2 weeks ago. A partial report was made to the House by the select committee, and then a resolution was offered requesting $100,000 for expenses to continue the investigation as ordered by the House.

Testimony before the Committee on Accounts yesterday by members of this select committee indicated that there was a great deal of evidence that had not yet been secured. The testimony further indicated, in my opinion, that there had been violations of Federal laws by bondholders' committees, such as violation of the postal laws by using the mails to defraud, and also evasions of the income-tax laws. In view of this testimony, the committee accepted an amendment which I offered requiring the select committee, when in their opinion Federal laws had been violated, to call upon Government departments administering the laws for assistance. Of course, the Committee on Accounts cannot order Government departments to assign representatives to the committee; but if this new section is agreed to, it serves notice upon the executive branch of the Government that the House feels the officials should cooperate with the committee in punishing those who have violated the law.

The testimony before the Accounts Committee shows $8,000,000,000 of defaulted real-estate bonds are involved, directly affecting 4,000,000 of our thrifty citizens.

Disclosures indicate gross fraud and willful neglect of those in a position of trust.

Action to recover $81,000 income taxes from one bondholders' protective committee has already been started by the Attorney General. Auditors' reports indicate other bondholders' committees may likewise be subject to the payment of substantial income taxes.

Several principals have refused to comply with the request of this select committee for certain information. It is the intention of the committee to subpena such records while the House is in session.

Many letters have recently been received stating this select committee's investigation will amount to nothing, as those being investigated are too powerful.

Thousands of complaints have been received from cities west of the Mississippi River, and the activities of bondholders' committees in those areas should necessitate investigation. In fact, thousands of complaints have been received from practically every congressional district in the Nation.

The select committee claims the effect of the investigation thus far has increased the market on real-estate bonds; informed the public of the racket being perpetrated; the creation of fear and realization on the part of certain bondholders' committees, attorneys, and others that their future activities will be closely scrutinized; and a substantial reduction of fees. It is hoped this select committee will be able to recommend to Congress legislation that will immediately protect the present investment of bondholders and regulate the activities of bondholders' committees, trustees, receivers, and so forth.

Disclosures thus far show in one instance the hypothecation of $52,000,000 of bonds by one bondholders' committee for a loan of $446,000, proceeds used to defray committee's and its predecessor's fees and expenses, and $430,000 of this amount still remains unpaid. Another committee pledged $15,000,000 of bonds for $135,000 loan for purposes similar to those mentioned.

The words "United States of America" with a similarity of engraving to that used by the Treasury Department appeared prominently on bond certificates, conveying the impression they were obligations of the United States Government.

Upon the termination of one bondholders' protective committee the investors who deposited their bonds received a certificate of cremation evidencing the fact their bonds had been legally destroyed.

Conspiracy between equity owners, committees, bankers, and bond brokers in order to trade out the unsuspecting bondholder at 5 and 10 cents on the dollar is evidenced.

"Chain committees" handling as many as 200 different bond issues on buildings located in 20 States. There are evidences of many such "chain committees", and those are particularly the ones in which the select committee is desirous of checking into thoroughly.

Fees aggregating many millions of dollars will accrue to those bondholders' committees and their associates. Large fees and expenses have been drawn thus far, but in few cases have the bondholders received a dollar, although the earnings of the properties were sufficient to pay interest.

The committee's ultimate accomplishments, the members say, should be to (1) immediately conserve and protect the interest of the investing public; (2) prove to be a source of revenue to the Internal Revenue Department; (3) the prosecution of those guilty of fraud in their capacity of trust, and the early enactment of legislation that will immediately regulate the activities, practices, and fees of bondholders' committees, permit nominal loans through the Reconstruction Finance Corporation to effect reorganizations, but under the supervision of a Federal agency, as well as the prevention of a repetition of these practices in the future.

The Accounts Committee reduced the amount $50,000. This action was taken after the chairman of the committee and members of the committee said they could get along with that amount.

Mr. BLANTON. Will the gentleman yield that I may ask the gentleman from Illinois [Mr. SABATH] a question?

Mr. COCHRAN. I yield for a question only.

Mr. BLANTON. I wish to ask the gentleman from Illinois [Mr. SABATH], who is chairman of this investigating committee, what is proposed to be done by his committee with regard to breaking up these crooked receiverships, and forcing the property taken over by them to be taken back and subjected to payment of the bonds held by the people, who have been robbed by purchasing these so-called "gold bonds." Then they may get something out of them.

For instance, the gentleman will remember that during the vacation I sent him a great deal of evidence about various fraudulent groups in his own city, Chicago, which had issued these gold bonds on apartment houses in Chicago and sold them to credulous persons all over the country, many of them in Texas; many of them poor widows who used their husbands' life insurance to buy them, and then as soon as these manipulators would sell the bonds they would fraudulently go into the hands of receivers and have the property placed beyond the reach of these poor creditors. What is going to be done to get this property out of the hands of the receivers and subject same to the people who hold these bogus gold bonds?

Mr. SABATH. In the first place, we are trying to break up the combination that exists between those committees, the lawyers, receivers, and the courts in my city and in other cities.

Mr. BLANTON. The courts there have been allowing these lawyers and these receivers great big fees of $25,000, $50,000, and $100,000 at a time, and it is an outrage on the rights of the people.

Mr. SABATH. The gentleman is right.

Mr. BLANTON. And absolutely obliterating all of the securities.

Mr. SABATH. The gentleman is correct. We are attempting to eliminate and stop that.

Mr. SNELL. Will the gentleman yield for a question?

Mr. COCHRAN. I yield for a question only.

Mr. SNELL. Do I understand that the same gentleman who is chairman of this committee is chairman of the Democratic patronage investigation committee?

If that is so, would it not be a good idea to add to this a further section extending the powers and giving them this $50,000 for the same purpose? [Laughter.]

Mr. COCHRAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The committee amendments were agreed to.

The resolution as amended was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes after the special order of business for the day.

The SPEAKER. Is there objection to the request of the gentlewoman from Indiana?

There was no objection.

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

Mr. OLIVER. Mr. Speaker, reserving the right to object, and I will not object, I should like to inquire if the Members would be satisfied to reserve the requests to speak at this time if assured that unanimous consent will be asked in the Committee of the Whole for the Members to speak out of order.

Mr. SNELL. The gentleman did not object to 15 minutes being granted to a Member on his side; he ought not to object to 5 minutes on our side.

Mr. OLIVER. Had I been here I would have objected. On yesterday the gentleman from New York [Mr. BACON] and I agreed to give 10 minutes to the gentlewoman from Indiana because there was some misunderstanding about the allowance of time in general debate.

Mr. SNELL. It seems unfair to object to a request for 5 minutes from this side when no objection was made to the request for 15 minutes from the gentleman's side.

Mr. OLIVER. I shall not object to the gentleman's request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NIAGARA FALLS

Mr. ANDREWS of New York. Mr. Speaker, I wish to say a few words about Niagara Falls; that is, the American and the Canadian cataracts, at Niagara Falls, N. Y., and Niagara Falls, Ontario. Possibly some of you have heard of the serious rock slides and fall-ins which took place from the crests of both the American and Canadian Falls within the last few years.

I have here a copy of a resolution unanimously passed by the Senate and Assembly of the State of New York memorializing the Congress, and which, with your permission, I ask to insert in the RECORD with these remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The memorial referred to follows:

STATE OF NEW YORK,
Albany, N. Y.

Whereas it is the judgment of eminent geologists and engineers that the contour of the Niagara Falls is being constantly changed by the force of erosion so that the appearance of the cataracts is changed annually; and

Whereas the diversion of current by reason of this erosion and other forces of nature leaves large portions of the rock ledges above the Falls bare and unsightly for a large part of each year; and

Whereas the scenic beauty of the Niagara Falls is being marred by this alteration of the contour of the Falls and by the diversion of the stream: Now, therefore, be it

Resolved, That the Congress of the United States be, and the same hereby is, respectfully memorialized to enact legislation to correct the undesirable conditions recited herein to the great benefit of nature lovers in all parts of the world; and be it further

Resolved, That a copy of this resolution be submitted to the Secretary of the United States Senate and the Clerk of the House of Representatives and to each Senator and Member of the House of Representatives elected from the State of New York, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Adopted unanimously in the senate February 4, 1935.

Adopted unanimously in the assembly February 5, 1935.

Mr. ANDREWS of New York. For the information of the House a treaty was proposed between Canada and the United States in 1928, and signed by representatives of the two governments at Ottawa in 1929, providing for remedial works in the Niagara River, that is, the construction of submerged weirs and additional dredging, as a result of which the waters on both the Canadian and American sides would be evenly diffused and by this means erosion at the crests prevented or minimized. At the same time Niagara Falls would be made more beautiful than it has ever been. This treaty provided for additional water diversion on both the Canadian and American sides, and because of this provision the treaty was not ratified by the Senate. For your information I may add that the proposed treaty was approved at Ottawa on January 2, 1929, and is a part of the Senate documents of the Seventieth Congress, second session.

Recently I investigated this matter with Senators WAGNER and COPELAND, of New York, and with the Chief of Engineers. I have written expressions from Senator WAGNER and from Senator COPELAND to the effect that unless the provision of this treaty which would have permitted additional water diversion on both the Canadian and the American sides of the Niagara River were removed, the treaty would be acceptable to them.

At the present time I should like to read, with your permission, an expression from Major General Markham, Chief of Engineers, dated January 11:

I am in receipt of your letter of January 9 referring to the recent erosion of the crest of Niagara Falls and asking what would be my point of view in regard to insuring the beauty of the Falls, through international action, by the building of weirs to diffuse and regulate the flow, thus relieving pressure on certain sections of the Falls and enhancing the scenic beauty.

I need not advise you of the results of the investigations made by the Special International Niagara Board, which reported in 1928 that the construction of remedial works consisting of low weirs, would result in the insurance at all seasons of an unbroken crest line over Horseshoe Falls and an adequate flow in the American rapids and falls, thus beautifying the Falls and in some proportionate measure modifying the rate of erosion of Horseshoe Falls. The plans for these regulating works are described in some detail in the Board's report, and I am of the opinion that they provide the best and most practicable means of accomplishing the desired end. Actual work on such a project must, of course, await the conclusion of an agreement between the two governments.

Following the receipt of these expressions, I brought this subject to the attention of the President, and I am in receipt of a letter from him dated January 24, which is a rather lengthy one, but it approves of this project, provided the provision for diversion of additional water for water power is removed from the treaty. Since receiving this letter from the President I have talked with him personally, and I am informed that the matter has now been brought by him to the attention of the Secretary of State, and also to the attention of the American Minister at Ottawa, the Honorable Warren Delano Robbins.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Will the gentleman insert the President's letter in his remarks?

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to insert in my remarks in the RECORD the letter I received from the President of the United States in regard to the matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The letter referred to follows:

THE WHITE HOUSE,
Washington, January 24, 1935.

DEAR MR. ANDREWS: I am in receipt of your letter of January 9, 1935, referring to the recent erosion of the crest of Niagara Falls and desiring to be informed, before proposing a bill in Congress, as to what would be my point of view in regard to insuring the beauty of the Falls through international action by the building of weirs to diffuse and regulate the flow, thus relieving pressure on certain sections of the Falls, and enhancing the scenic beauty.

As you are doubtless aware, the treaty between the United States and Canada, signed January 2, 1929, providing for regulating works in Niagara River, failed to receive the approval of the Senate Foreign Relations Committee, and was not reported to the Senate. The opposition to the treaty, it is understood, was due not to any objection to the execution of the remedial works but to what was felt to be an unwarranted advantage to a private American power company, which, under the terms of the treaty, was to receive the benefit of additional diversion in return for defraying the American share of the costs of the regulating works. With the provision for diversion for private benefit omitted from the treaty, I see no reason to anticipate any opposition to the construction of the remedial works at the expense of the two Governments.

Since, however, the project is an international one, any action must await the conclusion of a treaty between the two Governments and its ratification by the Canadian Parliament and the United States Senate. The advisability of entering into negotiations with this end in view is now receiving consideration.

Very sincerely yours,

FRANKLIN DELANO ROOSEVELT.

Mr. ANDREWS of New York. An additional letter from President Roosevelt dated January 29 states in part as follows:

Permit me to assure you that this proposal commends itself to me as a task meriting execution and that the appropriate procedure for accomplishing the work in a manner which will fully protect the public interest is now receiving my consideration.

Mr. Speaker, I am informed it is unnecessary for the House to enact legislation to consummate this project; in fact, I believe the Secretary of State has so expressed himself to the Chairman of the House Foreign Affairs Committee. It is an international project requiring the drawing of a new treaty. My point in bringing the matter before the House today, is to urge particularly the New York Members on both sides of the House to join with me in endorsing this project to the Secretary of State, so that an early conclusion of a treaty may be brought about which may receive the approval of the Senate before the close of this session.

Mr. RANKIN. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman did not quote from the President's first letter, but, as I understand it, the President is trying to protect the right to use this water for power purposes?

Mr. ANDREWS of New York. That is correct. The understanding is that a new treaty may be drawn which will provide for insurance against erosion of the Falls and enhance the scenic beauty thereof, but with no further provision for the diversion of water on either side.

Mr. RANKIN. It would not interfere with the river being used for power purposes?

Mr. ANDREWS of New York. It would not interfere with it being used for that purpose, no.

Mr. DONDERO. Will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Michigan.

Mr. DONDERO. Will this have anything to do with further lowering the water level of the Great Lakes?

Mr. ANDREWS of New York. It could not possibly have that tendency and, as a matter of fact, it might be made to raise the level of the water in the Great Lakes; but no such change is contemplated.

Mr. DONDERO. That is exactly what we want to see accomplished.

Mr. ANDREWS of New York. I understand the War Department Engineers are giving considerable study to that proposition.

[Here the gavel fell.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—CLAIMS OF OFFICERS AND EMPLOYEES OF THE FOREIGN SERVICE (H. DOC. NO. 95)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I enclose herewith a report which the Secretary of State has addressed to me in regard to claims of certain officers and employees of the Foreign Service of the United States for reimbursement of losses sustained by them by reason of catastrophes, war, and other causes, during or incident to their service in foreign countries.

I recommend that an appropriation in the amount suggested by the Secretary of State be authorized in order to relieve these officers and employees of the Government of the burden these losses have occasioned.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1935.*

(Enclosures: Report of the Secretary of State, with enclosures.)

PERMISSION TO ADDRESS THE HOUSE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, since we have been delegated the power to investigate the so-called "protective bondholders' committees", our committee has sent out two letters to each and every Member of the House calling attention to the fact that we welcome any and all complaints. Within the last few days I have heard from many Members, and may I state now that if any Member has complaints, our committee will welcome those complaints, and any information that you may give to our committee.

We have been very fortunate in securing the aid and assistance of many lawyers and public accountants gratis. Whether we will be able to draw on them in the future I do not know. Wherever you have a complaint you may send it to the committee and we will endeavor to have the investigators go into the matter thoroughly. We have already investigated over 200 of these committees out of the 2,000 that have organized. The task is tremendous. The Members can materially aid the committee by furnishing it with any information or complaint which they receive from time to time. To the gentleman on the left, the leader of the minority, may I say that if he will consult his members on the committee he will find that this committee is not playing politics because it is too serious a matter. It is a matter which involves the investments of nearly 4,000,000 people who are in danger of being defrauded of their life savings. We have worked diligently and have eliminated politics in every conceivable way and tried to get at the facts in order to bring about the elimination of this corrupt, vicious practice that has been going on in the last 3 years against the interest of honest men and women throughout the United States.

Mr. RICH. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. RICH. Will the committee have the power to prohibit the bondholders' committees from going ahead with projects that do not seem reasonable to the stockholders who have complained to the gentleman's committee?

Mr. SABATH. We have been trying to do that and we have succeeded in stopping many of them. We made the courts in many cities take notice of the fact that if they did not do the right thing by the bondholders we would go after them and we intend to do that. With the adoption of the amendment this morning we will have additional power and we expect to get after some of these judges who are part and parcel of this crooked business that has been going on. [Applause.]

[Here the gavel fell.]

The SPEAKER. Under the previous order of the House, the Chair recognizes the gentleman from Massachusetts [Mr. CONNERY] for 30 minutes.

MEXICO PROSTRATE UNDER MAILED FIST OF RELIGIOUS OPPRESSION

Mr. CONNERY. Mr. Speaker, I raise my voice today in behalf of a great nation, a great people, an intelligent people, a sensitive people, a people imbued with the same love of liberty and free institutions as we, the people of the United States. I refer to our sister Republic, Mexico. The people of Mexico today are suffering under the lash of oppression, a lash wielded by a tyrannical group, a minority in power in the Government of Mexico. These men are using the military forces of that country in the age-old effort of paganism and atheism to forbid free Mexicans from worshiping the divine Creator in their churches, and by teaching communism in their schools, which they have placed absolutely under their domination; they are striving to obliterate the name of God from the minds of the children. Communism is their watchword. They have banished from Mexico—or lined up against the wall for the firing squads—thousands of citizens of that country who have dared to oppose these tyrants and who have refused to subscribe to their doctrine of "everything material—nothing divine."

The question may be pertinently asked, What right have we, the people of the United States, or the Government of the United States, to interfere with what might seem to be entirely a Mexican domestic problem? In the first place, if we wish to be consistent, we have only to look back at the time of the Mexican revolution, to the agreement entered into by Mr. Lansing, then Secretary of State under President Wilson, and the de facto Mexican Government, which was asking at that time recognition of the United States. The United States demanded as a condition precedent to recognition by this country that the Mexican Government should grant absolute freedom of worship to all of the Mexican people. To this the Mexican Government agreed without any reservation; it was not a question of interfering in the domestic affairs of Mexico; it was a question as to what liberty they should grant the Mexican people if they desired such recognition. Mr. Speaker, that agreement has been grossly violated. In honor to ourselves, in behalf of the guarantee of liberty of conscience which the Mexican Government agreed their people would always have if they secured the recognition of the American Government, it is the duty of Congress, the duty of the State Department, to notify the Mexican Government that they, having violated the agreement they made with the Government of the United States, we on our part, to be consistent, are forced to withdraw further recognition and to withdraw from that country any representatives we may have there. Should there be any doubt of the absolute violation of the guaranties of liberty of conscience of the people of Mexico by those temporarily in control of Government affairs, it is the duty of Congress to conduct an inquiry such as has been requested by those millions of American citizens who have asked for such an inquiry.

The United States Government has never had any qualms as to interfering with Mexican policies whenever such policies in any way were detrimental to American corporations which had financial interests in that country, but on the great moral issue of religious freedom far less attention has been paid by our Government to the complete and absolute breach of the Lansing agreement by Mexico.

As to other precedents, as early as 1823, Daniel Webster, in the United States Senate, gave ample reasons why it was perfectly proper for a country with our free institutions to protest to any country in the world against persecution or oppression by that country, either of its own or other citizens. This country has done exactly that in connection with Morocco, Rumania, Turkey, Switzerland, Russia, Hawaii, Austria-Hungary, and other countries; so it is not a question of interfering with something which supposedly is none of our business.

It was my intention to quote extensively from precedents heretofore established wherein America, ever true to the traditions of 1776, has befriended and helped to protect the oppressed of the world, and demanded of foreign governments that liberty, which is so dear to the hearts and minds of the American people. However, I note that my colleague from New York [Mr. CELLER] has covered this ground in a very exhaustive manner and I will not take the time of the House at this time to dwell upon those precedents.

Mr. Speaker, I ask unanimous consent to insert in my remarks at this point the precedents on which the State Department and the Congress is justified in severing diplomatic relations with the Republic of Mexico so long as those in control of that Government refuse to respect the sanctity of an agreement made with this Government and denied the liberty of conscience set out in that agreement.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to is as follows:

PRECEDENTS

It appears to be a generally established principle that the United States demands for its own nationals abroad the enjoyment of as large privileges of religious freedom as are granted to nationals of other countries.[1]

As regards intercession by the United States in favor of nationals other than those of the United States, it has been observed that "the United States does not undertake to plead the cause of aliens within foreign lands save in cases where their religious persecution is conceived to be directly injurious to the rights of the Nation or of its citizens."[2] In this connection it may be noted that several Secretaries of State, including Secretaries Blaine, Gresham, and Hay, declared that the suppressive measures against Hebrew nationals in Russia and Rumania, forcing numerous destitute people to emigrate to the United States, were directly injurious to the interests of this country in a manner which justified its protest.[3] Instances of this nature and others in which the United States has interceded in foreign countries in behalf of oppressed racial or religious minorities follow:

PERSECUTION OF JEWS IN DAMASCUS

Mr. John Forsyth, Secretary of State of the United States in 1840,[4] having reference to a resolution[5] which had been adopted August 19, 1840, at a meeting of Hebrews held for the purpose of "uniting in an expression of sympathy for their brethren in Da-

[1] In a letter dated Jan. 18, 1906, to Mr. Leishman, American Minister to Turkey, Mr. Elihu Root, Secretary of State of the United States, pointed out that "the President's message to the Sultan and the instructions sent by the Department to the Legation * * * should leave no doubt in the mind of the Turkish Government that the United States confidently and in common justice expects that American (religious, benevolent, and educational) institutions (in Turkey) shall be treated on an equal footing of benefit with those of other states"; Foreign Relations of the United States, 1906, II, p. 1378.

[2] Hyde, Int. Law, vol. 1, p. 382, citing in support of this view Mr. Cass, Secretary of State, to Mr. Williams, Minister to Turkey, Oct. 22, 1860, MS. Inst. Turkey, II, 27, Moore, Dig., VI, p. 333; Mr. Frelinghuysen, Secretary of State, to Mr. Gifford, Dec. 19, 1884, 153 MS. Dom. Let. 470, Moore, Dig., VI, p. 339; Mr. Day, Secretary of State, to the Reverend Mr. Strong, June 3, 1898, 229 MS. Dom. Let. 113, Moore, Dig., II, p. 178.

[3] See below; also Borchard, Diplomatic Protection of Citizens Abroad (1915 ed.), p. 466, citing President Harrison in annual message, Dec. 9, 1891, For. Rel., 1891, XII; Mr. Hay, Secretary of State, to Mr. Wilson, Minister to Rumania, July 17, 1902, For. Rel., 1902, p. 910; and Moore, Dig., VI, secs. 925 and 926. See also Hyde, op. cit., vol. 1, p. 88 f.

[4] Mr. John Forsyth, Secretary of State, to Mr. J. B. Kursheedt, chairman of the executive committee of the Israelites of New York, and Mr. Theodore J. Seixas, secretary of the same committee, Aug. 26, 1840, 31 MS. Dom. Let. 203; Moore, J. B., Digest of International Law, VI, 347. The text of Secretary Forsyth's letter to Messrs. Kursheedt and Seixas is also printed in full in Jacob Ezekiel's Persecution of the Jews in 1840, a contribution to the publications of the American Jewish Historical Society, No. 8 Baltimore, 1900), pp. 142, 143.

[5] For full text of the resolution, see Ezekiel, Jacob, op. cit., pp. 141, 142.

mascus", stated that the heart-rending scenes which had occurred [6] at that city had previously been brought to the notice of the President of the United States [7] by a communication from the American consul at that place, and that in consequence thereof "a letter of instructions was immediately written to our consul at Alexandria." [8] Mr. Forsyth further pointed out that "about the same time our chargé d'affaires at Constantinople was instructed to interpose his good offices in behalf of the oppressed and persecuted race of the Jews in the Ottoman dominions, among whose kindred are found some of the most worthy and patriotic of our own citizens, and the whole subject, which appeals so strongly to the universal sentiments of justice and humanity, was earnestly recommended to his zeal and discretion."

DISCRIMINATIONS AGAINST HEBREWS IN SWITZERLAND

The Swiss Constitution formerly permitted certain discriminations against Israelites. Some of the Swiss Cantons, in conformity with their constitutional rights, refused residence in their territory to believers in the Mosaic dispensation on the ground that the Cantons "did not desire an augmentation of the number of Jewish merchants", a refusal given to many Jews of different countries.[9] Since the discrimination also involved Jewish citizens of the United States, considerable correspondence on that subject ensued between the Governments of the United States and Switzerland.[10]

In 1850 the American Minister to Switzerland was charged with the duty of negotiating a treaty of commerce between this country and the Swiss Confederation. On February 13, 1851, President Millard Fillmore forwarded to the Senate of the United States a proposed general convention signed at Berne, the Swiss capital, on November 25, 1850,[11] together with a copy of the instructions under which the American negotiations had acted and a despatch of November 30, 1850, explanatory of the articles of the convention. In his message transmitting the treaty, President Fillmore expressed his objections to the last clause in article 1 of the proposed convention, which read as follows: [12]

"On account of the tenor of the Federal Constitution of Switzerland, Christians alone are entitled to the enjoyment of the privileges guaranteed by the present article in the Swiss Cantons. But said Cantons are not prohibited from extending the same privileges to citizens of the United States of other religious persuasions."

The President further pointed out that "it is quite certain that neither by law, nor by treaty, nor by any other official proceeding is it competent for the Government of the United States to establish any distinction between its citizens founded on differences in religious beliefs." After considerable delay the treaty was finally ratified by the President on November 6, 1854,[13] after some of the objectionable provisions had been amended.[14] Still, the provisions in the Swiss Constitution discriminating against Hebrews were not changed at that time, and continued to occupy the attention of the President and of the State Department. On November 5, 1857, Secretary of State Lewis Cass sent the following instructions to Mr. Fay, the United States Minister to Switzerland: [15]

"I am directed by the President to instruct you to use all the means in your power to effect the removal of the odius restrictions complained of, which, it is understood, are contained in the laws of but four of the Swiss Cantons. You are requested to inform the Department upon this point and to state the names of the Cantons in which these laws exist."

Restrictive measures against the Jews were particularly marked in the Canton of Basel, where on November 17, 1851, the following law was promulgated: [16]

"1. No Jew, without exception, is permitted to settle, to carry on commerce, trade, or any handicraft in the Canton.

"2. Any citizen who admits a Jew into his house, be it for commercial purposes, as clerk or servant, or in any other capacity, or for what other purpose soever, is liable to a fine of 300 francs.

"3. Hawking goods or with patterns, dealing in cattle, produce, leather, etc., is prohibited to any Jew, under a fine of from 5 to 20 francs for the first offense, and of confiscation of goods and of the same fine for the second offense.

"4. Whoever lets a wareroom, stall, or house to any Jew, during a fair, for a period exceeding 6 days is liable to a fine of 50 francs for the first contravention and of 200 francs for the second."

On January 18, 1858, Minister Fay's letter to Secretary Cass included the following: [17]

"I shall endeavor to present the question in so clear a light as to demonstrate that a more liberal course is required by the dignity, and even by the material interest, of Switzerland herself. I hope also to procure a larger interpretation of the law in favor of our fellow citizens that some practical benefit may immediately result."

Secretary Cass, under date of April 17, 1858, despatched the following to Mr. Fay: [18]

"The President learns with pleasure that your efforts in behalf of the American Israelites in Switzerland have not been relaxed. The removal of the restrictions contained in the cantonal laws so oppressive to Jewish citizens of the United States is, as you are aware, a matter which the President has much at heart, and he indulges the hope that the measures taken by you to secure that result may be successful."

The Swiss Confederation on May 29, 1874, adopted a new federal constitution which accorded full religious liberty to all. Article 50 of this constitution provides that—

"The free exercise of worship is guaranteed, within the limits compatible with public order and good morals.[19]

PROTEST AGAINST EXECUTION OF JEW BY MOHAMMEDANS

Mr. Lewis Cass, Secretary of State, in his instructions—July 29, 1857—to Mr. Chandler, Minister to the Two Sicilies, stated that the joining by an American consul in a Mohammedan country with the consuls from other nations in a protest against the conviction and execution of a Jew for blasphemy "meets with the approval of the Government of the United States." [20]

PROTECTION OF CHRISTIAN MISSIONARIES IN HAWAII

In 1870 Mr. Hamilton Fish, Secretary of State of the United States, in his instructions to the American Minister to Hawaii declared [21] that "it is a matter of regret that the Christian missionaries of the United States and of Hawaii to the Micronesian group should have experienced any obstacle in the prosecution of their calling, and especially that they should have been wronged in their person and property by the savage aborigines. It is hoped that the vessel of war which, it is understood, has been ordered thither, will have the effect of preventing any further outrages upon our citizens."

PROTECTION OF JEWS IN MOROCCO

On July 2, 1878, Secretary of State Evarts transmitted the following to Mr. Felix A. Mathews, United States consul at Tangier: [22]

"I transmit herewith a copy of a letter dated the 15th ultimo, addressed to this Department by Mr. Meyer S. Isaacs, president, and S. Wolf, vice president of the board of delegates of American Israelites, New York, requesting that you be instructed to inquire into the condition of the Jews in that Empire, and to consult for the amelioration of their status. I also enclose a copy of the reply thereto of the Department, by which you will perceive that Mr. Isaacs has been informed that, in view of the fact that the informal friendly offices of the United States have, on similar occasions, been exercised with good results, through their representatives abroad, you would be authorized to act in the sense of his request. You are consequently requested to take such steps toward the accomplishment of the end desired as may be consistent with your international obligations and the efficiency of your official relations with the Government of Morocco."

During the same month Secretary of State Evarts wrote to the said Messrs. Isaacs and Wolf as follows: [23]

"It is, as you are, of course, aware, difficult for a foreign government to make the full force of its influence felt in intervening for the protection of native subjects of the State addressed. Nevertheless, in view of the fact that the informal and friendly offices of the United States have, at times before now, been used with good effect, through the informal action of their representatives abroad in the interest of humanity, and of that full religious toleration

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[6] The facts of this case are given more fully in Dr. Cyrus Adler's book entitled "Jews in the Diplomatic Correspondence of the United States", publication of the American Jewish Historical Society, No. 15 (Baltimore, 1906), p. 4 ff.

[7] President Martin Van Buren.

[8] The text of Mr. Forsyth's letter of instructions to Mr. John Gliddon, United States consul at Alexandria, is also printed in Ezekiel, Jacob, op. cit., pp. 143, 144. For text of the resolution adopted by the executive and corresponding committee of Israelites of Virginia to the effect that a letter be addressed to President Van Buren expressing the "acknowledgments of the Israelites of Virginia in common with their brethren throughout the United States and elsewhere for the prompt and handsome manner in which he has acted in reference to the persecutions practiced upon our brethren of Damascus", and for the text of the letter to President Van Buren, dated Sept. 4, 1840, see ibid., p. 145.

[9] House of Representatives, Executive Documents, 36th Cong., 1st sess., 1859–60, Ex. Doc. No. 76, p. 4.

[10] In compliance with resolutions of the House of Representatives, the President of the United States, in a message, transmitted to Congress "information relative to discrimination in Switzerland against citizens of the United States of the Hebrew persuasion." For text of the message see Ex. Doc. No. 76 (op. cit.), pp. 1–101.

[11] See Malloy, W. M., treaties, conventions, etc. (61st Cong., 2d sess., S. Doc. No. 357), vol. 2, p. 1763.

[12] See Stroock, S. M., Switzerland and American Jews, in Publications of the American Jewish Historical Society, No. 11 (Baltimore, 1903), p. 8.

[13] Malloy, op. cit., p. 1763.—The treaty was finally proclaimed Nov. 9, 1855.

[14] See Stroock, op. cit., p. 23.

[15] House Executive Document No. 78 (op. cit.), p. 12.

[16] Stroock, op. cit., p. 12.

[17] House Executive Document No. 78, p. 16.

[18] Dodd, Walter Fairleigh, Modern Constitutions, a collection of the fundamental laws of 22 of the most important countries of the world, Chicago, University of Chicago Press, 1909, vol. 2, p. 271.

[19] House Ex. Doc. No. 78, p. 22.

[20] Mr. Cass, Secretary of State, to Mr. Chandler, no. 12, July 29, 1857, MS. Inst. Barbary Powers, XIV, 193; Moore, Digest, VI, 348.

[21] Mr. Fish, Secretary of State, to Mr. Pierce, Minister to Hawaii, no. 13, April 6, 1870, MS. Instructions to United States Ministers, Department of State, Washington, D. C., Hawaii, II, 196; Moore, Digest, VI, 333–334.

[22] U. S. Department of State, Papers Relating to the Foreign Relations of the United States, 1878, pp. 685–686.

[23] Mr. Evarts, Secretary of State, to Messrs. Isaacs and Wolf, July 1, 1878, 123 MS. Dom. Let. 395; Moore, Digest, VI, p. 349.

and equity which form so conspicuous a base for our own enlightened institutions, I shall be happy to instruct the United States consul at Tangier that he is at liberty to act, in the sense of your request, so far as may be consistent with his international obligations and the efficiency of his official relations with the Scheriffian Government."

JEWISH PERSECUTIONS IN RUMANIA

In 1870, Mr. Benjamin F. Peixotto, an American Hebrew, was appointed consul of the United States to Rumania for the purpose, among other things, of promoting Jewish emancipation and cessation of anti-Jewish activity in that country. President Grant, on December 8, 1870, handed Mr. Peixotto his credentials, which read in part as follows:[24]

"Mr. Peixotto has undertaken the duties of his present office more as a missionary work for the benefit of the people he represents than for any benefit to accrue to himself—a work in which all citizens will wish him the greatest success. The United States, knowing no distinction of her own citizens on account of religion or nativity, naturally believes in a civilization the world over, which will secure the same universal views."

REPRESENTATIONS TO SPAIN CONCERNING THE QUESTION OF RELIGIOUS LIBERTY

In his instructions (Dec. 8, 1876) to Mr. Adee, chargé d'affaires of the United States at Madrid, Secretary of State Hamilton Fish said:[25]

"Upon the 23d of November, Sir Edward Thornton called upon me and stated that he was instructed by Lord Derby to read to me, and if I desired it to leave with me a copy of an instruction bearing date October 28, which had been addressed to Mr. Layard, Her (British) Majesty's minister at Madrid, touching religious toleration in Spain, and that Lord Derby expressed the hope that the Government of the United States might instruct its representative at Madrid at make representations in a similar sense to the Government of the King. I transmit, herewith, a copy of this instruction, which was given me by Sir Edward Thornton. * * *

"You are instructed to act in concert with Mr. Layard, Her Majesty's minister, in the sense in which he is instructed by Lord Derby, and to take occasion to speak in a similar sense to the minister of state, impressing upon him the deep interest which the question of religious liberty in Spain excites in the United States, and the strong hope that the steps lately taken by the Spanish Government with reference to religious freedom and toleration may not be followed by others of a more retrograde character, and that the rights which the minister of state admits are secured to Protestants by the eleventh article of the Constitution may be entirely respected, and that the United States rely upon the good faith of the Spanish Government to promptly and firmly suppress any attempt from any quarter to infringe upon these rights."

INTERCESSION IN BEHALF OF THE AMERICAN BIBLE SOCIETY

On May 27, 1882, Secretary of State Frelinghuysen enclosed to the American Legation at the Russian capital a letter from the American Bible Society concerning the introduction and sale in parts of Russia of copies of the Bible printed by that society.[26] It declared that agents of the society were forbidden to sell the Scriptures from house to house in Estonia, then a part of the Russian Empire, and that copies of the Scriptures published by the society in the Armenian and Syriac languages, imported by way of Tabriz or Constantinople, were excluded from the region of the Caucasus by a Russian ministerial decree. Mr. Frelinghuysen pointed out that the American Bible Society was incorporated under the laws of New York and that—

"Apart from its claims in common with other lawful American corporations to the kindly offices of the Government of the United States, there was in this case the unselfish aim of doing good, which commended it to the support of enlightened people."

Mr. Hoffman, the chargé d'affaires, was directed—

"To read the instruction to the Russian Minister of Foreign Affairs and to express the hope that the Russian Government would examine into the allegations submitted, and if they were found to be well grounded issue such orders as might be deemed right and best fitted to afford the desired relief."

THE KEILEY CASE

In 1885, the fact that the Austro-Hungarian Government refused to accept the Honorable Anthony M. Keiley, who was married to a Jewess, as Envoy Extraordinary and Minister Plenipotentiary, gave rise to considerable correspondence between the two Governments concerned.[27]

On May 4, 1885, Mr. Thomas F. Bayard, Secretary of State of the United States, wrote to Baron Schaeffer, Austro-Hungarian Minister to the United States, that "I have the honor to inform you that the President has appointed Anthony M. Keiley, of Virginia, one of our distinguished citizens, to succeed Mr. Francis as the Envoy Extraordinary and Minister Plenipotentiary of the United States at Vienna. In communicating this intelligence, I desire to bespeak for Mr. Keiley, through your kind offices, that favorable reception at Vienna which is due to his merits as an American citizen of great ability and character."

Five days later Baron Schaeffer handed Secretary Bayard the translation of a telegram dated Vienna, May 8, 1885, from Count Kalnoky, which is given here in full:

"We regret the nomination of Mr. Keiley as Minister Plenipotentiary and Envoy Extraordinary to the Imperial Court and his sudden departure from America, as here, too, like in Rome, prevail scruples against this choice.

"Please direct in the most friendly way the attention of the American Government to the generally existing diplomatic practice to ask previously to any nomination of a foreign minister the agrément (consent) of the Government to which he is accredited.

"You are therefore requested to earnestly entreat them that the newly nominated Minister may not reach Vienna before our confidential consent to his nomination has taken place.

"The position of a foreign envoy wedded to a Jewess by civil marriage would be untenable and even impossible in Vienna.

"COUNT KALNOKY."

In a note to Baron Schaeffer dated May 18, 1885, Secretary of State Bayard, after "having submitted the matter to the consideration of the President", wrote in part as follows:

"The supreme law of this land expressly declares that "no religious test shall ever be required as a qualification to any office or public trust under the United States", and by the same authority it is declared that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

"This is a government of laws, and all authority exercised must find its measure and warrant thereunder.

"It is not within the power of the President, nor of Congress, nor of any judicial tribunal of the United States, to take or even hear testimony or in any mode to inquire into or decide upon the religious belief of any official, and the proposition to allow this to be done by any foreign government is necessarily and a fortiori inadmissible.

"To suffer an infraction of this essential principle would lead to a disfranchisement of our citizens because of their religious belief, and thus impair or destroy the most important end which our constitution of government was intended to secure. Religious liberty is the chief cornerstone of the American system of government, and provisions for its security are embedded in the written charter and interwoven in the moral fabric of its laws.

"Anything that tends to invade a right so essential and sacred must be carefully guarded against, and I am satisfied that my countrymen, ever mindful of the suffering and sacrifices necessary to obtain it, will never consent to its impairment for any reason or any pretext whatsoever.

"In harmony with this essential law is the most equally potential unwritten law of American society that awards respect and delicate consideration to the women of the United States and exacts deference in the treatment at home and abroad of the mothers, wives, and daughters of the Republic.

"The case we are now considering is that of an envoy of the United States, unquestionably fitted, morally and intellectually, and who has been duly accredited to a friendly government, toward which he is thoroughly well affected; who in accordance with the laws of this country has long since contracted and has maintained an honorable marriage, and whose presence near the foreign government in question is objected to by its agents on the sole ground that his wedded wife is alleged to entertain a religious faith which is held by very many of the most honored and valued citizens of the United States.

"It is not believed by the President that a doctrine and practice so destructive of religious liberty and freedom of conscience, so devoid of catholicity, and so opposed to the spirit of the age in which we live can for a moment be accepted by the great family of civilized nations or be allowed to control their diplomatic intercourse.

"Certain it is, it will never, in my belief, be accepted by the people of the United States nor by any administration which represents their sentiments. * * *"

President Grover Cleveland, in his annual message to Congress of December 8, 1885, referring to the Keiley incident and to the position taken by the Government of Austria-Hungary, stated[28] that:

"The reasons advanced (by that Government) were such as could not be acquiesced in without violation of my oath of office and the precepts of the Constitution, since they necessarily involved a limitation in favor of a foreign government upon the right of selection by the Executive, and required such an application of a religious test as a qualification for office under the United States as would have resulted in the practical disfranchisement of a large class of our citizens and the abandonment of a vital principle in our Government. The Austro-Hungarian Government finally decided not to receive Mr. Keiley as the envoy of the United States, and that gentleman has since resigned his commission, leaving the post vacant. I have made no new nomi-

[24] Kohler, M. J., and Wolf, Simon, Jewish disabilities in the Balkan States, American contributions toward their removal, with particular reference to the Congress of Berlin, Publication of the American Jewish Historical Society No. 24 (Baltimore, 1916), p. 13.

[25] Mr. Fish, Secretary of State, to Mr. Adee, chargé at Madrid, Dec. 8, 1876, MS. Inst. Spain, XVIII, 52; Moore, Dig., VI, pp. 175–176.

[26] Mr. Frelinghuysen, Secretary of State, to Mr. Hoffman, chargé, no. 128, May 27, 1882, MS. Inst. Russia, XVI, 279; Moore, Dig., VI, 335–336.

[27] The quotations below are taken from United States Department of State, Papers Relating to the Foreign Relations of the United States, 1885, p. 48 ff. See also Moore, John B., Digest of International Law, vol. IV, p. 480 ff.

[28] U. S. Department of State, Foreign Relations of the United States, 1885, p. IV.

nation, and the interests of this Government at Vienna are now in the care of the secretary of legation acting as chargé d'affaires ad interim."

INTERCESSION IN BEHALF OF JEWS IN RUSSIA (1891)

On August 20, 1890, the House of Representatives of the United States adopted a resolution requesting the President to communicate to that body any information in his possession with regard to the enforcement of proscriptive edicts against the Jewish people in Russia.

The President of the United States responded to the said resolution on October 1 of the same year, and accompanied his response with a report which, with reference to the rumors that new measures of repression were about to be put in force, said in part that:

"Such a step, if in reality contemplated, would not only wound the universal and innate sentiment of humanity, but would suggest the difficult problem of affording an immediate asylum to a million or more of exiles without seriously deranging the conditions of labor and of social organization in other communities." [29]

Secretary of State James G. Blaine, in his instructions to Mr. Smith, American Minister to Russia,[30] under date of February 18, 1891, included the following statement:

"The Government of the United States does not assume to dictate the internal policy of other nations or to make suggestions as to what their municipal laws should be or as to the manner in which they should be administered. Nevertheless, the mutual duties of nations require that each should use its power with due regard for the results which its exercise produces on the rest of the world. It is in this respect that the condition of the Jews in Russia is now brought to the attention of the United States, upon whose shores are cast daily evidences of the suffering and destitution wrought by the enforcement of the edicts against this unhappy people. I am persuaded that His Imperial Majesty the Emperor of Russia and his councilors can feel no sympathy with measures which are forced upon other nations by such deplorable consequences.

"You will read this instruction to the Minister of Foreign Affairs and give him a copy if he desires it."

On April 20, 1891, Mr. Charles Emory Smith, Minister of the United States to Russia, wrote to Secretary Blaine from St. Petersburg, the Russian capital, that—

"Within a few days the Russian journals have stated that 150 Jewish families of Moscow have been notified that they must remove from that city, and I am informed that 50 families of this city are about to receive a similar notification. It is probable that these are only the forerunners of further expulsions. No new law has been ordained and none has been required to this end. It is held to be simply an application of the existing law hitherto unenforced. According to the strict letter there are many thousands living here and at the ancient capital of the Empire without legal authority. The number is said to be from 10,000 to 20,000 at St. Petersburg and nearly 100,000 at Moscow. Though destitute of technical right, their residence has had the sanction of long toleration and has acquired the sacredness of an established home, the compulsory abandonment of which would be attended with hardship. It is supposed that the result will be tempered with such degree of consideration and such allowance of time for preparation as here compatible with a measure of this nature. The Government has declared that this new application of the old laws would be made 'gently and gradually', and the steps now taken, with those to follow, will show how these terms are to be interpreted." [31]

The plight of the Jewish people in Russia at that time was referred to in President Harrison's message to Congress of December 9, 1891,[32] in which the President said:

"This Government has found occasion to express in a friendly spirit, but with much earnestness, to the Government of the Czar its serious concern because of the harsh measures now being enforced against the Hebrews in Russia. By the revival of anti-Semitic laws, long in abeyance, great numbers of those unfortunate people have been constrained to abandon their homes and leave the Empire by reason of the impossibility of finding subsistence within the pale to which it is sought to confine them. The immigration of these to the United States—many other countries being closed to them—is largely increasing and is likely to assume proportions which may make it difficult to find homes and employment for them here and to seriously affect the labor market. It is estimated that over 1,000,000 will be forced from Russia within a few years. The Hebrew is never a beggar; he has always kept the law—life by toil—often under severe and oppressive civil restrictions. It is also true that no race, sect, or class has more fully cared for its own than the Hebrew race. But the sudden transfer of such a multitude, under conditions that end to strip them of their small accumulations and to depress their energies and courage, is neither good for them nor for us. The banishment, whether by direct decree or by not less certain indirect methods, of so large a number of men and women is not a local question. A decree to leave one country is, in the nature of things, an order to enter another—some other. This consideration, as well as the suggestions of humanity, furnishes ample ground for the remonstrances which we have presented to Russia, while our historic friendship for that Government cannot fail to give the assurance that our representations are those of a sincere well-wisher."

SECRETARY HAY'S NOTE CONCERNING CONDITION OF JEWS IN RUMANIA (1902)

Under the personal supervision of President Theodore Roosevelt, Secretary of State John Hay prepared an extensive note concerning the disabilities of the Jewish people in Rumania, which was dispatched on July 17, 1902, to Minister Charles S. Wilson, in charge of American interests in Rumania. This note also discussed the proposed naturalization convention between the United States and Rumania. Extracts of the same are given below: [33]

"Starting from the arbitrary and convertible premise that the native Jews of Rumania domiciled there for centuries are 'aliens not subject to foreign protection', the ability of the Jew to earn even the scanty means of existence that suffice for a frugal race has been constricted by degrees until nearly every opportunity to win a livelihood is denied; and until the helpless poverty of the Jew has constrained an exodus of such proportions as to cause general concern.

"The political disabilities of the Jews in Rumania, their exclusion from the public service and the learned professions, the limitations of their civil rights, and the imposition upon them of exceptional taxes, involving as they do wrongs repugnant to the moral sense of liberal modern peoples, are not so directly in point for my present purpose as the public acts which attack the inherent right of a man as a breadwinner in the ways of agriculture and trade. The Jews are prohibited from owning land, or even from cultivating it as common laborers. They are debarred from residing in the rural districts. Many branches of petty trade and manual production are closed to them in the overcrowded cities, where they are forced to dwell and engage, against fearful odds, in the desperate struggle for existence. Even as ordinary artisans or hired laborers they may only find employment in the proportion of one 'unprotected alien' to two 'Rumanians' under any one employer * * *. Human beings so circumstanced have virtually no alternatives but submissive suffering or flight to some land less unfavorable to them. Removal under such conditions is not and cannot be healthy, intelligent emigration of a free and self-reliant being. It must be, in most cases, the mere transplantation of an artificially produced diseased growth to a new place * * *.

"The United States offers asylum to the oppressed of all lands. But its sympathy with them in no wise impairs its just liberty and right to weigh the acts of the oppressor in the light of their effects upon this country and to judge accordingly.

"Putting together the facts, now painfully brought home to this Government, during the past few years, that many of the inhabitants of Rumania are being forced by artificially adverse discriminations to quit their native country; that the hospital asylum offered by this country is almost the only refuge left to them; that they come hither unfitted by the conditions of their exile to take part in the new life of this land under circumstances either profitable to themselves or beneficial to the community, and that they are objects of charity from the outset and for a long time—the right of remonstrance against the acts of the Rumanian Government is clearly established in favor of this Government. Whether consciously and of purpose or not, these helpless people, burdened and spurned by their native land, are forced by the sovereign power of Rumania upon the charity of the United States. This Government cannot be a tacit party to such an international wrong. It is constrained to protest against the treatment to which the Jews of Rumania are subjected, not alone because it has unimpeachable ground to remonstrate against the resultant injury to itself, but in the name of humanity. The United States may not authoritatively appeal to the stipulations of the Treaty of Berlin, to which it was not and cannot become a signatory, but it does earnestly appeal to the principles consigned therein, because they are principles of international law and eternal justice, advocating the broad toleration which that solemn compact enjoins, and standing ready to lend its moral support to the fulfillment thereof by its cosignatories, for the act of Rumania itself has effectively joined the United States to them as an interested party in this regard."

Identical instructions along lines of the one just partly quoted were sent on August 11, 1902, by the Department of State to the representatives of the United States to Great Britain, Germany, France, Italy, Russia, and Turkey, to be submitted by them to the ministers of foreign affairs of the countries to which they were accredited. The two opening paragraphs of the said instructions contained the following: [34]

"In the course of an instruction recently sent to the Minister accredited to the Government of Rumania in regard to the bases of a negotiation begun with that Government looking to a convention of naturalization between the United States and Rumania, certain considerations were set forth for the Minister's guidance.

"It has seemed to the President appropriate that these considerations, relating, as they do, to the obligations entered into by the signatories of the Treaty of Berlin of July 13, 1878, should be brought to the attention of the Governments concerned and commended to their consideration in the hope that, if they are so fortunate as to meet the approval of the several powers, such meas-

[29] U. S. Department of State, Papers Relating to the Foreign Relations of the United States, 1891, p. 738. See also Moore, Dig., vol. VI, p. 354.

[30] For. Rel., 1891, p. 739.

[31] U. S. For. Rel., 1891, pp. 742–743.

[32] President Benjamin Harrison, Annual Message, Dec. 9, 1891, U. S. For. Rel., 1891, p. XII; see also Moore, Dig., VI, p. 358–359.

[33] U. S. For. Rel., 1902, p. 912ff. See also Kohler and Wolf, Jewish disabilities in the Balkan States (op. cit.), p. 80ff.

[34] U. S. For. Rel., 1902, pp. 42–43. As to the attitude of the powers approached by the United States Government, see U. S. For. Rel., 1903, p. 704.

ures as to them may seem wise may be taken to persuade the Government of Rumania to reconsider the subject of the grievances in question."

THE KISHINEFF MASSACRE

During April 19–20, 1903, an anti-Semitic outbreak occurred in Kishineff, Russia, causing the death of 47 Jews and injuries to several hundreds of other people of the Jewish race.[35] In addition, great material losses were caused by this outbreak—700 houses were destroyed, 600 stores looted, and many families utterly ruined. As a result of these outrages, a mass meeting was held in New York City at Carnegie Hall in protest against the Kishineff affair. The meeting was presided over by Paul D. Cravath, and the speakers included ex-President Cleveland, Mayor Seth Low, Jacob G. Schurman, president of Cornell University, and others.

During the said meeting a resolution was adopted, which read in part as follows:[36]

"*Resolved*, That the people of the United States should exercise such influence with the Government of Russia as the ancient and unbroken friendship between the two nations may justify to stay the spirit of persecution, to redress the injuries inflicted upon the Jews of Kishineff, and to prevent the recurrence of outbreaks such as have amazed the civilized world."

Early in July of the same year President Theodore Roosevelt directed Secretary of State John Hay to instruct the American chargé at St. Petersburg to ask for an audience with the Russian Minister of Foreign Affairs and to make to him the following communication:[37]

"EXCELLENCY: The Secretary of State instructs me to inform you that the President has received from a large number of prominent citizens of the United States of all religious affiliations, and occupying the highest positions in both public and private life, a respectful petition addressed to His Majesty the Emperor relating to the condition of the Jews in Russia and running as follows:"

Here is set out the petition:[38]

"I am instructed to ask whether the petition will be received by Your Excellency to be submitted to the gracious consideration of His Majesty. In that case the petition will be at once forwarded to St. Petersburg."

Subsequently the American chargé at St. Petersburg informed the State Department at Washington that—

"The Russian Government, through its Minister of Foreign Affairs, had declined to receive or consider the petition.[39]

TERMINATION OF THE TREATY OF 1832 BETWEEN THE UNITED STATES AND RUSSIA

The treaty of commerce and navigation concluded between the United States of America and Russia on December 18, 1832, was terminated by the United States in 1911, owing in a large measure to discriminations against Jewish holders of American passports by agents of the Russian Government.

On December 11, 1911, Mr. WILLIAM G. MCADOO, at the hearing before the House Committee on Foreign Affairs on the House Joint Resolution No. 166 concerning the termination of the treaty of 1832, addressing the said committee, said: [40]

"The question presented for your consideration is one with which you are so familiar that it scarcely needs presentation on my part. For 40 years Russia has disregarded, as we think, the plain stipulations of this treaty. She has undertaken to apply a rigid test to American citizens seeking to enter Russia. We do not believe that this Government can afford to submit to any such test as applied to any part of its citizens. We believe that every American citizen, whatever his antecedents, is entitled to the benefits of a treaty made for every American citizen and every class of American citizenship. The Government of the United States has on its part strictly observed the obligations of their treaty, and Russia alone has been derelict in performance. It seems that when an American citizen presents a passport to the Russian consul general in New York, or in any foreign capital, for a visa he is immediately asked what is his religion. There are a few other questions also asked, but that seems to be the important one. The minute he confesses that he is a Jew the visa is refused and discrimination is at once made against a certain part of our citizens—a very large and important element of our citizens. Our diplomatic history is full of protests on the part of this Government against this discrimination. Large efforts have been made to get Russia to recede from a position which is utterly and wholly untenable, but without success. The time has now come when we believe that this committee and Congress should take a firm stand on this question and should insist that Russia live up to the treaty or that it be abrogated. We do not believe that any satisfactory result is going to be accomplished any other way."

The House Joint Resolution No. 166, providing for the termination of the treaty of 1832 between the United States and Russia, is here given in full:[41]

"*Resolved, etc.*, That the people of the United States assert as a fundamental principle that the rights of its citizens shall not be impaired at home or abroad because of race or religion; that the Government of the United States concludes its treaties for the equal protection of all classes of its citizens, without regard to race or religion; that the Government of the United States will not be a party to any treaty which discriminates, or which by one of the parties thereto is so construed as to discriminate, between American citizens on the ground of race or religion; that the Government of Russia has violated the treaty between the United States and Russia, concluded at St. Petersburg December 18, 1832, refusing to honor American passports duly issued to American citizens on account of race and religion; that in the judgment of the Congress the said treaty, for the reasons aforesaid, ought to be terminated at the earliest possible time; that for the aforesaid reasons the said treaty is hereby declared to be terminated and of no further force and effect from the expiration of 1 year after the date of notification to the Government of Russia of the terms of this resolution, and that to this end the President is hereby charged with the duty of communicating such notice to the Government of Russia."

The hearings referred to above are supplemented by four appendixes dealing with the following subjects: (1) Diplomatic correspondence respecting the passport question; [42] (2) the passport question, a reprint from the American Jewish Yearbook, 5672;[43] (3) brief on the termination of treaties, by Dr. Herbert Friedenwald; [44] and (4) the passport question in Congress, 1879–1909.[45]

On December 18, 1911, President William H. Taft informed the Senate of the United States that—

"By instructions which I caused the Secretary of State to transmit to the American Ambassador at St. Petersburg on the 15th day of December 1911, there was given to the Imperial Russian Government, under the date of the 17th day of December 1911, official notification, on behalf of this Government, of intention to terminate the operation of the treaty of commerce and navigation of December 18, 1832, between the United States and Russia upon the expiration of the year commencing on the 1st of January 1912." [46]

STIPULATIONS CONCERNING RACIAL AND RELIGIOUS MINORITIES IN THE PEACE TREATIES FOLLOWING THE WORLD WAR

Article 63 of the treaty of peace between the allied and associated powers and Austria [47] signed at St. Germain-en-Laye on September 10, 1919, contains the following stipulations:

"Austria undertakes to ensure full and complete protection of life and liberty to all inhabitants of Austria without distinction of birth, nationality, race, or religion.

"All inhabitants of Austria shall be entitled to the free exercise, whether public or private, of any creed, religion, or belief whose practices are not inconsistent with public order or public morals."

The said treaty of September 10, 1919, was signed also by the American delegates, but it failed of ratification by the Senate of the United States. However, another treaty establishing friendly relations was signed at Vienna on August 24, 1921,[48] by the plenipotentiaries of the United States and of the Republic of Austria. This treaty was duly ratified by both powers concerned and proclaimed on November 17, 1921. Article 1 of this agreement provides that: [49]

"Austria undertakes to accord to the United States, and the United States shall have and enjoy all the rights, privileges, indemnities, reparations, or advantages specified * * * including all the rights and advantages stipulated for the benefit of the United States in the Treaty of St. Germain-en-Laye, which the United States shall fully enjoy, notwithstanding the fact that such treaty has not been ratified by the United States. The United States, in availing itself of the rights and advantages stipulated in the provisions of that treaty, will do so in a manner consistent with the rights accorded to Austria under such provisions."

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[35] A more detailed account of the Kishineff affair is given in Oscar S. Straus' (former Ambassador to Turkey and former Secretary of Commerce and Labor of the United States) Under Four Administrations, Boston and New York, Houghton Mifflin Co., 1922, p. 170ff.

[36] Straus, Oscar S., op. cit., p. 171.

[37] Ibid., p. 172: For other diplomatic correspondence concerning "outrages perpetrated on Jews in Russia" see U. S. For. Rel., 1903, p. 712ff.

[38] The petition had been proposed by a committee from the B'nai B'rith Order, consisting of Simon Wolf, Adolf Moses, Julius Bien, Jacob Furth, Solomon Sulzberger, and Joseph D. Coons, and headed by their president, Leo N. Levi. This committee had "called upon Secretary Hay and presented to him a statement regarding the massacres in Russia, together with a proposed petition which they wished forwarded to the Government of the Czar"; Straus, op. cit., p. 171. The full text of the petition is reprinted in Adler, C., The Voice of America on Kishineff, Philadelphia, Jewish Publication Society of America, 1904, p. 478ff.

[39] However, in planning the cable as he did, says Mr. Straus, "the President was right in his anticipation. * * * Official Russia was made to realize the aroused indignation and the public protests of the civilized world." (See Straus, op. cit., p. 173.)

[40] United States Congress, House, Committee on Foreign Affairs, hearing (Dec. 11, 1911) on the termination of the treaty of 1832 between the United States and Russia, Washington, Government Printing Office, 1911 (revised edition), p. 4.

[41] U. S. Congress, House, Committee on Foreign Affairs, Hearing (Dec. 11, 1911), p. 3.

[42] Ibid., p. 105ff.

[43] Ibid., p. 239ff.

[44] Ibid., p. 295ff.

[45] Ibid., p. 304ff. This is a reprint from the American Jewish Yearbook, 5670.

[46] Message of the President of the United States (62d Cong., 2d sess., S. Doc. No. 161), p. 1.

[47] Treaties, conventions, international acts, etc. (67th Cong., 4th sess., S. Doc. No. 348), vol. 3, p. 3176. Similar provisions were included in the treaties with Czechoslovakia, Poland, Hungary, Rumania, and the Serb-Croat-Slovene State; see op. cit., pp. 3563, 3703, 3718, 3727, and 3735.

[48] For text of this treaty, see op. cit., p. 2493ff.

[49] Op. cit., p. 2495.

As far as Germany is concerned, the German delegation in their comments on the conditions of peace, which were presented to them at the conclusion of the World War by the Allied and Associated Powers, including the United States of America, issued the following statement: [50]

"Germany advocates in principle the protection of national minorities. This protection may be settled to the best purpose within the scope of the League of Nations. Germany, on her part, however, must demand such assurances as are already fixed by the peace treaty for those German minorities which, by cession, will pass over into alien sovereignty. Such minorities must be afforded the possibility of cultivating their German characteristics, especially through permission to maintain and attend German schools and churches, and to publish German papers. A still more extensive cultural autonomy based on national registration (Kataster) would be desirable. Germany, on her part, is resolved to treat minorities of alien origin in her territories according to the same principles."

Again, the treaty between the United States and Germany, signed at Washington, December 8, 1923, and proclaimed October 14, 1925,[51] in its first article provided that—

"The nationals of each of the high contracting parties shall be permitted to enter, travel, and reside in the territories of the other; to exercise liberty of conscience and freedom of worship; to engage in professional, scientific, religious, philanthropic, manufacturing, and commercial work of every kind without interference, * * * and generally to do anything incidental to or necessary for the enjoyment of any of the foregoing privileges upon the same terms as nationals of the State of residence or as nationals of the nation hereafter to be most favored by it, submitting themselves to all local laws and regulations duly established."

ABOLISHMENT OF DISCRIMINATIONS IN SOVIET RUSSIA

Recent correspondence [52] between the President of the United States and Maxim M. Litvinoff, People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics, in connection with the recognition of that country by the United States,[53] dealt in part with the discriminations in former years by Russia in respect of passport visas and religious liberty.

On November 16, 1933, President Roosevelt wrote to Mr. Litvinoff:

"As I have told you in our recent conversations, it is my expectation that after the establishment of normal relations between our two countries many Americans will reside temporarily or permanently within the territory of the Union of Soviet Socialist Republics, and I am deeply concerned that they should enjoy in all respects the same freedom of conscience and religious liberty which they enjoy at home. * * * We will expect that religious groups or congregations composed of nationals of the United States of America in the territory of the Union of Soviet Socialist Republics will be given the right to have their spiritual needs ministered to by clergymen, priests, rabbis, or other ecclesiastical functionaries who are nationals of the United States of America, and that such clergymen, priests, rabbis, or other ecclesiastical functionaries will be protected from all disability or persecution and will not be denied entry into the territory of the Soviet Union because of their ecclesiastical status."

In a letter of the same date—November 16, 1933—to the President of the United States, Mr. Litvinoff, in regard to the free exercise of liberty of conscience and religious worship, pointed out that according to the Russian decree of January 23, 1918, article 3—

"Every person may profess any religion or none. All restrictions of rights connected with the profession of any belief whatsoever, or with the nonprofession of any belief, are annulled."

Article 5 of the same decree provided that—

"A free performance of religious rites is guaranteed as long as it does not interfere with public order and is not accompanied by interference with the rights of citizens of the Soviet Union."

As to the matter of passports, Mr. Litvinoff wrote to the President that—

"I have the honor to inform you that the Government of the Union of Soviet Socialist Republics, while reserving to itself the right of refusing visas to Americans desiring to enter the Union of Soviet Socialist Republics on personal grounds, does not intend to base such refusals on the fact of such persons having an ecclesiastical status." [54]

On November 16, 1933, "a few minutes before midnight",[55] the President of the United States accorded recognition to the Government of Soviet Russia.

I have set forth in detail these various intercessions by the United States as clear indications of precedents upon which to base the passage of my resolution, House Resolution 70, in the interests of those who worship the Catholic faith in Mexico. This resolution, I feel, expresses the views of the majority of all fair-minded persons, even those who are not directly affected by the existent oppressions and proscriptions.

In conclusion, it is well in this connection to recall the letter written by our great George Washington to the Hebrew congregation in Newport, R. I. He said:

"The citizens of the United States of America have the right to applaud themselves for having given to mankind examples of an enlarged and liberal policy, a policy worthy of invitation. All possess alike liberty of conscience and immunities of citizenship. It is now no more that toleration is spoken of, as if it was by the indulgence of one class of people that another enjoyed the exercise of their inherent natural rights. For happily the Government of the United States, which gives to bigotry no sanction, the persecution no assistance, requires only that they who live under its protection should bemean themselves as good citizens, in giving it on all occasions their effectual support. * * * May the children of the stock of Abraham, who dwell in this land, continue to merit and enjoy the good will of the other inhabitants; while everyone shall sit in safety under his own vine and fig tree, and there shall be none to make him afraid."

Mr. CONNERY. On August 4, 1926, the Washington Post printed the following editorial entitled "An American Opinion—Mexico's Law on Religion":

The policy adopted by the Mexican Government in dealing with ministers of religion and religious organizations is attracting world-wide attention on account of the novel and drastic details of the law issued by President Calles under date of June 14.

While the Catholic Church is most vitally affected, this is merely because the Mexican membership of that church is larger than that of all other denominations combined. All religious organizations, including religious orders, are affected by the law, as well as all ministers of the gospel and all church property.

The law issued by President Calles purports to be in pursuance of the constitution, and in many sections the constitution is clearly obeyed. Other sections, however, seem to be in direct conflict with the Constitution of Mexico.

The purpose of the law is stated to be the elimination of religious influence in national political affairs and the complete separation of church and state. If this were the only purpose, and if the law accomplished no more and no less than this, it would command the respect of those who are convinced that the church and state must be kept separate in a republic. It confiscates church property, denies the right of the clergy of any denomination to hold services or administer sacraments elsewhere than in churches under governmental scrutiny, denies the liberty of the press, strips all religious persons of distinctive garb, prohibits all religious organizations from acquiring real estate, and confiscates seminaries, colleges, and asylums, as well as churches, bishoprics, parish houses, etc.

The law conforms to the Mexican Constitution by requiring that no person not of Mexican birth shall exercise the ministry of any cult.

Rigorous penalties are prescribed for violations of the law and for failure on the part of any official authority to enforce the law.

The right of the Mexican nation to deal with religion as it sees fit cannot be questioned by any other nation so long as no other nation's citizens are injured. Any injury to foreigners resulting from the execution of Mexico's new law would be properly the subject of inquiry by the government affected, notwithstanding the declarations that the law is purely a domestic measure.

Without raising the question of President Calles' authority to issue a law which, in important particulars, seems to transgress the Constitution of Mexico, it cannot be doubted that the Mexican nation is deeply injured by this reactionary and intolerant action. Even if the law were well within the bounds of the constitution, it strikes a blow at religious freedom and freedom of speech and of the press. The fact that the law is enthusiastically approved and supported by the communistic elements of Mexico leads the outside world to suspect that communism has a firm hold upon the Mexican Government and has led it into the folly of imitating the Russian Soviet in attempting to destroy religion. Nothing but disorder, misfortune, and ultimate disaster can come from such a course in a free country in the twentieth century. Mexicans, with all their misgovernment, are free men, having the right of free speech, freedom of the press, freedom of assembly, freedom of worship, and the power to set up their own government. The destruction of religion and freedom of speech and of the press in Mexico is impossible, and only Communists or other madmen would attempt to destroy the rights of a free people.

In 1926 I called attention on the floor of this House to conditions as they existed in Mexico at that time. This editorial which I have just read gave a true picture of those conditions. Today, 9 years after, we find even a more intolerable situation existing in our sister Republic.

Mr. Speaker, I ask unanimous consent to insert at this point a brief chronological study of the religious situation in Mexico from 1906 to 1934.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

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[50] International conciliation, October 1919, no. 143, Comments by the German delegation on the conditions of peace, p. 1228.

[51] The full text of this treaty is printed in 44 U. S. Stat. L., pt. III, p. 2132ff.

[52] United States President, 1933 (Franklin D. Roosevelt), exchange of communications between the President of the United States and Maxim M. Litvinoff, Washington, 1933.

[53] See Ibid. See also Moore, Hon. R. W., Recognition of the Union of Soviet Socialist Republics, U. S. Department of State, Pub. No. 557, Washington, Government Printing Office, 1934.

[54] Exchange of Communications, 1933 (op. cit.), p. 9.

[55] Moore, R. W., op. cit., p. 1.

The matter referred to is as follows:

THE CHURCH IN MEXICO PROTESTS

The following facts explain the protest of the Catholic Church and its bishops and faithful in Mexico against the persecution of religion by the present Mexican Government. The facts are enumerated briefly and are allowed to speak for themselves.

The Catholic Church in Mexico is not opposed to universal education nor to the agrarian, industrial, and general economic betterment of all the citizens of Mexico. The Catholic Church asks liberty of religious worship, liberty to teach those Christian truths upon which the eternal salvation of the individual depends and upon which civilization and national stability rest.

The Catholic Church in Mexico has been compelled to protest and to publish her protest to all the world because of the following facts. It will be seen from their enumeration that the Catholic Church has done all in her power, and in a legal way, with the Mexican Government; has endured for years a loss of one right after another—one liberty after another; has been content to accept the mere necessities of life. Now even the necessities are denied her and the Catholics are told they may no longer practice their religion in Mexico; that the Government, itself hostile to Christianity, is determined to mold on antireligious and purely secular lines the minds and consciences of all its citizens.

Before 1917

The constitution which governed Mexico prior to 1917 was that of President Juarez, adopted in 1857.

This constitution, while in many ways inimical to the church, recognized the church as a religious society and as having a legal personality. Under this constitution the church might legally acquire, hold, and administer property, organize and direct her ministry, direct her own internal affairs.

Through the long Diaz regime this constitution was the Constitution of Mexico.

1906

Spanish-speaking syndicalists meet in St. Louis, Mo. They issue a manifesto denouncing the regime of Porfirio Diaz and also denouncing religion. Many of its articles were incorporated into the 1917 Constitution of Mexico.

These syndicalists may be defined as those who, while believing in organization—as their name implies—yet champion anarchy with regard to the whole present social system—educational, economic, religious, governmental—and preach that in some way out of the destruction which anarchy will effect, man will rise to a new social life.

1911

Francisco Madero elected to succeed Diaz. Too moderate for syndicalists. Denounced by their leader Magon, 1911.

1913

Madero assassinated. Victoriano Huerta usurps the Presidency and asks popular support.

Venustiano Carranza, then Governor of Coahuila, leads an armed insurrection against Huerta.

1914

The President of the United States, Woodrow Wilson, declares the United States is in favor of Carranza; gives the support of the United States to Carranza. Huerta flees the country.

Seven archbishops and six bishops of Mexico meet in Habana, Cuba, and issue a joint pastoral. "Persecution", they declare, "drove us into hiding, even out of our country." The pastoral terms as "pure calumnies" the charge that the clergy contributed money for the defeat of Madero and supported Huerta with their moral influence. "Neither we nor our priests have had any part in political controversies. We have limited ourselves to instructing the faithful, and in this we have done our plain duty."

Carranza fails to gain support of other insurgent leaders whom he met at Aguas Calientes. Establishes his headquarters at Vera Cruz—issues his promise that he will enforce the constitution of 1857, "a liberal spirit and form of government will be preserved."

But the syndicalists—the Casa del Obrero Mundial (COM)—opposes this program, demanding a new constitution for Mexico.

1915

Carranza enters into formal agreement with the syndicalists which authorizes them to organize an army under General Obregon, to use the name "the Red Army of Mexico."

Carranza and Obregon in joint pronouncement promise amnesty to all who surrender, and liberty of religious worship to all citizens.

Revolutionary hordes continue to devastate Mexico.

Carranza, encouraged by the recognition of the United States, announces an election of delegates to a constitutional convention to be held September 14, 1916. Carranza has been ruling as a dictator and by decrees of his own. His election decree declares no one is eligible for election to the coming congress—that of Queretaro—unless he has actively and continuously supported the Carranza revolution.

1917

Constitution of Queretaro which now governs Mexico is adopted.

At the convention at Queretaro which adopted the constitution, Carranza in his address declares: "The most important function of a political constitution is to guarantee the liberty of man in the most ample and complete degrees, making it impossible for the government in any circumstances to restrict human rights or refuse to permit their free exercise, or usurp the exclusive power of directing individual initiative or social activity."

The very first article of this constitution wipes out all human rights and opens wide the road to state absolutism.

The constitution of 1857 begins thus: "The Mexican people recognize that the rights of man are the basis and the purpose of social institutions."

The Queretaro constitution opens with this: "In the Republic of Mexico every individual shall have those rights which are granted to him by this constitution."

This new constitution—and the one ever since in force—denies any corporate character before the law to churches and religious associations.

The 1917 constitution gives to federal authorities in Mexico the right to intervene and to state the conditions that must attend religious worship.

This constitution prohibits the church or any religious society from holding property. The churches, and all property used at any time for church purposes, are the property of the Government.

Residences of bishops, rectories, seminaries, orphanages, schools, convents, any building wherein teaching should be given in religion, are vested as of full right directly in the Government.

No citizen may erect a building or a church that would replace those thus confiscated by the Government.

Against this and similar provisions of this constitution, the Catholic bishops of Mexico protest. They declare that even apart from her divine origin, the church in her own right has a personality and a character proper to her, derived from the right of the individual to believe and to exercise the practices of worship: the violation of the right of the collectivity violates, in turn, the right of the individual.

The bishops add they do not approve armed rebellion against constituted authority.

"We have no desire to raise any political question. With the little freedom now permitted us, we defend the religious liberty of the Christian people of our country against an attack on religion.

"We issue this statement in the simple performance of the duty we have to defend the rights of the church and the liberty of religion."

The Holy Father, Benedict XV, approves the bishops' action and adds, "the new constitution in some points ignores the sacred rights of the church, and in others directly opposes them."

1918

Carranza makes an effort to have repealed some of the antireligious provisions in the 1917 constitution. As a consequence he is forced to flee Mexico City. On his way to Vera Cruz he is assassinated.

Obregon defeats Adolfo de la Huerta and succeeds to the Presidency of Mexico. He does not put into effect the antireligious clauses of the constitution.

1923

The Apostolic Delegate to Mexico, the Most Reverend Ernesto Filippi, is expelled by President Obregon. The Delegate is charged with conducting public religious service in violation of the law.

1924

Plutarco Elias Calles becomes President of Mexico. As soon as he is inaugurated, his followers attempt to set up a schismatic Catholic church in Mexico. The attempt fails. Calles allies himself with the C. R. O. M. (Confederacion Regional de Obreros Mexicanos), successor to the Casa del Obrero Mundial, with which Carranza and Obregon had already entered (1915) into alliance and which ever pressed for an enforcement of the antireligious provisions of the constitution.

1925

President Calles declares the antireligious provisions would be enforced with greater severity.

1926

February: Pope Pius XI addresses an apostolic letter to the bishops of Mexico, confirming what Benedict XV had said in 1917: "The common rights of citizenship (if these hostile laws are enforced) will be denied to Catholics, and the function and ministry of the Christian religion will die."

The Holy Father exhorts the bishops to intensify Catholic action. "We say Catholic action, for in the present conditions it is, above all, necessary, venerable brothers, that together with the whole clergy and every organization of Catholics, you studiously hold yourselves entirely aloof from every kind of political party. Therefore, all Catholics of the Republic of Mexico are forbidden as such to establish any political party under the name of Catholic."

El Universal resurrects a statement made by the Archbishop of Mexico in 1917, objecting to the antireligious provisions of the constitution and republished it. The archbishop is officially questioned by the Attorney General, but the Attorney General declares there is no cause for prosecution.

A few days later the C. R. O. M., in convention assembled, demands that President Calles proceed at once to enforce drastically the antireligious clauses of the constitution.

President Calles denies liberty of education to primary schools under the government; also denies liberty of publication to the religious press or any press having a religious tendency.

President Calles issues the enabling decrees which reduce the Catholic Church in Mexico and indeed any and every church to the status of a dependency of the civil state. The authority of the church to control her own clergy is wiped out. Religious education is prohibited. The number of priests within a geo-

graphical area is fixed by the National Congress and the State governments.

Sincere endeavors are made by the bishops in Mexico for some acceptable understanding. Every endeavor fails. Persecution increases.

April 21: Bishops of Mexico declare the Government of Mexico has a solemn duty to recognize the liberty of the church, at least to the extent of not enacting any law establishing or forbidding any religion whatsoever. In this manner, declare the bishops, is established an absolute separation of church and state, and liberty is given to all to profess religion according to the dictates of their own conscience.

July 25: A joint pastoral is issued by the Mexican bishops. It states:

"Further concession by us is not possible. It would be criminal for us to tolerate longer this situation.

"To convert into crimes by laws, acts which by God are commanded and ordained, to impose penalties for the performance of those acts, more severe than those imposed for crimes against morality, against life, against property, or against other rights of citizens, is the unheard-of outrage committed by this decree against divine rights, against natural rights, against the most precious and sacred interests of the Mexican nation.

"Before God, before civilized humanity, before our country, and before history we protest against this decree. With the help of God and with your help, Catholic priests and people of Mexico, we will labor to have this decree, together with the antireligious articles of the constitution, amended, and we will not stop until we see that accomplished.

"This is not rebellion. The constitution itself points the way to its own amendment. Our action is but just respect for mandates superior over any human law and is but just defense of human rights."

The bishops of Mexico at the end of this joint pastoral order that public worship be suspended and all the churches of Mexico closed on and after July 31, the day the decree of President Calles went into effect.

Petitions as provided for by the constitution are duly drawn up and carry over 2,000,000 signatures of Mexican citizens protesting against this enforcement of the antireligious clauses in the constitution, but to these petitions no answer is returned. Appeals are made to the courts. But the courts refuse a hearing.

President Calles institutes a reign of terror of bloodshed, of execution. Constant appeals are made by both Catholic citizens, those of other denominations, and other champions of justice, attached to no church—to our United States Government to appeal to the Mexican Government to lift its ban against religious tolerance and to extend liberty of worship and of the press to all its citizens irrespective of creed.

November: An encyclical letter is issued by Pope Pius XI. It reviews the beginnings and continuation of the persecution of the church in Mexico. The encyclical supports the action of the bishops of Mexico and encourages all the faithful in their days of trial and suffering.

November: The Catholic hierarchy of the United States issues a joint pastoral letter on the situation facing the Catholic Church in Mexico and the grave injury it evidences against the practical application of the principles of freedom of religious worship.

1927–28

The United States can do nothing officially. President Coolidge informally states he would be pleased if our Ambassador to Mexico, Mr. Morrow, could, also informally, bring about a conference between the Mexican Government and the authorities of the Catholic Church. Such a conference is eventually arranged. The Reverend John J. Burke acts as the representative of the then Apostolic Delegate to Mexico. The first conference is held on the island of San Juan de Ulua between President Calles and Father Burke April 4, 1928. The second conference between President Calles and Archbishop Ruiz and Father Burke is held at Chapultepec Palace May 17, 1928.

A proposed agreement is reached which afterward is the adjustment accepted and made public by President Portes Gil. The agreement has necessarily to receive the approval of the Holy See, and this requires some time.

Archbishop Ruiz journeys to Vatican City to present the proposed agreement.

1928

November 21: The bishops of Mexico meet at San Antonio, Tex. They issue a joint pastoral. It declares that if any agreement as to the restoration of public worship in Mexico is entered into by the Mexican Government and the Holy See, "we bishops give our word of honor that the clergy and people of Mexico without hesitation will accept whole-heartedly whatever agreement the Holy See may approve."

President-elect Obregon assassinated. President Calles declares at once it is the concerted act of Catholics. Some days later he retracts this statement.

Emilio Portes Gil succeeds Calles as temporary President of Mexico—to act as such until a successor to the assassinated Obregon is elected.

A rebellion headed by some who were the trusted agents of Calles in the persecution of 1926–27 breaks out. It is led by General Escobar. The rebellious generals are defeated, 1929.

1929

Conversations between the Government of Mexico and the authorities of the Catholic Church are continued.

In June, Archbishop Ruiz and Archbishop Diaz go to Mexico City and hold conferences with President Portes Gil.

On June 21 President Portes Gil issues the following statement: "I have had conversations with Archbishop Ruiz y Flores and Bishop Pascual Diaz. These conversations took place as a result of the public statement made by Archbishop Ruiz y Flores on May 2 and the statement made by me on May 8.

"Archbishop Ruiz y Flores and Bishop Diaz informed me that the Mexican bishops have felt that the constitution and the laws, particularly the provision which requires the registration of ministers and the provision which grants the separate States the right to determine the maximum number of ministers, threaten the identity of the church by giving the state the control of its spiritual offices.

"They assure me that the Mexican bishops are animated by a sincere patriotism, and that they desire to resume public worship if this can be done consistently with their loyalty to the Mexican Republic and their consciences. They stated that it could be done if the church could enjoy freedom within the law to live and exercise its spiritual offices.

"I am glad to take advantage of this opportunity to declare publicly and very clearly that it is not the purpose of the constitution, nor of the laws, nor of the Government of the Republic to destroy the identity of the Catholic Church, or of any other, or to interfere in any way with its spiritual functions. In accordance with the oath of office which I took when I assumed the provisional government of Mexico to observe and cause to be observed the constitution of the Republic and the laws derived therefrom, my purpose has been at all times to fulfill honestly that oath and to see that the laws are applied without favor to any sect and without any bias whatever, my administration being disposed to hear from any person, be he dignitary of some church or merely a private individual, any complaints in regard to injustices arising from undue application of the laws.

"With reference to certain provisions of the law which have been misunderstood, I also take advantage of this opportunity to declare:

"1. That the provision of the law which requires the registration of ministers does not mean that the Government can register those who have not been named by the hierarchical superior of the religious creed in question or in accordance with its regulations.

"2. With regard to religious instruction, the constitution and the laws in force definitely prohibit it in primary or higher schools, whether public or private, but this does not prevent ministers of any religion from imparting its doctrines, within church confines, to adults or their children who may attend for that purpose.

"3. That the constitution, as well as the laws, of the country guarantees to all residents of the Republic the right of petition, and therefore the members of any church may apply to the appropriate authorities for the amendment, repeal, or passage of any law."

Accepting in good faith the words of President Portes Gil, Archbishop Ruiz, the authorized spokesman of the church in Mexico, issued the following statement announcing that worship would be resumed:

"Bishop Diaz and myself have had several conferences with the President of the Republic, the results of which are set forth in the statement which he issued today.

"I am glad to say that all of the conversations have been marked by a spirit of mutual good will and respect. As a consequence of the said statement made by the President, the Mexican clergy will resume religious services pursuant to the laws in force.

"I entertain the hope that the resumption of religious services may lead the Mexican people, animated by a spirit of mutual good will, to cooperate in all moral efforts made for the benefit of all the people of our fatherland.

"(Signed) LEOPOLDO RUIZ,
"Archbishop of Morelia,
"Apostolic Delegate to Mexico.

"CITY OF MEXICO, *June 21, 1929.*"

The Catholic churches are reopened and the public worship resumed in accordance with the number of priests allowed by the different State governments.

The trial of Toral, who assassinated Obregon, is made the occasion of antireligious outbreak led by Padilla, who had been appointed by the Government as special prosecutor. The jury resigns, but Toral is sentenced and executed.

Pascual Ortiz Rubio elected President. He promises justice to all and religious freedom. But some States, Vera Cruz, for example, continue their bitter persecution of the church.

1932

Celebration of the four hundredth anniversary of the national shrine of Our Lady of Guadalupe. Attended by Government officials. Calles favors the celebration. Immediately afterward Calles is charged with yielding to church influences. He at once causes to be enacted the law for the Federal District of Mexico reducing the number of priests to 25 for 1,300,000 Catholics. Many State governors follow this example.

Today, with a population of over 14,000,000 Catholics, less than 500 priests in all of Mexico are permitted to exercise their ministry. In Chiapas, with 320,000 Catholics, not one priest is allowed; in Sonora, 300,000 Catholics, no priest allowed; in Vera Cruz, 1,000,000 Catholics, no priest allowed. The church is not allowed to conduct seminaries and therefore not permitted to train candidates for the priesthood. To give instruction on religion is to violate the penal code. The church is forbidden to organize or direct her priests. The bishops and the priests are often peremptorily

sent into exile—citizens banished from their own country without trial or hearing of any kind. Priests may not teach even in Government-controlled schools. Priests may not instruct children in the home.

The Minister of Education in the Mexican Government declares the Government education program "is based on an absolute prohibition of all religious instruction."

Archbishop Diaz protests against this program. Catholics as citizens present petition. As a result, Catholics are charged with sedition. The petition remains unanswered.

September 4. President Rubio resigns. Congress names Abelardo Rodriguez as provisional President. In his final message the retiring President refers to two decrees issued in 1931 and 1932 which already forecasted the radical amendment adopted in 1934 with regard to education. The decree of 1931 suppressed more completely liberty of education in secondary schools, and that of 1932, the very existence of private primary schools.

Pope Pius XI issues an encyclical letter to the bishops of Mexico deploring the increased persecution of the church. The 1929 arrangement, the Holy Father states, has not been adhered to by the Mexican Government.

"When in 1929", Pius XI declares, "The Supreme Magistrate of Mexico publicly declared that the Government, by applying the laws in question, had no intention of destroying the identity of the church or of ignoring the ecclesiastical hierarchy, we thought it best, having no other intention but the good of souls, to profit by the occasion, which seemed to offer a possibility of having the rights of the hierarchy duly recognized. Seeing, therefore, some hope of remedying greater evils, and judging that the principal motives that had induced the episcopate to suspend public worship no longer existed, we asked ourselves whether it were not advisable to order its resumption. In this there was no intention, certainly, of accepting the Mexican regulations of worship nor of withdrawing our protests against these regulations, much less of ceasing to combat them. It was merely a question of abandoning, in view of the Government's new declarations, one of the methods of resistance before it could bring harm to the faithful and of having recourse instead to others deemed more opportune.

"Unfortunately, as all know, our wishes and desires were not followed by the peace and favorable settlement we had hoped for. On the contrary, bishops, priests, and faithful Catholics continued to be penalized and imprisoned contrary to the spirit in which the modus vivendi had been established.

"Since any restriction whatever of the number of priests is a grave violation of divine rights, it will be necessary for the bishops, the clergy, and the Catholic laity to continue to protest with all their energy against such violation, using every legitimate means. For even if these protests have no effect on those that govern the country, they will be effective in persuading the faithful, especially the uneducated, that by such action the state attacks the liberty of the church, which liberty the church can never renounce, no matter what may be the violence of the persecutors."

This encyclical is declared by the editor of the official organ of the National Revolutionary Party "a criminal interference by Rome in our internal affairs"; and Archbishop Ruiz, native-born citizen of Mexico, is sent out of the country by airplane.

1933

Further reduction of number of priests in many States. Further confiscation of church, school, and convent properties. Intensification of antireligious propaganda in the schools.

1933–34

Discussion and final adoption by the National Revolutionary Party of Mexico of the 6-year plan.

Under this plan the state claims and declares it will exercise complete control of education, even to the smallest details of the curriculum, in all educational institutions and even in the home itself. It declares further the state has the right to direct the exercise of all professions, that to exercise a profession is a social question and not an individual right of the one who exercises the profession. Priests and all ministers of the gospel, teachers, college professors, directors, and editors of newspapers are classified as professionals and must therefore be directed not by any ecclesiastical or educational authority but by the state.

The bishops earnestly protest against those provisions of the 6-year plan that thus deny liberty of religion and liberty of education and liberty of the press.

1934

February 20: Mexico's Attorney General, Portes Gil, issues instructions with regard to the nationalization of church property. A part of the instructions reads as follows:

"III. Property which by reason of the use it has been put to is subject to the provisions of the constitution, article 27, section II. Included under this term "property" are all properties that at any time have served as the residence of a bishop or priest, seminaries, asylums, schools conducted by religious associations, convents, every other object in any way related to the administration, propaganda, or teaching of a religious cult, places of worship.

"All these immovables should at once be transferred, as by full right, to the ownership of the nation.

"In cases where private persons claim ownership in the courts, the only evidence required to establish the title of the nation is proof that the immovable has been used as alleged."

In October a test case is brought before the supreme court. The supreme court upholds the rulings of the attorney general.

July 19: In a broadcast from Guadalajara, General Calles, speaking on education as outlined in the 6-year plan, declared:

"But the revolution has not ended. The eternal enemies lie in ambush and are laying plans to nullify the triumphs of the revolution. It is necessary that we enter a new period of the revolution. I would call this new period the psychological period of the revolution. We must now enter and take possession of the consciences of the children, of the consciences of the young, because they do belong and should belong to the revolution.

"It is absolutely necessary that we dislodge the enemy from this trench where the clergy are now, where the conservatives are—I refer to education, I refer to the school.

"It would be a very grave stupidity, it would be a crime for the men of the revolution to fail to rescue the young from the claws of the clericals, from the claws of the conservatives; and, unfortunately, in many States of the Republic and even in the capital of the Republic itself, the school is under the direction of clerical and reactionary elements.

"We cannot entrust to the hands of our enemies the future of the country and the future of the revolution. With every artfulness the reactionaries are saying and the clericals are saying that the children belong to the home and the youth to the family. This is a selfish doctrine, because the children and youth belong to the community; they belong to the collectivity, and it is the revolution that has the inescapable duty to take possession of consciences, to drive out prejudices, and to form the new soul of the nation.

"Therefore, I call upon all governors throughout the Republic, on all public authorities, and on all revolutionary elements, that we proceed at once to the field of battle which we must take because children and the young must belong to the revolution."

The United States Ambassador to Mexico, in an address to members of a seminar from the United States, at the Embassy in Mexico City, refers to General Calles' speech at Guadalajara.

In this speech Calles had said: "We must now enter and take possession of the consciences of the children, of the consciences of the young, because they do belong and should belong to the revolution."

The Ambassador of the United States to Mexico—in other words, the official representative of the United States in Mexico—declares:

"The spirit of the Mexico of this day was clearly and succinctly stated last week in Guadalajara by General Calles in as brief a sentence as that employed by Jefferson decades ago. General Calles, speaking for the ear of all patriotic Mexicans, and particularly those entrusted with leadership, said:

"'We must enter and take possession of the mind of childhood, the mind of youth.'"

Earnest protests are presented by the Catholic organizations of the United States, the Catholic press, and later by the non-Catholic press and non-Catholic organizations to the President of the United States against the statement of Ambassador Daniels. Mr. Daniels explains that he meant to do no more than support general education, and that he had no thought of excluding religious education. The protests multiply, but no answer as yet is given to them. The statement of our Ambassador is interpreted in Mexico as an implicit support of the present Mexican administration and its policies.

October 10. The third article of the Constitution of Mexico declares "instruction is free", and defines that education in public schools be secular.

The amendment to this article 3, adopted in 1934, makes it obligatory that all public schools shall exclude every religious doctrine; that if there be any private schools permitted by the state to function, such private schools must conform to this obligation: That no religious organization or minister of any religion take any part in primary, secondary, or normal schools, nor give such schools any economic support.

October 19. The majority of the Chamber of Deputies, all members of the National Revolutionary Party, sitting as a bloc, which right they have conferred on themselves, direct the executive board of the National Revolutionary Party to petition President Rodriguez to exile at once from Mexico all Catholic archbishops and bishops. Even before the petition is presented, the Federal and State Governments exile many. They then proceed to exile more. All the archbishops and bishops are native Mexican citizens. Those exiled never receive any hearing or trial, but are ordered peremptorily to leave their country.

October 20, Senator Ezequiel Padilla, secretary of the National Revolutionary Party, supporting the constitutional amendment to article 3, which provides for the complete laicizing of education, declares: "Religion is something that is in the heart, in the convictions of men. It cannot be destroyed by brute force. It can be destroyed, if at all, only by persuasion.

"For this reason the Mexican revolution has made a chief instrument of its policy the diffusion of education which is eminently socialistic. Those who have studied history know too well that openly to fight religion would have gotten us nowhere. In the French Revolution priests were hanged and guillotined in every province. Who would have thought after this that clerical power would still live? Nevertheless, only a few decades were required for Catholicism once more to raise her powerful head in every part of France. Religion is to be combated with the book, by teaching, and by persuasion."

Protest of faculties and students of colleges and universities throughout Mexico is made against proposed amendment to article 3 of the constitution. The protest declares the amendment destroyed academic freedom.

November. The private correspondence of Archbishop Ruiz, exiled Apostolic Delegate to Mexico and now resident in the United

States, is opened by the Government of Mexico. Directions which it contained concerning the conduct and attitude of Catholics under the present persecution are interpreted by the Mexican Federal Government as seditious. Archbishop Ruiz formally indicted Novembef 14, 1934.

In an open letter to President Rodriguez, Archbishop Ruiz explains the letters, and then adds:

"The bishops, the clergy, and all the Catholics of Mexico know perfectly well that the church does not desire to defend, and should never desire to defend, their rights by means of a revolution. If Catholics on their own initiative take up arms, they know what they are doing. The word 'defense', therefore, as used in my letters, refers to the use of peaceful means.

"This is the explanation of everything, made with all the sincerity of my soul, which I beg you and all the people of Mexico to accept. And although the present circumstances seem unpropitious, I ask, with an equal sincerity, that you, Mr. President, the people of Mexico, and particularly the Catholics, put aside their hate, refuse to be guided by the evil counsels of passions, and aid in hastening the day of reconciliation and of peace, whereon our mutual rights will be respected and our mutual duties fulfilled."

November. Bishops of the United States issue statement emphasizing and extending their letter of 1926: "'We have a duty to speak as Americans attached to the institutions of our country and loving them for the benefits they have conferred upon us all.' Present conditions make it necessary that we should no longer guard silence. * * * The full consequences of the persecution of the church and of Catholics in Mexico can scarcely be foreseen at the present time. They cannot but eventually be very grave. * * * It is not without significance that in the present turmoil of the world and distress of nations the basic truths of religion, from which has sprung the stability of nations, are flouted and denied by those who seek absolutism in government. The struggle, therefore, which arises from the persecution of the church in Mexico today is an illustration of a crisis which may have far-reaching consequences.

"We would wish on the part of the entire American public, of our great secular press, a fuller knowledge of the actual conditions in Mexico. All would then more fully realize that we are pleading not only the cause of the Catholic Church, but the cause of human freedom and of human liberty for all the nations of the world."

Mr. CONNERY. Let no one of my colleagues believe that only the Catholics in Mexico are suffering under this persecution. Protests have been made in reference to religious persecution in Mexico by the Federal Council of Churches of Christ in America, in a radio address of Walter W. Van Kirk on November 23, 1934; by the Christian Index, official organ of the Baptists of Georgia, January 19, 1935; by the National Conference of Jews and Christians, New York City, protests signed by 500, the cochairman of the committee being Hon. Newton D. Baker, Prof. Carleton J. H. Hayes, Mr. Roger W. Strauss, November 26, 1934; and an article in the Christian Century Magazine, published in Chicago, Ill., during the week of January 25, 1935; and many other Protestant organizations.

Mexico is 90 percent Catholic. It has a population of 15,012,573 persons, divided into 30 States. In 14 of these States not a single priest is permitted to perform his clerical duties; in 3 of these States only 2 priests are authorized to care for the spiritual needs of from 132,900 to 493,530 people. The other States vary as to number of priests, the highest being Jalisco, where 50 priests are authorized, and the population is 1,255,213 people; and the lowest, having 2 priests, the States of Agua Caliente, with a population of 132,900; Queretaro, with a population of 233,655; and Durango, with a population of 493,530.

The total number of priests authorized in the 30 States is 333 priests for a total national population of 15,012,573 persons. Without due process of law church buildings, residences of bishops and of priests, even dwellings owned by others in which bishop or priest may be temporarily living, educational, and charitable institutions have been closed and confiscated. No trial by jury is permitted in case of any appeal.

RESTRAINTS ON RELIGION

Catholic citizens are denied the right of assembly and the right of freedom of the press.

Any religious society is denied the right of corporate legal existence.

To hear the duly executed and duly presented petition of citizens is refused.

The right of franchise is denied a clergyman simply because he is a clergyman.

Any and every church is denied the right to hold property or the right to present a petition for the redress of grievances.

Any and every church is denied the right to possess endowments.

The right of any church to have a seminary or a preparatory school for the training of candidates for the ministry is denied.

Schools in which native citizens may be trained for the priesthood are outlawed. Any foreign-born clergyman is forbidden to officiate in Mexico. Therefore, according to present policies, neither a native or a foreign-born clergy is permissible in Mexico.

Secular papers with any policy favorable to religion are prohibited from criticizing any act of the Government or the Government officials.

Journals and publications are suppressed at will; the use of the mail is denied them.

Citizens in Mexico are denied those inalienable rights which the Constitution of the United States asserts belong to every man. The liberty of education is denied. It is maintained that the state must possess the mind of the child.

Bishops, priests, nuns, and lay citizens who desire to have the privilege of religious life must exile themselves.

Liberty of religious worship, of education, of speech, and of the press are denied all who live in Mexico.

In disturbances which occurred when the people rebelled against the orders of the Government forbidding them to worship God in their churches, many Mexican citizens were killed and many banished from their country. Pope Pius XI has endeavored with every means at his disposal to bring about peace in Mexico, and the Catholic bishops of Mexico have made plain in their pastoral letters that the Catholic Church had no desire to form a political party as such—they preached patriotism to their country, at the same time reaffirming the divine right which is given every human being to worship God. This is clearly set out in the following excerpt taken from one of such letters:

Under present circumstances the intervention of Catholics to obtain the liberty of the church and her development, together with the prosperity of the nation is not, beloved sons, a simple piece of advice which we are giving you, but a very serious obligation of conscience of which we remind you; for every Mexican should procure the greatness of his country and the liberty of the church. Now, less than ever, can these precious treasures be obtained by isolated efforts without the disciplined collaboration of the whole nation. Apathy and lack of discipline have everywhere and always been the cause of serious evils. Therefore, in fulfillment of our duty, we exhort Catholics to work for the good of the nation, and we advise them to enlist in organizations which teach the people theoretically and practically their rights and duties as citizens and organize the nation for the defense of religious liberty, always remaining, however, outside any party and above any party.

Mr. Speaker, I ask unanimous consent to insert at this point the Knights of Columbus resolution of January 13, 1935; also a letter to President Roosevelt from Arthur D. Maguire, printed in the Catholic Daily Tribune, January 25, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to is as follows:

[From the Catholic Daily Tribune of Jan. 25, 1935]

THE K. OF C. RESOLUTION ON CONDITIONS IN MEXICO

A resolution on conditions in Mexico adopted at the regular meeting of the supreme board of directors of the Knights of Columbus in New York City January 13 has just been released to the press. The resolution was drafted by a special committee consisting of D. J. Callahan, Washington; John E. Swift, Boston; and Judge James Donahoe, Chicago, was adopted unanimously by the supreme board, and attested by Martin H. Carmody, Grand Rapids, supreme knight; and William J. McGinley, New York, supreme secretary. The wording is as follows:

"Whereas the Government of the United States was founded upon the principle that all men are created free and equal, and that they are endowed by Almighty God with the right to life, liberty, and the pursuit of happiness; and

"Whereas the principles upon which this Government was so founded are recognized by free nations everywhere as fundamental truths, as true now as they were at the beginning of the world;

and, inspired by the example of this free government the right of every man to life, liberty, freedom of conscience, and right of expression, have become necessary incidents to civilized nations, it is with a deep feeling of outrage that the people of America, who have enjoyed the advantages and privileges of a free government for more than 150 years, find that at their very border almost an entire nation are deprived of their rights, human and divine, and subjected to the most arbitrary exercise of despotic power, ruthlessly administered by men who are without spiritual or moral restraint, who seek only their own selfish advantage and who, with a small minority of the people whom they presume to represent, have imposed upon them the most barbaric cruelty and domination in the name of government that was ever witnessed on the Western Hemisphere."

The people of Mexico are a peace-loving, God-fearing, docile, and innocent nation of Christian men and women, who desire only the right to exercise those inalienable rights for which our forefathers gave their lives that succeeding generations might enjoy, and which the Mexican people, by every law of God and man, have a right to exercise.

Taking advantage of their defenseless innocence, those persons who now and during recent years have usurped the power and authority of government in Mexico have deprived the Mexican people of their divine and natural rights, have denied to them the right to worship God in accordance with the dictates of their own conscience, have destroyed their places of worship, have mocked at the sanctity of religion, have insulted the most sacred objects of their Christian faith, and have defiled and destroyed those sacred symbols that the Christian world has held in reverence for centuries.

Not content with debasing their religion and mocking at the Christian sentiment of the Mexican people, the Government of Mexico has denied to them the right of assembly and the right to petition for redress of their grievances; has denied them the freedom of the press; has closed their schools and seminaries; has refused them liberty of education on the godless theory that the mind of the youth belongs to the state; has confiscated private property; has denied them the right of trial by jury; has summarily executed citizens; has been guilty of the most heartless cruelty; and has fostered human atrocities that are unparalleled in the history of any people in the western world.

This condition has aroused the protest of the American people, and that protest has been expressed in resolutions by men of every race and creed and from every section of our country, but without avail, for notwithstanding such protests the Mexican Government, heedless of admonition, animated only by a lust for wealth and power, has persisted in its despotic rule over 15,000,000 defenseless Mexican people until their cries for mercy ring in the ears of the Christian civilized world. The time has now come when resolutions of protest no longer serve any useful purpose, and the Mexican Government, as now constituted, has forfeited its right to a place among the civilized nations of the earth.

Now, therefore, expressing the voice of 500,000 patriotic, liberty-loving, Christian men of America, and, as we believe, expressing the sentiments of God-fearing men and women everywhere, the supreme board of directors of the Knights of Columbus denounces the atheistic principles that actuate those in control of the Mexican Government as opposed to religion, morality, justice, and liberty, and as a menace and a peril to the well-being of the people of this Nation and the perpetuity of the principles to which this Nation is dedicated; and, believing that by its conduct the Mexican Government has forfeited its right to further association with our Government and to the friendly relations, and social and commercial intercourse, that should exist between civilized nations, and particularly those whose proximity brings them into close and intimate contact, and believing that a continuation of such relations violates every principle of morality, decency, and right upon which this Nation is founded, we hereby petition the Government of the United States, in pursuance of its ideals of Christian civilization, to make representations to the Government of Mexico, that unless the evils herein complained of are ended forthwith, further recognition of the Mexican Government will be withdrawn and diplomatic relations between the United States and the Mexican Government will be severed.

A LETTER TO PRESIDENT ROOSEVELT—ARTHUR D. MAGUIRE, DETROIT LAWYER, SHOWS EFFECT SOCIALIST PERSECUTION WOULD HAVE ON SCHOOLS OF THE UNITED STATES

Arthur D. Maguire, chairman of the executive board, Detroit Council of Catholic Organizations, has addressed the following letter to the President on behalf of the council:

JANUARY 17.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
White House, Washington, D. C.

MY DEAR MR. PRESIDENT: Enclosed please find copy of resolution passed by the Detroit Council of Catholic Organizations in protest against the treatment accorded our coreligionists and other Christian denominations by the Mexican Government.

It would be superfluous to cite to you in detail the utter disregard for human rights shown by the officials of the federal and state governments of Mexico in their cruel persecution of the Roman Catholic clergy and laity. The fact that the inalienable rights of man, as understood in our country and in every civilized country on earth, except Russia and Mexico, have been denied our coreligionists in Mexico must be known to you.

Should there be any doubt on this point, permit me to cite a few of our just causes of complaint as American citizens.

SCHOOLS CONFISCATED

(1) The confiscation of all church property, schools, colleges, convents, monasteries, etc., without due process of law and without any compensation of any kind. This is just wholesale stealing.

(2) The exiling of members of the hierarchy and the clergy without trial by jury or otherwise on trumped-up and false charges.

(3) Denial of the right of petition.

(4) We protest the right of the Mexican Government to determine the number of ministers of any creed who may belong to any church, and the right of the state to license, which, in substance, means to select all Catholic priests, all Protestant ministers, and all Jewish rabbis. Apart from Soviet Russia, the history of Christianity since the fourth century shows no such attempt at control of the church.

"(5) We protest the denial of the right of free education, especially aimed at the Roman Catholic Church, and the establishment of a socialistic system of education, as set forth in the amendment to article 3 of the national Constitution of Mexico. I quote the amendment, as translated by Mr. William F. Montavon:

" 'Article 3. To the state (federation, states, and municipalities) belongs the duty of imparting, with the character of a public service, primary, secondary, and normal education. Primary education should be free and obligatory.

" 'The education imparted will be socialistic in its orientations and tendencies, having for its purpose to bring about the disappearance of religious prejudices and dogmatisms and that there be created true human solidarity on the basis of a progressive socialization of the instruments of economic production.

" 'The state authorizes private persons to impart primary, secondary, normal, or professional education in accordance with the following regulations:

" '1. The function of preparing plans, programs, and methods shall belong to the state.

" 'Principals, managers, rectors, teachers, and professors and assistants in the institutions shall be teachers who in the opinion of the state have sufficient professional training, suitable morality and ideology in accordance with this precept. Religious corporations, ministers of cults, associations directly or indirectly connected with the propagation of a religious creed, and in general all persons or entities who may fail to guarantee a suitable orientation in their teaching cannot establish directly or give economic support to primary, secondary, normal, or university schools. Mothers of religious corporations, ministers of cults, and persons who are part of the associations just mentioned cannot intervene in any form whatever in the institutions here mentioned.'

"WOULD CLOSE HARVARD

" Were this amendment in effect in the United States, your own Alma Mater, Harvard, and mine, the Catholic University of America, as likewise Yale, Princeton, University of Chicago, Northwestern, and many lesser universities and colleges, in addition to hundreds of Catholic colleges and convents, as well as all parochial schools, would not only be compelled to close their doors but all of their property, including endowments, would be confiscated by the State and without compensation and without 'due process of law.' Worse than all that, in putting into effect the above-quoted amendment, these great American institutions of learning founded, endorsed, and in many cases maintained by the self-sacrificing devotion of religious denominations, would become the training ground for a God-hating, atheistic, and communistic system of so-called 'education.'

" If you doubt this, let me offer the proof out of the mouth of the atheistic General Calles. I quote from his broadcast of October 1934 from Guadalajara, Mexico:

" 'We must now enter and take possession of the consciences of the children, of the consciences of the young, because they do belong and should belong to the revolution. It is absolutely necessary that we dislodge the enemy from this trench where the clergy are now, where the conservatives are—I refer to education, I refer to the school.'

" Mr. President, the above quotation from General Calles has a familiar ring, for it echoes the doctrines of communistic Russia.

"(6) Finally we protest as American citizens the murder of innocent unarmed men and women whose only fault was attending church to worship their God according to the dictates of their conscience.

"As a lawyer I am familiar with the difficulties that confront you in formulating a protest to the Mexican Government against the illegal and inhuman practices obtaining in that unhappy country, but the task is by no means impossible.

" This letter and the accompanying resolutions form the protest of nearly 500,000 God-fearing American Roman Catholics, both men and women, living in the diocese of Detroit, and have the endorsement and hearty approval of His Excellency Michael J. Gallagher, bishop of Detroit. Most of these people are your friends and admirers and have no desire to embarrass you or your splendid administration. Whither shall they turn if not to you, the President of the United States, if they would find help for their persecuted friends in Mexico?

" Our fellow citizens, both Protestants and Jews, have already made public protest here in Detroit against the cruel treatment accorded all Christians by the present Mexican Government.

"May I urge upon you the grave necessity of appropriate action to relieve the deplorable Mexican situation, and that it be not further delayed?

"The public opinion of the American people—lovers of justice and haters of tyranny—stands behind you."

Mr. CONNERY. In conclusion, Mr. Speaker, I wish to emphasize, with all the vigor at my command, that the evidence herein produced and the evidence produced by other Members of Congress is sufficient to indicate that the Mexican Government has belied its promises to the American people; namely, that so long as the United States would recognize the Republic of Mexico that the Government of Mexico would guarantee liberty of conscience to the people of Mexico. Again, I say, if there be any hesitancy on the part of the State Department or on the part of any Member of Congress as to the truth and accuracy of the intolerable slavery which exists in Mexico because of the tyranny of those temporarily in control, then the Congress should at once institute a searching investigation.

If there be any "doubting Thomases" in the House, a searching investigation should be made and the American Ambassador to Mexico should be summoned to appear before the proper congressional committee. I regret to say, Mr. Speaker, that the American Ambassador to Mexico, Mr. Josephus Daniels, is quoted in the press as belying the ever immortal Thomas Jefferson. To further the aims and purposes of those who have enslaved the people of Mexico, our representative to that country is credited, in an address, of July 26, 1934, at the Embassy in Mexico City, with comparing the attitude of Jefferson as typical of that of General Calles. Thomas Jefferson's claim to immortality is based partly at his own request upon the statute of religious liberty, which he sponsored. He asked that that fact be placed upon his tombstone.

General Calles only a short time ago stated:

We must enter and take possession of the mind of childhood, the mind of youth.

The Minister of Instruction, a cabinet officer in this nefarious conspiracy existing in Mexico to deprive the Mexicans of the liberty of conscience, is furthering the spread of atheism in that country.

The gentleman from New York [Mr. FISH] very properly brought before this House evidence indicating that the Mexican Minister of Instruction has publicly announced that he does not believe in the sanctity of private property; that he favors a dictatorship of the proletariat, which is communism. The American people are entitled to know fully what the American Ambassador to Mexico means when he compares the education policies of Calles with the policies of Thomas Jefferson. Does the American Ambassador favor communism in Mexico?

Mr. Speaker, I believe that the Honorable Josephus Daniels and other representatives of the American Government in Mexico, who for some unknown reason are cooperating with the tyrants of Mexico to enslave the Mexican people, should be summoned back to the United States and forced to tell the truth of the conditions which exist in that country at this time.

Those who, like myself, believe in liberty for all are not fearful of the truth. At a later date, should Congress fail to or hesitate to take definite action, it is my intention to ask the House to adopt the resolution of my colleague from Massachusetts [Mr. HIGGINS], who, incidentally, was the first Member of Congress in this session to ask that our Government intervene and demand the withdrawal of recognition of the Republic of Mexico because of the absolute violation of the agreement through which they secured the recognition of the United States Government.

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from Massachusetts knows that I am against all persecutions, against communism, against Hitlerism, against Mussolinism, against Stalinism, and especially I am against the intolerable conditions which exist in Russia, where people are told when to go to bed, when to get up, when to go to work, what to do, and how to do it, and then practically all of the product of their labor is taken away from them. May I ask the gentleman whether he believes in interfering with Germany, Italy, Russia, or Mexico in the conduct of their own governmental affairs?

We insist on the inherent right to run our own internal affairs, and we should accord that same right to our sister Republic.

While some churches in Mexico have been closed, there are hundreds of churches in Mexico open and in which services are daily conducted by priests. On the whole, present conditions in Mexico are far better for all of the people than they have been before for the past 300 years. Would the gentleman interfere with the conduct of their own governmental affairs?

Mr. CONNERY. Not in the proper conduct of their governmental matters, but we have always done it since this country became a Republic whenever any country was oppressing its people.

Mr. BLANTON. I agreed with my friend yesterday when he advised our staying out of Europe and attending to our own business.

Mr. CONNERY. Yes; that was with respect to going over there and joining these various commissions under the League of Nations. This is a question involving the liberty of the world and the United States Government has always stepped in to help the oppressed people of the world.

Mr. BLANTON. If my friend from Massachusetts will permit this further observation, I want him, this summer, to join me at my home in Texas and let us go across the Rio Grande and go to Monterey and on to the city of Mexico and the gentleman will find the most courteous treatment accorded us by everybody from the time we enter Mexico until we leave, simply because we are Americans. He will be wonderfully surprised.

Mr. CONNERY. I have no doubt about that.

Mr. BLANTON. I wish the gentleman knew just how very friendly and courteous these people throughout Mexico are to our Government. The relation now existing between these two Republics is one of friendliness, cooperation, good will, and good wishes.

Mr. CONNERY. I have no doubt about that at all, but that has nothing to do with the fact that the Mexican Government made an agreement with the United States to allow religious freedom in Mexico on condition of being recognized by this Government and they have broken that agreement.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from California.

Mr. CARTER. Has the gentleman from Massachusetts taken this matter up with the State Department?

Mr. CONNERY. Yes.

Mr. CARTER. What was the report of the State Department?

Mr. CONNERY. I forget exactly what they said, but they did not do anything about it.

Mr. CARTER. I took the matter up with the State Department also, and they stated that it was a matter respecting the internal affairs of Mexico, with which they felt they could not interfere.

Mr. CONNERY. Yes.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. I want to say to the gentleman, not in the shape of a question but as a statement made with all the sincerity at my command, that Joe Daniels was rocked in the cradle of democracy, has been a Democrat all his life, and would never by any action he would take do anything to enslave the people of any country or any nation.

Mr. CONNERY. I will refer the gentleman to Mr. Daniels' speech.

Mr. BULWINKLE. The gentleman made the statement that Mr. Daniels——

Mr. CONNERY. Was cooperating with Calles; yes—by making a speech in favor of Calles' policy of education.

Mr. BULWINKLE. I want to deny that statement, because Mr. Daniels would never undertake any such thing.

Mr. CONNERY. Read the gentleman's speech.

Mr. CARTER. I also want to say that the State Department stated, in reference to the speech delivered by Josephus Daniels, in their communication to me that the speech as actually delivered by Mr. Daniels contained nothing to which anyone could take exception, and that it had been distorted and misquoted in many quarters.

Mr. CONNERY. We are offering the report of that speech as it was given through the papers.

Mr. BULWINKLE. I want to say to the gentleman, in justice to Mr. Daniels, who believes in absolute liberty, in religion, politics, and everything else, that he should have ascertained from the State Department, as did my friend the gentleman from California, what the facts were, and he would not then have made this statement about it.

Mr. CONNERY. No; I will stand on my statement. The papers carried the speech.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield; and, incidentally, I will say to my friend from North Carolina that Mr. Daniels will have plenty of opportunity to come before the Foreign Affairs Committee and tell the whole story of Mexico; not just this speech, but why he makes any reference at all to supporting the educational policy of the Mexican Government, which has broken its agreement.

Mr. BULWINKLE. Did the gentleman from Massachusetts seek to ascertain from the Ambassador to Mexico——

Mr. CONNERY. No; I have the report in the papers.

Mr. BULWINKLE. And that is as far as the gentleman would go?

Mr. CONNERY. Yes.

Mr. BOYLAN. Is it not a fact, despite the beautiful picture painted by the gentleman from Texas [Mr. BLANTON] about the wonderful reception you would receive in Mexico, the records show that American citizens, both men and women, were compelled by religious edict, promulgated by the Government of Mexico, to leave Mexico almost overnight and flee for their lives?

Mr. CONNERY. Yes. The gentleman from Texas speaks about courteous treatment in Mexico. The Mexican Government is not tolerant enough to allow Protestant ministers to officiate in Mexico.

Mr. BLANTON. I have many friends and acquaintances in Mexico who have not been mistreated or persecuted. I was talking about the visits of our nationals to that country. Mexico treats well all visiting Americans. We are the United States of America, and have our rights and attend to our own business, and they are the United States of Mexico, and should have the same inalienable right to govern their own internal affairs, without any interference on our part.

Mr. CONNERY. If a Congressman goes down there, he gets a good reception, I am sure.

Mr. BLANTON. He gets it because he is an American, even when they do not know he is an official. They have just as much right to control their internal business affairs as we have to control ours.

Mr. CONNERY. Then they should not make an agreement with the United States and then break it.

Mr. BOYLAN. What about driving out American citizens; they have done this overnight?

Mr. CONNERY. Yes. There is a resolution pending at the other end of the Capitol looking into that very fact, and that is why I did not touch upon it.

Mr. BOYLAN. And hearings before the Foreign Affairs Committee of this House will show that American citizens, on account of their religious belief, were driven out of Mexico on practically only 24 hours' notice.

Mr. CONNERY. Yes.

Mr. BLANTON. The gentleman from New York [Mr. BOYLAN] should accompany the gentleman from Massachusetts [Mr. CONNERY] on a trip to Mexico and be enlightened.

Mr. UMSTEAD. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. UMSTEAD. Is the gentleman from Massachusetts at all familiar with the record of Josephus Daniels?

Mr. CONNERY. Yes.

Mr. UMSTEAD. In regard to religious liberty and political freedom?

Mr. CONNERY. Yes; that is why it was a great surprise to me when he came out with this proposition.

Mr. UMSTEAD. Then does the gentleman think it is fair that he should proceed to attack him on a newspaper report of something he is alleged to have said, without investigating the truth of the report?

Mr. CONNERY. Yes; this is the record I have from the papers.

Mr. UMSTEAD. Does the gentleman think it was fair for him to attack Mr. Daniels without investigating?

Mr. CONNERY. Yes; he can come out with a statement tomorrow and tell what he really said, if he did not say this.

Mr. UMSTEAD. Could not the gentleman have obtained that information before making the attack, if he wanted to be fair?

Mr. CONNERY. This is a record of it, and it was given to me as his remarks.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. SWEENEY. In the light of our distinguished colleague's defense of Josephus Daniels, let me ask the gentleman: Is this the same Josephus Daniels who abolished the canteen in the Navy?

Mr. CONNERY. I think it is; yes.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. KRAMER. Does the gentleman know that when you go into Mexico, all American help that is on the train must leave the train at the border, but when you come back from Mexico City the porters, the engineer, and the entire crew can go as far as San Antonio and as far as St. Louis in some cases?

Mr. MAVERICK. How long ago was that?

Mr. KRAMER. That was when I came back from Mexico in December. I was very much amazed that the Mexican help can continue on the train in the United States until they get to San Antonio, Tex., and some of them into St. Louis.

Mr. CONNERY. I did not know about that.

Mr. KRAMER. But an American must leave the train immediately upon getting to the border line; and another thing, an American must take his trunk off, put it on the platform, and pay 15 pesos to have it put back on, but when you come from Mexico and arrive on the American side of the line the United States customs office does not require the Mexican to pay 15 pesos to put his trunk back on the same train.

Mr. BURDICK. Mr. Speaker, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. BURDICK. From the gentleman's investigation, has he been able to find out whether or not the Minister to Mexico has filed any protest about this intolerant situation in Mexico?

Mr. CONNERY. So far as I know, he has not. The State Department told us it was an internal matter, but, so far as that is concerned, they did not say that with respect to other countries, although Mexico had broken its agreement.

Mr. MAVERICK. I live in San Antonio, and so far as I know, no native Mexicans come into San Antonio. They may be of Mexican blood, but they are American citizens, born in Texas. If they are Mexicans and members of the crew, they must leave when they reach the border.

Mr. KRAMER. I just came back from there, and I know what was done on the train going both ways.

Mr. MAVERICK. I live there and I know the understanding between the two countries.

Mr. CONNERY. Regardless of whether they refuse to allow Americans to go into Mexico, as suggested by my friend, Mr. KRAMER, they are certainly doing worse things now to Americans and their own Mexican citizens.

Mr. BLANTON. I think the gentleman from Massachusetts ought to take our genial Irish friend from New York [Mr. BOYLAN] with him, go down to Mexico this summer, and they will both have their eyes opened and will find that they will be treated most courteously.

Mr. CONNERY. By the people; yes. By the Government; no. The Mexican Government would probably like to send us back laid out. [Laughter.]

Mr. BLANTON. You would be treated with the utmost friendliness, consideration, and courtesy by everyone from the highest official to the most lowly peon.

Mr. BOYLAN. The gentleman from Texas knows that when a Member of Congress goes down there they show him the bright side. They do not show him the poor shacks, the miserable schools and hovels that dot the land. They fear the gentleman from Texas [Mr. BLANTON], so they extend every courtesy to him.

Mr. BLANTON. Their friendly treatment is accorded to all Americans alike, even if they do not know you. And you can drive your own car all over Mexico and see all conditions yourself just as they exist there. You can act as your own guide.

Mr. EATON. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. EATON. Is this a private fight, or can anybody get into it? [Laughter.]

Mr. CONNERY. Mr. Speaker, I realize that my friend from New Jersey wants to be facetious on this matter. But this is not a facetious matter. It is a very serious matter. This is not a private fight, it is a fight for decency and religious freedom; it is a fight against the cruel oppression of tyrants; it is a fight for the honor and integrity of the United States Government against another foreign Government that has broken its promise made to the United States. The Mexican Government promised the United States Government that there would be no interference with religious liberty, that the Mexican people would be given the free right to worship God in their own way. The Mexican Government deliberately broke that promise, they have exiled their people for religious worship; and I say it is the duty of the United States Government to notify the Mexican Government that its breach of agreement cannot pass unnoticed, and show the Mexican Government that when they deal with this sovereign Government they must live up to the agreement made with the United States of America or forfeit the right of recognition by this Nation. [Applause.]

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. BULWINKLE. Mr. Speaker, the Ambassador to Mexico, Josephus Daniels, needs no defense at my hands or at the hands of any man in this House. He is a great Democrat of high character, liberal in his views, and a man who has a great national reputation.

I might say to my friend from Massachusetts that Josephus Daniels, in the campaign of 1928, went from one end of this country to the other campaigning for the Democratic ticket.

I do think it is unjust and manifestly unfair for anyone with only a newspaper clipping to back him; to come in here and charge a man of Josephus Daniels' character with trying to enslave the people of any section or any race. [Applause.]

I say upon my honor and my reputation as a Congressman that Josephus Daniels would not do that. Why, my friend from California [Mr. CARTER] inquired about this. There is a difference between two Members of the House. One went to the State Department—the gentleman from California—and the Department of State told him with reference to that speech that the gentleman from Massachusetts [Mr. CONNERY] quoted, that in that speech there is nothing that any single person could take offense at. The gentleman did not even inquire at the State Department about the speech. I know well enough the Committee on Foreign Affairs would not ask anybody to come before it on account of newspaper reports for an investigation, but I say here that Mr. Daniels at any time, the courteous, truthful gentleman that he is, would answer any questions any man might care to ask him.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. CONNERY. And I say that we are not asking that Josephus Daniels be brought before the Foreign Affairs Committee to answer statements in a newspaper article, but we ask him to come before the Foreign Affairs Committee to tell why Mexico has broken the agreement and what he knows about the rotten condition of affairs there.

Mr. BULWINKLE. The gentleman said he was to be called before the Committee on Foreign Affairs to tell what he said in the speech which was quoted from a newspaper.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. HOEPPEL. Was not Dr. Wirt brought before this committee of Congress pursuant to a newspaper report?

Mr. BULWINKLE. The gentleman ought to know, being in Congress, that it was on what a Mr. Rand said before the Interstate and Foreign Commerce Committee of the House that Dr. Wirt was brought here.

Mr. HOEPPEL. I am glad to be corrected if that is true.

Mr. UMSTEAD. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection?

Mr. OLIVER. Mr. Speaker, I reserve the right to object, to inquire if there are any others who desire to make a request for unanimous consent. We want to finish this bill this afternoon.

Mr. RANKIN. I hope the gentleman from Alabama will not interfere with this discussion, because I think this attack on Mr. Daniels is uncalled for.

The SPEAKER. Is there objection?

There was no objection.

Mr. UMSTEAD. Mr. Speaker, I admit it is entirely unnecessary for any man in this Congress to say more than has already been said with reference to the Honorable Josephus Daniels. Any man who knows his record in North Carolina would necessarily be astounded by the unwarranted attack which has just been directed toward him on this floor. For years and years in our Commonwealth he has held high the torch of all types of freedom and has fought against every form of oppression. In 1928, as stated by the gentleman from North Carolina [Mr. BULWINKLE], when in many places in this country the element of religious intolerance was brought forth, Josephus Daniels went from one side of this country to the other asking for religious tolerance, doing then what he had done all his life. I say to you Members of this House who may not know him, who have not had occasion to observe him as he has toiled and worked and as he has lived among us, that Josephus Daniels first, last, and always is a defender of liberty, is a defender of truth, and today I predict that he is reflecting credit upon himself and honor upon this great Nation in the administration of the duties of his office.

Some gentleman on the Democratic side asked the question if he is not the same Secretary Daniels who abolished the canteen in the Navy. He is the same man, and he is the same man who, as Secretary of the Navy, saw to it that 2,000,000 American boys were safely transported across the ocean during the World War without the loss of a single life. [Applause.] And yet, in spite of his record, and on unverified reports, he is attacked on the floor of this House, the attack being based on no authentic information as to what he said or what he did not say.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. UMSTEAD. Yes.

Mr. OLIVER. I have known Ambassador Daniels for more than 20 years, and I heartily endorse everything that the gentleman has said. Mr. Daniels has reflected high honor on himself and on our country in every public position he has held and his private life is without blemish. We have never had a more efficient Secretary of the Navy than Mr. Daniels, and his work as Secretary was one of large and

definite accomplishments It was under him that the 1916 building program was adopted, which had it been carried out would have given us a Navy equal to that of any country.

Mr. UMSTEAD. I thank the gentleman. One other statement, Mr. Speaker, before I conclude. I say to the membership of this House, and to this side particularly, that not only in our Commonwealth, but throughout the length and breadth of the United States, Josephus Daniels has carried the banners of democracy always in an honorable way to the people of this country. He supported Franklin D. Roosevelt before the convention, and introduced the resolution in the State convention in North Carolina which bound the delegates from my State to support Mr. Roosevelt at the national convention.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman be granted 2 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Will the gentleman yield?

Mr. UMSTEAD. I yield.

Mr. RANKIN. I agree with everything the gentleman from North Carolina [Mr. UMSTEAD] has said about Secretary Daniels, and with what the gentleman from Alabama [Mr. OLIVER] has said. I want to call attention to one tribute paid to Secretary Daniels, which I consider the last word. During the days when Secretary Daniels was Secretary of the Navy, Admiral Dewey, probably the greatest naval officer this country has produced in a hundred years, said that Secretary Daniels was the greatest Secretary of the Navy this country had ever had.

In every walk of life he has carried himself in such a way as to stand among the first of all Americans, and as our Ambassador to Mexico he worthily, honorably, and creditably represents the Government of the United States.

Mr. UMSTEAD. I thank the gentleman from Mississippi [Mr. RANKIN]. In the Commonwealth of North Carolina and throughout this Nation Hon. Josephus Daniels is greatly respected, widely known, and highly regarded. I rise here today, therefore, not to defend him, because he needs no defense, but to resent the unwarranted attack made upon Mr. Daniels based upon nothing but hearsay.

The SPEAKER. The time of the gentleman from North Carolina [Mr. UMSTEAD] has again expired.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes. I do not like to take the time of the House, but in view of the remarks which have been made by my two colleagues I want to keep the facts straight.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, my colleague from Pennsylvania [Mr. FENERTY] has just handed me a copy of America. Mr. FENERTY is the author of a concurrent resolution demanding withdrawal of diplomatic recognition of Mexico unless religious liberty is reestablished in that country. This article which I am about to read is from America, in the issue of September 22, 1934, and is headed—

AMBASSADOR DANIELS "EXPLAINS"

To the correspondent of the NCWC News Service in Mexico City, Ambassador Daniels made the following explanation of the unfortunate passage in his speech to the Mexican Seminar which so aroused Catholics in Mexico and caused this review to call upon him to resign. He did indeed quote the offending passage from Calles' own speech, but he said nothing concerning the quality or character of the education to be imparted. Let us see in parallel columns what he said and what Calles said:

"DANIELS	"CALLES
"The spirit of the Mexico of today was clearly and succinctly stated last week in Guadalajara by General Calles in as brief a sentence as that employed by Jefferson decades ago. General Calles, speaking for the ear of all patriotic Mexicans, and particularly those entrusted with	"But the revolution has not ended. The eternal enemies lie in ambush and are laying plans to nullify the triumphs of the revolution. It is necessary that we enter a new period of the revolution. I would call this new period the psychological period of the revolution. We
"DANIELS—continued	"CALLES—continued
leadership, said: 'We must enter into and take possession of the mind of childhood, the mind of youth.' To the carrying out of that aim, which alone can give Mexico the high place envisioned by its statesmen, the government is making the rural school a social institution."	must now enter into and take possession of the minds of the children, the minds of the young, because they do belong and should belong to the revolution. It is absolutely necessary that we dislodge the enemy from this trench where the clergy are now, where the conservatives are now—I refer to education, I refer to the school."

What Calles meant by his words he made abundantly clear, and it is inconceivable that Mr. Daniels did not know what he meant. It was, and was known to be, the opening gun in a campaign to strike out of the constitution the last vestiges of educational liberty, and to place all education whatsoever in the hands of the propagandists of his own radical revolutionary party. The doctrine consecrated by our own Oregon decision that the child belongs to the home and the family he calls a "selfish doctrine, because children and youth belong to the community; they belong to the collectivity; and it is the revolution that has the inescapable duty to take possession of consciences, to drive out prejudices, and to form the new soul of the nation * * * children and the young must belong to the revolution." This is indeed "the spirit of Mexico of today", which Mr. Daniels lauded—that is, the spirit of those who tyrannize and make no secret of tyrannizing over the souls of the people and its young. Every Mexican of whatever party knew what Calles meant.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CONNERY (continuing reading):

Mr. Daniels, it is true, took only one part of a sentence, but he could give it no other meaning than what its original author had given it. Moreover, taking it even as it stands alone in Mr. Daniels' speech, it is incredible that an American could have uttered with praise such a sentiment so utterly opposed to American ideals. No State or public education system has the right to possess the minds of its children.

What we said two weeks ago of Mr. Daniels still stands: "Either he knew what Calles meant or he did not. If he did know, he was guilty of an unwarrantable interference in Mexican politics, and on the side of the anti-Christians. If he did not know, then he should not be in Mexico as our Ambassador. In either case he should resign."

[Applause.]

IMMEDIATE CASH PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOUSTON. Mr. Speaker, we are all deeply interested in the economic recovery of our country. Our first thoughts during every waking hour are concerned with this problem. We must use every possible means to bring this about. In my opinion, one of the finest contributions to national recovery would be the enactment of the necessary legislation to make possible the immediate cash payment of the adjusted-service certificates held by the veterans of the World War.

The time has arrived when the Congress must pay this obligation. In 1924 the Congress admitted this debt. Using the pay of the lowest paid laborer as a base, it was agreed that the service men were to have their war-time pay adjusted. But at that time the Nation had at the head of the Treasury one Andrew Mellon. Mr. Mellon was not of the opinion that these former service men were wise enough to know how to handle the expenditure of a thousand dollars. Let us remember—intelligent enough to carry a pack through the mud of France, intelligent enough to deliver the smashing blows that ended the war a year and a half before the high command thought it would end—yes, my friends, intelligent and courageous enough to crawl through the mud under a storm of shellfire, intelligent enough to do all of that—but, according to Mr. Mellon, not smart enough to handle a thousand dollars.

After listening to Andrew Mellon and some of his spokesmen, the Congress voted to give these veterans a 20-year promissory note. After that had been decided Mr. Mellon

became very forgetful. In fact, his memory became so bad that he neglected to even consider the years that had passed between 1917 and 1924. He recommended, and the Congress accepted his plan, that these promissory notes be made for 20 years and that they run from 1925 to 1945. You and I know that the railroads, the war contractors, and every other creditor of the Nation was paid in cash. Why, even Mr. Mellon himself paid back to himself millions in cash in income-tax returns.

With the issuance of the certificates, the veterans found themselves in this position: Almost without exception they had marched away to carry the Nation's honor to the field of battle. Now they wanted the adjustment of pay given them by the Congress paid at once. Certainly they felt the effort they had expended was deserving of as much consideration as the contractors and the railroads. The overseas men of the Nation, speaking through the Veterans of Foreign Wars, began a fight to have this debt properly paid.

This year they have been joined by the American Legion. These two great veteran groups are again asking the Congress to pay this debt. A few years ago the Congress passed legislation which permitted the holders of these adjusted-service certificates the privilege of borrowing up to 50 percent of their face value at compound-interest rates that varied from 4 to 7, and in some places even 8 percent. At the present time the rate is 3½ percent. We must not forget that this Government is today borrowing money at 13 to 20 cents per hundred dollars and at the same time charging the former service men $3.50 per hundred dollars. If these certificates are not paid before 1945 this compound interest will eat up the remainder, until a man with a certificate having a face value of $1,000 will receive about $60.

I recently talked with Commander in Chief James E. Van Zandt, of the Veterans of Foreign Wars of the United States. Since the middle of September he has visited more than 30 of the States of this Nation. His contacts have been with persons in every position in national life. He stated to me: "The business men all over the country are anxious to see this paid." I believe the commander is right. Our business men are crying to have something done that will restore buying power. The distribution of this money into every corner of our land would offer a great impetus to business. These veterans would place the money in the legitimate channels of trade. The grocer, the butcher, the druggist, and doctor, as well as other types of business that are the real backbone of the national life, would feel it immediately.

Opponents of this legislation have raised the cry, "Cash payment now would be in violation of the contractual obligations which call for payment in 1945." In reply to this statement let us all understand that no one who advocates this payment is asking the Federal Government to violate any contractual obligation. We merely ask that the contract be revised and use as a precedent for our request the revisions granted other individuals with whom the Government had contractual relations during the war.

My own State of Kansas would receive at once $31,436,036.43. The veterans in the following counties of my own district would get as follows:

Butler	$600,063.56
Harvey	369,691.56
Sumner	484,008.48
McPherson	394,226.25
Sedgwick	2,278,483.29

And so, ladies and gentlemen of the House, I am looking for two great things from the payment of this admitted debt. First, it will demonstrate clearly to the holders of these certificates that the Seventy-fourth Congress is aware of the obligation and anxious to pay the overdue adjustment of their pay; second, it will be one of the greatest single things we can do to bring about national recovery by the increase in the purchasing power of our people.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under the previous order of the House, the Chair recognizes the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Speaker, I have asked for this short time at the request of the chairman of the national committee on publicity of the Boy Scouts of America. This organization is strictly nonsectarian. I was present in England in 1929 when the great international jamboree of the Boy Scouts was held there by Boy Scouts from practically every civilized nation of the world and wearing the skin of practically every civilized race under the sun.

Today is the twenty-fifth anniversary of the organization in America of the Boy Scouts, and tonight at 8:45 the President of the United States, who is the honorary president of the American organization of Boy Scouts, will speak over a Nation-wide hook-up in the interest of their great campaign beginning today, to continue for 1 year, to be known as the "silver jubilee of the Boy Scouts of America." The President's speech may be picked up over any broadcasting station in or about the vicinity of Washington.

Today there are more than 1,000,000 fine, clean, upstanding American boys connected with this organization, and during this 25 years of its history more than 6,500,000 American boys have received its training, its inspiration, and its discipline; and it is a most remarkable fact—it was remarkable to me to ascertain this to be a fact—that 82 percent of the leaders in high schools and colleges in various activities, such as athletics, are boys drawn from the ranks of the Boy Scouts. So that we may honestly say that this organization is contributing a most important influence in the making of the future citizenship of this Nation. There are 30,000 Boy Scout troops in this country, in practically every county of the entire Nation, and more than a quarter of a million adult patriotic citizens, unselfish friends of humanity, are giving of their time and of their services, many evenings during the year, in serving as leaders and teachers for these activities of the Boy Scouts in their respective communities.

This particular fact about this organization I wish to emphasize: That it is a strictly voluntary-nonsubsidized organization. I hope that no appeal will ever be made to Congress, or if such an appeal ever is made that it will not be responded to favorably, to subsidize this organization with Government money. It would be the means of killing it and destroying its fine volunteer spirit.

Woodrow Wilson said, and said truly, that the most magnificent preparation of any country is "the spontaneous cooperation of her free citizens." This Boy Scout movement is a movement that exemplifies the old pioneer days of independence, of adventure—yes, of rugged individualism, if you will. The boys learn to meet the forces of the physical world and overcome them by their own personal ingenuity. My interest in this organization in my section of our State prompted me to donate a small tract of mountain land to the troops in that section for their use in summer camping; but I stipulated that they must construct with their own hands, from the timber and the stones they found upon this mountain land, the hut in which they would camp when present there; that they must use this experience as a lesson, as a teaching, in how they may overcome the obstacles and the difficulties of life. It would have been a most serious mistake for any government or any charitable organization to put enough money into that proposition to have built them a splendid and beautiful hut for them to move into without any effort on their part. I know one troop of Boy Scouts, the members of which come from the homes of that class of people who have not been getting much employment during the last 4 or 5 years. These boys have not been able to raise enough money to buy uniforms for themselves. They have nothing to indicate the fact when they go out on a hike that they are Boy Scouts except a red bandana tied around their necks; yet they are as proud of their organization and are imbibing its lessons into their youthful hearts as much as if each one had been given a $40 or $50 outfit by wealthy parents. They are self-reliant and they are independent; and I hope they will be given an opportunity to earn with their own hands, even if it means getting up at 4 o'clock in the morning, however cold it may be, however thick the snow and ice may be, to carry newspapers over the streets of that

city, the money to buy for themselves uniforms, boots, Boy Scout knives, and all the other equipment that is so precious to a boy's heart. [Applause.]

The Boy Scout organization is neither militaristic nor antimilitaristic; it is definitely religious, but nonsectarian; it has no political entanglements; it is something to which every red-blooded man who is interested in boys can wholeheartedly give his support. Who that is a patriot is not interested in boys? Because patriotism means looking to the future, and in our boys and girls we have exemplified the future of our Nation. I hope that American manhood will stand squarely back of American boyhood through the Boy Scouts of this Nation.

We are to have during the last 10 days of August of this year, in this city, a great national jamboree. It is expected that there will be at least 30,000 Boy Scouts encamped on the parks and parkways of both sides of the Potomac River. They will come to the Nation's Capital for this period of 10 days to drink into their minds and hearts inspiration, and, through their fine voluntary spirit, to bring us inspiration, so that they will go back home renewed in their ideals and in their enthusiasm for making better men for the Nation to depend upon.

This national jamboree, which is to be the high point of the twenty-fifth anniversary celebration of the organization of the American Boy Scouts, will bring home to America the value and importance of her boyhood and the necessity of providing the leadership for this great program of citizenship and character training. This jamboree in Washington the coming summer will deepen the sense of responsibility and obligation of Scouts as future citizens of this great Republic. It will strengthen the realization that they are the custodians of their country's traditions and the trustees of their country's future.

May this silver jubilee jamboree in August 1935 prove to be a great modern children's crusade, a crusade to recover some of the lost ground of self-reliance and rugged moral integrity, a crusade to recapture the holy city of personal purity and high ideals, a crusade to regain the sacred relics of human sympathy and unselfish service. [Applause.]

Imagine what a scene when 30,000 strong, noble, patriotic boys shall stand in massed formation about the base of Washington's Monument! What an inspiration it will be to hear them repeat in unison their pledge, saying:

On my honor I will do my best—
1. To do my duty to God and my country and to obey the Scout laws;
2. To help other people at all times;
3. To keep myself physically strong, mentally awake, and morally straight.

Surely the spirit of the great Americans, living and dead, will brood over that scene. Here is the promise of a better day for America. Since Boy Scouts are world-wide, they hold the promise of a better day for all humanity.

The SPEAKER. Under the previous order of the House, the Chair recognizes the gentlewoman from Indiana [Mrs. JENCKES] for 15 minutes.

Mrs. JENCKES of Indiana. Mr. Speaker, at this time I desire to address the House of Representatives on a subject which I sincerely believe to be of most vital importance to every citizen of our Nation.

As my address will be short, I respectfully ask that I be permitted to finish before any questions are asked or that I be asked to yield any of my allotted time.

I am asking the Seventy-fourth Congress to erect on top of Federal buildings in our Nation's Capital and throughout our land the Star-Spangled Banner—removed by reason of vile propaganda, which took advantage of an economic depression through the Federal building program. This propaganda influenced the design of public buildings, and thus flags were disregarded and could not be displayed in full view of the people.

When I say that our glorious emblem, the Stars and Stripes, has been deliberately removed from our view, I am stating a fact. An article appeared in the news columns of the Washington (D. C.) Times on August 7, 1933. This article reads as follows:

Another tradition of Washington, which has been a part of the Nation's Capital since Pennsylvania Avenue was a mud puddle, is gradually becoming a thing of the past.

The on-sweeping march of civilization and things modern has decreed that flagpoles atop imposing Government buildings under construction are not good taste. Just take the word of an eminent architect, who says:

"The old flagpoles on top of modern buildings are not what one would call old-fashioned or obsolete, but at best they are not very decorative. The average modern building demands something more ornamental and in keeping with the present scheme of things."

At some of the new Government buildings ornate flagpoles have been erected beside the structures, while at others they have been placed at a 45° angle over the entrances.

It was also pointed out that Washington's skyline is not what it used to be. There was a time when practically every building flew at its top an American flag. Today in many instances only the flagpole is visible.

So the old-fashioned flagpole is also on its way to join the limbo of forgotten things.

This article appeared as a news item in one of Washington's patriotic daily newspapers printed over a year ago.

I was astounded that any person would dare to state that the display of the American flag, flying from a flagpole on our Government-owned buildings, was not "decorative or in good taste."

I was horrified to read that anyone should say that the display of the American flag from a flagpole on the buildings owned by our American taxpayers was old-fashioned.

I was stunned when I ascertained and recognized that a subtle and vicious propaganda was responsible.

I was amazed to read that our great emblem, displayed since this Republic was founded, was on its way to "join the limbo of forgotten things."

Was there some mistake?

I was determined to carefully investigate whether this was an accident or premeditated propaganda. I present the facts. Let the Congress and the American people furnish the solution.

After a year of careful observation of our new buildings, I am not interested in making accusation, placing responsibility for the removal of our emblem from the roofs of Federal buildings. This task belongs to every patriotic American citizen—a responsibility resting upon every organization of patriots to ascertain who to blame.

What I am interested in is that action be taken at once to replace the Star-Spangled Banner on all Federal buildings.

My dear colleagues, there was a time—not so long ago—when it was popular to display our flag. Whenever the Nation faced a national crisis citizens proudly displayed their American flag and stood by the President.

It was but a short time ago your theaters displayed on the right side of the stage our glorious flag.

Can we find it there today?

Not long ago our concerts and entertainments opened or closed with the playing or singing of the National Anthem and displayed the flag.

Is it so today?

Whenever our Nation faced a national crisis our song writers on Broadway would compete to compose songs glorifying the flag.

Is it so today?

When radiobroadcasting first came into our homes we joyously heard the National Anthem opening and closing the program.

Is it not rare today—except, possibly, by the service bands of the Army, Navy, or Marine Corps—to hear our National Anthem over the radio?

And so when we arrive at the Nation's Capital and drive up Constitution or Pennsylvania Avenue toward Capitol Hill we fail to find "o'er the ramparts" of our public buildings, which line the avenues from the White House to the Capitol, a display of our beloved flag. Flagpoles have been intentionally eliminated.

We are told the flag is not decorative.

The new Supreme Court Building is hailed as one of the most beautiful buildings in America. There is no provision for a flagpole on the roof to properly display the flag.

Over the main entrance of the Supreme Court appear these inspiring words: "Equal justice under law." But on the roof of the Supreme Court Building, over these same words, there is no flag.

Without the flag the words "equal justice under law" are hollow mockery. The flag is the guaranty to the people that equal justice shall prevail under the law.

I prayerfully appeal to the learned Justices of our highest court to provide an American flag, flying over the roof, over these words "equal justice under law."

I am not making this appeal as a Member of Congress. I am making it as an American woman, as an American mother, who knows that the only real permanent protection of our homes, our families, and our firesides are the Stars and Stripes, seen every day, and commanding allegiance from every citizen.

The flag is said to be old-fashioned, not in good taste, and not decorative on new public buildings along the avenues of our Capital, costing our taxpayers hundreds of millions of dollars.

Do you agree?

A flagpole does proudly display the flag from the roof of the White House, the United States Treasury; but where along Pennsylvania and Constitution Avenues, between the White House, the Treasury, and the Capitol, can we find our immortal emblem floating aloft from our Federal buildings?

Yes; on Capitol Hill we find the flag proudly displayed on this ancient Capitol Building, in which reposes the traditions of the Nation; the Library of Congress, where is stored and displayed the original Constitution, also correctly recognizes the flag; the old and new House and Senate Office Buildings properly carry the emblem; but do we see such a display of the flag on the new building which will house the Supreme Court of the United States?

Will those who keep awake at night, devising means of subverting the ideals of America, find through our inertia a way to rip the flag from the top of the White House, the Capitol, the Senate and House Office Buildings?

Awake, America, and become informed of this terrible propaganda.

Patriotic women of America, arouse in you the spirit of Betsy Ross and Barbara Fritchie. Demand that again there appear our blessed emblem of love, life, and liberty on top of all Federal buildings, so that the people may be reminded of their glorious heritage of life, liberty, and the pursuit of happiness and equal justice.

American veterans, you who served patriotically in defense of the flag, keep faith with your comrades who made the supreme sacrifice, forever resting under the crosses of Flanders Field. Keep faith with your comrades, resting in eternal sleep at Arlington. Their white crosses, emblematic of their sacrifice, stand out in protest against the removal of the flag for which they gave their all.

Members of the Seventy-fourth Congress, I ask you to protest against this insult to our people.

Architects and builders must not be permitted to design buildings which cannot properly and fittingly display the flag, so that the people can see their beloved emblem.

I have patiently waited a year to see this condition corrected.

Apparently, there has been no effort in that direction. Public inertia has allowed the bold forces of disorder to sustain their wild schemes. They must not be permitted to succeed. This far, and no farther. America awake.

I beg to advise you, my dear colleagues, of the introduction at this time of a bill which, if made law, will again place our national flag, properly displayed, on all of our Federal buildings.

I call upon the House of Representatives to pass this American flag bill.

I thank you. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on next Tuesday immediately after the reading of the Journal and disposition of business on the Speaker's desk and following any special order previously made I may be permitted to address the House for 1 hour on the power question.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL—1936

Mr. OLIVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the Judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes; and pending that, may I say that I do not believe there are any controversial items remaining in the bill. I am hopeful we may continue to have the fine cooperation on the part of the Members that we have had up to this time. If so, I see no reason why we should not complete the reading of this bill early enough this afternoon, so that those who may want to speak out of order could do so.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 5255, with Mr. ROGERS of New Hampshire in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Office force: For personal services, $548,500, of which amount not to exceed $532,000 shall be available for salaries of permanent personnel.

Mr. OLIVER. Mr. Chairman, I offer a committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment: Page 75, line 17, after the "$548,500", strike out all language to the end of the paragraph.

The committee amendment was agreed to.

The Clerk read as follows:

Miscellaneous expenses: For purchase and exchange of law, professional, and other reference books and publications and scientific books; expenses of transporting publications of patents issued by the Patent Office to foreign governments; directories, furniture, and filing cases; for investigating the question of public use or sale of inventions for 2 years or more prior to filing applications for patents, and such other questions arising in connection with applications for patents and the prior art as may be deemed necessary by the Commissioner of Patents; for expense attending defense of suits instituted against the Commissioner of Patents; for expenses (in an amount not to exceed $300) of attendance at meetings concerned with the work of the Patent Office when incurred on the written authority of the Secretary of Commerce, and for other contingent and miscellaneous expenses of the Patent Office; $50,000.

Mr. OLIVER. Mr. Chairman, I offer a committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment: Page 82, line 8, strike out the figures "300" and insert the figures "500."

The committee amendment was agreed to.

The Clerk read as follows:

Contingent expenses: For contingent and miscellaneous expenses of the offices and bureaus of the Department, for which appropriations for contingent and miscellaneous expenses are not specifically made, including the purchase of stationery, furniture, and repairs to the same, carpets, matting, oilcloths, file cases, towels, ice, brooms, soap, sponges, laundry, street-car fares not exceeding $200; purchase, exchange, maintenance, and repair of motorcycles and motor trucks; purchase and exchange (not exceeding $2,500), maintenance, operation, and repair of a motor-propelled passenger-carrying vehicle, to be used only for official purposes; freight and express charges; newspaper clippings not to exceed $1,200, postage to foreign countries, telegraph and telephone service, typewriters, adding machines, and other labor-saving devices; purchase of law books, books of reference, newspapers, and periodicals, not exceeding $4,500; contract stenographic services; all other necessary miscellaneous items and expenses not included in the foregoing; and not to exceed $25,000 for purchase of certain supplies for the Immigration and Naturalization Service; in all, $95,000: *Provided*, That section 3709 of the Revised Statutes of the United

States (U. S. C., title 41, sec. 5) shall not be construed to apply to any purchase or service rendered for the Department of Labor when the aggregate amount involved does not exceed the sum of $100.

Mr. OLIVER. Mr. Chairman, I offer a committee amendment which I send to the desk.

The Clerk read as follows:

Committee amendment: Page 88, line 25, before the colon insert "of which $2,500 shall be immediately available."

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. BACON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have now concluded the reading of this bill. I want to explain why I did not make a fight on the floor of the House to restore the cut made by the Bureau of the Budget for salaries of Foreign Service officers. As I stated on the floor of the House 2 days ago, I think the Foreign Service of the United States is in great jeopardy and in great danger of disintegration unless something is done for them. The situation presented is really an emergency.

I do not intend, Mr. Chairman, to repeat any of the remarks I made the other day, but simply to make the statement that the reason I did not make a fight to restore this cut is because of the assurance I have had that the President of the United States is interested and is having a study made of the situation, and intends to send a supplemental estimate to the Senate of the United States. I know that the Secretary of State, Mr. Hull, is in favor of the restoration of this cut and if I had offered an amendment to restore it I know I would have done so with the full approval of the Secretary of State. But in view of this situation I think it is better that the procedure take a more orderly course and I am simply expressing the hope and confidence that the supplemental budget will come from the Director of the Budget to the Appropriations Committee of the Senate in time to be included in this bill before it finally becomes law. The amount cut from this item by the Budget is small, approximately $200,000. The Secretary of State is deeply interested in its restoration and I am very glad that the President has directed a restudy of this question with a view of restoring to the bill the amount originally cut out by the Budget. The morale and the future of our fine Foreign Service depend on something being done now at this session of Congress.

Mr. OLIVER. Mr. Chairman, I appreciate the attitude of the distinguished gentleman. May I say that the committee feels that there will and should be submitted a supplemental estimate. I hope it will be submitted in time for the Senate to consider it in connection with this bill.

Mr. BACON. I am very glad indeed to hear the gentleman from Alabama say that.

Mr. OLIVER. The gentleman will recognize that since new men will come in and their salaries will be different from those who go out, it does require time to make the estimates, and it is contemplated, I understand, to include in such supplemental estimate a reasonable amount for merited promotion, which I know the gentleman is deeply interested in.

Mr. BACON. I fully appreciate that, and because I realized that fact I wanted to state to the committee that I did not make the fight which I otherwise would have made. I am glad to have this assurance from the gentleman from Alabama.

The pro forma amendment was withdrawn.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. HARLAN] may be allowed to speak for 10 minutes out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HARLAN. Mr. Chairman, I regret the absence of the gentleman from Massachusetts [Mr. TREADWAY]. I just phoned his office and he is not there and is not available. I wish to direct my remarks to a speech he made on the floor the other day in which he mentioned a speech which I had made.

In this speech the gentleman from Minnesota [Mr. KNUTSON], as reported at page 1474, states:

If the gentleman will let me make this further observation, I think the time has come to bring the tariff to the fore in this country.

Mr. TREADWAY. I am doing my part. If every other Member of Congress would talk about it as much as I, we might be able to do something about it.

I think the gentleman from Massachusetts was absolutely correct in this statement. There is no question before this country as important, in my mind, at the present time, as this, because this country is facing the alternative of doing one of three things: One is to open our doors to foreign trade, the other is to close our doors completely to foreign trade, and the third is to try to devise some alternative that will remove the most flagrant evils of our past tariff policy and at the same time preserve some good that there may be in that policy.

Mr. MARSHALL rose.

Mr. HARLAN. Just as soon as I get through my statement I shall be pleased to yield to the gentleman.

It is this third alternative I wish to discuss this afternoon, because this is the policy of the United States in the adoption of these reciprocity treaties.

There is a peculiar coincidence in the speech of the gentleman from Massachusetts [Mr. TREADWAY]. He further states this:

It is said the administration is considering another treaty to bring Sumatra tobacco in under conditions which would make it compete with the Massachusetts and Connecticut tobacco growers.

It happened that while the gentleman from Massachusetts [Mr. TREADWAY] was making this speech I was appearing before the Tariff Commission arguing in favor of a reduction of the tariff on Sumatra tobacco.

The tariff on Sumatra tobacco, to my mind, illustrates a great many of the evils of the tariff system as it now exists, and the removal of such tariffs or a strict reduction thereof will preserve some of the good and remove much of the evil.

Here is the situation on Sumatra tobacco. It costs from 60 cents to $1.25 a pound to produce shade-grown tobacco in the United States. The tariff on this tobacco is $2.27 a pound. In other words, the tariff on the tobacco is two or three times as much as it costs to raise shade-grown tobacco in the United States. The purpose of such a tariff is not protection. Both political parties have said that what we want in protection is substantially the difference in cost of production at home and in the foreign country. Everybody that gets up here talks about cheap labor abroad, and they want to protect American labor, and that is the reason they want to make up the difference in cost, but here is an instance where the tariff is three times the amount it costs to produce in the United States. This is not protection, it is using the laws of the United States to compel the American consumer to consume something that he does not want to consume—a substitute for a much better commodity that is raised abroad.

Now, what is the effect of this? In Pennsylvania, in Ohio, and in Wisconsin they raise a very high-grade tobacco that is suitable for binders and fillers in cigars. If you will look over the fluctuations of the tax on Sumatra tobacco, you will see that the consumption of Ohio tobacco rises as the tariff on Sumatra goes down and sinks as the tariff on Sumatra tobacco goes up. Why? Because Ohio, Pennsylvania, and Wisconsin tobacco can only be used in cigars in combination with imported Sumatra wrappers. The people will not have anything but that. When you put the tariff so high on that tobacco, you simply eliminate the use of American tobacco in cigars. American tobacco wrappers will work all right with Cuban and Puerto Rican tobacco, but will not make high-grade cigars with ours. So you are creating an unnatural situation by this system.

The Ohio tobacco grower, ordinarily, under the old system, when somebody talked about putting a tariff on Sumatra

tobacco, would know nothing about it. Under our old system when we made our tariffs here in the House, nobody except the company that was actually interested in the imported article knew anything about it; but here, under the new system, everybody is called in to present arguments on any kindred subject, and in this way the Ohio and Pennsylvania tobacco growers appear.

Now, by the elimination or reduction in this tariff something like normal proportions of Sumatra tobacco can be brought in and the consumption of domestic tobacco very greatly increased.

The people interested in domestic shade tobacco do not care anything about other tobacco interests in this country. There is a total of 7,000 acres of shade tobacco grown in the whole United States against 30,000 acres of binder and filler tobacco in Ohio alone. These shade growers are only interested in their own selfish enrichment.

It is the same way with the people who demand other tariff schedules. The only man that cares anything about the tariff is the man who is getting the graft. The man that is injured does not even know that the thing is being done under our old system.

When we adopted the Smoot-Hawley tariff bill thousands of factories went to Canada. They went because of the retaliatory tariff. They employed Canadian labor, they bought Canadian machinery, but our domestic laborers did not complain about it. They did not know that the tariff was responsible.

To show you this purely selfish interest back of tariff laws, I read from the remarks of Howard S. Cullman, Commissioner of the Port of New York, before the National Council of Importers and Traders, Inc., at the Astor Hotel on April 21, 1932. He said:

> Connecticut and Florida are the only two domestic tobaccos used extensively for cigar wrappers, although for reasons of quality and texture they cannot be used for all types of cigars. The cost of producing American wrappers, including such items as interest on investment, amortization, depreciation, labor, and insurance is approximately $1.25 per pound.
>
> The history of the tariff designed theoretically to protect this product is to say the least startling. For many years the duty on imported wrappers stood at 75 cents per pound. This rate was later changed once or twice and finally fixed in 1897 at $1.85. This rate remained in force for about 24 years until 1921, when to meet the war emergency it was raised to $2.35 and dropped to $2.10 in the following year. Under the Smoot-Hawley bill it reached the sum of $2.27½ as so-called "protection" for an article which can be produced here for $1.25.
>
> On what basis, on what economic theory can a duty exist of practically twice the actual cost of reproducing a substitute article in America. And how can this duty be justified in view of the fact that the American substitute is not even acceptable for certain classes of cigars for which, irrespective of duties, we must continue to import Sumatra tobaccos.
>
> The present tariff, in my opinion, does not encourage, aid, or abet the sale of Connecticut shade-grown or Florida tobacco, since its use is from a qualitative and blending standpoint definitely restricted. For protective purposes a duty of $1.50 would be more than fair.

That was Mr. Cullman in 1932, a public official, interested in the welfare of everybody in the United States. Mr. Cullman, at present an officer of the New England Tobacco Growers' Corporation, appeared as a witness before the Tariff Commission the other day when I was present, and here is what he said when talking selfishly:

> The American farmer has his all invested in his farm. He is giving his all, risking his own, not other people's, money. It is on his behalf that I earnestly plead with you *not* to reduce the duty on imported Sumatra tobacco. Such a reduction would be a major catastrophe for thousands, for the benefit of only a few, if, as a result thereof, importations should be increased.

In 1932 he could see no justification for it at all when he was talking in the interest of everybody. In 1935, when he was there looking after a tariff grab, he talked about it as if the tariff schedule were the lifeblood of the country, and that illustrates the spirit back of the tariff law.

What are some of the outstanding evils of our present tariff policy which it would be well to mitigate, if possible?

Well, first, any tariff policy—and ours is no exception—reduces inevitably the relative wage scale. By this is meant the amount that the dollar can buy. This is best illustrated by looking at the history of our country. In colonial days our citizens were primarily engaged in agriculture, fishing, distilling, and shipbuilding. It was these industries that regulated the wage scale. Our unlimited land and natural resources made raw material cheap while the world market was high. Out of this difference high wages were paid. Then our country embarked its tariff policy. Manufacturing could not possibly be conducted in the new country and pay the wage scale already established by the primary industries without a tariff, because the manufacturer to pay this wage scale would be compelled to sell his goods higher than foreign competitors. As manufacturing developed, it was, of course, necessary to charge constantly more for the manufactured product, and the wages of the farmer, the fisherman, the shipwright, and the distiller began to shrink in purchasing power. Thus his relative wages began to shrink, while his absolute wages in dollars could never rise above that paid in the basic industries. This is now, and always has been, and always will be, the effect of a tariff.

Our tariff policy has bred unfriendliness in foreign countries and retaliation. I do not have any later figures than the spring of 1932, but at that time 1,000 American industries had branches in Canada because of Canadian retaliatory tariffs on American goods. Likewise a large number of our manufacturers had branches in Germany and in England. Automobile-tire companies, for example, were compelled to invest their capital and transfer some of their most highly paid employees to England to manufacture tires there. Why? Because as soon as a tire was stamped "Made in the United States of America", the various foreign tariffs against it were so high that it could not be sold, but when it was stamped "Made in England" it had a ready market throughout the world. In the spring of 1932 Spain, who manufactures no automobiles, reduced her tariff 60 percent on automobiles for every country on the globe except the United States. This was the direct result of the hatred engendered by our tariff policies and was intended to induce our manufacturers to come to Spain and manufacture automobiles. Canada in January of 1932 sent a ship visiting Spanish-American countries exhibiting products that had formerly been made exclusively in the United States to foster trade in competition with us.

A third evil of our tariff system has been that as we have shut out imports, by exactly the same process we have shut off exports. We shut out imports to protect some inefficient American industries from competition and by the same act make it impossible for an efficient industry to make a good profit, pay high wages, and sell in a world market

Now we are trying with these reciprocity treaties to reduce these evils as much as is possible and still not seriously injure any American industry. In the final analysis, by gradually letting in foreign goods under quota control and reduced tariffs, the most inefficient and burdensome industries may gradually transfer their capital into other channels where greater profits can be made—not suddenly or drastically, but gradually—and at the same time expand our export business to the same value as our import business, thus allowing our more efficient business a chance to sell in a world market with a good profit.

We are equipped to manufacture many products that no other country is capable of doing. France tried to build up an automobile industry similar to that of Ford, but she failed completely because the characteristics of the French people could not work along the lines of mass production. By gradually opening our markets to imports, which other countries can make more efficiently than we can, we are establishing friendship abroad and lowering their tariff against our commodities.

This will also have a tendency to bring back a great deal of American capital gone abroad because of existing tariff walls. There are three vigorous manufacturing concerns in my home city, who would be most pleased to do all of their manufacturing in Dayton, Ohio, under one management, where they could pay better wages and have a greater profit. The greatest curse of our whole tariff system is that the laborer who has had the purchasing power of his dollar reduced does not realize that fact. He has been told that

his wage scale depends on the tariff system so long that, of course, he believes it. The laborer engaged in the manufacture of electric refrigerators goes to his job some morning and is told that the force has been reduced because foreign sales have fallen off. He does not know that foreign sales have fallen off because of a high tariff some foreign country has imposed upon American refrigerators to combat our tariff on some entirely different commodity, such as perfumes. When the tariff on perfumes was up for consideration by our Congress the manufacturer of refrigerators was not asked for his opinion.

When an American laborer is standing in the bread line out of work, he does not realize that if these factories which have been forced abroad were allowed to return his chances for employment would be greatly improved.

The whole tariff system is built upon the human desire to grab what you can for yourself, and let the devil take everybody else. This is constantly advocated on the floor of the House, although always sugar-coated, but the substance is there just the same. We are always told to support some grab because it will help the general welfare of the country, we are told that if we will only support the $2,000,000,000 bonus group that prosperity is just around the corner. The air-mail subsidy grabbers said that if they were only given the extra $9,000,000 each year that our national defense problems would be largely solved. Our good friends on the Labor Committee tell us that if we just pay the scale of labor of 1929, in our new relief measure, prosperity will dawn upon us; and now Dr. Townsend tells us that if we will just spend $24,000,000,000 per year with the group he is interested in, that we will all be wealthy and happy and that Heaven will cease to have any attraction for us.

The difference between the tariff and all these other raids upon the Treasury—and I have not mentioned all of them—is that the tariff comes directly out of the pockets of the people, while the other grabbers take from the Treasury first and then tax the people. The tariff lays its burden directly on the backs of agriculture and labor. The other public endowments come directly out of taxation, and so are probably more burdensome to the wealthy than to the poor. However, they all come to the same thing in the end, and how any tariff advocate can refuse to vote for the bonus or the Townsend bill is more than I can see. The purpose and effect of all three is the same. It all produces prosperity to the people getting the graft and creates a little prosperity in the community in which it is spent; but in the final analysis it is simply a burden on everybody else.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. Yes.

Mr. MARSHALL. I take it that the gentleman, from his speech this afternoon and from one that he made the other day, is still favorable to the reciprocity trade agreement authority that this Congress bestowed upon the Chief Executive.

Mr. HARLAN. I certainly am.

Mr. MARSHALL. How does the gentleman reconcile that fact with the fact that, according to the newspapers, the Democratic members of the Ohio delegation have had a conference or are about to have a conference inspired by fear that this reciprocity bill is going to work great damage to many Ohio industries?

Mr. HARLAN. I am not speaking for anyone else in Ohio or any place else. I am talking for myself in this matter.

Mr. MARSHALL. Is not that a fact?

Mr. HARLAN. I do not agree with any sentiment of that kind. If it appeared in the newspapers, it is absolutely nonsensical.

Mr. MARSHALL. Is it not a fact that they are going to have such a conference?

Mr. HARLAN. I know nothing about it.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. CULKIN. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 2 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. Yes.

Mr. CULKIN. Does the gentleman know that these Sumatra wrappers are produced by apprenticed labor?

Mr. HARLAN. Will the gentleman give me time to answer that question?

Mr. CULKIN. Let me finish my question. And is it not a fact that by reason of that labor being apprenticed, and apprenticed over a considerable period, and because the price paid for apprenticed labor is very nominal, that this high rate of duty is essential to protect the American shade-grown tobacco grower?

Mr. HARLAN. However it is produced, it certainly costs something to grow it. Nevertheless, if Sumatra tobacco could be laid down in the port of New York, with all transportation paid, with all labor paid, if it could be put down there for nothing, a tariff of more than the total cost of producing it in the United States would not be justified in any event. That is not a tariff at all. We have a tariff of $2.27½ a pound on tobacco that costs only 60 cents a pound to produce in the United States. That is not a tariff; it is a prohibitory law, to compel American consumers to use domestic shade tobacco. It is like putting a tariff on bananas to compel people to eat apples.

Mr. CULKIN. I understand the gentleman's theory, but he has not answered the question. Does the gentleman not know that this tobacco is produced by apprenticed labor?

Mr. HARLAN. Yes; it is produced by Chinese labor, and it costs something to produce it.

If we impose a tariff on Sumatra tobacco high enough to equal the entire cost of producing domestic shade tobacco, then the consumer of Sumatra has to pay, first, as much money as it costs the American grower, and then on top of that he has to pay foreign labor costs and costs of transportation. To make the problem clear, let us say Sumatra costs 25 cents a pound—which is absurdly low—to grow and transport. Shade tobacco costs the American producer from 60 cents to $1.10 a pound. Let us assume that we impose a tariff of $1.10 a pound. Then certainly the American labor has been completely protected, no matter how cheap foreign labor may be.

Our present tariff, however, is $2.27 a pound, which is approximately twice as much as is necessary to cover our whole cost of production.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. OLIVER. Mr. Chairman, I move that the Committee do now rise and report the bill with the amendments to the House with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROGERS of New Hampshire, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 5255, the appropriation bill for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. OLIVER. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

WHY BILL TO PAY VETERANS SHOULD BE PASSED—THE TWO BILLS TO PAY VETERANS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to insert certain excerpts in explanation of the personal statements I make.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the bill H. R. 1, of which at least 100 Members of the House of Representatives are entitled to be known as coauthors, has the endorsement of the American Legion in national convention assembled at Miami, Fla., October 1934; the national encampment of the Veterans of Foreign Wars, Louisville, Ky., 1934; the veterans who do not belong to any organization; and a substantial number of the people of the Nation, provides:

First. Full and immediate cash payment of adjusted-service certificates after deducting prior loans and interest prior to October 1, 1931. (If interest before that date is included it will amount to a very small sum for each veteran and will involve millions of small transactions. The cost of administration will amount to more than the interest paid and will likely delay payment to the most needy veterans for 1 or 2 years.)

Second. Payment will be made in United States notes not bearing interest and will be legal tender in payment of all debts and dues, public and private, and when so received shall be reissued. The Gold Reserve Act of March 14, 1900, and all amendments thereto are made applicable to such notes.

Third. Section 3 of the bill provides that the Secretary of the Treasury may cause Federal Reserve notes or national-bank currency retired in the event there should be a surplus of circulating money and danger of inflation. Federal Reserve banks have deposited three and one-half billion dollars in Government securities and received in return three and one-half billion dollars in Federal Reserve notes—new money currency—most of the paper money that is in daily use is this kind of money. These banks use the money and continue to get interest on the bonds deposited to secure the money. Under this bill the Secretary of the Treasury may compel the retirement of a part of this money as he pays the veterans in United States notes. In effect, after the payment is made, we may have exactly the same amount of money in circulation without additional cost to the Government. Or the Secretary may cause national banks to retire a part of their currency that has been issued in return for Government obligations. This is not likely in view of the large amount of Federal Reserve notes outstanding, any part of which may be quickly and conveniently, without expense to the Government, retired. Or all this money, including the amount paid to the veterans, may remain outstanding and none of it retired.

Fourth. Therefore, under H. R. 1, the debt of $2,000,000,000 can be paid without a bond issue, without increasing taxes, without affecting the Budget in any way by merely converting one form of Government obligation which is now nonnegotiable and a frozen asset in the hands of the veterans into a negotiable obligation that may be used to pay debts and as a purchasing power. I receive a large number of letters daily from veterans saying they have a home or farm picked out that can be bought for a reasonable price at this time and which they will buy if this bill passes. The money will buy more now than it will buy later, and it will result in the best plan to prime the pump and give the country a big push on the road to recovery.

Fifth. What is behind Federal Reserve notes? The credit of the Nation. What is behind national-bank currency? The credit of the Nation. What is behind United States notes? The credit of the Nation. Are the notes we propose to issue unlike the money now outstanding? No; the same kind of money as the United States notes that have been outstanding for 73 years. We are not asking that a new principle or policy of government in regard to the issuance of money be invoked. We are asking that the veterans to a limited extent and within reasonable bounds and limitation be permitted to deposit their 1945 obligations and receive money in return. The banks enjoy this privilege, and in addition get interest on the bonds that are deposited to secure the money which the veterans are not asking for.

Sixth. It will no longer be necessary to appropriate $112,000,000 a year until 1945 or even a larger sum to retire these certificates at that time. The Government will save one and one-half billion dollars, besides $10,000,000 that it will cost to administer the act between now and 1945.

H. R. 3896

The bill that was introduced at the request of the elected leader of the American Legion, H. R. 3896, provides:

First. Full and immediate cash payment of adjusted-service certificates after deducting prior loans but without deducting interest.

Second. Money to be paid out of the general fund in the United States Treasury.

Third. The money not being in the general fund tax-exempt interest-bearing bonds will have to be issued to raise the money.

Fourth. Taxes will have to be increased to pay the bonds.

WHICH BILL DID AMERICAN LEGION CONVENTION INDORSE?

The resolution passed at the sixteenth annual national convention of the American Legion at Miami had three paragraphs. The text of the resolution is found on page 52 of the printed proceedings.

The first paragraph commences as follows:

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distribute uniformly throughout the Nation—

And so forth.

The next paragraph commences:

Whereas the payment of said certificates will not create any additional debt but will discharge and retire an acknowledged contract obligation of the Government.

The third paragraph says:

Resolved, * * * the American Legion recommends the immediate cash payment—

And so forth.

I was the first delegate to speak in behalf of the resolution. In my speech, which is recorded on the same page of the printed proceedings, I stated:

Do not be alarmed or disturbed about the expansion of the currency or the inflationary part that might be involved in the resolution. These certificates may be paid without the expansion of the currency or they may be paid with the expansion of the currency. You can pay them in United States notes and not expand the volume of currency $1 by retiring from circulation this same amount of Federal Reserve notes.

It will be noticed that the resolution and the discussion indicates that no additional debt will be required for the payment. Therefore, there is only one bill pending in the House of Representatives that will carry out the mandate of the Miami convention. It is House Resolution 1.

COMMANDER BELGRANO'S BANK RECEIVES $3,750 A DAY INTEREST ON GOVERNMENT BONDS THAT ARE DEPOSITED TO SECURE GOVERNMENT CURRENCY

Commander Frank N. Belgrano, representing the wishes of a few leaders of the American Legion, and contrary to the wishes of the rank and file of that organization, said that he was removing the issue of paying the adjusted-service certificates from the realm of fantastic theories and bringing it down to the solid ground of fact when he caused to be introduced a bill that will require the raising of $2,000,000,000 additional taxes to be given to a few big bankers as interest on the $2,000,000,000 to be paid to the veterans.

This move on his part is just about as constructive as one reaching for a hammer to kill a fly on the baby's nose.

WILL COUNTRY APPROVE NEW TAXES AND NEW BONDS?—FOUR B'S REPRESENT BILL

Commander Belgrano has incorrectly stated that I was more interested in obtaining passage of new monetary theories than I was in paying the veterans. One thing sure, you will have a difficult time getting Congress to enact and the country to approve a law that will create an additional debt and cause $2,000,000,000 in taxes to be raised to pay

the veterans and $2,000,000,000 in taxes to be raised to pay interest on this sum that will go to a few bankers. Why pay $4,000,000,000 to get the veterans' $2,000,000,000, when the debt can be paid without cost to the Government? In answer to Commander Belgrano, without impugning his motives in any way, I can just as consistently say that he is more interested in taking care of the bankers than he is in getting the adjusted-service certificates paid. This bill is represented by four B's—Belgrano bankers' bonus bill.

COMMANDER'S BANK GETS MONEY ON 1945 OBLIGATIONS

The commander is a very fine and successful banker, having been until 1927 cashier of the Banca Popolare Fugazi, of San Francisco. In 1927 this institution became a part of the mighty chain, headed by Amadeo Peter Giannini, and today our commander is listed as vice president of that great institution—the Bank of America, which was formerly the Bank of Italy. Incidentally, that bank has deposited $45,000,000 in United States Government bonds with the Treasurer of the United States and has received in return $45,000,000 in national currency. The specific details as to the maturity dates of these bonds and the rate of interest is not available and cannot be obtained from the Treasurer, but it is known that all banks in this class have deposited almost a billion dollars in Government bonds and have received a like amount of money in return, and the bonds deposited vary from 2-percent to 3⅜-percent interest annually and mature from 1930 to 1961. Some of them mature January 1, 1945. The annual interest rate that is now being paid by the Government on its securities is 3 percent.

EAT THEIR CAKE AND KEEP IT, TOO

Every year Commander Belgrano's bank clips coupons from $45,000,000 in bonds; and, presuming that the average rate is received, his institution receives $1,350,000 annually as interest on these bonds. This amounts to $112,500 monthly, or $3,750 a day. It is interesting to know that our commander is now objecting to the veterans doing identically and in the same manner the very thing that his bank is doing. He also objects to the veterans getting the same kind of money that his bank has received, and while his bank uses the money it also gets interest on the bonds, which is really in every sense of the word a pure bonus.

IF FAIR FOR BANK OF AMERICA, FAIR FOR VETERANS

What reason can be assigned in opposition to 90,000 veterans receiving $45,000,000, the same amount received by the commander's bank, in return for the remainder due on their adjusted-service certificates. They have already borrowed $500, or one-half of the face value of the certificates, and the remainder due is $500 each, or $45,000,000 for 90,000 veterans. Veterans hold Government obligations payable January 1, 1945, although past due. They rendered services for these Government obligations. The commander's bank paid cash or credit for the bonds amounting to $45,000,000. A Government obligation that is purchased in return for services is just as valuable as one purchased for cash or credit. If the money issued to the bank is good money—and it is—the money issued to the veterans will be good money. If it is fair for the banks, it is fair for the veterans. The commander's bank has already received in return for its Government obligations more money than all the veterans in any 1 of 32 States will receive. The 88,000 veterans in Wisconsin will receive $47,000,000, and the 95,000 veterans in Indiana will receive $50,000,000.

H. R. 1 NOT INFLATIONARY

The commander insists on calling H. R. 1 an inflationary bill. He overlooks the fact that the Federal Reserve notes or national currency may be withdrawn as the money is issued to pay the veterans, and therefore the circulating medium may not necessarily increase one penny. Therefore, no one should hereafter call it an inflationary measure. It provides for controlled expansion of the currency, but will not to any extent cause or contribute to undue expansion of any sort. Inflation is putting too much money in circulation.

H. R. 1 SHOULD BE CALLED THE AMERICAN LEGION BILL

The fact should not be overlooked that the Miami resolution says the payment can be made without creating a new debt. H. R. 1 is the only bill that will carry out the Miami resolution. Therefore, it should be known as the American Legion bill.

WE SHOULD WIN WITH UNITED FRONT

Even with the open opposition of the elected and appointed leaders of the American Legion the past few years, we have succeeded in passing this bill by tremendous majorities in the House and have substantial support in the Senate. With the American Legion leaders' support, carrying out the wishes of the rank and file, we should be able to pass the bill by a two-thirds majority in both Houses.

IF ELECTED LEADERS OF LEGION WITHDRAW OPPOSITION

It is my sincere belief that H. R. 1, or any other bill that provides for this payment without creating an additional debt, would be reported out of the Ways and Means Committee in 24 hours and would be passed in the House of Representatives by an overwhelming vote within 48 hours, if the rank and file of the American Legion will force their commander to withdraw his opposition to it and thereby permit us to present a united front. Extensive hearings on this proposal have heretofore been held by this Committee.

DIFFERENCE BETWEEN H. R. 1 AND H. R. 3896

H. R. 1 will save the Government $1,500,000,000.

H. R. 3896 will cost the Government $2,000,000,000, paid to the veterans, plus $2,000,000,000 paid as interest to the bondholders who buy the bonds, the proceeds of which are used to pay the veterans.

WHAT HAPPENED AFTER LEGION CONVENTION

I will select at random a few items appearing in the newspapers of the country subsequent to the Miami American Legion Convention in regard to the payment of the adjusted-service certificates:

October 26, 1934, Miami American Legion Convention passes resolution, by vote of 987 for to 183 against, recommending payment of adjusted-service certificates. In the resolution it is stated, "The payment of said certificates will not create any additional debt."

October 26, 1934, Commander Belgrano accepting his election to office of national commander American Legion, said he would press the four-point program and did not mention the resolution providing for the payment of the adjusted-service certificates, and the four-point program did not include it.

October 29, 1934, special cable to the New York Times from Habana, Cuba, as follows:

[From the New York Times Oct. 30, 1934]

LEGION COMMITTEE TO CONSIDER BONUS—COMMANDER BELGRANO SAYS IN HABANA GOOD OF NATION IS FIRST THOUGHT

Special cable to the New York Times

HABANA, October 29.—The American Legion executive committee will decide whether immediate payment of bonus certificates should be pushed as a leading point in the Legion program or relegated to the background, at a meeting of the committee in Indianapolis November 23. This was made known today by Frank N. Belgrano, new commander of the Legion.

"I intend to push all the resolutions adopted at Miami", he said, "but we adopted a good many resolutions and some may take preeminence. We are first and foremost for God and country and we don't want to do anything that will harm the Nation."

While the legion by an overwhelming vote decided to recommend at Miami the immediate payment of adjusted-compensation certificates involving about $2,200,000,000, Harold Phillips, one of Commander Belgrano's advisers, pointed out that the word "demand" was purposely omitted.

Mr. Phillips said that the executive committee will decide what place payment of the bonus will have on the legion's legislative agenda.

The commander made his first speech since he was elected before the Habana Post of the Legion today.

It will be noticed that the commander was probably not anxious to push the resolution providing for the full and immediate cash payment of the certificates, and intimated that since the resolution used the word "recommend" and did not use the words "demand", "insist", or "urge" that he would have a getting-out place if he did not want to sponsor the resolution. A resolution is a recommendation regardless

of the words used. The word "recommend" is just as strong a word as can be used in a resolution.

November 14, 1934, the Washington Star, Washington, D. C., headline:

Bonus poll shows Congress strong for paying at once. Currency expansion favored as financing means, and canceling or reducing interest is desired.

The poll was made by the North American Newspaper Alliance.

November 16, 1934, the New York American and other newspapers of the Nation carrying the Associated Press articles stated in headline:

Survey shows Senate swing toward bonus. With House overwhelmingly in favor, political heads now think about compromises.

December 1, 1934, Commander Belgrano gave an interview to the Associated Press at Columbus, Ohio, in which he stated:

Follow to the letter the action of the veterans' recent national convention demanding immediate payment of the so-called "soldiers' bonus"—at full face value as an effective relief measure and an effective medium for further hastening economic recovery without adding a dollar to the national debt. I stand squarely behind that resolution, and, in doing so, I do not have to compromise with my business conscience.

Notice one statement, that he was standing for a law in compliance with the Miami resolution that would not increase the national debt.

December 13, 1934, the national commander of the American Legion, Mr. Belgrano, spoke at Stuttgart, Ark., and the Associated Press reports that he said that he stood squarely behind the Legion's resolution in favor of the bonus payment, and added that—

In doing so I am not compromising with my business conscience. The Government has said that human relief and the stimulation of renewed business activity requires the expenditure of vast sums of money. Our position is that the payment of the adjusted-service certificates offers an effective medium of carrying out this policy without adding to the national debt.

December 16, 1934, the Associated Press and other news-gathering agencies were credited with news stories which caused the following headlines to be carried by the newspapers of the Nation:

Veto held no bar to bonus victory. Two hundred and ninety House Members and sixty-three Senate Members sure to vote to override veto.

December 18, 1934, the New York Times and other newspapers of the Nation carried the following headlines:

Expect the bonus to pass over veto. Some leaders in both parties express view after sounding Congress Members. Legion head sees the President.

December 20, 1934, another Associated Press dispatch caused the newspapers of the Nation to carry the following headlines:

Quick passage of bonus seen. Congress leaders expect full-payment approval soon after opening.

This article says that the House leaders expect the bill to be brought before the House within 2 or 3 weeks after the House convenes January 3, 1935. The same article states that it is reported that 350 House Members and 70 Senate Members will vote for it—far more than sufficient to override a Presidential veto.

December 22, 1934, Commander Belgrano returned to San Francisco, his home, and gave the Associated Press the following statement:

World War veterans will get their bonus in full this winter.

December 25, 1934, Commander Belgrano made an address over a Nation-wide radio hook-up. The Associated Press carried the following:

Belgrano presented the bonus issue as a business proposition a chance for the Government to pay off a debt while serving relief and recovery efforts. He made no mention of any particular method of raising the bonus fund.

Before December 25 he invariably stated that the debt would be paid without creating a new debt. In this speech he indicates for the first time that additional taxes might be necessary.

January 6, 1935, the American Veterans' Association polled the Senate Members. Asks Senators if they will sustain a veto. This organization is opposed to the bill. It evidently received no encouragement, as no report has ever been made of the poll, and if it had been favorable to the organization taking it an announcement from the housetops would have been made.

January 13, 1935, the New York Herald Tribune and other newspapers of the Nation carried the headline:

Bonus is slated winner of first round in House—Ways and Means Committee decides to report Patman bill—Talk of compromise.

In this article it was stated:

This procedure, in effect giving the first round to the bonus advocates, is expected to follow close on the completion of the public hearings which are to open this week.

As one administration stalwart privately expressed it, the immediate-payment advocates may be told they can have half a loaf now if they will withdraw their demands for the face value of the certificates, with the understanding that they would be given the rest next session if the finances of the Federal Government are in better shape.

OUTLOOK WAS PROMISING

The outlook was very promising before Commander Belgrano threw a monkey wrench into the machinery.

January 14, 1935, hearings were expected to commence on H. R. 1 and other similar bills. The Committee on Ways and Means was not engaged with other matters for the week commencing January 14. The chairman of the committee, the Honorable ROBERT L. DOUGHTON, had announced on the 10th, 4 days preceding, that hearings would be held by his committee very soon and a report made without delay. We had a right to expect the bill to be reported that week and passed in the House. Speaker BYRNS said he was in favor of early consideration.

THE MONKEY WRENCH

Instead of getting a hearing on that day, the elected national commander of the American Legion, the Honorable Frank N. Belgrano, caused a bill on this subject to be introduced, H. R. 3896. He immediately gave out an interview in which he stated that he was taking the adjusted-service certificate issue out of the dangerous realm of financial and political fantasies; that the plan twice adopted by the House and then pending for consideration seriously threatened the success of the veterans' program; and he was taking the issue out of the atmosphere of such theories and bringing it down to the solid ground of fact.

OUR FORCES DIVIDED

January 15, 1935, the newspapers of the country carried the following headlines:

Legion splits bonus camp by new proposal.

January 17, 1935, the New York Times carried the following headline:

House delay seen in test on bonus. Social-security legislation likely to get right-of-way.

It will be remembered that the social-security bill had not been introduced at that time and was not introduced until later.

January 17, 1935, a caucus of 125 Members of the House was held and an organization perfected for the successful passage of H. R. 1. It was a hastily called meeting and a bad night—heavy snow and cold—but a third of the Democrats, besides members of other parties, were present. The following Members turned in their names as being present:

Allen, Amlie, Arends, Ashbrook, Ayers, Beiter, Berlin, Boileau, Buckbee, Buckler of Minnesota, Burdick, Cannon of Missouri, Cannon of Wisconsin, Carpenter, Cartwright, Coffee, Colmer, Connery, Cooley, Costello, Crawford, Cross of Texas, Dies, Dingell, Dirksen, Disney, Dondero, Duffey of Ohio, Dunn of Pennsylvania, Eagle, Eicher, Faddis, Ferguson, Fernandez, Focht, Ford of Mississippi, Gassaway, Gehrmann, Gilchrist, Gildea, Gillette, Gray of Indiana, Gray of Pennsylvania, Greenway, Greenwood, Griswold, Guyer, Haines, Hancock of North Carolina, Hildebrandt, Hoeppel, Houston, Hull, Imhoff, Jenckes of Indiana, Johnson of Oklahoma, Keller, Kramer, Kvale, Lee of Oklahoma, Lemke, Lesinski, Lundeen, McClellan, McCormack, McFarlane, McGehee, McGroarty, Maloney, Marcantonio, Massingale, May, Mead, Miller, Mitchell of Tennessee, Monaghan, Moritz, Mott, Murdock, Nichols, O'Malley, Patman, Patterson, Patton, Pierce, Polk, Randolph, Reed of Illinois, Rich-

ards, Rogers of Oklahoma, Ryan, Sabath, Sadowski, Sanders of Texas, Sauthoff, Schneider, Scott, Scrugham, Short, Smith of Washington, Starnes, Stubbs, Sweeney, Truax, Wallgren, Werner, White, Wilson of Louisiana, Withrow, Wolverton, Wood.

Other Members did not receive notice and some were prevented by reason of engagements previously arranged.

STEERING COMMITTEE

January 18, 1935, a steering committee was formed for the passage of H. R. 1, composed of the following: Wright Patman, chairman; Abe Murdock, secretary; Mr. Sabath, Illinois; Mr. Scrugham, Nevada; Mr. Greenwood, Indiana; Mr. Colmer, Mississippi; Mr. Randolph, West Virginia; Mr. Cannon, Missouri; Mr. Connery, Massachusetts; Mr. Berlin, Pennsylvania; Mr. Hancock, North Carolina; Mr. Richards, South Carolina; Mr. Boileau, Wisconsin; Mr. May, Kentucky; Mr. Hildebrandt, South Dakota; Mr. Smith, Washington; Mr. Dies, Texas; Mr. Miller, Arkansas; Mr. Dondero, Michigan; Mr. Kvale, Minnesota.

There will be two or three additional members of the steering committee. Congressman GREENWOOD is whip, and he has appointed a number of assistants. Their names will be announced soon.

January 24, 1935, at a steering committee meeting, upon motion of Governor SCRUGHAM, of Nevada, a committee was appointed to seek a conference with Commander Belgrano for the purpose of a better understanding and in the hope that all differences could be settled, the forces reunited and a solid front presented. This committee arranged for a conference with Commander Belgrano the same day at 4:30 o'clock p. m. in the Speaker's office, near the House floor. In view of the importance of the meeting Governor SCRUGHAM invited all members of the steering committee, as well as the special committee, and all members were present at the appointed time. Commander Belgrano did not appear. Governor SCRUGHAM was advised that the commander would very soon have to leave on a train, and Mr. Russell, the American Legion publicity man, read a statement for him that had been released several days before. To date he has made no effort to confer with this committee. He has never conferred with me about this or any other matter.

February 11, 1935: No hearing to date, almost 1 month after a hearing was expected. We have not asked that the security bill be laid aside in order to give us a hearing, but I do believe that if the elected leader of the American Legion had not caused another bill to be introduced on January 14, 1935, we would have had a hearing during that week and the bill would have been passed in the House during that week.

PETITION UNNECESSARY

I do not believe it will be necessary to resort to a motion or petition to discharge the committee from further consideration of the bill. Only 24 legislative days have expired since Congress convened January 3, 1935. Such a motion cannot be filed until after 30 legislative days.

NO DANGER OF HOUSE DELAYING THE BILL

It was generally admitted before Commander Belgrano made a scrap of paper out of the Miami resolution that H. R. 1 would receive early consideration and would quickly and by a tremendous majority pass the House. If it is necessary to make changes in the bill to make it conform to the wishes of two-thirds of the Members of the Senate, such changes could be considered in that body after the bill has passed the House. He should no longer delay the bill in the House for that purpose; this is not the place to try to satisfy the Members of that body. We should send a bill over there and let them amend it in a way that will meet with their approval, and then the differences can be ironed out by a conference committee composed of a few Members from each House; that is what a conference committee is for.

BILL PASSED IN 1932

This bill passed the House of Representatives June 15, 1932, by a vote of 211 for to 176 against. Congressman FRED VINSON made able and convincing arguments in support of the legislation; he pointed out that there was no danger of uncontrolled expansion or inflation of the currency, as the bill kept expansion under control at all times; he also pointed out that we were merely asking that the veterans be allowed to exchange their non-negotiable Government obligations for negotiable ones, without additional cost to the Government. Congressman JOSEPH F. BYRNS, now our distinguished Speaker of the House, made a speech in support of the bill, in which he stated:

This bill is being discussed now and was discussed yesterday by its opponents from wrong premises. The bill neither requires the appropriation of one penny out of the Treasury of the United States, nor does it add one single additional obligation to the Government. [Applause.] If it did, then as one who has stood before this House during this entire session urging economy, I could not vote for it, because I do not think our Treasury is in a position to assume an obligation of this kind.

Mr. Chairman, I have been of the opinion for months and months, and have so expressed myself, that we are never going to have a return of anything like prosperity until something is done to bring down the value of gold so that commodities in the hands of producers may bring a fair and reasonable price to those who produce them. [Applause.] It is necessary, therefore, since all of the circulating medium, or at least a great portion of it, is now in the vaults of the big banks of this country, to have more money, and I want to call attention to the fact that this was recognized by the President and was recognized by Congress when it passed, at the President's instance and request and as one of his relief measures, the Glass-Steagall bill. That bill provides that five or more banks may pool their securities and present them or United States bonds and secure currency thereon for their use. Where would that additional currency go? It would go where a great deal of the other currency now is. How many of the people of the country would secure any benefit from it? You have the same sort of security here, because even though these certificates may be small, they are as much a bond and an obligation of the Government as the bonds upon which it is proposed to secure additional currency under the Glass-Steagall bill, for which doubtless most of you voted.

Under this provision there follows, necessarily, the fact that when this additional currency is issued—and, mind you, it is to take up an existing obligation, not a new one—it will be widely and equally distributed throughout the United States; money goes in every city, in every town, in every hamlet, and in every community of this entire country. The people and not the banks become its beneficiaries. [Applause.]

Speaker BYRNS made such a good speech on this bill, I wish the Members of the House and others who may be interested would obtain a copy of the CONGRESSIONAL RECORD for June 14, 1932, and read the entire speech. It may be found on pages 12917 and 12918 of the bound RECORD of that date.

BILL PASSED IN 1934

March 12, 1934, this bill passed the House of Representatives again. The vote was 295 for to 125 against. Congressman FRED VINSON made as good a speech in support of the bill as anyone could possibly make. What he said then is applicable now. He said the following:

Mr. Chairman, something like 2 years ago 10 Democratic colleagues on the Ways and Means Committee did me honor in permitting me to file a minority report upon the adjusted-service certificate bill, at that time advocating its passage. Fourteen members of that committee, 10 of whom were Republicans, were against a favorable report upon the bill. Eleven Democrats supported a favorable report. At that time Mr. Hoover was in the White House. At that time, when they discharged the committee and brought the bill to the House for action, we said that the primary purpose of those advocating the passage of that legislation was to benefit the United States. That if anyone could show that it was not to the economic advantage of all of this country, we would not sponsor it. I stand today exactly where I stood 2 years ago. There are those who say that gentlemen who today sponsor this legislation are not in step with the President of the United States. Let me say to them that some of us formed our opinions after weeks, veritably weeks, of hearings, when the leading financial minds of the country came before our committee. We formed our conclusions then. We took position in the House and voted our sincere convictions. We went to our people in the campaign of 1932, explaining the purposes of the bill, explaining the money mechanics of the bill, and we were returned here with certain recollection of our promises and commitments. Some of us have the courage to keep the faith. [Applause.] In so doing we maintain that we do nothing that an honorable man should not do.

Oh, my friends on the Republican side, talk about money issued against the credit of the United States being printing-press money. What did you do in the Glass-Borah amendment to the Home Owners' Loan Corporation, passed in the last administration, authorizing the issuing of currency upon bonds, and bonds alone, bearing 3⅜-percent interest? Is that printing-press money? If the money authorized hereunder be printing-press money, any paper money can be characterized as printing-press money. Are the national-bank notes, which have been a medium of exchange for many years, printing-press money?

My friends, we devalued the gold dollar. We have seven and one-half billion dollars of gold. The gold in the Federal Reserve

banks and $3,100,000,000 in the Treasury makes 100 percent coverage for all currency, including this. I know it is contemplated to use two billion of the three billion one hundred million of gold for stabilization purposes. That is because they can; but under the law, the parity statute of 1900, all reserves are behind any and all moneys that are issued by the United States Government. A section of this bill so states. A section of this bill applies specifically that statute to this currency. All the strength and effect of the parity statute of 1900 and certain amendments to the Federal Reserve Act are behind this currency. You can take this money and put 100 percent gold coverage behind it, if desired. You can take $2,000,000,000, use it for stabilization purposes, and still have $1,100,000,000, practically 50-percent gold reserve behind this currency. In addition to that you would have the solemn, direct obligation of the Federal Government in an amount of $2,200,000,000 turned in and satisfied. So I submit that the question of the validity of this money does not admit of serious discussion or argument, despite the fact that it may go to the country that it is printing-press money or that it is fiat money. Printing-press money reminds me of the old argument that was so powerful in days gone by of "the full dinner pail." [Applause.]

Ah, my friends, this is a piece of legislation that is aimed at a reasonable increase of commodity values; and in this bill you have brakes against any harmful results. The powers in the bill with regard to the withdrawal of currency are simply brakes against uncontrolled expansion. This is a controlled expansion of the currency. We sincerely believe it is for the best interest of our entire people. [Applause.]

COMMITTEE ON WAYS AND MEANS FOR H. R. 1

No one could reasonably expect the Committee on Ways and Means, the committee that will consider the bill, to be against it. This committee is composed of 25 members—18 Democrats and 7 Republicans. Twelve of these Democrats and 3 of the Republicans have heretofore voted for this bill. In fact, two more members are for it in preference to any other bill and who have never before voted for the measure.

The commander, Mr. Belgrano, knowing that the House of Representatives preferred H. R. 1 and knowing that the committee that would consider the legislation was in favor of H. R. 1 certainly should have known that he was not being helpful toward the passage of the legislation in the House by causing another bill to be introduced and giving out statements and making speeches denouncing H. R. 1. One having in mind obstructing the passage of the legislation and probably causing its defeat could not have done better.

PAYMENT OF THE ADJUSTED-SERVICE CERTIFICATES

Mr. DUFFEY of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill H. R. 1, the Patman bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DUFFEY of Ohio. Mr. Speaker, under the leave to extend my remarks in the RECORD, I present briefly my statement concerning two pending bills, in reference to the payment of the World War adjusted-service certificates.

There is now pending in the House of Representatives H. R. 1, by Mr. PATMAN, of Texas, entitled "To provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for controlled expansion of the currency."

There is also pending H. R. 3896, by Mr. VINSON of Kentucky, entitled, "To provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes."

There has been much discussion concerning these two bills. Obviously both are intended to provide for the immediate payment of the World War adjusted-service certificates, but the methods of payment are different.

H. R. 1 provides for the full and immediate cash payment of the adjusted-service certificates in new currency and by converting one form of Government obligation into another form of Government obligation. It will not create an additional debt or cause an increase in taxes but will cause distribution of actual money throughout our Nation.

H. R. 3896 would provide payment out of any money in the Treasury, which would mean that the Treasury would be required to issue bonds, and this would then require Congress to levy taxes to pay the bill.

Both bills have been referred to the Committee on Ways and Means and will soon come before the House of Representatives for full discussion and vote.

In my opinion, H. R. 1 should be passed by the Congress. It is an economically sound method of payment and would provide real relief and would avoid an increase of the burden of taxation which now rests so heavily on our people.

There are some who consider this method to be an unwarranted expansion of the currency, and, to use terms commonly heard, consider it to be "fiat money" or "greenbacks." This is not a proper interpretation of the method, because this bill, if passed, would be a real and necessary currency expansion without the attending difficulties or embarrassments that history tells us has resulted when printing presses begin to run. I believe it cannot be said that there will be danger of unbridled inflation.

On April 21, 1932, when I announced my candidacy for Representative to Congress in the Ninth Ohio District, at that time I stated:

I favor immediate payment of the bonus to our World War veterans in currency, issued against the present surplus gold reserve, believing this method of payment economically sound governmental aid.

Again, on May 25, 1933, during the special session of the Seventy-third Congress, I expressed in an "extension of remarks" my opinion on this subject when the House of Representatives had under consideration the industrial recovery bill H. R. 5755, which provided for the construction of certain useful public works. It was my studied judgment at that time that new currency could properly be authorized in that emergency situation instead of an issue of bonds carrying an added burden of taxes.

It is a well-known fact that the Nation has not at the the present time a sufficient sum of actual currency to meet the normal requirements of our Nation and of industry and trade. Our Treasury has the largest amount of metal in the history of our Nation, against which could be issued the necessary currency to meet the payment of the adjusted-service certificates, and with no danger to a sound monetary policy.

I do not, and could not, advocate any improper or unnecessary expansion of currency. But in my judgment the method provided in H. R. 1 is expedient and economically sound, and would increase the purchasing powers of millions of the consuming public, would relieve the distress which arose from unfortunate economic conditions, and generally would lighten the burden of many of our people. It is payment of an acknowledged contract obligation of the Government. And the sooner this controversial question is settled, once and for all, the better it will be for the holders and beneficiaries of the World War adjusted-service certificates, and for our country as a whole.

The provisions of this proposed legislation are generally understood by our people. A similar bill passed the House of Representatives on June 15, 1932, and again on March 12, 1934. With reference to the two pending bills, care should be exercised to prevent a situation where "United we stand, divided we fall." The issue should be settled by this session of Congress.

The Supreme Court of the United States has now under advisement five cases, all of which arose in the October term of 1934, and wide-spread interest has been evidenced on these momentous gold cases, which are entitled as follows:

Case no. 270: Norman C. Norman, petitioner, against Baltimore & Ohio Railroad, respondent.

Cases nos. 471 and 472: United States of America, Reconstruction Finance Corporation, et al., petitioners, against Bankers Trust Co. and William H. Bixby, trustees, respondents.

Case no. 531: F. Eugene Nortz, on a certificate from the Court of Claims, against United States.

Case no. 532: John M. Perry, on a certificate from the Court of Claims, against United States.

It matters not, insofar as H. R. 1 is concerned, what decision the Court finally renders, for the good reason that there

would remain ample metal in the Treasury to carry out the method of payment herein suggested.

This measure, in one form or another, has been before the Congress for more than 6 years. Let this matter be definitely settled once and for all and now.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BOEHNE, for 2 days, on account of important business.

To Mr. ECKERT, for 3 days, on account of business.

To Mr. FARLEY, for 6 days, on account of important business.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 56. An act for the relief of Patrick J. Mulcahey; to the Committee on Military Affairs.

S. 255. An act for the relief of Margaret L. Carleton; to the Committee on Foreign Affairs.

S. 417. An act for the relief of Fred M. Munn; to the Committee on Military Affairs.

S. 488. An act for the relief of Michael Ilitz; to the Committee on Military Affairs.

S. 546. An act for the relief of Miles Thomas Barrett; to the Committee on War Claims.

S. 547. An act for the relief of Alfred W. Kliefoth; to the Committee on Claims.

S. 823. An act for the relief of Benjamin H. Southern; to the Committee on Military Affairs.

S. 1095. An act for the relief of the officers of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; to the Committee on Military Affairs.

S. J. Res. 24. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital; to the Committee on Military Affairs.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3247. An act to provide for loans to farmers for crop production and harvesting during the year 1935, and for other purposes.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 3247. An act to meet the conditions created by the 1934 drought, and to provide for loans to farmers in drought- and storm-stricken areas, and for other purposes; and

H. J. Res. 58. Joint resolution to provide for defraying the expenses of the American section, International Boundary Commission, United States and Mexico.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 19 minutes p. m.) the House, pursuant to its order heretofore entered, adjourned until Tuesday, February 12, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

204. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Capitol Police, for the fiscal year 1936, in the sum of $42,518 (H. Doc. No. 96); to the Committee on Appropriations and ordered to be printed.

205. A letter from the quartermaster general of the United Spanish War Veterans, transmitting proceedings of the stated convention of the Thirty-sixth National Encampment of the United Spanish War Veterans, held at Pittsburgh, Pa., August 19–23, 1934 (H. Doc. No. 44); to the Committee on Military Affairs and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. NORTON: Committee on the District of Columbia. House Joint Resolution 130. Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Shrine Committee, Inc., and for other purposes; with amendment (Rept. No. 88). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. H. R. 5292. A bill to provide for the measurement of vessels using the Panama Canal, and for other purposes; without amendment (Rept. No. 91). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. NORTON: Committee on the District of Columbia. H. R. 4996. A bill to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff; without amendment (Rept. No. 87). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 1637. A bill for the relief of Harrison Brainard, alias Harry White; without amendment (Rept. No. 89). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 3558. A bill for the relief of Capt. Walter S. Bramble; without amendment (Rept. No. 90). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 4597) granting a pension to Ida L. Becker, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLENBOGEN: A bill (H. R. 5534) to provide for unemployment compensation in the District of Columbia, make appropriations, and for other purposes; to the Committee on the District of Columbia.

By Mr. BACHARACH: A bill (H. R. 5535) to amend the act entitled "An act to authorize production-credit associations to make loans to oyster planters", approved June 18, 1934; to the Committee on Agriculture.

By Mr. BACON: A bill (H. R. 5536) to repeal section 55 (b) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. DIMOND: A bill (H. R. 5537) to provide for the construction and operation of a vessel for use in research with respect to the fisheries of the Pacific Ocean, Bering Sea, and the waters of Alaska; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. GREEVER: A bill (H. R. 5538) granting a leave of absence to settlers of homestead lands during the year 1935; to the Committee on the Public Lands.

By Mr. HAMLIN: A bill (H. R. 5539) to provide for the erection of a sea wall and promenade at Old Orchard, Maine; to the Committee on Rivers and Harbors.

By Mr. HOBBS: A bill (H. R. 5540) excepting the imposition of demurrage charged on collect-on-delivery parcels exchanged between the continental and island possessions; to the Committee on the Post Office and Post Roads.

By Mrs. JENCKES of Indiana: A bill (H. R. 5541) to provide for the regulation of the display of the American flag on buildings of the Government of the United States and government of the District of Columbia; to the Committee on the Judiciary.

By Mr. KING: A bill (H. R. 5542) to amend an act entitled "An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes"; to the Committee on Banking and Currency.

By Mr. LLOYD: A bill (H. R. 5543) to protect agriculture and agricultural products; to the Committee on Agriculture.

By Mr. RAMSPECK: A bill (H. R. 5544) to establish a national military park to commemorate the battles fought around Atlanta, in the State of Georgia; to the Committee on Military Affairs.

Also, a bill (H. R. 5545) to alleviate the hazards of unemployment, to establish a Federal Unemployment Insurance Board, and to raise revenue; to the Committee on Ways and Means.

By Mr. RANKIN: A bill (H. R. 5546) for the erection of a public building at Columbus, Lowndes County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. ROMJUE: A bill (H. R. 5547) to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near Saint Francisville, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. DELANEY: A bill (H. R. 5548) to amend section 5 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 3, 1925, to authorize the payment of a per diem in connection with naval aerial surveys and flight checking of aviation charts; to the Committee on Naval Affairs.

By Mr. DUNN of Pennsylvania: A bill (H. R. 5549) for workers' health insurance; to the Committee on Ways and Means.

By Mr. YOUNG: Resolution (H. Res. 106) directing the Secretary of the Treasury to transmit to the Ways and Means Committee of the House the names and addresses of all individuals and corporations who own and have in their possession tax-exempt securities of the United States in the amount of $100,000 or more, and for other purposes; to the Committee on Ways and Means.

By Mr. RANKIN: Concurrent resolution (H. Con. Res. 10) providing that the reports pursuant to Public Resolution No. 18, Seventy-third Congress, second session, be printed, with accompanying illustrations, as a document; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 5550) for the relief of Malachy Ryan; to the Committee on Claims.

By Mr. ASHBROOK: A bill (H. R. 5551) granting a pension to Alice R. Smith; to the Committee on Invalid Pensions.

By Mr. BRUNNER: A bill (H. R. 5552) for the relief of Cornelius T. Miller; to the Committee on Claims.

By Mr. BUCKLER of Minnesota: A bill (H. R. 5553) granting a pension to Bert R. Hedquist; to the Committee on Pensions.

By Mr. COLE of New York: A bill (H. R. 5554) granting an increase of pension to Ella J. Winegar; to the Committee on Invalid Pensions.

By Mr. EKWALL: A bill (H. R. 5555) for the relief of Arthur C. Callan; to the Committee on Claims.

By Mr. GRISWOLD: A bill (H. R. 5556) granting a pension to Ula M. Hoover; to the Committee on Pensions.

By Mr. LAMBETH: A bill (H. R. 5557) for the relief of Marion Shober Phillips; to the Committee on Claims.

By Mr. McKEOUGH: A bill (H. R. 5558) for the relief of Clarence F. Jobson; to the Committee on Military Affairs.

Also, a bill (H. R. 5559) to authorize settlement, allowance, and payment of certain claims; to the Committee on Claims.

Also, a bill (H. R. 5560) granting a pension to Ella F. Stewart; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5561) granting a pension to Sarah Nantz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5562) granting a pension to Alice S. Middleton; to the Committee on Pensions.

Also, a bill (H. R. 5563) granting a pension to Pearl Sames; to the Committee on Pensions.

By Mr. SEARS: A bill (H. R. 5564) for the relief of Capt. Russell Willson, United States Navy; to the Committee on Naval Affairs.

By Mr. SHANLEY: A bill (H. R. 5565) for the relief of Samuel Chaplovitz; to the Committee on Naval Affairs.

By Mr. SHORT: A bill (H. R. 5566) granting a pension to Katie A. Smith; to the Committee on Invalid Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 5567) to grant honorable discharge to Wesley Stevenson, deceased; to the Committee on Military Affairs.

By Mr. TARVER: A bill (H. R. 5568) granting an increase of pension to Mary J. Hobgood; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 5569) granting an increase of pension to Sarah E. Barber; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 5570) for the relief of the La Crosse Breweries, Inc.; to the Committee on Claims.

By Mr. DIMOND: Joint resolution (H. J. Res. 163) authorizing a preliminary examination or survey of Kake Harbor, Alaska; to the Committee on Rivers and Harbors.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

964. By Mr. BACHARACH: Resolution adopted by the Lieutenant J. Willis Gale Post, No. 215, Veterans of Foreign Wars, Atlantic City, N. J., calling for the cancelation of citizenship of those American citizens who took part in the voting of the Saar district in Europe; to the Committee on Immigration and Naturalization.

965. By Mr. BUCKLER of Minnesota: Petition of Emil Allenson, secretary, and other members of the Townsend Old-Age Pension Club, of Henning, Minn., praying for passage into law of the Townsend old-age-pension plan; to the Committee on Ways and Means.

966. Also, petition of Wilson E. Nelson, president, and Ross Clarno, secretary, and about 200 other members of the Townsend Old-Age Pension Revolving Club, of Parkers Prairie, Minn., praying for passage into law of the Townsend old-age pension plan; to the Committee on Ways and Means.

967. By Mr. CULKIN: Petition of certain citizens of Fulton, N. Y., favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Labor.

968. By Mr. CULLEN: Petition of the Legislature of the State of New York, requesting Congress to give consideration to amendments to the War Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk insurance policy in the exact proportionate amount of his disability rating for compensation purposes; to the Committee on World War Veterans' Legislation.

969. Also, petition of the Legislature of the State of New York, urging the Federal Government to make available to the several drought-stricken counties of western and northern New York sufficient hay and other roughage so that the farmers of such counties may maintain their herds the rest of the winter; to the Committee on Agriculture.

970. Also, petition of the Legislature of the State of New York, requesting that the Hamilton Avenue-Governor's Island Battery vehicular tunnel project should be included in the Federal public works now being formulated by the Federal Government and the Secretary of the Interior of the United States and all other public officials and duly constituted bodies having control of all or part of such Public Works program are hereby urged to take appropriate action to include such tunnel project therein; to the Committee on Appropriations.

971. Also, petition of the Legislature of the State of New York, requesting Congress to expedite the passage of House bill no. 6; to the Committee on the Post Office and Post Roads.

972. Also, petition of the Legislature of the State of New York, requesting Congress to adopt social security legislation; to the Committee on Ways and Means.

973. By Mr. KENNEY: Petition of the New Jersey Association of Credit Men favoring sound money; to the Committee on Coinage, Weights, and Measures.

974. By Mr. KERR: Petition of the Senate and House of Representatives in the State of North Carolina, memorializing the Congress of the United States to enact legislation to take the profit out of war; to the Committee on Military Affairs.

975. By Mr. KRAMER: Petition of the Los Angeles City Council, relative to providing for the Nation-wide telephone investigation by the Communications Commission; to the Committee on Interstate and Foreign Commerce.

976. Also, resolution of the Greater Hollywood Taxpayers' Association, relative to use of the Union Terminal for any purpose other than the Union Station grounds, etc.; to the Committee on Public Buildings and Grounds.

977. Also, resolution of the Board of City Planning Commissioners of Los Angeles, relative to the proposed action of the Procurement Division of the Treasury Department and the Post Office Department to purchase that portion of the Union Terminal grounds immediately north of the Union Station, etc.; to the Committee on the Post Office and Post Roads.

978. By Mr. LAMNECK: Petition of the Reverend D. L. Browning, of the Grandview Methodist Episcopal Church, and a number of citizens of Columbus, Ohio, urging for the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

979. By Mr. LEWIS of Maryland: Petition of certain citizens of Allegany County, Md., referring to old-age pension legislation; to the Committee on Ways and Means.

980. By Mr. HULL: Resolution of both houses of the Wisconsin Legislature, memorializing the Congess of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Library.

981. Also, resolution of both houses of the Wisconsin Legislature, relating to the immediate cash payment of the veterans' adjusted-service certificates and the cancelation of accrued interest and refund of interest paid thereon; to the Committee on Ways and Means.

982. Also, resolution of both houses of the Wisconsin Legislature, memorializing Congress to continue investigation into activities of munition manufacturers and to publish the findings and recommendations of the Senate committee thereon; to the Committee on Military Affairs.

983. Also, resolution of both houses of the Wisconsin Legislature, requesting the Congress of the United States to advise the Legislature of Wisconsin as to the effect upon Congress of resolutions memorializing that body; to the Committee on Rules.

984. By Mr. KRAMER: Resolution of the Bar Association of Los Angeles, relative to two additional district judges for the southern district of California; to the Committee on the Judiciary.

985. By Mr. O'CONNELL: Resolution of the general assembly, recommending to Congress the passage of legislation providing for the payment of adjusted-service certificates at their face value; to the Committee on Ways and Means.

986. Also, resolution requesting the Senators and Representatives of Rhode Island in the Congress of the United States to use their efforts to secure the passage of legislation which will ameliorate suffering caused by textile conditions in this State; to the Committee on Labor.

987. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to authorize the Senate investigating committee, inquiring into activities of munitions manufacturers, to continue such investigation, and to publish in the CONGRESSIONAL RECORD, or in such other manner as will reach the reading public, the substance of its findings and the recommendations of said committee as a result of such findings; to the Committee on Military Affairs.

988. Also, memorial of the Legislature of the State of Wisconsin, requesting the Congress of the United States to advise the Legislature of Wisconsin as to the effect upon Congress of resolutions memorializing that body; to the Committee on Rules.

989. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to provide relief for farmers in the drought-stricken agricultural areas in Wisconsin; to the Committee on Agriculture.

990. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the Congress of the United States; to the Committee on the Library.

991. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to promptly enact legislation providing for the immediate cash payment of the veterans' adjusted-service certificates, with cancelation of accrued interest and refund of interest paid; to the Committee on Ways and Means.

992. By Mr. PFEIFER: Petition of the National Council of Business Mail Users, Inc., New York City, favoring restoration of 2-cent letter postage rate as of July 1, 1935; to the Committee on the Post Office and Post Roads.

993. By Mr. PLUMLEY: Resolution of the Vermont Highway Transport Council, Inc., requesting that the Federal gasoline tax at the close of the present fiscal year, on June 30, 1935, and the taxation of gasoline hereafter be left to the States for their exclusive use as a means of providing funds for highway; to the Committee on Ways and Means.

994. By Mr. POLK: Petition of John E. Aeh, secretary of the Boot and Shoe Workers Local, No. 385, and 120 other citizens of Scioto County, Ohio, favoring the 30-hour week with increased wages for all industries; continuance of the National Recovery Administration, especially section 7–A, interpreted to support majority rule; labor representation on all code authorities; the Wagner bill to outlaw company unions; and unemployment insurance so drafted that all without work be eligible, including strikers; to the Committee on Labor.

995. By Mrs. ROGERS of Massachusetts: Petition of the city council and mayor of the city of Lowell, Mass., asking that the granite industries participate in the appropriations for Federal public works; to the Committee on Appropriations.

996. By Mr. ROGERS of Oklahoma: Petitions of 197 citizens and residents of Stephens County, Okla., urging the enactment of House bill 2856 embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

997. Also, petitions of 133 citizens and residents of Iowa, urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

998. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin, requesting the Congress of the United States to advise the Legislature of Wisconsin as to the effect upon Congress of resolutions memorializing that body; to the Committee on Rules.

999. Also, joint resolution of the State of Wisconsin relating to the immediate cash payment of the veterans' adjusted-service certificates and the cancelation of accrued interest and refund of interest paid thereon; to the Committee on Ways and Means.

1000. Also, joint resolution of the State of Wisconsin memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Library.

1001. Also, joint resolution of the State of Wisconsin, memorializing Congress to continue investigation into activities of munitions manufacturers and to publish the findings and recommendations of the Senate committee thereon; to the Committee on Military Affairs.

1002. By Mr. STEFAN: Resolution adopted by the Nebraska State Senate, memorializing the Congress of the United States to pass the General Pulaski Memorial Day resolution now pending in Congress; to the Committee on the Library.

1003. By Mr. THOMASON: Petition of residents of El Paso County, Tex., endorsing the Townsend plan of old-age pension legislation; to the Committee on Ways and Means.

1004. Also, petition of the residents of Ector County, Tex., endorsing the Townsend plan of old-age pensions; to the Committee on Ways and Means.

1005. Also, petition of the residents of Reagan County, Tex., endorsing the Pope plan of old-age pension legislation; to the Committee on Ways and Means.

1006. By Mr. TURNER: Petitions from 5 residents of Lawrence County, 1 resident of Dickson County, 4 residents of Hickman County, 9 residents of Giles County, 3 residents of Wayne County, 2 residents of Williamson County, 1 resident of Maury County, all of the State of Tennessee, requesting passage of Dr. J. E. Pope old-age pension bill; to the Committee on Ways and Means.

1007. By Mr. WERNER: Petition of citizens and residents of Bonesteel, Gregory County, S. Dak., favoring legislation covering star routes that will eliminate competitive bidding and provide adequate compensation for services rendered by star-route contract carriers; to the Committee on the Post Office and Post Roads.

1008. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to continue investigation into activities of munition manufacturers and to publish the findings and recommendations of the Senate committee thereon; to the Committee on Military Affairs.

1009. Also, memorial of the Legislature of the State of Wisconsin, relating to the immediate cash payment of the veterans' adjusted-service certificates and the cancelation of accrued interest and refund of interest paid thereon; to the Committee on Ways and Means.

1010. Also, memorial of the Legislature of the State of Wisconsin, requesting the Congress of the United States to advise the Legislature of Wisconsin as to the effect upon Congress of resolutions memorializing that body; to the Committee on Rules.

1011. Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Library.

1012. By Mr. WOLCOTT: Petition of Walter Boesenecker, of Vassar, Mich., and 49 others, all residents of Tuscola County, Mich., urging the prompt enactment into law of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1013. By Mr. NICHOLS: Petition of numerous citizens of Oklahoma, urging support of House bill 2856; to the Committee on Ways and Means.

1014. By the SPEAKER: Petition of the Corona Community Council, regarding the manufacture and sale of arms; to the Committee on Military Affairs.

1015. Also, petition of the Unity Democratic League of Brooklyn, N. Y.; to the Committee on Foreign Affairs.

SENATE

MONDAY, FEBRUARY 11, 1935

(Legislative day of Thursday, Feb. 7, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, February 8, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had passed a bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	Pope
Ashurst	Coolidge	Johnson	Radcliffe
Austin	Copeland	Keyes	Reynolds
Bachman	Costigan	King	Robinson
Bailey	Couzens	Logan	Russell
Bankhead	Cutting	Lonergan	Schall
Barbour	Davis	Long	Schwellenbach
Barkley	Dieterich	McAdoo	Sheppard
Bilbo	Donahey	McCarran	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Thomas, Utah
Bulkley	Gerry	Metcalf	Townsend
Bulow	Gibson	Minton	Trammell
Burke	Glass	Murphy	Truman
Byrd	Gore	Murray	Tydings
Byrnes	Guffey	Neely	Vandenberg
Capper	Hale	Norris	Van Nuys
Caraway	Harrison	Nye	Walsh
Carey	Hastings	O'Mahoney	Wheeler
Clark	Hatch	Pittman	White

Mr. ROBINSON. I wish to announce that the Senator from Louisiana [Mr. OVERTON] is absent from the Senate because of illness, and that the Senator from New Jersey [Mr. MOORE] and the Senator from New York [Mr. WAGNER] are detained on official business.

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. LEWIS] is absent on important departmental business.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from South Dakota [Mr. NORBECK] are necessarily absent.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

REPORT OF THE COMPTROLLER OF THE CURRENCY

The VICE PRESIDENT laid before the Senate a letter from the Comptroller of the Currency, transmitting, pursuant to law, the Annual Report of the Comptroller for the year ended October 31, 1934, which, with the accompanying report, was referred to the Committee on Banking and Currency.

CLAIM OF MAY C. GUSTIN

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, submitting, pursuant to law, his report and recommendations on the claim of May C. Gustin (which was transmitted to his office by the Secretary of the Navy), covering property damage arising from the explosion at the naval ammunition depot at Lake Denmark, N. J., which, with the accompanying paper, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolutions of the Legislature of the State of Arkansas, which were referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution 4

A resolution to aid distressed farms

Whereas as a large number of farms are now heavily indebted; and

Whereas the Federal Land Bank of St. Louis and the land bank commissions are relieving only about 15 percent of the farms so encumbered; and

Whereas the Frazier-Lemke bill now pending in Congress, if passed, will provide for another farm-lending agency which will loan up to 90 percent of the appraised value of the farm, which will save many farm homes to the farmers now living on them: Therefore be it

Resolved, That we, the House of Representatives of the State of Arkansas, assembled, the senate concurring therein, ask that this bill be passed at as speedily a time as possible.

A true, compared, and correct copy.

[SEAL] H. P. SMITH, *Chief Clerk.*

House Concurrent Memorial 5

Memorial to the Congress of the United States of America to enact the Frazier-Lemke farm refinance bill (S. 212 and H. R. 2066)

To the honorable Senate and House of Representatives of the United States of America:

Whereas, unless immediate relief is given, thousands of additional farmers will lose their farms and homes and thousands more will be forced into our cities and villages, and the army of unemployed will necessarily increase to alarming proportions; and

Whereas there is no adequate way of refinancing all existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors throughout this State and Nation; and

Whereas the Frazier-Lemke refinance bill, being S. 212 and H. R. 2066 in the Congress of the United States, provides for liquidating and refinancing of agricultural indebtedness at a reduced rate of interest through the Farm Credit Administration and the Federal land banks; and

Whereas the Frazier-Lemke bill has the endorsement of 22 State legislatures and in addition the lower houses of the States of New York and Delaware and of many commercial clubs, chambers of commerce, bank organizations, and of business and professional men and women, as well as the great majority of the farmers of this Nation; and

Whereas recovery in all lines of business is being retarded by the lack of adequate relief for agriculture, which is the basic industry of this country, and unless credit is extended so that the farm indebtedness can be refinanced at a low rate of interest and long terms of payment, normal business conditions are not likely to be restored and there can be no recovery until agriculture is put upon a sound basis; and

Whereas the enactment of this bill will have a vital effect not only upon agriculture but upon all classes of industry: Therefore be it

Resolved, That the House of Representatives of the Fiftieth General Assembly of the State of Arkansas, the senate concurring, memorialize the Congress of the United States to immediately pass the Frazier-Lemke bill (S. 212 and H. R. 2066); be it further

Resolved, That the chief clerk of the house of representatives forward at once a copy of this memorial to the President of the Senate and the Speaker of the House of Representatives of the United States and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator LYNN J. FRAZIER and Congressman WILLIAM LEMKE.

A true, compared, and correct copy of house concurrent memorial no. 5.

[SEAL] H. P. SMITH, *Chief Clerk.*

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Agriculture and Forestry:

Assembly Joint Resolution 18

Relative to memorializing the President and Congress to enact such legislation as shall be necessary to acquire the petrified redwood forest in Sonoma County, Calif., for the purpose of establishing it as a national park and monument

Whereas there is existent in the county of Sonoma, State of California, one of nature's great phenomena in the form of a redwood forest which has become petrified; and

Whereas it is a matter of almost common knowledge that but one other petrified forest exists in the United States, it consisting of trees other than redwood; and

Whereas countless numbers of people from the entire length and breadth of the land visit the forest by reason of its great natural interest; and

Whereas the establishment of the area embracing the trees as a park and monument would require a great amount of excavation by manual labor and thereby provide work for a considerable number of men; and

Whereas there would result a great benefit to science and the study of paleontology by adding the area to our permanently preserved institution; and

Whereas the virtue of preserving and developing the area containing the forest in the interests of the people of this State and of those of all other States is almost self-evident: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President and the Congress of the United States do enact legislation for the purpose of creating the petrified redwood forest as a national park and monument; and be it further

Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Member of the House of Representatives of California in the Congress of the United States, to the Secretary of the Interior, the Director of the Smithsonian Institution, the California State Park Commission, and the department of paleontology at the University of California, and that such Senators and Members from California and others be urged to support such legislation.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Commerce:

Assembly Joint Resolution 33

Relative to memorializing Congress to request the President and the Congress of the United States to invite the people of the world to participate in the San Francisco Bay Bridge Exposition to be held at the city and county of San Francisco, State of California, during the year 1938

Whereas two great bridges of world renown will be completed on or about the 1st day of January 1938, spanning San Francisco Bay, connecting the city and county of San Francisco with Marin and Alameda Counties; and

Whereas the erection of these two bridges is a monumental achievement of civilization; and

Whereas it is befitting that the people of the world be invited to celebrate the completion thereof: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California most respectfully urges and requests the President and the Congress of the United States to invite the people of the world to participate in said San Francisco Bay Bridge Exposition to be held in said year 1938; and be it further

Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in Congress of the United States, and that such Senators and Members from California be urged to support such exposition.

The VICE PRESIDENT also laid before the Senate the following joint resolutions of the Legislature of the State of California, which were referred to the Committee on Finance:

Assembly Joint Resolution 8

Memorializing Congress to grant consent to taxation by the several States of certain interstate sales

Whereas necessity for property-tax relief is imperative in California as well as in other States throughout the Union; and

Whereas 26 States in an effort to afford property-tax relief and to provide revenue for essential functions of government have enacted laws imposing taxes based upon or measured by sales of tangible personal property purchased and delivered in such States; and

Whereas no less than 65 percent of the population of the United States now resides in States with such laws; and

Whereas by virtue of judicial interpretation of the Federal Constitution the States may not levy without the consent of Congress taxes based upon or measured by sales moving in interstate commerce; and

Whereas as a result of such an interpretation there is a discrimination in favor of interstate sales as against intrastate sales; and

Whereas such discrimination if permitted to continue will tend to divert business from normal channels in California and elsewhere throughout the Union, thus subjecting local merchants to unfair competition; and

Whereas it is of vital importance to the welfare of the people of the United States that all things be done to promote the stability of local business in order that the financial structure of California and other States throughout the Union may be preserved; and

Whereas it rests within the power of Congress to permit the States to levy nondiscriminatory taxes upon sales in interstate commerce; and

Whereas the Honorable PAT HARRISON, Senator from Mississippi, introduced a measure at the second session of the Seventy-third Congress designed to afford the States relief in this matter, and reading as follows:

"S. 2897

"An act to regulate interstate commerce by granting the consent of Congress to taxation by the several States of certain interstate sales

"*Be it enacted, etc.*, That all taxes or excises levied by any State upon sales of tangible personal property, or measured by sales of tangible personal property, may be levied upon, or measured by, sales of like property in interstate commerce, by the State into which the property is moved for use or consumption therein, in the same manner, and to the same extent, that said taxes or excises are levied upon or measured by sales of like property not in interstate commerce and no such property shall be exempt from such taxation by reason of being introduced into any State or Territory in original packages, or containers, or otherwise: *Provided*, That no State shall discriminate against sales of tangible personal property in interstate commerce, nor shall any State discriminate against the sale of products of any other States: *Provided further*, That no State shall levy any tax or excise upon, or measured by, the sales in interstate commerce of tangible personal property transported for the purpose of resale by the consignee: *Provided further*, That no political subdivision of any State shall levy a tax or excise upon, or measured by, sales of tangible personal property in interstate commerce. For the purposes of this act a sale of tangible personal property transported, or to be transported, in interstate commerce shall be considered as made within the State into which such property is to be transported for use or consumption therein, whenever such sale is made, solicited, or negotiated in whole or in part within that State.

"SEC. 2. Receivers, liquidators, referees, and other officers of any court of the United States are required to pay all taxes and licenses levied by any State or subdivision thereof the same as corporations, partnerships, concerns, persons, or association of persons are required to pay the same"; and

Whereas said measure was passed by the Senate on March 15, 1934, but was not voted upon by the House of Representatives and hence did not become law; and

Whereas need for such legislation is imperative in order to correct grave injustice in California and in all other States throughout the Union where taxes are based upon or measured by sales of tangible personal property: Now, therefore, be it

Resolved by the Assembly of the State of California (the senate thereof concurring), That the Congress of the United States be, and it is hereby memorialized to give relief to the State of California and all other States imposing taxes based upon or measured by sales of tangible personal property by immediately providing for the regulation of interstate commerce through granting consent to taxation by the several States of certain interstate sales as provided by the measure (S. 2897) introduced by Senator HARRISON during the second session of the Seventy-third Congress; and be it further

Resolved, That copies of this resolution be sent to the presiding officers of the legislative bodies of all other States of the United States, with the request that they transmit similar memorials to Congress, and that copies of this resolution be transmitted to the President of the United States, to the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, to each of the Members from California of the Senate and the House of Representatives of the United States, and to the Honorable PAT HARRISON, United States Senator from Mississippi, author of the measure which would afford the States relief in this important matter.

Assembly Joint Resolution 17

Relative to memorializing the President and the Congress of the United States to not impair the flax industry of the Western States by reciprocal tariff arrangements with any country so as to lower the duty on flax

Whereas a comparatively new and extensive industry has arisen in the Western States in the propagation and cultivation of flax; and

Whereas the acreage planted to flax in California alone has increased from approximately 80 acres to over 50,000 acres under cultivation in the last 3 years; and

Whereas this tremendous percentage of increase in this short space of time merits serious consideration before any reduction in tariffs is contemplated; and

Whereas this infant industry has grown with such rapidity that in a few short years it bids to surpass, at the present rate of increase, all major crops of the Western States: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President and the Congress of the United States be memorialized and respectfully urged to carefully consider the interests of the farmers who have entered this new industry, and that no reciprocal tariff arrangements be entered into by this Nation with other countries which shall lower the tariff rates applicable to the flax industry; and be it further

Resolved, That the chief clerk of the assembly is hereby requested to transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully requested and urged to protect the flax industry of the Western States and in particular the industry in California.

Assembly Joint Resolution 24

Relative to uniform taxation of petroleum-producing property

Whereas there is a lack of uniformity in the methods of appraising and taxing petroleum-producing property by the various taxing units of the State of California and the various petroleum-producing States of the United States; and

Whereas it is desirable that the present inequities be remedied; and

Whereas it may be desirable and practicable to adopt uniform methods and rates of taxation upon such property by the several oil-producing States: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California hereby requests the American Legislators' Association to call a conference of the representatives of the oil-producing States with a view to formulating uniform legislation and methods of taxing petroleum-producing property; be it further

Resolved, That if such a conference is called the delegates from the State of California shall consist of a member of the assembly, to be appointed by the speaker, a member of the senate, to be appointed by the president of the senate, a member to be appointed by the Governor; be it further

Resolved, That a copy of this joint resolution be transmitted to the American Legislators' Association, to the Governors of the petroleum-producing States, and the presidents of the senate and speakers of said States with the request that they submit it for action by the legislatures of their States.

Assembly Joint Resolution 29

Relative to fostering and protecting grape and wine industries

Whereas the grape and wine industries provide a livelihood for upwards of 150,000 persons, comprising grape growers, winery workers and their dependents in California, in addition to many thousands in other States and in addition to many thousands employed in various allied industries in this State and elsewhere; and

Whereas these industries, after 15 years of compulsory stagnation due to the prohibition laws, are now again in a position to recover their losses and to contribute greatly to the public welfare because the industries above named already comprise the second largest agricultural pursuit in California with in excess of 500,000 acres of vineyards and 654 wineries in active operation, altogether representing an investment exceeding $420,000,000; and

Whereas the increasing use of wine as an article of food in certain major consuming centers, including California, offers the most promising available means of increasing the prosperity and speeding the agricultural, industrial, and business recovery of this State, and also holds promise of developing the grape and wine industries into the greatest industries of California; and

Whereas the principal obstacle now delaying the extensive development and, in fact, seriously hampering the present recovery of these industries is the blocking of the wine distribution channels, in many parts of the Nation, by certain types of excessive taxation, excessive licensing, and regulatory restrictions, which obstacle is created almost entirely by the widely prevalent misunderstanding of the true function of wine, which is, in fact, an integral part of the diet, entitled to be classified and treated as a food rather than as a liquor; and

Whereas such obstacles to wine distribution act to increase the cost of wine beyond the average family's food budget, and also to prevent the product from being made conveniently available for use in the home, therefore working a discrimination against consumers of ordinary means by placing wine in a luxury class, in which it is available only to a wealthy few; and

Whereas the experience of the State of California, which has during the past year received in excess of $250,000 in revenue from a reasonable tax upon wine, has demonstrated that a reasonable tax upon wine can return a larger net revenue to a taxing unit than can be obtained from an excessive tax which hampers distribution: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully urges the President and Congress of the United States and California's Senators and Representatives in Congress to do all in their power to remove all unwarranted obstacles to wine distribution, so that the recovery and the Nation-wide growth of the grape and wine industry may be encouraged in this State, as well as in other States, and so that consumers of average means may be enabled to obtain wine conveniently and at reasonable prices within the family food budget; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Vice President, the Speaker of the House of Representatives of the Congress of the United States, and to California's Senators and Representatives in Congress.

Assembly Joint Resolution 35

Relating to memorializing Congress to consider the almond industry of California and to maintain the existing tariff regulations thereon

Whereas the growing and marketing of almonds is one of California's great agricultural industries; and

Whereas this is a specialty crop, not always fully understood by those unfamiliar with California conditions, and with great present and future possibilities; and

Whereas this industry annually provides the livelihood for our 5,000 growers, together with their dependents, and their employees,

and in addition the partial livelihood of all who furnish services and supplies, to the total of many times the above figure; and

Whereas the reciprocal trade agreements proposed between this country and Italy and Spain threaten this industry with disaster, if not actual extinction: Therefore be it

Resolved, That the Assembly of the State of California and the Senate, jointly, do hereby memorialize Congress to give this matter immediate and serious consideration, and to maintain the tariff protection which is the only safeguard of this important California industry; and be it further

Resolved, That copies of the resolution be sent to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, the Senators from California, and all Members of the California delegation in Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on the Judiciary:

Assembly Joint Resolution 21

Relative to memorializing and petitioning Congress to enact legislation adequate to stamp out and abolish the evil of lynching

Whereas during the last few years, and throughout the Nation as a whole, there have been many lynchings and attempts at lynchings; and

Whereas there is inadequate legislation by the United States and among the several States to discourage lynching; and

Whereas proper legislation by the Congress of the United States would have a salutary effect and would greatly tend to decrease the number of lynchings and attempts at lynchings; and

Whereas it has been definitely proved that legislation by the United States of America with regard to other crimes has tended to decrease such crimes, and that public protection now demands that the United States extend its legislation to this field of crime: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California hereby memorializes and petitions Congress to enact adequate legislation to decrease and abolish mob violence and lynching; and be it further

Resolved, That a copy of this joint resolution be transmitted to the President of the United States, to the Vice President of the United States, and to each Member of the Senate and the House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Military Affairs:

Assembly Joint Resolution 36

Relative to memorializing Congress to enact proposed legislation commonly known as "universal draft" in time of war

Whereas the young men of America were called from their useful occupations during the World War to shoulder arms in the defense of our country and to make the great sacrifice of time, strength, health and even life itself while certain others not required to make these great sacrifices were exploiting our Government and our citizens; and

Whereas during this national emergency, profiteering by individuals, firms, and corporations who looted the Government and gouged our citizens was so prevalent as to become a stain upon our national honor; and

Whereas the Munitions Committee of the United States Senate has recently disclosed the huge profits made by munition, shipbuilding, and other wartime contractors; and

Whereas it is fair and just that every resource of this Nation, in addition to men to bear arms, should be available without private profit or gain for national defense in time of war and that Congress should provide for the conscription of every citizen and of all money, industries, and property of whatsoever nature necessary for the prosecution thereof: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California most respectfully urges and petitions the President of the United States and the Congress of the United States to enact such legislation necessary to accomplish the universal conscription in time of war of the material resources, industrial organizations, and services of our Nation which is necessary to the successful termination of such emergency and to the end that all semblance of profit shall be eliminated therefrom; and be it further

Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California be urged to support such legislation.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Post Offices and Post Roads:

Assembly Joint Resolution 12

Relative to memorializing Congress to enact proposed legislation directing repeal of section 15 of the Black-McKellar Act

Whereas California and the entire Pacific coast now enjoy safe, fast, and efficient air transportation service through the coast division of an airplane carrier system which carries the mail; and

Whereas unless repealed by Congress before March 1 section 15 of the Black-McKellar Act will require that said system give up its mail contract, leading to service abandonment; and

Whereas there has been introduced in Congress by Representative FRANK H. BUCK, California, legislation to repeal section 15 of the Black-McKellar Act; and

Whereas business and the traveling public of the Pacific coast require an airplane transportation service of proven dependability, and to that end has urged in numerous resolutions by public bodies the repeal of section 15 of the Black-McKellar Act: Now, therefore, be it

Resolved by the Assembly of the State of California (the senate concurring), That the Legislature of the State of California does hereby petition the Congress of the United States to repeal, prior to March 1, 1935, section 15 of the Black-McKellar Act; and further be it

Resolved, That duly authenticated copies of this resolution be sent forthwith to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Members of Congress from the State of California.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Public Lands and Surveys:

Senate Joint Resolution 1

Relative to memorializing Congress to provide compensation, in lieu of taxes, for certain lands of the United States within the borders of the several States

Whereas the United States Government has withdrawn and set apart within permanent national parks or forests, enormous tracts of land, approximately 19,000,000 acres in the State of California alone; and

Whereas among other reasons, this has been made possible by the owners of timber-land tradings, in their "cut over" lands to the Government for selected "cuttings"; and

Whereas the United States Government pays no taxes on such lands resulting in throwing a heavy tax burden on privately owned property in the same political subdivision: Now, therefore, be it

Resolved by the senate and assembly, jointly, That Congress is urgently requested to appropriate sufficient money so that a sum of 5 cents per acre per year may be paid, in lieu of taxes, to the political subdivisions in which such lands belonging to the United States are situated; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Vice President, the Speaker of the House of Representatives, and each of the Members from California of the Senate and House of Representatives of the United States.

GEORGE J. HATFIELD,
President of the Senate.
J. A. BEEK,
Secretary of the Senate.
EDWARD CRAIG,
Speaker of the Assembly.
ARTHUR A. OHNIMUS,
Chief Clerk of the Assembly.

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho, favoring the enactment of legislation to correct the marketing system, in the interest of relief of distress and encouragement of the livestock and agricultural industries, which was referred to the Committee on Agriculture and Forestry.

(See joint memorial printed in full when presented today by Mr. POPE, p. 1779.)

The VICE PRESIDENT also laid before the Senate the following resolution of the Senate of the State of Illinois, which was referred to the Committee on the Judiciary:

STATE OF ILLINOIS,
FIFTY-NINTH ASSEMBLY, 1935,
SENATE.

Senate Resolution 16

Whereas since 1882 there have been 5,068 persons lynched in the United States with less than a dozen convictions resulting therefrom, and, moreover, that in each of these convictions only nominal prison terms were given the lynchers; and, furthermore, during the year 1934 there were a total of 18 lynchings, which is a travesty on justice in our country; and

Whereas further miscarriage of justice should be prevented: Now, therefore, be it

Resolved, by the Senate of the Fifty-ninth General Assembly of Illinois, That Congress is respectfully importuned to enact the

Costigan-Wagner antilynching bill, which is now before that legislative body; and be it further

Resolved, That copies of this preamble and resolution be forwarded to the President of the United States, the President of the Senate, and Speaker of the House of Representatives of the Seventy-fourth Congress, and to each Congressman and Senator from Illinois.

Introduced January 30, 1935.
Adopted February 5, 1935.

THOMAS F. DONOVAN,
President of the Senate.
A. E. EDEN,
Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on Finance:

House Resolution 22

Whereas many thousands of citizens of the State of Illinois who served the United States of America during the World War are in financial distress; and

Whereas the United States has issued to former members of the Army, Navy, and allied service organizations adjusted-service compensation certificates, which are not payable until the year 1945; and

Whereas, due to economic conditions, the payment in full of such certificates will serve a twofold purpose of relieving such distress and increasing the purchasing power of holders therof; and

Whereas there are now pending in the Congress of the United States measures contemplating the immediate payment in full to the holders of such certificates: Now, therefore, be it

Resolved by the House of Representatives of the Fifty-ninth General Assembly of the State of Illinois, That this body go on record as being in favor of the immediate payment in full of all adjusted-service compensation certificates, commonly known as the "bonus"; and be it further

Resolved, That copies of this preamble and resolution be forwarded to the President of the United States, the Clerk of the United States Senate, and the Clerk of the House of Representatives of the Seventy-fourth Congress.

Adopted by the house of representatives February 6, 1935.

JOHN P. DEVINE,
Speaker of the House of Representatives.
HAROLD J. TAYLOR,
Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution memorializing the Congress of the United States of America to enact remedial legislation for refinancing of farm mortgages

Whereas the farmers of the agricultural regions of the United States are financially disabled; and

Whereas many farm lands are heavily mortgaged and the farmers are hopelessly in debt, and many will eventually lose their farms unless relief is given; and

Whereas the prosperity of the United States and its people is dependent upon the well-being of the farmer and his ability to purchase; and

Whereas the gateway to prosperity is the gateway leading from the golden fields of the great agricultural region of the Middle West; and

Whereas the farmer and his dependents cannot and will not spend while attempting to carry a heavy load of indebtedness; and

Whereas the prosperity of the agricultural regions of this country means the prosperity of any whole industry, since the purchase of any machinery and any equipment, as well as clothing and food, will create such a demand that factories would reopen and employ more people; and

Whereas inflation would tend to enable the debtors to get out of debt and to make the whole country more prosperous, as it has done many times before in this country and is now doing in England and other countries; and

Whereas a mild inflation has helped the United States regain its prosperity on numerous occasions and is now helping England and other countries to regain prosperity: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth legislative session assembled—

1. That the Congress of the United States be, and it is hereby respectfully memorialized to enact with all convenient speed such remedial legislation as will provide for refinancing through the Federal farm-loan banks of the whole farm-mortgage debt at an annual interest rate of 1½ percent and an annual amortization charge of 1½ percent of the principal, with balance to be paid in not less than 10 nor more than 20 years; that the funds for this operation shall be obtained through issuance of some $3,500,000,000 in Federal Reserve notes.

2. That a copy of this resolution, properly authenticated and suitably engrossed, be transmitted to the President of the United States, the Clerk of the House of Representatives of the United States, the Secretary of the Senate of the United States, and to each of the Congressmen elected in the State of Nebraska, and that our Congressmen and Senators be urged to use their best offices to prosecute the enactment of such legislation as will accomplish the purposes of this resolution.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on the Judiciary:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October, 1779, is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929; October 11, 1931; October 11, 1932; and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska assembled—

1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Nebraska.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York, memorializing Congress to enact legislation providing for a social security plan of permanent-employment insurance, old-age pensions, and benefits to needy and dependent mothers and children, as proposed in bills introduced by the junior Senator from New York [Mr. WAGNER], which was referred to the Committee on Finance.

(See concurrent resolution printed in full when presented today by Mr. ROBINSON (for Mr. WAGNER.))

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of New York, favoring the prompt passage of the so-called "Rudd bill", being House bill 6, authorizing the Postmaster General to construct underground pneumatic tubes for the transmission of mail between the general post office in Brooklyn and the Floyd Bennett Field, Barron Island, Brooklyn, and five postal stations lying parallel to Flatbush Avenue, etc., which was referred to the Committee on Post Offices and Post Roads.

(See concurrent resolution printed in full when presented today by Mr. ROBINSON (for Mr. WAGNER.))

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress to enact legislation establishing General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

(See joint resolution printed in full when presented by Mr. DUFFY on the 8th instant, pp. 1709–1710, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, seeking the advice of the Congress as to what, if any, benefit the Congress derives from the numerous memorials, in the form of resolutions, which are forwarded to it from the Legislature

of the State of Wisconsin, which was ordered to lie on the table.

(See joint resolution printed in full when presented by Mr. DUFFY on the 8th instant, p. 1710, CONGRESSIONAL RECORD.)

Mr. ROBINSON (for Mr. WAGNER) presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Finance:

STATE OF NEW YORK,
IN ASSEMBLY,
Albany, January 21, 1935.

(By Mr. Killgrew)

Whereas President Franklin D. Roosevelt offered a social security plan of permanent employment insurance, old-age pensions, and benefits to needy and dependent mothers and children, designed to safeguard the average citizen in future periods of depression, and as more fully set forth in his message to Congress on the 17th day of January 1935; and

Whereas, pursuant to such message, United States Senator ROBERT F. WAGNER, of New York, introduced bills in the Congress of the United States seeking to carry out these recommendations: Now, therefore, be it

Resolved (if the senate concur), That Congress be memorialized to adopt the aforesaid bills and recommendations as proposed by Senator WAGNER; and be it further

Resolved (if the senate concur), That a copy of this resolution be transmitted to the Secretary of the Senate and the Clerk of the House of Representatives, and to each Member of Congress and to each Senator elected from the State of New York at Washington, D. C.

By order of the assembly.

HOMER W. STOREY, *Clerk.*

Mr. ROBINSON (for Mr. WAGNER) also presented a concurrent resolution of the Legislature of the State of New York, favoring amendment of the War Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk insurance policy in the exact proportionate amount of his disability rating for compensation purposes, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when laid before the Senate by the Vice President on the 6th instant, p. 1506, CONGRESSIONAL RECORD.)

Mr. ROBINSON (for Mr. WAGNER) also presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Post Offices and Post Roads:

STATE OF NEW YORK,
IN ASSEMBLY,
Albany, January 21, 1935.

(By Mr. Monahan)

Whereas there is pending in the House of Representatives a bill known as the "Rudd bill", House No. 6, authorizing the Postmaster General to construct underground pneumatic tubes for the transmission of mail between the general post office in Brooklyn and the Floyd Bennett Field, Barron Island, Brooklyn, and the five postal stations lying parallel to Flatbush Avenue between these two points, namely: Stations Times Plaza, B, Flatbush, Kensington, and Vanderbilt.

Whereas the construction and operation of such underground pneumatic tubes would be of great convenience to the people of Brooklyn and would greatly expedite the delivery and despatch of air mail in a borough of the city of New York in which is located some of the most enterprising industrial establishments in the United States.

Resolved (if the senate concur), That the Congress of the United States be respectfully requested to expedite the passage of House bill no. 6, and that a copy of this resolution be transmitted to the Secretary of the Senate, the Clerk of the House of Representatives and to each Senator and Member of Congress from New York State.

By order of the assembly.

HOMER W. STOREY, *Clerk.*

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Agriculture and Forestry:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE SENATE.

Senate Joint Memorial 3

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

Whereas within the State of Idaho and Western States similarly situate there are great areas of land devoted to the production of livestock and agricultural products; and

Whereas such areas are remote from the central markets of the United States for such products; and

Whereas by reason of such territorial location areas lying adjacent to the cities of Chicago, Ill., and New York City, and other central marketing areas are enabled to deliver similar products to a market without prohibitive transportation costs; and

Whereas in view of such competition the products of the great producing areas of the State of Idaho and Western States similarly situate must be marketed at prohibitive expense, resulting in frequent and extensive loss of the normal profit which should accrue as an excess of market price over production costs, which loss is occasioned by the necessary payment of freight rates proportioned to distance; and

Whereas the common practice among buyers of such products is to purchase the same f. o. b. Chicago, Ill., for the purpose of determining net returns to producers; and

Whereas by reason of the losses so occasioned and which have now continued for many years the livestock and farming industries of the State of Idaho and other similarly situated States have become impoverished, which condition has been seriously aggravated by the acute national economic distress; and

Whereas it appears that there is now, or will hereafter shortly be, proposed in the Congress of the United States legislation for the purpose of creating and designating marketing termini within the several producing States, to which such produce may be delivered and sold at the market prices current in the city of Chicago, Ill., and for the purpose of providing for payment of freight rates upon actual transportation made in the processing of such products by imposition of a national processing tax upon the goods, wares, and merchandise manufactured from the products aforesaid, and for the payment of such freight charges by the Government of the United States with the proceeds of such processing tax; and

Whereas it appears that large sums of money charged by buyers against producers and deducted from the market value of delivered products for freight charges are so deducted for freight charges never actually incurred or incurred only in part, and that elimination of such expenses will result in great benefit to producers of this and other similarly situated States: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Congress of the United States be, and it is by these presents, respectfully urged to examine into the conditions aforesaid and the said legislation, and to take prompt steps to correct the existent destructive marketing system in the interests of relief of distress and encouragement of the livestock and agricultural industries by enactment of the proposed legislation or such similar legislation as will achieve the said purposes of relief, encouragement and equality; be it further

Resolved, That the secretary of state of the State of Idaho be, and he is hereby, directed to forward copies of this memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and the Senators and Representatives of the Intermountain States.

The plan of operation as outlined in this memorial provides:

1. That price-fixing terminals shall be designated within the producing districts, not less than two in each State, at which the prevailing price at the present market centers shall prevail, to wit: For wheat, market at Chicago; wool market, at Boston; etc.

2. A processing or consumers' tax shall be levied by Congress on the commodity in commerce which shall be sufficient in amount to create a fund out of which all freight charges shall be paid from the designated terminal to the point of destination. This tax may not be charged back against the commodity, but must be passed on as a consumers' tax. The producer will thus pay only that portion of this tax as is reflected in the amount of the respective commodity consumed in his own home. We prefer that this plan shall be administered through the Department of Agriculture.

3. The producer or shipper shall pay the freight charges from the point of loading to the terminal at the same rate per mile as is paid from the terminal to the destination.

This senate joint memorial passed the senate on the 28th day of January 1935.

G. P. MIX,
President of the Senate.

This senate joint memorial passed the house of representatives on the 1st day of February 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial 3 originated in the senate during the twenty-third session of the Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

Mr. BAILEY presented the following joint resolution of the Legislature of the State of North Carolina, which was referred to the Committee on Agriculture and Forestry:

Resolution 18

Joint resolution petitioning the present Congress of the United States to enact legislation to increase the price of potatoes, so that the potato farmers of the United States may enjoy a like prosperity now being enjoyed by the wheat, cotton, and tobacco and hog farmers of the United States

Whereas the Congress of the United States has enacted legislation materially increasing prices of wheat, tobacco, cotton, and hogs; and

Whereas the wheat, tobacco, cotton, and hog farmers have and are now enjoying an increase in prosperity from the benefits of said legislation; and

Whereas the Congress of the United States has caused the increase in the cost to the consumer in the necessities of life, to wit, fatback, retailing at 20 to 25 cents per pound; cotton goods, from 15 to 30 cents per yard; flour, from $1.25 and more for a 25-pound bag, and other commodities in like higher prices; and

Whereas the Congress of the United States has done nothing to increase the price of sweet and Irish potatoes. Sweet and Irish potatoes are now selling from 40 to 60 cents per bushel, according to grade; and

Whereas farmers in 36 States in the United States grow sweet and Irish potatoes on a commercial basis, and one of these States is North Carolina; and

Whereas some of the finest sweet and Irish potatoes grown in the world are grown in North Carolina: Now, therefore, be it

Resolved by the house of representatives (the senate concurring)—

SECTION 1. That the present Congress of the United States is hereby respectfully requested to enact appropriate legislation for the protection of the sweet and Irish potato farmers in the United States, to the end that the sweet and Irish potato farmers may enjoy the same prosperity now being afforded to the wheat, cotton, tobacco, and hog farmers of the United States.

SEC. 2. That a copy of this resolution be forwarded to the Congress of the United States.

SEC. 3. That this resolution shall be in effect from and after its ratification.

In the general assembly, read three times, and ratified this the 8th day of February 1935.

A. H. GRAHAM,
President of the Senate.
R. G. JOHNSON,
Speaker of the House of Representatives.

Examined and found correct.

L. W. LEGGETT,
For Committee.

Mr. MURRAY presented the following joint resolution of the Legislature of the State of Montana, which was referred to the Committee on Finance:

Senate Joint Resolution 2

A resolution memorializing the Congress of the United States for the passage of the legislation for the creation and establishment of a pension benefit to be paid to all persons over the age of 60 years.

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

Whereas there exists among employers of labor a wide-spread policy by which persons of over 45 years of age, willing and anxious to earn their livelihood, are deprived of the opportunity of receiving employment, thus placing many such persons in a position of depending either upon friends and relatives or on public charity; and

Whereas many of the persons thus deprived of an opportunity to earn their support are by means of this policy adopted and enforced by employers of labor unable to support themselves by means of their own efforts; and

Whereas our social and economic welfare demand of the American people as a whole that those who, through no fault of their own, are thus deprived of the opportunity to earn a livelihood be placed in a condition where their morale be sustained and they be neither made indigents or partakers of public charity; and

Whereas the burden of creating and maintaining the social and economic welfare is of greater magnitude than the State of Montana, in common with other States, is able to carry on; and

Whereas there exists not only a wide-spread demand of persons over 60 years of age for the passage of legislation which will permit them to maintain their own self-respect but there also exists an unusually strong demand of persons under the age of 60 years that those who have pioneered in the building and development of our country be justly and adequately provided for in their declining years: Now, therefore, be it

Resolved by the Senate of the State of Montana (the house of representatives concurring), That we do hereby petition the Congress of the United States of America for the passage of an act of Congress embracing the principles of an old-age-pension benefit, such as the Townsend plan, or such other old-age benefit plan as may be just and equitable to all persons over the age of 60 years; be it further

Resolved, That a copy of this memorial be transmitted by the secretary of the State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana and they and each of them be requested to use all honorable means within their power to bring about the enactment of legislation by which an old-age-pension benefit be enacted into law.

ERNEST T. EATON,
President of the Senate.
W. P. PILGERAM,
Speaker of the House.

Approved February 7, 1935.

F. H. COONEY, *Governor.*

SALE OF LIQUOR TO UNIFORMED MEMBERS OF THE MILITARY FORCES

Mr. DAVIS. Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD a letter I have received from Edmund L. Flynn, with accompanying resolutions. I request that the letter and the accompanying resolutions adopted by the Liquor Control Committee of the Western Pennsylvania Restaurant Association, after insertion in the RECORD, be appropriately referred.

The Restaurant Association urges the repeal of the act of Congress of May 18, 1917 (U. S. C., Supp. VII, ch. 10, 1353), which prohibited the sale of intoxicating beverages to military officers while in uniform.

There being no objection, the letter, with the accompanying resolutions, was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

WESTERN PENNSYLVANIA RESTAURANT ASSOCIATION,
Pittsburgh, Pa., February 6, 1935.

Senator JAMES J. DAVIS,
United States Senate,
Washington, D. C.

DEAR SENATOR DAVIS: The Liquor Control Board in the State of Pennsylvania has brought to the attention of the licensees of the State the illegality of selling beer, wine, or liquor to an officer in uniform.

It is the opinion of the members of the association that this was wholly a war-time measure and that possibly the present Congress would see fit to change the law making it possible to sell officers in uniform.

We present these resolutions and request your assistance.

Very truly yours,

EDMUND L. FLYNN, *President.*

RESOLUTION PASSED BY THE LIQUOR-CONTROL COMMITTEE OF THE WESTERN PENNSYLVANIA RESTAURANT ASSOCIATION AT A REGULAR MEETING HELD JANUARY 28, 1935

Upon motion duly made by Ros L. Gammon and seconded by Ad J. Roth it was resolved as follows:

Whereas the liquor-control committee is empowered by the Western Pennsylvania Restaurant Association to act in behalf of the said association in all matters pertaining to the sale of intoxicating liquor as the same might affect the interests of the members of the said association; and

Whereas it has come to the attention of the liquor-control committee that an act of the United States Congress, being the act of May 18, 1917 (U. S. C., Supp. VII; 10: 1353), providing as follows: "It shall be unlawful to sell any intoxicating liquor, including beer, ale, or wine, to any officer or member of the military forces while in uniform", is still in full force and effect; and

Whereas, in the opinion of the members of the said committee, the said provision was a war-time measure designed to meet extraordinary conditions caused by war, which conditions no longer exist, the enforcement of the said act of Congress being impossible under present peace-time conditions, and the prohibition therein contained being commonly and generally disregarded with impunity at the present time; and

Whereas public respect and observance of law is encouraged by the repeal of statutes which have outlived their usefulness: Now, therefore, be it

Resolved, That the Western Pennsylvania Restaurant Association, acting through its liquor-control committee, recommends that the said act of Congress should be amended so that it will be no longer unlawful to sell intoxicating liquor to any officer or member of the military forces while in uniform, and that appropriate action be taken by the said association petitioning the Members of the Senate of the United States from the Commonwealth of Pennsylvania, and also the Members of Congress of the said Commonwealth that an act be introduced in the present session of the Senate and of the Congress which will amend the said act of assembly above referred to and remove the prohibition contained in the said act against such sale or sales.

And be it further resolved, That a copy of these resolutions be presented to the Members of the United States Senate and Congress from the State of Pennsylvania.

ANN STIGLICH, *Secretary.*

I hereby certify that the above is a true and correct copy of the resolutions passed at a regular meeting of the liquor-control committee of the Western Pennsylvania Restaurant Association, held Monday, January 28, 1935, and duly recorded in the minutes of the said meeting by myself as secretary of the Western Pennsylvania Restaurant Association.

FELIX LUDLOW.

REPORTS OF COMMITTEES

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (S. 1348) for the relief of James Darcy, reported it with amendments and submitted a report (No. 94) thereon.

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 1176) for the relief of Thomas

A. Coyne, reported it without amendment and submitted a report (No. 95) thereon.

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (S. 1009) for the relief of George W. Baker, reported it with an amendment and submitted a report (No. 96) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 1266) for the relief of Robert E. Masters, reported it without amendment and submitted a report (No. 97) thereon.

He also, from the same committee, to which was referred the bill (S. 266) to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery, Mont., reported it with an amendment and submitted a report (No. 98) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 1304) to amend section 47c, National Defense Act, as amended, relating to military training required to entitle members of the Reserve Officers' Training Corps to receive commutation of subsistence, reported it without amendment and submitted a report (No. 99) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1301) to provide further for the maintenance of United States Soldiers' Home, reported it without amendment and submitted a report (No. 101) thereon.

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 893) for the relief of Patrick J. Sullivan, reported it without amendment and submitted a report (No. 102) thereon.

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 1302) for the relief of certain disbursing officers of the Army, and for other purposes, reported it without amendment and submitted a report (No. 103) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 732. A bill for the relief of Zinsser & Co. (Rept. No. 104);

S. 999. A bill for the relief of Judson B. Isbester (Rept. No. 105); and

S. 1300. A bill to amend the War Department Appropriation Act relative to the operation of motor-propelled vehicles (Rept. No. 106).

Mr. ROBINSON (for Mr. WAGNER), from the Committee on Foreign Relations, to which was referred the bill (S. 735) for the relief of Wiener Bank Verein, reported it without amendment and submitted a report (No. 100) thereon.

REORGANIZATION OF MAYFLOWER HOTEL CO. (REPT. NO. 107)

Mr. REYNOLDS. Mr. President, I send to the desk a report from the Committee on the District of Columbia. At the last session of Congress a subcommittee of that committee was appointed under a resolution offered by the Senator from Vermont [Mr. GIBSON] calling for an investigation of the Mayflower Hotel reorganization. The subcommittee consisted of former Senator Kean of New Jersey and myself. Hearings were had and a report was submitted during the last session of Congress. However, matters of importance developed which called for further consideration, and at the beginning of the present session, in view of the fact that Senator Kean was no longer a Member of the Senate, the subcommittee was reorganized, two members being added, and the subcommittee then consisted of the Senator from Nevada [Mr. MCCARRAN] and the Senator from Wyoming [Mr. CAREY], and myself as chairman. Further testimony was had and a supplemental report was prepared and added to the original report, becoming a part thereof. This supplemental report and the original report were submitted to the full Committee on the District of Columbia; the committee approved it, and I was directed to present the report to the Senate. Pursuant to that direction I now submit it for the consideration of the Senate.

Mr. KING. Mr. President, there may be some technical question arising as to the authority of the Committee on the District of Columbia to submit the latter part of this report, being what might be denominated the supplemental report. Senate Resolution 231, Seventy-third Congress, under which the committee acted, was adopted at the last session, and seemed to call for a report by the 20th of last September. A report was submitted by that time. There was nothing to indicate it was to be a final report and the only report. I think a proper interpretation of the resolution would not preclude the committee from further consideration of the subject matter, but, lest there should be a controversy about it, I ask unanimous consent that the supplemental report, which is appended to and is a part of the original report, may be filed with the original report.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 1784) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.; to the Committee on Claims.

By Mr. GIBSON:

A bill (S. 1785) granting an increase of pension to Fannie E. Hall; to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 1786) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; to the Committee on Indian Affairs.

By Mr. SMITH:

A bill (S. 1787) to add certain lands to the Pisgah National Forest in the State of North Carolina; to the Committee on Agriculture and Forestry.

By Mr. VANDENBERG:

A bill (S. 1788) authorizing the State of Michigan to construct, maintain, and operate a toll bridge across the St. Clair River at or near Port Huron, Mich., and to acquire other transportation facilities between said State and Canada; to the Committee on Commerce.

By Mr. FLETCHER:

A bill (S. 1789) to retire Walter L. Rosasco with the rank of second lieutenant, Air Corps, United States Army; to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 1790) for the relief of Margaret Murphy; to the Committee on Claims.

A bill (S. 1791) for the relief of Maurice J. O'Leary; to the Committee on Military Affairs.

A bill (S. 1792) granting a pension to Walter George Niskern; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 1793) to amend the act entitled "An act authorizing the Attorney General of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (43 Stat. L. 602); to the Committee on Indian Affairs.

By Mr. MCADOO:

A bill (S. 1794) to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925; and

A bill (S. 1795) to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925; to the Committee on Patents.

By Mr. MCKELLAR:

A bill (S. 1796) authorizing negotiations and providing for the construction, maintenance, and operation of an interoceanic canal over Nicaraguan territory, and for other purposes; to the Committee on Interoceanic Canals.

A bill (S. 1797) to provide for the acquisition of the Andrew Johnson homestead, Greeneville, Tenn., as a national shrine; to the Committee on the Library.

By Mr. SHIPSTEAD:

A bill (S. 1798) to extend the time in which suit may be brought on veterans' yearly renewable term insurance; to the Committee on Finance.

A bill (S. 1799) granting an increase of pension to Anna M. Gentgen; to the Committee on Pensions.

By Mr. BANKHEAD:

A bill (S. 1800) to create the Farm Tenant Homes Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. TRAMMELL:

A bill (S. 1801) to provide for aviation cadets in the Naval Reserve; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

A bill (S. 1802) to correct the naval record of John Edward Anderson; to the Committee on Naval Affairs.

A bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games; to the Committee on Military Affairs.

By Mr. POPE:

A bill (S. 1804) granting a pension to Howard Williams; to the Committee on Pensions.

By Mr. REYNOLDS:

A bill (S. 1805) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WHEELER:

A bill (S. 1806) to amend the act of March 3, 1927, amending section 1 of the act of May 26, 1926, entitled "An act to amend sections 1, 5, 6, 8, and 18 of an act approved June 4, 1920, entitled 'An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes'"; to the Committee on Indian Affairs.

By Mr. JOHNSON:

A joint resolution (S. J. Res. 55) providing for the participation of the United States in the California Pacific International Exposition, to be held at San Diego, Calif., in 1935 and 1936, authorizing an appropriation therefor, and for other purposes; to the Committee on Foreign Relations.

By Mr. NYE:

A joint resolution (S. J. Res. 56) authorizing the publication as a public document of America Secure: Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775–1935; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

CHANGES OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred to the Committee on Public Lands and Surveys:

S. 632. A bill to provide for the commemoration of the Battle of Helena, in the State of Arkansas; and

S. 1649. A bill to provide for the commemoration of the Battle of Helena, in the State of Arkansas.

EXTENSION OF CLASSIFIED CIVIL SERVICE TO POSTMASTERSHIPS—AMENDMENT

Mr. VANDENBERG submitted an amendment intended to be proposed by him to the bill (S. 1714) to extend the classified civil service to postmasterships of the first, second, and third classes, and for other purposes, which was referred to the Committee on Post Offices and Post Roads and ordered to be printed.

POSTMASTER GENERAL FARLEY

Mr. LONG. Mr. President, out of order, I ask unanimous consent to submit a resolution.

The PRESIDENT pro tempore. Without objection, the resolution will be received.

The resolution (S. Res. 74) is as follows:

Whereas it has been reported that James A. Farley, acting as Postmaster General and in various other capacities for the United States Government, has conducted a private business for the selling of materials to persons engaged in doing public construction work for the United States Government, and that in some instances concerns buying materials from the said concern in which the said James A. Farley is interested have received contracts through as many as three low bidders being disqualified; and

Whereas it is further alleged that the said concerns favoring the firm of the said James A. Farley with business have been able to secure changes in specifications netting them large sums in profits after the award of contracts, and it being alleged that such changes are deliberately made for the purpose of allowing large profits and avoiding competition; and

Whereas it is further publicly known that the said James A. Farley has used the Printing Office and facilities of the United States Government for the purpose of gratifying personal whims and caprices of personal and political friends, even to the printing of stamps never to be used; and

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said businesses for profit to himself and to his friends; and

Whereas it is further alleged that without pay or compensation for the same, the said James A. Farley has commandeered for his personal use, facilities of public-service corporations borrowing money from the United States Government; and

Whereas it has been charged that the said James A. Farley, on the eve of a loan being granted to a railroad in West Virginia, telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator; and

Whereas there are general and specific charges of misconduct, irregularity, dishonesty, and other activity on the part of the said James A. Farley, it is due to the people of the United States, the Government of the United States, and the said James A. Farley, that a reasonable and fair disclosure be made of said matters: Now, therefore, be it

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of 3 Members of the United States Senate, not more than 2 of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony and compel the production of books, records, accounts, statistics, employ experts and do any and all such other things as may be necessary to carry out the purpose of said investigation; and be it further

Resolved, That any reports of investigations and data secured by the Department of the Interior, particularly through Louis Glavis and those associated with him, on the affairs in which said James A. Farley has participated for the Government of the United States, be forthwith furnished to the United States Senate to be, after proper perusal by Members of the said United States Senate, referred to the said committee to be provided for herein.

Mr. LONG subsequently said: Mr. President, I ask unanimous consent that the resolution which I offered this morning, relating to Postmaster General Farley, may be printed and lie over for the day.

Mr. McKELLAR. Mr. President, the resolution involves a matter which should properly go to the Committee on Post Offices and Post Roads. Why should it not take the regular course?

The PRESIDENT pro tempore. Under the rule, unless there is unanimous consent, the resolution goes over for the day.

Mr. McKELLAR. I object.

The PRESIDENT pro tempore. The resolution will go over under the rule.

"THE CHANGE AT WASHINGTON"—NEW YORK TIMES EDITORIAL

Mr. THOMAS of Oklahoma. Mr. President, the New York Times of Sunday, February 10, contains an editorial under the heading "The Change at Washington." Inasmuch as the editorial refers to myself, and purports to quote a state-

ment made by me in the Senate in connection with the presentation of the monetary-adjustment amendment, I have taken occasion to reply to the editorial. The statement quoted refers to the amount of value transferred from the creditor class to the debtor class through the act of devaluation of the gold content of the dollar.

At this point I ask unanimous consent to have printed in the RECORD the portion referred to of the editorial in the New York Times.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Even today it is impossible to imagine a certain inflationist apostle repeating to the Senate his declaration of April 24, 1933, that the present owners of the "$200,000,000,000 of bank deposits, fixed investments, bonds and mortgages, did not earn it, did not buy it, do not deserve it, must not keep it", and that Congress "must transfer that $200,000,000,000 to the debtor class." Two years are a reasonably short time for deliverances of that sort (which seemed at the time in tune with the temper of the day) to have departed so far from present realities—even political—that they impress the reader as an echo from the distant past.

Mr. THOMAS of Oklahoma. Following the printing of the particular portion referred to, I ask permission to have incorporated in the RECORD, as a part of my remarks, the letter written to the president and publisher of the New York Times.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter referred to is as follows:

FEBRUARY 11, 1935.

Mr. ADOLPH S. OCHS,
President and Publisher New York Times,
New York City, N. Y.

DEAR MR. OCHS: In your Sunday, February 10, issue of the New York Times, on the editorial page, under the head "The Change at Washington", you use the following language:

"Even today it is impossible to imagine a certain inflationist apostle repeating to the Senate his declaration of April 24, 1933, that the present owners of the '$200,000,000,000 of bank deposits, fixed investments, bonds, and mortgages', 'did not earn it, did not buy it, do not deserve it, must not keep it', and that Congress 'must transfer that $200,000,000,000 to the debtor class.' Two years are a reasonably short time for deliverances of that sort (which seemed at the time in tune with the temper of the day) to have departed so far from present realities—even political—that they impress the reader as an echo from the distant past."

Inasmuch as I used similar language in presenting the money-adjustment amendment to the United States Senate on the date mentioned, I assume you refer to me as the "certain inflationist apostle."

No doubt that you remember that on the night of the day the statement was made to the Senate you caused such statement to be displayed in large moving electric lights around your New York institution. Yes; "2 years are a reasonably short time", yet ample time for almost every person, save the editors of your journal, to understand what I meant when I explained the amendment to the Senate. The exact quotation is as follows:

"Mr. President, it will be my task to show that if the amendment shall prevail it has potentialities as follows: It may transfer from one class to another class in these United States value to the extent of almost $200,000,000,000. This value will be transferred, first, from those who own the bank deposits; secondly, this value will be transferred from those who own bonds and fixed investments. If the amendment carries and the powers are exercised in a reasonable degree, it must transfer that $200,000,000,000 in the hands of persons who now have it, who did not buy it, who did not earn it, who do not deserve it, who must not retain it, back to the other side, the debtor class of the Republic, the people who owe the mass debts of the Nation."

Without discussing motives, the impression created and left by your electric-sign news statement and by the reference to me in your Sunday editorial was that I favored taking $200,000,000,000 of bank deposits, fixed investments, bonds, and mortgages from their owners and giving same "to the debtor class." All editors at home and abroad, save those working for you, know that what I said would happen has already happened. The proof is conclusive and admitted.

You frequently quote Mr. James P. Warburg with approval. On page 214 of Mr. Warburg's book entitled "The Money Muddle" we find that our total massed debts amount to some $281,000,000,000, and itemized as follows:

The United States Government owes the holders of its obligations, let us say	$30,000,000,000
The States and municipalities owe holders of their obligations, let us say	19,000,000,000
The railroads owe their banks and bondholders and other creditors	13,000,000,000
Corporations owe their banks and bondholders	35,000,000,000
City real-estate owners owe their mortgagees	35,000,000,000
Farm-land owners owe their mortgagees	9,000,000,000
Total funded debt (long-term)	141,000,000,000
In addition:	
Banks owe their depositors about	40,000,000,000
Life-insurance companies owe their policyholders contingently about	100,000,000,000
Total	281,000,000,000

In the foregoing itemization Mr. Warburg overlooked some $89,000,000,000 of short-term business debts. If interested, you will find such short-term business debts itemized on page 296 of a book entitled "The Internal Debts of the United States", edited by Evans Clark and published by the Twentieth Century Fund, Inc. The trustees for such fund include the following well-known citizens:

Edward A. Filene, president; Henry Bruere, treasurer; Newton D. Baker; Bruce Bliven; Henry S. Dennison; John H. Fahey; Max Lowenthal; James G. McDonald; Roscoe Pound; Owen D. Young.

However, for the purpose of this statement I will do what many others are now doing, just wipe out the item of $89,000,000,000 in short-term debts and rely upon figures prepared by an authority approved by you. Mr. Warburg admits that the banks owe their depositors some forty billions of dollars, but he failed to state that the borrowers owe the banks an impressive consolidated sum, and also he failed to state that the policyholders owe the insurance companies a considerable total sum as annual premiums.

When discussing insurance companies all classes of such companies should be included in the analysis. By omitting the short-term debts, the debts the borrowers owe the banks, and the debts policyholders owe the insurance companies, we have Mr. Warburg's published statement that he knows all total debts amount to some $281,000,000,000.

When I made my statement to the Senate all debts had to be paid in dollars of the value of 25.8 grains of gold, 0.9 fine. My amendment provided for a reduction in the weight of the gold dollar. Under the amendment the weight of such gold dollar was reduced to 15 5/21 grains of gold, 0.9 fine, or a reduction of approximately 40 percent in the weight of such gold dollar. Now, because of the amendment, debtors may pay their obligations in dollars based upon some 15 instead of some 25 grains of gold. This statement is made upon the assumption that the Supreme Court will sustain the amendment and the subsequent act of Congress and likewise the action of President Roosevelt in devaluing the dollar. Also this statement is on the presumption that any adverse ruling by the Court will be cured by proper legislation.

Now, back to my figures. Our total debts are admitted to be some $281,000,000,000. Such debts may be paid now with dollars of the reduced value in 15-grain gold-valued dollars instead of 25-grain gold-valued dollars; hence, what is the total saving to the debtors because of the devalued gold dollar?

Here is the mathematics of it:

An ounce of gold formerly had a fixed value of $20.67.

By Presidential proclamation the dollar was devalued in terms of gold, the dollar being made equal to 59.06 cents of its former value and an ounce of gold being fixed at $35.

Divide $20.67 into $35. Answer, $1.69.

Or stated algebraically: 59.06 is to 100 as $1 is to x.

That equation worked out gives $1.69 as the value of x.

From the foregoing it will be seen that debtors may now pay their obligations with a saving of 69 cents, in the new-valued currency, on each dollar; hence, on the admitted total debt of $281,000,000,000, the saving to the debtor class, because of the devaluation of the dollar to date, can be ascertained by multiplying the $281,000,000,000 by 69 cents saving on each dollar, and the amount is some $193,890,000,000.

Should your editors be sufficiently liberal to admit that there is a considerable debt owed to the banks by borrowers; that policyholders owe insurance companies considerable sums; and that there is a considerable short-term debt made up of such items as loans to banks, loans by Federal Reserve banks to member banks, short-term bank loans, short-term business loans, loans to brokers, loans by brokers, loans by Reconstruction Finance Corporation, loans in the form of liabilities of incorporated business concerns, loans in form of overdue rents, overdue taxes, overdue interest, and overdue insurance premiums, and in addition to the foregoing short-term business debts in the form of short-term indebtedness for household purposes, such as open retail accounts, installment debts, retail mercantile debts, and other items which would make up a considerable sum in what might be termed "short-term individual and family debt", then perhaps your editorial writers might find that my statement made to the Senate that the amendment had potentialities sufficient to provide for the transfer from one class to another class value (not dollars) to the extent of almost $200,000,000,000 was a really conservative estimate and forecast.

I know of the very large circulation of your publication; likewise I am convinced that it is the policy of your paper to adhere strictly to facts; hence I submit the foregoing as an explanation of what I meant when my statement was made to the Senate and also a justification of the position I then took, and still further this statement is a reply to your leading editorial published on yesterday.

Respectfully submitted.

ELMER THOMAS,
United States Senator, Oklahoma.

ECONOMIC SECURITY AND CHILD LABOR—ADDRESSES BY SENATOR WAGNER

Mr. ROBINSON. Mr. President, I ask to have printed in the RECORD two brief radio addresses from Washington, D. C., January 26, 1935, by the Senator from New York [Mr. WAGNER] relating to the so-called "security bill" and other subjects pertaining to pending legislation.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ECONOMIC SECURITY BILL

The depression, like all the great tragedies of mankind, has not shown discrimination among its victims. Not only has it cut off from their sources of livelihood men and women in the prime of life and eager to work but it also has shown no remorse to those too old and those too young to live by their own efforts. Indeed, it is the people at the two extremes of life who have borne the heaviest burdens and are suffering the most horrible aftermath. It is to these that society owes an immediate duty now that better times are approaching, a duty that involves prevention in the future as well as cure for the present. The economic security bill embraces both.

Many different causes have been responsible for our vast army of dependent old people. There are the huge number who worked like slaves for 40 years or more without ever earning enough to set aside provisions for their winter days. There are those who retired 5 or more years ago relying upon the love and generosity of their children, only to find these very children submerged by the tide of the depression. There are some who retired with a modest competence, but their savings have now been devoured by the hunger of relatives who have required assistance. Still others are being forced out of industry by the relentless pressure of a vast army of unemployed younger men. Of these various groups, who would volunteer to say which presents the most pitiful spectacle? Who dare to deny that all are entitled to a better fate?

Unfortunately these older people cannot, like younger men, wait until the essential soundness of America and the beneficial program of the new deal rebuild our economic structure. For them there will be no chance to make a come-back. Having borne the brunt of battle, they are entitled to the help of society.

It is no small task to provide for the three and one-half million people over 65 years of age in the United States who have been reduced to a state of utter dependency. It cannot be done by the inadequate and uncertain pension systems that exist in only 28 States. It cannot be achieved by haphazard and temporary relief agencies. Their funds are not sufficient. Their methods are not dignified. The first objective of the economic security bill is to bring our needy old people under the protective shelter of a comprehensive Federal-States system of old-age pensions.

The bill provides Federal subsidies to the States, amounting to $50,000,000 for the year commencing this June, and much larger sums will be appropriated for each succeeding year, for the care of dependent old people. Since no State will receive more from the Federal Government than it expends itself for the same purposes, the natural effect of this law will be a concerted Nation-wide campaign to help those who need help most. By 1936 normal responsiveness on the part of the States will raise the volume of old-age assistance by 600 percent. Of course, even this hugely increased sum will not be enough. But most of us are confident that the Federal Government will make vastly larger appropriations as soon as the States are ready to match them. Our Nation will not fail to meet its responsibilities in full once they have been crystallized in law and backed by overwhelming public sentiment.

The notion has been spread that since the Federal Government will match contributions only up to $15 per person per month, no State will be stimulated to give more than a like amount. If that were true, it would limit old-age pensions to $30 per month. But nothing could be more erroneous. The Federal administrator may refuse to grant any money to a State unless that State does all that it can to maintain its aged people in comfort and decency. For example, suppose that a State at present pays pensions of $30 per month without Federal aid, it is ridiculous to imagine that such a State would be allowed to reduce its own contribution to $15 and receive another $15 from Washington. On the contrary, the Federal Government would add $15 to what the State is now doing, thus raising the pension level to $45. But if a State is so poor that it can grant only $15 per month to its dependent old, the Federal Government will raise the level to $30 by advancing an equal amount. This bill is not to paralyze State action but to key the States up to the fullest measure of their responsibilities. It is not to give the deserving old Federal aid instead of State aid, but to give them the largest practicable amount of both.

While we cannot suppress this humanitarian impulse to help those who are now dependent, our final aim is to stamp out the curse of dependence itself. The time must come when every worker will be able to regard the future with serene self-confidence.

The economic security bill, therefore, creates a national compulsory system of contributory old-age insurance. Beginning on January 1, 1937, every employee will have to pay an annual tax equal to one-half of 1 percent of his yearly earnings. This tax will rise gradually to 2½ percent in 1957 and will be paid into an old-age fund in the United States Treasury. Each employer will be taxed to an amount equaling the taxes of all his employees. As a result every worker will have to his credit in the old-age fund twice as much as he has paid in plus interest.

Beginning in 1942, any employee 65 years of age who has paid taxes for at least 200 weeks extending over a 5-year period will be entitled to retire. Upon retirement he will receive monthly insurance benefits for the rest of his life. The size of these benefits will, of course, depend upon his length of service and his average monthly wage. The man who has worked 40 years will receive more than one who has worked 30 years. The man who has earned an average wage of $150 per month will receive more than one who has averaged only $100 per month. This is only fair, because the employee with the higher wage or the longer years of service will have paid more into the fund.

But while some workers will receive more insurance and some less, the system is established upon an actuarial basis that will assure every retired worker a decent monthly pension for the rest of his life. For those men who enter the system before middle age the taxes paid in their behalf by themselves and by their employers will be sufficient to provide that type of security. On the other hand, it is quite obvious that the workers who are now in middle life will not participate in the system long enough to protect themselves fully. To take care of these older men the bill provides a much higher rate of benefit payments upon retirement. To make this possible without taxing the younger employees for the benefit of the older, contributions will be made by the Federal Government. Justice would be denied if we neglected those whose misfortune it has been to be long neglected already.

No worker will face the possibility of losing anything through participation in this system. If he dies before reaching the age of 65, his family will receive the full amount that has been contributed in his behalf both by himself and by his employer. If he dies after retirement but before receiving in benefits his total credit in the fund, the difference will be paid to his family. No employee will be forced to retire at the age of 65. The bill preserves the right of the well and willing man to work as long as his job remains open to him. But no part of the compulsory tax that an employee pays after 65 will be taken into account in figuring the amount of his insurance benefits. This mild incentive to retirement will have the salutary effect generally of making places for the young while providing rest and release from worry for the vast majority of the old.

The insurance system does not cover the employee who is engaged in nonmanual labor at a salary over $250 per month. Nor does it include the man who is engaged in independent business for himself.

To round out the circle of protection against old-age insecurity, the bill also affords anyone an opportunity to purchase voluntary annuities up to maturity value of $100 per month from the Federal Government.

In many ways even more tragic than the plight of the old are the ravages that the depression has wrought in the ranks of American childhood. Seven million four hundred thousand children are now upon the relief rolls. Another two and one-half million are living a threadbare existence based upon the mother's pension laws that many States have enacted. I wonder how many people, even among those with the broadest humanitarian impulses and the deepest social insight, realize that there are 10,000,000 children in the United States subject to the devastating effects of unsystematic, irregular, and insufficient support? But those who do not know all the figures are fully aware of the delinquency, the sickness, and the vast array of evils generated by such conditions.

The economic security bill takes the first step toward social responsibility for these future citizens. It appropriates $25,000,000 in Federal funds, in addition to what the States are now spending, for the care of dependent children. Another $8,500,000 annually are provided for crippled children, for maternal and child health, and for other phases of child welfare. In addition, $10,000,000 per year are provided for the promotion of public health. While these funds are to be distributed among the States largely on a matching basis, the bill makes very flexible provisions to care for those localities which are too poor to help themselves.

These sums may not seem large in quantitative terms. But the inauguration of new policies has a value far beyond statistical measurement. Now that we have abandoned the outworn dogma that the helpless must help themselves, the way is cleared to drive destitution and unnecessary suffering from the American scene.

In dealing with these evidences of social maladjustment, we cannot neglect disease itself. The main objective of the new deal is to foster economic arrangements under which misery and want will become the extraordinary rather than the commonplace. At the very heart of reform lies the problem of unemployment. If men are employed, their children will not be destitute and their declining years will not be spent in the house of want. When we discover how to keep men at work, we shall have discovered all.

The new deal has taken many steps to create employment. Public works, loans to private industry, reductions in hours, reemployment agreements, higher wages—are familiar devices to you all. The economic security bill is rounding out the cycle by adding unemployment insurance to the list.

Many people think of unemployment insurance only as a means of providing for those who are without work. That is one of its important functions, when we remember that even during so-called "good times" there were never less than 1,500,000 jobless men. But the most significant feature of this remedy is that it will decrease unemployment itself. When business men are charged directly with the costs of unemployment, they will redouble their efforts to prevent it.

In a country as far-flung and diverse in its interests as our own, each State should be free to enact the type of unemployment-

insurance law that it desires. It should be allowed to set up State-wide or individual company reserve funds. It should be allowed to require contributions from employers alone or from employers and employees. It should be allowed to make its own contributions to the fund, if it desires to do so. Free experimentation will prove a golden blessing where experience is lacking. In the process of trial and error one superior system will emerge that will gain sway everywhere.

But we all know that without some encouragement from the Federal Government there will be no unemployment insurance at all. After years of successful application in Europe and after decades of propaganda and education in this country, less than 1 percent of our workers are protected by unemployment insurance. Only Wisconsin has dared to defy the threat of unfair interstate competition based upon lower standards by enacting its own unemployment-insurance law.

The economic security bill sets up two inescapable incentives to the Nation-wide enactment of State unemployment insurance laws. It provides a Federal subsidy of $5,000,000 for the year beginning next June and $50,000,000 for each succeeding year, practically all of which is to be distributed among the States to help pay the administrative costs of such unemployment-insurance laws as they may enact. Secondly, the bill imposes a 3-percent tax upon pay rolls, to be paid by employers commencing on January 1, 1936. Any employer will be allowed to offset against this tax, up to 90 percent, whatever amount he contributes to an unemployment-insurance fund established by State law. Since the States will be anxious to draw these taxes back into their own borders, the enactment of unemployment-insurance laws in every State should follow as a matter of course.

We can hardly count the price that we have paid for our tardy acceptance of the simple rule of preparedness in business operations. If this unemployment-insurance law had been enacted in 1922, the 3-percent tax upon pay rolls would have yielded between 1922 and 1933 over $10,000,000,000 for the relief of unemployment. The systematic flow of this money into the hands of those without other sources of purchasing power would undoubtedly have checked the progress of depression and swung the business cycle more quickly back to the prosperity level.

I want to state most emphatically that all of these social-insurance plans are sound business propositions. With or without old-age insurance, industry faces the task of replacing the older worker who needs rest with the younger man who needs a job. Insurance will make this possible without resentment and discord and without a decrease of that purchasing power upon which all business success depends. Old-age insurance will also help industry by relieving the active employee from the distracting fear of old age and the difficult burden of caring for others who have already passed into later life. The maintenance and wider distribution of income by old-age and unemployment-insurance benefits will be a great factor in maintaining that stability in business operations which we all desire. The application of scientific methods and study to the economic hazards of our times will do as much to reduce these hazards as workmen's compensation laws have done to reduce industrial accidents.

The special attention that has been paid to business welfare in this bill is indicated by the manner in which its taxes are imposed. The tax for old-age insurance is scaled up gradually over a period of 20 years, beginning in 1937. While the unemployment-insurance tax will ultimately be 3 percent, during the next 2 years it will become operative only to the extent of 1 percent until business reaches 85 percent of the 1923–25 level, and only 2 percent until it reaches 95 percent of that level.

However, it must be emphasized that the yearning for economic security cannot be evaluated in terms of cold logic or bloodless statistics. It embraces the most fundamental of human aspirations and drives its final appeal to the judgment seat of conscience. Justice does not exist when the man unemployed through no fault of his own is more neglected than machinery that is idle during the slack season. Humanitarianism is made a mockery when the worker who has worn himself out in the service of industry is given less consideration than a retired race horse. The day has passed when the wealthiest Nation in the world can remain the most laggard in protecting the welfare of its people.

We must take the old people who have been disinherited by our economic system and make them freemen in fact as well as in name. We must not let misfortune torment and twist the lives of the young. We must tear down the house of misery in which dwell the unemployed. We must remain aware that business stability is the foundation for all our efforts. Industry and wealth, intelligence and inspiring leadership, are all ours. If we utilize our opportunities, we need fall short in nothing.

Senator Wagner Discusses Child-Labor Legislation

We are now being carried forward by a great wave of public resentment against the economic and social evils that have flourished in the past. While the misery produced by these evils is still fresh upon our memories, we want to do everything in our power to banish them forever from the American scene.

Premature and excessive child labor is a drain upon our Nation's wealth and a stain upon our Nation's honor. It is economically vicious because it cripples the bodies and dwarfs the minds of the rising generation. It is morally indefensible because it violates every humanitarian dictate and makes the wealthiest Nation in the world an outcast among progressive states.

When people who want to put a stop to industrial traffic in the ruined lives of youth gather together, there is little disagreement about objectives. The only problem is one of method. How are we going to abolish child labor?

The first suggestion is that we should rely entirely upon the code provisions under the National Industrial Recovery Act. This act has served a wonderful purpose in diminishing the exploitation of the young. It has drawn children from the factory and the street in unprecedented numbers. It has been the spearhead in our drive for revival and reform.

But we cannot be certain of the future of all of the codes. There is evidence even today that some of them are not being strictly obeyed. And insofar as they apply to intrastate business, their enforcement is subject at least to challenge. In addition, returning prosperity will set in motion powerful new economic forces drawing children into industry. Without surrendering in the slightest the tremendous gains made by the codes, we must reinforce them to the utmost. We have outlawed child labor while combatting depression. It would be disgraceful to let it creep back into our national life in times of plenty.

One proposal for bolstering the code provisions against child labor is that each State should be left free to apply its own remedies. This proposal has been tried for 150 years. While a few States have enacted splendidly humane laws, a majority, including some of the most important industrial areas, have remained practically inactive. We have learned that in all forms of social legislation the threat of interstate competition based upon less progressive standards hangs as a damper over the forces of enlightenment.

The only proposal that offers hope of genuine relief is a Federal law covering the entire country. Indeed, this was recognized by Congress years ago, but its two attempts to eradicate the evil of child labor were declared unconstitutional by the Supreme Court.

I believe that the changes in our economic philosophy and the more liberal composition of our judiciary today would lead to a happier result. But there is no reason for taking a risk that might subject a great cause to another set-back and delay its final triumph for another decade. Certainly people who believe in the practical wisdom of a Federal law can offer no sensible objection to removing any doubt as to its constitutionality.

It is for these reasons that the child-labor amendment to our Federal Constitution is now before the States for ratification. The amendment would empower Congress to pass a law limiting, regulating, or prohibiting the labor of children under 18 years of age.

I do not question for a moment the noble and sincere motives of those who are opposed to ratification of the child-labor amendment. But I cannot agree with the stand that they have taken. In some instances they insist that such an experiment could not succeed because prohibition was a failure. If pushed to its logical conclusion, this argument would mean that we should never change our Constitution because the eighteenth amendment was unwise. But we must not forget that 19 other amendments in our basic law have been successful. There is not the remotest connection between prohibiting adults from drinking what they please and prohibiting the exploitation of children in industry. Child labor is not a personal habit; it is a public crime.

Next, we hear the hue and cry that children must be kept at work to develop self-reliance and moral strength. Such apologies have grown stale without gaining maturity. They are as convincing as the claims that the depression helped the young by preventing them from eating too much. If mind and body and character cannot be built by transferring children from the factory to the school, then all our American ideals of education are founded upon error.

If we had to make a decision, I am sure that we would prefer having our children work too little rather than too much. But the proposed amendment presents no such unfortunate alternatives. It does not establish a fixed rule but merely leaves Congress free to enact a law; and, in acting, Congress may exempt those industries which are not hurtful to the young. It may permit child labor for limited periods or during vacation seasons. It may make allowances for various sectional differences. It may alter the entire law at will. Congress is certainly competent to pass a statute that will blend its humanitarianism with business common sense.

Another very important feature of the proposed amendment is that it will not enable Congress to enact a law preventing the more progressive States from going even beyond the Federal standards. Congress will decree the minimum requirements that humanity and justice require everywhere. Any State which wants to blaze a trail even further into the future will be absolutely at liberty to do so.

The fear is expressed that a Federal child-labor law would invade the liberty of action of the family. Sincere people have made the same mistake of judgment in regard to other proposals for social betterment. There was a time when some regarded the regulation of minimum wages as a menace to liberty. There was a time when the closing down of a sweatshop was branded as the death knell of freedom. But these things have been accomplished and have won the applause even of those who doubted their worth. Those who now believe that the child-labor amendment is the swan song of family self-rule will come to hail it as a liberator of family life.

What could do more to break up and destroy the family than industrial conditions which draw children out of the home and into the factory? What could do more to preserve family life than keeping children within the home? The so-called "right of parents to see their children work" is not really a right at all. It is a wrong for which they are not responsible. It is a curse of poverty from which they beg to be delivered.

The withdrawal of children from the labor market would raise the standards of family income by removing the downward pres-

sure upon wage rates. We should soon discover that families can earn just as much and live far more happily without placing their children in servitude.

Finally, it is stated that a Federal child-labor law would interfere with education in the home and in the school. Dismal pictures have been painted of Government agents spying and prying into the domestic scene and the classroom. No one could be more violently opposed than I to Federal control over the education of the young. No one could be less willing to disturb the sacred integrity of home life. But there is not the slightest ground for believing that the regulation of child labor would produce these results.

The best test is experience. At the present time every State in the Union has the power to enact for those within its borders such a child-labor law as Congress is authorized to frame under the new amendment. Some have already done so. Has any State ever confused the regulation of working conditions with education? Has anyone ever been afraid that some States might do so? What reason has anyone for supposing that Congress would act more foolishly than the least enlightened of 48 States? Are we advancing the cause of freedom in education when we keep children at work where they can receive no education at all?

President Roosevelt has endorsed the child-labor amendment. Twenty States have ratified it. This year will afford opportunity for the necessary 16 more to fall into line. I earnestly hope and trust that my own State of New York will be among them. No accomplishment could be more gratifying than the literal emancipation of countless thousands of the children of America.

FREEZING THE DEPRESSION—EDITORIAL FROM WASHINGTON HERALD

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial entitled "Freezing the Depression", which appeared in the Washington Herald of today, Monday, February 11, 1935.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of Feb. 11, 1935]

FREEZING THE DEPRESSION

The Senate Appropriations Committee seems determined to extract the sound economic safeguards from the President's $4,880,000,000 work-relief plan.

The pork-barrel philosophy of the majority on the committee was exposed in its vote in favor of an amendment requiring the payment of prevailing wages, instead of the suggested security wage of $50 a month, on all projects in the new reemployment program.

Sounding innocuous enough, this change would tend to freeze the existing unemployment, and perpetuate the maladjustments which are keeping nearly 10,000,000 persons out of normal employment.

It is a subtle attempt to retain a standing army of recipients of public benefits.

If adopted by Congress, this amendment would vitiate sound efforts to eliminate economic disparities and inequities. It runs directly counter to economically sound moves to restore a normal balanced economic life, under which the unemployed could once again become self-supporting.

The proposed amendment would make public made work competitive with normal employment and would render difficult, if not impossible, the demobilization of the depression army of the unemployed.

It would thwart sensible efforts to foster industry, commerce, and agriculture so that they could expand normal employment and thus relieve government of the credit-destroying obligations entailed in carrying economic casualties on public pay rolls.

To his credit, President Roosevelt formulated a plan to emphasize the temporary, relief character of public jobs, which could be tapered off as rapidly as healthy expansion of ordinary business took place.

In his message to Congress, Mr. Roosevelt specifically said:

"Compensation on emergency public projects should be in the form of security payments which should be larger than the amount now received as a relief dole but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in governmental work."

In rejecting this intelligent recommendation the Appropriations Committee has converted a sound proposition into a pork-barrel abuse.

In effect, the amendment would tax industry to give the Government the funds with which to divert men from normal employment.

It would in effect make the depression chronic and would remove incentive of men to get off relief rolls and back to business pay rolls.

By thus making budgetary deficits permanent, instead of temporary, it would continue to increase the national debt and in time destroy the national credit.

Enlightened popular opinion should censure the Appropriations Committee for its folly.

The Senate should emphatically reject this recommendation of its committee.

President Roosevelt should stick by his guns.

SUPPRESSION OF CRIME—ARTICLE BY SENATOR REYNOLDS

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the RECORD an article by the Senator from North Carolina [Mr. REYNOLDS], appearing in the Master Detective for February 1935, entitled "Demand It!"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEMAND IT!

(By United States Senator ROBERT R. REYNOLDS, of North Carolina)

Thoughtful citizens everywhere are showing an aroused interest in our crime problem. It is one of the most hopeful signs that has appeared on the American horizon for many a day. It indicates that a new era in the suppression of crime and the prosecution of those who flout our laws is at hand. Such an era has been too long delayed.

The developments of the last 20 years were not designed to help the situation. Our prisons have been crowded with thousands who were more misguided than criminal. Many of these committed crimes that were, in fact, only minor offenses against society, but nevertheless serious offenses under laws drafted by fanatical minorities. And while these misguided persons—many of whom would have readily responded to the opportunity to become honorable and useful citizens—were supported in prisons at public expense, others who day in and day out sucked the blood of society like leeches, walked the streets and enjoyed freedom.

The result was an intolerable condition. Citizens who saw what was happening lost interest. Instead of demanding a new order, they made no outcry. This in turn enabled crooked politicians to work hand in hand with organized criminals, who waxed rich, and made no effort to conceal their contempt for our laws and for society in general.

But the huge sums acquired by organized criminals, largely from the liquor traffic, have been shut off. This means that criminals must pursue their profession more actively in other fields of crime. It means that they must follow their lawless activities in a less organized fashion. And it also means that with less funds they will be less successful in obtaining the aid of unscrupulous politicians and in turn, immunity from the guardians of the law and the courts. Consequently, the large-scale criminal organizations are breaking down, and now is the time to help this good work along through every possible means.

Encouraged by this trend in crime, and also by the successful apprehension of major criminals who were and still are in the headlines of the daily newspapers, our people, as I have said, are showing a greater interest in the suppression of our criminal element. But the prospect for immediate improvement in the efficiency of our agencies dealing with criminals is not altogether encouraging. One of the greatest handicaps to the much-needed improvement is politics. Another is the inability and also unwillingness of our citizens to shoulder the cost of attaining the needed improvement in efficiency. Still another is the local restrictions on the agencies of law resulting from the set-up of our Government. It is to be hoped that these handicaps may be removed. The process is slow, but nothing is impossible, when attempted by an aroused citizenry working in a common cause.

There is no reason to fear that too much of the apathy toward criminals in general may be laid, and rightfully so, at the doors of our public officials and our legislators—National, State, and local. They have unhesitatingly provided funds for magnificent prisons with modern equipment, even to gymnasiums and recreation rooms. In the same sessions they declined to allow funds for studies directed toward crime prevention, in which might be advantageously included the work of the police. Crime prevention must necessarily rest on a background of knowledge as to what causes crime and where it originates and develops.

Fortunately our country today has a precedent for sound studies of crime and law enforcement, free from the shackles of politics and, in turn, of graft and inefficiency. This agency is the Bureau of Investigation of the United States Department of Justice, under the direction of J. Edgar Hoover. Its achievements, including the wiping out of such notorious menaces as John Dillinger and Charles "Pretty Boy" Floyd, are well enough known to need no further review here.

The high efficiency of this Federal organization is a shining example of what may be accomplished through freedom of action under intelligent direction.

The Department is mentioned here simply in the hope that the several States and thousands of municipalities will profit by experience and bring their own agencies of law enforcement to the high stand necessary for the protection of society. United States Attorney General Homer S. Cummings, in a recent speech, stressed the importance of permitting all law-enforcement agencies to have, as in the case of the Department of Justice's Bureau of Investigation, absolute freedom from political interference. There is no doubt whatsoever that this is the only way to attain efficiency.

That such a system of absolute divorcement of a loyal law enforcement agency from the hampering hand of political interference will go far toward reducing crime in any given locality has already been amply demonstrated in Milwaukee, where the police department acts independently of any governing forces. Milwaukee's great record in reducing crime beats every city in the United States.

Lack of badly needed high standards today is not the result of any deterioration in the courts, police departments, and penal

institutions, but rather the inability of these various institutions to keep abreast of changing conditions. In many places the police are showing much promise. Few other branches of criminal justice are in the hands of men with a greater degree of enthusiasm for their work.

One of the immediate things our people can do in the war on crime is to place at the head of our police departments men of experience, men who have come up from the ranks. Offer to these men and those under them a salary sufficient to attract honest men to a field with a future. Remove from them the menacing shadow of political influence. This, more than anything else, will provide the material for a new and thrilling chapter in the history of law enforcement.

And if the modernization of your local police department means the expenditure of still more money, then do not flinch in the spending of that money. Much of the necessary extra money could readily be obtained in most cases by demanding that appropriations now being assigned to less worthy causes be immediately transferred to your law-enforcement agencies.

Tell that to the legislators who represent you. Tell them firmly and often. They'll listen to you when they come to realize that their own political futures hang in the balance. And, above all, strive to have your police department removed from the outside influences which today strangle it, reducing its effectiveness and squandering the money you already have put into it. That should be your first demand.

To accomplish all of these desired results there necessarily will have to be drastic changes in our entire social organization.

Demand those changes!

And do not be fooled by sporadic, spectacular attacks on crime of which you read from time to time in your local newspapers. Nine times out of ten these much-vaunted drives represent the most insidious type of political propaganda.

Often, if you will recall your dates accurately, they are nothing more than election eve blarings of the trumpet by an administration which uses your police department as an argument for remaining in office.

Much-vaunted vice clean-ups, whereby our local jails, to the screaming accompaniment of patrol-wagon sirens, are filled with shabby street walkers for the edification of the voting citizen who is going to the polls as socn as he finishes reading of the police round-up in his morning paper, are beginning to lose their effectiveness with thinking citizens.

Remove the brass band machinations of politics and its controlling hand, and you will find your city freer of vice and crime than it has ever been. Your police department wants to work; wants to suppress vice and the more serious crimes of violence and plunder. It wants to make, freed of political orders, a sustained, effective drive against crime. It deserves a free hand in enforcing the laws, and the equipment with which to put down crime. It expects you to help it in its needs for that right to serve you.

It is up to you, you men and women of voting age, who even now are reading these words. As taxpayers, every one of you is helping to foot the bill represented by police departments in this country. Are you getting your money's worth? Think it over. And if you decide that you are not, then speak up. You are entitled to receive value for money expended.

Demand it!

ANNUAL MEETING UNITED STATES GROUP OF INTERPARLIAMENTARY UNION

Mr. CONNALLY. Mr. President, I submit for printing in the RECORD the minutes of the Thirty-second Annual Meeting of our American Group of the Interparliamentary Union.

It now appears that the Thirty-first Conference of the Interparliamentary Union will be held in the city of Brussels, Belgium, July 26–31 next.

Certain items relative to the support of the Interparliamentary Union are now up for the consideration of the Congress.

Every Senator and Representative in the Congress of the United States of America is ipso facto a member of the United States Group of the Interparliamentary Union.

The Thirty-second Annual Meeting of the United States of America Group was held in the committee room of the House Committee on Foreign Affairs on Monday, January 21, 1935. I offer, therefore, and ask that there be printed in the RECORD, the minutes of that meeting.

There being no objection, the minutes were ordered to be printed in the RECORD, as follows:

THIRTY-SECOND ANNUAL MEETING OF THE UNITED STATES OF AMERICA GROUP OF THE INTERPARLIAMENTARY UNION—MINUTES OF THE MEETING

The Thirty-second Annual Meeting of the United States of America Group of the Interparliamentary Union was held in the committee room of the House Committee on Foreign Affairs, Monday, January 21, 1935, at 10:30 a. m., Representative Sam D. McReynolds, vice president of the group, presiding. The following persons were present: Representatives Sam D. McReynolds, Tennessee; Caroline O'Day, New York; Sol Bloom, New York; Albert E. Carter, California; Charles A. Eaton, New Jersey; Ralph E. Church, Illinois; William W. Blackney, Michigan; Fred A. Crawford, Michigan; Fritz Lanham, Texas; Charles F. McLaughlin, Nebraska; and Arthur Deerin Call.

The minutes of the last annual meeting having appeared in the CONGRESSIONAL RECORD, Friday, January 18, 1935, it was voted upon the motion of Mr. CARTER seconded by Mr. EATON, that the minutes be approved without reading.

STATEMENT BY EXECUTIVE SECRETARY

The permanent executive secretary called attention to certain rules and regulations of the Interparliamentary Union, under the terms of which it is the duty of the United States Group to keep the Congress informed, through its committee or through one of its members, of resolutions adopted at the conferences which call for parliamentary or governmental action.

Again, the Interparliamentary Union expects its members to do their utmost to see that the work of the Union is made known in their respective countries, in order to obtain as large a measure of support as possible. The members of all groups are invited to assist to the best of their ability in the maintenance of peace among the nations.

In article 17 of the Regulations for Conferences it is provided that "at the close of each conference the President shall enumerate the principal resolutions adopted which it will be the duty of the groups to present to their respective governments and parliaments (statutes, art. 5) in the shape of bills, motions, questions, or under any other form suitable to the circumstances."

We are notified from Geneva that—

"In view of the importance of promoting the work in favor of peace and international cooperation pursued by the Interparliamentary Union by putting into execution the resolutions passed by its conferences;

"In view of the fact that it lies with the national groups of the Union to secure the application of those resolutions in the political life and in the legislation of their respective countries, as also in international life;

"In view of the fact that, if positive results are to be obtained in this respect through the action of the groups, it is indispensable that those groups, as autonomous members of the Union, should exercise a permanent and continuous influence within their respective parliaments."

As set forth at the Twenty-seventh Interparliamentary Conference at Bucharest, the following measures are recommended to the national groups:

"1. That two regular group meetings at least should be called in the course of the year, one of which should discuss the action to be taken in connection with the resolutions passed by conferences. (See art. 17 of the Regulations for Conferences.)

"2. That detailed information should be given in the annual reports of the groups (statutes, art. 3) as to the steps taken in connection with the resolutions of preceding conferences, and especially as to the motives which may have led a group to refrain from action with regard to any particular resolution.

"3. That debates on questions placed on the agenda of the Union should be instituted within the groups. Such debates might be opened by national or foreign experts, parliamentary or nonparliamentary, invited by the groups."

With regard to resolutions of conferences recommending the ratification of international conventions, the Conference asks our group "to see that the steps taken with the Government with a view to ratification should be renewed until the group has achieved its ends."

RESOLUTIONS OF THE THIRTIETH CONFERENCE

The resolution of the Istanbul Conference were summarized by your executive secretary in his statement printed in the CONGRESSIONAL RECORD of January 18, 1935, page 690. It remains for our group to take action in accordance with article 5 of the statutes of the Union, which lays upon each group the duty of "keeping its parliament informed, through its committee or through one of its members, of resolutions adopted at the conference which call for parliamentary or governmental action."

No group is asked to act in support of a resolution, which has not been favorably received by a majority of its members. The resolutions adopted at Istanbul were passed unanimously by the delegates present, excepting those on security and the reduction of armaments.

It is readily apparent from a reading of the resolutions, that the Interparliamentary Union has the single aim of promoting the solidarity of all states through the maintenance of peace through justice. In his book, Le Droit Constitutionnel et l'Organisation de la Paix, Professor Mirkine-Guetzévitch points out that it was the Union which first had the honor of launching the principle of the "harmonization of national legislations with the new principles of international law."

The resolution adopted at Istanbul advising the adoption of a universal system of security, providing for a consultative body with power to express its opinion on any violation of the prohibition of recourse to force and to define the aggressor state, and for the application of sanctions of force, was not approved by the American delegates.

After having defined the contents of a universal pact of security, the Istanbul resolution recommends the signature of continental pacts (such as the European draft security pact, or the Saavedra Lamas Treaty, signed in Rio de Janeiro in 1933 by several American states), culminating in a system of regional treaties, which may be either multilateral or bilateral. These treaties must be in

accordance with the rules of existing regional pacts, such as the Paris pact, and must not be directed against any power or group of powers.

From Geneva our attention is also called to the fact that at the present time diplomats appear to prefer regional treaties. It may be recalled in this connection that a Balkan pact has already been concluded, and that efforts are being made to draw up an eastern pact of nonaggression.

We of America may have occasion to study the drafts of other regional pacts, which may be drawn up within the next few months, and profitably to consult the Istanbul resolution, which is the fruit of several years of thorough study.

The Istanbul Conference made a point of declaring the faith of the Union in the cause of the reduction of armaments, despite the repeated failures of the Disarmament Conference and the general pessimism. To this declaration it also added the list of measures which the Union has long advised and which are known to all its members.

For the first time the Union was called upon in Istanbul to deal with social questions.

The recommendations conclude by a definite request to our national groups "to take the necessary steps with their respective governments in order that the government delegates to the next International Labor Conference may receive the necessary instructions to make the adoption of the proposed regulations possible."

Of what will the proposed regulations consist?

In order to answer this question it is necessary to fit the problem in its present surroundings.

At the end of September last, the governing body of the International Labor Office adopted by 22 votes to 7 the following resolution presented by the Government delegates of France, Belgium, Czechoslovakia, Spain, Poland, Italy, the Argentine, Mexico, and Brazil. The language follows:

"The governing body decides:

"(1) To place the reduction of hours of work on the agenda of the nineteenth session of the Conference.

"(2) To instruct the office to draw up a draft for a single convention providing for the reduction of hours of work in all classes of establishments. The Conference shall determine at that session and at subsequent sessions the classes of establishment to which this reduction shall apply and the method of application for each of them.

"(3) To reserve until the next session of the governing body—which will have before it reports to be prepared by the office, including the information received in the meantime from the governments—the final selection of the industries, establishments, or categories to which it is proposed that the nineteenth session of the Conference should apply the reduction of hours of work."

If, therefore, the nineteenth session of the International Labor Conference, which is to assemble in Geneva on June 4, 1935, follows the suggestions which are laid before it by the governing body, it will examine and adopt a single draft convention providing for the reduction of hours of work in economic activities as a whole.

Further, it will decide at the same session upon certain activities to which this reduction will first be applied, together with the methods of application in each case.

Further sessions of the Conference will progressively decide upon the other industries.

Finally, the governing body, in its sitting this month (January 1935) will definitely decide upon the industries to which it proposes immediately to apply the reduction of hours of work.

The suggestions already made by the International Labor Office—to which the United States now belongs—in this respect concern:

1. Public works undertaken by the governments or subsidized by them. The application of a system of reduction of hours of work in work of this description can be reached merely by a decision of the governments, since the latter decide themselves upon the conditions under which their own public works are undertaken, and they are also in a position to fix the terms which they see fit at the time they grant the subsidies. It must be pointed out that in this sphere there is no question of international competition.

2. Iron and steel industry: We have here an industry which produces raw materials for which there is no fear of competition from industries manufacturing substitutes. It employs many workmen, and therefore a reduction of hours of work would allow of an appreciable number of workmen being taken on again.

3. Building and civil engineering: This has the double advantage of not being subjected to foreign competition and of occupying a large number of workmen. In several countries the working week is less than 48 hours.

4. The bottle-glass industry, which perhaps occupies a relatively small number of wage earners, but which has engaged the attention of glass experts with a view to the adoption of an international draft convention.

M. Jouhaux, on behalf of the Workers' Group, has requested that during the same session of the governing body, the International Labor Office prepare reports on the legislation and on the current practice in the question of hours of work in the following industries, to which, in his opinion, a reduction of working hours might suitably be applied:

(1) Continuous process industries.
(2) State or private armaments and war munitions industries, and shipbuilding yards.
(3) Chemical products.
(4) Transport.
(5) Building industry and public works.
(6) Public-utility services (gas, water, electricity, etc.).
(7) Textile industry.
(8) Glass works.
(9) Mines.

A definite list of industries, establishments, or categories to which it will be proposed that the next Conference apply the reduction of hours of work, will therefore be drawn up by the governing body of the International Labor Office in January 1935.

But the Conference will remain free to apply or not the model convention adopted for the proposed industries and, above all, to examine them or not according to the emergency procedure.

If the emergency procedure is not adopted this will presuppose a second attempt the following year.

Under these circumstances it is suggested from Geneva that the national groups might consider the possibility of requesting their respective governments to give their delegates to the nineteenth session of the International Labor Conference the necessary instructions—

(1) To vote the draft convention embodying the principle of a reduction of hours of work.

(2) To vote in favor of the application at the International Labor Conference of June 1935 of the reduction of hours of work to industries which will be proposed by the governing body on January 31, 1935.

(3) To apply to these industries the emergency procedure and single discussion.

The resolution at Istanbul relative to unemployment among young people and to some remedies is drawn up in the same spirit as the preceding one. Several broad principles of a humanitarian character are set up, followed by suggestions of a political nature; and the value of international institutions for mutual aid, in this case the International Labor Organization, is upheld.

"The thirtieth Conference", says this resolution, "notes with the greatest satisfaction that the problem of the unemployment of young people has been placed on the agenda of the next session of the International Labor Conference, and invites the national groups of the Union to support the efforts of the said Conference in that field."

In this connection it should be recalled that the procedure which will be in use for the discussion of this problem at the next Labor Conference will enable that Conference to accomplish its work in one session. The report to be submitted to the delegates is, in its general outline, in agreement with the Istanbul resolution. It is felt that this national group of the Union could therefore easily request the Government to give its delegates to the next Labor Conference instructions which would be conducive to positive action in the fight against the scourge of unemployment among young people.

The resolution relating to the evolution of the representative system and technical problems is worth consideration for several reasons.

In the first place, it fixes in its preamble the method which the union should adopt in the study of the representative system. This method, if adopted, would open up sources of useful knowledge to all members of the Union, especially of the evolution of political institutions in the different countries, and ought to result in courteous exchanges of opinion. Thus the members of the Union are asked to give their experiences in regard to their respective parliaments without criticizing the systems in use abroad. The Union can in this way remain faithful to its wise policy of respect for the convictions of all its members in a sphere which is particularly delicate.

The resolution then gives several suggestions in respect of the passing of the budget, remedies for the imperfections of parliamentary procedure, governmental stability, the separation of the political and judicial powers; finally, the independence of parliaments. These suggestions give an echo of discussions which have taken place in all countries on current problems, which are sometimes of burning interest. They prove that in many parliaments almost similar solutions have been considered—a sure proof that the ills from which the representative system is suffering are wide-spread, and that international consultations on the matter, as offered by the Interparliamentary Union, should be nothing but profitable. Our group will, therefore, find in the resolution adopted at Istanbul a valuable contribution to the study of the evolution of political institutions.

It is announced from the bureau of the union that a permanent subcommittee will shortly begin the study, not merely of questions of a technical nature, but also of larger problems of political organization which are confronting our civilization.

The Interparliamentary Bureau, it is also announced, will shortly have occasion to point out to the groups the value of the resolutions which have been adopted by the union since 1911, in which a striking picture of the future is sometimes to be found.

For the time being we are requested to take all necessary steps toward making known the resolutions of the Istanbul Conference.

Attention was called to the fact that the permanent executive secretary had received a receipt from the secretary general of the Union for $7,500 which, because of the depreciation of the dollar, represents a depreciation of approximately 15,000 Swiss francs, something over $18 in the net value of the grant of the United States to the Interparliamentary Union for the year 1934–35. The executive secretary called attention to a statement by President Montague upon this point, reading as follows:

"I have learned that our contribution to the Bureau of the Interparliamentary Union last year of $7,500 would have been nor-

mally 38,500 Swiss francs; but because of the drop of the dollar the Bureau was only able to realize 24,750 Swiss francs, a reduction of about 37 percent. For the coming year the following drop in the dollar will mean that our appropriation to the Bureau will drop from 38,500 to 23,000 francs, a loss to the bureau of 15,000 Swiss francs."

Under date of November 24, 1934, the executive secretary wrote to Dr. Boissier, secretary general of the Union, saying: "I see no way by which we can make up the loss to the Bureau due to the depreciation of the dollar, except possibly by getting the appropriation for next year increased." To this statement Dr. Boissier replied that it seemed to him "an excellent suggestion."

The members were reminded that President Montague had urged the Congress to appropriate $10,000 to the Bureau of the Interparliamentary Union at Geneva, and that he had also urged that an authorization act be passed by the Congress authorizing an appropriation not to exceed $20,000 per annum, $10,000 of which should be for the contribution of the United States to the maintenance of the Bureau at Geneva and $10,000, or so much thereof as may be necessary, to assist in meeting the expenses of the United States of America group of the Interparliamentary Union. It appeared to be the opinion of all the members present that both these suggestions by President Montague should be approved by the Congress.

REPORT OF THE TREASURER

Treasurer BLOOM submitted the following report:

1934		
Jan. 19.	Balance on hand	$408.23
	Disbursements	
Jan. 24.	Secretarial service	50.00
Feb. 24.	Secretarial service	50.00
Mar. 24.	Secretarial service	50.00
Apr. 24.	Secretarial service	50.00
May 24.	Secretarial service	50.00
1935		
Jan. 12.	Judd & Detweiler, printers	16.80
Jan. 12.	Western Union Telegraph Co	13.33
Jan. 12.	Total disbursements	280.13
Jan. 21.	Balance on hand	128.10

It was voted that the report be accepted and filed.

ELECTION OF OFFICERS

Upon the motion of Mr. CARTER it was voted that Senator ALBEN W. BARKLEY, of Kentucky, be elected president.

Upon the motion of Mr. EATON, who called attention to the great services and high character of Mr. ANDREW J. MONTAGUE, Mr. MONTAGUE was elected vice president of the group.

Upon motion of Mr. BLOOM, Senator WALLACE H. WHITE, of Maine, and Representative SAM D. MCREYNOLDS, of Tennessee, were elected vice presidents.

It was voted that Representative SOL BLOOM, of New York, be reelected treasurer and that Representative CHARLES A. EATON, of New Jersey, be reelected secretary.

The executive committee was elected as follows: Senator ALBEN W. BARKLEY, ex officio chairman; Representative ALBERT E. CARTER, California; Representative EVERETT MCKINLEY DIRKSEN, Illinois; Representative WILLIAM BACON OLIVER, Alabama; Senator TOM CONNALLY, Texas; Senator JOSEPH T. ROBINSON, Arkansas; Senator MILLARD TYDINGS, Maryland; Senator ARTHUR H. VANDENBERG, Michigan; Representative A. PIATT ANDREW, Massachusetts; Representative ROBERT L. BACON, New York.

Representative ANDREW J. MONTAGUE and Senator JOSEPH T. ROBINSON were elected members of the council of the Interparliamentary Union.

Dr. Arthur Deerin Call was reelected permanent executive secretary for the 15th consecutive year.

Under the head of new business the executive secretary called attention to the six permanent study commissions of the Interparliamentary Union and asked if any wished to volunteer for services upon them. The permanent study commissions are:

1. Commission for the study of political and organization questions.
2. Commission for the study of juridical questions.
3. Commission for the study of economic and financial questions.
4. Commission for the study of ethnic and colonial questions.
5. Commission on the reduction of armaments.
6. Commission for the study of social and humanitarian questions.

It was voted that appointments to these commissions be left to the executive committee with power to act.

It was voted that Representative CHARLES A. EATON be asked to draft a letter, expressing the regrets of the group that Mr. ANDREW J. MONTAGUE had found it necessary to end his fine services as its president, and thanking him for his long continued devotion to the high purposes of the Interparliamentary Union.

The meeting adjourned at 12 noon.

ARTHUR DEERIN CALL,
Permanent Executive Secretary.

FARM CREDIT ACT OF 1935

The Senate resumed the consideration of the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] to reconsider the vote by which the amendment of the Senator from Montana [Mr. WHEELER] was agreed to.

Mr. ROBINSON. Mr. President, I ask the attention of Senators while briefly discussing the amendment of the Senator from Montana [Mr. WHEELER].

When the Federal land-bank system was created, the Treasury was required to subscribe to the stock under an arrangement by which the stock of the various Federal land banks would be taken over by borrowers. Each borrower was required to take in stock 5 percent of the amount of his loan. Early in 1932 when additional legislation became necessary, almost the entire stock of the Federal land banks had been acquired by borrowers. The Federal Government had been reimbursed for its subscription to the stock save in a total amount of something like $94,000, as I now remember. It is not practicable to attempt from memory to state the exact figures.

In 1932, at the beginning of the year, the entire credit system of the country had broken down. Not only had the Federal land banks almost ceased to make loans but private institutions and individuals throughout the Nation had discontinued lending to farmers. A large number of loans made by the Federal land bank, as also loans by corporations and individuals, were in default, and the situation was truly depressing and discouraging.

About January 1932 the Congress authorized, in the nature of additional capital, $125,000,000 for the Federal land banks. Within a short time this proved to be inadequate. All loans made through private agencies or through agencies other than Federal land banks which were in default were presented to the land banks. Under the conditions which prevailed, it was not found practicable to take them up, so that in 1933 the Emergency Farm Mortgage Act was passed. The problem was a very difficult one as everyone who hears me knows.

It was attacked from two different directions, first, in order to enable the land banks, without becoming insolvent, to make extensions and deferments on behalf of their worthy borrowers and to authorize the Federal Treasury to pay to the land banks, during a 5-year period, the amount of the deferments. Under that provision there has been paid out $56,214,152.

The other direction from which the problem was approached was with respect to the interest borne by farm mortgages in the Federal land-bank system. It was provided in the original act that the rate of interest should not exceed, by more than 1 percent, the rate borne by the mortgages; that is, a maximum of 1 percent was authorized to meet the expenses of operation and to pay dividends if dividends should be earned.

At the time when the act was passed, the rate borne by Federal land-bank mortgages was materially in excess of the rate which the act provided should thereafter, during a 5-year period, be charged to farm borrowers. In order to make up the loss to the Federal land banks which unavoidably resulted from such a plan it was provided that the Federal Treasury should pay to the banks the difference between the amount which their bonds bore and which they would have to pay and the amount which the farmer borrower would have to pay, namely, 4½ percent. Under that arrangement there is being paid out, and will be paid out, by the Federal Treasury approximately $15,000,000 a year. It is not possible to state or to anticipate the exact amount that may hereafter become a charge on the Federal Treasury by reason of the readjustments and arrangements made under the Farm Mortgage Act.

The amendment of the Senator from Montana [Mr. WHEELER] would reduce from 4½ percent to 3½ percent the rate of interest to be paid by farm borrowers, although under the 4½-percent rate the Treasury is already incurring and paying for the benefit of borrowers the liabilities which I have described.

There is a further distinction in that the amendment of the Senator from Montana, if adopted, is to be effective throughout the life of the loans. Therefore, if it should be agreed to, then for all the period of the outstanding loans, and probably for the period of loans hereafter to be made, the Federal Treasury will be paying the difference between the rate of interest borne by the bonds issued by the banks and 3½ percent.

Since the Federal Government is authorized to reimburse the banks only until July 12, 1938, the banks would have to bear the loss following that date unless the law be further amended. If they be required to meet that loss, then within 10 or 12 years, as appears from a statement supplied to me by the Farm Credit Association, which I believe to be accurate—certainly within a comparatively short period—the entire stock of the borrowers, the farmers who have borrowed from the Federal land banks, will be taken up in the losses of the bank made inevitable by the Wheeler amendment.

Obviously if the amendment should become law, the Federal land banks could not make any loans after June 30, 1938, because they would be required to make loans at a loss of approximately 1.77 percent less than the amount they would receive on the bonds. That, of course, means insolvency. It means the destruction of the Federal land bank system.

Admittedly during recent years many difficulties have arisen in the management of the banks; some of them have appeared to me unaccountable; but these difficulties, whatever may be said about them, may not, in my humble opinion, be fairly attributed to the provisions of the law under which they have been operating. It is true that 1 percent has been the maximum amount which the management of the banks might enjoy in defraying overhead and paying dividends, and that amount has been a rather narrow limitation; but in many instances the operations have actually been carried on at a cost of one-half of 1 percent.

It should be understood by the Senate that if this amendment is agreed to, either the banks will be compelled to stop making loans after 1938 and be threatened with insolvency and probably rendered insolvent, or the Federal Government must assume, under this amendment or some similar provision, the obligation to pay the difference between the rate at which the bonds can be sold, the rate which the bonds bear, and the rate which the borrowers must pay.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. BARKLEY. Not only would the banks not be able to make loans after July 12, 1938, but they would be unable to make certain types of loans from now on, because those loans must have a minimum of 5 years' maturity, so that a loan made for 5 years would carry over beyond that period. Therefore, looking ahead, the banks could not even now make loans upon real estate.

Mr. ROBINSON. That is entirely true.

Mr. LONG. Mr. President——

Mr. ROBINSON. I yield to the Senator from Louisiana.

Mr. LONG. I would not have interrupted the Senator except for the fact that the Senator from Kentucky has already done so. The point I am wondering about is this:

We are going to have to face this matter—not only face it, but we cannot dodge it any longer. Something will have to be done about this debt structure. We cannot pay it out at 4½ percent. It is not physically possible.

Mr. ROBINSON. Mr. President, whatever legislation may be necessary for the revision or the improvement of the Federal land-bank system should be referred to a committee of the Senate, studied by the committee, and reported upon. We ought not to undertake almost blindly, as I may say, to make revisions of the Federal land-bank system which go to the very root of all their operations, and which, as I am showing, I think conclusively, will destroy the entire system unless we do something else that is not proposed by this amendment.

Mr. NORRIS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Nebraska.

Mr. NORRIS. I hope the Senator from Arkansas will pardon me if I disclose by my questions a lack of information. I was unable to be here Saturday. I do not think I quite understand the parliamentary situation.

I should like to ask the Senator, first, why he uses 1938 as a limit. I have one or two other questions I desire to ask.

Mr. ROBINSON. I will explain that matter to the Senator.

Under the provisions of the Farm Mortgage Act the Federal Government is obligated to pay to the Federal land banks the difference between the rate which their obligations bear and the rate which the farmers are required to pay. Manifestly that was necessary in order to prevent the banks from becoming insolvent upon the passage of the Federal Farm Mortgage Act. The Senator understands that under the law by which the Federal land-bank system is operated the banks make loans at a rate of interest which cannot exceed by more than 1 percent the rate of interest which they charge their borrowers. Actually they have not charged more than one-half of 1 percent on loans during periods in which the circumstances seemed to enable them to do that. The provision in the act to which I have referred expires in 1938; so that after that time, unless there be additional legislation, the Federal Government will not pay to the banks the difference between the rate they must pay on their bonds and the rate they must receive on their mortgages. It was thought that by 1938, at least, the emergency would have so far passed as to enable the banks to resume normal operations.

Mr. CONNALLY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Texas.

Mr. CONNALLY. I should like to ask the Senator from Arkansas if it is true that the land banks usually are supposed to figure at least 1-percent spread between the rate at which the loans are made and the rate which the banks usually have to pay?

Mr. ROBINSON. They are authorized by law to do that.

Mr. CONNALLY. If we should make these loans at 3½ percent, then the Government would have to get the money somewhere at as low as 2½ percent to make the system workable?

Mr. ROBINSON. But the Government does not make the loans except with respect to the $2,000,000,000 it was authorized to guarantee, and the $200,000,000 which were appropriated in the nature of additional capital. The banks sell their own obligations, and they have not been able to procure the money at the rate indicated. They give the borrower the benefit of declines in the money rates if they can do so, and they hope interest rates may still further decrease.

Mr. CONNALLY. Will the Senator yield further?

Mr. ROBINSON. Yes; I yield to the Senator from Texas.

Mr. CONNALLY. Evidently I did not make myself clear. In other words, the banks, or whoever it is that has to dispose of these bonds, would have to get the money at a rate as low as 2½ percent in order to make these loans workable at 3½ percent. Is it not true that the farm-loan bonds bearing 2¾ percent are now selling below par on the market?

Mr. ROBINSON. I have been trying to emphasize in my statement just that point—that the rate which this amendment provides is so far below the rate at which money can be procured that it means an additional and perpetual loss to the Government, because the Wheeler amendment does not expire in 1938. It requires that for all time these loans shall be made to farmers at 3½ percent.

Of course, the farmers would be glad to get the money at as low an interest rate as they can get it, and I sympathize with their motives and desires in that particular; but I wish to have it clearly understood that the effect of this amendment is not only to fix, during the 5-year period, a further amount of 1 percent which the Government must pay to make up the difference between the rate which the bonds bear and the rate which the mortgages will bear but through all the years to come—if the land-bank system should not collapse, as I think it would under such an arrangement—the Government must measure out of the Treasury, for the

benefit of the borrowers, a large sum of money, estimated by the Farm Credit Administration for the next 10-year period as $750,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. BARKLEY. In that connection, it ought to be stated also that the average rate of interest that is borne by the Federal farm-loan bonds now outstanding is a little more than 4¼ percent. To be exact, it is 4.27 percent; and the average maturity of all these outstanding bonds is 26 years. So for a period of 26 years these bonds are to draw a rate of interest a little more than 4¼ percent; and upon the loans which are the basis for those bonds that have already been bought by the public we are permitted, under this amendment, to charge only 3½ percent.

Mr. ROBINSON. The Senator has stated the matter very clearly.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. ROBINSON. If the Senator will pardon me for just a moment, I said a few minutes ago that the cost of this proposal over a 10-year period would probably amount to $750,000,000. That is an estimate, and I cannot vouch for its accuracy; but I do have accurate figures on which I can rely that if no additional loans were made, on the loans outstanding alone, we would pay out of the Federal Treasury $300,000,000 during the next 10 years; and if, as I think will occur, and as I shall attempt to show if the opportunity is presented to me, we absorb into the Federal land-bank system all the eligible farm mortgages of the Nation, we probably shall be paying out during the 10-year period something like $750,000,000 to meet the difference between the rate of interest which the banks pay and the rate of interest which they are permitted to receive.

It is not sound business to operate this system on a losing basis, on a basis that we know is losing. If we wish to wreck the system, if we wish to discredit it, if we wish to place it at the mercy of everchanging Treasury administrations, we can do it by the adoption of the Wheeler amendment.

Mr. LOGAN. Mr. President——

Mr. ROBINSON. I yield to the Senator from Kentucky

Mr. LOGAN. I voted for this amendment without knowing very much about it. I am trying to find out what the facts are.

As I understood a while ago from the Senator, the Government would have to pay this difference, up until 1938, and after that time the banks would have to stand the loss. Is that correct?

Mr. ROBINSON. Yes; but if the Wheeler amendment shall be agreed to, the Government will have to pay 1 percent more than it is now paying, not only up until 1938 but throughout the decades to come.

Mr. LOGAN. Would that hurt the banks any? If the Government would have to pay it, how would it affect the banks?

Mr. ROBINSON. It would hurt the banks because there is no provision in law for the Government to pay. There is no provision in law now for the Government to pay more than the difference between 4½ percent and whatever rate the obligations bear. The proposal now is to make that difference 1 percent greater, so as to impose for all time an additional burden of 1 percent on the Treasury of the United States.

Mr. LOGAN. So, even if the Government wanted to assume that obligation, it would be necessary to amend some other laws?

Mr. ROBINSON. Oh, yes; and, as I have previously said, we ought not to legislate in this way. If we wish to change the Federal land-bank system as this amendment seeks to do, we ought to give study to the legislation.

Mr. BARKLEY. Mr. President——

Mr. ROBINSON. I doubt if there is a single Senator here, even the Senator from Montana [Mr. WHEELER], who understood, when this amendment was presented, its full effect on the credit system of the country and on the land-bank system, although I know that he had studied the question from the standpoint of those with whom we sympathize so greatly. I know that he was anxious to make further arrangements for the relief of farmers.

I yield to the Senator from Kentucky.

Mr. BARKLEY. The Senator said a while ago that he could not vouch for the accuracy of the estimate of $750,000,000 over a period of 10 years. It is not difficult to work that out in our heads. If this amendment shall be adopted, there will be a difference of 0.77 percent, or three-quarters of a percent, we will say, in round numbers, between the rate of interest borne by the bonds and the rate of interest paid by the borrower. If we assume that there are a billion dollars of outstanding bonds—and that is less than the actual amount, but it is in that neighborhood—then three-quarters of 1 percent on that $1,000,000,000 is $7,500,000 a year.

Mr. ROBINSON. Oh, no; it would be $7,500,000. But the Senator misses this point, in my humble judgment: When the Farm Credit Act was placed in effect the total outstanding obligations of the Federal land banks amounted to a little more than $1,000,000,000. Since it went into effect, in May 1933, those obligations in the form of land-bank loans proper and commissioners' loans have been increased by the astonishing additional sum of $1,500,000,000. So that in a little more than a year and a half the Federal land-bank system has made one and a half times as many loans as it had made throughout the entire period of the previous existence, beginning in 1916. If we further reduce the rate, we will make it so attractive to borrowers that everyone who has a loan from any private mortgage institution or from any individual will seek to come into the land-bank system, and every bit of the farm credit in the country will be absorbed into the Federal land-bank system.

Mr. BARKLEY. Mr. President, that is exactly what I was coming to. If we take the eight and a half billion, or approximately eight and a half billion, of outstanding mortgages and add that sum to the billion and a half which has been added to the billion that we had in the spring of 1933, assuming that the Government, if it could do it, would absorb all these outstanding loans by reason of the more attractive rate of interest, it is not difficult to calculate how the Government would have to spend not only $750,000,000 in 10 years, but in 26 years two and a half times as much.

Mr. ROBINSON. Yes; that is entirely true; but I still say that it is not within my power to anticipate just how far the absorption of the loans by private agencies will go. No one, I think, can anticipate all the conditions that will arise during the next 10 or 15 years, and that is one reason why we ought not to legislate for an indefinite period.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. FLETCHER. May I suggest that the result of all that would be that the Government would finally quit supplying the deficiency and the whole system would go to pieces?

Mr. ROBINSON. Yes.

Mr. FLETCHER. The whole system would go down, because we cannot expect the Government to subsidize indefinitely.

Mr. ROBINSON. As I implied a while ago, we cannot expect the Government to go on subsidizing these loans in constantly increasing amounts for all time to come.

Mr. FLETCHER. Exactly. The Senator from Nebraska [Mr. NORRIS] discussed this matter on Friday when I was not present in the Chamber. I think he had in mind, perhaps, some questions about this reduction of interest as provided by law.

In May 1933 we enacted the law which authorized the fixing of the interest on all loans then outstanding at 4½ percent. Many of these mortgages draw 5 percent. I think 5 percent is usually the rate of interest the mortgages bear. Congress said, "We will make that interest rate 4½ percent, the Treasury supplying the difference." That is to say, a man makes a mortgage at 5 percent, the usual rate, and the Federal land bank then endorses on it for 5 years, "This interest shall be 4½ percent." The Government must make good, the Treasury must make good, the difference. That

was the situation under the act of May 12, 1933, fixing the rate at 4½ percent. But it was to last only until July 1938. Then we are to go back to the original rates, unless the law shall be changed in the meantime. But this law will expire in July 1938.

Now an amendment is proposed to make that interest 3½ percent instead of 4½ percent, as it is under the act. So that the question arises, Who is going to take care of the difference between 5 percent and 3½ percent? It is a subsidy to the borrowers, of course, which must come out of the Treasury of the United States in some way.

Then, with reference to the observation made by the Senator from Louisiana that the farmers of the country cannot afford to pay 4½ percent; of course, when this act was passed, the farmers were paying all the way from 6 to 20 percent interest. It had the effect of immediately reducing that.

Mr. ROBINSON. They were not paying those rates to the Federal land bank, of course, but to private institutions.

Mr. FLETCHER. Yes; and the Federal land banks began to charge them only 1 percent more than they realized on their bonds—bonds issued against these mortgages—not exceeding 1 percent more. That was to cover the cost of administration. That has been kept down to about a half of 1 percent.

At that time, it will be remembered, national banks were not permitted to make loans on real estate at all. Commercial banks followed their example very largely and made no worth-while loans on real estate. Some loans were made by insurance companies at 6 percent, with a renewal charge of about 2 percent.

The farmer had to find his financial accommodations through the factors, the merchants who sold supplies on time and charged outrageous rates, and therefore we saw the necessity of establishing this system that would meet the needs of agriculture, and provided financial accommodations practically on the farmer's own terms.

We do not want to destroy that system; we do not want to break it down. We do not want to jeopardize it by insisting that the Government shall pay the farmer's interest. If we provide now that the Government shall pay his interest in excess of 3½ percent, next year you may come back and say the interest shall be 2 percent, and the next year after that you may say that he need not pay any interest on his mortgage at all, and, of course, that would result in the complete overthrow of this independent system of financing agriculture.

The Senator from Louisiana said the farmers cannot pay 4½ percent, that they are falling down, that they cannot afford to pay 4½ percent. Before this system went into effect, they did pay from 8 to 20 percent. Now they pay 5 percent on their mortgages.

The Senator says they cannot pay 4½ percent. Let us look at the record a moment. Last year the foreclosures on farms amounted to 0.79 percent of the loans. So I do not see that anybody is being hurt by that situation.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON. I yield.

Mr. LONG. The Senator from Florida fails to remember that we placed some legislation on the books to stop the foreclosures, although the farms were being sold then at an alarming rate, and that credit should come to the minds of those who are advocating the Wheeler amendment. It stopped the farm sales.

Mr. President, there was a fortune in Europe, known as the "Medici fortune", about which Mr. Vanderlip tells us. The fortune of the Medici family, if it had been held intact, drawing 4 percent interest, would today be a pile of gold as large as the sphere of the earth. We cannot continue to pay 4½ percent, because at 4½ percent, if the Government does offer 4½ percent—and they cannot offer it any longer—we would have today to appropriate from twelve to fifteen billion dollars annually to pay the interest on the debts of the United States, against the total income of $40,000,000,000, and it is a physical impossibility to do it.

Mr. ROBINSON. Mr. President, the Senator from Louisiana discusses a matter which I think is not entirely relevant to the immediate question under consideration.

Admittedly one of the problems of the depression grows out of the great shrinkage in property values and the simultaneous perpetuation of indebtedness. When property, which, after all, is the basis of debt, shrinks and the debt remains the same, the debt accordingly becomes more burdensome. But I am pointing out now that we have given the farmer borrowers the benefit of a rate of interest that is lower than the rate the banks can obtain.

The lowest rate at which the banks have ever been able to sell their bonds is 4 percent, and if we add to that any amount for operation, for overhead, we readily see that the margin is too close, on the present basis, to enable the banks successfully to operate. Therefore the Federal Government is paying large annual subsidies to make up the unavoidable difference.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. ROBINSON. I yield.

Mr. WHEELER. Mr. President, I may be mistaken, but as I understand the law at the present time, under the Farm Mortgage Corporation the Government has issued or was authorized to issue $2,000,000,000 worth of bonds.

Mr. ROBINSON. Guaranteed bonds.

Mr. WHEELER. Guaranteed bonds; and they sold those bonds at a figure around 3 percent. They were authorized to trade those bonds for Federal land-bank bonds, and the Federal land bank was to pay them 4-percent interest upon the bonds that were traded. That is my understanding.

Mr. ROBINSON. Mr. President, manifestly the Government cannot—at least it did not—undertake to guarantee in an unlimited amount the bonds which may be issued by the Federal land banks. Such a system was looked upon with disfavor by the committees of the Senate and the House, and by the two Houses. The guaranty was made in order to make possible and effective, or as nearly so as practical, the arrangements carried in the Farm Mortgage Act for a reduction to 4½ percent of the interest on farm mortgages.

What has happened in this particular under the Farm Mortgage Act? Do Senators know that since May 1, 1933, 576,000 loans have been made by the Federal land banks and the Land Bank Commissioner, aggregating $1,500,000,000, as compared with a little more than 400,000 loans, aggregating a billion dollars plus, that had been made by the Federal land-bank system since 1916, when it was created, up to May 1933, and that such loans are now being made; that is, Federal land-bank loans and Commissioner loans, at a rate of between $60,000,000 and $70,000,000 per month?

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from North Dakota.

Mr. FRAZIER. Senators will recall that in the report of the Governor of the Farm Credit Administration, Governor Myers, before the committee, he stated that approximately 90 percent of those loans are renewals which are being made.

Mr. ROBINSON. Refinancing.

Mr. FRAZIER. Yes; refinancing.

Mr. ROBINSON. Yes; I was just coming to that right now. Through these operations $1,350,000,000 of the farm debt was refinanced on a long-term basis. That does not mean $1,350,000,000 of Federal farm land bank loans were refinanced, but it does mean that the very large sum of $1,350,000,000 of previously existing farm indebtedness, whether due to the land banks or to corporations or to individuals, had been refinanced under this arrangement provided for by the act of 1933. In those operations 91,000 borrowers obtained scale-downs of their previously existing debts to the amount of $75,000,000.

The interest saving to farmers on their debts so refinanced exceeds $22,000,000 a year, or approximately one-fourth of the interest paid by them prior to May 1, 1933.

In addition the interest paid by farmers on Federal land-bank loans on May 12, 1933, had been reduced $10,000,000 a year until July 1938, under the arrangement that while the Federal Treasury must make up the difference between the rate of interest the bonds bear and the rate the mortgages bear, farm borrowers should be required to pay only 4½ percent.

The total saving, therefore, to farmers under the Farm Mortgage Act with respect to outstanding mortgages—mortgages that were in existence prior to May 1933—exceeds $32,000,000 a year.

Mr. President, perhaps I have already consumed more time than should have been taken under the circumstances, but my purpose has been to make plain that this amendment, which for all time reduces the rate of interest, already reduced below the cost of the loan by 1 percent, tends to make the land banks insolvent, tends to increase further the burden the Government is bearing in the nature of a subsidy to farmer borrowers, tends to reduce the values existing farmer borrowers have in the form of their stock certificates. It is an improvident transaction, such as not a living Senator would think of entering into if it concerned his own private business.

I am sympathetic with those movements and enterprises which have extended assistance and relief to and which are designed to extend assistance and relief to farmers where it is possible, but I do not believe that this amendment is justified.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield to the Senator from Florida.

Mr. FLETCHER. May I ask what the Senator thinks would be the effect of this proposed amendment on the sale of Federal land-bank bonds, the proceeds of the sale of which must be loaned to farmers? If those bonds are depreciated, of course, that makes it all the more difficult to secure the money to lend the farmers.

Mr. ROBINSON. Unless something very comprehensive is done in addition to that contemplated by this amendment, I think such an arrangement means the impairment of the Federal land-bank system, and I do not believe there is a person, whatever his interest may be or whatever his viewpoint may be, who can escape that conclusion from the facts which are admitted.

Mr. SHIPSTEAD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. ROBINSON. I yield.

Mr. SHIPSTEAD. I desire to ask the Senator a question. I may be mistaken, but if I remember correctly, when we amended the Farm Loan Act we provided for the payment of 4½-percent interest. My understanding, if I remember rightly, is that that was done by postponing the 1 percent which is usually charged for amortization of the loan.

Mr. ROBINSON. No, Mr. President; I do not think the Senator is entirely correct when he makes that statement. I have stated the situation already, but will do so again. There were two features of the Federal Farm Mortgage Act of 1933 which were of vital importance. One of them provided for the extension and deferment of loans and payments, which the Senator has in mind; and in order to accomplish that, the Federal Government agreed to pay and has paid the maturing installments on the loans to an amount in excess of $56,000,000. In addition to that, the second primary feature of the act was to accomplish for a 5-year period—a period regarded as probably embracing the time of the depression—a reduction in the interest rate paid by farmers to 4½ percent; and in order to accomplish that purpose it was necessary for the Government to agree to pay and to pay the difference between the 4½ percent and the rate of interest which the obligations issued by the Federal land banks bear, which is not always uniform, but which is between one-half of 1 percent and 1 percent. Payment of any part of the principal may be deferred until 1938.

In the original act there is a provision authorizing the land banks to charge 1 percent more than their bonds bear. That is, of course, to pay the expenses of operation. But they have not always realized that amount, and 1 percent has not been found to be excessive, when there are taken into consideration the things that are necessary to be done in the efficient management of the banks. It is rather a cheap operation cost.

Mr. SHIPSTEAD. The Senator from Arkansas means to say then that the present law, as amended, does not provide for the postponement of payment of amortization charges for a period of 5 years.

Mr. ROBINSON. Yes and no. I have tried to make it plain. The Government is paying the deferred payments that relate to extensions in order to prevent foreclosures, in order to tide the borrowers over the depression period, which it is estimated will terminate probably before 1938.

(At this point Mr. LONG submitted Senate Resolution 74, which appears under the proper heading.)

Mr. LONG. Mr. President, I did not want to interrupt the Senator from Arkansas, but it seems that we are taking a very narrow view of this question. We are talking about appropriating $5,000,000,000 for one relief program; $2,000,000,000 to fix up the currency——

Mr. WHEELER. Mr. President, will the Senator yield to me for just a moment?

Mr. LONG. Yes, sir.

Mr. WHEELER. I wish to say, so that the Senate will understand, that I am going to ask leave to perfect my amendment by striking out the provision which would extend its operations for an unlimited time and only extend it until 1938, feeling that by that time, if it be necessary, we will be able, after full and complete hearings, to get the interest rate reduced beyond 1938. So the only possible loss that could come to the Government by the guaranty would be for the period between now and 1938.

The PRESIDENT pro tempore. Let the Chair state that the hour of 1 o'clock having arrived, the unanimous-consent agreement is now in effect, and that under the agreement speeches are limited to 15 minutes by each Senator.

Mr. LONG. Mr. President, I rose for another purpose, but I want to say a word or two in answer to my friend from Arkansas [Mr. ROBINSON]. We are appropriating $5,000,000,000; that is, $5,000,000,000 is requested for the relief program; we are appropriating $2,000,000,000 for another use so as to manipulate the value of money, to go into the market and match wits with others and buy and sell money. Then we have appropriated several more billion dollars for some other purposes, and at the most, as I understand, our opponents estimate that the proposed decrease in the interest rate, under the pending bill, would amount to some four or five or six hundred million dollars. Is that correct?

Mr. WHEELER. It would not amount to that much.

Mr. LONG. I know that it would not, but I say the highest estimate is somewhere around half a billion to three-quarters of a billion dollars.

Mr. WHEELER. Let me say to the Senator that there are total outstanding bonds of $2,585,442,360. Taking these figures, if the rate of interest were reduced from 4½ to 3½ percent, the very most the Government would have to make up, if it had to make it up to that amount, would be about $25,000,000 a year for the next 3 years.

Mr. LONG. That is so small, so very insignificant an amount that we ought not even to be quibbling about it.

The only reason that I make any issue of this particular case—for I believe the Senate is going to vote for the amendment—is that we have a debt structure of $252,000,000,000 in this country, and I intend to offer a resolution or a bill in the Senate to create a national moratorium commission, so as to suspend the payment of these debts, as we did to European countries in case of the war debts. It is not possible for the farmers to pay a higher rate of interest. There is no need of talking about 4½ percent being a reasonable rate of interest, for no rate of interest is reasonable that the people cannot pay and survive. It is not possible for the farmer to pay more. We forget that the farmer is one of the very few heavily taxed losers. The farmer is the one man who cannot avoid the burden of taxation, and in the ultimate result practically all the taxes descend upon

the backs of the farmer or the industrial worker. He pays more varied kinds of property taxes and indirect license taxes than do others, so much so that only yesterday I read that a farmer in the State of Nebraska who carried to market either a cow or a hog—I believe it was a cow—after going through the varied forms incident to making the sale and paying taxes and fees lost 71 cents on the sale of the cow. He lost the cow and had to put up 71 cents to pay the balance of the charges that were assessed.

If we are going to start reducing interest rates, I know of no place where we had better begin than with that part of our population which is most punished by reason of the present-day adversity. I am very sorry that we have even to ask for 3½ percent. I refer back to the Old Testament that in this kind of time the interest ought to be eliminated altogether. That would probably be better; but I am coming along with a bill, which I intend to introduce, under which we would postpone these debts.

Mr. President, that concludes all I have to say about this bill and this amendment at this time.

POSTMASTER GENERAL FARLEY

Mr. President, I sent up to the desk this morning a resolution to investigate the conduct of Mr. James A. Farley as Postmaster General and in various and sundry other functions which he exercises for the Government. I am going to ask to have the resolution read from the clerk's desk in just a moment; but, on the heels of this resolution this morning, I met the Senator from North Dakota [Mr. NYE] and the Senator from Michigan [Mr. VANDENBERG], and they gave me the news that had been investigated and brought to light this morning that in our shipbuilding industry, according to these gentlemen—and I know they have properly stated the facts to me, as well as I can remember them—it has been brought out by the munitions investigation that the shipbuilding that has been done by the Navy through the P. W. A. program has been done through a fraudulent and admittedly collusive effort; that there is written and oral evidence, which is not even disputed, that the Navy Department as it now exists, operating, I guess, to some extent through the P. W. A. funds, to the extent of $53,000,000, so I am informed, has proceeded with the deliberate statement that they did not want any competition among those sharing in these contracts.

That came to me after I drew the resolution this morning, but wherever you find, Mr. President, in this administration, I am sorry to say, the slimy, roaming tentacles of Farley, you are bound to have some cognizance that it has a gloomy, smoky, opaque look about it that only a searching eye can fathom; and when that searching eye fathoms it, it never leads to regularity or propriety.

I want to have read just what is proposed by the resolution, and I ask that the clerk, who has a clearer and more distinct voice than I have, read the resolution for the benefit of the Senate.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read the resolution (S. Res. 74), as follows:

Whereas it has been reported that James A. Farley, acting as Postmaster General and in various other capacities for the United States Government, has conducted a private business for the selling of materials to persons engaged in doing public construction work for the United States Government, and that in some instances concerns buying materials from the said concern in which the said James A. Farley is interested have received contracts through as many as three low bidders being disqualified; and

Whereas it is further alleged that the said concerns favoring the firm of the said James A. Farley with business have been able to secure changes in specifications netting them large sums in profits after the award of contracts, and it being alleged that such changes are deliberately made for the purpose of allowing large profits and avoiding competition; and

Whereas it is further publicly known that the said James A. Farley has used the Printing Office and facilities of the United States Government for the purpose of gratifying personal whims and caprices of personal and political friends, even to the printing of stamps never to be used; and

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said businesses for profit to himself and to his friends; and

Whereas it is further alleged that without pay or compensation for the same, the said James A. Farley has commandeered for his personal use, facilities of public-service corporations borrowing money from the United States Government; and

Whereas it has been charged that the said James A. Farley on the eve of a loan being granted to a railroad in West Virginia, telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator; and

Whereas there are general and specific charges of misconduct, irregularity, dishonesty, and other activity on the part of the said James A. Farley, it is due to the people of the United States, the Government of the United States, and the said James A. Farley, that a reasonable and fair disclosure be made of said matters: Now, therefore, be it

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of 3 Members of the United States Senate, not more than 2 of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony, and compel the production of books, records, accounts, statistics, employ experts, and do any and all such other things as may be necessary to carry out the purpose of said investigation; and be it further

Resolved, That any reports of investigations and data secured by the Department of the Interior, particularly through Louis Glavis and those associated with him, on the affairs in which said James A. Farley has participated for the Government of the United States, be forthwith furnished to the United States Senate to be, after proper perusal by Members of the said United States Senate, referred to the said committee to be provided for herein.

Mr. ROBINSON. Mr. President, is the Senator offering the resolution now?

The PRESIDENT pro tempore. It has already been offered.

Mr. ROBINSON. Mr. President, the Senator cannot do that.

The PRESIDENT pro tempore. The Senator asked unanimous consent to present the resolution. That unanimous consent was granted, and the resolution was presented.

Mr. ROBINSON. I did not hear the request.

The PRESIDENT pro tempore. But no disposition has been made of the resolution, and, except by unanimous consent, it is not before the Senate.

Mr. LONG. Mr. President, I have in my hand a copy of the New York World-Telegram of Thursday, September 6. It gives the information that Mr. Ickes was investigating Mr. Farley. I did not see this article in the World-Telegram, and I wondered why the matter was not further pursued. I was told, however, that the Scripps-Howard people had a member, a vice president, threatened with indictment for income-tax evasion, and that when the Attorney General, Mr. Homer Cummings, made his announcement that he was going to have three men indicted he named Mr. Andrew W. Mellon, this Scripps-Howard man, and someone else.

I was told that following the time when this exposure was made by the World-Telegram an arrangement was made by which Mr. Cummings withdrew his efforts to indict this Scripps-Howard vice president, and that he has never been indicted since that time, but that they made a settlement and that the Scripps-Howard people withdrew their opposition and their publicity. I was told that the Rockefeller family, running the Chase National Bank, were mediators in bringing about this harmonious understanding by which publicity was stopped and prosecution was stopped, that the Rockefellers were the financiers, through the Chase National Bank, of the Scripps-Howard newspapers, and that they performed a remarkably good service as conciliators.

Nevertheless, here is what they said before this love feast took place. They said, so says the paper of September 6, 1934—and, Mr. President, if my time runs out on the amendment I want to take my 15 minutes on the bill. Here is what they said:

Secretary of Interior Ickes, in pursuit of his announced policy of safeguarding the $3,500,000,000 P. W. A. fund, is making an investigation of certain building construction here under the

auspices of two of his fellow Cabinet members—Secretary of Treasury Morgenthau and Postmaster General Farley.

The investigation has been secretly carried on for 8 weeks in connection with the $4,250,000 post-office annex building and the $6,000,000 Federal-courts building.

Louis Glavis, chief of Secretary Ickes' staff of 350 investigators, acknowledged readily today to the World-Telegram that an inquiry is under way, and that soon he will make an official report.

No hint concerning the contents of this report was obtainable from Mr. Glavis, but representatives of the Treasury said that thus far there had been found no evidence of improper conduct.

DECLINED TO GIVE RECORDS

It was learned from Harry D. Watts, vice president of James Stewart & Co., general contractors for the two buildings, that he and others of his firm have been interrogated by Secretary Ickes' aides.

Mr. Watts frankly stated:

"Secretary Ickes' men have looked into virtually every angle and every phase of the post-office annex building. We have opened our books to them.

"They also demanded information on the many details of the Federal-courts job, but acting on the advice of the Procurement Division of the Treasury Department, we have declined to furnish these records, since that contract does not involve any P. W. A. funds.

"So far as our firm is concerned, there has been nothing improper or irregular in connection with either of these contracts. While it is true that some of the materials used in these buildings were purchased from Postmaster General Farley's building-supplies company, there was no political intrigue whatever.

BOUGHT FROM FARLEY FIRM

"For over 10 years we have been buying materials from Mr. Farley's company, and we see no necessity of withdrawing our business from his firm merely because he happens to be a Cabinet officer.

"Indeed, a considerable part of these materials was bought from Mr. Farley's firm long before he ever became a member of the Cabinet."

Similar astonishment and indignation was expressed by Harry B. Finnegan, Postmaster General Farley's brother-in-law, who is vice president of the General Builders' Supply Corporation.

On the annex job Mr. Farley's firm is scheduled to furnish to the general contractor or to the subcontractors about $120,000 worth of materials, including cement for the floors and a part of the plaster, brick, and terra-cotta blocks for partitions, Mr. Finnegan said.

Previously the Farley firm had sold to Stewart directly $75,000 worth of cement for constructing the annex foundation, he explained, but the foundation contract was let under the old administration.

On the Federal-courts job the Farley concern sold about $100,000 worth of materials directly to the general contractor and about $85,000 to subcontractors, Mr. Finnegan said.

"We have been doing business with the James Stewart Co. through Harry Watts for years", Mr. Finnegan declared.

AWARDED UNDER REPUBLICANS

"However, we never have helped that company in a political way. We did nothing in Washington that would have influenced the Treasury Department in awarding the post-office annex to the Stewart Co. The other contracts were awarded Stewart under the Republican regime.

"My brother-in-law resigned as president of General Builders when he entered the Cabinet, but he still is a stockholder. He certainly has taken no part in the management of the company since he resigned. The office of president has remained unfilled."

The World-Telegram has found that the Ickes investigators have been particularly interested in circumstances surrounding the bidding on the contract for the construction of the post-office annex.

Bids were asked four times by the Treasury Department. The first set of bids were rejected when the appropriation was diverted to other work.

In other words, the Stewart Co., buying the materials from the Farley Co., were not the low bidders, so they had to bid four times.

Bids were asked four times by the Treasury Department. The first set of bids were rejected when the appropriation was diverted to another work.

In other words, Stewart did not get it, and they diverted it to something else that the Stewarts' maybe did get.

The second bids, on which the George F. Driscoll Co., of Brooklyn, was low, were rejected when the second low bidder, James Stewart Co., charged that Driscoll was disqualified because of failure to sign the President's unemployment agreement on time.

Driscoll was low on the third set of bids and Stewart was second low, but these, too, were rejected. Finally, on the fourth call for bids, the James Stewart Co. was low and that company was awarded the contract.

JOURNAL CHARGES CHISELING

The Engineering News-Record, trade publication, charged editorially the Treasury Department with chiseling or a deliberate attempt on the part of the administration to eliminate a bidder, and asked that the whole matter be referred to Secretary Ickes.

The Driscoll Co. is an old Brooklyn firm which only recently completed the parcel-post-office building in Manhattan. On that building the Driscoll Co. had declined to purchase supplies from Postmaster General Farley's concern and continued doing business with their Brooklyn supply dealers, the J. P. Duffy Co.

EXPLAINS REJECTION

Rear Admiral C. J. Peoples, who became Director of Procurement for the Treasury Department, after the annex bidding, said that the rejection of the third set of bids was the result of open charges of iniquity in calling for bids under two forms of specifications—one for the completed and the other for the incompleted structure. Because of the controversy the Department decided not to make the award on a basis that would leave room for just criticism. Stewart had bid low on the incomplete structure and Driscoll low on the completed building.

When the Treasury Department canceled these bids, the specifications were revised slightly and the fourth set of bids were asked. Stewart bid low this time and was awarded the contract.

CONTROVERSY OVER GRANITE

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When permission to use the alleged cheaper granite was granted, the Treasury Department obtained from the contractor a credit of $5,000, which Admiral Peoples said the division considered quite sufficient. He stated that no effort had been made by the Government to write a restrictive specification.

In other words, Stewart had to bid as the others bid on the other kind of granite, so what they did when this man had had three chances and could not bid low, Stewart & Co. buying these materials from Jim Farley and not bidding low either one of the times, the last time he got the contract; and after he got the contract and was compelled to build according to certain specifications, they changed the specifications so there could be no other bidder. In other words, they just the same as authorized a new contract on the granite, but did not allow anybody to bid that Mr. Stewart might have to compete with, because it took four bids to get him the contract at all the first time.

Mr. President, I will ask that the whole article be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A.)

Mr. LONG. I am informed further that the shipbuilding that has been done will be explained by the committee investigating munitions manufacturers. I should have waited until they make their report. My knowledge is only second-hand from them this morning.

Mr. CLARK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. I will say for the Senator's information that so far as the disclosures before the munitions committee this morning are concerned there was no implication and no suggestion that Mr. Farley ever had any relation to the matter at all. The story to which the Senator refers has to do with a letter put in the RECORD this morning, written by the president of the New York Shipbuilding Co. to the chairman of the board of that company, in which he said he admitted certain officials of the Navy Department had stated that they desired as large a proportion as possible of the shipbuilding program of 1933 should be constructed in private yards, and suggested that there be discussion between the shipbuilding companies as to which each should bid on; but there was no connection of any sort with the Postmaster General and no intimation of any connection on his part.

Mr. LONG. Yet we went ahead and canceled the air mail contracts, and here we have an admission of collusion and yet it is proposed to give that same gang $5,000,000,000 more to spend under these conditions. It is so rotten it smells to heaven. There is no doubt he had anything to do with this investigation without the hand of Farley being in it—that Farley's hand leads right up to the other end of it. I have

not made that as one of these charges. I have referred only to those matters which are well known and publicly admitted. I do not ask consideration of the resolution now because I anticipate an objection. Therefore I shall not ask to have this matter taken up unless we can get the unanimous consent necessary, but I am hoping we will not have a great deal of controversy over the matter. I have only asked that Mr. Farley be investigated. I would assume the investigation may be held of him for a considerably less sum of money than has been spent in investigating me. It is only right we should pass around these investigations. I do not want to hog the whole of them. [Laughter in the galleries.]

The PRESIDENT pro tempore. Occupants of the galleries must maintain order. If there be further manifestations of approval or disapproval, the galleries will be cleared.

Mr. LONG. I shall not ask the Senate, therefore, to take up the resolution at this time, but at as early a date as may be suggested, I shall do so. I hope, however, that we shall have no objection to the resolution from this side of the Chamber, on which I serve with a great deal of pride to myself, being a Democrat, Mr. President, and trying to keep any of the unwashable contents of the party from becoming too closely alined with this part of the Government. I hope we may have this gentleman investigated without any quibble or question. It is not necessary to eat a whole beef to tell when it is tainted, but perhaps you will find it a little different from what the outside shows.

I am told that when the Reconstruction Finance Corporation was fixing to make a loan of $50,000,000 to a concern headed by a railroad president in the State of West Virginia, and they were fixing to nominate a Democratic candidate for the United States Senate, on the night before the loan could be made and the man could be nominated, Mr. Farley telephoned to the head of the railroad who was to be the recipient of this loan from the Reconstruction Finance Corporation that it would be to his interest to help with another candidate. A word to the wise was, he thought, sufficient for that occasion.

Mr. President, I have asked that that matter be investigated. I cannot, of my own first-hand information, give this proof. I am only repeating what is contained in the information given to me by others. I am told by a Member of the Senate that a friend of his came here to Washington and said to Mr. Farley, "When will you be ready to set up your organizations to spend the $4,800,000,000?" and Mr. Farley said, "I shall be ready to set up organizations in about 2 weeks." The same hands are to get right hold of this $4,800,000,000. Why is it that all this money that has been spent has had this kind of a thing around it? Why should we undertake to perpetuate that condition here, knowing that this Government is more Farley-ized than it is Roosevelt-ized, knowing that Farley is the ringmaster, knowing that when you touch Farley you have touched the Government of the United States so far as our administration is concerned?

Therefore it is only due, and I should say it is only fair, that the Senate should investigate such apparently responsible statements that there have been three bids and all three rejected, and that there has been a fourth bid. I do not know how many Senators know it, but it is always a matter of suspicion—my enemies in Louisiana have always said it is a matter of suspicion—when you find somebody selling cement. My enemies have always said that whenever you find some man coming up with a cement contract, when cement could be bought directly by the Government, it is a warning sign. I know this, Mr. President, that there is a commission paid for this cement to Farley's concern for no service except just to tell them that they sold the cement. I know that, and I know that Farley's concern does not make any cement—that is, my information is to that effect—and when we have them selling it in chunks of $125,000 over here and $80,000 over there, and probably just scratching the surface, God knows what they are going to do when they get to hogging into that $4,800,000,000. Why, Mr. President, they will go to that thing just like a yelping bunch of shoats goes to the slop trough. [Laughter.] There will not be enough left of it to make a grease spot when they get through with it this time. May the good Lord above us, in His infinite wisdom, give these 125,000,000 defenseless American people some protection from the ride they are fixing to take us for this time.

EXHIBIT A

[From the New York World-Telegram, Sept. 6, 1934]

ICKES PRESSES HIS INQUIRY INTO CONSTRUCTION PLANS OF TWO UNITED STATES BUILDINGS HERE—FEDERAL MEN ADMIT INVESTIGATION HAS BEEN GOING ON 8 WEEKS—CONTRACTING OFFICIAL WELCOMES CHANCE TO QUIET RUMORS

By Winston Murrill, World-Telegram staff writer

Secretary of Interior Ickes, in pursuit of his announced policy of safeguarding the $3,500,000,000 P. W. A. fund, is making an investigation of certain building construction here under the auspices of two of his fellow Cabinet members—Secretary of Treasury Morgenthau and Postmaster General Farley.

The investigation has been secretly carried on for 8 weeks in connection with the $4,250,000 post office annex building and the $6,000,000 Federal court building.

Louis Glavis, chief of Secretary Ickes' staff of 350 investigators, acknowledged readily today to the World-Telegram that an inquiry is under way, and that soon he will make an official report.

No hint concerning the contents of this report was obtainable from Mr. Glavis, but representatives of the Treasury said that thus far there had been found no evidence of improper conduct.

DECLINED TO GIVE RECORDS

It was learned from Harry D. Watts, vice president of James Stewart & Co., general contractors for the two buildings, that he and others of his firm have been interrogated by Secretary Ickes' aids.

Mr. Watts frankly stated:

"Secretary Ickes' men have looked into virtually every angle and every phase of the post office annex building. We have opened our books to them.

"They also demanded information on the many details of the Federal courts job, but acting on the advice of the procurement division of the Treasury Department we have declined to furnish these records, since that contract does not involve any P. W. A. funds.

"So far as our firm is concerned, there has been nothing improper or irregular in connection with either of these contracts. While it is true that some of the materials used in these buildings were purchased from Postmaster General Farley's building supplies company, there was no political intrigue whatever.

BOUGHT FROM FARLEY FIRM

"For over 10 years we have been buying materials from Mr. Farley's company, and we see no necessity of withdrawing our business from his firm merely because he happens to be a Cabinet officer.

"Indeed, a considerable part of these materials was bought from Mr. Farley's firm long before he ever became a member of the Cabinet."

Similar astonishment and indignation was expressed by Harry B. Finnegan, Postmaster General Farley's brother-in-law, who is vice president of the General Builders' Supply Corporation.

On the annex job, Mr. Farley's firm is scheduled to furnish to the general contractor or to subcontractors about $120,000 worth of materials, including cement for the floors and a part of the plaster, brick, and terra cotta blocks for partitions, Mr. Finnegan said.

Previously the Farley firm had sold to Stewart directly $75,000 worth of cement for constructing the annex foundation, he explained, but the foundation contract was let under the old administration.

On the Federal-courts job the Farley concern sold about $100,000 worth of materials directly to the general contractor and about $85,000 to subcontractors, Mr. Finnegan said.

"We have been doing business with the James Stewart Co., through Harry Watts, for years", Mr. Finnegan declared.

AWARDED UNDER REPUBLICANS

"However, we never have helped that company in a political way. We did nothing in Washington that would have influenced the Treasury Department in awarding the post-office annex to the Stewart Co. The other contracts were awarded Stewart under the Republican regime.

"My brother-in-law resigned as president of General Builders when he entered the Cabinet, but he still is a stockholder. He certainly has taken no part in the management of the company since he resigned. The office of president has remained unfilled."

The World-Telegram has found that the Ickes investigators have been particularly interested in circumstances surrounding the bidding on the contract for the construction of the post-office annex.

Bids were asked four times by the Treasury Department. The first set of bids was rejected when the appropriation was diverted to other work. The second bids, on which the George F. Driscoll Co., of Brooklyn, was low, were rejected when the second low bidder, James Stewart Co., charged that Driscoll was disqualified because of failure to sign the President's unemployment agreement on time.

Driscoll was low on the third set of bids and Stewart was second low, but these, too, were rejected. Finally, on the fourth call for bids, the James Stewart Co. was low, and that company was awarded the contract.

JOURNAL CHARGES CHISELING

The Engineering News-Record, trade publication, charged editorially the Treasury Department with chiseling or a deliberate attempt on the part of the administration to eliminate a bidder and asked that the whole matter be referred to Secretary Ickes.

The Driscoll Co. is an old Brooklyn firm which only recently completed the parcel post office building in Manhattan. On that building the Driscoll Co. had declined to purchase supplies from Postmaster General Farley's concern and continued doing business with their Brooklyn supply dealers, the J. P. Duffy Co.

EXPLAINS REJECTION

Rear Admiral C. J. Peoples, who became Director of Procurement for the Treasury Department after the annex bidding, said that the rejection of the third set of bids was the result of open charges of iniquity in calling for bids under two forms of specifications, one for the completed and the other for the uncompleted structure. Because of the controversy the Department decided not to make the award on a basis that would leave room for just criticism. Stewart had bid low on the incomplete structure and Driscoll low on the completed building.

When the Treasury Department canceled these bids the specifications were revised slightly and the fourth set of bids were asked. Stewart bid low this time and was awarded the contract.

CONTROVERSY OVER GRANITE

Another controversy on the annex building arose when the Treasury Department approved the use of a Maine and New Hampshire type of granite instead of the type used in the main post-office building. The specifications had called for a granite corresponding to that in the old building in quality, color, texture, and form of marking. Other contractors claim they had believed the specifications called for the Milford pink granite, used in the old building.

When permission to use the alleged cheaper granite was granted, the Treasury Department obtained from the contractor a credit of $5,000, which Admiral Peoples said the division considered quite sufficient. He stated that no effort had been made by the Government to write a restrictive specification. All bidders had the same opportunity that Stewart had to plan to use the Maine and New Hampshire granite, he said. The allowance was required because of a slight variation in the texture. Department representatives, who made an extensive study, stated that the approved granite matched that in the old building better than the Milford granite now quarried.

The Federal courts building was designed to be built of granite, but alternate bids—with limestone substituted for granite—were asked. Stewart was low on the granite bid, while the N. P. Severin Co., of Chicago, was low on the limestone bid. The Treasury Department decided to accept the granite bid of the Stewart Co., and it was awarded the contract on a bid of $5,996,000.

After the contract was signed the Treasury Department then granted a number of changes in specifications that permitted the contractor to use cheaper materials than those originally specified. Also the Treasury Department awarded the successful contractors an additional contract for $189,000 worth of extra work.

An overrun in the cost of the foundation of the building required a saving in the main structure, so that changes in types of certain materials with suitable credits to the Government were necessary, the Treasury Department explained.

When plaster was substituted for marble in certain cornices of the building a credit of $57,000 was allowed the Government. Other contractors had offered, in the original bids, sums varying from $40,000 to $112,000 for permission to make this change.

The Treasury Department permitted a change in the type of interior marble when the contractor gave the Government credit for $140,000. Originally an expensive Missouri marble had been specified. Then the contractor was granted the right to use a cheaper Vermont marble.

Democratic politicians protested, however, and the Treasury Department finally changed the specifications so that the contractors are forced to buy marble from quarries in Missouri, Montana, Tennessee, Georgia, Maryland, and Alabama as well as in Vermont.

For giving the Government a credit of $49,000 the Stewart Co. was permitted to use facing brick instead of granite in the light courts. Admiral Peoples said that this was a fair allowance.

The extra $189,000 contract was for cabinet work in the building, Admiral Peoples said, explaining that this woodwork was of such a fine design that the architect was opposed to indiscriminate competition.

Mr. ROBINSON. Mr. President, speaking now technically on the amendment——

Mr. LONG. The Senator has spoken on the amendment, Mr. President.

Mr. ROBINSON. No; I have not—not technically. I spoke before the limitation went into effect.

Mr. LONG. Oh, I beg the Senator's pardon.

Mr. ROBINSON. The Senator from Louisiana has injected into the debate a subject matter in no way relevant to the amendment of the Senator from Montana [Mr. WHEELER] or to the bill under consideration, apparently in resentment for some investigation that some one has made of him. He did not state the nature of it nor the authority for it, but evidently it was some matter for which the Senate is not responsible.

Mr. LONG. Mr. President——

Mr. ROBINSON. I yield to the Senator from Louisiana.

Mr. LONG. Just where did the Senator get the idea that it was in resentment for any investigation?

Mr. ROBINSON. Why, the Senator himself said, during the course of his remarks——

Mr. LONG. I referred to a senatorial investigation.

Mr. ROBINSON. The Senator himself made reference to an investigation.

Mr. LONG. The Senator knows about the senatorial investigation.

Mr. ROBINSON. The only information I have on the subject is——

Mr. LONG. Well, I referred to an income-tax investigation. The Senator knows all about that, too.

Mr. ROBINSON. No; I do not know about it.

Mr. LONG. The Senator does not?

Mr. ROBINSON. No.

Mr. LONG. I supposed the Senator did.

Mr. ROBINSON. No; I know nothing about it. The Senator from Louisiana seems to know all about it.

Mr. LONG. Yes; I know all about it.

Mr. ROBINSON. The Senator, in resentment, manifestly—and I say this in all kindness—at some investigation that has been made of him, has gathered together all the rumors he has heard, all the newspaper innuendoes he has read, and presented them in the form of charges against Mr. Farley. The Senator is in the habit of making allusions of that character. I know nothing whatever about the charges he makes; but I do think that when the Senator from Louisiana, in his public addresses, makes charges against Government officers, whether the President or the Postmaster General or someone more obscure, he ought to confine himself to his own personal knowledge, or to information which he has received and which he believes to be credible.

Mr. LONG. Mr. President——

Mr. ROBINSON. I yield to the Senator.

Mr. LONG. I have alleged in the resolution information which I have received, and I have never yet failed to prove a statement of fact I have made on the floor of the Senate.

Mr. ROBINSON. Mr. President, the Senator from Louisiana assumes that the mere statement of a matter by him is proof of its correctness. I do not impeach his veracity, but I have learned to question the soundness of his judgment and the credibility of his testimony. I shall not claim the time of the Senate to discuss the resolution, because, as I said a moment ago, it is irrelevant and I know nothing about the preamble or the charges which are made in the resolution.

Mr. LONG. Mr. President——

Mr. ROBINSON. I yield to the Senator.

Mr. LONG. Will the Senator oppose this investigation of Mr. Farley?

Mr. ROBINSON. Mr. President, I do not oppose any investigation that is made for the purpose of obtaining facts for the aid of the Senate in the discharge of its legislative duties. I do suggest to the Senator that the nature of the charges which he presents might imply that they should originate in another body.

Mr. LONG. The Senator, then, would not oppose this resolution?

Mr. ROBINSON. Oh, Mr. President, I am not determining what action I shall take on the resolution. I am merely replying to some of the statements made by the Senator in presenting it. The form of the resolution is I think designedly made objectionable to anyone who merely is moved by a motive of obtaining information. I repeat that I do not object to any inquiry into facts that are relevant to the discharge of the Senate's duty.

Mr. LONG. I hope that will be the Senator's attitude.

Mr. ROBINSON. I shall be able to make clear my attitude.

Mr. LONG. I thank the Senator. I will help him.

FARM CREDIT ACT OF 1935

The Senate resumed the consideration of the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. FLETCHER. Mr. President, to come back to the question before the Senate, on Friday the Senate, by a majority I think of four votes, agreed to an amendment offered by the Senator from Montana [Mr. WHEELER] to make the interest on loans by the Federal Land Bank Commissioner 3½ percent. That amendment was agreed to. The Senator from Arkansas [Mr. ROBINSON] moved to reconsider that vote, and that is the question now before the Senate: Shall that action by the Senate be reconsidered?

In my judgment, those who desire to sustain and maintain the farm-loan system established for the benefit of agriculture and for the benefit of the farmers of this country, those who favor the passage of this bill will vote yea on this question. Those who favor destroying the farm-loan system and ending it, and who are opposed to this bill, will vote nay.

The Senator from Montana referred to a communication or resolution from the National Grange. I call attention to the fact that that resolution does not commit the Grange to this proposition, but recommends only that it be considered.

I offer now, in that connection, a communication from the National Cooperative Council, by Mr. Robin Hood, secretary-treasurer. This council consists of 48 federations, 3,600 farm cooperatives, and 1,250,000 farmer members, I am told, doing a business last year of some $750,000,000.

I ask to have this communication read by the clerk.

The PRESIDENT pro tempore. Without objection, the communication will be read.

The legislative clerk read as follows:

NATIONAL COOPERATIVE COUNCIL,
Washington, D. C., February 9, 1935.

To the Members of the Senate:

Like other users of credit, the farm cooperatives would be gratified to see such steps taken as will properly effect a lowering of all interest rates—not merely temporarily, but for all time.

We supported the position of Congress in 1933 when in its wisdom it erected the Farm Credit Administration for the purpose of putting all Government-sponsored agricultural credit upon a sound financial basis, with interest rates which would reflect the true cost of risk and money. There was also provided a means of making the Farm Credit Administration wholly self-sustaining and eventually, we hoped, a farmer-owned cooperative credit structure.

We believe that any amendments to the act which have the effect of subsidizing borrowers will tend to defeat and delay development of the Farm Credit Administration into the kind of structure it should be—restricted to financing the sound business needs of agriculture, and passing along to agriculture the full benefits of all the efficiencies and economies which can be devised.

Moreover, the granting of subsidies in the form of interest rates below the cost of the money, risk, and service will tend to make the Farm Credit Administration more dependent upon the Federal Treasury and will tend to defeat the purpose of maintaining it as a separate, independent agency of the Government and with progressive increases in the cooperative nature of the structure.

We trust you will give fitting consideration to this viewpoint in determining your course on the bill now before the Senate.

Very truly yours,

ROBIN HOOD,
Secretary-Treasurer National Cooperative Council.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] to reconsider the vote by which the amendment of the Senator from Montana [Mr. WHEELER] was agreed to.

Mr. BORAH. Mr. President, we are now considering the amendment offered by the Senator from Montana [Mr. WHEELER], which, in brief, is a proposal to lower the rate of interest on farm mortgages from 4½ to 3½ percent. I understand the Senator from Montana intends to modify his amendment so as to limit the term during which the amendment shall operate, and I discuss it with that idea in mind.

Mr. President, after the vote was taken on Friday, the majority leader, the able Senator from Arkansas [Mr. ROBINSON] moved for a reconsideration of the vote by which the amendment was agreed to, and stated at that time, and has stated today, the reasons which actuated him in making his motion. I think he stated the reasons very fairly and very conservatively, as is his custom in the presentation of matters upon this floor.

The main objection to the amendment, as it seems to me, is based upon the proposition that it would call for a drain upon the Treasury, estimated by some to be to the extent of a hundred million dollars a year. When I voted for the amendment on Friday, I assumed that the effect of the amendment would be to require aid from the Federal Treasury. The exact amount I did not know, and I do not know now. But I think the amount has been greatly overestimated. But I am willing to assume, for the purpose of the argument, that the amount has been correctly stated.

Mr. President, I shall vote for the pending amendment for the same reasons for which I have voted for other measures and shall vote for other measures; that is, in the face of the depression we are required in legislating to take into consideration something aside from what we would call sound principles in ordinary or normal times. We are proposing from time to time, through aid from the Treasury, to assist in relief and to assist in recovery, and it was upon that theory that I have cast my vote. It is far from easy to distinguish in principle this call upon the Treasury from other cases which have received the approval of Congress.

I know it would require some help from the Treasury if this amendment were enacted. I assume it would. But I do not know how we could better expend money in aid of recovery than in giving some encouragement and some relief in the present agricultural situation.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. WHEELER. Let me say to the Senator that, according to figures which I have, furnished me by the Department, it could not possibly cost the Government more than $25,000,000 a year, and the statement made here the other day that it would cost the Government a hundred million dollars seems to me impossible of demonstration.

Mr. BORAH. As I have said, I have not undertaken to satisfy myself as to the figures. I am arguing the matter upon the basis of relief and recovery, and therefore, as in other things, I am not undertaking to be meticulous about what amount will be expended. I only inquire as to whether it is likely to aid in relief or recovery.

Mr. FLETCHER. Mr. President, may I suggest to the Senator, by way of correction, that I think there was an error in the statement quoted by the Senator from Montana, if it was made as he has repeated it, namely, that it would cost a hundred million dollars a year. What I intended to say, in referring to the hundred million dollars, was that it would cost a hundred million dollars for 5 years. I thought it would cost about $20,000,000 a year. The Senator from Montana says now that the cost would be $25,000,000 a year, which I think is about correct.

Mr. BORAH. Mr. President, I am certainly gratified to have a restatement of these figures, although it would not make any difference in my vote.

I think we make a grave mistake if we assume that the agricultural situation in this country is other than deeply distressing. I am perfectly willing to concede, as has been claimed, that some improvement has been made, and I am not at all criticizing the efforts which have been put forth. But with all the efforts which have been put forth, we must yet recognize that the agricultural condition in this country is very serious.

It has been said that there has been an increase in the income of the farmers during the last year of a billion dollars. I shall not analyze the different elements of that income. I pause only to say that not a great deal of it came from the farm; but it was a desirable thing to have, from whatever source it came and in whatever way it came.

However, after we have calculated a billion-dollar increase in this year's income over the previous year, if we may choose to do so, we find that the farm income is close to $5,000,000,000 below the income of the American farmer in 1928 and 1929. The farmer is still carrying his load,

with a decrease in income of some $5,000,000,000 below what his income was in 1928 and 1929. If we will examine the figures with reference to mortgages and mortgage foreclosures and tax defaults for 1928 and 1929, we will find that even under the conditions which prevailed at that time, with the income about $5,000,000,000 in excess of that at the present time, the farmer was losing his farm, in many instances, was unable to pay his taxes in many instances, and was in a most serious economic and financial condition. With an income of ten billion five hundred million as compared with less than six billion at the present time, he was by no means able to add to his savings account. What must be his situation in the year 1935?

The farm debt today is about $11,000,000,000. It has been estimated as above that, and estimated by some as below that, but I think an accurate figure would be close to $11,000,000,000. The interest upon that debt is an annual charge of between five hundred and five hundred and fifty million dollars a year.

The result is that while the farmers have had the benefit of moratoria and some aid by special legislation, nevertheless this debt is there; it is accumulating year by year; it is not being paid; the interest is there; it is accumulating year by year; the taxes are there; and the taxes are not being paid. As was said by the able junior Senator from Ohio [Mr. DONAHEY] in a private conversation, the farmer cannot escape taxes. He is the individual upon whom the tax is ultimately lodged, and at the present time the burden which he is carrying is much greater than it was in 1928 or 1929, notwithstanding the increase in income.

Let us bear in mind, Mr. President, that while it is said that there was additional income of something like a billion dollars to the American farmer, the American farmer did not get it. It did not go into his savings account. He was not permitted to hold it. According to what I think are reliable figures, he has paid out during this year something over $600,000,000 in the way of increases in prices for the things which he has had to buy for the American farm over the prices of 1932 and 1933. While the products upon the farm have increased in price, and while the farmer has received an income in addition to what he had, yet, when the budget is finally balanced and the final figures are made up, taking into consideration the increases in the prices of the things which he has had to buy, over $600,000,000 of the income which appears on paper does not show up in his savings account.

When we add to the $600,000,000 in the way of increased prices the $440,000,000 or $500,000,000 in the way of taxes we find that the farmer has nothing left with which to liquidate the indebtedness against him or to take care of his taxes.

Mr. President, that condition prevails notwithstanding the stupendous effort of the administration to relieve the situation. Notwithstanding the efforts exerted in so many different ways to relieve the American farmer, we find that he is carrying an indebtedness and a tax burden and an interest burden which are greater than they were in 1928 and 1929.

I call attention to some figures which show how utterly impossible it is for the American farmer ever to get the benefit of these things which we are doing for him so long as we permit the monopolies of the country to fix the price of the things which the farmer has to buy. So long as monopolies or great corporations may fix the price of the things which are used upon the American farm, there is no amount of relief which we can grant here which will enable the American farmer to escape from near peonage, where many are now.

Taking the price of 1926 as the base price of 100, we find that in March 1933 the price which a farmer received for his commodities was 50 percent of the price in 1926. The price which he paid at that time for the things which he had to buy was 98 percent of the price of 1926.

In April the price which the farmer received went up to 52 percent of the price of 1926, but the price of the things which he had to buy went up to 100 percent of what it was in 1926.

In September the farmer's price went up to 70 percent of the 1926 price, but the price of the things which he had to buy went up to 116 percent of the price of 1926.

In November the farmer's price went up to 72 percent of what it was in 1926, but the price of the things which he had to buy went up to 118 percent of the price of 1926.

The price of the farmers' products in December was up to 80 percent of the price which he received in 1926, but the price of the things which he had to buy went up to 124 percent, based upon the base price of 1926.

On January 5 the Associated Press sent out this dispatch:

> The index prices received by farmers on December 15 was reported today by the Bureau of Agricultural Economics to have been of pre-war parity, but the price which the farmers had to pay had gone up to 127 percent.

Mr. President, that is what the farmer has to contend with. So long as monopoly can fix the price which the farmer must pay, recovery for the American farmer is a tantalizing dream. Under our economic system and our money and banking system, both dominated by monopoly, the farmer simply cannot win in the fight for success. For years the farmer has been losing out in the struggle, simply because he has had to contend against monopoly both in the economic and financial world.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BORAH. I yield to the Senator from Florida.

Mr. FLETCHER. Would the Senator give us an idea what it is that the farmer has to buy which has gone up in price?

Mr. BORAH. I cannot name all items out of mind, but they include everything, from overalls to self-binders. I will give the Senator one thing. Dr. Northrop, a noted student of agricultural matters, states that prior to the war a McCormick binder cost $100. During the war it went up to $125. Since the war, owing to combinations, it has gone up to $265, which Dr. Northrop says has ruined many a farmer. You can take anything which goes on the farm and it has shot up in price from a hundred to 300 percent. And these prices are not economic prices; they are prices arbitrarily fixed by combines and monopolies. These are the things which are reducing the farmer to utter bankruptcy.

The PRESIDENT pro tempore. The Senator's time has expired on the motion to reconsider. The Senator has 15 minutes on the bill.

Mr. BORAH. I thank the Chair. Mr. President, in view of that situation, I think we are not unwise in granting some aid to the farmer, even if it comes from the Treasury of the United States. No one dislikes more than myself to see that kind of aid granted to any citizen—that is, aid which comes direct from the Treasury—but we are doing that, we have been doing it, we have to do it. There can be no criticism of the fact that we do it, if we act with caution and wisdom.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. I do not recall that we have authorized the payment of interest out of the Treasury, such as we have done in the case of the Federal Farm Credit Administration, on any other type of loans, except probably some provisions of the Home Owners' Loan Corporation. In other words, we have made loans and provided money out of the Treasury for the purpose of making loans to all sorts of groups of people and individuals and corporations of every kind, but the Government has charged the rate of interest which is not less than 4 percent and, I think, is not more than 6 percent, but in all those cases the Government has not taken out of the Treasury any money to pay that interest after it had charged it.

Mr. BORAH. Mr. President, if the Senator from Kentucky will bear with me, I do not have in mind the particular matter of paying interest from the Treasury, but we are going to the Treasury for the purpose of aiding in the granting of relief and for the purpose of speeding recovery.

Mr. BARKLEY. Yes.

Mr. BORAH. A bill will come before us in a few days which will appropriate some $5,000,000,000 for the purpose of speeding recovery.

Mr. BARKLEY. We have done that, and we have done it with respect to the activities of the Farm Credit Administration not only by furnishing money to be used as the working capital but we have also provided that out of the Treasury shall come the money to pay any difference in interest charges due to a reduction in interest charges, and that amounts now to about $32,000,000 per annum, so that we are going further in aid of agriculture already than we have in aid of any other industry.

I sympathize fully with the Senator's viewpoint with respect to getting the money to the farmers as cheaply as possible. All my sympathies are with the farmers. When my father died a couple of years ago he had been a farmer all his life. I was reared on the farm. I represent an agricultural State. My sympathies are all that way. Yet I think the Senator fails to draw a distinction between what we have done in the way of furnishing capital upon which we charge interest, and what we have done with respect to the Farm Credit Administration, where we not only furnish the capital but are now furnishing part of the interest.

Mr. BORAH. Mr. President, I have no doubt that the Senator is in sympathy with what we should like to accomplish by this amendment. I drew that inference very clearly from the remarks of the Senator from Arkansas. It is simply a difference of judgment as to whether it is wise to accomplish it in that way, as I take it. For myself, I cannot see anything extraordinary or exceptional in aiding in the way of interest payments; that is, by lowering the interest and making it up from the Treasury. I cannot see anything more extraordinary in that than in aiding people situated in a different way by direct appropriations from the Treasury of the United States, which we have been doing and will be doing. It is as wise to call on the Treasury to keep men off the relief roll as it is to feed them after they reach the roll. Let us keep these men on the farm. Let us help them to keep their families on the farm.

I am sure the Senator from Kentucky will realize and will admit that there cannot be anything wiser in the way of recovery or of reducing unemployment than that to keep these farmers on the farm, than to encourage them to remain there. I will say to the Senator that many of these farmers, as I contacted with them during the summer, were discouraged to the limit, and did not believe that it would be possible for them ever to pay out and retain their farms. It is a tragedy when a family leaves a farm. Every time a family leaves a farm you weaken the national economic structure.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. BORAH. I yield.

Mr. BARKLEY. I not only agree with the proposition of the Senator from Idaho as to the wisdom of keeping the farmers on the farm who are there now, but also as to the wisdom of getting some people back on the farm who are not now on the farm. However, we ought to keep in mind that the type of farmer represented by these loans is a type which does not desire to become mendicants of the Government. They are property owners; they are stockholders in this farm-credit sytem. They are stockholders in all the farm-credit banks. They are members of local farm-loan associations, and they have been required, in order to get a loan, to take 5 percent of the loan in stock of the farm-loan bank system.

So far as the committee is aware, we have had no complaint—certainly no substantial complaint from these farmers who have borrowed this money at the rate of interest now being charged, 4½ percent. As has already been stated, this system in which they are stockholders ought to remain a farmer-owned and farmer-controlled institution and not a special subsidy. They have built it up by reason of their own contribution to it. They represent, I believe, on the whole the most substantial element of our whole agricultural population.

The question is whether in order to meet an emergency which has been very largely met, I will say, by the Federal Farm Credit Administration in reductions of interest already made to these farmers who have refinanced their loans, we are creating a situation where against the will of these men who are substantial property owners, who have an investment in our country, we shall, for purposes of temporary advantage, even destroy their own self-respect and their own will with respect to a long-term Farm Credit Administration loan.

Mr. BORAH. Mr. President, I do not believe we do destroy the morale of the farmer when we give him a rate of interest which he can meet and preserve his farm, and while farmers may not have appeared before the committee to express their views, I can assure the Senator that view obtained pretty thoroughly throughout the country. They have no practical way to advise the committee.

I take the position, Mr. President, that the American farmer will not pay 4½-percent interest, and cannot pay it and live. It is not in the business.

Mr. BARKLEY. Out of a total of about $10,000,000,000 of farm mortgages in the country the Farm Credit Administration has only about one-eighth, I would say, roughly speaking. That is not an exact figure. That one-eighth is now obtaining credit at rates of interest much lower than the other seven-eighths, or whatever the percentage may be, by reason of this act, by reason of the new blood already injected into the farm system. These men who represent, I will say, one-seventh or one-eighth of the total of farm borrowers in the country are receiving a rate of interest which is greatly lower than that which is being charged on the other farm mortgages held by other kinds of institutions.

Mr. BORAH. Yes; that is true; but, Mr. President, if the American farmer must meet the rate of interest which he has had to pay in the past, if he cannot secure loans at a lower rate of interest than 4½ or 4 percent, I say to you that the American farm will drift inevitably into the hands of large holders and corporation holders, in spite of anything that it is possible for us here to do.

Mr. BARKLEY. Mr. President, if the Senator will yield further, it also raises the question of whether ultimately the Federal Government is to try to take over all the farm mortgages of the country, because manifestly the Federal Government owes just as much of a duty to one farmer as it does to another, provided he is a man of equal standing and equal patriotism, as I assume they all are. There is no special group to which the Government owes any greater duty than it does to any other group of farmers; and if we are to bring about a situation whereby the Government by providing a lower rate of interest—which, of course, appeals to us all—is to come to the rescue of one group so that they can obtain money at rates lower than those for which the money can be borrowed to be loaned them in turn, then will not the Government owe it to all the rest of the farmers to refinance their obligations and take over their mortgages, and do it out of the Treasury of the United States?

Mr. BORAH. The Government of the United States will have to devise a plan or scheme by which the American farmer can get loans at a lower rate of interest than he has been paying or we are going to witness what has been witnessed in other countries, a constant concentration of the ownership of the farms into the hands of a very few people; and, Mr. President, we can afford to pay almost any amount to prevent such a condition. I want to say, furthermore, that we have reached a time in our economic history and in the financial history of the world when business—legitimate business, nonspeculative business, honest business—cannot afford to pay the rate of interest which is now being paid. Money today is bringing more than any other product on the face of the earth.

Mr. BARKLEY. Does not the Senator think, if we are approaching and may be near the time when, by reason of high rates of interest, large corporations will take over the farms, that the last group to be taken over will be the farmers who are now patronizing the Farm Credit Administration, and that the first group who will suffer by reason of such a situation will be the group who are paying the higher rates of interest to private lending agencies, because

they have either not been able to go into the Federal farm-credit system or for other reasons have not taken advantage of it?

Mr. BORAH. They may be the last group, but they will be in the procession. I maintain that when we consider, as the honorable Senator from Kentucky will consider, the constant increase of taxes upon the American farmer, and when we consider his industry, and then consider the prices which he has to pay for the things which he has to have in order to live upon the farm, there is nothing left for him except to slave year by year and year after year upon the farm.

Mr. BARKLEY. If the Senator will yield there, I will say that we have tried to solve the tax problem in my State, at least partially, by removing the tax from real estate in the State of Kentucky for State purposes and seeking to raise revenue for State purposes from other sources.

Mr. BORAH. I think that is a very wise move.

Mr. FLETCHER. Mr. President, would it impress the Senator from Idaho at all if I should state that nothing came before the committee by way of criticism of the rate now paid by the farmers? We have no complaint about that. I merely mention that in corroboration of what the Senator has said. In addition to that, it appears that the farmers are keeping up almost to par their payments, their installments. There are very few defaults or delinquencies. In addition to that, the foreclosures last year amounted to only ninety-seven one-hundredths of 1 percent, and those were in connection with people who abandoned their farms or who died or who moved away, and so forth.

Mr. BORAH. I am delighted, of course, to know that there are some facts and figures which indicate a better condition of affairs on the farm.

The PRESIDENT pro tempore. The time of the Senator from Idaho on the bill has expired.

Mr. BORAH. My time has expired as a whole. I regret I am unable to cover some other matters which seem pertinent to this question.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Arkansas to reconsider the vote by which the amendment of the Senator from Montana [Mr. WHEELER] was agreed to.

Mr. FRAZIER. Mr. President, if the Government should put up a little money to help pay the interest rates the farmers cannot afford to pay, it would not be the first time the Government has made appropriations to help citizens or corporations of the United States. It was before I became a Member of this body, but I recall reading that Congress made an appropriation of some $529,000,000 for the railroad companies shortly after the war, when the railroads were turned back to private ownership. There have been other instances where the Government has made appropriations to take care of corporations.

The statement has been made here that this measure was of a constructive nature and that the committee were working to secure the enactment of a constructive bill for the farmers. I cannot appreciate a statement of that kind, in view of the fact that, in my opinion, the farmers cannot afford to pay 4½-percent interest. When the statement is made that no farmers complain about the present rate of interest, that is something else that I cannot quite understand. Any Senator who makes such a statement has either a short memory or else is referring perhaps to the hearings on this particular bill. At those hearings some farmers came in who were interested particularly in the fight against the corporation clause, and that was all they spoke upon at that time; but, Mr. President, if you will ask any of those farmers about the rate of interest, every one of them will tell you that, under existing conditions, they cannot pay 4½ percent.

I have introduced again the agricultural refinancing bill which I have introduced at several previous sessions. That bill is now before the Committee on Agriculture and Forestry, and I am going to do my best to have it reported from that committee and brought before the Senate. In this connection, I wish to say that 23 State legislatures have gone on record favoring that bill and have adopted memorials requesting the Congress to enact it. It provides for a lower rate of interest.

The other day before the committee a farmer by the name of W. B. Doak, who has a farm near Fairfax, in Virginia, appeared before the committee. I was talking with him Saturday, and he made the statement that a number of years ago, when the rates of interest were being talked of in regard to the farm-land bonds and the rate of interest to the farmers, the Comptroller of the Currency—at that time John Skelton Williams—had said that the bonds should not sell for more than 3 percent. This morning Mr. Doak handed me a written statement, and I am going to ask unanimous consent to have it read from the desk in my time.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

When the fixing of a bond rate first came up, we consulted John Skelton Williams, then Comptroller of the Currency, and he said we should be able to sell our land-bank bonds at 3 percent. That he was right is proved by premium paid for 4's as soon as put on the market and quick and continued advance until taken off to stop their reflection on Government paper.

An inferior bond—intermediate credits—is being oversubscribed eight times at 2 percent without Government guaranty. Good commercial or commodity paper gets capital for still less.

Years ago, when cattle was much more dependable than now, neighbors in Burkes Garden, Va., figured out the earning capacity of their virgin sod at 2 percent. Burkes Garden pastures are among the best in the world. Investigation indicates an average net earning from the Corn, Cotton, and Wheat Belts under 4 percent; figures above that take no account of farm and family labor or virgin forests and fertility exhausted but still unpaid for.

Dairymen in our Fairfax (Va.) N. F. L. Association (staggering under new and heavier burdens, higher labor and feed costs), before our board of directors Friday, February 8, 1935, asked to have the Federal land bank change date of payments—Federal land-bank and commissioner loans—stagger the two so both will not have to be paid on the same day—one every 3 months instead of two every 6 months.

Under present conditions, with debts a crushing burden and harsh and arbitrary restrictions on both circulation and credits by a professional banking Shylock system, I cannot bring myself to ask American agriculture to pay more than money is worth. This is 2 percent, which I was instructed to say when this 4-percent F. C. A. 100-percent betrayal of real rural credits came up.

Certainly as an emergency measure we are entitled to the Frazier-Lemke bill, both for its lower rate and currency issue. Thomas Jefferson left us two prophecies now being fulfilled—"A professional banking system will hurt the Nation more than a standing army" and "When majority get into town, a majority government is no longer safe."

Mr. FRAZIER. Mr. President, I merely wish to say, in closing, that the statement has been made here repeatedly that Governor Myers before the committee a few days ago made the statement that out of $1,500,000,000 that have been loaned under the present amended law by the land banks, practically 90 percent of that is refinancing. The fact that 90 percent of the loans that have been made by the land banks are refinancing of other loans means that the farmers cannot pay their interest; they have not been able to pay their old mortgages; and when their old mortgages are due, they are asking the land banks to refinance them, adding the interest to the principal in many cases, although they say that they have reduced the principal. There has been a scaling down. The Governor said the scaling down was of approximately $75,000,000 on these loans. That means the farmers are more hard up than when they mortgaged the land in the first place, that the property is not worth as much as it was then, and the loans have been scaled down $75,000,000.

I have had a great many letters stating that where applications were made to the land banks to refinance an old loan, the land banks have made what they thought to be a reasonable commitment, but it was not a sufficiently large amount to refinance the loan and the creditors refused to scale down to comply with the land bank's offer, leaving the farmer without an opportunity to be refinanced. The only thing he can look forward to is foreclosure and to be put out of business because he cannot refinance his present indebtedness.

These facts are brought out here simply to prove that the farmers are getting more hard up all the time and cannot pay the high rates of interest; that the rate of interest must

be reduced if they are going to retain ownership of their lands.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Florida [Mr. FLETCHER] a question. He stated the other day that the amount of the reduction is $5,000,000. Today the Senator from Arkansas [Mr. ROBINSON] stated that the amount of the reduction is about $75,000,000.

Mr. FLETCHER. Mr. President, I think the statement appears in the committee hearings on page 11 as $5,000,000, but that was a typographical or clerical error. The correct amount is $75,000,000.

Mr. SHIPSTEAD. Where does the $5,000,000 reduction come in? I have heard it repeated by Senators. I wonder to what it refers. Has there been any reduction in the loans refinanced?

Mr. FLETCHER. I think so.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Minnesota yield to the Senator from Kentucky?

Mr. SHIPSTEAD. Certainly.

Mr. BARKLEY. The $75,000,000 referred to in debate was an estimate of the amount of interest which the Federal Treasury would have to assume if the Wheeler amendment were adopted. As a matter of fact, according to a statement of the Federal Farm Credit Administration, the amount of interest reduction on account of refinancing the existing loans since the emergency act was passed in 1933 has been $32,000,000 per year.

Mr. SHIPSTEAD. The reduction in interest has been that much?

Mr. BARKLEY. Yes.

Mr. FLETCHER. I will say to the Senator that there is a little confusion which arose by reason of an erroneous statement appearing on page 11 of the hearings where it was stated the aggregate scale-down had been about $5,000,000. That should have been $75,000,000.

Mr. SHIPSTEAD. Out of a total of $1,600,000,000 of loans made?

Mr. FLETCHER. Yes; a scale-down of $75,000,000.

Mr. SHIPSTEAD. When the farm act was amended a years ago, it was recognized generally that there had to be a scaling down of debts. It was assumed there were only two ways of doing it, except by going through the bankruptcy court. One was to reduce the interest rates, reducing the fixed charges and the carrying charges, and the other was to reduce the principal. The principle involved in the act, as amended, was that a scaling down of principal would take place. I did not think it was a practical thing to do. We now find that out of a total refinancing of $1,600,000,000 there has been a total reduction of $75,000,000 on the principal of the debts. My information is that most of that reduction has come from local people who sold farms and held mortgages taken back by them from the people who bought the farms. The large loan companies and insurance companies have not been willing to reduce the principal of the mortgage debt.

The 4½-percent rate that is charged for a period of 5 years, of course, does not include the usual charges made on a farm mortgage of 1 percent for amortization. The payment of principal or of any installment due was postponed for 5 years. That cannot be called a saving, because it is cumulative and must be paid after the 5 years. It is simply a postponement of the debt.

I notice in the Commercial and Financial Chronicle for last week that farm-mortgage bonds yield 3 percent and sold above 100. I assume that refers to the Federal land-bank bonds?

Mr. FLETCHER. The bonds to which the Senator refers are Federal Mortgage Corporation bonds, the principal and interest of which are guaranteed by the Government. They are not Federal land-bank bonds, which are not guaranteed.

Mr. SHIPSTEAD. That is something with which I am not familiar.

Mr. FLETCHER. We set up a farm-mortgage corporation and authorized them to issue bonds up to $2,000,000,000, if I remember correctly.

Mr. SHIPSTEAD. For the Federal land banks?

Mr. FLETCHER. Yes; and to sell the bonds. Out of the proceeds the Commissioner gets his money to make loans, usually on second mortgages, and then they buy up the Federal land-bank bonds. Those bonds are guaranteed by the Government as to principal and interest. I suppose those are the bonds referred to by the Senator.

Mr. SHIPSTEAD. I notice that the Home Owners' Loan bonds, guaranteed in principal and interest by the Government, bear less than 3 percent. The 3's sell for a fraction over par. It seems to me the Federal land-bank bonds are just as good as the home-loan bonds, and why should they not sell for the same price?

Mr. FLETCHER. The Federal land-bank bonds are not guaranteed at all by the Government. They stand on their own footing and always did. Usually they bear more than 3-percent interest. I think about the lowest is 4 percent.

Mr. SHIPSTEAD. The home-loan bonds?

Mr. FLETCHER. The Federal land banks. The home-loan bonds are guaranteed by the Government.

Mr. SHIPSTEAD. At what price do the Federal land-bank bonds now sell?

Mr. FLETCHER. I think the 4 percents are a little above par. The price has kept up pretty well.

Mr. SHIPSTEAD. Does the Senator think if we guaranteed the Federal land-bank bonds as to principal they would sell as well as the home-loan bank bonds?

Mr. FLETCHER. I presume so.

Mr. SHIPSTEAD. If we reduce the interest by about 1 percent?

Mr. FLETCHER. I presume that would be correct; but we do not guarantee those bonds and never did. They are based on mortgages and sold to the public.

Mr. SHIPSTEAD. I think the Senator said the other day that about 80 percent of the Federal land-bank bonds are not in default.

Mr. FLETCHER. No bonds are in default; 80 percent of the loans made by the Commissioner are not in default.

Mr. SHIPSTEAD. What percentage of the Federal land-bank mortgages are in default?

Mr. FLETCHER. I do not know exactly the percentage.

Mr. BARKLEY. It is not more than 1½ percent or approximately 1½ percent default on interest, and those defaults are only for a very short period of time, some as short as 2 or 3 months.

Mr. SHIPSTEAD. Can the Senator tell me how many of these mortgages were in default prior to this refinancing in the amount of a billion and a half—how many mortgages were in default at the time they were refinanced?

Mr. FLETCHER. I cannot answer as to exactly the percentage that were in default. I can say, as has already been said, that the foreclosures now amount to very little—ninety-seven one-hundredths of 1 percent last year—so that not many foreclosures are taking place; and the farmers are keeping up their payments, Governor Myers testified, within a few months at most. There are a few instances where they are a few months behind, but there are very few defaults in interest or installments, either in the Federal land-bank loans or the intermediate-credit bank loans or the Commissioner loans.

Mr. SHIPSTEAD. I understand the Senator. I do not believe, however, that that is a fair picture, because so many of these farm mortgages were in arrears in payments and were in default when they were refinanced, and a moratorium of 5 years was put into effect.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. SHIPSTEAD. Yes; I yield.

Mr. BARKLEY. In order to clear up the situation about which the Senator inquired a moment ago, I wish to state that between May 1, 1933, and December 31, 1934, the Federal land banks and the Land Bank Commissioner made

almost 575,000 loans to farmers for an aggregate of about a billion and a half dollars. Out of these, about $1,350,000,000 represented refinancing. The $75,000,000 referred to a while ago represents a scale-down in the principal of those loans; but the scale-down in the interest-rate on those loans represented about $22,000,000 a year, and the reduction in the interest rate of loans made by the Commissioner amounted to about $10,000,000 a year. So there has been a total saving inaugurated since May 1, 1933, of approximately $32,000,000 a year, in addition to a $75,000,000 scale-down in the principal of the debts themselves.

I wanted that situation cleared up.

Mr. SHIPSTEAD. Mr. President, the fact is that the refinanced loans have not yet had time to go to default, but they are going to default. The farmers cannot pay this interest under present conditions in agriculture. It will be necessary to reduce the burden of the debt either by reducing the interest rate in some way or by reducing the principal; and that is not true only of the farmers, it is true of the corporate debt, generally speaking, in industry throughout the country that is throttling business and holding back recovery in this country.

I am not a prophet, but I venture to say that within 3 years, if the present interest rate is insisted upon and the scaling down of the principal is not done, we shall have as many farm-mortgage defaults as we had a year and a half ago, before we started refinancing.

Mr. FLETCHER. The Senator recognizes that there has been an increase in the price of farm lands all over the country, as I understand. That is the testimony before us. The value of farm lands is going up steadily.

Mr. SHIPSTEAD. The price of farm lands may be going up. We have a high price of farm products now, owing to the greatest crop failure in 50 years. We have, therefore, an increase in the price of grain. We have an increase in the price of hogs, owing to the same condition of drought, making it necessary to kill the brood sows and kill the suckling pigs. We have an increase in the price of dairy products, owing to the drought, the greatest crop failure in history. People could not continue to feed their cows, and they had to sell them. They were sold and canned, and as a result we have a shortage in dairy products; and as a result of the drought butter fat went from 18 cents to 40 cents.

If we have another drought, these prices will undoubtedly continue. If, as a result of the snowfall, we have a normal crop of wheat, we shall have a surplus of wheat of over 100,000,000 bushels, and wheat will very likely go to 30 cents a bushel again. Under those conditions how can it be anticipated that this mortgage debt can be liquidated and can be paid?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. The Senator attributes all the increase in agricultural prices to the drought. I think he ought to remember that the price of commodities began to go up a year before the drought, and that the drought could not have effected all the increase, because there has been an increase of almost 100 percent in the price of cotton, which was not due to the drought; and the same thing has happened to tobacco, which was not due to the drought. I have no doubt that the drought during the past calendar year, or the latter part of it, had some effect in increasing the price of hogs and other commodities; but it is not quite fair to leave the implication that all the increase in the price of agricultural commodities is due to the drought. I do not think the Senator meant to imply that.

Mr. SHIPSTEAD. I did not mean to imply that. I was talking particularly about the products of the farm that we are not exporting—dairy products, pork, and wheat. Of course, there has been an increase in the American price of cotton and tobacco, because we export both, due to the lowering of the value of the dollar in foreign exchange.

Mr. BARKLEY. In that connection, I will say that the increase in the price of tobacco, among types that we do not export, has been greater than among those that we do export.

Mr. SHIPSTEAD. They are very fortunate, then. I congratulate them. I know, however, that the price of hog products and the price of dairy products did not go up until it became very evident that we were not going to have enough feed to feed either the hogs or the cows, and they were sold.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from Minnesota has expired.

Mr. WHEELER. Mr. President, I desire to say at this time that I have not any objection to having the vote reconsidered. I am consenting to that because of the fact that I desire to perfect the amendment by eliminating from it the portion which would extend it beyond 1938.

The PRESIDING OFFICER. The question is on the motion to reconsider the vote whereby the amendment of the Senator from Montana was agreed to.

The motion to reconsider was agreed to.

Mr. WHEELER. Now, Mr. President, I ask leave to perfect my amendment by eliminating from the original amendment section 3 thereof.

The PRESIDING OFFICER. The Senator has a right to modify his own amendment. The amendment will be modified accordingly.

Mr. WHEELER. Now, Mr. President, I desire to call attention to some statements which were made here on last Friday.

Mr. FLETCHER. Mr. President, will the Senator please allow the amendment to be stated in its present form, so that we may see what it provides?

Mr. WHEELER. Yes.

The PRESIDING OFFICER. The modified amendment will be stated.

The CHIEF CLERK. As modified, it is proposed to add a new section, as follows:

(a) The first sentence of paragraph twelfth of section 12 of the Emergency Farm Mortgage Act of 1933 is amended:
(1) By striking out the words "within 2 years after such date";
(2) By striking out the figures "4½" and inserting in lieu thereof "3½."
(3) The second sentence of paragraph twelfth of section 24 of the Emergency Farm Mortgage Act of 1933 is amended:
(1) By striking out the figure "5" and inserting in lieu thereof the figure "4";
(2) Striking out the figures "4½" and inserting in lieu thereof "3½."

Mr. VANDENBERG. Mr. President, will the Senator indicate the result of striking out section 3?

Mr. WHEELER. Yes. The result of striking out section 3 is to retain the present law, and simply have the Government guarantee the interest up to 1938, so that if there is an additional loss by the Federal land banks on the bonds due to the difference in the interest, the Federal Government will bear it.

It has been stated on the floor of the Senate that this amendment would ruin the Federal land banks. The modification, of course, eliminates any claim that the amendment can ruin the Federal land banks. The most that can happen under the amendment in its present form is that the Government would have to make up the difference between the interest the Federal land banks have to pay on their loans and the rate at which they loan the money to the farmer.

The statement was made the other day that this amendment would cost the Government $100,000,000 a year. To call attention to the absurdity of that statement, I quote the statement of the Senator from Arkansas [Mr. ROBINSON], in which he said:

It is 1 percent on the farm mortgages outstanding, which I understand to be about $9,000,000,000. I have not the exact figures.

He also said that the effect of the amendment is to impose on the Treasury of the United States an additional charge of $100,000,000 a year.

The Farm Credit Administration has furnished me the following figures as of December 31, 1934:

Amount of land-bank loans outstanding, $1,896,414,669.

Amount of Commissioner's loans, $616,825,108.

A total outstanding of $2,513,239,777.

The total number of loans is 600,000, and the total number of borrowers is 395,000.

These figures show that the amendment affects 395,000 farm families, who hold average loans of $6,300. It would make a total cost, not of $100,000,000, as has been stated, but of $25,000,000 a year at the very outside, for a period of 3 years' time.

It would mean that 395,000 farm families would have their interest burden reduced each year by $63. The outstanding Federal land-bank bonds amount to $1,785,442,360. The outstanding Farm Mortgage Corporation bonds amount to $800,000,000. The total of outstanding bonds is $2,585,442,460.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. COSTIGAN. Were the figures used by the able Senator from Montana furnished by the Farm Credit Administration?

Mr. WHEELER. My secretary tells me that the figures which I have given are the figures which were furnished by the Farm Credit Administration.

Mr. BLACK. Mr. President, has the Senator a statement showing the amount of those bonds owned by the Government and the amount owned by private individuals and corporations?

Mr. WHEELER. No; I have not that information, but the Farm Mortgage Corporation—and this is the Government itself and not the land banks—has issued the following amount of bonds to cover loans:

$38,000,000, at 2 percent.

$842,678,900, at 3 percent.

$98,044,400, at 3¼ percent.

If they issue these bonds at this low rate of interest, they can lower the rate to the farmers, it seems to me, at least to 3½ percent, and still not lose any money.

Mr. President, my secretary tells me the last figures I have given were furnished him by the Treasury Department.

Let me call attention to the fact that when Senators talk about the farmers paying 4½ percent interest they are not correct. When we compare what the farmer pays with what is paid at the Reconstruction Finance Corporation, we must take into consideration the fact that when the Reconstruction Finance Corporation lends money to a railroad, or when they lend money to a bank, or when they lend money to an insurance company, the insurance company or the bank or the railroad does not pay the charge for investigating to see whether or not the loan is a proper one. The investigation is made entirely by the Reconstruction Finance Corporation. But when some little farmer wishes to borrow a thousand dollars and have his mortgage taken up by the Federal land bank, it means that the farmer has to dig down in his pocket and put up at least $15, in my State, and in many instances $25. He may never get the loan at all, but he has to pay the $25 or the $15 for the loan, then has to pay all the charges in connection with getting the loan. In the first place, he has to gamble as to whether he is going to get the loan or not. He has to put up $15 or $25. Hundreds and hundreds of farmers in my State have complained that they have put up the money, have put up the $15 or the $25 that was required of them, and then a man came out and walked across the field, or something of the kind, and turned down the loan, and that was all there was to it.

Mr. SMITH. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. SMITH. In connection with the Farm Credit Corporation setting up little groups of farmers, first, the prospective borrowers have to pay 5 percent out of the loan for stock.

Mr. WHEELER. Exactly.

Mr. SMITH. Stock of no par value.

Mr. WHEELER. Yes.

Mr. SMITH. That is a prerequisite. Then a mortgage is taken on the chattels of the farmer in an amount sufficient to indemnify the Government against any possible loss in case of crop failure.

The prospective borrower subscribes to 5 percent of the stock of this little corporation of farmers. He then has the amount of the loan in fact discounted at 6 percent. There is 11 percent out already. He then pays 2 percent to have the papers investigated. Then he pays another fee for the recording and getting the thing in shape. So that in my State the initial loan bears an interest rate—that is, the amount is substracted before the farmer gets the money—of anywhere from 14 to 16 percent.

Of course, if the corporation is liquid, is solvent, the next year, the farmer does not have the 5 percent deducted from his next year's loan, but he does have the loan discounted at 6 percent, and the overhead comes out of his loan. So that under the organization we now have—not for the seed loan, but the Farm Credit Corporation, the crop-production organization—it is costing the farmers yearly anywhere from 8 to 12 percent.

Mr. WHEELER. I thank the Senator.

Mr. SMITH. Yet that is the great inducement we are offering the farmers, who pay for all in the long run anyhow.

Mr. FLETCHER. Mr. President, will the Senator from Montana yield to me?

Mr. WHEELER. I yield.

Mr. FLETCHER. These observations have no reference to Federal land-bank loans or intermediate credit-bank loans. They have reference to the crop-production loans, short-term loans.

Mr. SMITH. Precisely; and if the Senator from Montana will allow me, there is cumulative testimony to the effect that wherever the Government touches the farmer it gets the maximum rate of interest. Wherever it touches him, it gets the maximum rate. Take the land bank, or the intermediate credit bank, or the Farm Credit Corporation. The maximum rate of interest is charged on the very fundamentals upon which society is organized. The farmer pays the maximum rate. He is a bad risk, a bad risk because he has no control over the elements. Yet we are all dependent upon the aggregate production of the farm.

I get weary listening to Senators standing here giving all kinds of reasons why those who manipulate our money must not be jeopardized. They are sacred! Do not let a bank or an insurance company or a railroad or a factory lose a nickel. But when it comes to the man in the field—what is the use talking about him? Let him go. There are thousands here from every corner to give a good reason why the Government cannot risk money on the farmer. But go down in the restaurant here and we will see people filling their stomachs with the farmer's collateral. No kind of concession is made, because the Government might lose something, or the bank might lose something, when every Senator on this floor knows that we cannot regulate the farmer's hours of labor, we cannot regulate the conditions under which he works.

Labor can have minimum hours and maximum and minimum wages established; a man who runs the factory runs it according to man-made law; the production of industry is controlled entirely by the will of man, that can all be regulated to the benefit of every individual employee, but out in the field the farmer has to work in God's factory. The rules and regulations there are controlled by the exigencies of the seasons, and all the superstructure of organized society rests on the farmer's shoulders, and the farmer is subject to the caprice of the seasons. It is not possible to regulate his wage or to regulate his hours. Yet all of us dependent upon what comes from his devoted labor. We spend hours here trying to devise ways and means to protect the superstructure, while the foundation is under an intolerable burden of debt, taxes, and interest. We hear all sorts of fine-spun theories about how it could not be possible to sell his bonds if we did not provide an inviting rate of interest. He is a bad risk.

I hope the Senator from Montana will pardon me, but, working as I have worked in the Committee on Agriculture, and working as I have worked among my colleagues in trying to get a square deal—not a new deal, but a square deal—for the farmers of this country, I have found it to be absolutely hopeless. The interest gatherers, the mortgage holders, those who live in ease and comfort, are too many for

the man in the field. He has no real voice here, he has no real support.

The PRESIDING OFFICER. The time of the Senator from Montana on the motion has expired.

Mr. WHEELER. I shall take my time on the bill.

Mr. SMITH. I will give the Senator my time.

Mr. WHEELER. I am going to ask unanimous consent that these interruptions be not taken out of my time.

Mr. SMITH. I wish to ask every practical politician on this floor this question: If the farmers were organized as laborers are organized, or as industry is organized, what would be the attitude of Senators on any bill looking toward the benefit of the farmer? The farmer would get his bonds for nothing, and something might be paid to boot in order to dispose of them.

Mr. WHEELER. Mr. President, it cannot be successfully contended that the pending amendment will have the effect of destroying the Federal land banks because there is nothing in the amendment at the present time which will operate to destroy the Federal land banks. There is certainly nothing in the amendment at the present time which will destroy any of the precious bondholders about whom we have heard so much on the floor of the Senate.

It has been stated here that no business man, if he were conducting his own business, would give away this interest to the farmers; and I agree with that. I agree that if we were doing this as though we were conducting our own private business, we would not give to the farmers by paying out of our own pockets, perhaps, or our own company treasury, one cent of interest a year upon these loans.

But, Mr. President, we are in quite a different position, because, as I pointed out the other day, 395,000 farm families are involved in this matter, and what are we going to do about them? We must do either one of two things. We must either drive them off the farms, drive them into the cities, put them on the dole, and feed them out of the public Treasury, or else we must make it possible for those farmers to earn a living upon their farms.

Congress passed farm legislation which practically all of us know has not been of much benefit to the farmers of the country. We all know that if it had not been for the drought the wheat farmers would have gotten very little out of the farm legislation passed during the last session of Congress or during any other session of Congress. We all know that under the N. R. A. the things the farmers had to buy went up in price. We know that under the N. R. A. every single one of the great corporations and every enterprise in this country immediately raised the price of its products, its clothes, its dresses, its shoes, and all the materials the farmer had to buy; and all this amendment does is to give him, during a period of 3 years, a chance to have his interest rate reduced from 4½ percent to 3½ percent.

Someone said something about good business and poor business. We have before the Congress of the United States at the present time a bill by which we are proposing to borrow $4,000,000,000. That money will cost the Government of the United States in interest probably around 3 percent. That $4,000,000,000 will cost the Government of the United States in interest $120,000,000 a year. For what are we paying that interest of $120,000,000? Will someone tell me why we are paying that interest of $120,000,000 to the bankers and the bondholders? We are paying it to them for the purpose of issuing our own currency.

Mr. President, a few days ago I submitted an amendment providing that instead of the Government of the United States issuing bonds and paying 3 or 4 percent, or whatever interest it has to pay, on its bonds, it should issue Government notes, set aside a sinking fund to take care of those notes, issue them without interest, and save the people of the country $120,000,000 every year. However, the amendment was turned down in the committee, and it probably will be turned down on the floor of the Senate. When we are talking about business men, however, is there any business man in the United States who would pay 3-percent interest to some concern so that he could issue money? In other words, all it amounts to is that he is paying 3 percent on those bonds in order that he may turn out his own money.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kentucky?

Mr. WHEELER. I yield.

Mr. BARKLEY. If I understand the Senator, his suggestion is that instead of the Government borrowing money and giving its notes in the form of bonds, it just issues notes, circulating media?

Mr. WHEELER. That is correct.

Mr. BARKLEY. How much would that involve in the way of increasing the amount of money outstanding?

Mr. WHEELER. It would depend on how much of the $4,000,000,000 were put into circulation, and when it were put into circulation. There can be no question that the Government of the United States could do it and still be on the gold standard, because even then, according to the bankers, we would not have outstanding two and one-half times as much currency as we have gold in the Treasury of the United States.

Mr. BARKLEY. Is the Senator from Montana advocating that procedure with respect to the particular $4,800,000,000, or does he advocate it with respect to all the obligations of the United States Government?

Mr. WHEELER. I am advocating it at the present time with reference to the $4,800,000,000. The Senator from Kentucky knows perfectly well what the amendment was, because I think he was a member of the committee which had the matter under consideration. I am asking it with reference to that $4,000,000,000.

Mr. BARKLEY. Would the same logic apply to any other commitment of the Government that could not be raised by taxes? I am trying to get at——

Mr. WHEELER. Mr. President, I know what the Senator is trying to get at.

Mr. BARKLEY. I am trying to get at the amount of money which would be issued ultimately.

Mr. WHEELER. I know what the Senator is trying to get at. I will say to the Senator that if we should issue that $4,000,000,000 of money, and set aside a sinking fund to retire that money, we would save to the people and the taxpayers of the United States $120,000,000 a year; and all we are doing by the other course is paying the bankers $120,000,000 a year for the privilege of issuing the Government's currency. That is what we are doing.

Mr. BARKLEY. What the Senator proposes would result in almost doubling the amount of currency now in circulation.

Mr. WHEELER. All right.

Mr. BARKLEY. What effect would that have on the money that is already in circulation?

Mr. WHEELER. It would not have a particle of effect. I do not know what the Senator is trying to get at when he asks what effect it would have. The amount of money that is out at the present time would stay out.

Mr. BARKLEY. The new money referred to by the Senator would circulate for all the same kinds of purposes as the money we now have?

Mr. WHEELER. Yes; exactly the same kind of purposes.

Mr. BARKLEY. So we would have in circulation about twice as much money as we now have?

Mr. WHEELER. Yes.

Mr. BARKLEY. How would that affect the value of the money which would be in circulation at the time? For instance, instead of having $5,000,000,000 in circulation we would have $10,000,000,000 in circulation.

Mr. WHEELER. The money would still be worth 100 cents on the dollar.

Mr. BARKLEY. How does the Senator from Montana know that?

Mr. WHEELER. Any one knows that, because any currency that is in circulation is worth 100 cents on the dollar.

Mr. BARKLEY. But is it not true that the more money there is going around, the less its value.

Mr. WHEELER. Does the Senator mean to say that it is not worth 100 cents on the dollar?

Mr. BARKLEY. I am not saying anything about that. I am trying to find out from the Senator what it would be worth. It would be worth 100 cents on the dollar, but would 100 cents be worth as much then as a dollar is worth now?

Mr. WHEELER. If we have a credit inflation for which we are now headed—I assume that is what the Senator favors—in 2 years our dollar will not have the same purchasing power it has now, and it does not make any difference whether we have a credit inflation or whether we have a currency inflation; the results will be identically the same. In 1929 we had in this country the greatest credit inflation that the world had ever seen. Did anyone stand on the floor of the Senate and complain about that inflation? Not at all. Fake stocks and fake bonds were being unloaded on the public, and every time anyone bought a stock upon margin he was inflating the credit of the people of the United States of America.

Mr. BARKLEY. Of course there was a great deal of inflation of credit which was not represented by stocks or bonds. All credit was inflated. I do not recall whether the Senator from Montana offered the amendment at the time or not, but when we had up the $3,000,000,000 public-works program a year or two ago the Senator then believed it ought to be financed by the same process he now advocates. If that had been done would he still think we ought to finance this program in that way?

Mr. WHEELER. Mr. President, in my judgment, had that been done, we probably would not have to be borrowing $4,000,000,000 at the present time. Had we remonetized silver, as I suggested in 1929, instead of trying to borrow ourselves out of debt, we would have had more money in circulation, and so we would not have to be borrowing ourselves out of debt as we are now doing.

Mr. BARKLEY. The Government, of course, would have been obligated on that money, as it is obligated on its bonds; but had we issued $3,000,000,000 of money then, and were we now to issue $4,800,000,000 more, we would have a total issue of practically $9,000,000,000, nearly twice as much money as we now have in circulation; and I wonder whether the Senator is willing to go far enough to advocate the use of money as a substitute for credit so far as credit may be needed for the transaction of the Government's business.

Mr. WHEELER. That depends entirely on the situation. At the present time we are in a crisis, and I am assuming that the Congress of the United States and the American people have enough sense to avoid an unlimited and a wild expansion of the currency of this country. Any time anyone suggests that we have an expansion of the currency of the country, someone gets up and points to what took place in Germany, and what took place in Italy, and what took place somewhere else.

Mr. BARKLEY. Mr. President, I have not said a word about that.

Mr. WHEELER. No; but, I say, that has been done. However, that does not have anything to do with the conditions as they exist in the country at the present time. I am talking at the present time about that $4,000,000,000, and I am saying that the Government of the United States can save $120,000,000 which it is going to pay to the bankers; and yet we are quibbling about paying out of the Treasury of the United States to help 395,000 farm families in the United States possibly not to exceed $25,000,000 a year. My own view about the matter is that it will not amount to that much money.

I submit, Mr. President, that this amendment should be adopted. The one thing that has got to happen in the United States of America before there can be any recovery, in my judgment, is that the interest rates have got to come down from one end of the country to the other, and I think this is a start in the right direction.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Alabama?

Mr. WHEELER. I yield.

Mr. BLACK. I wish to state to the Senator that I am 100 percent in accord with his statement that interest rates must come down. I have said on this floor many times that I thought too much went to interest and too much to rents and too little to wages—and wages include in the economic definition the price of the farmer's commodity—but when interest rates come down, I want them to come down on the part of the person who gets the interest.

If this amendment reduced interest rates to the bondholder, I should gladly support it. I should be very glad, indeed, to support a national interest rate of 4 percent. I think that one means whereby England brought about her recovery was that she required and demanded a refinancing of outstanding government obligations and reduced the national interest rate. However, as I understand, this amendment—I may be mistaken—will not reduce by one nickel the interest that goes to the bondholder. If the Senator will offer an amendment which will provide for refinancing the outstanding bonds and taking these bonds out of the hands of the private bondholders and reduce their interest, I should be very glad, indeed, to support it.

Mr. WHEELER. I may say to the Senator that that could not be done at this particular time. What will be done at this time, however, by reducing the rate of interest to the farmers to 3½ percent is this: It will bring down the rates of interest in all the banks in farm communities throughout the United States; the effect of reducing this rate to 3½ percent will be to bring down the rates of interest all through the farm communities of this country. When the Government of the United States cut down the rate to 4½ percent, the effect in my State, where, as the Senator said, some of the farmers were paying 10 percent, was that they quit paying 10 percent; and where they were paying 8 percent, they ceased to pay that high rate, and the rates had to be reduced. If those lending money wanted any business, they had to cut the interest rate. If we lower the interest rate in this instance to 3½ percent, the effect all over the farming sections will be a general reduction of interest rates to the farmers throughout the Nation. If the Government of the United States could spend $25,000,000 a year to bring about a general interest reduction rate to the farmers throughout the country, I say it would be immediately worth while, in addition to what it would save specifically to the farmers.

The PRESIDENT pro tempore. The time of the Senator from Montana has expired.

Mr. BLACK. Mr. President, I will take the floor in my own right, because I want to make a suggestion in reference to what the Senator from Montana [Mr. WHEELER] has said.

I am in full accord with the idea that it is necessary, essential, and desirable to reduce interest rates, not only to the farmer but to the people of the Nation generally. If I thought the Senator's amendment would bring about the result which he has just pictured, I would have voted for it Saturday, and I would vote for it now.

Mr. WHEELER. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. I yield.

Mr. WHEELER. My attention has just been called to the fact that $816,000,000 worth of land-bank bonds are now owned by the Government and that $916,000,000 worth are owned by the investing public.

Mr. BLACK. That is correct.

Mr. WHEELER. So that in connection with the figures which were given upon the floor of the Senate as to what it would cost the Government of the United States, it should be remembered that, as a matter of fact, the Government owns $816,000,000 of these bonds at the present time.

Mr. BLACK. I want to state to the Senator that I myself have made some little investigation and, insofar as the cost to the Government is concerned, I agree that the figures have been overestimated. But the point in which I am interested is the principle which we are called upon to adopt. A large amount of these bonds is outstanding in the hands

of people who are drawing interest. I object, as a matter of principle, to dipping down into the Federal Treasury and subsidizing the bondholders. I do not object to lowering the farmer's interest rate, but I seriously object to subsidizing the bondholders; and that is exactly what this amendment will bring about. I do not believe that by subsidizing the bondholders we can effectuate a reduction of the farmer's rates of interest on other loans.

There are 395,000 farm families involved in these particular loans, according to the figures given by the Senator from Montana. There are about 6,000,000 farm families in the United States. If the tendency of this reduction were to bring about a lowered interest rate to the other members of the group of 6,000,000, I should say it would be worth the cost to the Federal Treasury; but what I am trying to bring out, in order that my position may be understood, is that I have favored lowering interest rates to the farmer and lowering interest rates as well all over this Nation.

I do not believe we will ever get out of the trouble we are in until we reduce the amount of national income that goes to rents and to interest and increase the amount of the national income that goes to wages; and when I say "wages" I include in the broad economic term the income of the farmers of the Nation. All the statistics show that there has been a maldistribution of income which has sent too much automatically into the hands of those who draw interest and into the hands of those who collect rents; but this amendment will not reduce the amount that goes into the pockets of those who draw interest; it will not reduce the interest rate to the bondholder one penny. The bondholder will still draw exactly the same rate of interest if this amendment should be adopted that he draws today; it would simply shift the burden of paying that interest to the private bondholder from the pocket of the farmer to the Federal Treasury.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. BLACK. Certainly.

Mr. WHEELER. On some of these bonds the Federal Treasury is still making 1 percent.

Mr. BLACK. I agree to that.

Mr. WHEELER. And if we cut it down to that extent, the Federal Treasury simply cuts down its rake-off of 1 percent.

Mr. BLACK. I may say to the Senator if the Federal Treasury held all these bonds, I would unhesitatingly vote for his amendment, because I believe then that it would have a tendency to reduce general interest rates.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I yield.

Mr. BARKLEY. It ought to be stated also that the reason why the Federal Treasury holds these bonds is because there has been no market for the bonds, and the Treasury had to take them in order that the money might be injected into the system to be loaned in turn to the farmers.

Mr. BLACK. I think the Senator is correct.

Mr. WHEELER. Regardless of whether that is true or not, the Government holds a large number of these bonds.

Mr. BARKLEY. They may be distributed back to the public at any time whenever the market opens out or whenever there is an available market for them.

Mr. WHEELER. The Government has been selling its farm-mortgage bonds at as low a rate as 2 percent in some instances.

Mr. BLACK. I think the Senator is correct, but, so far as I am concerned, while I am thoroughly in accord with the objective of the Senator from Montana, the position I take is that I have no objection to having the law so amended as to provide for a refinancing, and, if necessary, put the Government behind that which it is already morally responsible for, and get money at a lower rate of interest and pass it on to the farmer; but I do object to continuing to pay 4 or 4½ percent to private bondholders and subsidizing them for that interest out of the Public Treasury.

I fully realize the great farm debt of the Nation. I placed in the RECORD a few days ago figures which showed that between 1919 and 1932 the farm debt increased to such an extent that whereas in 1919 the farm-mortgage debt was only one-half of the total income of the American farmers, by 1932 the debt was twice the annual income of the American farmers, a condition which I agree with the Senator cannot long be sustained. I agree with those who take the position that this huge burden of debt, which is like a body of death around the economic system of this country, must be reduced in some way, and one of the first and best ways of which I know is to reduce the interest rate; but what good does it do simply to reduce the interest rate the farmer has to pay if at the same time we keep up the interest rate by paying it out of the Federal Treasury to those who have loaned the money? That is the reason, I wanted it distinctly understood, that I voted against the amendment in its present form.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Florida?

Mr. BLACK. I yield.

Mr. FLETCHER. The statement has been made that the Federal Government owns some $800,000,000 of these bonds. There must be some error somewhere, because the Federal Government has not any authority to invest in these bonds. These bonds are not owned by the Government, and there is no power anywhere, in the Secretary of the Treasury or elsewhere, to acquire these bonds.

Mr. BLACK. I may state to the Senator that I was informed on Saturday that the Government, through one of its agencies, has owned a billion eight hundred million dollars' worth of these bonds.

Mr. FLETCHER. The Mortgage Corporation issues guaranteed bonds which the Treasury can buy.

Mr. BLACK. Yes; bonds guaranteed by the Treasury of the United States.

Mr. FLETCHER. The Treasury may buy those bonds, but it cannot buy Federal land-bank bonds.

Mr. BLACK. They are used for the same purpose, and they constitute, as I understand, a part of the funds to be loaned the farmer.

Mr. FLETCHER. A part of the proceeds of those bonds issued by the Mortgage Corporation are used by the Commissioner in making loans to the farmers.

Mr. BLACK. Yes; I so understand. I think the Senator is absolutely correct in that regard.

Mr. President, I do not intend to extend my remarks, and I only made my statement because the time of the Senator from Montana [Mr. WHEELER] had expired. I wish it distinctly understood, however, that I favor a reduction of the national interest rate, and shall so vote whenever the occasion may arise. The only reason I have not yet offered a bill with that object in view is because I doubted if the time was ripe. I am perfectly willing to utilize every power of the Federal Government to bring about a reduction of the interest rate in every State of the Union so that we may prevent in the future so much of our national income going to interest as to bring about an unbalanced condition of our economic system. But, frankly, I can see no advantage whatever in reducing the interest rate to the farmer unless at the same time we reduce the amount of that interest that goes to those who sustain the high interest rate. I shall very gladly, indeed, support any amendment offered by the Senator from Montana, or by any other Senator, to require a refinancing of these bonds, if necessary with the backing of the Federal Government, to bring about a reduction not only in interest rates on these particular loans but for the vast influence it will have in reducing the general interest rate throughout the Nation.

Mr. WHEELER. Mr. President, at the suggestion of the Senator from Florida [Mr. FLETCHER], I am going to ask that

my amendment be further perfected or modified in accordance with the memorandum, which I send to the desk.

The PRESIDING OFFICER. The modification will be stated.

The LEGISLATIVE CLERK. The Senator from Montana modifies his amendment to read as follows:

SEC. —. (a) The first sentence of paragraph "twelfth" of section 12 of the Federal Farm Loan Act, as amended, is amended by striking out the following: "Within 2 years after such date shall not exceed 4½ percent" and inserting in lieu thereof the following: "Shall not exceed 3½ percent."

(b) The second sentence of such paragraph "twelfth" is amended by striking out the following: "5 percent in lieu of 4½ percent" and inserting in lieu thereof the following: "4 percent in lieu of 3½ percent."

Mr. BARKLEY. Mr. President, I do not wish to delay a vote on the amendment. I wish to make one or two observations. I realize how difficult it is to argue against an appropriation out of the Treasury that is designed to help someone. I recall, when I was in the House of Representatives, out in the cloakroom one day a very distinguished Member of Congress after a heavy lunch was lying on the couch. Someone ran into the cloakroom and said, "For God's sake, come out and vote against the amendment. They are about to rob the Treasury of $10,000,000." He jumped up, rushed onto the floor of the House and voted against the $10,000,000 "steal" as it was portrayed to him. After he had been in the House of Representatives 5 or 6 years he happened again to be reclining in the cloakroom after a heavy lunch and someone came rushing in and said, "For God's sake, come out and vote against an amendment which will rob the Federal Treasury of $100,000,000." He merely opened his eyes and turned over and went back to sleep. [Laughter.] We progress in our indifference toward money that is proposed to be taken out of the Treasury, I presume, the longer we are in an appropriating mood.

Mr. President, I appreciate very much what the Senator from Alabama [Mr. BLACK] said. It may be that as perfected the adoption of the amendment of the Senator from Montana would during the next 3 years involve an expenditure of only about $75,000,000 out of the Treasury of the United States; but we ought to bear in mind before we vote on the amendment just what is going to happen. If the Senate wants to adopt such a policy, of course, it is its business to do so, but Senators ought to vote with their eyes open. The bonds to which the Senator has referred have an average maturity of about 26 years. I am not certain whether the Congress by any act could call those bonds. They are callable after a certain period, but they are now in the hands of the private investors who hold them. I do not believe Congress could enact a law to call the bonds before their maturity.

Mr. WHEELER. I do not think they could be called.

Mr. BARKLEY. These bonds upon which we might wish to reduce the rate of interest have an average of 26 years yet to run before they are due. I cannot recall whether some of them might be called a short time prior to the due date or not but, at any rate, we ought to proceed with the understanding that the United States Government cannot at this time nor at any time in the near future call these bonds which are now outstanding. In the first place they are not United States bonds. They are bonds issued by the land banks and are owned by those who have invested their money in them.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BARKLEY. Certainly.

Mr. BLACK. I may say to the Senator that, while I myself have made no personal investigation, I talked to two officials on land banks on Saturday. They disagreed to this extent. One of them thought they could all be called and the other thought only a part of them could be called. I have not investigated and I doubt if the Senator has had a chance to investigate.

Mr. BARKLEY. No; I have not investigated that phase of it, because this whole matter has been precipitated into the debate on the floor of the Senate without previous notice. It is a matter of such importance that, if we desire to bring about the refinancing of all the outstanding bonds which have been issued by the Federal land-bank system, it ought to be done not in a haphazard way, not as a mere matter of sentiment, or emotion, but after careful investigation by the committee to which such legislation should be referred.

Be that as it may, the bonds which are outstanding now bear an average rate of 4.27-percent interest or, in round figures, 4¼-percent interest. If the amendment is adopted to which I have been addressing myself, it means that for the next 3 years only 3½-percent interest will be paid in on obligations that bear 4¼-percent interest. That is, three-fourths of a percent interest must be taken out of the Treasury of the United States.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. I do not agree entirely with reference to those figures. With reference to a certain portion of the bonds it is true, but with reference to another portion it is not true.

Mr. BARKLEY. There is a portion of the outstanding indebtedness to which the Senator's amendment does not apply.

Mr. WHEELER. The Farm Mortgage Corporation has sold its bonds, as I understand, as low as 2 percent and some at 3 percent. The Federal land bank issues 4-percent bonds, and then the Federal Mortgage Corporation exchanges its bonds for the land-bank bonds.

Mr. BARKLEY. The farm-loan bonds which are outstanding, which have been the particular type of these obligations we have been trying to refinance and scale down, bear an average of 4¼-percent interest. Whatever difference there may be between the amount of these bonds and the amount of the other bonds is a matter upon which we shall have to ask the Farm Credit Administration for exact information. But, whatever the amount, it cannot be far below $1,000,000,000. Whatever the amount, we might as well vote on the amendment understanding that, if they amount to $1,000,000,000, then we are making it necessary for the Federal Treasury out of its funds to pay interest on the bonds to those who hold them, whether individuals or banks, to the extent of three-fourths of a percent above what the Farm Credit Administration will obtain in interest with which to discharge the obligation; and, in addition to that, we reduce the amount of the income of the Federal Farm Credit Administration for overhead expenses, so that for 3 years they will be getting about 1¾ percent less interest than is necessary for them to pay their own obligations on these bonds and to pay their running expenses.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield further to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. Land-bank bonds outstanding total $1,896,414,669. Of that amount the Government itself owns $816,000,000, so the Government owns pretty nearly one-half of the bonds. That leaves over $900,000,000 in private bonds.

Mr. BARKLEY. That is not far from $1,000,000,000 which I said is the amount outstanding.

Mr. WHEELER. There are about $900,000,000 of these bonds on which the Government would have to pay the difference between the 1 percent and whatever percent we agree on.

Mr. BARKLEY. The Senator realizes that while he has modified the original amendment to make the reduction apply only for the next 3 years, we know precisely what will happen when the 3 years expire.

Mr. President, I have no desire to discuss the matter further.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I address to the Chair the inquiry as to the number of times a Senator may speak on a pending amendment?

The PRESIDING OFFICER. Any Senator may speak 15 minutes on any amendment pending.

Mr. McNARY. How often may he speak?

The PRESIDING OFFICER. Once only.

Mr. BARKLEY. Mr. President, I have only spoken on the amendment once and I have not spoken on the bill at all today.

Mr. McNARY. I thought we usually keep close to the subject matter under discussion, but there has been so much confusion and interjection of other matters without apparent reference to the agreement that it occurred to me we should proceed in a more orderly discussion under the unanimous-consent agreement.

The PRESIDING OFFICER. The Chair will state that the unanimous-consent agreement has not been violated so far as time is concerned. After the unanimous-consent agreement went into effect at 1 o'clock p. m. today, the discussion proceeded on the motion to reconsider the vote by which the amendment of the Senator from Montana was adopted. The question now before the Senate is on the amendment of the Senator from Montana as modified.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll; and the following Senators answered to their names:

Adams	Connally	Johnson	Robinson
Ashurst	Coolidge	Keyes	Russell
Austin	Copeland	King	Schall
Bachman	Costigan	Logan	Schwellenbach
Bailey	Couzens	Lonergan	Sheppard
Bankhead	Cutting	Long	Shipstead
Barbour	Davis	McCarran	Smith
Barkley	Dieterich	McGill	Steiwer
Bilbo	Donahey	McKellar	Thomas, Okla.
Black	Duffy	McNary	Thomas, Utah
Bone	Fletcher	Maloney	Townsend
Borah	Frazier	Metcalf	Trammell
Brown	George	Murphy	Truman
Bulkley	Gerry	Murray	Tydings
Bulow	Gibson	Neely	Vandenberg
Burke	Glass	Norris	Van Nuys
Byrd	Guffey	Nye	Walsh
Byrnes	Hale	O'Mahoney	Wheeler
Capper	Harrison	Pittman	White
Caraway	Hastings	Pope	
Carey	Hatch	Radcliffe	
Clark	Hayden	Reynolds	

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Montana [Mr. WHEELER], as modified.

Mr. LONG. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LONG. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. In order to vote for the Wheeler amendment, we vote "yea", as I understand.

The VICE PRESIDENT. The Senator understands that the pending amendment is the Wheeler amendment, and if he votes "yea" his vote is for the amendment. If he votes "nay", it is against it.

The Chief Clerk resumed the calling of the roll.

Mr. CLARK (when his name was called). On this question I have a pair with the junior Senator from New Jersey [Mr. MOORE], and withhold my vote. If the Senator from New Jersey were present, he would vote "nay", and if I were at liberty to vote I should vote "yea."

Mr. TOWNSEND (when his name was called). On this question I am paired with the senior Senator from South Dakota [Mr. NORBECK]. If he were present, he would vote "yea", and if I were at liberty to vote I should vote "nay." I withhold my vote.

The roll call was concluded.

Mr. GIBSON. I inquire if the junior Senator from California [Mr. McADOO] has voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. GIBSON. I have a pair with the junior Senator from California. Not knowing how he would vote on this question, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. AUSTIN. The Senator from Wisconsin [Mr. LA FOLLETTE] is necessarily absent. On this question he has a pair with the Senator from New York [Mr. WAGNER]. If present, I understand that the Senator from Wisconsin would vote "yea", and the Senator from New York would vote "nay."

Mr. BARKLEY. On this question I have a pair with the Senator from Iowa [Mr. DICKINSON], who, if present, would vote "yea." I transfer that pair to the Senator from Illinois [Mr. LEWIS], and will vote. I vote "nay."

Mr. DIETERICH. I desire to announce that my colleague [Mr. LEWIS] is necessarily detained from the Senate on official business.

Mr. ROBINSON. I regret to announce that the Senator from Louisiana [Mr. OVERTON] is detained from the Senate on account of illness.

I desire also to announce that the Senator from Oklahoma [Mr. GORE], the Senator from California [Mr. McADOO], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate on official business.

The result was announced—yeas 43, nays 39, as follows:

YEAS—43

Austin	Davis	Murphy	Shipstead
Bilbo	Donahey	Murray	Smith
Bone	Duffy	Neely	Steiwer
Borah	Frazier	Norris	Thomas, Okla
Bulow	George	Nye	Thomas, Utah
Byrd	Johnson	Pope	Trammell
Capper	Logan	Reynolds	Truman
Caraway	Long	Russell	Van Nuys
Carey	McCarran	Schall	Wheeler
Costigan	McGill	Schwellenbach	White
Cutting	McNary	Sheppard	

NAYS—39

Adams	Burke	Guffey	McKellar
Ashurst	Byrnes	Hale	Metcalf
Bachman	Connally	Harrison	O'Mahoney
Bailey	Coolidge	Hastings	Pittman
Bankhead	Copeland	Hatch	Radcliffe
Barbour	Couzens	Hayden	Robinson
Barkley	Dieterich	Keyes	Tydings
Black	Fletcher	King	Vandenberg
Brown	Gerry	Lonergan	Walsh
Bulkley	Glass	Maloney	

NOT VOTING—13

Clark	La Follette	Minton	Overton
Dickinson	Lewis	Moore	Townsend
Gibson	McAdoo	Norbeck	Wagner
Gore			

So Mr. WHEELER's amendment, as modified, was agreed to.

Mr. LONG. Mr. President, I send an amendment to the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. It is proposed to insert at the proper place the following:

Whenever any loan or part thereof made by any Federal land bank, land-bank commissioner, or Federal farm-mortgage corporation, shall not have been paid or otherwise discharged, there shall never be entered any judgment against any debtor for any sum beyond that realized from the property mortgaged or hypothecated for said loan and deficiency judgments against debtors for any sum beyond the amount realized from the sale of the property mortgaged are specifically prohibited.

Mr. LONG. Mr. President, this is only the amendment to prohibit deficiency judgments beyond the amount of a mortgage on land. I do not know of any opposition to this amendment.

Mr. BARKLEY rose.

Mr. LONG. I yield to the Senator. Does the Senator desire to ask a question?

Mr. BARKLEY. Not necessarily.

Mr. LONG. What does the Senator want?

Mr. BARKLEY. I wanted to dispute the statement that there is no opposition.

Mr. LONG. The Senator from Kentucky is usually wrong on these questions.

Mr. BARKLEY. I do not accept the Senator from Louisiana as a guide by which I judge either right or wrong.

Mr. LONG. I am accepting myself as the rightful standard.

Mr. BARKLEY. I know the Senator accepts himself as being the guide.

Mr. LONG. I am not meaning to reflect on the Senator's good judgment. I am referring to the fact that he is not with me, which, of course, would mean that he voted right.

Mr. BARKLEY. I do not regard that as any reflection on me.

Mr. LONG. I was afraid the Senator would take that view of it. The only thing I am undertaking to do by this amendment—and I am surprised, really, at my friend from Kentucky—I am only asking to have farmers relieved from being pursued and hounded with deficiency judgments.

I should like to give an illustration. We had a case where a man had borrowed, I think, $20,000. He paid $16,000, including interest. The time came when the mortgage on his place was to be foreclosed, and he could not pay the balance due. They sold the place, originally mortgaged for $20,000, I think for something less than $1,000, and took a deficiency judgment against him. They put that on record, and finally hounded him out of what little he had been able to acquire with the financial help he had been able to get.

Mr. LOGAN. They did that under the State law, did they not?

Mr. LONG. I guess they did.

Mr. LOGAN. The State law governs in all such matters.

Mr. LONG. We are passing Federal laws now. You cannot have that under the Louisiana law. I am trying to "Louisianize" this Federal law insofar as it concerns debts.

Mr. LOGAN. But the law of the State must govern in all matters of this kind.

Mr. LONG. No, sir.

Mr. LOGAN. Then we would have a right to say that a national bank could not secure a deficiency judgment against someone who has borrowed money from it.

Mr. LONG. This is a Federal corporation.

Mr. BARKLEY. Lawsuits brought for the enforcement of mortgages are brought in the State courts under the State law.

Mr. LONG. They do not have to be.

Mr. BARKLEY. Oh, yes, they do. Unless there is diverse citizenship and the amount involved is more than $3,000 the suits have to be brought in the State courts.

Mr. LONG. There are a lot of them involving more than $3,000. But what difference does that make? This is all under the final jurisdiction of the United States Supreme Court.

Mr. BARKLEY. But the law relating to debts is State law.

Mr. LONG. Certainly; and if all the States were like Louisiana——

Mr. BARKLEY. They would be in a "hell of a fix." [Laughter.]

Mr. LONG. There is no question about this being proper legislation to be put on this bill, because it is designed to regulate loans made by Federal land banks.

Let me state what the Senator from Kentucky will find himself arguing in a few minutes; he will be here justifying his position very logically in some way, but at any rate here is the position in which my friend is going to find himself.

After a farmer has mortgaged his place and paid all that he can, then the Federal land bank will come and take the place away from him. It makes no difference how much he has paid on the place, there is never going to be a man who will go out when they put his property up for sale and bid against the Federal land bank.

You can put a place up worth $50,000 that is mortgaged for $15,000, and the Federal land bank ordinarily can buy it in for two or three thousand dollars, and there will not be a single man there to bid against it.

So, what has been the consequence? They have followed the farmer from county to county, have foreclosed and taken everything under the canopy of heaven the farmer has to his name; then the farmer moves over into another county, they take a judgment against him, they put it on the record in the next county, and at the end of 10 years, if he has not paid the deficiency judgment, they revive that judgment in court and put it on the record against him again.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. Has the Senator from Louisiana given consideration to the question of the effect his amendment would have on the ability of farmer borrowers to get loans from any source?

Mr. LONG. I have.

Mr. ROBINSON. Does the Senator not know that, in the making of a loan, a personal obligation, there is attached always the consideration that the borrower shall preserve the integrity of the property? Does not the Senator's amendment have the effect of denying all personal liability?

Mr. LONG. It does not do that.

Mr. ROBINSON. It does.

Mr. LONG. No.

Mr. ROBINSON. Does not the Senator know that if there can be no deficiency judgment, such a policy may encourage borrowers to abandon their property, or not to manage it as efficiently as they otherwise would, and does he not also know that the personal responsibility and character of the borrower are primary considerations in all loans? Is not that a fact?

Mr. LONG. I do not think that is true at all in the case of Federal land-bank loans.

Mr. ROBINSON. To state an illustration, if a farmer found that the value of his property had approached so nearly its foreclosure value that he could not work it out and save anything, would he not be encouraged to neglect it and abandon it if not personally liable, and are not there numerous instances in which that has actually occurred?

Mr. LONG. I have only 15 minutes. I am sorry I cannot yield further.

Mr. ROBINSON. I apologize to the Senator. I should not have interrupted.

Mr. LONG. I do not think any such thing. This is what I do think. I think it is the most cruel act the Government has ever perpetrated, when the United States Government, through its action and inaction, has brought on this farm problem, or has helped to bring it on, to allow a farmer to be pursued from State to State with these deficiency judgments, which some of the farmers—and nearly every one of them—are never able to pay. It is not helping the condition of the farmer.

Mr. ROBINSON. Will the Senator yield for one question?

Mr. LONG. I yield.

Mr. ROBINSON. Does the Senator know how many Federal land-bank loans there are in Louisiana?

Mr. LONG. No.

Mr. ROBINSON. I am informed that there are 12,500 plus.

Mr. LONG. I know——

Mr. ROBINSON. Does the Senator know that last year there were only about 265 foreclosures completed on account of Federal land-bank loans?

Mr. LONG. Yes; and does the Senator know that we put through the Frazier-Lemke bill at the last session of the Congress?

Mr. ROBINSON. I know that the policy of the Farm Credit Administration is not to make foreclosures where there is an effort being made on the part of the farmer to work his problem out.

Mr. LONG. We put over the Frazier-Lemke bill at the last session, as well as other legislation, to prevent foreclosures, and I know that up to the time we began the debate in the Senate, the way they were foreclosing on farmers, it was a matter of regularity. I have forgotten how many a day there were, but the Senator from North Dakota gave me an estimate of how many were being foreclosed daily.

It is perfectly all right if the Democratic Party wants to go on record as voting down this legislation. Go ahead and make your own bed. I will make mine. Go right ahead.

I am arguing what is human justice. I am arguing against pursuing these men, because we are not pursuing the banks

and the railroads. We let these banks, we let these railroad corporations, we let Dawes' bank come in here, and they borrowed $90,000,000. There is not any liability on Mr. Dawes; and although my friend from Illinois said they paid all of the loan, I sent out and got the figures, and I find that out of $90,000,000 they have paid back approximately $33,000,000, leaving a balance of approximately $56,000,000 unpaid today. Is there any liability on Mr. Dawes?

Mr. DIETERICH. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield.

Mr. DIETERICH. Who was the Senator from Illinois to whom the Senator from Louisiana referred?

Mr. LONG. It was the senior Senator from Illinois [Mr. LEWIS].

Mr. DIETERICH. I thank the Senator.

Mr. LONG. The junior Senator is as white as the silk lining of an ermine coat on that matter.

Mr. President, what I cannot understand is why we have been lending out all this Government money, millions and hundreds of millions of dollars, without having any of these other men where they could not walk off and leave the Government with the property and with no personal liability. If it is a good thing to let the corporations borrow and use the shield of corporations so that they cannot be pursued by these millions and hundreds of millions of dollars of Government loans, then why is it not a good thing to let a poor little farmer have a new chance of life? Oh, no; that is a bad thing! We have to watch the farmer! He is liable to get recalcitrant; he is liable to go back on this thing, and it is not a good thing for the country! If the poor fellow gets a chance to get back on his feet, that is a terrible disaster for the country! On the other hand, let the corporation come here and sign "J. R. Smith, Incorporated", and borrow $50,000,000, and spend that, and there is no personal liability; there is no personal judgment in that.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. BARKLEY. Mr. President, I desire to utter a sentence or two with respect to this amendment.

In the first place, I do not think Congress has any power to say to a State court what its procedure shall be with respect to the foreclosure of a mortgage on any sort of property, although the money is loaned by a corporation which has been set up and created by the Government of the United States. The law of debts is the law that applies in every State of the Union. It has been enacted by the legislatures of the States, or it has come down through a long line of decisions of the highest courts of the States.

This amendment, Mr. President, does not apply to any other mortgages than those held by Federal land banks. It does not apply to the seven or eight billion dollars of farm mortgages held by other institutions, or by private individuals. The holder of such a mortgage can bring suit to foreclose the mortgage and get a judgment against the debtor; and if the property mortgaged is not sufficient to pay the debt, judgment is rendered for the entire debt, and any other property which would be subject to execution is liable for the debt. That is the law in every State of the Union.

Under this amendment, if it were legal for Congress to enact it, we would say to a court in my State or in yours, "Although this man borrowed the money and used it, you cannot render a judgment for the amount of the debt unless the property mortgaged is sufficient to pay it."

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LONG. Does not the Senator distinguish between matters of procedure and substantive law?

Mr. BARKLEY. Oh, yes; I make that distinction, but the Senator does not make it in this amendment.

Mr. LONG. This is not a matter of regulating the procedure of a State court. This is a regulation imposed upon a Federal corporation.

Mr. BARKLEY. I understand. It regulates the procedure so far as trying to get the money is concerned, however. Why should private corporations which have loaned money to farmers, why should private individuals who have loaned money to farmers, be allowed to get deficiency judgments and pursue the farmers, while a corporation, set up and fostered and largely paid for by the people of the United States through their Treasury, cannot resort to the ordinary methods of the law in the collection of debt?

Under the amendment, if it were legal, any man might abandon his farm; he might refuse to keep it up; he might let the buildings fall into collapse; he might after a while decide that it would be cheaper for him to move off the farm and save the money which he otherwise would have paid out in interest and in the amortization of the mortgage, and go off into another neighborhood and buy another farm; and yet under this amendment, although he had allowed the farm to wash out in gullies, and the barns and stables and the house to fall into ruin, and therefore the property would not bring enough money to pay the mortgage, the Federal land bank could not go on the other farm bought by the farmer and levy for one cent of the debt which had been created by the loan.

I cannot imagine anything that would make it more difficult for an honest farmer to obtain a loan than to put a provision such as this into the law. The Senator from Louisiana, in reply to a question of the Senator from Arkansas, stated that neither the land banks nor anybody else ever made a loan based upon the personal integrity and the reputation for integrity and honesty of the borrower.

Mr. LONG. That is correct.

Mr. BARKLEY. Mr. President, every loan that is made by a bank or by a private individual or by any sort of a corporation to the owner of any property, in town or city, is based as much upon the reputation of the man to pay, and his reputation for honesty, and his credit in the community, as it is upon the land which has been mortgaged.

Mr. CONNALLY and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Texas.

Mr. CONNALLY. Mr. President, has it occurred to the Senator also that the local associations through which these loans are made guarantee every loan that is made?

Mr. BARKLEY. Yes.

Mr. CONNALLY. That would throw the burden on the other borrowers.

Mr. BARKLEY. Of course, the local association guarantees it, and the local association has investigated not only the value of the property but the financial standing and the character of the man who seeks the loan.

Mr. CONNALLY. Under this amendment they could not get a money judgment against the man who made the mortgage.

Mr. BARKLEY. No.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I now yield to the Senator from Louisiana.

Mr. LONG. I happen to have had a little experience. I was once attorney for the Federal land bank. The way we made those loans was that we secured an appraisal and loaned a certain percentage of the appraisal. I never saw the time when the integrity of the borrower came into question. We loaned to men when they came out of the penitentiary, and we loaned to any other kind of men.

Mr. BARKLEY. Of course, I do not know anything about the method pursued by the Senator in making loans.

Mr. LONG. The loan was made strictly on the appraisal. The only thing that ever guided the Federal land bank in making a loan was the appraisal of the property which was mortgaged.

Mr. BARKLEY. That only guides them as to the amount of money that is loanable.

Mr. LONG. Surely.

Mr. BARKLEY. But any Federal land bank or any other institution that would make a loan, even on a mortgage which represented only half of the value of the property, without making some investigation as to the standing or the character or reputation of the man who was borrowing the money would not last very long as a solvent institution.

Mr. LONG. Let us assume that as true; the amendment does not prevent that being done.

Mr. BARKLEY. No; it does not prevent that being done, but it prevents the use of that knowledge being of any value to the land bank after making the investigation.

Mr. LONG. The Senator is going to leave the farmer without the benefit of an appraisal, as provided for in these mortgages.

Mr. BARKLEY. I am going to leave the farmer in just as good condition, so far as I am concerned, as he is now. I am leaving the law as it is. The present law has been built up after 17 years of operation. There never has been any objection to the method by which the value is found by appraisers. There never has been any objection, and no one has offered an amendment, so far as I can recall, in all the 17 years this law has been on the statute books, attempting to change the method by which loans are made or appraisements are made, or the percentage of value which is loaned, or the fees that are paid, either by the farmers or by the land banks in the process of making the loans.

I do not believe it is of any value to come here and talk about how much anyone has to pay to get a title examined. There is not a man who owns any property anywhere in the United States who offers to borrow money and give a mortgage on that property who does not have to furnish an abstract of title to the one who is to make the loan, whether it be a public institution or a bank or a private individual or an insurance company or anybody else. There cannot be any doubt about that.

Mr. LONG. What has that to do with this? I was not arguing that that did not have to be done.

Mr. BARKLEY. The Senator, in connection with the other amendment, was arguing about how much it cost a farmer. The Senator from Louisiana and the Senator from Montana talked about that. The argument had no relationship to that amendment, I agree, but it has been dragged in here as a reason why we ought to make it impossible for the Federal land banks to collect their debts after they have gone through the trouble of inducing investors to buy bonds with which to get the money to make the loans. I can imagine nothing that would be a greater blow to the farming community of the country than adopting an amendment of this sort, in addition to its illegality and unconstitutionality.

Mr. FLETCHER. Mr. President, just a word.

The object of having a borrower become personally liable on his obligation is to insure his diligent attention to his business, and that he will take care of his property and operate his farm so that he can pay his obligation. That is the main point. It is not to oppress the borrower by getting a judgment against him for deficiency. It is to insure his actual bona fide careful operation of the farm and taking care of his property.

If this amendment were adopted, undoubtedly all appraisals for Federal land banks would have to be far more conservative than they are today. Such action would make it very much more difficult for a borrower to obtain a loan than is the case today. The object of this whole legislation was to set up and establish a financial institution for the purpose of aiding agriculture and serving the interests of farmers, which it has accomplished through lowering their rate of interest and imposing upon them terms practically of their own selection as to the payment of installments and payment of the debt.

This proposition means closing the door absolutely to the farmers who wish to utilize this institution and this system. It would shut them out. Those who are speaking in behalf of the farmers in favor of this proposal are doing the worst possible disservice to them in closing that door of opportunity.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield to the Senator.

Mr. CONNALLY. As I understand the Senator, the appraisers would be much more conservative than they now are if this amendment should be adopted?

Mr. FLETCHER. I think so; undoubtedly.

Mr. CONNALLY. They would have to rely entirely on the security and not upon any moral risk, and therefore they would have to be doubly sure that the property was worth the loan.

Mr. FLETCHER. That is undoubtedly true.

Mr. LONG. Mr. President, in order to make it perfectly clear——

Mr. NORRIS. Mr. President——

Mr. LONG. Does the Senator from Nebraska desire the floor?

Mr. NORRIS. I was going to make a few remarks, but I will inquire what the Senator has in mind?

Mr. LONG. I was going to withdraw the amendment and reoffer another in its place.

The VICE PRESIDENT. Does the Senator from Louisiana desire to speak further? Under the rule under which the Senate is now proceeding——

Mr. LONG. I want to withdraw my amendment.

The VICE PRESIDENT. The Senator has a right to do that.

Mr. LONG. And now I want to offer another amendment.

The VICE PRESIDENT. That is all right; but the Chair wanted to call the Senator's attention to the fact that the agreement provides that a Senator can speak only once on an amendment.

Mr. LONG. I am offering another amendment.

The VICE PRESIDENT. The Senator from Louisiana offers an amendment, which the clerk will state.

Mr. LONG. Will the Chair permit me to read it? Perhaps I can read it better than the clerk, as it is in my handwriting, and I will then send it to the desk. It reads as follows:

No Federal land bank, land-bank commissioner, or Federal farm mortgage corporation shall ever enforce any judgment against any debtor for any sum beyond that realized from the property mortgaged or hypothecated for said loan, and such Federal land banks, land-bank commissioners, or Federal farm mortgage corporations shall never enforce deficiency judgments against debtors for any sum beyond the amount realized from the sale of the property mortgaged.

Mr. President, the amendment is the same as the one I previously offered except——

The VICE PRESIDENT. Is it a modification of the former amendment?

Mr. LONG. Yes, sir; I just offer it as a new amendment.

The VICE PRESIDENT. There cannot be two amendments pending at the same time. The Senator has one amendment pending. Does he desire to withdraw the first amendment?

Mr. LONG. Yes, sir.

The VICE PRESIDENT. Is there objection?

Mr. BARKLEY. Mr. President, reserving the right to object, will that give the Senator a chance to make another speech under the agreement?

The VICE PRESIDENT. The Senator from Louisiana has withdrawn his first amendment and now offers another amendment. Under the agreement, he has 15 minutes on that amendment.

Mr. BARKLEY. If the Senator will promise not to withdraw the amendment he now offers and offer another one, so as to make another speech, I will not object.

Mr. LONG. I will not make the Senator any promises. I have simply provided so that there will be no question about the technical provision that no Federal corporation, that is, no Federal land bank may enforce a deficiency judgment. That is what the amendment means, so that there will be no question about it.

Mr. NORRIS. Mr. President, as I understand, this amendment embodies practically the same proposition contained in the previous amendment. If these loans ran to the Gov-

ernment of the United States, and the Government owned them, we could pass a law which undoubtedly would be constitutional and which would be effective to prevent even the commencement of a foreclosure, or we could provide that we would take no deficiency judgment on any loans heretofore made; but these loans do not run to the Government of the United States, they run to a corporation; and we are taking away one of its legal rights. It is in the nature of an ex post facto law and, in my judgment, is clearly unconstitutional. I say that, although I am opposed to deficiency judgments, and if I were a member of my State legislature, I would be in favor of any law that would make a deficiency judgment impossible where it was for the foreclosure of a mortgage which was given as security for a loan upon the particular land. I should not like to have the principle applied to everything, because sometimes in the settlement of difficulties and estates mortgages are taken upon land when it is known by everyone that the land is not good security; it may be second or a third mortgage. The loan, in other words, is not made upon the actual security of the land; but when a man who is loaning money looks over a piece of land and says, "I will lend you so much money on it", and an agreement is made and a mortgage is given, if on the foreclosure that land does not pay out and the owner of the mortgage gets the land itself—as he always can under a foreclosure proceeding—he ought to be satisfied. Somebody has lost something; there was a deal made originally between the man who owned the land and the man who had the money, and the man who had the money said, "I will lend you so much money on this land." That was the security. If in the end the lender of the money got the land, all that was covered by the mortgage, that ought to be all he is entitled to get.

If we should attempt now to enact a law making it impossible for this governmental corporation, the land lank, to secure a deficiency judgment in the case of mortgages already made, it would undoubtedly be held unconstitutional by any court. It seems to me there would be no escape from it, because we would be taking away a right that was given at the time of the mortgage, a right which the mortgagor had a perfectly legal power to grant and which may have been part, and perhaps usually was, of the consideration for the amount of money loaned. It seems, therefore, to me that the Senator's amendment will not accomplish anything if it shall be agreed to. If we were now starting out on this business or if the amendment were made to apply only to future loans, I should vote for it; but I cannot support an amendment of this kind, feeling, as I do, confident that there would be no escape from holding that this kind of provision was unconstitutional.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. I had not intended this amendment to apply to anything except future loans; I had not expected it to apply to loans already made; and I ask now, if my friend from Kentucky [Mr. BARKLEY] will not claim that I am acting contrary to his suggestion, to add one more line to my amendment, that line reading:

> This provision shall apply only to loans made after the passage of this act.

The VICE PRESIDENT. The Senator from Louisiana modifies his amendment as indicated. The question is on agreeing to the amendment as modified.

Mr. ROBINSON. Mr. President, I do not desire to delay a vote, but I do wish to give emphasis to the thought expressed in the question I addressed to the Senator from Louisiana while he had the floor. If we shall adopt this amendment applicable to all future loans, the first and most definite result of it will be to diminish the amount the borrower may secure. The inevitable result will be that in making the loan great caution will be used to see that no reliance is placed on the personal responsibility of the borrower, because that has been nullified, and it will do the farmer more harm than good. In the long run it will result in the impairment of the credit which underlies all Federal land-bank loans.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from Louisiana.

Mr. LONG. I ask for the call of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson	Robinson
Austin	Couzens	Keyes	Russell
Bailey	Cutting	King	Schall
Barbour	Davis	Lonergan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Bilbo	Donahey	McGill	Shipstead
Black	Duffy	McKellar	Smith
Borah	Fletcher	McNary	Steiwer
Brown	Frazier	Maloney	Thomas, Utah
Bulkley	Gerry	Metcalf	Townsend
Bulow	Gibson	Murray	Trammell
Burke	Glass	Neely	Truman
Byrd	Guffey	Norris	Tydings
Capper	Hale	Nye	Vandenberg
Carey	Harrison	O'Mahoney	Van Nuys
Clark	Hastings	Pittman	Walsh
Connally	Hatch	Pope	Wheeler
Coolidge	Hayden	Radcliffe	

The VICE PRESIDENT. Seventy-one Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG].

Mr. FRAZIER. Mr. President, I am strongly in favor of the amendment of the Senator from Louisiana. Loans to farmers under the land-bank law are not to exceed 50 percent of the appraised value of the land. If for any reason conditions change so that the price of the land goes down, and after a period of years the land is not worth more than the 50 percent of the appraised value at the time the mortgage was placed upon the land, I believe it is absolutely unfair to have a deficiency judgment against the farmer when he is foreclosed. It is not the fault of the farmer that conditions have changed and the price of the land has gone down. In many instances I think it can be traced to the money lenders, who are, to some extent at least, responsible. It is absolutely unfair to the farmer to place a deficiency judgment against him when the property is foreclosed and will not bring the face of the mortgage.

I hope the amendment of the Senator from Louisiana will prevail.

Mr. SMITH. Mr. President, I think we ought not to allow a question of such importance as this to be decided without a thorough understanding of the evils inherent in it. I recognize it is largely a question of State laws and that the corporation taking the mortgages takes them subject to the State law; but when we come down to the actual common sense of it, all of us realize that when a farmer gives a mortgage, the one who is lending the money takes into consideration the intrinsic value of the land or property and leaves a margin between what he lends and that value which he believes will indemnify him against any loss. In the exigency of events for some reason or other the farmer cannot make his payments. All of us realize, whenever a property is foreclosed under a mortgage, that nine times out of ten it never brings its value. It is a forced sale under conditions that are never favorable to the man who originally owned the property. The consequence, under our present system, is that when he mortgages his property he practically mortgages everything he has until that debt is settled.

It does not seem fair, in view of the notorious fact that under a foreclosure the property rarely brings its value, that we are then going to allow the one who holds the mortgage to have a deficiency judgment after he has deliberately loaned his money on what he considers adequate security and what the man who owns it thought was adequate security. Under such circumstances the man who borrows the money takes all the risk, and the man who loans the money takes none at all. It does seem to me that we ought to recognize that fact.

As the Senator from Nebraska [Mr. NORRIS] pointed out, there may be other circumstances under which a deficiency judgment might in equity be taken or collected or enforced. In the mortgaging of land, as we have known it, and particu-

larly under the Federal mortgage system which precludes any second or third mortgage, when the property is sold and not to exceed 50 percent of its appraised value has been loaned to the owner who borrows the money, and the condition arises that the victim is unable to meet his obligation and a deficiency judgment is taken against him, it means that his future is mortgaged to the man who loaned him the money. In view of the inequity and injustice which is inherent in that situation we ought at least to express our belief that the State, and the Federal Government, as far as it is able to do it, shall not allow this injustice to be continued and perpetrated. It is unfair.

I have in mind right now two or three cases in my section of the country where the borrower honestly paid every dollar that he could honestly acquire. He could not meet his payments. Under the terms of the mortgage it was foreclosed, and he was sold out. The property plus what he had paid on the mortgage did not liquidate the original debt, and a deficiency judgment was taken for the balance that he will never be able to pay, and the existence of which ruins his credit for all time. It is not fair. It is not right.

I said in the beginning that I did not think we had the power to change the laws that obtain in the different States, but I did think we ought by some means to express our opinion that it is unjust in these obvious cases for either the States or the Nation to countenance taking a deficiency judgment when the debtor has honestly tried to meet his obligations.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. SHIPSTEAD. It is true that these are private corporations, but we assumed the power to take the taxpayers' money to guarantee that the interest on their bonds would be paid.

Mr. SMITH. That is true. I know that we have both the State governments and the Federal Government, but in the particular case of the land banks deficiency judgments are taken by the Federal land banks and enforced by them.

Mr. SHIPSTEAD. If the Government assumes to take the taxpayers' money to guarantee that these banks shall pay their bonds out of the taxpayers' money whenever there is a deficiency, would it not be proper for the Government to place certain conditions upon their methods of foreclosing upon mortgages?

Mr. SMITH. That seems to me to be logical. It comes right back to the same proposition. All of us here are meticulous in guarding the interests of actual money, but the moral, the social, and the actual physical welfare of the laborer and the farmer are not considered.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. Is it not true that the capital stock of the Federal land banks owned by the borrowing farmers would be crippled to the extent to which any loan was not paid at its full value, so that the borrowing farmers who own the system would lose by whatever amount of the total debt any land bank was unable to collect?

Mr. SMITH. Mr. President, that does not enter into this equation at all, for the reason that hundreds of them have been foreclosed and sold, and deficiency judgments taken, and the judgments were not worth the paper on which they were written; and the banks and the Government assumed whatever loss there was.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. SMITH. Yes.

Mr. ROBINSON. But the point is that the farmer borrowers have guaranteed the loan, and they have the right to protect themselves and their stock by proceeding against the borrower. Not every borrower whose land does not pay out his debt is deserving of the greatest consideration, because there are some instances in which the borrower, by the waste and neglect of his property, depreciates the very values that have been appraised; and then if we take away in all cases the right of the farmer borrowers to protect themselves against loss on their stock by proceeding against the borrower in deficiency, we will have done a double wrong—and in some instances to persons who do not deserve any consideration.

Mr. SMITH. No, Mr. President; they are the rare exceptions. The Senator from Arkansas knows that such cases are the rare exceptions; and even if they were the rule, the amount borrowed is rarely beyond 50 percent of the appraised value of the property. There would have to be a depreciation of the remaining 50 percent before the value of the loan would have been reached.

Mr. ROBINSON. May I say to the Senator, interrupting him there, that in one State with which I happen to be familiar, practically every foreclosure that was completed last year was in the case of farmer borrowers who had abandoned their farms.

Mr. SMITH. Mr. President, the Senator now has brought up a point that I am glad he has brought up. The farms were abandoned because, with all the effort that could be put forth, the borrowing farmers saw that it was impossible for them to meet their obligations, and they were sinking deeper and deeper; and rather than go on and be involved to a point that meant absolute starvation for them and theirs, they turned over their farms to the Government, and went out where they could make a little pittance for themselves and their children. That is the truth.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. NORRIS. On the point raised by the Senator from Arkansas, I should like to suggest to the Senator from South Carolina that it seems to me the holder of the mortgage where waste is committed, where the property is allowed to go to decay and depreciation, is fully protected by provisions that are in all these mortgages—and certainly would be in all future mortgages if this amendment should be agreed to—that in any case of that kind, where waste is permitted, where buildings are destroyed, where the property is not properly cared for, it shall be the right of the holder of the mortgage to declare it due, and commence foreclosure, so that he would not have to wait, and could go ahead immediately.

Mr. ROBINSON. But the Senator neglects to state that the right to take possession of the property in all cases arises only after the act has occurred.

Mr. NORRIS. Yes.

Mr. ROBINSON. So that the mortgagee has already suffered impairment of his security before he can even take possession of the property and preserve whatever is left of it.

Mr. NORRIS. But the same provision in the mortgages will provide and does provide that where that occurs the mortgagee shall have the right of possession, the right to appoint a receiver, for instance, to take charge of the property and see that it is properly cared for and properly looked after.

Mr. SMITH. Mr. President, right at that point let me call attention to the fact that there is not one case of that kind in a hundred.

Mr. LONG. Or a million.

Mr. SMITH. There is not one case in a hundred where the debtor does the things that are brought up here as an excuse for continuing an unjust indefensible proposition that when I mortgage a piece of property, I mortgage everything I have, no matter what may be the circumstances surrounding it.

Mr. ROBINSON. Mr. President, will the Senator yield at that point?

Mr. SMITH. I yield.

Mr. ROBINSON. The Senator assumes that there is an act of injustice in attaching personal liability to a borrower who happens to have property to hypothecate for his loan. The simple truth of the matter is that throughout all time the personal responsibility of the borrower has been taken into consideration. It is one of the assets upon which he secures a loan. When we deprive him of that, and say that he shall not use it, we simply make it harder for him to get a loan.

Mr. SMITH. Mr. President, that is upon the hypothesis that when I take a mortgage on a piece of property I am

taking it for granted that the same husbandry and the same thrift and the same care that have been exercised by the owner before the mortgage was given will be exercised afterward.

Mr. ROBINSON. Mr. President, will the Senator yield further?

Mr. SMITH. Yes.

Mr. ROBINSON. When an individual borrows money under any conditions, he normally is personally liable for that loan.

Mr. SMITH. Why, to be sure.

Mr. ROBINSON. And it is rather an extraordinary provision to say that when he borrows he shall have no personal liability for his loan. Instead of being just, it is unjust.

Mr. SMITH. Mr. President, when one borrows money on an open note, the moral risk is certainly taken into consideration. That is purely a moral risk. But when I borrow money, and the lender says to me, "All right; you put up twice the value in collateral", the moral risk is eliminated, and there is substituted for it actual physical value.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BARKLEY. Does the Senator think that the mere taking of a mortgage on a piece of real estate obliterates the moral equation with respect to an obligation between the Senator and me? If I go to the Senator and borrow a thousand dollars, and he lends it to me, I get the thousand dollars, and I use it in my business; but in order to supplement my responsibility as a person, the Senator requires me to give a mortgage, and then after I have gotten the thousand dollars and used it, if I allow my property to deteriorate so that the protection the Senator sought is of no avail, my moral responsibility likewise collapses?

Mr. SMITH. Mr. President, I have had considerable experience in the realm of borrowing and lending——

Mr. BARKLEY. I have had a great deal in borrowing, but not much in lending.

Mr. SMITH. And I will state it as my conviction that there is not much loaned upon the moral risk of the individual who owns the property. All I am concerned about, and all the average lender is concerned about, is, what is my legal title to that property? If it can be established that I have sufficient property to meet the obligation incurred in the debt, then that property is considered the medium of the transaction. I maintain that in the majority of cases, in the vast majority, the property in consideration, with the margin between its appraised value and the amount loaned should be the thing at issue, especially in reference to farm property, rather than letting the farmer be liable, no matter what condition may arise.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. FLETCHER. Mr. President, I just want to say a word. The essence of all this argument is that it is inequitable, it is unreasonable, it is unfair to require a man who borrows money to live up to his solemn contract.

Mr. SMITH. Oh, no, Mr. President; I resent that statement.

Mr. FLETCHER. Next, the argument leads to the conclusion that the Federal Government shall guarantee every loan made on a farm.

Mr. SMITH. Mr. President, I rise to a question of personal privilege. I do not think the Senator from Florida has any right to impugn the motives and purposes of those who are pleading for simple justice.

Mr. FLETCHER. I am not talking about the motives; I am talking about the essence of the Senator's argument. I do not care what his motives are.

Mr. SMITH. The Senator has such a distorted sense of smell that he does not know the difference between a putrid thing and a rose.

Mr. FLETCHER. Perhaps the Senator is handling the putrid thing.

Mr. SMITH. No; I am handling the rose, and the Senator "smells it wrong."

Mr. NORRIS. Mr. President, I desire to ask the Presiding Officer a question. I have spoken on the amendment, but after I had spoken the amendment was changed. Under the unanimous-consent agreement have I a right to speak again on the amendment?

The PRESIDENT pro tempore. The Senator has not spoken on the bill, the Chair is informed.

Mr. NORRIS. No; I have not.

The PRESIDENT pro tempore. The amendment has been modified since the Senator spoke, and the Senator is at liberty to speak on the amendment as modified.

Mr. NORRIS. Mr. President, if the pending amendment shall be agreed to, I do not think we will obliterate the moral standing of the person applying for the loan. We have a right to take that moral standing into consideration, even though there is no possibility of obtaining a deficiency judgment against the borrower.

I presume that in more than half of the loans, where they run for 30 years, the man who gave the mortgage will either die of old age or hard work, or will sell the land to somebody else who will assume the mortgage, which he has a right to do, and the moral liability which was taken into consideration when the loan was made will have disappeared, as far as the original individual is concerned.

However, the corporations of which we are speaking here, the Federal farm-land banks, have no other business than to lend money on land. They look over the land and they reach an agreement with the owner of the land as to how much they should lend him with the land as security. They consider the man, it is true; but it does not follow, even if we did not have this amendment, that the man who owned the land would live until the mortgage became due.

It does not follow that he would not sell the land the next day, although, if he lives and does well, he pays the mortgage off. The farm-land bank would want him to pay off any loan they made. They would not like to be driven to a foreclosure. They take his character and his standing in the community into consideration in one case as well as the other, although those matters might not be important in 10 or 20 years from that time. But if there is an agreement upon the loan, upon the security, then it seems the lender ought to be confined to that security as a matter of common justice, as a matter of social justice.

It is said some loans would not be made, that the lenders would not lend as much. I think that would be a good thing. We have gone wild on loans. If 10 years ago, instead of advising people to go in debt in order to keep factories going, and girls buying fur coats, and boys buying automobiles on time, instead of getting that sentiment out into the country, if our financiers, our Secretaries of the Treasury, who often have given such rosy ideas of the future, had said, instead, "Do not go into debt. Do not borrow money. Do not borrow money for anything that is not a necessity, and when you borrow money take as little as you possibly can", there might have been some hardship occasionally, but there would have been a great deal of benefit, too. If men who wanted to borrow $10,000 were induced to take $8,000 on their land instead of $10,000, and get along with it, and have less debt to pay, have an easier time to get out of debt, it would be better. But at least the borrower is put up against pure technical laws which, under a great many conditions, are terribly hard.

We have all seen sales of mortgaged property. We have all had experience with foreclosures of mortgages, and we know that not one time in a hundred when a farm is put up for sale does it bring what it is really worth. We cannot expect it to. If the man who has loaned the money gets the land itself on the basis of which he made the loan, it seems to me he ought to be satisfied, or he would not have made the loan. Probably it would have been better in most cases if the loan had not been made to start with.

Mr. DUFFY. Mr. President, I think perhaps that in our anxiety to be of some benefit to the farmers, who certainly need our help, we are overlooking the fact that by some of

the legislation we have passed, we have practically destroyed the market for farm loans.

I had a letter from a very good friend of mine, a lawyer in a small town near my home, who told me that under normal conditions there would be three or four farm mortgages passing through his office in a week; but only one has gone through his office in the last 6 months, and that was a case where a mother was lending some money to a son in the settlement of an estate.

This man's diagnosis of the situation is that in our anxiety to try to relieve the burden under which the farmers have been laboring, we have just driven away from that sort of investment the people who ordinarily would loan money on farm-land security. He tells me that in his community there are many people with money to invest; but because of so many restrictions which have been imposed, because of the Frazier-Lemke bill, which had my support at the last session, and because of the moratoria under State laws, the people in that vicinity will not under any circumstances lend any money on farms until the situation shall be cleared up.

We must then, it seems to me, face the situation whether we are going to the point where all farm loans must be made by the Government or some instrumentality of the Government. If that should happen, why will not the same thing quickly be done with reference to home loans?

I merely inject that thought because it was one that had not very seriously occurred to me, but it does seem to me that is the way it has worked out to a certain extent, and all we are doing is to frighten away at least the private investor from making investments in farm mortgages.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG].

Mr. LONG. On that question I demand the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a general pair with the senior Senator from Iowa [Mr. DICKINSON], who is absent. I do not know how he would vote if present. I transfer that pair to the Senator from Illinois [Mr. LEWIS], and will vote. I vote "nay."

Mr. AUSTIN (when Mr. GIBSON's name was called). My colleague the junior Senator from Vermont [Mr. GIBSON] is necessarily absent. He has a pair with the junior Senator from California [Mr. MCADOO]. I do not know how either Senator would vote on this question.

The roll call was concluded.

Mr. AUSTIN. The Senator from Maine [Mr. WHITE] has a general pair with the Senator from North Carolina [Mr. REYNOLDS]. I am not advised how either Senator would vote on this question.

Mr. ROBINSON. I regret to announce that the Senator from Louisiana [Mr. OVERTON] is detained from the Senate on account of illness.

I desire to announce that the Senator from Arizona [Mr. ASHURST], the Senator from Tennessee [Mr. BACHMAN], the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from South Carolina [Mr. BYRNES], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Colorado [Mr. COSTIGAN], the Senator from Georgia [Mr. GEORGE], the Senator from Oklahoma [Mr. GORE], the Senator from Illinois [Mr. LEWIS], the Senator from Kentucky [Mr. LOGAN], the Senator from California [Mr. MCADOO], the Senator from Nevada [Mr. MCCARRAN], the Senator from Indiana [Mr. MINTON], the Senator from New Jersey [Mr. MOORE], the Senator from Iowa [Mr. MURPHY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are necessarily detained from the Senate on official business.

The result was announced—yeas 19, nays 51, as follows:

YEAS—19

Black	Frazier	Neely	Sheppard
Bulow	Johnson	Norris	Shipstead
Burke	Lonergan	Nye	Smith
Capper	Long	Russell	Wheeler
Cutting	Murray	Schall	

NAYS—51

Adams	Coolidge	Hastings	Radcliffe
Austin	Copeland	Hatch	Robinson
Bailey	Couzens	Hayden	Schwellenbach
Barbour	Davis	Keyes	Steiwer
Barkley	Dieterich	King	Thomas, Utah
Bilbo	Donahey	McGill	Townsend
Borah	Duffy	McKellar	Trammell
Brown	Fletcher	McNary	Truman
Bulkley	Gerry	Maloney	Tydings
Byrd	Glass	Metcalf	Vandenberg
Carey	Guffey	O'Mahoney	Van Nuys
Clark	Hale	Pittman	Walsh
Connally	Harrison	Pope	

NOT VOTING—25

Ashurst	Dickinson	McAdoo	Reynolds
Bachman	George	McCarran	Thomas, Okla.
Bankhead	Gibson	Minton	Wagner
Bone	Gore	Moore	White
Byrnes	La Follette	Murphy	
Caraway	Lewis	Norbeck	
Costigan	Logan	Overton	

So Mr. LONG's amendment was rejected.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE MATCH INDUSTRY

Mr. SCHALL. Mr. President, newspapers in my State have been writing editorials lately about the importation of matches from Russia in ever larger quantities after the Treasury Department, under its decision dated January 24, 1934 (T. D. 46953) rescinded a former Treasury Department ruling barring Russian matches from this country under section 201 of the antidumping act of 1921. In Russia matches are made by cheap labor by the state at 52 cents per gross laid down in the United States, whereas here they are made under the N. R. A. match code, costing 66 cents per gross.

In 1934 Russian match imports increased 161.2 percent above 1933, due to rescinding the antidumping order by the Treasury Department—an order rendered on May 19, 1930, under the Republican administration after 18 months of painstaking collection of data to substantiate it. Meanwhile the match factory at Cloquet, Minn., that has employed around a thousand people stands practically idle.

This Democratic administration forces up production costs under the N. R. A. and then opens up our markets to imports from countries paying only a few cents a day for help; it proceeds in a deliberate manner to create unemployment and chaos.

As though the N. R. A. were not enough, Governor Olson, at the special session of the State legislature last year, urged passage of a Minnesota Racketeers Association to fill in where the N. R. A. might not reach.

It is easy to understand his motive in doing this, for it was about this time that he concluded that he was what he wanted to be—a radical. He suggested that he wanted fundamental changes in government and drew a platform on the Russian order on which he was elected in a field of three by a minority vote.

> This Soviet Government has the great task of taking away from the owners the plants, factories, railroads, banks, and turning them into public property to be administered by the workers for the common benefit of all.
>
> Also:
>
> To protect our citizens from exploitation through industrial profits, we demand public ownership of all mines, water power, transportation, and communications, banks, packing plants, factories, and all public utilities.

The foregoing quotations are taken, one from a statement of the Communist program, and the other from the platform on which Governor Olson was elected last November and which he is now attempting to carry out as far as a hostile legislature will permit him. There is no difference in the two platforms except that the Minnesota program appears to be more inclusive in its attempt to eradicate private property.

That the American people may better understand the Soviet mind that has undertaken the execution of its foregoing program, let me cite what the late Commissar of Education, Lunacharsky, of Russia, had to say:

All religions are poison. They put the mind to sleep and destroy it; they kill both will power and conscience. War to the knife must be declared against all religions. Our task is the destruction of all religion and all morality.

To date I have not heard if Governor Olson has also adopted this part of the Bolshevist philosophy, but he is buying their matches for our State institutions while Cloquet stands practically idle. The Roosevelt administration is buying Russian matches for the Indians of Minnesota while it holds up its decision to renew the antidumping order against their importation.

If the Olson and the Roosevelt administrations were less Soviet minded and more concerned about our own people, they could quickly and easily stop this atrocity on the unemployed and the producers of our country.

I ask that one of the editorials from the Minneapolis Journal with reference to the match situation in my State may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Journal, Jan. 30, 1935]

CAN'T AFFORD OUR OWN PRODUCT

There is a match manufacturing industry in Minnesota, but the State of Minnesota buys matches made in Russia or in Japan for use in the State institutions. The imported matches are bought in preference to the home manufacture because they are cheaper.

In other words, the State of Minnesota cannot afford to patronize home industry. The whole thing sounds absurd, cockeyed if you will, but the fact is that matches made on the opposite side of the earth can be brought all the way to Minnesota and sold for 30 cents a gross cheaper than matches made at home, with home materials, by Minnesota labor.

Is there a more powerful argument to be found in favor of a protective tariff? There is a duty on imports of matches, to be sure, yet in spite of that duty, and the 10,000-mile haul, the foreign labor costs are so low that the foreign product can undersell Minnesota's own make.

The match industry is a "natural" for Minnesota. It uses woods which reproduce themselves, on land good for nothing else. Match logs are a cash crop for farmers. The factory employs several hundred men. Yet it is a struggling industry, due to the underselling foreign product.

What is to be done about it? Shall wages and log prices be cut so that Minnesota matches can meet the foreign prices? The industry is not worth saving on those terms. Shall Minnesota stop trying to make matches, and let the foreigner have the market?

Isn't there a better course yet, to increase tariff duties so as to equalize the labor costs, and keep the home industry going? That sounds like a wise and reasonable thing to do. Yet at Washington it is proposed to cut the present tariff duty in half. The foreigner then would have the business. The rich prize of the American market would be for Russia and Japan to fight over. Minnesota would lose another industry.

The business of making matches may be an infant in Minnesota, but it is capable of development. The facts as stated are a concrete illustration of the problems involved in the whole subject of protective tariffs. The same story can be repeated in many industries.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. TRAMMELL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Florida.

Mr. KING, from the Committee on the Judiciary, reported favorably the following nominations:

Edward L. Faupel, of California, to be marshal of the United States Court for China;

Simon Hellenthal, of Alaska, to be district judge, division no. 3, for the district of Alaska; and

Ingram M. Stainback, of Hawaii, to be United States attorney for the district of Hawaii.

Mr. HATCH, from the Committee on the Judiciary, reported favorably the nomination of Stephen J. Doyle, of North Dakota, to be United States marshal for the district of North Dakota.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of Joseph Lee Crawley, of Georgia, to be United States marshal for the southern district of Georgia.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

THE CALENDAR

The PRESIDENT pro tempore. The first nomination in order on the calendar will be stated.

RICHARD P. WILLIAMS

The legislative clerk read the nomination of Richard P. Williams to be brigadier general in the Marine Corps.

Mr. BLACK. Mr. President, I ask that the nomination go over.

Mr. TRAMMELL. Mr. President, I do not see any reason why the nomination should be rejected. I am of the firm belief that it should be confirmed, but I understand, as indicated the other day by the Senator from Alabama, he desires to discuss it somewhat. Therefore, due to the lateness of the hour, I am willing that it should go over.

The PRESIDENT pro tempore. The nomination will go over.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. ROBINSON. I ask unanimous consent that nominations in the Coast Guard be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters may be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, it is so ordered. That completes the calendar.

ADJOURNMENT

Mr. ROBINSON. As in legislative session, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate adjourned until tomorrow, Tuesday, February 12, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 11 (legislative day of Feb. 7), 1935

COAST GUARD

Robert Donohue to be commander.
Earl G. Rose to be commander.
Loyd V. Kielhorn to be commander.
Edward H. Smith to be commander.
Robert H. Furey to be lieutenant commander
Oswald A. Littlefield to be district commander with rank of lieutenant commander.

POSTMASTERS

ARKANSAS

Clyde W. Spiller, Charleston.
George H. Rule, Jr., Lonoke.
Rupert W. Barger, Mansfield.
Charles A. Smith, Prescott.
Richard H. Davis, Stamps.
Greene B. Colvin, Warren.

ILLINOIS

Charles H. Greenwood, Flora.
Curtis E. Roller, Hume.
Andrew J. Eekhoff, Nokomis.

INDIANA

Joseph F. Winkler, Hammond.

KANSAS

Emma C. Jehlik, Cuba.
Horace E. Elder, Goodland.
Walter R. Dysart, Parker.
Emmett E. Conzelman, Republic.
Irma J. Collopy, Turon.

MISSISSIPPI

Harry H. Orr, Holly Springs.
David E. Nabors, Indianola.
Tom W. Crigler, Jr., Macon.
Blanche M. Gallaspy, Pelahatchee.
Thomas R. Pearson, Picayune.

NORTH DAKOTA

Mary M. Hoesley, Crystal.
Albert E. Funk, Hebron.
Anna F. Jones, Verona.

PENNSYLVANIA

Lela E. Randolph, Portland.

SOUTH DAKOTA

Fayette A. Nutter, Alcester.
Arthur P. Ingle, Harrold.
Carl Hildebrandt, Mobridge.
Thomas W. Lalley, Montrose.
William F. Curren, Vienna.

TENNESSEE

Edward L. Smith, Englewood.
Carey E. Reed, Prospect Station.

TEXAS

Jenna Mae Easter, Anton.
M. Earle Cook, Carrizo Springs.
Gilbert G. Holman, Gainesville.
Carolyn A. Moreman, Hale Center.
Harry H. Mann, Levelland.
Benjamin B. Ward, Newcastle.
John C. Terry, Plainview.
Cleo Jackson, Point.
Sidney T. Bogan, Quitaque.
Ina M. Matheny, Rochester.
Daniel J. Quill, San Antonio.
Milner T. Cain, Seagraves.

VERMONT

Michael C. Mulcahy, Brandon.
Alvarado C. Gibson, Cavendish.
Irma K. Mitchell, Fairfax.
Berne B. Titus, Fairlee.
Helen M. Boyle, Gilman.
Oscar N. Campbell, Hyde Park.
John M. Jewell, Proctorsville.
Adelbert G. Dudley, Shoreham.
Irene F. Smith, Waitsfield.

SENATE

TUESDAY, FEBRUARY 12, 1935

The Chaplain, Rev. Z@Barney T. Phillips, D. D., offered the following prayer:

God of our fathers, whose loving, timeless care hath woven from innumerable strands the finer fabric of our Nation's life: accept our grateful thanks for this our priceless heritage, and help us to be worthy, as we share the burden of our corporate responsibility, to carry on the work which Thou hast wrought through all Thy servants who, in their several generations, have served Thy people faithfully. Bind us ever closer with the bonds of a holy purpose, that we may be a united people; give us the greater courage to be kind rather than arrogant, the greater strength to be merciful rather than vindictive, and the spirit of self-sacrifice nobler than self-assertion, that we may rather serve with Christ, who is our light, than conquer with the powers of darkness. We ask it in our Savior's name. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Monday, February 11, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pittman
Ashurst	Coolidge	King	Pope
Austin	Copeland	La Follette	Radcliffe
Bachman	Costigan	Logan	Reynolds
Bailey	Couzens	Lonergan	Robinson
Bankhead	Cutting	Long	Russell
Barbour	Dieterich	McAdoo	Schall
Barkley	Donahey	McCarran	Schwellenbach
Bilbo	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Smith
Borah	George	Maloney	Steiwer
Brown	Gerry	Metcalf	Thomas, Okla.
Bulkley	Gibson	Minton	Thomas, Utah
Bulow	Glass	Moore	Townsend
Burke	Gore	Murphy	Trammell
Byrd	Guffey	Murray	Truman
Byrnes	Hale	Neely	Tydings
Capper	Harrison	Norbeck	Vandenberg
Caraway	Hatch	Norris	Van Nuys
Carey	Hayden	Nye	Walsh
Clark	Johnson	O'Mahoney	Wheeler

Mr. ROBINSON. I wish to announce that the junior Senator from Louisiana [Mr. OVERTON] is detained from the Senate by illness, and that the senior Senator from Illinois [Mr. LEWIS] and the junior Senator from New York [Mr. WAGNER] are unavoidably absent.

Mr. AUSTIN. I desire to announce that the Senator from Iowa [Mr. DICKINSON], the Senator from Maine [Mr. WHITE], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from Delaware [Mr. HASTINGS] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

ANNIVERSARY OF BIRTH OF ABRAHAM LINCOLN

Mr. COPELAND. Mr. President, this is Lincoln's birthday, and, as my contribution to the day, I ask that an article concerning Lincoln by Emanuel Hertz be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, Feb. 10, 1935]

WHEN THE EAST RALLIED BEHIND LINCOLN—THIS MONTH MARKS THE SEVENTY-FIFTH ANNIVERSARY OF HIS SPEECH AT COOPER UNION

By Emanuel Hertz

On his fifty-first birthday, 75 years ago next Tuesday, Abraham Lincoln, of Illinois, former Congressman, unsuccessful candidate for Senator, possible Republican nominee for the Presidency, was putting what he thought were the finishing touches on what has since been known as his Cooper Union speech.

Lincoln did not then know that before he was to be well launched upon his carefully prepared address he would discard his notes and pour forth, in words that came to him almost like an inspiration, one of the greatest speeches of his life, or of his generation. He did not know that instead of appearing in Beecher's church in Brooklyn, where the religious atmosphere would somewhat tone down a purely political utterance, he was to address, in a public hall, one of the most distinguished audiences New York City had ever seen.

He was not even sure of how he would be received. The time was one of harsh judgments, as it was of an almost desperate search for leadership. Passions ran high, the air was full of threats and forebodings. John Brown had been 15 months in his grave, but John Brown's wild-eyed brethren still walked the earth. At the other extreme were the fanatical proslavery leaders, ready to disrupt the Union if necessary in order to set up a slave owners' autocracy.

Peace-loving men who hated slavery were turning everywhere for some middle way which would save the Union, yet which would prevent the spread of the slave system. Because emotions were

stirred to the most profound depths every new proposal, every new leader, was subjected to a searching and terrible scrutiny. A man of the hour was needed, but those who fell short of the need could expect no mercy.

Was Lincoln that man? If he was, could he so convince the Republicans of the East, who already had in Seward an able and fearless spokesman? Lincoln had thus every reason to be uncertain of his reception. The Lincoln-Douglas debates, supplemented by various addresses delivered by Lincoln in Illinois, Indiana, and Ohio, had made his name known to newspaper readers. Yet so uncertain was his fame that he had had great difficulty in finding a publisher for his speeches, and even when he did find one the venture was regarded as a wild and hazardous speculation. His highest ambition did not then extend beyond the Vice Presidency; he spoke half seriously of the salary of the position as a means by which he could grow rich.

Unmistakably, however, Lincoln was already a man who could not be disregarded. No one else, not even Seward, had such stature as a leader and spokesman of the new Republican Party. Men like William Cullen Bryant and David Dudley Field, with all their eastern prejudices, had come to the conclusion that Lincoln, better than any other individual in the Republican Party, or in the North, had stated the problem which was confronting both North and South, and upon the successful solution of which depended the cohesion and stability of the Union. From their point of view he was Presidential timber.

But their impression of him was derived from print and from indirect report. The eastern leaders felt that they should see Lincoln face to face and hear him speak before they finally made up their minds. For him his trip East was critical. If he were to disappoint his eastern admirers, his chances would be gone. He would have to supplement their conviction as to the soundness of his doctrine by demonstrating that he had the appearance and personality they thought they needed in a Presidential candidate.

The outcome was not certain, for Lincoln lacked some of the superficial qualities that easterners prized. To men who put their faith in immaculate linen, well-pressed clothes, and polished manners he was not always at first sight prepossessing. He had to make the East forget those things and see the real man.

Lincoln had two good reasons for coming East—to see his son Robert, who was making indifferent progress in school at Exeter, and to strengthen his own standing. He had one good reason for not coming, the lack of money. He had been hard put financially by the expenses of his debates with Douglas.

He was therefore agreeably surprised, late in 1859, to receive an invitation to come East, with all his expenses paid, and make an address on February 27, 1860, in Plymouth Church. The idea of inviting him had originated with one of the trustees of the church, who had passed it along to the young men of the Literary Union. Republican leaders grasped at the opportunity, and so it came about that the speech was ultimately given in Cooper Union, and to an audience expanded far beyond the limits originally contemplated.

Lincoln, uncertain at first as to what he should talk about, discussed the invitation with the everfaithful Herndon. Herndon had no doubts; the speech must be political from start to finish. As usual, Herndon was ready to gather the necessary books and pamphlets which Lincoln needed. This material was not all new, for the speech was to continue that clear and remorselessly logical presentation of Lincoln's views which had begun with the Douglas debates.

Its importance lay in bringing to a focus what Lincoln had to say. It was to embody all that he had thought and experienced with regard to slavery, the fruits of that trip to New Orleans which he had made in his early manhood, what he had seen and heard during his visits to his wife's home in Lexington, Ky., where the approaching conflict had already assumed a savagely bitter form. It was also to reflect his decision that the preservation of the Union took precedence of the fight against slavery.

Not until he reached New York and walked into the office of Henry C. Bowen, editor of the Independent, through whom arrangements had been made, did Lincoln learn that the meeting at which he was to speak had been transferred to Cooper Union.

Bowen was at work in his office in Ann Street when Lincoln knocked. Without looking up Bowen said, "Come in." "Is this Mr. Bowen?" Lincoln asked. Still preoccupied Bowen replied in the affirmative. Then the visitor said, "I am Abraham Lincoln", and Bowen at last raised his eyes.

Said Bowen, in relating the incident: "I faced a very tall man wearing a high hat and carrying a comical-looking carpetbag. My heart went into my boots as I greeted the tall stranger. His clothes were travel-stained and he looked tired and woebegone, and there was nothing in my first hasty view of the man that was at all prepossessing.

"There came to me the disheartening thought of the great throng I had been so instrumental in inducing to come and hear Lincoln the following Monday night. Lincoln himself eased my dismay by his kindly, genial voice. 'Mr. Bowen [he said], I am just in from Springfield, Ill., and I am very tired. If you have no objection, I will lie down on your lounge here and you can tell me about the arrangement for Monday night.' There was such a blend of dignity and gentleness in the stranger's words and voice, such absence of self-consciousness, that there instantly came relief to my disappointing first impression."

At Bowen's invitation Lincoln attended Plymouth Church next morning and heard the great Beecher, but declined to go to dinner at Bowen's home, saying: "Mr. Bowen, you will have to excuse me. I would very much enjoy meeting you and your friends, but, as a matter of fact, I have not fully completed my speech for Monday night and I must go back to the Astor House and work on it." He had begun to realize that a speech intended for Plymouth Church would not fit Cooper Union. Herndon had been right. He must be undeviatingly political.

Trained on the Illinois hustings, accustomed to addressing hostile audiences in southern Illinois and southern Indiana, and possessing the great faculty of knowing an address by heart the moment it was written in its final form, Lincoln had no reason to fear that he would stumble when the supreme moment came.

Yet when Monday night arrived and the committee escorted him from the Astor House to Cooper Union he must have had misgivings. These men—such celebrities as Gen. James W. Nye, George Putnam, George Bancroft, Noah Brooks, William Cullen Bryant, David Dudley Field—were formidable. In contrast to their ease and good grooming he began to feel the mental discomfort of his new "store suit" and the acute physical discomfort of the new boots which were rubbing the skin off his ankles. One of the party, young Nott, asked him if he was lame.

There is no doubt that he was ill at ease as he sat on the platform, while the preliminaries of the meeting were gone through, and listened to the chairman's introductory platitudes. When he began, his high-keyed voice, the peculiar accent—at least in eastern ears—which he had derived from his Kentucky and southern Illinois upbringing, and his evident nervousness, all worked against him. As Noah Brooks looked at the audience and at Lincoln, he said to himself, "Old fellow, you won't do; it's all very well for the wild West, but this will never go down in New York."

Lincoln had reason to be nervous. He had never faced an audience like this one. He had made his reputation talking to farmers and townspeople, with a mere sprinkling of prominent men. Now he could hardly look anywhere without seeing a distinguished—and highly critical—visage. Greeley; Henry J. Raymond, of the Times—almost every eminent New Yorker Lincoln had ever heard of was there.

No tricks of the oratorical trade could serve in that gathering. But Abraham Lincoln was no trickster, on the platform or off. He was a man in deadly earnest, forgetful of himself, mindful of what he had to say. The bad moment soon passed. Young and old who have recorded their impressions of this historic occasion all agree that the Cooper Union speech was a unique performance.

Before the speech was half over Noah Brooks changed his mind about Lincoln, and said, "His face lights with an inward fire." And at the end he exclaimed, "He's the greatest man since St. Paul." Bryant, then editor of the Evening Post, leaned forward and said to the Post reporter, "Tell our folks to run every line of this speech." Even the skeptical Greeley was convinced. "That's the most powerful speech I ever heard", he declared as Lincoln closed.

The speech required about an hour to deliver. After the first few minutes Lincoln discarded his manuscript and spoke to that distinguished audience as he would have spoken in the courtroom, on some rude backwoods platform, or to his neighbors in the drug store or the grocery in Springfield. Almost instantly he had realized that under these broadcloth coats and starched shirts were beating the same kind of hearts that throbbed beneath the sweat-stained hickory shirts of rural Illinois.

Lincoln knew his subject, he knew his own mind, and he did not equivocate. He addressed himself not merely to the Cooper Union audience but to the perplexed and fearful millions of his countrymen, north and south. He could not, with all his earnestness and all his careful definition of State rights, convince the South that his election would not mean the destruction of their "peculiar institution." He did convince the political leaders of the new Republican Party that he would be a fit candidate for the Presidency if it were impossible to agree on Seward. He rose to a height not reached by any American since Washington as he came to his concluding sentences:

"Wrong as we think slavery is, we can yet afford to let it alone where it is, because that much is due to the necessity arising from its actual presence in the Nation; but can we, while our votes will prevent it, allow it to spread into the national Territories and to overrun us here in these free States? If our sense of duty forbids this, then let us stand by our duty fearlessly and effectively. Let us be diverted by none of those sophistical contrivances whereby we are so industriously plied and belabored. * * * Neither let us be slandered from our duty by false accusations against us, nor frightened from it by menaces of destruction to the Government nor of dungeons to ourselves. Let us have faith that right makes might; and in that faith let us to the end dare do our duty as we understand it."

As he sat down amidst a thunder of applause, he had achieved the remarkable feat of making himself the champion of freedom and of the Union without saying one word that in a calmer time could be construed as giving anything but fair play to the slave owners.

For all their fuss and ceremony, the committee had not provided Lincoln with a carriage to take him back to his hotel. His boots were hurting him so much that he could not walk, so that he was compelled to take a street car. The two committee members delegated to accompany him left him at Spring Street and he reached the Astor House alone—a strange, sad figure standing on the rear platform of the car.

But Lincoln had one more task to perform. This was to go to the office of the New York Tribune, Greeley's paper, and correct the proof of his speech, already in type. Amos J. Cummings, later to win fame as an editor and Member of Congress, took charge of

the proofreading at Mr. Greeley's request. Mr. Cummings told afterward how Lincoln "adjusted his spectacles, looked curiously around the room, and said, 'This is the first time I have ever been at midnight in the office of a great daily newspaper.'"

Lincoln read the proof and manuscript and made a few corrections, and then "took the proof slips and read all of the corrections again very slowly." He did not wait for a revised proof, for it was then 1 o'clock in the morning, and Cummings, to his infinite later regret, threw the manuscript into the wastebasket when the final revisions had been made and checked.

Within a few days the speech was famous. Editions of daily papers carrying it were quickly sold out, and when it was published in pamphlet form its circulation ran a close race with Uncle Tom's Cabin and the Daily Prayer Book. Lincoln had achieved the mission which had brought him East. The best minds of the Union had taken his measure and reluctantly admitted that this strange, awkward westerner had uttered the message for which the North had been waiting. Robert Lincoln was afterward to boast that he had made his father President, for if Robert had not been at Exeter, Lincoln might not have come East, might not have delivered the Cooper Union speech, and might not have won that eastern support which was to give him the nomination.

There were other episodes in Lincoln's visit to the East which are still interesting to recall. On the very day of the speech he had one of his best photographs made—a strong, confident portrait, in which can be read all that he had been and was to be. He went down to the Five Points Mission and made a talk to a class of children in the Sunday school, which he afterward liked to remember. As he told the story—

"And so I rose to speak, but I didn't know what to say. I recalled that Mr. Pease had said they were homeless and friendless, and I thought of the time I had been pinched by terrible poverty, and so I told them that I, too, had been poor and could remember when my toes stuck out through my broken shoes in the winter, when my arms were out at the elbows, when I shivered with the cold. I told them there was only one rule, and that was always to do the best they could. I told them that I had always tried to do the very best I could, and that if they followed that rule they would get along somehow."

Another incident of the New York visit was an offer from the New York Central Railroad of a retainer of $15,000 a year as general counsel. Lincoln refused, one of his semiserious reasons being that he did not want to ruin his family by too much wealth—he estimated that he was at that time "worth" about $8,000. But though the fabulous wealth reflected in Wall Street dazzled him it did not tempt him. From New York he made a short trip into New England, saw his son at Exeter, and delivered a number of short addresses, most of them portions or restatements of the Cooper Union speech, in Connecticut, New Hampshire, and Rhode Island.

To the Rev. John P. Gulliver, of Norwich, Conn., who came forward after Lincoln's speech in that town to congratulate him, Lincoln expressed surprise at the praise his addresses were receiving. He told Gulliver of a Yale professor of rhetoric who had heard him at New Haven, then had lectured on the speech to his class the following day, and finally had gone to Meriden to hear it again.

"Now, I should like very much to know", Lincoln said, "what it is in my speech which you thought so remarkable and which interested my friend the professor so much." Mr. Gulliver's answer was: "The clearness of your statements, the unanswerable style of your reasoning, and especially your illustrations, which were romance and pathos and fun and logic all welded together."

With such praise as this ringing in his ears, with the certainty of support from eastern leaders who had before been hesitant to take him seriously, and with evidences of a growing popular backing throughout the North, Lincoln returned to Springfield. He was no longer a dark horse. Cooper Union had made him an accepted and, as it turned out, a successful candidate for the Republican nomination.

If he had the prophetic gift, as he sometimes seemed to have, he must have felt that the wings of destiny were beating above his head as he again walked the quiet streets of Springfield. Whether he knew it or not, his road was clear at last. It ran, sometimes shining and sometimes steeped in unfathomable gloom, straight to the White House, to the Gettysburg Speech, and the second inaugural; to the preservation of the Union, the freeing of the slaves, and immortality. The die had been cast that night in Cooper Union.

POSTMASTER GENERAL FARLEY

Mr. LONG. Mr. President, I have been sent a copy of the Mobile Post of February 8, with a front-page editorial regarding "Big Jim" Farley, in which they say:

FARLEY A MENACE TO CLEAN POLITICS

The venerable Senator from Nebraska, the Honorable GEORGE W. NORRIS, has introduced a bill in the Senate whereby he seeks to separate such political bandits as the big pachyderm Jim Farley from two pay rolls—Government and political.

And they make this statement:

That would be a pretty mess, due to the fact that Farley is, without doubt, the most unscrupulous politician since the days of Boss Tweed, and he would still be Postmaster General even if a figurehead had been named.

I just want to show the line of southern thought with this rampant political monstrosity and unscrupulousness and debauchery which is debasing the political life of the Nation, to show that the South sends the siren call that crooks and bandits of that kind must be run out of the body politic of the Nation so that those of the North will have to raise their banner of thanks that, while they may have been the aggressor in freeing the slaves, this is the first newspaper that has come forward from any section of the country to get rid of filth that is more damning than that which they undertook to abrogate in 1861.

Mr. ROBINSON. Mr. President, I do not think, under the present order or under any order, the attack which the Senator from Louisiana has made on the Postmaster General, particularly considering the language that is employed, should be incorporated in the CONGRESSIONAL RECORD. I object to the insertion of the article in the RECORD.

The VICE PRESIDENT. Objection is heard. Petitions and memorials are in order.

Mr. LONG. Do I understand the Senator objects to this newspaper editorial being inserted in the RECORD?

Mr. ROBINSON. Yes; I object in connection with the remarks which the Senator has made.

The VICE PRESIDENT. Objection is made.

Mr. LONG. I have always understood that freedom of the press——

Mr. ROBINSON. I object and call for the regular order.

The VICE PRESIDENT. The regular order is the presentation of petitions and memorials.

Mr. LONG. Then I want my article back. I will put it in later.

DRAFT OF PROPOSED AMENDMENTS TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL (S. DOC. NO. 19)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, submitting a draft of proposed amendments to the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

VETERANS' REGULATIONS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying paper, referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Order No. 6967 (Veterans' Regulation No. 1 (f)), approved by me February 8, 1935.

This regulation amends Executive Order No. 6156, dated June 6, 1933 (Veterans' Regulation No. 1 (a)), by adding thereto a new part, V.

This regulation was promulgated in accordance with the terms of title I, Public No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1935.*

INTEREST PAYMENTS ON AMERICAN EMBASSY DRAFTS (S. DOC. NO. 18)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, to the end that legislation may be enacted to authorize an appropriation of not exceeding $44,403.15 for the payment of interest on funds represented by drafts drawn on the Secretary of State by the American Embassies in Russia and Turkey and

transfers which the latter undertook to make by cable communications to the Secretary of State during the period from 1915 to 1920, in connection with the representation by those embassies of the interests of certain foreign governments and their nationals.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 12, 1935.*

(Enclosure: Report.)

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on the Judiciary:

House Joint Memorial 4

Whereas the Congress of the United States has before it measures tending toward the reemployment of labor; and

Whereas the shorter workday for labor as an agent of economic recovery has become one of the vital issues at this time; and

Whereas the hours of labor in the United States should be reduced to a point where the slack in employment may be taken up; and

Whereas the application of the 6-hour day and the 5-day week in this country will accomplish the reemployment of labor by industry: Now, therefore, be it

Resolved by the house of representatives of the thirtieth general assembly (the senate concurring therein), That the Congress of the United States is hereby respectfully memorialized and urged to give thorough consideration to bills establishing a 6-hour day and a 5-day week for labor in industry; be it further

Resolved, That the Senators and Representatives of the State of Colorado in the Congress of the United States are requested to take such action as will insure consideration of the aforesaid bills and that copies be forwarded forthwith to the President of the Senate, the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of Colorado.

MOSES E. SMITH,
Speaker of the House of Representatives.
RAY H. TALBOT,
President of the Senate.
JOHN T. DOYLE,
Chief Clerk.
[SEAL] M. J. WALSH,
Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Finance:

A concurrent resolution memorializing Congress to discontinue the levy of a tax on gasoline

Whereas the question of State finance is becoming increasingly difficult; and

Whereas State incomes are derived primarily from direct taxes on real and personal property; and

Whereas the Federal Government from its inception has delegated to itself the control of such sources of taxation as the tariff, excise, and income taxes practically to the exclusion of the States; and

Whereas the States lacking such taxing powers, inaugurated the policy of taxing gasoline as a partial solution of its taxation problem: Therefore be it

Resolved, by the house of representatives (the senate concurring), That we respectfully petition the Congress of the United States to recede from its policy of a national tax on gasoline, so that the State may avail itself of this additional source of income to be levied by it for such purposes as its constitution or laws may direct; be it further

Resolved, That copies of this resolution be transmitted by the secretary of State to the Congress of the United States and to the Minnesota delegates in Congress.

GEORGE W. JOHNSON,
Speaker of the House of Representatives.
HJALMAR PETERSEN,
President of the Senate.

Passed the house of representatives January 17, 1935.

JOHN I. LEVIN,
Chief Clerk, House of Representatives.

Passed the Senate February 6, 1935.

G. H. SPAETH,
Secretary of the Senate.

Approved February 8, 1935.

FLOYD B. OLSON, *Governor.*

Filed February 8, 1935.

MIKE HOLM,
Secretary of State.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original resolution in my office of H. F. No. 50, being Resolution No. 8, Laws 1935, and that said copy is a true and correct transcript of said resolution and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol in St. Paul, this 8th day of February 1935.

MIKE HOLM,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on the Judiciary:

A concurrent resolution memorializing the President of the United States of America to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment, designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in United States of America: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the House of Representatives of the State of Minnesota concurring), That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress; and be it further

Resolved, That the secretary of the State of Minnesota be, and he hereby is, instructed to transmit certified copies of this resolution to the presiding officers of the Senate and the House of Representatives of the United States and to each Member thereof from the State of Minnesota.

HJALMAR PETERSON,
President of the Senate.
GEORGE W. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 5th day of February 1935.

G. H. SPAETH,
Secretary of the Senate.

Passed the house of representatives the 5th day of February 1935.

JOHN I. LEVIN,
Chief Clerk, House of Representatives.

Approved February 8, 1935.

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed February 8, 1935.

MIKE HOLM,
Secretary of State.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original resolution in my office of S. F. No. 378, being Resolution No. 9, Laws 1935, and that said copy is a true and correct transcript of said resolution and of the whole thereof.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol in St. Paul this 9th day of February, A. D. 1935.

[SEAL] MIKE HOLM,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution A–1

Be it enacted by the House of Representatives of the State of North Dakota (the senate concurring), That—

Whereas a large percentage of the farmers of the State of North Dakota and other farming States have been and still are severely suffering from deflation, depression, drought, and other causes beyond their control; and

Whereas these causes have placed these farmers in a position where a large portion of them are either compelled to seek Government relief and feed and seed help or go out of business; and, furthermore, previous years seed and/or feed loans on the part of a large number of farmers remain unpaid because of poor crops and financial stress resulting from a combination of these adverse conditions and destructive prices; and

Whereas the prices of feed and seed now existing constitute in all probability a wide disparity as compared to the reasonably prospective prices of feed and seed of similar quality if a normal

crop be realized, thus again resulting in an unfair and unequal purchasing or compensating farm dollar: Now, therefore, be it

Resolved by the Twenty-fourth Legislative Assembly of the State of North Dakota, That we respectfully petition the Honorable Henry Wallace, United States Secretary of Agriculture, the Congress of the United States, and President Roosevelt that they do grant unto these above farmers, as set forth herein, the privilege of returning bushel for bushel, when and if they get a crop, in full and fair payment for any and all such feed and seed obligations to the United States Government; and be it further

Resolved, That a copy of this resolution be forwarded to President Franklin D. Roosevelt; the President of the United States Senate; the Speaker of the United States House of Representatives; the Honorable Henry A. Wallace, Secretary of Agriculture; Congressmen William Lemke and Usher L. Burdick; and United States Senators Lynn J. Frazier and Gerald P. Nye.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNNELL,
Secretary of the Senate.

Dated February 7, 1935.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Appropriations:

TWENTY-FOURTH LEGISLATIVE ASSEMBLY
OF THE STATE OF NORTH DAKOTA.

Joint Resolution B

Be it enacted by the Legislative Assembly of the State of North Dakota—

Whereas during the past 2 years the Federal Government has set apart and given to the State of North Dakota outright grants of large sums of money to be used to relieve the needy and destitute citizens of the State; and

Whereas the persons needing the relief obtained through these grants were in the position of need through no fault of their own, but rather through conditions developing as a result of the combination of national and international economic disaster with local drought conditions; and

Whereas serious need continues through failure of improvement in economic conditions together with a continuance of drought; and

Whereas it now appears that the tax-collecting power of the State is in grave danger of complete failure because of the inability of farm, home, and industrial property to meet the demands made upon them; and

Whereas the development of this condition prevents the possibility of the State making increased levies to meet the demands for relief needs until revision of the State constitution can be effected, and which will require 2 years time: Now, therefore, be it

Resolved by the Legislative Assembly of the State of North Dakota, duly convened, That a memorial be served upon the Congress of the United States and upon His Excellency the President of the United States, and upon Harold L. Ickes, Secretary of the Interior, and upon Harry L. Hopkins, Federal Emergency Relief Administrator, to the end that full grants of Federal funds to meet the relief needs of the State may be continued as in the past; and be it further

Resolved, That certified copies of this joint resolution be forwarded by the Governor of this State to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives, and to the Members of the North Dakota delegation in Congress.

WALTER WELFORD,
President of the Senate.
F. E. TUNNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

Filed in this office this 8th day of February 1935.

JAMES D. GRONNA,
Secretary of State.
By CHARLES LEEMAN,
Deputy.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Foreign Relations:

TWENTY-FOURTH LEGISLATIVE ASSEMBLY
OF THE STATE OF NORTH DAKOTA.

Concurrent Resolution A–3

Great Lakes-St. Lawrence Waterway

Whereas on the 20th day of February 1931 there was introduced in the 1931 session of the North Dakota Legislature a concurrent resolution relating to the Great Lakes-St. Lawrence waterway; and

Whereas said resolution was adopted unanimously by the said House of Representatives of the State of North Dakota and was subsequently concurred in by the Senate of the State of North Dakota; and

Whereas said resolution urged that the Congress of the United States enact necessary preliminary legislation for the development of the St. Lawrence waterway to the sea; and

Whereas such resolution further memorialized the President of the United States to proceed to negotiate a treaty with Canada for the development of said plan; and

Whereas there is now pending in the United States Senate before the Foreign Relations Committee a seaway treaty, the ratification of which is necessary in order that the Great Lakes-St. Lawrence waterway may be completed: Therefore be it

Resolved by the House of Representatives of the State of North Dakota (senate concurring), That the United States Senate is hereby memorialized to ratify said treaty at the present session of Congress, thereby clearing the way for extending ocean carriage 1,500 miles into the heart of this continent; and be it further

Resolved, That copies of this resolution be forwarded to the President of the United States and to the Senate and House of Representatives of the United States.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President Pro Tempore of the Senate.
F. E. TUNNELL,
Secretary of the Senate.

Dated February 7, 1935.

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Montana, memorializing Congress to enact old-age-pension legislation for the benefit of persons over 60 years of age, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. MURRAY on the 11th instant, p. 1780, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of legislation to increase the price of potatoes so that potato farmers may enjoy a like prosperity to that enjoyed by the wheat, cotton, tobacco, and hog farmers of the United States, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. BAILEY on the 11th instant, pp. 1779–1780, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a letter from the executive secretary, Philadelphia Chapter, embodying resolutions adopted at a general meeting of the Chapter of the Federation of Architects, Engineers, Chemists, and Technicians of Philadelphia, Pa., requesting that a full and free expression of opposition to the so-called "Wagner-Lewis security-program bill" be granted to delegates of the above-named federation by the Chairmen of the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate, which was referred to the Committee on Finance.

Mr. CAPPER presented a resolution adopted by the Board of Commissioners of Topeka, Kans., favoring the principle of competitive bidding and the awarding of contracts on all public-works projects to the lowest responsible bidder where 10 percent or more skilled labor is required, which was referred to the Committee on Appropriations.

Mr. FRAZIER. I have here a petition known as the "fair play and embargo petition", signed by 1,083 citizens of the State of North Dakota, praying for an embargo on flax, wheat, hogs, cattle, and sheep, and upon pork, beef, and mutton products. I ask unanimous consent to have the heading and body of the petition printed in the RECORD and that the petition be referred to the Committee on Finance.

There being no objection, the petition was referred to the Committee on Finance, and the heading and body thereof was ordered to be printed in the RECORD, as follows:

FAIR PLAY EMBARGO PETITION

To the Congress of the United States and the Honorable Members thereof:

We, the undersigned farmers from the central agricultural States, petition Congress to pass laws and provide rules and regulations to place an embargo on flax, wheat, hogs, cattle, and sheep,

and upon pork, beef, and mutton products, until such time as the price of said wheat and meat products shall cover the cost of production, and we further petition that the law permitting wheat to be milled in bond be repealed.

We, the undersigned, agree to curtail wheat acreage in accordance with the suggestions and recommendations of the Federal Farm Board.

The above and foregoing demands for an embargo on the above-named products is requested upon the following grounds and reasons, to wit:

1. That during the present depression the cost of producing meat and wheat products is greatly in excess of the price now realized by the sale of the same, and that by reason thereof farmers are unable to pay their bills and debts, and each year find themselves further behind with their debts and obligations, and if the above situation continues for any additional length of time the farmers will lose their homes and all.

2. That during the time the farmers are operating at a loss they cannot be purchasers of other manufactured products, and such industries will in turn fail for lack of business, and that all business of every kind and nature will be affected by this injustice to agriculture.

3. That it follows that every kind of business located in the agricultural communities must rise or fall with the farmers, and that the important and absolutely essential industry of agriculture cannot be stricken down without causing disaster to the country as a whole.

4. That by placing an embargo on the products above mentioned would stabilize the price of the above-mentioned products and bring the price more in harmony with the production cost, together with a fair margin of profit and bring the farmers out of the dire and distressing depression which now affects them.

With the firm belief that if the embargo of the above-named products be established and put in force and effect, will give immediate and beneficial results not only to farmers but the country as a whole, we respectfully submit this petition.

Mr. NORRIS presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Public Lands and Surveys:

Resolution requesting the Federal Government to acquire, set aside, preserve, and maintain as a national park a tract of land in Knox County, Nebr., locally known as the "Devil's Nest"

Whereas the tract of land in Knox County, Nebr., locally known as the "Devil's Nest" and described generally as follows: All of sections 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, and 34, in township 33 north of range 3 west; also all of sections 3, 4, 5, 9, 10, and northeast quarter of section 6 and east half of section 8, in township 32 north of range 3 west; all of said described lands being in the political subdivision of Knox County, known as "Herrick Township"; also all of sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, 36, and northeast quarter of section 33 and north half of section 34, in township 33 north of range 4 west; all of said described lands being in the political subdivision of Knox County, known as "Santee Township"; also north half of section 1 and northeast quarter of section 2, in township 32 north of range 4 west, Hill Township. All the real estate herein described is situated in the sixth principal meridian west, in Knox County, Nebr., including all accretion land to said described tract to the main channel of the Missouri River, naturally in all things fit to be established as a national park; and

Whereas if established as a national park (a) it would be of great benefit to the people of the State of Nebraska and surrounding States, and (b) the public good from its establishment would far outweigh its cost, and (c) it would furnish a recreational playground centrally located for a large population, and (d) would furnish a needed game refuge for all migratory game birds and assure its being continued to be used as a natural feeding and resting ground for wild ducks and geese and other migratory birds, and (e) would lend itself to wild-animal husbandry, and (f) having many natural springs and being within the artesian-well basin, a great number of small natural lakes could be formed therein adaptable for game fish, and (h) being capable of growing forests of hard and soft wood, would aid in reforestation, and (i) be a monument in Nebraska to the Sioux Indian of the past and an aid to his future development: Therefore be it

Resolved by the House of Representatives of the State of Nebraska, That we respectfully request the Federal Government to acquire, set aside, preserve, and maintain said tract of land as a national park; be it further

Resolved, That our United States Senators and Representatives in Congress be requested to urge the passage of such legislation as may be necessary to bring about the establishment of said land as a national park and to do any other act essential to accomplish this purpose.

Mr. NORRIS also presented a resolution of the House of Representatives of the State of Nebraska, favoring the enactment of legislation establishing General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

(See resolution printed in full when laid before the Senate by the Vice President on the 11th instant, p. 1778, CONGRESSIONAL RECORD.)

Mr. NORRIS also presented a resolution of the House of Representatives of the State of Nebraska, favoring the enactment of remedial legislation for the refinancing of farm mortgages, which was referred to the Committee on Banking and Currency.

(See resolution printed in full when laid before the Senate by the Vice President on the 11th instant, p. 1778, CONGRESSIONAL RECORD.)

Mr. SHEPPARD. I send to the desk and ask to have printed in the RECORD a concurrent resolution of the Texas Legislature on the subject of appropriations for highway and railroad crossing and grade separation projects in connection with the new-works-relief program.

The concurrent resolution was referred to the Committee on Appropriations, as follows:

Senate Concurrent Resolution 9

Whereas the President of the United States has recommended, and the Congress is considering, as a substitute for relief being furnished to employable persons, a program of public works to be financed by appropriation of billions of dollars of public funds; and

Whereas it has been indicated that the President of the United States and Members of Congress are considering the subject of the separation of public highway and railroad grades at crossings, and of general highway construction; and

Whereas there is a greater necessity in Texas for public construction of highway and railroad grade separation projects and of construction of public highways generally than for any other type of public structure; and

Whereas it has been the experience in Texas in the past that more employment is provided for the money spent in highway improvement and construction than by any other expenditures of public moneys for relief of unemployment conditions, and more permanent and lasting benefits have inured therefrom: Now, therefore, be it

Resolved by the Senate of the State of Texas (the house of representatives concurring), That the President and the Congress of the United States be, and they are hereby, requested to give careful consideration, in connection with the promulgation of any new public-works or construction program in the United States, to the practicability, as well as to the economy, of allocating a relatively increased ratio of said public-works funds to the construction of highway and railroad crossing grade separation projects, and to the construction of highways and public roads in each of the several States, and particularly in the State of Texas, and to other public road construction, maintenance, and improvement projects; and be it further

Resolved, That a copy of this resolution be sent to each of the following: the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the President of the United States, the Chief of the Bureau of Public Roads of the United States Department of Agriculture, and to each Member of the United States Congress from Texas.

T. WM. BAGAN,
President pro tempore of the Senate.

I hereby certify that Senate Concurrent Resolution 9 was adopted by the senate January 24, 1935.

BOB BARKER,
Secretary of the Senate.
COKE S. STEVENSON,
Speaker of the House of Representatives.

I hereby certify that Senate Concurrent Resolution 9 was adopted by the house of representatives February 1, 1935.

LOUISE SNOW PHINNEY,
Chief Clerk of the House of Representatives.

Mr. MURRAY presented a telegram from the chief clerk of the House of Representatives of the Legislature of the State of Montana, embodying a resolution adopted by that house, which was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

[Telegram]

HOUSE OF REPRESENTATIVES, TWENTY-FOURTH LEGISLATIVE ASSEMBLY, MONTANA,
Helena, Mont., February 11, 1935.

The Honorable JAMES E. MURRAY,
United States Senator, Washington, D. C.:

Resolution by Stevens adopted in house today

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas a most serious emergency has arisen in the State of Montana and other States of the Union, due to the expiration of the time for which Federal relief is available; and

Whereas immediate action by the Congress of the United States seems the only way to meet this emergency and avoid suffering and distress that will prove a menace to the peace of the Nation: Be it

Resolved by the House of Representatives of the State of Montana, That the Congress of the United States of America is hereby memorialized to pass immediately the appropriation bill now pending, as the present relief funds will be exhausted on February 15,

and that relief funds be made immediately available for the use of the several States; be it further

Resolved, That we send copies of this memorial by wire to the Senators and Representatives from Montana and to the Federal Relief Administrator.

JOHN J. SEWELL, *Chief Clerk.*

Mr. LA FOLLETTE presented a joint resolution of the Legislature of the State of Wisconsin, favoring the prompt enactment of legislation providing for the immediate cash payment of World War veterans' adjusted-service certificates, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. DUFFY on the 8th instant, p. 1709, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, seeking the advice of the Congress as to what, if any, benefit the Congress derives from the numerous memorials, in the form of resolutions, which are forwarded to it from the Legislature of the State of Wisconsin, which was ordered to lie on the table.

(See joint resolution printed in full when presented by Mr. DUFFY on the 8th instant, p. 1710, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, favoring the enactment of legislation establishing General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

(See joint resolution printed in full when presented by Mr. DUFFY on the 8th instant, p. 1709, CONGRESSIONAL RECORD.) RECORD.)

Mr. LA FOLLETTE also presented a joint resolution of the Legislature of the State of Wisconsin, favoring continuance of the investigation into the activities of munitions manufacturers and the publishing of the findings and recommendations of the Senate committee thereon, which was referred to the Special Committee on Investigation of the Munitions Industry.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 8th instant, p. 1708, CONGRESSIONAL RECORD.)

Mr. KING presented a letter in the nature of a memorial from A. G. Mackenzie, secretary of the Utah Chapter of the American Mining Congress, Salt Lake City, Utah, remonstrating against the enactment of legislation establishing a 6-hour day in the metal-mining industry, as being physically impracticable in underground mining operations, which was referred to the Committee on the Judiciary.

SOCIAL-SECURITY PROGRAM

Mr. KING. Mr. President, I have received a telegram from the officers of the Endicott Johnson Corporation dealing with the pending social-security program, and I ask that it be inserted in the RECORD and referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegram was referred to the Committee on Finance, as follows:

[Telegram]

ENDICOTT, N. Y., *February 11, 1935.*

Hon. WILLIAM H. KING,
Senate Office Building, Washington, D. C.:

For many years our company has assured its 19,000 workers protection similar to that provided in the pending social-security program, and because of this we strongly urge that Federal legislation permit States to enact legislation allowing financially responsible employers to set up separate company reserves. If this opportunity is afforded New York State, we believe we can convince our legislature that such separate reserves are necessary to protect us as payer of high wages against low-wage-paying employers in other States.

Endicott Johnson Corporation; George F. Johnson, Chairman of the Board; George W. Johnson, President; Charles F. Johnson, Jr., Vice President and General Manager.

REPORT OF THE FOREIGN RELATIONS COMMITTEE

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 312) for the relief of Lillian G. Frost, reported it without amendment and submitted a report (No. 108) thereon.

MARIAN RYAN, GUARDIAN FOR ELIZABETH STRAINING

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, without amendment, Senate Resolution 66, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 66) submitted by Mr. ROBINSON (for Mr. TYDINGS) on January 29, 1935, was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Marian Ryan, guardian for Elizabeth Straining, sole heir and dependent of Kathryn Straining, deceased, late employee in the office of Senator TYDINGS, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE COMMITTEE ON CIVIL SERVICE

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I also report back favorably, without amendment, Senate Resolution 62, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 62) submitted by Mr. BULOW on January 28, 1935, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Civil Service, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be held in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH:

A bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

A bill (S. 1808) granting an increase of pension to Mary C. Weasel (with accompanying papers); to the Committee on Pensions.

By Mr. PITTMAN:

A bill (S. 1809) for the relief of Germaine M. Finley; to the Committee on Claims.

By Mr. BACHMAN:

A bill (S. 1810) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Robert Judson McGarry; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 1811) providing for the publication of statistics relating to spirits of turpentine and rosin; to the Committee on Agriculture and Forestry.

A bill (S. 1812) for the relief of the widow of Albert Dean; to the Committee on Claims.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 1813) to amend section 3 of the Interstate Commerce Act; to the Committee on Interstate Commerce.

By Mr. BONE:

A bill (S. 1814) to authorize the creation of an Indian village within the Shoalwater Indian Reservation, Washington, and for other purposes (with accompanying papers); to the Committee on Indian Affairs.

By Mr. COPELAND:

(By request.) A bill (S. 1815) to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its territories, or its possessions, to regulate vessels engaged in the fisheries, and for other purposes; to the Committee on Commerce.

A bill (S. 1816) to amend the Liquor Taxing Act of 1934, approved January 11, 1934, and acts amendatory thereof and

supplementary thereto (with an accompanying paper); to the Committee on Finance.

A bill (S. 1817) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 1818) for the relief of Julia M. Holland; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

A bill (S. 1819) to aid in the perfection of the national defense; to the Committee on Military Affairs.

By Mr. BAILEY:

A bill (S. 1820) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy; to the Committee on Commerce.

By Mr. COPELAND:

A joint resolution (S. J. Res. 57) to amend Public Resolution No. 40, Seventy-third Congress, approved June 18, 1934; to the Committee on Finance.

LENA MEANEY

Mr. COPELAND submitted the following resolution (S. Res. 75), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Lena Meaney, widow of John E. Meaney, late the manager of the Senate kitchens and restaurants, a sum equal to 6 months' compensation at the rate he was receiving at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EXECUTIVE H (69TH CONG., 1ST. SESS.)

Mr. PITTMAN submitted the following resolution (S. Res. 76), which was referred to the Committee on Foreign Relations:

Resolved, That the Senate respectfully requests the President of the United States, in accordance with the suggestion of the Secretary of State, to return to the Senate for further action the treaty, Executive H (69th Cong., 1st sess.), being a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925.

CONVENTIONS AND TREATIES NOT DEFINITELY ACTED UPON

Mr. PITTMAN submitted the following resolution (S. Res. 77), which was referred to the Committee on Foreign Relations:

Resolved, That the Secretary of the Senate be directed to transmit to the Secretary of State, to be deposited with the archives of the State Department, the following conventions and treaties, heretofore transmitted to the Senate by the President of the United States and not definitely acted upon:

Date	Country	Subject or title	Submitted
Feb. 7, 1905	Dominican Republic.	Collection of revenues.	Feb. 15, 1905, ex. V, 58 (3).
Aug. 23, 1906	Multilateral	Patents	Mar. 1, 1907, ex. I, 59 (2).
Oct. 18, 1907	do	Enemy ships	Feb. 27, 1908, ex. K, 60 (1).
Do	do	Merchant ships	Feb. 27, 1908, ex. L, 60 (1).
Jan. 10, 1911	Honduras	Loan	Jan. 26, 1911, ex. C, 61 (3).
June 6, 1911	Nicaragua	do	June 8, 1911, ex. B, 62 (1).
Sept. 20, 1913	Panama	Advancement of peace.	July 24, 1914, ex. M, 63 (2).
Nov. 19, 1913	Multilateral	Protection of nature.	June 27, 1914, ex. I, 63 (2).
Feb. 17, 1914	Dominican Republic.	Advancement of peace.	July 24, 1914, ex. V, 63 (2).
June 28, 1919	Multilateral	Protocol to Treaty of Versailles.	Aug. 1, 1919, ex. A, 66 (1).
Do	Great Britain and France.	Guaranty	July 29, 1919, ex. E, 66 (1).
Nov. 7, 1919	Paraguay	Gold clearance	Jan. 23, 1920, ex. L, 66 (2).
Dec. 4, 1919	Guatemala	do	Jan. 23, 1920, ex. M, 66 (2).
Jan. 10, 1920	Panama	do	Jan. 23, 1920, ex. N, 66 (2).
Jan. 14, 1920	Haiti	do	Jan. 23, 1920, ex. O, 66 (2).
May 25, 1920	Ecuador	do	June 2, 1920, ex. R, 66 (2).

THE NEW DEAL ARTICLE BY SECRETARY OF COMMERCE ROPER

Mr. ROBINSON. Mr. President, I ask that an article, entitled "What the 'New Deal' Has Done for Business", by Mr. Daniel C. Roper, Secretary of Commerce, published in the magazine Today, of the issue of January 26, 1935, may be printed in the RECORD.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. LONG. Mr. President, did I understand the Senator from Arkansas to ask to put an article in the RECORD?

The VICE PRESIDENT. He did.

Mr. LONG. Could not I object to that?

The VICE PRESIDENT. Unanimous consent was asked and granted.

Mr. LONG. I want the Chair to know that I had no objection to the Senator from Arkansas placing it in the RECORD.

The VICE PRESIDENT. The Chair assumed no one had objection, because no one objected.

Mr. ROBINSON. Mr. President, I wish to say to the Senator from Louisiana, in the kindliest spirit, that I do not object to incorporation in the RECORD of language that is within fair parliamentary limitations. My objection was on the ground that the language employed by the Senator from Louisiana was not such language.

The article is as follows:

[From Today, Jan. 26, 1935]

WHAT THE NEW DEAL HAS DONE FOR BUSINESS

By Daniel C. Roper

Business is benefiting steadily under the new deal, as shown by a better sentiment and by improving trade figures. The improvement has perforce been and must continue to be gradual, in order to be safe and permanent.

Business was a very sick patient only 2 years ago. The diagnosis had to be prompt; the application of remedies, speedy; the observation of results on the patient, constant, and the convalescence to vigorous health could not be otherwise than slow.

Many persons without opportunity to familiarize themselves with all the facts about business, and about the necessary readjustments that had to be made in the business system, have been confused by their lack of knowledge of conditions and, hence, by their own misunderstandings. This is not surprising. Business facts make small headlines. Cries of "Ruin!" make big headlines. Of necessity, many persons form their opinion of business conditions from headlines.

Fortunately, there is a trustworthy record of business facts. Regularly and with great care the Department of Commerce, charged with the important duty of fostering business, gathers such facts. These well-verified data can be relied upon. The Department in this way acts as a barometer of national business, for it knows from day to day, from month to month, and from year to year how business is progressing. To get these facts one has only to turn to the Department's records. That is what I have done in the preparation of this article.

These records show that business generally has gone ahead very appreciably since March 4, 1933.

I do not mean to say that the profits of every business, large and small, in the United States have increased since President Roosevelt took office. That would not be true. Many businesses made more money in 1934 than during 1932 and registered in 1934 important cumulative improvements over the gains made in 1933. Others made less. That was to be expected. Human ingenuity has never devised a program under which all business profits uniformly. Short of a radical reconstruction of man, involving a uniform control of his initiative, none ever will; and such a procedure would be highly undesirable under our form of government and society.

But there are other things to be gained in business, besides immediate profits. Few really strong business institutions pay cash dividends from their inception. Executives who build wisely seldom seek immediate profits. Rather, they strive to construct soundly. Firm business foundations, built on fair treatment of employees and patrons, honest goods, reasonable prices, and high integrity, first must be established. Once they are attained and then maintained, safer, satisfactory profits are inevitable.

Such are the foundations upon which the Roosevelt administration seeks to have business rebuild. It is convinced that, once these stable foundation stones are laid, satisfactory profits will follow. And it very genuinely desires that business shall profit. President Roosevelt has repeatedly emphasized his conviction that the profit motive should continue. His latest public statement of his belief in profits was made in his opening address to the present Congress when he said:

"No wise man has any intention of destroying what is known as the profit motive."

Profits, however, consist of more than dollars. We place dollars first, of course, in speaking of business returns, because that is

our custom. But there are other profits, not expressed in dollars and cents, to be made in business. Every industrial leader in the world recognizes and is proud of them.

They are the intangible things which make business something more than mere money grubbing. They are the things which make for character in commercial life.

And so, when we come to analyze the record of the new deal in business, we find that not only more dollars have been made, but that the dollars have been made on a higher ethical plane than ever before.

Let us examine the official record of new-deal activity in behalf of business recovery. Here are some of the things accomplished by the administration:

1. It has saved the life of and increased the activities of many financially embarrassed businesses.

2. In bringing about the restoration of a banking system that was on the verge of complete collapse 2 years ago, it has worked out a sound credit system and, through guaranteeing bank deposits, is reestablishing confidence which will soon result in further business gains.

3. It has, for temporary readjustment purposes, lifted the anti-trust laws, thus protecting well-intentioned business from the ravages of destructive minorities, at the same time preventing unjust monopolistic advantages that would mitigate against the welfare of society.

4. It has reduced unfair trade and economic practices.

5. It has banished the sweatshop, eliminated child labor, and has made an encouraging start toward better working conditions for labor and better understanding between employer and employee. Efforts are being made to work out procedure that will prevent the coercion of labor by the employer while, on the other hand, providing against coercion of business and industry by labor.

6. It has restored the buying power of the farmer with a billion-dollar increase of revenue in 1934, thus improving the position of the farmer in relation to those of other economic groups.

7. It has, by evolution rather than revolution, inaugurated a system of equitable distribution of net profits in business and industry.

8. It has laid the groundwork for future social and economic safety for employees and employers by planning unemployment insurance.

9. It has quickened the heart and soul of business at home and abroad. This has been done through (a) reciprocal-trade agreements, (b) shipping and transportation policies looking to a coordinated transportation program in the interest of better distribution of farm and factory products, and (c) through giving America a world vision in leadership in economic and social planning.

10. It has enlarged our conception of human relationships and has brought about a better general understanding of individual and governmental responsibilities; this points the way to an enlarged cooperative and sympathetic procedure for the solution of future problems. Thus, there has come into the minds and hearts of the people renewed hope and relief from despair and lack of security.

There has recently come to my desk from the Economic Research Division of the Department of Commerce a statistical table showing the comparative results in a score of leading businesses during 1932 and the first 11 months of 1934. The gains in most lines are indeed gratifying.

None could even glance at this table and feel that the new deal were other than a protector of American business.

The first two items which strike my eyes concern industrial and manufacturing production. In 1934 each was up slightly more than 23 percent over 1932. I note next that these two lines of activity were within 20 percent of their 1923–25 activity.

Automobile production in 1934 was just about double what it was in 1932. Iron and steel production was up 87 percent. The lumber industry, which was dangerously low in March 1932, was up 28 percent in 1934.

Other gains noted in this group include cement, boots and shoes, leather, rubber tires, textiles, and tobacco.

Despite wide-spread unemployment, it is evident that more work is being done in factories and on construction jobs. Factory employment during 1934 showed a gain of 22 percent over 1932, and factory pay rolls increased 32 percent.

Construction contracts increased 14 percent. But residential construction was off, giving proof of the wisdom of the administration in planning increased housing activities.

Other business indicators showing substantial 1934 gains over 1932 include hotel business, magazine advertising, freight-car loadings, retail-store sales, foreign exports and imports, wholesale prices, farm prices, cash income from farm marketings, bond and stock prices, and the net operating income of railroads.

Of course, there are other signs on the sheet, too. One of great interest to us concerns commercial failures. They are off 61 percent, as compared with the figures for March 1933. I believe that still better things are in store for business working with the administration.

More and more, the progressive business men, vastly in the majority in this country, are realizing that such cooperation is to the advantage of all. They are sympathetically studying conditions and Federal cooperation in solving mutual problems.

There are, however, many other business men who do not yet subscribe to the program and are withholding cooperation. They, of course, believe they are right, but it is my opinion that whenever they consider fairly the great saving factors that have come to business through administration policies they will see that the new deal is endeavoring to avert socialism by readjustments in the old business systems.

As the head of the Department of Commerce, I am deeply concerned over the welfare of American business. I know that, with business generally working hand-in-hand with the administration, nothing can keep this country from gaining great prosperity and happiness in the not-distant future. All of us should recognize that safe and stable recovery must come, however gradually, in the form of evolution, rather than after the fashion of revolution.

The needed changes must be worked out gradually, by trial and error, by correcting mistakes and keeping minds open to suggestions from business management and experience.

A boom in business today, without proper adjustments, would be fully as harmful to the country as the slump of 1929 has been. Our business system was carried out to sea in that storm chiefly because its foundation was not builded on solid rock. Now we are rebuilding business, and we are in the foundation stage. Wise business leaders must see to it that the foundation this time is strong. This can be accomplished only by a slow and careful process. We must select the foundation stones with care, and we must be sure that each is in its proper place before we lay the next one.

Any other plan, or any undue haste, will result in chaos; and we must not permit a repetition of the wreck from which we are just emerging.

PHILIPPINE INDEPENDENCE—ADDRESS BY SENATOR TYDINGS

Mr. GIBSON. Mr. President, the last Congress enacted the Tydings-McDuffie Act, granting independence to the Philippine Islands, to be fully effective in 1945.

On June 16, 1934, the President of the United States sent a communication to the House and the Senate, transmitting copies of a concurrent resolution adopted by the Philippine Legislature on May 2, 1934, which resolution requested the appointment of a committee to conduct hearings and investigations in the Philippine Islands, with a view of correcting imperfections and inequalities, if any, in the Independence Act. The President suggested that the Vice President appoint a committee pursuant to the request contained in that resolution. The committee was appointed and proceeded to Manila. During the course of the investigation the chairman of the committee, the senior Senator from Maryland [Mr. TYDINGS], addressed the members of the constitutional convention, on December 22, 1934, and in a very able address called attention to some of the problems incident to the independence that must be faced and solved by the Filipino people.

I ask unanimous consent that that address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, gentlemen of the constitutional convention, and citizens of the Philippine Islands, I am grateful for your kind invitation to address this convention, for it offers an appropriate opportunity to discuss our past common relationship and to consider the problems of the future incident to independence for the Philippine Islands.

For more than 3 decades our two countries and peoples, though separated by thousands of miles, have enjoyed economic and political union. During that period both countries have traveled far along the highway of progress. We are now approaching a permanent dissolution of our present relationship. Therefore, it is fitting and wise that we counsel together and, in an atmosphere of unalloyed truth and complete frankness, search for the means and measures most likely to achieve our avowed purposes.

HISTORICAL

The United States of America did not secure possession of the Philippine Islands by deliberate design. Our sovereignty here was a consequence of armed hostility, the cause of which was 10,000 miles distant from the city of Manila. At the conclusion of that conflict, through a series of unforeseen events, the Philippine Islands became a part of the territory of the United States.

However, at the very start of our sovereignty a national policy was declared that our control and possession of the islands would be but temporary; that eventually, after law and order and a stable self-government were established over a period of years, we would relinquish all rights, control, and sovereignty over the Filipino people. This national policy, uttered over 30 years ago, has been reiterated by every President of the United States since the administration of President McKinley.

In 1916 the Congress of the United States formally proclaimed it through the enactment of the Jones law.

This year, upon the open, direct, and specific request of the Filipino people, who sent representatives to Washington to obtain it, the Government of the United States, in spite of the great difficulties attendant upon it, enacted a law which provides for complete and absolute independence for the people of the Philippine Islands within a definite and short period of time.

I repeat that this action upon the part of the American Congress was in line with a continuously declared American policy of 34 years' standing; but, more particularly, action was taken at this time upon the insistent request of the authorized representatives of the Filipino people who were sent to Washington to obtain the enactment of the independence law.

Following the passage of that law, commonly known as the "Tydings-McDuffie Act", its provisions were considered and discussed by the Filipino Legislature, which body accepted it for and on behalf of the Filipino people on May 1, 1934.

THE TYDINGS-M'DUFFIE ACT

Naturally, in the enactment of any independence law, there were many differing opinions for the disposition of the matter. There were those who thought that immediate independence was best; others wanted the independence question postponed for from 20 to 25 years; while still others held that independence should not be considered at all at this time.

After extensive hearings, the time limit of approximately 12 years from the date of the enactment of the law was thought to offer the best opportunity to carry out the national policy of the United States and to accede to the Filipino request for definite action.

The law itself, among other things, provides for certain mandatory provisions in the new Philippine constitution prior to actual independence; for submission of that constitution to the President of the United States for his approval; then for submission of the constitution to the Filipino people for their approval; for matters affecting international treaties and property rights; for political relations of the islands with the United States pending complete independence; for recognition of Filipino independence and for the withdrawal of American sovereignty over the islands; for the neutralization of the Philippines; for notification to foreign governments of actual and complete independence; for tariff duties before and after independence; for Filipino immigration to continental United States; for the payment of the Philippine bonded indebtedness, which Philippine bonds were held by the United States of America, and for other matters of equal import.

Like all legislative matters, the independence act may have its imperfections, yet it is doubtful if another could be drawn which as a whole would better accomplish the objects desired and which would have been at that time acceptable to both the American and Filipino people.

THE EXPORT TAX AND PAYMENT OF PHILIPPINE BONDED INDEBTEDNESS

The export-tax provisions of the independence law seem to have evoked the most discussion in the islands. It is well to note that these export-tax provisions were inserted to accomplish the three following purposes: First, to settle accounts completely between the Philippines and the United States when actual independence is obtained, so that the United States might not be kept in the position of morally guaranteeing the payment of another country's obligation, in which country it has no voice in the conduct of affairs; secondly, the payment of this debt will start the independent Filipino nation upon its way free of all indebtedness whatsoever, and hence place the new Filipino nation in the strongest position possible for the settlement of then-existing independence problems and for conducting the affairs, both internal and external, of an entirely newly born country; third, for 5 years the export tax does not apply on Filipino products. These taxes begin and increase the sixth, seventh, eighth, ninth, and tenth years.

After 10 years, while export taxes on Filipino products are no longer levied, import taxes will necessarily have to be paid by Filipino producers, many times greater than the export taxes, whenever the Filipino people send their products to the United States for sale there. Such taxes are now paid by producers of all other countries upon the entry of their products into the United States. Obviously, therefore, the imposition of the export taxes will commence to prepare the Filipino producer for the situation which will confront him when, as a citizen of an independent country, he desires to continue to sell his products in the United States. To make no provision for such a contingency and to have it all fall upon the shoulders of the Filipino producers at one time would be cruel and inhuman and cause hardships which a gradual infliction of such taxes will, to some extent, mitigate.

I repeat that to provide for all the manifold problems in an independence law was not easy. However, every attempt was made to do so with the aims of both nations in view and so as to accomplish the desired results in the shortest period of time and with the least injury to both people concerned.

THE RECORD OF THE UNITED STATES IN THE PHILIPPINES

Here, in the presence of this convention, which is engaged in writing a constitution which it is hoped will be the aegis for a progressive, prosperous, and humane people, I cannot refrain, even at the price of immodesty, from feeling a deep sense of pride in the large and unselfish contribution and accomplishment which the United States has made to the Filipino people. You have been given ordered and modern liberty without coercion; an unprecedented prosperity without exploitation; and, with these gifts, you have been furnished national defense of your property and people without any cost to, aid from, or responsibility of your provisional government or your people. Humanity and progress have marked our past relationship. America's real heart, real intention, and worth-while contributions are plainly written today in the law and order which prevails in these islands and in the prosperous contentment plainly visible in the faces of the Filipino people. I doubt if what has been done in the Philippine Islands has been matched before by any country in all the pages of the world's history.

ECONOMIC FACTORS IN THE PAST

We are now about to sever this dual relationship. At a not far distant date your country and mine will walk in separate highways down the corridors of the future. As you move through the transition period of the commonwealth government and into the phase of complete and absolute independence, the pathway at times will be difficult. Much of this difficulty is unavoidable. These difficulties are largely due to a new political economy which now becomes necessary upon the part of the Philippine Islands.

Since 1909 products produced in the Philippine Islands have been admitted free—that is, without the payment of any import taxes at all—into the United States of America. With actual independence these free markets will be closed as they are now closed to all other countries except the Philippine Islands. This will call for a rearrangement of the economic life of the Filipino people. Let me point out how important these free markets are to the workers and producers of the Philippine Islands.

In 1933 the Philippine Department of Agriculture and Natural Resources stated that the total value of your entire agricultural production was ₱284,000,000. It also reported that of this production, ₱174,000,000 was shipped and sold to the United States. In other words, 60 percent of the entire agricultural production of the Philippine Islands in the year 1933 was sold in the free markets of the United States, and only 40 percent was consumed at home or sold elsewhere. Bear in mind that this agricultural production came from the Philippine Islands without the payment of any import tax whatsoever when it entered the United States. After independence this will not be the case.

For the past 25 years the Filipino people have had complete and easy access to the richest market in the world, and in that market you have enjoyed both a visible and invisible balance of trade. The visible balance of trade arising from the exchange of products between the Philippines and the United States, not including gold, amounts to about ₱60,000,000 a year over many years, which is in your favor. This shows that you have sold us ₱60,000,000 per year more of your products than you have bought of products from the United States of America. This caused a flow of wealth from the United States to the Philippine Islands, which has made your people prosperous and which has raised the standard of living here to a point which, I believe, is higher than that of any other people in the Orient.

Moreover, it has permitted the Filipino people, with the encouragement and help and guaranties of the United States Government, to build highways, construct railroads, build hospitals and improve health, create parks and playgrounds, establish a system of education so that the masses might taste of its benefits, to own lands and homes, and in general to provide your fellows with the luxuries in many cases and the necessities in most cases, which are demanded by prosperous people everywhere.

During this period of time American officials and employees were being gradually supplanted in governmental offices by Filipinos; and while the whole progressive pattern was being woven, you have not had to bear a single centavo of the cost of full and complete national defense and protection of the United States Army and Navy, which have been at your service. The officers and men and equipment of this Military and Naval Establishment, supported entirely by the people and resources of the United States, cost the American taxpayer about two-thirds of every tax peso which he pays to the Government of the United States. They have been available, nevertheless, without financial cost to you to protect and defend the Philippine Islands whenever your territory was in danger.

ECONOMIC FACTORS OF THE FUTURE

With the coming of independence the American market, which I have shown has contributed so much to Filipino progress and prosperity, will be closed to your people, except upon the payment of tariff taxes upon the products you sell to us. Again, the problem of national defense, like all problems of national existence for independent nations, will become one alone for the new Filipino government.

Fortunately there is a period of from 10 to 12 years to prepare for and cushion the pending economic dislocation. In order that we may deal with this matter in an atmosphere of complete frankness and candor, I am taking the liberty to point out some of these difficulties in the hope that this may be helpful, and the hurtful economic consequences which would result from a nonconsideration of these matters may be reduced to the fullest extent.

Let me illustrate some of these trade and market difficulties which must be faced. Bear in mind that I have already pointed out that only last year you sold to the United States, free of any import taxes, 60 percent of the entire agricultural production of the Philippine Islands. Now, for the 3 years of 1931, 1932, and 1933 you sold to the people of the United States commodities consisting of cane sugar, coconut oil, coconut meat, copra, oil cake and meal, cordage of manila hemp, cotton-wearing apparel, cotton laces and embroideries, fiber hats, cigars and cheroots, tobacco, cabinet wood, pearl and shell buttons, pineapples, and other items. During this 3-year period the total sales of these products to the people of the United States amounted to ₱522,000,000, nearly all of which were sold without the payment of any tax to us whatsoever because you are now a part of the United States of America.

Had you been then an independent country, during this same 3-year period, you would have had to pay, as all other inde-

pendent countries have to pay, upon this ₱522,000,000 of products which you sold to us, import taxes amounting to ₱440,000,000.

In sum, to state the same thing another way, instead of receiving, as you did, ₱522,000,000 for the products you shipped us in 1931, 1932, and 1933, you would have received, after the payment of these import taxes, only ₱82,000,000, a loss to Filipino producers and laborers of ₱440,000,000 in that 3-year period.

Again, let us translate these large sums of Filipino money into more intimate and understandable values. Your sale of Filipino products to the United States during the last 3 years has been ₱174,000,000 a year. Now, assuming that there are 14,000,000 people in the islands, these sales are equivalent to ₱12 per year for every Filipino man, woman, and child in your population. Allowing six persons to each Filipino family, these sales represent ₱72 per year for every family in the Philippine Archipelago. Again, assuming that the average monthly pay for Philippine labor is ₱30 per month, it means that from these sales of Filipino products to us you have received sufficient money to provide work for one person from every family in the Philippine Islands steadily for two and a half months out of each year.

Again, the money obtained from the sale of your products to us each year is equal to 3½ cavans of rice for every man, woman, and child in the Philippine Islands, or you have received sufficient money from the sale of your products to us to purchase, at ₱30 each, 5,800,000 carabaos, or more than 2 carabaos for every family in the Philippine Islands.

These illustrations show how much of the life and prosperity of the Philippine Islands is dependent upon the sale of your products to the people of the United States. They also show the great hardship which would come to the Filipino people as a result of absolute and complete independence, when the sale of much of your products in the United States would become impossible if you would then be required to pay the import taxes which I have commented on before. They likewise show the justification of imposing the export taxes upon your products, commencing 5 years from now, so as to prepare the Filipino Nation for the circumstances which will confront it when complete independence is obtained.

Further, it can be seen that it will be difficult for Filipino business men and institutions to obtain loans and capital to continue the development of your natural resources until you have demonstrated your ability to deal with the economic conditions I have mentioned and to set up a stable and workable political economy which will give to capital the element of safety which it requires in making investments.

Anticipating the full consequence of complete and absolute independence, it will be necessary to make such cost-of-production adjustment of the things which you produce and sell as will permit the Philippines to compete successfully with other countries producing similar products for sale not only in the United States market but in all the markets of the world.

That such cost-of-production adjustments are necessary can be illustrated by commenting on a single product which you export in great abundance. The present cost, c. i. f., to New York of sugar averages ₱5.40 per 100 pounds, compared with the Cuban cost of ₱3.80 per 100 pounds and the Javan cost of about ₱2 per 100 pounds. The higher cost of producing Philippine sugar is due partly to lower production per acre as compared with Java, partly to higher wages, and partly to other factors. The cost of production, perhaps, could be reduced, so as to permit competition with Cuban sugar, only by severely cutting down capital investment, which is high in the Philippine Islands, where most of the mills have been built when construction and material costs were high. It is doubtful, however, whether this alone would permit Philippine sugar to compete with that of Cuba and Java after you are an independent nation. Indeed, some informed Filipino economists have stated it will be necessary to reduce wages by at least 50 percent. The same effect could be obtained by devaluing the peso, but it should be stated that such an expedient is attended with other difficulties and may offer but temporary relief.

DIFFICULTIES OF IMMEDIATE INDEPENDENCE

Such economic dislocation as has been shown for the people of the Philippine Islands after independence, if unprovided for during the transition period, will result in great hardship throughout the islands, and for that reason a period of 12 years was selected in preference to immediate independence, although it was the desire of the United States to grant independence at once if the circumstances would have permitted such action to be taken. It is my own belief that persons in both countries who are conversant with economic factors, whatever their emotional, political, and spiritual impulses may be, will not, after a full examination of the facts, contend that immediate independence is the best solution of this problem. Certainly it is doubtful whether such a contention would be made by informed persons if they had the real welfare of the Filipino people at heart, or if they did not wish to destroy all the accomplishment of the Philippines while under the United States of America.

To grant complete and absolute independence to the Philippine Islands tomorrow without giving time for the necessary readjustments would destroy overnight the export trade of the Filipino people. At the same time there would be such a decrease in the national income of the Filipino people and such a material reduction in the sources of taxation that much of the education, health, transportation, and general prosperity of the islands would disappear and the new government would be forced to carry a load which, to say the least, would be extremely difficult for any nation to bear.

NATIONAL DEFENSE

With the withdrawal of sovereignty of the United States from the Philippine Islands and the accomplishment of complete and absolute independence by the Filipino nation the problem of national defense for the islands likewise must undergo a new consideration. When the flag of the United States of America comes down and there is raised the flag of the new Filipino nation, the responsibility for your national defense passes from the hands of the United States to the new Filipino government. To expect the United States to bear responsibility for the acts of a nation over which it had no control whatsoever would be as illogical as it would be to ask the Filipino people, once they are independent, to defend the shores of the United States. Sovereignty and responsibility walk hand in hand. Without sovereignty there cannot be responsibility.

THE NEW FILIPINO NATION

I think the record will show that your speaker has on every occasion in the Congress of the United States been a champion of Filipino rights. Whenever matters affecting our mutual relationship have arisen, I have tried, within the limits of my ability, to sincerely present the Filipino view and to safeguard, insofar as I might, Filipino interest. I have no intention at this time to alter that position.

Because of my record in the American Congress toward Filipino matters, because of the great affection which I have for the people of the Philippine Islands, and because I wish you well in your new venture of nationhood, I have taken the liberty of pointing out the difficulties ahead. In the not far distant future the Philippine Islands will achieve complete and absolute independence from the United States. What does complete and absolute independence mean for any nation? Some contend that it means the right and privilege to govern itself. Does it not mean more than this in reality? Does it not mean that it must devise a wise political economy, so that from that economy it can produce sufficient governmental revenue to provide for the common defense, promote the general welfare, establish a system of education for the masses of the people, improve and safeguard their sanitation and health, build roads and foster other means of land and water transportations to assist in the exchange of their commerce, establish courts and provide sufficient police force to support and enforce the laws of the nation, and, in addition, to govern so wisely its people and commerce that the government will have sufficient revenue at all times to promote the mass progress of the people within its territorial limits and to adequately defend them against attack from without?

This is the goal to which the Filipino people aspire. You have asked for the opportunity to reach this goal and have stated you are ready to assume the responsibilities which go hand in hand with the privileges of an independent nation. You have stated that you are ready to undertake the solution of the attendant difficulties; that you are willing to bear the grave responsibilities of nationhood. Therefore the United States is beginning the termination of its sovereignty in the Philippine Islands. The people of the Philippine Islands are taking up the responsibilities of their future destiny.

The United States of America has kept its word. Its promise is approaching fulfillment. Your request for action has not been denied. It is presumed that you were just as sincere in making this request of the United States as the United States was sincere in making its promise to grant ultimate independence to your people.

I believe our contact with your people and temporary control over your destiny will prove in after years to have been one of the most unselfish and idealistic contacts of one people with another. This fact, I hope, will find room for expression upon the future pages of Philippine history, and I believe the historian will say that my country has tried to be helpful and has improved immeasurably the well-being of the people of these islands.

I have welcomed this opportunity to address you, and through you the Filipino people. I have tried to do so in a spirit of good will, sincerity, and frankness. I have ventured to comment briefly upon your future problems, to explain why certain measures have been adopted, and to point out the obstacles which yet lie ahead, so that hereafter it may be said that nothing was concealed from the people of the Philippine Islands. America, I am sure, will consider seriously in the future any proposal you may suggest, incident to independence, which will conduce to the welfare of the people of both countries.

Through the medium of open covenants openly arrived at, our union will be dissolved in an atmosphere of friendship and mutual understanding, to the end that after independence we may continue to carve out our separate destinies, still joined by the golden ties of mutual regard and good wishes, one for the other. On behalf of my associates of the mission and myself, may I publicly thank you all for your hospitality, your helpfulness and kindness, and wish you Godspeed.

POSTMASTER GENERAL FARLEY

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day.

The resolution (S. Res. 74), submitted by Mr. LONG on the 11th instant, is as follows:

Whereas it has been reported that James A. Farley, acting as Postmaster General and in various other capacities for the United States Government, has conducted a private business for the selling of materials to persons engaged in doing public construction

work for the United States Government, and that in some instances concerns buying materials from the said concern in which the said James A. Farley is interested have received contracts through as many as three low bidders being disqualified; and

Whereas it is further alleged that the said concerns favoring the firm of the said James A. Farley with business have been able to secure changes in specifications netting them large sums in profits after the award of contracts, and it being alleged that such changes are deliberately made for the purpose of allowing large profits and avoiding competition; and

Whereas it is further publicly known that the said James A. Farley has used the Printing Office and facilities of the United States Government for the purpose of gratifying personal whims and caprices of personal and political friends, even to the printing of stamps never to be used; and

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said business for profit to himself and to his friends; and

Whereas it is further alleged that without pay or compensation for the same, the said James A. Farley has commandeered for his personal use, facilities of public-service corporations borrowing money from the United States Government; and

Whereas it has been charged that the said James A. Farley on the eve of a loan being granted to a railroad in West Virginia, telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator; and

Whereas there are general and specific charges of misconduct, irregularity, dishonesty, and other activity on the part of the said James A. Farley, it is due to the people of the United States, the Government of the United States, and the said James A. Farley, that a reasonable and fair disclosure be made of said matters: Now, therefore, be it

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of three Members of the United States Senate, not more than two of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony, and compel the production of books, records, accounts, statistics, employ experts, and do any and all such other things as may be necessary to carry out the purpose of said investigation; and be it further

Resolved, That any reports of investigations and data secured by the Department of the Interior, particularly through Louis Glavis and those associated with him, on the affairs in which said James A. Farley has participated for the Government of the United States, be forthwith furnished to the United States Senate to be, after proper perusal by Members of the said United States Senate, referred to the said committee to be provided for herein.

Mr. ROBINSON. I move that the resolution be referred to the Committee on Post Offices and Post Roads.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON. I yield.

Mr. LONG. The resolution has not yet been called up. The Senator from Arkansas probably was paying attention to the calendar.

Mr. ROBINSON. Yes.

Mr. LONG. Is that what is coming up?

Mr. ROBINSON. Yes; the resolution of the Senator from Louisiana.

Mr. LONG. Mr. President, I want to be heard on that motion before it is acted on. I had not expected the Senator from Arkansas to move to refer the resolution this morning. I was in the mood of allowing Senators to consider the matter for a couple more days before calling it up for final action. I am unwilling to have the resolution sent to any committee, for reasons well known to everyone who sits in the United States Senate.

Mr. President, why is this resolution going to be sent to a committee?

Mr. McNARY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McNARY. Has the Senator from Arkansas moved to refer the resolution to some specific committee?

The VICE PRESIDENT. The Chair understands the motion of the Senator from Arkansas to be that the resolution be referred to the Committee on Post Offices and Post Roads. That is the motion which the Senator from Louisiana is now discussing.

Mr. LONG. Yes, Mr. President. I think this is an unusual procedure to be suggested by the Senator from Arkansas. That is not in accordance with the precedents which have been followed in cases of this kind.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. I yield.

Mr. BORAH. I suggest the absence of a quorum. Several Senators are absent who should be here.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pittman
Ashurst	Coolidge	King	Pope
Austin	Copeland	La Follette	Radcliffe
Bachman	Costigan	Logan	Reynolds
Bailey	Couzens	Lonergan	Robinson
Bankhead	Cutting	Long	Russell
Barbour	Dieterich	McAdoo	Schall
Barkley	Donahey	McCarran	Schwellenbach
Bilbo	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Smith
Borah	George	Maloney	Steiwer
Brown	Gerry	Metcalf	Thomas, Okla.
Bulkley	Gibson	Minton	Thomas, Utah
Bulow	Glass	Moore	Townsend
Burke	Gore	Murphy	Trammell
Byrd	Guffey	Murray	Truman
Byrnes	Hale	Neely	Tydings
Capper	Harrison	Norbeck	Vandenberg
Caraway	Hatch	Norris	Van Nuys
Carey	Hayden	Nye	Walsh
Clark	Johnson	O'Mahoney	Wheeler

Mr. ROBINSON. I desire to announce that the senior Senator from Illinois [Mr. LEWIS] and the junior Senator from New York [Mr. WAGNER] are necessarily detained from the Senate.

I also wish to announce the absence of the junior Senator from Louisiana [Mr. OVERTON] by reason of illness.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

LET US HAVE HONEST GOVERNMENT

Mr. LONG. Mr. President, this is the most unusual procedure that has been suggested for a resolution. This is a most striking illustration of what I would call investigating whether or not to investigate. In other words, we are now going to have the resolution, if the motion of the Senator from Arkansas can be made to prevail, sent to the Committee on Post Offices and Post Roads to decide whether or not there are sufficient facts to justify the consideration of the resolution.

I have asked that there be an investigation. The Senator from Arkansas counters that there be an investigation to determine whether or not there should be an investigation. We have never had that as long as I have been in the United States Senate that I know anything about, nor at any time before that time, that any man possessed of the capacity, at least the alleged capacity, to ransack, to rule, and generally supervise and otherwise interfere in the handling of the business and the money and the authority of the United States Government, who is brought up here on responsible charges that have been hurled from one end of the country to another day after day, accused, not only accused but even admitted in Government circles to have been a participant in gross irregularities—for that man, when he is asked to come up for any ordinary senatorial investigation, to have a motion come into this body to say there ought to be an investigation, or rather that there ought to be a committee to decide whether or not Mr. James Farley can be investigated.

I have this morning received a few little things through the mail. In fact, various matters are coming through my mail relative to this gentleman. I have not had the time to investigate all of them, but I investigated one of these gentlemen and I find that he is a responsible gentleman who has served with distinction in some of the important affairs of journalistic conduct in this country. He sent me this letter this morning, Mr. President, and I am going to read just a few lines from it:

When Farley was appointed Postmaster General he resigned as president of the General Builders' Supply Co., 205 East Forty-second Street, New York City, and the business is now managed by Farley's wife's brother, Harry Finnegan. I am told, on what I consider good authority, that Farley has another silent company known as the "General Contracting Co." On asking informant where the company's office is located, he said, "In Farley's hat."

Informant says that "Farley's hat" company is receiving the contracts for new post offices. They prefer those that cost from $200,000 to $300,000, as they attract less attention. The "hat" company is supposed to have received three contracts last week, one of which is believed to be for the new post office in Flynn's borough, in the Bronx. This post office is to cost about $7,000,000, I am told. I am told that Farley made a million out of the cement he sold to the city in the construction of the Eighth Avenue subway.

Following is an interesting tale that was unraveled to me a few days ago:

"Wealthy former State Senator Nathan Strauss, who was a candidate for Manhattan Borough president on the recovery anti-Tammany ticket in the last mayoralty election, and who was defeated, owned a large unused tract of land on the outskirts of Flynn's borough, the Bronx. Strauss, who had started off with Tammany, but was pulled over to the recovery party after he had contributed $5,000 to the Tammany campaign, through the influence of Flynn and Farley, all to the liking of others, set up what today is known as the "Hillside Development Corporation." With loans pouring out of Washington for so-called "slum removal", the Hillside Co. obtained such a loan from the Government, with the Government taking a mortgage on the property.

You understand, Mr. President, we have a whole lot of talk about having slums removed. According to this letter, under the guise that they were participating in slum-removal work, these people went out and got some vacant land in the name of what they called the "Hillside Development Co.", and the Government poured money into the Hillside Development Co. under the guise that it was for work connected with the slum-removal campaign.

I read further from the letter:

The loan being granted on the basis of slum removal was ridiculous, as there were no slums to be removed.

The development of this property started off in a big way. All of a sudden it stopped; and the information given to me from two sources, usually reliable, is to the effect that work could not resume until the brick and other building material came from the right place—namely, Farley. It would appear that removal of the lid of this project alone would tend to remove the mask from Farley and perhaps involve Flynn.

The publicity management of this project has been handled by Mr. Charles Keegan, former secretary to Joseph McKee when president of the board of aldermen, and whom Flynn plans to send to Congress, assuming he will be elected in a special election Governor Lehman is to call soon to elect a successor to the late Congressman Griffin from the Bronx.

I am also told that Farley has a tie-up with James Stewart & Co.——

Well, we know that from what we read yesterday.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

Mr. LONG. Yes, sir.

Mr. BAILEY. The Senator is reading a letter from a gentleman for whom he vouches upon information; but the writer of the letter makes no accusations whatever, but relies——

Mr. LONG. I yielded only for a question; that is all.

Mr. BAILEY. I desire to ask the Senator a question.

The VICE PRESIDENT. Does the Senator yield further?

Mr. LONG. All right; what is the question?

Mr. BAILEY. The writer of the letter relies upon the statement, reiterated over and over, "I am told." That is the situation, is it not?

Mr. LONG. Yes, sir.

Mr. BAILEY. I wish to ask the Senator from Louisiana if he would have me make accusations against him in the Senate of the United States upon letters received from his constituents in Louisiana in which they use precisely that expression, "I am told." I desire to say to the Senator that I have consistently refused to entertain baseless insinuations; and I ask him whether he wishes me to proceed upon the principle of the Golden Rule and do to him as he is now proposing to do to a member of the Cabinet of the President of the United States?

Mr. LONG. I will say to the Senator that everything that has been sent to the United States Senate concerning me as a Member of this body, although it was never offered by a Member of this body, was investigated by three committees.

Mr. BAILEY. That does not answer my question, Mr. President. I ask the Senator again——

Mr. LONG. I refuse to yield further until I get through answering the question.

The VICE PRESIDENT. The Senator declines to yield.

Mr. LONG. I have made no charges whatever. I have asked an investigation, which is the only way by which eye-to-eye, lip-to-lip evidence can be adduced before a committee of the Senate. We have not anybody who can come here on this floor—because nobody but a Senator can come here—we have no one who can furnish information unless the investigator gets his information from the contacts he makes with other people.

Mr. BAILEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana further yield to the Senator from North Carolina?

Mr. LONG. I will yield for a question.

Mr. BAILEY. I merely wish to ask the Senator if he thinks he has responded to my question.

Mr. LONG. Yes.

Mr. BAILEY. Then I leave that to the Senate and the country.

Mr. LONG. All right. I will leave it to the country myself when Mr. Farley's name comes up next time, too, and we will find out how we all come out. I will leave it to the people of the United States about this Farley-ized government. Do not think I am a bit afraid of anything. I left it to the people of Louisiana last fall. Do not think I am a bit afraid of it. It cannot get too hot to suit me on this Farley issue [laughter in the galleries]; and the more you leave it to the people the better I like it. I am willing for my good friend from North Carolina to leave it to the people of North Carolina. We both run at the same time, and I will leave my record to the people of Louisiana. Maybe the people of the two States will not think alike, but I think I know how the people of my State think. Further than that, I have presented here, from the New York World-Telegram, the identical facts, day after day, night after night, month after month, where contract after contract was bid on, and the low bidder, was somebody besides Stewart & Co., but that when Stewart & Co.—who confess they give their material business to this institution of James A. Farley's—failed to bid low on the contract, the contract was rejected and the low bidder was not allowed to have it; and the authorities readvertised the contract, and James A. Stewart & Co. bid the second time, and the second time they were not the low bidder, and the authorities canceled that bid, too; and the third time, when this concern of James A. Stewart & Co., buying its materials from Jim Farley, was not the low bidder, they canceled out the third award on some kind of a ground; and the fourth time, when James A. Stewart & Co. happened to be the low bidder, the contract was awarded to James A. Stewart & Co., but subsequently the Government officials changed the specifications so as to allow this concern, buying materials from Farley, to furnish inferior products, without any competitive bids being had therefor.

Mr. BAILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I do. I yield to the Senator.

Mr. BAILEY. Does the Senator make the accusations which he has just stated upon his own knowledge, or upon hearsay?

Mr. LONG. I make them upon the word of what I consider to be many responsible people and institutions.

Mr. BAILEY. I ask the Senator the question.

Mr. LONG. It is impossible for a United States Senator to give anything but hearsay testimony.

Mr. BAILEY. Only hearsay testimony?

Mr. LONG. That is all that any United States Senator could give; but I am asking the Senate to have an investigation. What harm can an investigation of these matters

do when we are asking nothing except that the Senate investigate whether or not Farley is guilty of these things?

Mr. BAILEY. I wish to have the issue straight. Accusations have been made to me concerning the Senator from Louisiana upon hearsay. I challenge him here to say whether he wishes me to present to the Senate those accusations upon hearsay.

Mr. LONG. I do not care. Accusations have been made to me concerning the Senator from North Carolina. [Laughter in the galleries.]

Mr. BAILEY. I have no doubt of it.

Mr. LONG. Why, certainly. I am not arguing those points. I do not suppose there is a man in the Senate about whom there have not been accusations. I am about the only one who has been investigated, however. I have been investigated three times. By the time the Senate investigates every other Member three times they will be on the level with me about these matters. [Laughter in the galleries.]

The PRESIDENT pro tempore. The Senator will suspend for a moment.

The Chair wishes to state to the occupants of the galleries that they are the guests of the United States Senate. They have no right to interfere with the procedure of the United States Senate by any audible conversation, by any laughter or noise. The present occupant of the Chair directs the doorkeepers to see that this admonition is heeded, and if it is not heeded the galleries will be cleared.

Mr. LONG. Mr. President, when it comes to the matter of considering Mr. Farley, I have presented the information coming to me, which appears to come from very, very responsible sources; and I understand that most of it is admitted. I understand that there is not any question whatever that Mr. Farley's concern was selling to James A. Stewart & Co. the material to be used in public work on the very identical job where the low bid was rejected three times, and the fourth time the contract was given to James A. Stewart & Co.; and then the specifications were changed, after the contract had been awarded, so that a different kind of granite could be used than that originally contemplated in the bid.

Why, Mr. President, we cannot afford to leave that kind of a thing hanging here, with everybody knowing it to be the truth, unless that newspaper publishing the data misquoted the Government's circulars and statistics and data on it; unless a deliberate, palpable misquotation of fact is contained in this particular newspaper, the World-Telegram, known to be friendly to this administration, known to be cheek-by-jowl with the administration at this time. If what it published consisted of proper representations, and in most instances quotations, then we know these things to be at least reasonably accurate; that the bids received from this particular company, in all cases of which we have any knowledge, were generally given an accredited standing beyond those of any other concern even to such an extent that when they were not the lowest bidder they were given some kind of cancelation of the bid altogether, and the bids were taken out again, and in the final analysis, when James Stewart & Co. sharpened the pencil and went low enough, they changed the specifications in order that they might give them a cheaper grade of granite in order that there could not be any competition on the bids.

Any man who has had any experience in letting contracts knows of that kind of business. I have approved contract after contract as Governor of the State of Louisiana. We know what it means when specifications provide for one kind of material and then, without any bid whatever, you allow the substitution of another kind of material.

That is frequently done; that is commonly done in lots of our contracts. But here is a case where they deliberately, according to these facts published, gave an inferior type of granite, and they gave it in a case where James Stewart & Co. were not the low bidders three straight times, and they gave it after they had canceled out the low bid time after time, one time, two times, three times; the fourth time James Stewart & Co., buying the material from Farley, happened to be low. They got the contract that time, though they had canceled it out three times before, and then they changed the specifications. In order to do what? Anybody with a thimbleful of sense would know that there is bound to be something rather curious in that kind of device. When they rejected the low bid the first time, the Senate ought to have investigated.

Mr. President, I let out $100,000,000 worth of work as Governor of Louisiana, and we called in an advisory committee of 19 independent citizens before we would consider rejecting a low bid, because it was almost a sign of fraud on its face unless good cause were shown.

No, no! The United States Government, which is supposed to be the paragon of perfection; the United States Government, which is supposed to teach the State governments how to be at least honest and responsible; this Government, which is spending all this money, $4,800,000,000 if they can get it—and God help the people when they get it—this Government, which is going out to spend more money, which is going to throw it into the same sort of debauchery and rampant irregularity of this type and standing; when, on the eve of this immense expenditure that is to be made, we come here representing the sovereign taxpayers and citizens of the United States and ask that there be a senatorial investigating committee authorized to inquire into these charges specifically enumerated with regard to Mr. James A. Farley, generalissimo of the United States of America—oh, no; we should not have it; the matter ought to be referred to a committee.

Referred to a committee for what? What is there for a committee to investigate? Shall it investigate whether or not the Senate will be allowed to investigate? That is a remarkable, an unusual procedure, when we come to ask, with the specific facts enumerated, that there should be investigation of the investigation!

Mr. President, I take no offense at what the Senator from North Carolina has said. I take no offense at what he said. I do not think it is in keeping with the rules of the Senate, but I take no offense at what the Senator from North Carolina said, none at all. But why make flesh of one and fowl of another? Why have the Privileges and Elections Committee investigating? Why have an investigation even of a Member of the United States Senate, who is supposed to have a little prerogative in this body, some prima facie respect? Why, when you have had special committees and the Judiciary Committee and the Committee on Privileges and Elections investigating, throw up a defense for Farley against somebody from the State of Louisiana?

It is carrying the ducks to a poor pond of water to come here to try to defend Farley, Farley, Farley, to bow down to this demon holding in his right hand the power to appoint the court officials who prefer indictments, the men who conduct prosecutions; holding in one hand every power that can restrain or that can unloose justice, the power and authority and processes of justice, and holding in the left hand, dyed, according to these statements, with every slime of corruption and blood and crookedness known to politics—holding there the power of expenditure and the purse strings and the money not in the millions but in the billions.

Oh, my friend the Senator from Arkansas laughs. It is awfully funny. I come from beneath the pressure of the feet of the kind of scoundrels to whom I have been referring. I represent a people who have had to stand for that and pay the bill. I represent a poor, down-trodden set of people in Louisiana, Arkansas, Mississippi, and even in some of the other parts of the country, Texas and New York, and everywhere where my kinsmen live, who are people who have to pay the kind of taxes imposed as a result of this Farley squandering. Those are my blood kin. In addition I represent a sovereign State.

I could laugh if I were in the position of my friend the Senator from Arkansas. But I was called upon by the man who lives in the White House to go out and collect money to bring to an end this kind of alleged crookedness existing in the affairs of the United States Government. I was called upon to go and appeal to the people of this country and tell

them that there would be an end to this slime and filth and rottenness in Government, which was not alleged to be half so bad under the preceding administration as it is said to be under the present practices of Jim Farley.

I went out and took up the torch. There were not so many of us sitting around here carrying the torch for Roosevelt in those days; and those who were, were not going to the washerwomen, as I was, and to the plow hands, as I was; they were not going back to the laboring people, the common element, and asking them, not to give a hundred dollars—we could not ask them for that much—but asking for the nickels and the dimes and the quarters, and sometimes a half dollar, to make up the money that we might carry the torch of a better government to the relief of the people.

What did we swallow? To get rid of the devil, did we get a witch? We want to know what we got. It looks mighty funny that this gentleman, placed in charge in the very first instance cannot even be investigated. It looks very curious that he cannot even be investigated. They want to send the matter over to the Committee on Post Offices and Post Roads and see whether or not Farley ought to be investigated. They want to send it over to some other committee to see whether or not this gentleman ought to be investigated.

I read into the CONGRESSIONAL RECORD yesterday some of the facts in this matter as reported in this World-Telegram. Let us see what it says. September 6, 1934, they said this. I will read just a paragraph from what I placed in the RECORD for fear Senators will not see it in time before voting on the resolution.

I am in no hurry to get a vote on the resolution. I am willing that Senators shall take time and make a little investigation on their own hook. I can only receive information from the outside, because I could not, myself, with these eyes and these ears of mine, hear and see what I am reporting to the Senate. I am asking the Senate for its permission that I may bring the witnesses here that they may see the men who saw with their eyes and heard with their ears and felt with their hands the things I have undertaken to present to this body.

This is what the newspaper said, and I have never heard of this being denied. They said this:

The Federal-courts building was designed to be built of granite.

I will read a paragraph above that:

Another controversy on the annex building arose when the Treasury Department approved the use of a Maine and New Hampshire type of granite instead of the type used in the main post-office building. The specifications had called for a granite corresponding to that in the old building in quality, color, texture, and form of marking.

In other words, Government buildings are supposed to be uniform. We start out with one kind of granite and keep it up. That is so even in State governments. We try to have all the buildings of a uniform texture of granite and stone.

Other contractors claim they had believed the specifications called for the Milford Pink granite, used in the old building.

Gentlemen of the Senate, I had a circumstance quite similar to this in my experience as Governor of Louisiana. We had a capitol to build in Louisiana, and Indiana limestone had been specified. My friend who now sits in the Senate representing the State of Alabama as its junior Senator appealed to me to help his State, right next to ours, get a chance to furnish southern limestone for that building. Before I would even countenance a consideration of that matter, we had an investigation by a committee to determine whether or not we should even allow the architects to consider it, because of the fact that it would be letting the contract without competitive bidding, since all competition had been on the basis of Indiana limestone.

What did they do in this case?—

When permission to use the alleged cheaper granite was granted, the Treasury Department obtained from the contractor a credit of $5,000—

The difference in the two limestones could not have been as much as the thickness of one of these postage stamps that had no mucilage on it, if they only gave a credit of $5,000. But it says they deducted $5,000—

which Admiral Peoples said the division considered quite sufficient. He stated—

So-and-so. But in this very same matter and in this very same connection they held further that they let contract after contract to James Stewart & Co., and that in connection with these contracts, when the James Stewart & Co. was not the low bidder, three times in succession they canceled out the authority and gave the bid on the fourth bid to this concern, James Stewart & Co., who were the beneficiaries of a change in the specifications, so that they had no competition in the bids on the kind of granite that was used in the building.

Now, I have dwelt enough on those points. I have more information here. When I was interrupted I was reading more of it, but I am not going to read more from this letter, because since this was so striking as to arouse the Senate, I would rather have this man and those whom he quotes summoned before the United States Senate, where they would be permitted to testify.

But that is not all to this resolution. Let me read something that it contains. It contains one matter admitted to have occurred and to have been irregular, that I have not even paid any mind; that is, using the facilities of the United States Post Office printing plant for the purpose of expediting souvenir stamps among friends. I do not even mention that because that is an admitted fact.

I want to say that we must admire Mr. Farley and his men; they usually come out and admit that they are doing these things, and do not quibble about them. I understand in the case, as I related a minute ago, of J. R. Stewart & Co., they said, "Sure, we are buying these things to use on these Government contracts from Mr. Farley's concern. What about it?" Sure. Here is Mr. Farley, known to be the high council man in the spending of money, in the awarding of contracts, in the awarding of jobs, in the selection of the personnel for the supervision of construction work; here is Mr. Farley, at the same time, with a material concern over here, not only selling materials that he produces but selling materials he does not produce. Among those things is cement. Mr. Farley is not a manufacturer of cement. Mr. Farley has not got anything more to do with the making of cement, Mr. President, than I have—probably not as much. Mr. Farley, however, is selling the cement that is used on these Government jobs.

Why does not the United States Government buy that cement direct, like the State of Louisiana did? Louisiana bought cement direct cheaper than the United States bought it. Why do they not? Something else you might investigate about Louisiana. It bought cement, and buys it now, cheaper than the United States buys it. Why does not the United States do so? Why, because, Mr. President, it is billed with the same kind of a bill that men who know anything about how such business is handled know is used. It has a through-shipment billing. It is paid through the jobber, James A. Farley's concern up here in New York, and so in order to buy the cement to be used upon the construction work of the United States Government they bill that stuff from the railroad to the particular company doing the work on the Government job, or else they bill it to the Government direct, but they send the billing through James A. Farley & Co., and he takes off 10 cents a barrel on the cement. I say 10 cents a barrel.

That is the usual graft and of that kind, I am told by responsible people.

I know this, that we worked mighty hard to break up that practice down our way. They had some of our good friends who were in the business, and we used them to bring about the reduction in the price of cement below what the Government was paying for it. But Mr. Farley is selling cement, he is selling cement. Selling cement to whom? Cement to be used by the men—supervised by the men that he appoints. Cement to be used by the men who get the con-

tracts as the result of his ipse dixit in a large number of cases. And he is the man participating.

Why, my friends of the Senate—and I have the highest regard for every Member of this Senate—I hope that you stand better with your people than I stand with mine, and I expect most of you do, for that matter. I want to say that you could not go back to your people, if you were guilty of this kind of conduct, to save your lives, and ever have a ghost of a chance to be sent back to the United States Senate; and if James A. Farley had to run in a single State in the American Union today, he could not get enough votes to wad a shotgun for Postmaster General or any other kind of office. There is not any office under the sun that Jim Farley would put his face up to run for tomorrow, and yet he is practically the boss of the Government, because in his hands have been consolidated the powers and the functions to be used practically as no other man has had it since the birth of Jesus Christ, or at least since this country has been founded.

Well, here is something else:

It is further alleged that, without pay or compensation for the same, the said James A. Farley has commandeered for his personal use facilities of public-service corporations borrowing money from the United States Government.

I am told that that is pretty general. I am told that the airplane companies that have subsidies from the Government here have been commandeered by Mr. Farley without compensation, and I am told that the private cars of railroad presidents, without pay, have been placed and commandeered for the use of Mr. Farley. Everything is rosy now! Mr. Farley with the millions and the billions. Here he is designing the justice—how it shall be enforced. Here they come out; one day they are going to indict a newspaper man; the next day they are not going to indict him. One day they are going to do this; another day they are going to do that. Here is this man mentioning, naming, nominating, selecting, approving, and disapproving everything that has to do with the conduct in life of man from the cradle to the grave, and he comes in here, and in this great, dignified, intelligent, and, I might say, body of highest import and integrity, and finds defenders against the direct investigation unless a committee first investigates whether they ought to have him investigated. Oh, yes; "Touch not mine annointed and do my prophets no harm." Farley seems to be the prophet never to be touched.

Oh, well, let me read a little bit more:

It has been charged that the said James A. Farley on the eve of a loan being granted to a railroad in West Virginia telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator.

Now, I know this is not going to concern Senators unless it is your own election; but if it were your own election, you would think it was highly unscrupulous. Here is what happened in West Virginia. And I will bring to this body, to tell you the truth about what happened in West Virginia, two ex-Governors. I believe you will not care to question their integrity.

Here is what happened in West Virginia. The Baltimore & Ohio Railroad was applying for a loan from the United States Government for $52,000,000. They had an election down there in the State of West Virginia in which Mr. James A. Farley was very much concerned with the election of Mr. Clem Shaver to the United States Senate. He used every means that he could. Lo and behold, after using various and sundry means, suddenly it dawned upon him and percolated into the inner recesses of his skull that there was a certain man who had undertaken to borrow $52,000,000 for a railroad, and what does he do? He rings up the leading counsel of that man. He rings up that man, who is a leading official of that railroad. He rings up that man who was not much in line for electing Mr. Clem Shaver to the United States Senate; he rings him up over the telephone at night and gives him to understand that it is to his interest to support Mr. Clem Shaver for the United States Senate.

Oh, no; that does not amount to anything. That does not amount to anything. I can weather those kinds of things down in my State. But there has been a time when the majority was so close that a move like that would have created the selection of somebody else for the job for which I was running. You get into a close election, when it is close—we do not have any close ones down our way since all the people are allowed to vote down there; we do not expect to have any close ones for a long time to come, Mr. President. Some voters were having to be called out of the line when it came time to vote on account of the poll tax, but all of them vote now, so we do not expect any close elections down there for a long time to come, unless Farley goes down there with his money, and we have got them almost trained how to take the money down there and vote like they please when he comes down there with it. They had some of it down there; of course, it got to them indirectly. They had a State district attorney down there working under this Farley administration. He went out to a little old precinct in the parish of Evangeline about 11 miles outside town and he stayed there all day where they voted 113 votes, Mr. President, and they had 109 of them take $10 each out of the 113, and then they opened up the ballot box in front of him and he had 4 votes out of the 113. And let them come down there again, and we will try to take him like Grant took Richmond!

We have begun to know how to do it. We did not know how to get it when he first started to do it, but we have learned better how to do it now. We will tell the people to take the money—we think maybe we know how to do it now; we did not know how to do it at first—because those poor fellows are in need, and a man is not going to starve to death, and when they shake the bones under his nose, without getting some of it. We are going to take it if he is going to try to do anything like this again.

So he tells this man down in West Virginia, "A word to the wise is sufficient. We want you to switch here." He did not say it to the man, but what does the man think?

Well, we had a loan up here, $8,000,000, for the United States Government to lend to a charity hospital treating people for sickness, as low as for 56 cents a day, with the highest rating for cures in any hospital in the civilized or uncivilized country of the world. They were going to lend us $8,000,000, so we could take care of people in Louisiana and in adjoining States, because we have to take some of those people that flow over into our State. What did they do with our $8,000,000 loan? Why, the engineering department approved it, the legal department approved it, and all the departments approved it, and suddenly the boys came up here, and I said, "There is not a chance on God's earth." "Oh," said Mr. Danziger, the lawyer; said Mr. Leon Wise, the architect; said Dr. Bidrine, the superintendent of the hospital; "Senator LONG, you are too prejudiced about this matter. We have got the approval of everybody, and the project is going through." I said, "It is not going to do any such a thing. At a proper time someone will say to you, 'Aren't you connected with the Long administration?'" "Oh, but," he says, "this hospital has been approved by the Louisiana Medical Society, it has not been disapproved by the Rockefeller Foundation, it is approved by the American Federation of Labor, and local labor unions, it is approved by the legal fraternity from coast to coast, and they dare not refuse a loan passed upon by the engineering department and the legal department." I said, "All right; do not let me say a word; you just go up there, and I want to make you a little bet that you never get $8,000,000 nor 8,000,000 cents nor $8."

That was a little over a year ago, and they have not got a cent and they are not going to get it. I knew it. They finally came back. What happened? They said this work was under the jurisdiction of Mr. Harold L. Ickes, and, lo and behold, on investigation they found a letter in Ickes' file written by Dan C. Roper, saying, "Beware! Beware! There is going to come in from Louisiana a project for a charity hospital loan of $8,000,000. Beware! Beware! Do not let it pass." They went back to Mr. Dan C. Roper after they had seen that letter, through a very devious scheme by which they managed to see it, and they walked into Brother

Dan's office, with his high intellect and high hat, and they said to Daniel, "We understand that you have been approached with regard to this loan in the State of Louisiana for money to treat the sick and disabled." Dan said, "Oh, no; I know nothing whatever about it; I do not know a thing under the sun about it." They said, "We were afraid you might have been misled and caused to write a letter." But he said, "Nothing of the kind." They were so astounded at what Mr. Roper said that they went back and took a second look, and there was a letter saying that at the proper time to stop the loan going to the charity hospital in Louisiana.

Oh, there you are. Talk about appropriating the Government's money to help the sick and disabled. You are appropriating the Government's money to send the souls of men to hell; you are appropriating the Government's money to take the fiber of manhood out of men. The last honest part left of this country in these days of starvation was the self-respect of manhood. That is being taken away by the corrupting tactics employed in the expenditure and use of this Government money.

Oh, no; that is your own institution, and it shall have none of the Government's money. Well, there was a reason. What was the reason? I will have to go a little bit further. There was a concern then affiliated with the James R. Stewart Co. This was a reason besides politics. There was a concern by the name of James R. Stewart Co., and another big concern here in the city of Washington and in New York, the name of which I will give any Member of the United States Senate, which I understand to be close to the Stewart Co. The last concern was bidding to do a certain piece of construction work in Louisiana. Lo and behold, the time came to bid, and they did bid.

One of my political friends was approached and they said to him, "What will it cost us to get this bid accepted? We are willing to pay $50,000."

My friend said to them, "You will have to bid low."

They said, "We are making our bid low."

My friend replied, "You had better hurry down there; the contract is liable to be awarded before you get there."

Lo and behold, they did bid low, and before they got there I had awarded the contract to them. There was not anybody else there to claim the contract, and they stepped in just in time to take the contract and claim it as low bidder.

When they had done that work, what did we do? We took $50,000 off the contract price. If they were willing to give HUEY P. LONG $50,000 to accept the bid, then, evidently the State of Louisiana was entitled to $50,000, and we took $50,000 off the bid for the State capitol of Louisiana after it had been constructed. Now, some of you go and look that up.

When I found out the power, when I found out the connection of Stewart and Fuller and Farley, I knew that we were going to be up against if they were ever allocated a dime's worth of work to be done in the State of Louisiana. I knew, further, that the sign was out against any such thing as a loan being made to the State for any department friendly to me.

Oh, well, there was a concern there operating as the sewerage and water board under the old New Orleans ring. They applied for a loan. They were anti-Long, and they got it. Then the legislature was called into session, and the anti-Long board was "Longized" just before they sent the money, and they held up that loan, and we have never seen it since. In other words, we operate in the plain and open light of day.

These are matters that I am not asking to have investigated because they are accepted as right and proper; these matters concerning which everybody knows I am not asking that the power of the United States be invoked for the purpose of an investigation, because we know all about this kind of thing; but it is these subtle things reaching, controlling, manipulating, and managing, that are going to affect not only what has been spent there, but it is going to affect if they can get $4,800,000,000 more of the money of the people of the United States involved in the public-works program.

O Mr. President, I am not speaking as a Democrat or as a Republican or as an independent; I am speaking as a citizen of the United States of America. You may disagree with me in my politics, and that is your right; you may disagree with me in my methods, and that is your right; but where is there a man who is willing today to intrust the functions of this Government into the supreme hands of a political ringmaster whose very acts, whose very conduct, serve to defy the ordinary and to reject the regular and to place not the weal of the party, not the weal of the country, but the weal of whatever he has done that is unscrupulous, and to keep from the public gaze. That is Farleyism in the United States Senate and the United States House of Representatives.

Other Senators here would no more countenance that, if they were given the facts, than I would. I promise to the Senate that if this investigation shall be held, if there shall not be an abundance of evidence, a preponderance of evidence, to show James A. Farley guilty of these things that have been alleged, I will be the first man to subscribe in writing, never to be erased, that Mr. Farley is blameless and exonerated from any such charges made. I will be the first to do it.

I have asked the Senate to investigate some things. I asked the Senate when I first came here to investigate Marcel Garsaud on the Federal Power Commission. You did not want to do it; I had both parties against me in that matter; but finally I persuaded both parties, and what happened? Both the Democratic and the Republican sides of this aisle asked the President to withdraw the name of Marcel Garsaud, or, at least, whether they asked it or not, enough of them gave him to understand that they would never try to confirm him after that time. That was one investigation I asked.

I asked for an investigation of D. D. Moore, in which I alleged certain things. What happened? Were the charges proved? They came before the committee, and before we got through they all admitted everything I had said on the floor of the Senate.

I asked for an investigation about another man. Were the charges proved? The President of the United States withdrew his name after the Judiciary Committee had voted unanimously on the matter.

Mr. President, I did not have the fortification in those matters I have in this case; there was not the proof extant that there is at this time on Farley; and, unless action be taken on the resolution, the day will come when we will all be apologizing for the Farley rule.

I am not going to have this resolution go to the Senate committee in any such way, if I can help it, as my friend from Arkansas is trying to send it there. I am not going to have it sent there that way. I want this resolution to be thoroughly considered by 96 Members of the Senate. This is not a bill; this is a resolution calling for a senatorial investigation. It is a matter calling for an investigation for the chief factor. I do not mind telling you that I recognize Mr. Farley as the chief factor in the Government of the United States. I do not know how any Senator here in his heart would dispute that; but, if he has the knowledge that I think the common lay public has, no one would say in his own soul that he lived under anybody but Farley in this country today. Nobody need think that he does. As I understand the situation, no man need think that he lives under anybody here, so far as Government functions are concerned, other than Mr. Farley. I am not especially complaining of that fact. If the Congress of the United States wishes to place such powers in the hands of the Executive and the Executive can place them in the hands of Farley, I am not going to complain at the action of any one of them or the order by which power has been placed in the hands of the one man; but we are now coming to a measure touching the expenditure of funds for the relief of people. I will read another charge as recited in the resolution, as follows:

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said businesses for profit to himself and to his friends.

I alleged here, if it may please the Members of the Senate, that certain men in New Orleans were in this gambling wire service; and before I got through with the hearings in the Senate Finance Committee, they had admitted that to be true, to a large extent, and what they had not admitted there was not a member of the Senate committee, in my opinion, who did not believe the balance of it. I could not understand why with all the fraud that had been confessed and proved that a certain man should have been left in charge of Louisiana and some other jurisdictions in the United States.

I could not understand why a mere common gambling tool and manipulator should be in charge of the functions of my State, so far as the Federal Government could make him so, but I was informed later that this man was the business partner of Mr. Jim Farley, and that the business had been overseen through his brother and to some extent by him—and he admitted he was the attorney for them; that he was in the business in which Mr. Farley was considerably identified. These things are hard to prove, but we always have been able to prove them. I think I know the witnesses to be summoned, and if I am as successful in finding who should be summoned in this instance as I was in the last instance I will have no trouble, if these matters be true, in bringing them to a proper presentation.

If you asked me to present only matters that I have seen myself and that I have heard myself, you never would have anything presented to the Senate. Senators would have to be personally present at the happening of every transaction and every detail to meet any such requirement as that. The only things I can rely upon are the official journals and the unofficial journals and the publications that come to me. All I can rely upon is the word of the men coming back from Washington who have been here upon the missions I have named.

I am surprised that our great leader in the Democratic Party in the Senate does our party such a disservice. I have too much interest in the party to let him do that kind of service for the party. I have done too much for the party, and he and others have done too much for the party, not to have him cause this to happen in the party. I cannot let my leader come up and say, "I do not want this investigation. I want to have a committee investigate as to whether or not we will investigate."

Oh, yes; if there were a mere street rumor, that would be one thing that would not amount to very much. If there were a mere will-o'-the-wisp, that would not amount to so much. But there was not one-tenth the matter presented before the investigation of Daugherty that there is present today for the investigation of Farley. Daugherty was not a candleholder compared to this man Farley, according to these things that have been sent here.

The other day I read where Mr. Farley said that he expected some attacks to be made upon him in the Senate. He said he expected me to make them. I say this, and I make this statement, that if you investigate Mr. Farley and you find these things to be groundless, if you investigate them and find them to be groundless, it will most certainly mean that I will have to go out of the United States Senate in January, because my people will not reelect me here. If you go through an investigation of old Farley and if you do not find 10 times as much on him as you ever found on Harry Daugherty, I would not have the temerity to present my name to the people of Louisiana in the election coming off down there in the coming January.

I have to run early. I am at a great disadvantage. I helped place myself at that disadvantage. Ordinarily I would not have had to go into the primary until the month of September, but some of my friends suggested to me that they wanted the matter settled at an earlier date, so I agreed my election might be held in the coming January. I have to run almost a year before other Members of the Senate run. I might say to Members of the Senate that nothing would weigh so heavy with my people as to have a majority of this body, by a solemn action, after the investigation of Mr. Farley, pass upon the matter by exonerating Farley. That would be practically running me out of the United States Senate, and I take that into consideration now, because if I prefer this kind of charges against this man alleged to be dispensing this noble service to the country, this "head-and-shoulders" of everything that is done, good and bad—if I were found through the majority opinion of this body to have placed before the Senate unfounded charges against a man in such sacred work, I would have practically no chance whatever, and I would not even expect to have my name go on the ticket in the election in the coming January.

I take that chance here. I only ask for an investigation. What good are you going to do by sending the resolution to the Committee on Post Offices and Post Roads? What are they going to do? What are you going to have the Committee on Post Offices and Post Roads do when they get my resolution? Are they going to investigate? What are they going to do? I have a resolution to investigate Mr. Farley, the generalissimo of the United States Government, in matters connected with and concerning his official conduct. You come in here and want to refer that matter to the Senate Committee on Post Offices and Post Roads to let that committee decide whether it is going to do what? What is that committee going to do? Is that committee going to hear witnesses on whether these charges are true or untrue? What is the committee going to do?

This is a resolution asking for a Senate committee to investigate Mr. Farley. Face the music! Face the music! If you do not want him investigated, vote that you do not want him investigated. That is your responsibility. It is not mine. Do not send this thing to a committee, which is the same thing, I would say in ordinary cases, as voting practically to end the matter. I have not seen many of them come out of the committees. Maybe I am wrong about that, but I never noticed many of them come out.

What does the committee do? What is the committee going to do? You are going to send the resolution over here to investigate and have the Committee on Post Offices and Post Roads investigate, because of course naturally that committee works very closely with the Postmaster General by reason of the nature of things, and it has to. I do not mean to impose any reflections on my friend from Tennessee [Mr. McKELLAR]. He is a friend of mine, a personal friend of mine, a political friend of mine, I hope. I am his friend. I do not mean to make any statement that would reflect on him in the slightest, but he has already been here making lots of speeches defending Mr. Farley. He has to make a lot of them. Every man is influenced by his own talk. You may make a speech and not convince anybody else, but you usually convince yourself. Ninety men out of one hundred that go out and make extended speeches on subject matters will wind up by convincing themselves that they are right. He is the first man that gets convinced. No; I have never heard that disputed.

Mr. CONNALLY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield.

Mr. CONNALLY. Is that the case with reference to speeches in the Senate?

Mr. LONG. I would think so with the Senator from Texas. He votes like he speaks—nearly all the time—and I expect that is true with me, too. With my friend from Tennessee [Mr. McKELLAR] it is particularly true, I may say to my friend from Texas. He has made many speeches on Mr. Farley, defending Mr. Farley. He has made so many speeches that he would have to be inhuman not to have been inoculated by the germ of his own voice and by the sound of his own voice in favor of Mr. Farley. Now, to come here without any evidence at all and to have the committee of the Senator from Tennessee decide whether or not they are going to report to the Senate to investigate Mr. Farley is an unusual thing.

My friend the Senator from Tennessee is not in the Chamber. May I ask that he be sent for? I want him here, because, when he reaches here, I shall have to repeat what I have said, as I have violated one of the customs of the Senate in making mention of things that are concerned with the conduct of a Senator without him being here. I believe there is a custom of that kind. I should like to have my friend from Tennessee come here and hear what I just said before I forget what I said. [Laughter.]

What is going to be done when we send this matter over to the committee of the Senator from Tennessee? He got up yesterday and said that the thing ought to be sent to his committee. He is more anxious to have jurisdiction of this thing than I am myself. I am going to make this statement. I know there is a rule in the Senate—that is, an unwritten rule that is usually followed—where the introducer of a resolution is usually appointed on the committee. That is the general rule. All in the world I am going to ask is this. I am going to state to the Senate that I want to waive the rule. I do not want to be on the committee to investigate Mr. Farley, because I am just as much one way maybe as the Senator from Tennessee is the other way. All I want is the right to summon witnesses and, as a lawyer, to examine those witnesses. That is all I have ever asked. If they will give me the right to ask a few simple questions, that is all I shall ask of the committee.

I want to say in advance that I have presented these matters about this gentleman. When the Senate authorized the Daugherty investigation, it put the Senator from Montana [Mr. WHEELER] on the committee to investigate Daugherty, notwithstanding the fact that he had uttered from the floor of the Senate constant condemnation about Harry Daugherty. That was done, and he was the prosecutor of the committee that prosecuted Daugherty, and resulted in Harry Daugherty having to retire from the Cabinet. The Senate did not refer that resolution to any committee, nor anything of the kind. It went right ahead and appointed a committee to investigate Harry Daugherty, and put the Senator from Montana [Mr. WHEELER] on the committee and put the then Senator Brookhart on the committee—men who had been making statements on the floor of the Senate that did not do any credit to Mr. Daugherty while he was a member of the Cabinet.

I say that I will vary the rule. I announce in advance that I do not want and do not expect and will not accept an appointment as a member of the committee to investigate Mr. Jim Farley. I would not be the proper man to do it, because I know so much and believe so much that I have heard from others that I would be almost a stacked juror to start with, unless I sat there and yielded to what a juror is supposed to do—and I might not be that type, and I would not take the chance of having any Member of the Senate say I was not. I want an unbiased committee. I do not want it composed of men like myself or the Senator from Arkansas [Mr. ROBINSON] or the Senator from Tennessee [Mr. MCKELLAR]. I want to talk facts here. I want to talk what are facts. I want to leave out us partisans on both sides of this matter. I want to leave out the attorneys for the defense and for the plaintiff in advance. I want to relegate them to that status; and I want a committee of men who will hear the truth—that is all—and who will sign process for the production of books and papers.

Mr. President, the Democratic Party is in need of money. If it is not a violation of some law or some custom, or a breach of etiquette, if Jim Farley is not run out of the Cabinet in less than 30 days after this hearing starts, I will go out and raise $2,500 for the Democratic Party in my State the first month and $5,000 the second month and $5,000 the third month. I will promise to go out and raise $12,500 in all from the same kind of people that I had to raise it from before if Jim Farley is not forced to leave the Cabinet; and if he is forced to leave the Cabinet, I will agree to double that amount within 90 days' time. [Laughter in the galleries.]

The PRESIDENT pro tempore. The Chair will warn the occupants of the galleries just one more time. It has been announced once or twice that they are guests of the Senate, and that they must not interrupt the proceedings on the floor. The doorkeepers have been asked to enforce this warning. If they do not enforce it while the present occupant of the Chair is here, the galleries will be closed and no one will be allowed in them until order can be preserved.

Mr. LONG. Mr. President, I had said in the absence of my friend from Tennessee [Mr. MCKELLAR], who has just returned to the Chamber, that I did not think this resolution ought to be sent to the committee of which he is chairman. I said further that the Senator from Tennessee had made many speeches here defending the conduct of Mr. Farley, and I said that I had made several speeches just to the contrary. I said further that the Senator from Tennessee would be inhuman if he were not convinced to some extent by the logic of his own conversation, and that a man who had made as many speeches as he had made in favor of Farley would hardly be the kind of a committee chairman I would select to whom to refer a resolution for an investigation. I said further that I did not think the Senator from Tennessee or myself or the Senator from Arkansas [Mr. ROBINSON], either one, ought to be on the committee to investigate Farley, if we should investigate Farley.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MCKELLAR. Of course, I deeply regret that the Senator from Louisiana has such a poor opinion of me as a man and as a Senator and as chairman of the committee, but I shall try to live under his bad opinion; and I say it in all respect. I do not believe, however, that the remainder of my colleagues entertain the view about my unfairness or dishonesty, if it may be so termed, that the Senator from Louisiana seems to entertain.

Mr. LONG. Mr. President, the Senator knows, I hope, that no reflection at all has been made on him. I hope the Senator thinks I have a pretty high opinion of myself, and I put him in the category with me, and I think I am just about as good as the next one I run across. I do not know; I could be better; but, averaged up, I take myself as being a pretty good standard of what a man is when he comes through what I have been through.

I have a high regard for all the Senators here, and I have no higher regard for any man anywhere than I have for the senior Senator from Tennessee, and I think that he knows that. Let us not beat around the bush, however. We are not trying the Senator from Tennessee. If the Senator from Tennessee were trying to do it—and I know he is not trying to do it—he would place me at a disadvantage if I had to try him instead of trying Farley. I am not attacking the Senator from Tennessee; but I say that where there are chief defenders of a man and chief prosecutors of a man, they are not the men to investigate him. That is what I say. I think somebody like myself would not be the man, under the customary rules of the Senate, to be on this committee. I make no effort to offend the Senator from Tennessee, unless he takes it that an attack on Farley to some extent means to reflect on him; but what is the Senator's committee going to do with this resolution if it gets it? This is not a resolution to pass a law; it is a resolution to investigate Farley. What will be done with it in the Post Office Committee?

Yesterday afternoon, just before we adjourned, the Senator from Tennessee made a statement, which I assume is in the RECORD. I was here and heard it. Let us see. I rose and asked about the resolution which I had offered and asked whether it should not lie over for the day. I was informed yesterday afternoon by the parliamentary clerk that he did not know in what shape the resolution was; that it was just offered, and that was all there was to it. I did not know what to do about it, so I rose toward the concluding hour of the day and asked that the resolution be placed in such shape that it would lie on the table and come up today under the rule. I do not see anything about it in the RECORD here; but, at any rate, my friend from Tennessee, I thought, inquired whether this matter ought not to go to the committee. Perhaps I was in error about that.

Mr. McKELLAR. No; the Senator was not in error about it. I remember making that inquiry, and I thought it was a perfectly proper inquiry. I happen to be the Chairman of the Post Office Committee; and when any matter comes up which concerns that committee I shall certainly see to it that the committee's jurisdiction is not interfered with, if I can do it.

Mr. LONG. How, may I ask, could the Senator expect this resolution to investigate Farley to go to his committee? What would his committee do—investigate whether they are going to investigate?

Mr. McKELLAR. We will attend to that when the resolution comes to us.

Mr. LONG. That is where I am at a loss; and I am a new Member of this body even yet. I have been here only since 1932 and my seniors have me at a great disadvantage in that line; but I should like to know just what this committee will do. I do not mean what its ultimate decision will be, but what is the committee going to do? The committee is being given a resolution which proposes that there shall be an investigation of the Postmaster General by the United States Senate. If there were any constitutional, legal question involved—and I deny that absolutely——

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question; yes.

Mr. CLARK. The Senator must be familiar with the fact that it is entirely customary to refer resolutions of inquiry to standing committees for report on them; and frequently—in fact, it is required by the rules and the statute—after the resolutions have been acted on by the standing committees having jurisdiction of the substantive matter, if they involve a charge on the contingent fund or a charge on the Treasury, they must then be referred to another committee, the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LONG. Yes; I am familiar with that; but here is a proposition for which I have precedent. Denby was not investigated in this way. Dougherty was not investigated in this way. Nothing of that kind happened.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. The rule to which the Senator from Missouri is referring was amended by the Fess amendment, which was adopted on January 20, 1932. It expressly provides that all resolutions proposing a charge on the contingent fund of the Senate shall be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and also provides that they must first be referred to the standing committee of the Senate having jurisdiction of the subject matter, provided the resolution has any substantive provision.

Mr. LONG. Mr. President, this resolution has no substantive provision.

Mr. ROBINSON. Does the Senator admit that his resolution has no substance?

Mr. LONG. The Senator is a lawyer, is he not? He knows that "substantive" in law means something different from matters of procedure. I am a lawyer, and I take it that the common law is what the civil law is. Substantive law is law regulating conduct.

Mr. ROBINSON. The rule has been universally held to apply to resolutions for investigation. Of course, the rules could be suspended, but there is no proposal of that nature here.

Mr. LONG. Mr. President, why have we a rule, then, that a resolution can lie over and come up the next day? We have that rule, too. We have a rule that a resolution can lie over for one day. This is not substantive law.

Mr. ROBINSON. Of course, the Senator understands that there are many resolutions which do not have to be referred to a standing committee or to the Committee to Audit and Control the Contingent Expenses of the Senate. I assumed that the Senator knew that without the necessity for an explanation.

Mr. LONG. That is what I was trying to state. That is why I undertook to say that there were resolutions which do not have to go to such committees. In this instance, if we had to spend any money, the resolution would have to go first to a standing committee, and then go to the Committee to Audit and Control the Contingent Expenses of the Senate; but we may not have to spend any money. I do not think we shall have to spend any money.

Mr. ROBINSON. But the whole tenor of the resolution calls for the expenditure of money, and there is in the resolution an express provision which requires the employment of agents.

Mr. LONG. There are enough agents now, perhaps. We will cross that bridge when we want the money. My opinion is that as soon as we authorize the investigation of Farley that will be the end of Farley. Mark my words, if we pass this resolution and appoint a committee to investigate Farley, we will never have to investigate him. Now, remember what I am saying: If you start out to investigate Farley, that will be the end of Farley. He is not going to be investigated. He will quit, or he will be made to quit. If we pass this resolution to investigate Farley, it will not cost the Senate of the United States a thin dime, I believe. But if it does, that will be time enough to talk about going to the Committee to Audit and Control the Contingent Expenses of the Senate.

It is my opinion that if we require the investigation, with the agents we now have, and the officers we now have, and the Department heads and clerks, who are subject to our summons without any cost whatever, we will be able to proceed far enough so that Mr. Farley will not be embarrassing us at all in the future. That is my belief—that if we ever just open up the cover, if we ever take the lid off and let the people take one look inside, that will be the end of Farley.

I am told by the public press that already preparations have been in the making to get rid of Farley. That may be an error. I have only the press for it, and I do not urge this as a part of my inquiry, but I am told so by the press—I have read it in the press. I have a right to depend on the press, as everybody else has. Sometimes it is to our interest to speak well of the press, and in those cases I believe in doing so. [Laughter.] But we have been told that there has been saved an easy pallet ready for Farley to fall on, and I am thoroughly convinced that we disciples of the Democratic Party, we Democratic leaders—and I am one of the leaders of the Democratic Party; I am a genuine leader of the Democratic Party. [Laughter.] I still go by the platform. I hold a position in a national Democratic committee. I believe the name is the Democratic National Committee. I am a national Democratic committeeman. I am chairman of the Louisiana State Democratic central committee.

Mr. ROBINSON. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. ROBINSON. The Senator apparently does not subscribe to the theory which has been advanced by some, that partisan political control ought to be completely divorced from government. [Laughter.]

Mr. LONG. Oh, I have tried to do that in my State. [Laughter.]

Mr. ROBINSON. I must say that I think the Senator has had admirable success, if I understand what he means by divorcing partisan political control from government authority.

Mr. LONG. I have always advocated, and my record will bear me out, the removal of men who were identified with politics and spent their time in politics.

Mr. ROBINSON. And the removal of everyone who is not identified with HUEY P. LONG? [Laughter.]

Mr. LONG. Well, not exactly that; but I have recommended the highest efficiency for the State, and that means Long men. [Laughter.]

Mr. ROBINSON. Certainly.

Mr. LONG. A man holding the responsibility to give efficient service must certainly be honest with himself and give the most efficient service, and I would not be keeping

that rule if I let anybody but mostly Long men hold the jobs. There are some exceptions, some few; and we hope to get rid of them before too long. [Laughter.]

Mr. McKELLAR. Mr. President, will the Senator yield to permit me to put into the RECORD at this place a portion of his resolution, and also the rule under which it properly should go to the Committee on Post Offices and Post Roads?

Mr. LONG. I yield.

Mr. McKELLAR. The resolution provides:

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of three members of the United States Senate, not more than two of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony, and compel the production of books, records, accounts, statistics, employ experts, and do any and all such other things as may be necessary to carry out the purpose of said investigation.

That, of course, means the expenditure of money, and I read from rule XXV, found on page 30 of the Manual of the United States Senate, as follows:

Committee to Audit and Control the Contingent Expenses of the Senate—

Of course, this resolution involves expenditures from the contingent fund of the Senate:

Committee to Audit and Control the Contingent Expenses of the Senate, to consist of five Senators, to which shall be referred all resolutions directing the payment of money out of the contingent fund of the Senate or creating a charge upon the same: *Provided*, That any such resolution relating to substantive matter within the jurisdiction of any other standing committee of the Senate shall be first referred to such committee.

Under the rules of the Senate, of course, it is not only proper to refer the resolution to the Committee on Post Offices and Post Roads, but it is absolutely obligatory; it must be referred to that committee before the charges can be investigated.

Mr. LONG. I know that before a dime could be spent, we would have to go to some committee. But this resolution refers to "James A. Farley, acting as Postmaster General and in various other capacities for the United States Government." The Post Office is only one of the little incidentals. As a matter of fact, if this resolution is to go to any committee, it should go to the Committee on the Judiciary. That would be the committee, if it were to go to any, and at the proper time, when the expenditures are to be made, that will be a matter to be considered. Whenever the time comes that question may be taken into consideration.

Mr. President, I have not yet gotten from the Senator from Tennessee what he is going to do when he gets this resolution, how he is going to handle it. But just let that pass for the present.

Here is something else. I know these newspaper columnists are not usually regarded very highly, but here is a quotation appearing in a paper, just to give the Chair an example. Here is a copy of a letter which I see in the papers, in which Mr. Farley's lieutenant—with Mr. Farley's name on the letterhead—is circularizing Government employees for money for the Democratic Party. They went into my State and indicted a little fellow down there on the Republican side who they claimed allowed one of his men to give him a contribution to send to the Republican campaign committee. That was a little fellow by the name of Merrigan. They said that they would not let the indictment go because there was politics in it.

Mr. President, there is a Federal statute which prohibits anybody soliciting campaign money from a Federal employee. Yet, they do not pay any attention to that. They appoint the district attorneys, and they appoint everybody else connected with the administration of justice. They remove them when Farley wants them removed, and appoint them when he wants them appointed. They say what they want said, and do what they want done, and they write this letter:

As you will see from the attached appeal, we are making an effort to assist the National Democratic Committee in paying off its deficit. If you can help, won't you please let me hear from you as soon as convenient?

That is on a letterhead which they publish here—"Democratic Finance Committee", with Mr. James A. Farley's name as chairman, and the name of Walter J. Cummings as treasurer on top of it.

They sent out this open letter. We all know it is a violation of the law. We all know that they went down in Louisiana and indicted the little man Merrigan. We all know they still have that indictment pending down there, and say they will not nolle prosequi it, or will not try it.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. FRAZIER. I want to say to the Senator from Louisiana that a few months ago the Governor of North Dakota was investigated. The charge was that he had collected money from Federal employees for political purposes, and the investigation was made by the Democratic United States attorney.

Mr. LONG. Was he a Republican?

Mr. FRAZIER. The Governor was a Republican; yes.

Mr. LONG. That is different. Go ahead. [Laughter.]

Mr. FRAZIER. He came to trial and he was convicted and removed from office by a ruling of the supreme court of the State. The amount subscribed was $170.50, and all the Governor collected, or all his men collected, was half of that, but the Governor was convicted and removed from office as Governor of the State.

Mr. LONG. One hundred and seventy dollars and fifty cents. They enforced the law, and here is Jim Farley's name on a letter mailed to thousands of employees, I take it, of the Federal Government, soliciting campaign funds, whereas a district attorney appointed by Farley, or at least approved by him—he had to be to get the position, and I happen to know the man he appointed and knew him when I campaigned in North Dakota for Roosevelt. I was in good standing in those days, spending my money and everybody else's money for Mr. Roosevelt, and I was in good standing and I went up there and met the young man, and he is a nice fellow. He was called on to prosecute a man for $170.50—he did not get but half of it—for politics, and they removed the Governor from his office—Governor, oh, Governor—what is his name? I will ask the Senator from North Dakota?

Mr. FRAZIER. Governor Langer.

Mr. LONG. Governor Langer, from North Carolina. [Laughter.] I beg the Senator's pardon; Governor Langer, from North Dakota. I got my mind confused thinking about the other State. Governor Langer, from North Dakota, collected $170.50 from Federal employees for politics. The United States attorney and grand jury indicted him, they tried him, and convicted him, although he did not get but one-half of the $170, and they removed him from the office of Governor, and he is on his way to the penitentiary.

Ah, ha! But this law business means who you are, and where you are, and how you are. I believe there is a song like that, I Wonder Where You Are—If You Are—And How You Are. Well, this poor devil is all alone. Here we got Mr. James A. Farley and Mr. Walter J. Cummings on the top of the letterhead, and Joseph J. Cotter and Walter C. Usrey on it with him.

They are writing them out a letter to get money for Mr. James Farley's committee and for my committee. I am on that committee. I am particeps criminis if I were not to renounce that. They are liable to indict me for that thing. Of course they will not indict Farley, but they are liable to indict me, just like they did the Governor of North Dakota. But Farley is Postmaster General. Farley is generalissimo. Poor old Langer, poor old Langer. The obstreperous Governor of North Dakota. He asked for $170 and did not get but $80, and he is on his way to the United States penitentiary today. He is kicked out of his office, and here right under the canopy of heaven, right under the dome of the Capitol itself, we have the letter with Jim Farley's signature,

the headline of one of his lieutenants, with his name on the masthead, asking them to——

Mr. BAILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I yield just for a question.

Mr. BAILEY. Does it occur to the Senator that he could bring about the same conviction and the same fate for Mr. Farley, if he has the facts, that were brought about in the case of Mr. Langer, and without indulgence in insinuations on the floor of the Senate?

Mr. LONG. Yes.

Mr. BAILEY. The courts are open.

Mr. LONG. Yes.

Mr. BAILEY. Why not proceed?

Mr. LONG. Why, yes; I can go to a district attorney that Farley appointed and ask him to indict Farley! Would not that be fine now? Now, is that not a grand remedy you have left me? I can go down here to a district attorney whom Farley appointed last week and whom he can remove tonight, and say to him, "Here, Farley is violating the law." He would very properly indict me for trespassing on Government property. That is about how I would come out. Oh, no; you do not have to eat a whole beef to tell it is tainted. Why, Mr. President, I want to say that if there is an honest man in the United States Senate—and I think there are 96 very honest men in it; I know there are—we will every one petition the President of the United States to pardon Langer. Now, that may offend my friend from North Dakota, because I understand he is on unfriendly terms with the Governor over there, but I want to say right now that, sitting in the United States Senate, seeing this thing go on here in Washington, that I would consider that I was a party to almost a monstrous outrage if I were asked to sign a petition for a pardon for Governor Langer, of North Dakota, and did not sign it. Here is a man with 83 little old dollars, who probably did not know what the law was—I do not suppose he even knew there was a law like that—I did not. It happened to be called to my attention soon after I got here. Fortunately I am immune to any of that kind of trouble, because there is not any man holding a public office who is allowed to be seen on the streets with me, so there is no trouble about anything like that. If anyone holding a public office here were to be seen on the streets with me, he would lose his job. He would not have it this morning. As a matter of fact, I cannot get one of the United States Senators to walk with me when one of these bureaucrats is around. Why, I will be walking down the street with some of my friends in the United States Senate or in Congress, and we will be talking in the friendliest possible way; but when one of these bureaucrats pokes his head around the bullrushes, off will go the one who was walking with me, and I never get to see sight of him again. [Laughter.]

I understand what it is all about. It is the only thing he can do. So therefore I am immune to the law. That law is not going to worry me. It is not worrying me. But you have got poor little old man Langer on his way to the penitentiary, and you have taken him out of his office as Governor of North Dakota, and you took him out of there—I say you did it, because we all confirmed it—and I cannot sleep at night if I feel that I am one of the parties standing silent and consenting to this inequality of the enforcement of the law—and you have got this man on the way to the pen, and you took his office away from him because he collected 83 little old dollars, and then you are in Washington, D. C., in the United States Senate, and Farley's name is there, with the letters addressed and sent through the United States mail, a double violation of the law, asking them all to kick in and pay up the deficit of the Democratic party. That is it. That is it. And I know that Farley knows the law, because he asked me if I could not raise Louisiana's part of the deficit, and I told him that I could, and he said, "You know you cannot get it from Federal employees"; and I said, "No, I won't have to do it. I won't get it from Federal employees, but there will be plenty of State employees who will help out." I know he knows that to be the law. I was going to take up the collection, but I waited a while, and I did not take up any collection. After things took the turn they did, I saved my money for another day. I know that he knows the law. I know these men know the law. And the only reason why they will come here now and put out a letter to a thousand men and women that they can fire tomorrow morning is because they do not figure that anybody can do anything about it, and you cannot do anything about it.

You cannot do anything about it.

Where is the Senate of the United States? Where is the Senate? There is a law—the Constitution—that requires men to be confirmed by this body; that a United States attorney cannot serve unless he is confirmed by the Senate, except during an interim. That a collector of internal revenue cannot serve unless he is confirmed by the Senate. What does Farley say? He said:

> We are not going to send in any names to the United States Senate affecting Louisiana. We are going to wait until the Senate adjourns and have them serve under ad interim appointments.

If Harry Daugherty had said that, I would have expected my party to have had him up for impeachment the next day. But, oh, no; Mr. Farley says:

> The Constitution of the United States to the contrary notwithstanding, we are not going to send these horse thieves' and these bridge thieves' names back to the United States Senate like we did the last time. They won't be approved. We are not going to have the Senate pass on them. I am going to hold them with the hookum and the crook and the slipshod practice until the Senate is out of existence.

Senate! Senate! Where is the Senate? Where is the Senate? And the Senate sits here and is being emasculated. You sit here with this political tyrant and generalissimo, dyed with the stains of corruption 40 times deeper than the poor man you have removed from office and sent to the penitentiary—you sit here and let this character pull off from us everything that means that we are a United States Senate.

I do not mind being made ignominious, but I hate to be made ignominious by a man of that type. I am like the man that they found bleeding by the side of the fence. His friend picked him up and asked him what the trouble was. He told him that a goat had gored him. The doctor came along and said, "You are going to die." The man began to cry, and his wife leaned over him and said, "You are not afraid to die, are you, John?" "No," the man replied, "I am not afraid to die, but I sure hate to be killed by a goat."

I hate to see the United States Senate, with all its traditions and powers and prerogatives, stripped of its functions and emasculated by a man who makes no bones about parading the fact that he is a criminal tarred with everything for which others are being sent to the penitentiary. And I hate to see the leader of my party stand up and undertake to bring to naught any kind of a process that will investigate him. Let the band strike up, play the march, "Governor Langer sent down to the penitentiary by Farley's appointed district attorney because he solicited $83; but Farley soliciting $530,000 from the same type of men shall be crowned with whatever may be necessary to give him power and exoneration."

Oh, no; you will not need any money. I do not have to investigate Farley. If you will put up, Mr. President, this proposition to investigate Mr. Farley, and you appoint this committee, and you leave me off that, I am going to change what I said. I would be the man ordinarily allowed to be chairman of this committee. Now, I am going to change my mind on this thing. I will not complain if the Senator from Tennessee [Mr. McKELLAR] is to be chairman of that committee to investigate Mr. Jim Farley. Do it now, and I will recommend from this floor that I not be given the ordinarily accredited standing as the introducer of the resolution and that we give it to the Senator from Tennessee. Give me two more men whom the Chair thinks right, and let us go to work on this matter. We will not have Farley to contend with. You could not keep him there. Of course, the President will find out some things pretty quickly that he did not know before. We all do that; we learn as we go along. We

have to keep these things more or less in the family, but when the facts begin to be told, the President will find that, after all, he will not have to find out, for Farley will get out; he is not going to stand this; he cannot defend it; there is no way by which he can. That is why I am asking the Senate now not to place a wet blanket on this proposed investigation.

I send a newspaper article to the desk and ask that the portion with a circle in purple ink around it may be incorporated in the RECORD as a part of my speech.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Louisiana to incorporate in his speech the portion of the article indicated by him?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the Washington Herald of Feb. 12, 1935]

THE DAILY WASHINGTON

Big Jim Farley is at it again.

The tens of thousands of Government employees residing in Washington are being vigorously solicited for contributions to pay off the half-million dollar deficit of the Democratic National Committee.

The campaign is being conducted most adroitly.

Nominally, Jim has nothing to do with it, the solicitations being made by the "National Democratic Council of the District of Columbia."

But prominently displayed in the upper right-hand corner of its very pointed letter is the following:

"National officers: James A. Farley, chairman; Walter J. Cummings, treasurer."

And in the left-hand corner is still more significant information:

"Democratic Finance Committee of the District of Columbia (authorized by the Democratic National Committee): Joseph J. Cotter, chairman; Warren C. Usrey, secretary."

The letter itself reads as follows:

"As you will see from the attached appeal, we are making an effort to assist the National Democratic Committee in paying off its deficit. If you can help, won't you please let me hear from you as soon as convenient?

"JOS. J. COTTER, *Chairman.*"

The attached appeal consists of a blank pledge. It is headed "To friends of the new deal." In italics at the bottom is this heart-warming announcement:

"Note: With a view of broadening the base of participation in party affairs the national committee has decided to limit contributions to a maximum of $1,000."

Mr. LONG. So, Mr. President, we will have no denial, though perhaps my friend from North Carolina [Mr. BAILEY] may think that I ought to testify that I know this letter which is in the newspaper to be true. I do not know it to be true. I have no way of knowing that.

Mr. BAILEY. Mr. President, may I interrupt the Senator?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. LONG. I yield.

Mr. BAILEY. The Senator makes an honest confession, and he should make another. When he says that he knows Mr. Farley will not answer the charges he is not saying what he knows. He does not know it. He will agree to that, will he not?

Mr. LONG. No; I will not agree to that. I think I know Mr. Roosevelt is a pretty good politician—and I mean that as a compliment, for a man who is a good politician will, just because he is a politician, learn that it is good to be honest in politics if he means to stay there very long. I think Mr. Roosevelt is pretty good in other lines, too; but the Bible says: "Abstain from all appearance of evil", and when the committee is called on to investigate Farley it is going to be "Katy, bar the door"; he is a "gone goslin"; he is going to quit; he will "fly the coop"; there will be no more to it; that will be already finished when Mr. Farley is ordered to be investigated by the Senate. Why, then, postpone it? Why not have it understood that we are going to investigate him now and have no more trouble about it? That is all.

May I inquire from the Senator from Tennessee how much time he will want within which to report this resolution?

Mr. McKELLAR. I cannot tell.

Mr. LONG. I was wondering if there was any pressing business before the Post Office Committee?

Mr. McKELLAR. I do not know of any, but some of us at this time are very actively engaged in hearings before the Appropriations Committee, of which I happen to be a member. However, this matter will be looked after promptly, as we try to transact all the business of the committee in that way.

Mr. LONG. Mr. President, if I may be assured by the Senator from Tennessee of a speedy consideration of this matter—I say speedy; this is Tuesday—if I might feel reasonably assured that within, say, 4 or 5 or 5 or 6 days' time, or 6 or 7 days' time, the committee will pass on this matter.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. Yes; I yield.

Mr. McKELLAR. I am not going to make any statement about it other than that the resolution will have the active and prompt attention of the committee, just as all other business that comes before the committee has.

Mr. LONG. Just like all the other business that comes before the committee. I was afraid the Senator was going to say that.

Mr. McKELLAR. That is exactly what I am saying, because I am not promising the Senator anything. The resolution which the Senator has submitted not only should go to the committee but it is obliged to go to the committee before anything can be done under it; under the rules that must be done, and the only way the Senator can keep it from going to that committee is by a two-thirds vote of the Senate. Under those circumstances, the Senator cannot put me on the stand, and make me agree to anything except what is absolutely fair and just. I am going to treat the resolution just as I would any other resolution that might come before the committee.

Mr. LONG. Ah, but, Mr. President, there are reasons why it does not have to go to the Senator's committee. In the first place, it does not have to go to the Committee on Post Offices and Post Roads. The fact is, it should not go there; that is the last committee to which it should go. In the second place, it does not have to go to any committee until we want to get some money. That is the only reason why the resolution would have to go to a committee. What ought to be done is that the resolution ought to be adopted; and if we start on the investigation and then find that it is going to take any money, we would have to go to the committee to get the money. That would be all we would have to do. If we were going to send the resolution to any committee, the last one to which we ought to send it is the one that passes on the patronage for the Postmaster General. I submit that is the last committee to which it should be sent. It should not be sent to a committee that passes on the jobs that the Postmaster General passes out. I do not think that is the committee which should deal with it at all. I do not think it ought to be sent to any committee, according to my way of looking at it; but, Mr. President, the Senator from Tennessee could just as well convoke a committee meeting and report this resolution in a few days as at any other time; and if he will assure me that we will get a report back even from the Post Office Committee within a week, I should say, all right.

Now, I want to show that I am fair about this matter.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. I yield to the Senator from Idaho.

Mr. BORAH. If the resolution goes to the committee, and is unnecessarily delayed, the Senator may take action to get it away from the committee.

Mr. LONG. I can move to discharge the committee.

Mr. BORAH. The resolution may be taken away from the committee.

Mr. McKELLAR. It may be taken away at any time when it is proper to take it away. The Senator has his right in the matter.

Mr. BORAH. The committee must either report the resolution within a reasonable time, or it will be proper in ac-

cordance with parliamentary procedure to move to take it away from the committee.

Mr. LONG. Mr. President, I am glad to have the Senator's statement. I knew that, but I had failed particularly to call it to mind. I want to say though in advance of the resolution being sent to the committee, inasmuch as the Senator from Tennessee has explained that the committee now has very little business, in the first days of the Congress, there is no reason why the resolution ought not to have a very early report, particularly in view of the things I have set out here today. I am not going to object, with the announcement being made to the Senate that I expect this resolution to come back at an early date. I am going to take the leaders at their own word. I prefer to take their own word and their own obligation in this matter. I believe my friend from Tennessee is not going to try to shield anybody. I believe my friend from Tennessee—and I will have to be shown an awful lot before I will ever let anybody even whisper to me, even slightly, that I am wrong about this—will come right back here with a report on this resolution providing for this investigation, and that he will not hesitate to do so. With the $4,800,000,000 appropriation that is being considered by this body, if the money is to be expended, necessarily it must be expended through hands that have received appointment from Farley. I believe that the resolution ought to come back to the Senate soon. We do not want to start spending all this money and have it all, or a large part of it, spent through hands we do not believe are right. So I am not going to protest further; I am going to consent; I am going to agree that the resolution may go to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas [Mr. ROBINSON] that Senate Resolution 74 be referred to the Committee on Post Offices and Post Roads.

The motion was agreed to.

Mr. O'MAHONEY. Mr. President, I feel that I cannot allow this occasion to pass without saying at least a word by way of personal testimony, which I am able to give from personal knowledge, to the character and the actions of the Hon. James A. Farley.

I first became acquainted with him early in the year 1932. I went to New York City as a member of the Democratic National Committee to work with him in the conduct of the campaign that year. Later in the summer I became one of his assistants, and I want to say that if ever a campaign was conducted honestly and efficiently that campaign was so conducted by Mr. Farley.

After the election was won, and Franklin D. Roosevelt was inaugurated President of the United States, he did me the honor of appointing me First Assistant Postmaster General under Mr. Farley. I served there for 9 months. I observed the manner in which the Postmaster General acted; I observed the manner in which he conducted the affairs of the Post Office Department as well as affairs having to do with the distribution of patronage. I give my personal testimony that every activity of the Postmaster General was above reproach. I think no Senator may rise upon this floor or upon any other floor and challenge the statement that in no previous administration charged with the conduct of the affairs of our Government have so many members of the opposition party been placed upon the rolls of the Government after an election was won.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. O'MAHONEY. I yield.

Mr. LONG. The Senator challenges us to show these things. Would he favor the investigation?

Mr. O'MAHONEY. What I am now saying has nothing to do with the investigation about which the Senator has been speaking.

Mr. LONG. I understood the Senator to challenge us to show these things, and we should be glad to have an investigation to show them.

Mr. O'MAHONEY. The Senator has not yet raised that question.

Mr. President, I rose merely, as I said, to give expression here upon the floor of the Senate to my confidence in the Postmaster General and to give my testimony from personal observation to the high standard by which he has conducted himself and administered the affairs of the Government which have been entrusted to his care. It is my judgment that there is not now and never has been in the history of the Government a man of greater natural ability and conscientious devotion to duty than the Honorable James A. Farley, Postmaster General.

THE CALENDAR

Mr. ROBINSON. I move that the Senate proceed to the consideration of unobjected bills on the calendar.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the first order of business on the calendar.

INVESTIGATION OF AMERICAN TELEPHONE & TELEGRAPH CO. ET AL.

The Senate proceeded to consider the joint resolution (S. J. Res. 46) authorizing and directing the Federal Communications Commission to investigate and report on the American Telephone & Telegraph Co. and on all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all companies related to any of these companies through a holding-company structure, or otherwise, which had been reported from the Committee on Interstate Commerce without amendment, and which was read, as follows:

Resolved, etc., That it is necessary, in aid of legislation by the Congress and for the use of governmental agencies, including State regulatory commissions, for the information of the general public, as an aid in providing more effective rate regulation, and for other purposes in the public interest, that accurate and comprehensive information be procured and compiled regarding the American Telephone & Telegraph Co. and other telephone companies.

SEC. 2. The Federal Communications Commission is hereby authorized and directed to investigate and report to the Congress on the following matters with respect to the American Telephone & Telegraph Co. and all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all of their subsidiary, affiliated, associated, and holding companies, and any other companies in which any of them have any direct or indirect financial interest, or which have any such interest in them, or in which any of their officers or directors hold any office or exert any control, or whose officers or directors hold any office or exert any control in them—

(a) The corporate and financial history, and the capital structure and the relationship of such company and of its subsidiary, affiliated, associated, and holding companies, including the determination of whether or not such structure may enable them to evade State or Federal regulation or taxation, or to conceal, pyramid, or absorb profits, or to do any other act contrary to the public interest.

(b) The extent and character of intercompany service contracts and all transactions between the telephone companies and their subsidiaries, affiliated, associated, or holding companies, and particularly between the American Telephone & Telegraph Co. and the Western Electric Co. and other manufacturers of electrical communication equipment; the methods of publishing telephone directories and placing and charging for advertising therein; the cost of and sale prices of telephone equipment, material, or devices to telephone operating companies or users; the profits upon such sales and the effect of such sales upon the rates or upon the rate base of operating companies when used as a basis for telephone charges in the various States or in interstate commerce; and the probable savings to telephone operating companies and the public by purchasing equipment under a system of competitive bidding.

(c) The reasons for the failure generally to reduce telephone rates and charges during the years of declining prices; and the extent, if any, to which local subscribers or the users of toll service have borne the cost of the research developments for telephone equipment and appliances, radio, motion picture, and other inventions, including the maintenance and support of Bell Telephone Laboratories, Inc.

(d) The effect of monopolistic control upon the reasonableness of telephone rates and charges, upon the methods of competition with independent telephone companies, and upon the character of services rendered, and the alleged unfair or discriminatory practices with respect to such companies, and with respect to radio broadcasting or public speaker hook-ups.

(e) The effect of mergers, consolidations, and acquisitions of control by telephone companies, including the determination of whether there has been any write-up in the purchase price of property, equipment, or intangibles, the fairness of the terms and conditions of any merger, consolidation, or acquisition, and the public interest therein, and the effect thereof upon rates or service.

(f) The accounting methods of the companies, particularly with reference to depreciation accounting, apportionment of investment, revenues, and expenses between State and interstate operations, employee-pension funds, and valuation of properties for both rate and tax purposes.

(g) The methods of competition with other companies or industries, including the determination of whether or not there has been any sale or refusal to buy from or sell to competing companies, or suppression of patents, and the expansion of the companies into fields other than telephone communication, including teletype service, telephoto service, telegraph service, broadcasting, motion- and sound-picture production and distribution, and the manufacture of electrical equipment, so far as such expansion may relate to or affect communications.

(h) Whether or not the companies have sought through propaganda or the expenditure of money or the control of channels of publicity to influence or control public opinion, legislative or administrative action or elections.

SEC. 3. As used in the resolution the term "company" shall include all subsidiary, affiliated, associated, and holding companies or corporations and all companies directly or indirectly associated or connected with telephone companies, either by direct or indirect stock ownership, interlocking directorates, voting trusts, holding or investment companies, or any other direct or indirect means.

SEC. 4. The inquiry into certain practices of telephone carriers subject to the Communications Act of 1934, recently instituted by the Federal Communications Commission pursuant to its Telephone Division order no. 11 and statement of November 14, 1934, may be consolidated with the investigation required by this joint resolution in the manner and to the extent deemed desirable by the Commission.

SEC. 5. For the purposes of this resolution the Federal Communications Commission is hereby authorized to hold hearings; to contract for stenographic reporting service; to utilize its regular personnel, facilities, jurisdiction, and powers insofar as practicable, and to employ for the purposes of this investigation such additional experts, including engineering, accounting, legal, and other assistants as may be found necessary, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and to make such other expenditures, including necessary travel expenses, and expenditures for printing and binding, as it deems necessary. The Commission is also hereby authorized to have access to, upon demand, for the purposes of examination, and the right to copy, any books, papers, correspondence, memoranda, and other records of any person, partnership, company, or other organization being investigated, whether such books, papers, correspondence, memoranda, or records are in the possession of the company under investigation or are in the possession of other persons, firms, or corporations; to require by subpena the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records which the Commission deems relevant or material to the inquiry, at any designated place of hearing within the United States; to administer oaths and affirmations, to require persons, partnerships, companies, or other organizations to submit to the Commission in writing reports and answers to specific questions, furnishing such information as the Commission may require relative to the inquiry. Such reports and answers shall be made under oath or otherwise as the Commission may prescribe and shall be filed with the Commission within such reasonable period as the Commission may prescribe, unless additional time be granted in any case by the Commission. In case of contumacy or the refusal to obey any subpena or other order issued hereunder, the Commission may invoke the aid of any court of the United States, within the jurisdiction of which such inquiry is carried on, or where such party guilty of contumacy or refusal to obey resides or has his place of business, in requiring obedience to such subpena or other order and any such court of the United States shall have jurisdiction to issue its order enforcing such subpena or other order of the Commission in whole or in part; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in such cases may be served wherever the defendant may be found.

SEC. 6. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $750,000, to be made immediately available to the Federal Communications Commission for the purposes of the investigation and report herein authorized and directed, and the Commission shall make special reports to Congress on its progress and its findings in this investigation.

Mr. KING. Mr. President, I do not object to the consideration of the measure, although I doubt the necessity of making the investigation. I rose primarily for the purpose of challenging attention to the provision in section 6 which carries an appropriation of $750,000 to aid in conducting the investigation. Heretofore, a large appropriation was made to the Federal Communications Commission. I do not recall for the moment the aggregate sum appropriated to aid in carrying out the purposes for which it was created. It has become a common practice for commissions and organizations of the Government to ask for additional appropriations even though generous grants of money have been made, and it has constituted no little part of the work of Congress to pass measures calling for investigations, some of which were warranted but some of which, in my opinion, were unnecessary and not warranted. As investigations have increased, the demand for larger sums for such purposes has increased. In my opinion the costs of many investigations have been too great; the fees paid to lawyers and experts and accountants have been excessive. Whenever we undertake an investigation that ought to be conducted for a limited amount, additional sums are asked for before the work has been completed.

Mr. President, I believe we are creating entirely too many commissions. I expect to present to the Senate in a short time a statement showing the number of Federal bureaus, agencies, commissions, and other organizations. The total will run into hundreds, and yet we are multiplying such agencies and organizations and, of course, increasing the burden of taxes upon the people of the United States.

I protest against the enormous appropriations which we are making for bureaucratic organizations and against the unnecessary number of commissions which are being created. I shall show within a few days that in some of these organizations, such as the N. R. A. and others, the salaries and expenses of operation have greatly exceeded what it was understood would be the amounts required in the execution of the tasks set before them.

It seems to me that $500,000 would be ample to conduct the investigation proposed. May I say, without any criticism whatever, that a visit was paid me by representatives of the Commission, who stated that the amount carried in the bill was needed. I was not convinced, notwithstanding they were perfectly sincere and able men, that the amount which is called for in the resolution is required.

I wish the Senator from Montana [Mr. WHEELER] who submitted the resolution would accept an amendment restricting the amount to $500,000. If this were a new commission, without any machinery, it would be different; but it is not a new commission. It already exists. It already has a large staff and all the machinery possessed by the commissions which we create. All that is required is to permit some little expansion, perhaps employ a number of additional experts. Then, with the appropriations which have already been made and with $500,000 additional, it seems to me the work of the Commission could be carried on under the terms of the joint resolution.

Mr. WHEELER. Mr. President, I cannot accept the suggestion of the Senator from Utah for the reason that all the estimates which have been furnished us were to the effect that it would cost more than $750,000 to complete the investigation. As a matter of fact when $750,000 was suggested to me as the necessary amount, I was somewhat shocked; but I inquired of other Members of the Senate who have served on public-service commissions and I was told that it has cost some of the States over a million dollars for an investigation merely with reference to the telephone situation in a particular State. Consequently this sum is looked upon by members of the committee, who have gone into the matter and are familiar with it, as being rather a small and inadequate amount.

With reference to the Commission's being an old organization, let me say this is a new Commission. The telephone division has just been created. It is absolutely necessary, if they are going to do the job which the Congress of the United States has directed them to do when we enacted the law, that the joint resolution should pass.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL TRADE COMMISSION ACT

The Senate proceeded to consider the bill (S. 944) to amend section 5 of the Federal Trade Commission Act, which had been reported from the Committee on Interstate Commerce without amendment, and which was read, as follows:

Be it enacted, etc., That the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914, is amended by substituting for the first two paragraphs of section 5 the following:

"Unfair methods of competition in or affecting commerce and unfair or deceptive acts and practices in or affecting commerce are declared unlawful.

"The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in or affecting commerce and unfair or deceptive acts and practices in or affecting commerce."

Mr. BORAH. Mr. President, may I ask the Senator from Montana [Mr. WHEELER] to explain what the amendment to section 5 is and what it would accomplish?

Mr. WHEELER. Mr. President, as to the effect of the amendment, I will say that the Federal Trade Commission informed the committee that at the present time a person must show that he is financially interested in the investigation which he starts. For instance, our attention was invited to the fact that a man might complain that a certain organization was engaged in unfair practices or misrepresenting the kind of products it put out. In order for the Commission to consider the complaint at all the complainant had to show that he was financially interested or was financially affected, no matter how unfair the practices were and how much they might affect the public. For instance, he might complain that a patent medicine being put out affected injuriously the public in some way, but he would have to show that he was financially injured before the Commission could go ahead with their investigation. Sometimes they have gone into an investigation and found that it could not be carried further for the reason that it developed in the course of the investigation that the particular individual complaining was not financially interested.

Mr. BORAH. The effect of the amendment, then, would be to permit an investigation to go forward upon the complaint of the individual, regardless of whether or not he was financially interested?

Mr. WHEELER. That is correct.

Mr. KING. Mr. President, I invite the Senator's attention to the following provision on page 2 of the bill:

The Commission is empowered and directed to prevent persons, partnerships, or corporations * * * from using unfair methods of competition.

I inquire by what means this prevention may be consummated.

Mr. WHEELER. I will say to the Senator that that is the present law.

Mr. KING. I am just wondering what means could be used to enforce that provision. Certainly the Commission cannot indict the offending persons or corporations. My recollection is that under the law they may merely certify the matter to the Attorney General.

Mr. WHEELER. That is my recollection. I am not positive as to that; but that is the present law. The only way in which this particular paragraph is amended is by adding the words "or affecting." In other words, the law as it reads at the present time is:

The Commission is empowered and directed to prevent persons, partnerships, or corporations, except banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce—

And so forth. The amended paragraph reads:

or affecting commerce.

In other words, if the method of competition did not directly interfere with commerce, there was some question as a result of a decision of the Supreme Court as to whether or not the Commission could correct it if it affected interstate commerce without being directly in that commerce. This is simply a clarifying amendment.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. AUSTIN subsequently said: Mr. President, I ask unanimous consent to reconsider the votes whereby Senate bill 944, Order of Business 48, was ordered to be engrossed for a third reading, read the third time, and passed. I desire to ask the proponent of the bill a question.

The PRESIDING OFFICER. The Senator from Vermont asks unanimous consent to reconsider the votes whereby Senate bill 944 was ordered to be engrossed for a third reading, read the third time, and passed. Is there objection?

Mr. WHEELER. I do not mind answering the question, Mr. President. I should like to answer the question first, and then, if the Senator wishes to move to reconsider, I shall be glad to have him do so. I ask him to hold his motion in abeyance for the present, however.

Mr. AUSTIN. Mr. President, I am willing to adopt that procedure. Does the Senator from Montana construe Senate bill 944 to include unfair competition in production?

Mr. WHEELER. I did not catch the meaning of the Senator's question.

Mr. AUSTIN. This is the first time I have comprehended the full meaning or intention of the bill, and I ask unanimous consent that the action of the Senate in passing it be reconsidered.

Mr. WHEELER. Let me say to the Senator that the bill does not change the present law. The language found on page 1 of the bill is the present law, with the exception that under the present law the paragraph reads as follows:

Unfair methods of competition in commerce and unfair or deceptive acts and practices in commerce are declared unlawful.

That is the present law. The only modification of the paragraph to which the Senator calls attention is the insertion of the words "or affecting."

Mr. AUSTIN. Yes, Mr. President; but apparently that is what is the trouble with the bill. Congress had gone as far as it had any lawful right to go when it undertook to regulate commerce and to deal with unfair practices in commerce.

When this matter came up I did not understand that the bill went so far as to overreach commerce and attempt to gather within its scope production, a matter that is purely domestic and local. There is a clean-cut difference and distinction between regulating the transportation of goods in interstate and foreign commerce and an attempt by the United States Congress to get over State boundaries and undertake to regulate the production of articles that are intended to enter into interstate commerce. That is an age-old conflict, and it is a peculiarly interesting point affecting other legislation now pending and not yet before the Senate.

I, therefore, think that so important a change, a change that affects the right of the people of the several States to regulate their own domestic affairs, a bill that proposes to break down their liberties and their rights, should not be passed upon a mere calling of the calendar and the inattention of Senators like myself who did not comprehend the scope of the bill. No such far-reaching measure should ever pass the Senate in that manner. It ought to have full consideration. If it has sufficient merit, then let it be passed, provided it is within our power to pass it. I contest the ability of the Senate to pass such a bill.

I, therefore, ask unanimous consent for reconsideration of the vote by which this bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WHEELER. Let me answer the Senator. I think he is entirely mistaken in his interpretation of the measure, because at the present time the Federal Trade Commission has the right to go into a State and investigate production as long as that production is in commerce, whether it is interstate or foreign commerce. The Congress has the right to pass laws, for instance, with reference to monopolies, and this measure has reference to monopolies.

When the Commission are making an investigation of monopolies—and that is all this measure deals with—they sometimes find that those who are investigated go into the courts and say, "You cannot investigate this particular thing because it is not in commerce; it merely affects commerce." This amendment is made simply for the purpose of permitting the Federal Trade Commission to carry out an investigation which under the law they have been directed to make. It does not affect State rights at all in the sense that

the Senator apparently thinks it does. The bill has not anything to do with that matter.

Mr. AUSTIN. Mr. President, I have no doubt of the good faith of the Senator from Montana in his present interpretation of the bill; but anyone reading the bill carefully will see that it makes it possible for the Commission to go far beyond what the Senator now states is the purpose of the bill. We have to deal with these proposals with reference to what may be done under them, not some particular thing that is in the mind of any individual as a reservation or a limitation upon the use to be made of the measure. We have to consider the effect of the measure itself.

Obviously, this bill reaches beyond our limitations when it undertakes to empower a Federal authority to investigate and regulate unfair methods of competition in or affecting interstate commerce, and unfair or deceptive acts and practices in or affecting commerce, and declares them to be unlawful.

Mr. KING. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. KING. As I understood the Senator, in reading the first line of the section under consideration he used the words "interstate commerce"—"unfair methods of competition in or affecting interstate commerce." He did not mean that, did he?

Mr. AUSTIN. No, indeed. Did I say "interstate"?

Mr. KING. The Senator used the word "interstate."

Mr. AUSTIN. I unconsciously operated under a habit of regarding any act of the Federal Congress affecting commerce to be limited entirely to interstate or foreign commerce.

Mr. KING. Will the Senator yield further?

Mr. AUSTIN. Yes; I yield.

Mr. KING. As I understand, the Senator's position is that the language of this provision is too broad, in that it would give to the Commission the right to go into a State and investigate intrastate commerce exclusively where it clearly and obviously was intrastate instead of interstate commerce.

Mr. AUSTIN. I do take that position; and not only that, but I object to the provision on the ground that it permits the invasion of the States to inquire into production. Admittedly, the Senator from Montana [Mr. WHEELER], in reply to the first interrogatory, stated that that was the scope of the bill, that it permitted the investigation of production; and so——

The PRESIDING OFFICER. The time of the Senator from Vermont has expired. The Senator from Vermont asks unanimous consent to reconsider the votes by which the bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BORAH. Mr. President, are we proceeding under the 5-minute rule?

The PRESIDING OFFICER. The present occupant of the chair will say to the Senator from Idaho that he takes it for granted that under the rule no more time could be occupied on a request for unanimous consent to reconsider the votes by which a bill was passed than could be occupied during the consideration of the bill itself.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. I understood the motion of the Senator from Arkansas to be that the Senate proceed to consider measures on the calendar to which there was no objection.

The PRESIDING OFFICER. The motion of the Senator from Arkansas was that the Senate proceed to the consideration of unobjected bills on the calendar. Order of Business No. 48 was called, and, there being no objection, the bill was passed.

Mr. KING. The inquiry I am making is, Is there any limitation in the order which was entered pursuant to the motion of the Senator from Arkansas?

The PRESIDING OFFICER. The limitation on debate is inherent in the rules of the Senate itself, and applies to such motions as that made by the Senator from Arkansas and to the order entered by the Senate, as well as to ordinary bills on the calendar. The Chair is of opinion that on a request for unanimous consent to reconsider the vote by which the bill was passed, no more time should be occupied in debate than could be occupied under the Senate rules in the consideration of the measure.

Mr. BORAH. Mr. President, I desire to ask the Senator from Vermont a question in my time.

I understand the objection of the Senator from Vermont to be that under the language here used the Federal Trade Commission could investigate intrastate matters.

Mr. AUSTIN. Yes, Mr. President; I understand that to be so.

Mr. BORAH. Of course, if that is true, the language would be objectionable, from my viewpoint; but it says:

> Unfair methods of competition in or affecting commerce, and unfair or deceptive acts and practices in or affecting commerce are declared unlawful.

According to the language used in the general law creating the Federal Trade Commission, is not commerce defined as interstate commerce?

Mr. AUSTIN. Mr. President, I have not that law before me. I have always understood that law to be limited to transactions in interstate and foreign commerce, and that the Congress had not endeavored at any time to go within the State boundaries and undertake to regulate intrastate commerce.

Mr. BORAH. I do not think we can authorize the Trade Commission to deal with intrastate affairs. I think if we should undertake to do so, our action would be held invalid.

Mr. FLETCHER and Mr. WHEELER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Idaho yield; and if so, to whom?

Mr. BORAH. I yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, I take it that in the original act commerce was defined to be interstate and foreign commerce.

Mr. BORAH. I have that impression. I have not looked at the original act recently, but I have the impression that in the original act commerce was defined as interstate commerce. If it was not, then this measure ought to be amended.

Mr. WHEELER. Mr. President, so long as there seems to be some misunderstanding, I will allow the vote to be reconsidered, and then we will let the measure go over for the day.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont that the vote by which the bill was ordered to be engrossed for a third reading, read the third time, and passed be reconsidered? The Chair hears none, and it is so ordered.

The Senator from Montana now asks that the bill be passed over without prejudice. Is there objection? The Chair hears none, and the bill will be passed over without prejudice.

TERMS OF OFFICE OF INTERSTATE COMMERCE COMMISSIONERS

The bill (S. 945) to amend sections 11 and 24 of the Interstate Commerce Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That the Interstate Commerce Act, approved February 28, 1920, is amended by adding at the end of section 11 and immediately preceding the last sentence of section 24 the following: "Upon the expiration of their terms of office, Commissioners shall continue to serve until their successors are appointed and have qualified."

AMENDMENT OF COMMUNICATIONS ACT OF 1934

The Senate proceeded to consider the bill (S. 1336) to amend paragraph (f) of section 4 of the Communications Act of 1934, which was read, as follows:

> *Be it enacted, etc.*, That paragraph (f) of section 4 of the Communications Act, 1934, is hereby amended by adding after the words "a chief engineer and not more than three assistants", the words "a chief accountant and not more than three assistants", and by adding after the words "and the chief engineer", the words "and the chief accountant", and by adding after the word "engineers" the word "accountants"; so that paragraph (f) of section 4, as amended, will read as follows:
>
> "(f) Without regard to the civil-service laws or the Classification Act of 1923, as amended, (1) the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a director

for each division, a chief engineer and not more than 3 assistants, a chief accountant and not more than 3 assistants, a general counsel and not more than 3 assistants, and temporary counsel designated by the Commission for the performance of special services; and (2) each commissioner may appoint and prescribe the duties of a secretary at an annual salary not to exceed $4,000. The general counsel and the chief engineer and the chief accountant shall each receive an annual salary of not to exceed $9,000; the secretary shall receive an annual salary of not to exceed $7,500; the director of each division shall receive an annual salary of not to exceed $7,500; and no assistant shall receive an annual salary in excess of $7,500. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, to appoint such other officers, engineers, accountants, inspectors, attorneys, examiners, and other employees as are necessary in the execution of its functions."

Mr. KING. Mr. President, I should like to ask the Senator having the bill in charge what increases this bill makes in the salaries of employees?

I notice, for instance, that the general counsel is to have three assistants, and temporary counsel may be designated by the Commission. Each commissioner may appoint and prescribe the duties of a secretary at an annual salary not to exceed $4,000. Then the general counsel and the chief engineer and the chief accountant shall each receive a salary not exceeding $9,000. The secretary shall receive an annual salary of not to exceed $7,500. The director of each division shall receive an annual salary of not to exceed $7,500; and no assistant—and there may be a multitude of them—shall receive an annual salary in excess of $7,500.

Mr. WHEELER. That is the present law. The only thing this particular bill does is to authorize the appointment of a chief accountant and not more than three assistants.

Under the Radio Act of 1927, the matters of rate making or rate regulation were not involved. Hence the chief need was for legal and engineering departments. This bill does not change the present law. It simply adds a chief accountant and not more than three assistants to the present staff. It does not change the salaries or the set-up with reference to engineers or accountants, but merely amends the provision giving them legal and engineering staffs, and adds accountants, because it is necessary for them to have accountants with reference to their rate making under the law. The bill, as I say, does not change salaries, but these men will come under the regular provisions of law with reference to general accountants in the various departments of the United States Government.

Mr. KING. Mr. President, if this were a bill dealing with salaries and fixing salaries and nothing else, I should move to amend it in many particulars. I think we have gone perfectly crazy in our legislation dealing with salaries. Lawyers, engineers, and so-called "experts" are employed and paid much larger salaries than they could get in private life. I think these salaries are entirely too large; and, as stated, if this were the original bill fixing salaries, I should move to cut them down in a very material way.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REPORTS OF INTERSTATE COMMERCE COMMISSION

The bill (S. 943) to amend section 21 of the Interstate Commerce Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Interstate Commerce Act, approved February 28, 1920, is amended by substituting for the first sentence of section 21 the following: "That the Commission shall, on or before the 1st day of January in each year after 1935, make a report, which shall be transmitted to Congress and copies of which shall be distributed as are the other reports transmitted to Congress."

SARAH LLOYD

The bill (S. 567) for the relief of Sarah Lloyd was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon the widows, children, and dependent relatives of persons honorably discharged from the United States Army, William Lloyd, late of Company F, Ninth Regiment West Virginia Volunteer Infantry, shall be held and considered to have served without desertion and to have been honorably discharged from such service on May 28, 1863: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of this act prior to its passage.

CURTIS JETT

The bill (S. 243) for the relief of Curtis Jett was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

MAJ. E. P. DUVAL

The bill (S. 674) authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

ISAAC PIERCE

The bill (S. 633) for the relief of Isaac Pierce was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

JAMES J. JORDAN

The bill (S. 347) for the relief of James J. Jordan was announced as next in order.

Mr. KING. Let that go over.

Mr. BORAH rose.

Mr. KING. I withhold objection if the Senator from Idaho desires to speak on the bill.

Mr. BORAH. Mr. President, this bill is to correct the record of a soldier. It has been approved by the War Department. The offense for which the soldier was punished was that of imbibing too much liquor on a special occasion when he was in the Philippines. But he was an excellent soldier, highly commended. Like many a gallant soldier, he had this failing.

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 9, to strike out the words "*Provided*, That no pension shall accrue prior to the passage of this act", and to insert in lieu thereof the words "on February 19, 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, James J. Jordan shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of the Thirty-third Company United States Coast Artillery Corps on February 19, 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM BURKE

The bill (S. 733) for the relief of William Burke was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Burke, who was a member of Company C, Ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the sixth day of August 1901: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

FORT SMITH NATIONAL CEMETERY RESERVATION, ARK.

The bill (S. 634) to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized, under such terms and conditions as he deems advisable, to sell and convey by quitclaim deed to the Midland Valley Railroad Co., its successors and assigns, the right, title, and interest of the United States in and to a tract of land containing approximately one-tenth acre, outside of the wall enclosure of the Fort Smith National Cemetery Reservation, Ark.

SEC. 2. That the Secretary of War shall cause an appraisal to be made of the aforesaid land, the cost of such appraisal to be paid by the Midland Valley Railroad, and said land shall be sold at not less than the appraised value thereof, the proceeds from such sale to be deposited into the Treasury to the credit of the fund known as the "military post construction fund" as provided in section 4 of the act of March 12, 1926 (44 Stat. 203).

HARRY FLANERY

The bill (S. 651) for the relief of Harry Flanery was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harry Flanery, late of Troop C, Sixth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged July 3, 1903, from the military service of the United States: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

JAMES W. CARMICHAEL

The Senate proceeded to consider the bill (S. 653) for the relief of James W. Carmichael, which was read, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon the widows, children, and dependent relatives of persons honorably discharged from the United States Army, James W. Carmichael, deceased, shall be held and considered to have served without desertion and to have been honorably discharged on October 9, 1864, as a private, Company C, First Regiment Florida Volunteer Cavalry: *Provided*, That no pension, bounty, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage.

Mr. KING. Mr. President, I should like to have an explanation of this bill, in view of the report of the War Department.

Mr. FLETCHER. Mr. President, a bill similar to this was passed by the Senate on June 6, 1934, and the record shows that it was referred to the Committee on Military Affairs of the House. It has been twice passed by the Senate heretofore, and is unanimously reported by the Committee on Military Affairs now. I can go into the details about it if the Senator desires, but it has been thoroughly considered; and, as I have said, has passed the Senate twice heretofore.

Mr. KING. I have no objection to the consideration of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES C. FLOYD

The bill (S. 274) for the relief of Charles C. Floyd was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Charles C. Floyd, who was a member of Company A, Eighth Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 10th day of December 1930: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

ALVIN C. YORK

The bill (S. 871) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Sgt. Alvin C. York, late of Company G, Three Hundred and Twenty-eighth Infantry, United States Army, an officer with the rank of major in the United States Army and then to place him on the retired list in that grade.

THOMAS SALLENG

The bill (S. 244) for the relief of Thomas Salleng was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

JOSEPH M. THOMAS

The bill (S. 746) for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell, shall be held and considered to have been honorably discharged on September 26, 1904, as a private, Twenty-second Battery United States Field Artillery: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

MICHAEL J. MORAN

The Senate proceeded to consider the bill (S. 890) for the relief of Michael J. Moran, which was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Michael J. Moran, alias James Moran, who was a member of Troop F, Third Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 27th day of September 1876: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. KING. I should like to have an explanation of this bill.

Mr. WALSH. Mr. President, this bill is one of the very few bills reported favorably by the War Department.

Mr. KING. I notice in the report of Major General Bridges, The Adjutant General, this statement:

> As sentence to dishonorable discharge from the Army can be given only by a general court martial, it follows * * * that James Moran was not dishonorably discharged.

Mr. WALSH. Mr. President, this bill has passed the Senate on two occasions, and I call the attention of the Senator to the last paragraph of the report of the committee, as follows:

> In view of the youth of Moran at the time of his enlistment and the fact the War Department has failed to locate the record of a court martial, we recommend the passage of the bill.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HECTOR H. PERRY

The bill (S. 891) for the relief of Hector H. Perry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Hector H. Perry, who was a member of the Medical Detachment, Second Regiment United States Engineers, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 21st day of September 1928: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

JOSEPH GORMAN

The bill (S. 888) for the relief of Joseph Gorman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Joseph Gorman, who was a member of the One Hundred and Twentieth Company, United States Coast Artillery Corps, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a mem-

ber of that organization on the 18th day of October 1904: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

ALBERT A. MARQUARDT

The bill (S. 889) for the relief of Albert A. Marquardt was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Albert A. Marquardt, who was a member of Company F, Three Hundred and Tenth Regiment United States Infantry, Seventy-eighth Division, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of November 1918: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

DISTRICT COURT FOR THE WESTERN DISTRICT OF WISCONSIN

The bill (S. 1309) to amend section 114 of the Judicial Code to provide for terms of district court for the western district of Wisconsin to be held at Wausau, Wis., and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 114 of the Judicial Code (U. S. C., title 28, sec. 195) is hereby amended to read as follows:

"Sec. 114. The State of Wisconsin is divided into two districts, to be known as the eastern and western districts of Wisconsin. The eastern district shall include the territory embraced on the 1st day of July 1910 in the counties of Brown, Calumet, Dodge, Door, Florence, Fond du Lac, Forest, Green Lake, Kenosha, Kewaunee, Langlade, Manitowoc, Marinette, Marquette, Milwaukee, Oconto, Outagamie, Ozaukee, Racine, Shawano, Sheboygan, Walworth, Washington, Waukesha, Waupaca, Waushara, and Winnebago. Terms of the district court for said district shall be held in Milwaukee on the first Mondays in January and October, at Oshkosh on the second Tuesday in June, and at Green Bay on the first Tuesday in April. The western district shall include the territory embraced on the 1st day of July 1910 in the counties of Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Columbia, Crawford, Dane, Douglas, Dunn, Eau Claire, Grant, Green, Iowa, Iron, Jackson, Jefferson, Juneau, La Crosse, Lafayette, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Portage, Price, Richland, Rock, Rusk, St. Croix, Sauk, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, and Wood. Terms of the district court for said district shall be held at Madison on the first Tuesday in December, at Eau Claire on the first Tuesday in June, at La Crosse on the third Tuesday in September, at Wausau on the second Tuesday in April, and at Superior on the fourth Tuesday in January and the second Tuesday in July. The district court for each of said districts shall be open at all times for the purpose of hearing and deciding causes of admiralty and maritime jurisdiction so far as the same can be done without a jury. The clerk of the court for the western district shall maintain an office in charge of himself or a deputy at Madison, at La Crosse, at Wausau, and at Superior, which shall be kept open at all times for the transactions of the business of the court. The marshal for the western district shall appoint a deputy marshal who shall reside and keep his office at Superior. All writs and other process, except criminal warrants, issued at Superior, may be made returnable at Superior; and the clerk at that place shall keep in his office the original records of all actions, prosecutions, and special proceedings so commenced and pending therein. Criminal warrants may be returned at any place within the district where court is held. Whenever warrants issued at Superior shall be returned at any other place the clerk of the court wherein the warrant is returned shall certify the same under the seal of the court, together with the plea and other proceedings had thereon and the determination of the court upon such plea or proceedings, with all papers and orders filed in reference thereto, to the clerk of the court at Superior; and the clerk at Superior shall enter upon his records a minute of the proceedings had upon the return of said warrant, certified as aforesaid. All causes and proceedings instituted in the court at Superior shall be tried therein, unless by consent of the parties, or upon the order of the court, they are transferred to another place for trial."

EDWARD T. COSTELLO

The bill (S. 887) for the relief of Edward T. Costello was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Edward T. Costello, who was a member of Company M, Twenty-ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 3d day of August 1914: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

MARINO AMBROGI

The Senate proceeded to consider the bill (S. 886) for the relief of Marino Ambrogi, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 6, to strike out the words "Regiment Volunteer", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Marino Ambrogi, who was a member of Company B, One Hundred and Fourth Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 20th day of December 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INVESTIGATION AND ERADICATION OF MARINE ORGANISMS

The Senate proceeded to consider the bill (H. R. 4018) to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $500,000, or so much thereof as may be necessary, to enable the Secretary of Commerce to meet the emergency caused by the rapid increase and continuous spread of the leech, starfish, borer, and other pests injurious to oysters, clams, and scallops in the waters of the Atlantic and Gulf States, by conducting such investigations and experiments as may be necessary to determine the best methods of controlling these pests; by the immediate application of such measures of control as in his judgment may be effective, including payments for the removal of various pests of oysters, clams, and scallops in such amounts and under such regulations as he may prescribe.

Mr. ROBINSON. Mr. President, I think this bill is sufficiently important to require an explanation.

Mr. FLETCHER. Mr. President, it is very easily explained. The condition in the shellfish industry—the production of oysters, clams, and the like—is getting to be very serious by reason of the presence of a pest, what is called a leech, which attaches itself on the outside of the oyster shell, and very soon afterward there is an infection inside and the oyster is gradually eaten up and finally totally destroyed.

In one section in Florida, for instance, near Appalachicola, an oyster bed of 100 acres has been totally destroyed by this leech, and the pest is being spread all along the Gulf coast.

The raising of shellfish is a very important industry. The Department is in favor of this bill, the Bureau of Fisheries urges it, and the measure merely authorizes an investigation and study so as to ascertain whether there is not some remedy by which to get rid of the pest.

Mr. ROBINSON. I do not object.

Mr. MOORE. Mr. President, I sincerely urge the passage of this bill. New Jersey has a shellfish industry amounting to some $10,000,000 a year, and it has suffered untold injury through the ravages of injurious marine organisms.

The enactment of the bill is highly desirable and will be most helpful to those engaged in the shellfish industry, whose burden during the last few years has been almost too heavy to bear. The particular borer referred to in the bill has destroyed a large percentage of the oysters and clams produced in New Jersey. It is a very important bill.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

RUTH J. BARNES

The bill (S. 920) for the relief of Ruth J. Barnes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Chief of Finance of the Army shall cause to be paid to Ruth J. Barnes, wife of Joseph A. Barnes, late of the Air Corps Reserve, Air Service, United States Army, who was killed while engaged in flying at the Brooks Field, Tex., on October 12, 1932, an amount equal to 6 months' pay at the rate

the said Joseph B. Barnes was receiving at the date of his death. Such amount shall be paid from funds appropriated for pay of the Army.

ELMER BLAIR

The bill (S. 246) for the relief of Elmer Blair was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

DR. CHESTER C. GROFF

The bill (S. 31) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff was announced as next in order.

Mr. KING. Mr. President, this bill was introduced by the Senator from New York [Mr. COPELAND]. Recently a measure was passed, applicable only to the District of Columbia, requiring the registration of practicing physicians. Dr. Groff was absent from the District for some time. He was not here during the period of registration. This is merely an authorization for him to register.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding any limitation relating to the time within which an application for a license must be filed, the commission on licensure to practice the healing art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff, Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

OHIO RIVER BRIDGE, WELLSBURG, W. VA.

The bill (S. 250) authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W. Va., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Brookewell Bridge Co. (hereinafter created, and hereinafter referred to as the "company"), its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, at or near Wellsburg, W. Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the company, its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said company, its successors and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 25 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. (a) There is hereby created the Brookewell Bridge Co., and by that name, style, and title said company shall have perpetual succession and the right to contract, sue, and defend in courts of law and equity, possess a common seal, hold title to real estate and other property, and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

(b) The company shall consist of the mayor of the city of Wellsburg and his successors in office, the president of the county court of Brooke County and his successors in office, and W. H. Cramblett, C. P. Waugh, T. H. Hammond, H. G. Emig, William Lake, J. A. Gist, and Thomas J. Reid, all of Brooke County, W. Va. Any vacancy occurring in said company shall be filled by a majority of the other members of said company. The members of said company shall serve without compensation but shall be reimbursed out of any funds in its hands for necessary expenses incurred in the conduct of its business.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

AMENDMENT OF ACT TO REGULATE THE CONSTRUCTION OF BRIDGES

The bill (S. 737) to amend section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the last sentence of section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters" approved March 23, 1906, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That the foregoing provisions of this sentence shall not apply with respect to any bridge constructed under the provisions of this act which is wholly within the limits of a single State and which is operated by the State or any of its political subdivisions or by any public body organized under the laws of such State."

COLORADO RIVER BRIDGE, PARKER, ARIZ.

The bill (S. 812) authorizing the Arizona State Highway Commission to construct, maintain, and operate a toll or free bridge across the Colorado River at or near Parker, Ariz., within the Colorado River Indian Reservation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve Postal Service, and provide for military and other purposes, the Arizona State Highway Commission be, and is hereby, upon the grant of permission by the Secretary of the Interior under the provisions of the act of March 3, 1901 (U. S. C., title 25, sec. 311), authorized to construct, maintain, and operate a bridge and approaches thereto across the Colorado River, at a point suitable to the interests of navigation, at or near the town of Parker, Ariz., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The Arizona State Highway Commission is hereby authorized to operate such bridge free of tolls or, in its discretion, to fix and charge tolls for transit over such bridge, and in case rates of toll are so fixed, such rates shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 3. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches, under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 25 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

OREGON-WASHINGTON BRIDGE BOARD OF TRUSTEES

The bill (S. 1076) relating to the Oregon-Washington Bridge Board of Trustees was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the Oregon-Washington Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.", approved June 13, 1934, is hereby amended to read as follows:

"That in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes, the Oregon-Washington Bridge Board of Trustees (hereinafter created, and hereinafter called the 'Board') and its successors be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River at a point suitable to the interests of navigation, at Astoria, Clatsop County, Oreg., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act; and the Board shall own and hold said bridge in trust for Clatsop County, Oregon County, Oreg., Pacific County, Wash., and the city of Astoria, Oreg.

"SEC. 2. There is hereby conferred upon the Board all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"SEC. 3. The Board is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

"SEC. 5. There is hereby created a body corporate and politic, to be known as the Oregon-Washington Bridge Board of Trustees, which shall consist of Guy Boyington, judge of the county court of Clatsop County, Oreg., and his successors in office; J. C. TenBrook, mayor of the city of Astoria, Oreg., and his successors in office; and V. M. Bullard, chairman of the Board of County Commissioners of Pacific County, Wash., and his successors in office. The Board shall be a body corporate and politic, constituting a public-benefit corporation, and shall be deemed a public body within the meaning of the National Industrial Recovery Act. The Board shall elect a chairman from its members and may establish rules and regulations for the government of its own business. In the event a vacancy shall occur by death, resignation, or otherwise in the office, as a member of the Board, of Guy Boyington, judge of the county court of Clatsop County, Oreg., and his successors in office, or in the office, as a member of the Board, of J. C. TenBrook, mayor of the city of Astoria, Oreg., and his successors in office, the Governor of the State of Oregon shall appoint a successor for each such office, to hold office until his successor shall be duly elected and qualified; or in the event that a vacancy shall occur by death, resignation, or otherwise, in the office, as a member of the Board, of V. M. Bullard, chairman of the Board of County Commissioners of Pacific County, Wash., and his successors in office, the Governor of the State of Washington shall appoint a successor for such office to hold office until his successor is elected and qualified. Two members shall constitute a quorum for the transaction of business. No member shall receive a salary for his services as a member, but each member shall be paid his actual expenses in the performance of his duties hereunder. The Board may employ a secretary, a treasurer, engineers, attorneys, and such other experts, assistants, and employees as it may deem necessary, who shall be entitled to receive such compensation as the Board may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act.

"SEC. 6. The Board shall have all the powers and authority necessary or convenient for the carrying out of the purposes of this act, including (but without limitation) the following rights, powers, and authority:

"(a) To have perpetual succession as a corporation;

"(b) To sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity;

"(c) To adopt, use, and alter a corporate seal;

"(d) To acquire, purchase, hold, use, lease, mortgage, sell, transfer, and dispose of any property, real, personal, or mixed, tangible or intangible, or any interest therein;

"(e) To make bylaws for the management and regulation of its affairs;

"(f) To appoint officers, agents, employees, and servants, to prescribe their duties, and to fix their compensation:

"(g) To fix, alter, charge, and collect tolls and other charges for transit over and use of such bridge;

"(h) To borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness of the Board, and to secure the payment of such obligations or any thereof by mortgage, lien, pledge, or deed of trust upon all or any of the property of the Board, and to make agreements with the purchasers or holders of such obligations, or with others in connection with any such obligations, issued or to be issued, as the Board shall deem advisable, and in general to provide for the security for said obligations and the rights of the holders thereof;

"(i) To pledge all or any part of the tolls and revenues received or receivable by the Board as security for the payment of its bonds issued hereunder to provide for the payment of the cost of the bridge and its approaches and the necessary lands, easements, and appurtenances;

"(j) To enter upon any lands, waters, and premises for the purpose of making surveys, soundings, and examinations;

"(k) To provide and maintain over, under, along, or across such bridge facilities for the passage of tramways, street railways, railroads, telephone, telegraph, or electric wires and cables, gas mains, water mains, and other mechanical equipment not inconsistent with the appropriate use of such bridge and to contract for the construction of such facilities and to lease the right to construct and/or use the same on such terms and for such considerations as the Board shall determine;

"(l) To make contracts of every kind and nature and to execute all instruments necessary or convenient for the carrying on of its affairs;

"(m) To do all things necessary or convenient to carry out the powers expressly given in this act; and

"(n) Without limitation of the foregoing, to borrow money from the United States Government or any corporation or agency created, designated, or established by the United States and to enter into contracts with the United States or such corporation or agency.

"SEC. 7. Without limiting any powers anywhere in this act granted by the Board, the Board is hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary land, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the Board and to secure the payment of all or any such bonds by mortgage, lien, pledge, or deed of trust upon all or any of its property. Said bonds shall be authorized by resolution of the Board and shall bear such date or dates, be in such form and contain such provisions as the Board may determine and as may be provided in such resolution or in the mortgage or deed of trust or other instrument securing said bonds. Any resolution or resolutions authorizing such bonds may contain provisions, which shall be part of the contract with the holders of such bonds, as to (a) the rates of tolls and other charges to be charged by the Board for transit over or use of the bridge, (b) the registration of the bonds as to principal only or as to principal and interest, and the interchangeability and exchangeability of such bonds, (c) the issuance of temporary bonds or interim receipts pending the preparation of definitive bonds, and the terms and provisions of such temporary bonds or interim receipts, (d) the redemption of the bonds, and the price or prices at which they shall be redeemable, (e) the setting aside of reserves or sinking funds and the regulation and disposition thereof, (f) limitations upon the issuance of other or additional notes, bonds, or evidences of indebtedness, (g) the terms and provisions of any mortgage, deed or trust, or other instrument under which the bonds may be issued or by which they may be secured, and (h) any other or additional agreement, with the holders of such bonds. The bonds shall be signed by such officers as the Board shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of such officer or officers as the Board shall determine. Any such bonds may be issued and delivered, notwithstanding the fact that one or more of the officers signing such bonds, or the officer or officers whose facsimile signature or signatures shall be upon the coupons or any thereof, shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.

"The Board may enter into any mortgages, deeds of trust, indentures, or other agreements with any bank or trust company or other person or persons in the United States having power to enter into the same, including the United States Government or any corporation or agency designated or created by it, as security for the bonds, and may transfer, convey, mortgage, or pledge all or any of the property of the Board thereunder. Such mortgage, deed of trust, indenture, or other agreement may contain such provisions as may be customary in such instruments or as the Board may authorize, including (but without limitation) provisions as to (a) the terms and provisions of the bonds or the resolution providing for the issuance of the same, (b) the construction, operation, maintenance, repair, and insurance of the properties of the Board and the duties of the Board with reference thereto, (c) the application of the funds and the safeguarding of funds on hand or on deposit, (d) the rights and remedies of such trustee and the holders of the bonds (which may include restrictions upon the individual right of action of bondholders), and (e) possession of the properties covered by such mortgage, deed of trust, indenture, or other agreement.

"The bonds of the Board may be sold in such manner, at such time or times, and at such price or prices as the Board may determine, but no such sale shall be made at a price which would make the interest cost to maturity on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, exceed 6 percent per annum. The cost of the bridge shall be deemed to include

interest during construction of the bridge, and for not exceeding 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expenses necessary for or incident to the construction of the bridge and the acquisition of the necessary property, and necessary for or incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, from any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the Board, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided.

"SEC. 8. After payment and discharge of all obligations of the Board, or after a sinking fund sufficient for such payment and discharge shall have been provided and set aside for such purpose, the Board may by deed or otherwise convey its interest in that part of the bridge within the State of Oregon to the State of Oregon or any agency, county, or municipality thereof (herein called the "Oregon Interests") and that part within the State of Washington to the State of Washington or any agency, county, or municipality thereof (herein called the "Washington Interests"), upon the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, insured, and repaired by the Oregon Interests and the Washington Interests, respectively, as may be agreed upon between them. In the event that the Oregon Interests or the Washington Interests shall not be authorized to accept or shall not accept the bridge upon such condition, the Board may convey the bridge to either of said Interests which shall so accept the same, and if neither of the Interests shall so accept the bridge then the same shall continue to be owned, maintained, operated, insured, and repaired by the Board, and the rates of tolls shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper maintenance, repair, insurance, and operation of the bridge and its approaches under economical management, including reasonable reserves, until such time as the Oregon Interests or the Washington Interests, or both, shall be authorized to accept and shall accept such conveyance upon the condition aforesaid.

"SEC. 9. Nothing herein contained shall be construed to authorize or permit the Board or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the Board, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

"SEC. 10. The times for commencing and completing the construction of said bridge are hereby extended 1 and 3 years, respectively, from January 15, 1935.

"SEC. 11. The right to alter, amend, or repeal this act is hereby expressly reserved."

MISSOURI RIVER BRIDGE, ST. CHARLES, MO.

The bill (S. 1144) to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time for completing the construction of a bridge across the Missouri River at or near St. Charles, Mo., authorized to be built by the Wabash Railway Co., its successors and assigns, by an act of Congress approved February 7, 1930, and extended to February 7, 1935, by an act of Congress approved January 27, 1933, is hereby further extended to February 7, 1937.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

OHIO RIVER BRIDGE, CAIRO, ILL.

The bill (S. 1308) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the Ohio River at or near Cairo, Ill., authorized to be built by the Cairo Bridge Commission by the act of Congress entitled "An act creating the Cairo Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the Ohio River at or near Cairo, Ill.", approved April 13, 1934, are hereby extended 1 and 3 years, respectively, from April 13, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

SNAKE RIVER BRIDGE, WASHINGTON AND IDAHO

The bill (H. R. 2030) authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho, was considered, ordered to a third reading, read the third time, and passed.

ELEVEN POINTS RIVER BRIDGE, OREGON COUNTY, MO.

The bill (H. R. 2874) granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo., was considered, ordered to a third reading, read the third time, and passed.

ST. LAWRENCE RIVER BRIDGE, ALEXANDRIA BAY, N. Y.

The bill (H. R. 3018) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y., was considered, ordered to a third reading, read the third time, and passed.

ARKANSAS RIVER BRIDGE, OKLAHOMA

The bill (H. R. 3057) granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma, was considered, ordered to a third reading, read the third time, and passed.

WACCAMAW RIVER BRIDGE, CONWAY, S. C.

The bill (H. R. 3891) to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C., was considered, ordered to a third reading, read the third time, and passed.

DAN RIVER BRIDGE, DANVILLE, VA.

The bill (H. R. 3983) to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va., was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, GARRISON, N. DAK.

The Senate proceeded to consider the bill (S. 1222) to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., which had been reported from the Committee on Commerce with amendments, on page 1, line 6, after the word "by", to strike out the words "the acts" and insert "an act"; in line 7, after "1932", to insert "heretofore extended by acts of Congress approved"; and in line 8, after "1933", to insert "and", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., authorized to be built by the State of North Dakota, by an act of Congress approved February 10, 1932, heretofore extended by acts of Congress approved February 14, 1933, and June 12, 1934, are hereby further extended 1 and 3 years, respectively, from June 12, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak."

MISSISSIPPI RIVER BRIDGE, MINNESOTA

The Senate proceeded to consider the bill (S. 1342) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn., which had been reported from the Committee on Commerce with amendments, on page 1, line 3, after the word "the" where it first occurs, to strike out "times for commencing and completing the construction of the bridge" and insert "act of Congress approved May 1, 1928, authorizing the board of county commissioners of Itasca County, Minn., to construct a bridge", and in line 9, after the word "Minnesota", to strike out "authorized to be built by the county commissioners of Itasca County, Minn., by an act of

Congress approved May 1, 1928, are hereby extended 1 and 3 years, respectively, from the date of the enactment of this act" and insert "be, and the same is hereby, revived and reenacted: *Provided,* That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof", so as to make the bill read:

Be it enacted, etc., That the act of Congress approved May 1, 1928, authorizing the board of county commissioners of Itasca County, Minn., to construct a bridge across the Mississippi River at or near the north line of section 35, township 144 north, range 25 west, on the road between the villages of Cohasset and Deer River, Minn., be, and the same is hereby, revived and reenacted: *Provided,* That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to revive and reenact the act entitled 'An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.'"

SHRINE CONVENTION IN WASHINGTON, D. C.

The Senate proceeded to consider the joint resolution (S. J. Res. 49) authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (District of Columbia) 1935 Shrine Committee, Inc., and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 7, after the name "Washington", to strike out "(District of Columbia)" and insert "D. C.", and on page 2, line 18, after the name "Washington", to strike out "(District of Columbia)" and insert "D. C.", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior, the Secretary of the Treasury, the Commissioners of the District of Columbia, the Board of Education of the District of Columbia, and the Architect of the Capitol are hereby severally authorized to grant permits to the Washington, D. C., 1935 Shrine Committee, Inc., a body corporate organized pursuant to the provisions of chapter 5 of title V of the Code of the District of Columbia (hereinafter referred to as the "Committee") for the use of any buildings, parks, rivers, waterways, reservations, sidewalks, or other public spaces in the District of Columbia, under his, their, or its control, respectively, on the occasion of the sixty-first annual session of the Imperial Council Ancient and Arabic Order of the Nobles of the Mystic Shrine, in the month of June 1935: *Provided,* That such use will inflict no serious or permanent injury upon any such buildings, parks, rivers, waterways, reservations, sidewalks, or other public spaces, or any portion or the contents thereof, in the opinion of the person granting any such permit, in accordance with this authority: *Provided further,* That all stands, arches, or platforms that may be erected on the public spaces aforesaid, including such as may be erected in connection with any display of fireworks, shall be under the supervision of the said Washington, D. C., 1935 Shrine Committee, Inc., and in accordance with plans and designs to be approved by the Architect of the Capitol, the Engineer Commissioner of the District of Columbia, and the Superintendent of National Capital Parks, and that no person or corporation shall be authorized to erect or use any such stands, arches, or platforms without permission of said committee: *And provided further,* That any such buildings, parks, reservations, or other public spaces which shall be used or occupied, by the erection of stands or other structures, or otherwise, shall be promptly restored to their condition before such occupancy, and the said committee shall indemnify the United States or the District of Columbia, as the case may be, for all damage of any kind whatsoever sustained by reason of any such use or occupation.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized to designate, set aside, and regulate the use of such streets, avenues, and sidewalks in the District of Columbia, under their control, as they may deem proper and necessary for the purpose of said session, and to make and enforce such special regulations regarding standing, movement, and operation of vehicles of whatever kind or character, and all reasonable regulations necessary to secure the preservation of public order and the protection of life and property, from the 8th day of June 1935 to the 17th day of June 1935, both inclusive. Such regulations shall be in force during said period, and shall be published in one or more daily newspapers published in the District of Columbia: *Provided,* That the expiration of said period shall not prevent the arrest or trial of any person for any violation of such regulations committed during the time same were in force and effect: *Provided, however,* That no penalty prescribed for the violation of any such regulation shall be in force until 5 days after the date of publication.

SEC. 3. That the Public Utilities Commission of the District of Columbia is hereby granted authority to make such special regulations as in the opinion of said commission may be necessary or desirable regulating the standing, movement, and operation of taxicabs, street cars, busses, and other vehicles of conveyance under the regulation or control of said commission, for the period commencing the 8th day of June 1935 and ending on the 15th day of June 1935, both inclusive.

SEC. 4. That the Secretary of War and the Secretary of the Navy are hereby authorized to loan to said committee such tents, camp appliances, trunks, motor equipment, benches, chairs, hospital furniture and utensils of all description, ambulances, horses, drivers, stretchers, Red Cross flags and poles, and other property and equipment belonging to the United States as in their judgment may be spared at the time of said session, consistent with the interests of the United States: *Provided,* That the said committee shall indemnify the United States for any loss or damage to any and all such property not necessarily incidental to such use: *And provided further,* That the said committee shall give approved bond to do the same.

SEC. 5. That the Secretary of War and the Secretary of the Navy are authorized to loan to the said committee such ensigns, flags, decorations, lighting equipment, etc., belonging to the United States (battle flags excepted) as are not then in use, and may be suitable and proper for decorations and other purposes, which may be spared without detriment to the public service, such ensigns, flags, decorations, lighting equipment, etc., to be used by the committee under such regulations and restrictions as may be prescribed by the said Secretaries, or either of them: *Provided,* That the said committee shall, within 5 days after the close of said session, return to the said Secretaries all such ensigns, flags, decorations, lighting equipment, etc., thus loaned; and said committee shall indemnify the United States for any loss or damage not necessarily incident to such use.

SEC. 6. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Parks Service, is hereby authorized to permit the use of any or all public parks, reservations, or other public spaces in the District of Columbia, including the Monument Grounds and the Ellipse, for use by said committee for the erection of grand stands, reviewing stands, platforms, and other structures for reviewing parade or other purposes; and said committee is hereby authorized to charge reasonable fees for the use of the same provided such fees are used to aid in meeting the necessary expenses incident to the said session.

SEC. 7. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Parks Service, is hereby authorized to permit the use of such public parks, reservations, or other public spaces in the District of Columbia, under the control of the said Superintendent of National Capital Parks, as in the opinion of said Superintendent of National Capital Parks may be necessary, for the use by said committee for the parking of automobiles, the temporary erection of tents for entertainment, hospitals, and other purposes; and the said committee is hereby authorized to charge reasonable fees for the use of the same, provided such fees are used to aid in meeting the expenses incident to the said session.

SEC. 8. That the Commissioners of the District of Columbia are hereby authorized to permit said committee to stretch suitable overhead conductors, with sufficient supports, wherever necessary and in the nearest practicable connection with the present supply of light, for the purpose of effecting special illumination: *Provided,* That the said conductors shall not be used for the conveying of electrical currents after June 15, 1935, and shall, with their supports, be fully and entirely removed from the public spaces, streets, and avenues of the said city of Washington on or before June 25, 1935: *Provided further,* That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, who shall see that the provisions of this resolution are enforced; that all needful precautions are taken for the protection of the public; and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *And provided further,* That no expense or damage on account of or due to the stretching, operation, or removing of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia, and that if it shall be necessary to erect wires for illuminating or other purposes over any park or reservation in the District of Columbia, the work of erection and removal of said wires shall be under the supervision of the officer in charge of said park or reservation.

SEC. 9. That the Commissioners of the District of Columbia are hereby authorized to grant, subject to approval of said committee and under such conditions as they may impose, special licenses to peddlers, merchants, and vendors to sell goods, wares, and merchandise on the streets, avenues, and sidewalks in the District of Columbia during said session, and to charge for such privileges such fees as they may deem proper.

SEC. 10. That the Commissioners of the District of Columbia are hereby authorized to permit the telegraph and telephone com-

panies to extend overhead wires to such points as shall be deemed necessary by the said committee, the said wires to be taken down within 10 days after the conclusion of the session.

SEC. 11. That the Secretary of the Interior and the Secretary of the Treasury are hereby authorized to assign to said committee for use and occupancy during said session such unoccupied public buildings or portions thereof in the District of Columbia as, in its discretion, may appear advisable: *Provided*, That any and all buildings so assigned shall be surrendered within 10 days after the close of the said session: *Provided further*, That the said committee shall furnish a bond or other satisfactory assurance of indemnity against damage to said property while in its possession, incidental wear and tear excepted.

Mr. KING. Mr. President, a similar joint resolution was enacted in a former Congress when the Shriners met in Washington, and this joint resolution follows the language of the former measure.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington, D. C., 1935 Shrine Committee, Inc.; and for other purposes."

REGULATION OF THE REAL-ESTATE BUSINESS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 1019) to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

Mr. ROBINSON. Mr. President, this is a bill of considerable importance. I should like to ask the author of the bill, the Senator from Utah [Mr. KING], to give an explanation of its provisions and purposes.

Mr. KING. Mr. President, a similar bill in substantially the same language has been before the Senate committee in previous sessions. It was unanimously reported from the District Committee at the last session of Congress, and passed the Senate. It is the result of investigations by the District Commissioners and by the District Committee. It is a measure which has been requested by the real-estate men, by civic organizations, and by numerous residents of the District.

In the report of the committee this language appears:

> The bill hereby reported is similar to laws now in force in 27 States, including Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Iowa, Louisiana, Michigan, Montana, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Vermont, Virginia, Washington, Wisconsin, and Wyoming.

It was found that there were fraudulent representations made by persons in the sale of real estate, and that many persons were the victims of such deception and fraudulent representations. The investigations made by the Commissioners and the District Committee resulted in the preparation of the bill now before us.

Mr. FLETCHER. Mr. President, the bill provides for the creation of a commission. Will that cost the Government anything?

Mr. KING. No; it will be self-sustaining. It is expected that the fees, licenses, and other receipts—all of which go into the Treasury—will be ample to meet all the costs incident to the work of the commission.

Mr. ROBINSON. Was the report of the committee unanimous?

Mr. KING. It was unanimous.

The PRESIDING OFFICER. The amendments of the committee will be stated.

The first amendment was, in section 2, on page 2, line 8, after words "offers or", to strike out "attempt" and insert "attempts", so as to make the section read:

DEFINITIONS AND EXCEPTIONS

SEC. 2. Whenever used in this act "real-estate broker" means any person, firm, association, partnership, or corporation, who, for another and for a fee, commission, or other valuable consideration, lists for sale, sells, exchanges, buys, rents, or leases, or offers or attempts to negotiate a sale, exchange, purchase, lease, or rental of an estate or interest in real estate, or collects or offers or attempts to collect rent or income for the use of real estate, or negotiates or offers or attempts to negotiate, a loan secured or to be secured by a mortgage, deed of trust, or other encumbrance upon or transfer of real estate: *Provided, however*, That this definition shall not apply to the sale of space for advertising of real estate in any newspaper, magazine, or other publication.

"Real-estate salesman" means a person employed by a licensed real-estate broker to list for sale, sell, or offer for sale, to buy or offer to buy, or to negotiate the purchase or sale, or exchange of real estate, or to negotiate a loan on real estate, or to lease or rent or offer to lease, rent, or place for rent, any real estate, or collect or offer or attempt to collect rent or income for the use of real estate for or in behalf of such real-estate broker.

Persons employed by a licensed real-estate broker in a clerical capacity, as collectors, or in similar subordinate and administrative positions shall not be required to obtain licenses. The Real Estate Commission created under this act shall have power to make rules and regulations governing this exemption.

One act for a compensation or valuable consideration of buying or selling real estate for or of another, or offering for another to buy, sell, or exchange real estate, or leasing, renting, or offering to lease or rent real estate, except as herein specifically excepted, shall constitute the person, firm, partnership, copartnership, association, or corporation performing, or offering or attempting to perform any of the acts enumerated herein, a real-estate broker or a real-estate salesman within the meaning of this act.

The provisions of this act shall not apply to receivers, referees, administrators, executors, guardians, or other persons appointed or acting under the judgment or order of any court; or public officers while performing their official duty, or attorneys at law in the ordinary practice of their profession.

The amendment was agreed to.

The next amendment was, in section 3, page 6, line 13, after the word "year", to strike out "1932" and insert "1936", so as to make the section read:

CREATION OF COMMISSION

SEC. 3. There is hereby created the Real Estate Commission of the District of Columbia. The Commissioners of the District of Columbia within 30 days after the enactment of this act shall appoint two persons, not more than one of whom shall have been actively engaged in or closely connected with the business or vocation of real-estate broker or real-estate salesman within 5 years immediately prior to appointment, who shall serve as members of said Real Estate Commission of the District of Columbia. In addition thereto, the assessor of the District of Columbia shall serve, ex officio, as a member of said Real Estate Commission but without added compensation for his services as such. One member of said commission shall be appointed for a term of 1 year; one member shall be appointed for a term of 2 years, and until their successors are appointed and qualified; thereafter the term of the members of said commission shall be for 3 years and until their successors are appointed and qualified. Members to fill vacancies shall be appointed for the unexpired term. The Commissioners of the District of Columbia may remove members of the Real Estate Commission at any time for cause.

The Real Estate Commission immediately upon the qualification of the member appointed in each year shall organize by selecting from its members a chairman, and may do all things necessary and convenient for carrying into effect the provisions of this act and may from time to time promulgate necessary rules, regulations, and forms.

Each member of the commission, except the ex-officio member, shall receive as full compensation for each day the greater part of which is actually devoted to the work of said commission the sum of $15, but no member shall receive in any 1 year a greater sum than $2,000.

The Commissioners of the District of Columbia shall provide for the use of the Real Estate Commission such office space, furniture, stationery, fuel, light, and other proper conveniences as shall be reasonably necessary for carrying out the provisions of this act.

The Real Estate Commission shall employ, and at its discretion, discharge, a secretary and such assistants as shall be deemed necessary to discharge the duties imposed by the provisions of this act, and it shall prescribe their duties and fix their compensation.

The commission shall adopt a seal with such design as it may prescribe engraved thereon by which it shall authenticate its proceedings. Copies of all records and papers in the office of the commission, duly certified and authenticated by the seal of said commission, shall be received in evidence in all courts equally and with like effect as the original. The commission shall keep a record of all its proceedings and a complete stenographic record of all hearings authorized under this act.

All records kept in the office of the commission under authority of this act shall be open to public inspection under reasonable rules and regulations to be prescribed by the commission.

All fees, charges, fines, and penalties collected by the commission under the provisions of this act shall be paid at least weekly to the collector of taxes for the District of Columbia for deposit in the Treasury of the United States to the credit of the District of Columbia: *Provided*, That the commission may refund any such fees or charges erroneously collected out of any undeposited collections in its possession.

The annual estimates of appropriations for the government of the District of Columbia for the fiscal year 1936 and succeeding fiscal years shall include estimates of appropriations for the operation and maintenance of such offices.

The amendment was agreed to.

The next amendment was, in section 5, page 10, line 22, to strike out " $5,000 " and insert " $2,500 ", and in line 23, to strike out " $2,000 " and insert " $1,000 ", so as to make the section read:

APPLICATION FOR LICENSE

SEC. 5. Every applicant for a license under the provisions of this act shall apply therefor in writing upon blanks furnished by the Real Estate Commission.

The application of every person for a real-estate broker's license or a real-estate salesman's license shall be accompanied by the recommendation of at least two residents of the District of Columbia, real-estate owners, who have owned real estate in the District of Columbia for a period of at least 1 year and who are not related to the applicant but who have personally known the applicant for a period of at least 6 months prior to the date of application, which recommendation shall certify that the applicant bears a good reputation for honesty, truthfulness, fair dealing, and competency, and recommend that a license be granted to the applicant.

The application of every firm, partnership, copartnership, association, or corporation for a real-estate broker's license shall state the location of the place or places for which said license is desired and set forth the period of time, if any, which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding date of application, accounting for such entire period. Such applications shall also state the name and residence of each individual member or officer of said applicant who actively participates in the brokerage business thereof.

The application of every individual member or officer of a firm, partnership, copartnership, association, or corporation for a real-estate broker's license shall state the full name and residence address of the applicant and the full name and business address of the firm, partnership, copartnership, association, or corporation with which he is or will be associated, the length of time he has been so associated, and in what capacity. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding date of application, accounting for such entire period.

The application of each person for an individual real-estate broker's license shall state the full name of the applicant, his business address, and residence address. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding the date of application, accounting for such entire period.

The application of every person for a real-estate salesman's license shall state the full name of the applicant, his residence address, and the name and business address of the real-estate broker by whom he is or will be employed. Such application shall also state the period of time, if any, during which said applicant has been engaged in the real-estate business, together with a complete list of all former places where the applicant may have resided and all former places where the applicant may have been engaged in any business for a period of 30 days or more during the 5 years preceding the date of application, accounting for such entire period. Such application shall be accompanied by a written statement by the broker by whom the applicant is employed or is about to be employed, stating that in his opinion the applicant is honest, truthful, and of good reputation, and recommending that the license be granted to the applicant.

Every application for a license under the provisions of this act shall be sworn to by the applicant and shall be accompanied by the license fee herein prescribed. In the event that the commission does not issue the license the fee shall be returned to the applicant.

Every application for a license shall be accompanied by a bond in the sum of $2,500 in the case of a broker and $1,000 in the case of a salesman, running to the District of Columbia, executed by two good and sufficient sureties, to be approved by the commission, or executed by a surety company duly authorized to do business in the District of Columbia: *Provided, however*, That no bond shall be required of any firm, partnership, copartnership, association, or corporation when the application of every member or officer of such firm, partnership, copartnership, association, or corporation actively participating in the brokerage business thereof is accompanied by a bond as provided for in this section. Said bond shall be in form approved by the commission, and conditioned that the applicant shall conduct himself and his business in accordance with the requirements of this act; and for his failure so to do any person aggrieved thereby shall have, in addition to his right of action against the principal thereof, a right to bring suit against the surety on said bond either alone or jointly with the principal thereon, and to recover in an amount not exceeding the penalty of the bond any damages sustained by reason of any act, representations, transaction, or conduct of the principal which may be prohibited by this act or enumerated as one of the causes for suspension or revocation of a license granted hereunder.

Nothing in this act shall be construed to impose upon the surety on any such bond a greater liability than the total amount thereof or the amount remaining unextinguished by any prior recovery or recoveries as the case may be.

No suit or action against the surety on any such bond shall be brought later than 1 year from the accrual of the cause of action thereon. The surety may terminate its liability under such bond by giving 30 days' written notice thereof, served either personally or by registered mail, to the principal and to the commission; and upon giving such notice the surety shall be discharged from all liability under such bond for any act or omission of the principal occurring after the expiration of 30 days from the date of service of such notice. Unless on or before the expiration of such period the principal shall duly file a new bond in like amount and conditioned as the original in substitution of the bond so terminated, the license of the principal shall likewise terminate upon the expiration of such period. Upon making any payment on account of its bond, the surety shall immediately notify the commission.

The commission, with due regard to the paramount interest of the public, may require other reasonable proof of the honesty, truthfulness, and integrity of the applicant.

The commission is expressly vested with the power and authority to make and enforce any and all such reasonable rules and regulations connected with the application for any license as shall be deemed necessary to administer and enforce the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 7, page 14, line 21, to strike out " $15 " and insert " $25 "; and on page 15, line 8, after " July ", to strike out " 1933 " and insert " 1936 ", so as to make the section read:

DETAILS RELATING TO LICENSE

SEC. 7. The commission shall issue to each license a license in such form and size as shall be prescribed by the commission. Every license shall show the name and address of the licensee, and if licensee is a member or officer of a firm, partnership, copartnership, association, or corporation, the full name and address of such firm, partnership, copartnership, association, or corporation shall also be shown on said license. Licenses issued to real-estate salesmen shall in addition show the name and address of the real-estate broker by whom the said salesman is or will be employed. Each license shall have imprinted thereon the seal of the commission, and in addition to the foregoing shall contain such matter as shall be prescribed by the commission. The license of each real-estate salesman shall be delivered or mailed to the real-estate broker by whom such real-estate salesman is employed and shall be kept in the custody and control of such broker. It shall be the duty of each real-estate broker to conspicuously display his license in his place of business.

At any time within 6 months, but not thereafter, after the issuance of an original license the commission may, upon its own motion, and shall, upon the verified complaint, in writing, of any person, provided such complaint, or such complaint together with evidence, documentary or otherwise, presented therewith, shall make out a prima facie case that the licensee is unworthy to hold such license, notify the licensee, in writing, that the question of his honesty, competency, truthfulness, and integrity will be reopened and determined de novo. Such written notice may be served by delivery thereof personally to the licensee or by mailing same by registered mail to the last known business address of the licensee. Thereupon the commission may require and procure further proof of the licensee's trustworthiness and competency, and if such proof shall not be satisfactory such license shall be recalled and shall thereafter be null and void. Upon the recall of any such license it shall be the duty of the licensee to surrender to the commission such license.

The fee for an original real-estate broker's license and every renewal thereof shall be $25.

No fee shall be charged for any original license or renewal thereof issued to any firm, partnership, copartnership, association, or corporation all of whose members or officers actively participating in the brokerage business thereof have been issued a broker's license.

The fee for an original real-estate salesman's license and every annual renewal thereof shall be $5.

Every license shall expire on the 1st day of July of each year, except that the original or initial licenses, first issued under the provisions of this act shall expire on the 1st day of July 1936, subject, however, to revocation as hereinbefore provided.

The commission shall issue a new license for each ensuing year, in the absence of any reason or condition which might warrant the refusal of the granting of a license, upon receipt of the written

request of the applicant and the annual fee therefor, as herein required. The revocation of a broker's license shall automatically suspend every real-estate salesman's license granted to any person by virtue of his employment by the broker whose license has been revoked, pending a change of employer and the issuance of a new license. Such new license shall be issued without charge if granted during the same license year in which the original license is granted.

No person, firm, partnership, copartnership, association, or corporation engaged in the business or acting in the capacity of a real-estate broker or a real-estate salesman within the District of Columbia shall bring or maintain any action in the courts of the District of Columbia for the collection of compensation for any services performed as a real-estate broker or a real-estate salesman or enforcement of any contract relating to real estate without alleging and proving that such person, firm, partnership, copartnership, association, or corporation was a duly licensed real-estate broker or real-estate salesman at the time the alleged cause of action arose.

Every real-estate broker shall maintain a place of business in the District of Columbia. If a real-estate broker maintains more than one place of business within the District of Columbia, a duplicate license shall be issued to such broker for each branch office maintained; and there shall be no fee charged for any such duplicate license.

Notice in writing shall be given to the Commission by each licensee of any change of principal business location, whereupon the Commission shall issue a new license for the unexpired period without charge. The change of business location without notification to the Commission shall automatically cancel the license theretofore issued.

When any real-estate salesman shall be discharged or shall terminate his employment with the real-estate broker by whom he is employed, it shall be the duty of such real-estate broker to immediately deliver or mail by registered mail to the Commission such real-estate salesman's license. The real-estate broker shall, at the time of delivering or mailing such real-estate salesman's license to the Commission, address a communication by registered mail to the last-known residence address of such real-estate salesman, which communication shall advise such real-estate salesman that his license has been delivered or mailed to the Commission. A copy of such communication to the real-estate salesman shall accompany the license when mailed or delivered to the Commission. It shall be unlawful for any real-estate salesman to perform any of the acts contemplated by this act, either directly or indirectly, under authority of said license from and after 3 days following such delivery or mailing of the said license by said broker to the Commission.

There shall be no additional fee for the reissuance of a salesman's license necessitated by the change of employees, nor shall such change work a revocation or require a renewal of the salesman's bond.

The amendment was agreed to.

The next amendment was, in section 14, page 24, line 24, after the word "person", to strike out "copartnership" and insert "firm", and in line 25, after the word "association", to insert "partnership", so as to make the section read:

FRAUDULENT TRANSFERS OR LOANS

SEC. 14. It shall be unlawful for any person, firm, association, partnership, or corporation to enter into or become a party to any contract, agreement, or understanding, or in any manner whatsoever to consider, combine, conspire, or act with another or others, (a) to execute a deed conveying real property in the District of Columbia that is not a bona fide sale but is instead a simulated sale of such property executed for the purpose and with the intent of misleading others as to the value of such property, and which in fact does so mislead and/or defraud others, to their detriment; or (b) to execute a mortgage or deed of trust upon real property situated in the District of Columbia that does not in fact represent security for a bona fide indebtedness, but which is in reality a simulated transaction, executed for the purpose and with the intent of misleading or deceiving others as to the value of the property and which does mislead, deceive, or defraud others to their detriment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 409) to amend certain sections of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, relating to descent and distribution, was announced as next in order.

Mr. ROBINSON. Mr. President, that is rather an important measure, apparently amending the District of Columbia Code.

Mr. KING. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over

PIPE LINES ACROSS NEW YORK AVENUE

The bill (S. 1519) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and hereby are, authorized and empowered to issue a permit to Pennsylvania Greyhound Transit Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, its successors and assigns, to construct, maintain, repair, renew, and use not more than four underground pipe lines from the parcel of real estate owned by the Philadelphia, Baltimore & Washington Railroad Co., and leased or to be leased to and occupied by Pennsylvania Greyhound Transit Co. on the northerly side of New York Avenue NE., to the parcel of real estate owned by said Pennsylvania Greyhound Transit Co., in square 4038, parcel 142/25, in the city of Washington, D. C., across and under New York Avenue NE., under the following conditions, namely: Said pipe lines shall be laid, constructed and located as directed by the Commissioners of the District of Columbia, and under their inspection and the cost of such inspection, and of replacing pavements, curbs, and sidewalks disturbed, shall be paid by the party or parties to whom said permit shall be granted: *Provided*, That said pipe lines shall be used for the purpose of transporting petroleum and petroleum products, and for no other purpose whatsoever.

SEC. 2. That all the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith.

SEC. 3. That no permission granted or enjoyed hereunder shall vest any title or interest in or to the land within the abovementioned street.

SEC. 4. That Congress reserves the right to amend, alter, or repeal this act.

JAMES DARCY, ALIAS JAMES HURLEY

The Senate proceeded to consider the bill (S. 1348) for the relief of James Darcy, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after the name "Darcy", to insert "alias James Hurley", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits, upon honorably discharged soldiers James Darcy, alias James Hurley, who was a member of Battery N, Seventh Regiment United States Artillery, Spanish-American War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 12th day of April 1900: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of James Darcy, alias James Hurley."

THOMAS A. COYNE

The bill (S. 1176) for the relief of Thomas A. Coyne was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas A. Coyne, who was a member of Company C, Forty-fifth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on January 4, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

GEORGE W. BAKER

The Senate proceeded to consider the bill (S. 1009) for the relief of George W. Baker, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after the word "Company", to strike out "D, Second Regiment Nebraska Volunteer" and insert "G, Twentieth Regiment United States", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers George W. Baker, who was a member of Company G, Twentieth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 19th day of January 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1266) for the relief of Robert E. Masters was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CUSTER BATTLEFIELD NATIONAL CEMETERY, MONT.

The Senate proceeded to consider the bill (S. 266) to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery, Mont., which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 6, after "Custer", to insert "and the officers and soldiers under his command at the Battle of Little Big Horn River, June 25, 1876", so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed (1) to select a site within the Custer Battlefield National Cemetery, Mont.; (2) to erect and maintain thereon, as a memorial to Lt. Col. George A. Custer, and the officers and soldiers under his command at the Battle of Little Big Horn River, June 25, 1876, a public museum suitable for housing a collection of historical relics; (3) to accept on behalf of the United States for exhibit in such museum the collection of relics now a part of the estate of Mrs. George A. Custer, deceased, the wife of such Lt. Col. George A. Custer; and (4) in his discretion, to accept such other historical relics as he may deem appropriate for exhibit therein. The plan and design of such memorial museum shall be subject to the approval of the National Commission of Fine Arts.

SEC. 2. The Secretary of War is authorized and directed, notwithstanding any provision of law to the contrary, to do all things necessary to carry out the provisions of this act, by contract or otherwise, with or without advertising, under such conditions as he may prescribe, including the engagement by contract of services of such architects, sculptors, artists, or firms, and such other technical and professional personnel as he may deem necessary, without regard to civil-service requirements and restrictions of law governing the employment and compensation of employees of the United States.

SEC. 3. There is hereby authorized to be appropriated the sum of $20,000, or so much thereof as may be necessary, to carry out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMUTATION OF SUBSISTENCE, RESERVE OFFICERS' TRAINING CORPS

The bill (S. 1304) to amend section 47c, National Defense Act, as amended, relating to military training required to entitled members of the Reserve Officers' Training Corps to receive commutation of subsistence, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 47c of the National Defense Act of June 3, 1916, as amended, be, and the same is hereby, amended by adding thereto the following additional proviso: *"Provided further*, That credit may be given under such regulations as may be prescribed by the Secretary of War as for service in the senior division of the Reserve Officers' Training Corps to any student enrolling therein who has received or shall have received military training substantially equivalent to any part of that prescribed by regulations for the senior division of the Reserve Officers' Training Corps."

SEC. 2. The joint resolution of Congress approved September 8, 1916 (39 Stat. L. 853, ch. 478, U. S. C., title 10, sec. 388), is hereby repealed.

WIENER BANK VEREIN

The bill (S. 735) for the relief of Wiener Bank Verein was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the sum of $30,208.67 is hereby authorized to be appropriated for payment to the Wiener Bank Verein or its attorney in fact in the United States, representing interest at 4¾ percent on certain cable transfers which the Embassy at Constantinople undertook to make by cable communications to the Secretary of State on January 13, 1917, and on February 25, 1917, payment of which was deferred, as set forth in Senate Document No. 18, Seventy-second Congress, first session: *Provided*, That no payment hereunder shall be made by the Secretary of the Treasury except at the direction of the Secretary of State: *Provided further*, That full authority is hereby vested in the Secretary of State to determine, in his discretion, whether payment in whole or in part should be made, withheld, or deferred.

UNITED STATES SOLDIERS' HOME

A bill (S. 1301) to provide further for the maintenance of United States Soldiers' Home was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That hereafter, and beginning with the first calendar month after the passage of this act, there shall be deducted each month from the pay of each enlisted man and warrant officer on the active list of the Regular Army, exclusive of the Philippine Scouts, a sum not to exceed 25 cents, which sum shall be passed to the credit of the permanent fund, United States Soldiers' Home (trust fund) in the Treasury of the United States; the exact sum to be so deducted to be fixed from time to time by the Secretary of War, within the limit prescribed above, on the recommendation of the board of commissioners of said home as to the amount required to meet the needs of the home.

PATRICK J. SULLIVAN

The bill (S. 893) for the relief of Patrick J. Sullivan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Patrick J. Sullivan, who was a member of Battery A, Third Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 13th day of November 1910: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act: *And provided further*, That the rights, privileges, and benefits conferred upon Patrick J. Sullivan by reason of the enactment of this act shall be limited to admission to a soldiers' home under the regulations governing such admissions.

RELIEF OF DISBURSING OFFICERS OF THE ARMY

The bill (S. 1302) for the relief of certain disbursing officers of the Army, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to allow credit in the accounts of any disbursing officer of the Army for any payment heretofore made by him to the following-named officers and former officers of the United States Army based upon a credit for their services as cadets at the United States Military Academy and to remove any direct charge against any such persons on account of such payments: DeRosey C. Cabell, Thomas McF. Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lange, Paul B. Parker, James DeB. Walbach, and Victor W. B. Wales: *Provided*, That any amounts previously recouped to the United States on account of payments to the above officers based upon credit for service as a cadet at the United States Military Academy shall be refunded out of current appropriations.

ZINSSER & CO.

The bill (S. 732) for the relief of Zinsser & Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to adjust upon a fair and equitable basis or to cancel any agreement, express or implied, that has been entered into in good faith by any officer acting under his authority, direction, or instruction with Zinsser & Co., Inc., Hastings-on-Hudson, N. Y., for the sale of War Department buildings, underground piping, and concrete foundations, together with all fixtures considered part of the building and located upon ground owned by the said company.

JUDSON B. ISBESTER

The bill (S. 999) for the relief of Judson B. Isbester was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, their widows, or dependent relatives Judson B. Isbester, formerly a private, Company M, Twenty-third Regiment United States Infantry, and who subsequently had two periods of honorable service in Company I, Thirty-fourth Regiment United States Infantry, as James E. Dolan, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of Company M, Twenty-third Regiment United States Infantry on the 12th day of April 1909: *Provided*, That no pay, pension, bounty, or other emoluments shall be held to have accrued prior to the passage of this act.

ARMY MOTOR-PROPELLED VEHICLES

The bill (S. 1300) to amend the War Department appropriation act relative to the operation of motor-propelled vehicles was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the second proviso in the paragraph entitled "Army transportation" in the War Department Appropriation Act for the fiscal year ending June 30, 1935, approved April

26, 1934, is hereby amended to read as follows: "That, effective January 1, 1935, no appropriation contained in this act shall be available for any expense of any character, other than as may be incident to salvaging or scrapping, on account of any motor-propelled vehicle procured prior to January 1, 1920, except tractors, ambulances, fire trucks, and vehicles now in use by the Reserve Officers' Training Corps units, and at the discretion of the Secretary of War, such other vehicles as in his opinion are required to meet an existing military necessity, or are capable of being economically operated and maintained."

ISAAC PIERCE

Mr. ROBINSON. Mr. President, I ask unanimous consent to recur to Senate bill 633, Order of Business 56, for the relief of Isaac Pierce, which was previously passed over.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 633) for the relief of Isaac Pierce, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 7, after the word "discharged", to insert "on July 30, 1864", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Isaac Pierce, who was a member of Company B, Fourth Regiment Kentucky Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged on July 30, 1864, from the military service of the United States as a member of that organization: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBINSON. I ask unanimous consent that the committee report be printed in connection with my remarks on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 53) submitted by Mr. COOLIDGE on February 6, 1935, is as follows:

The Committee on Military Affairs, to whom was referred the bill (S. 633) for the relief of Isaac Pierce, having considered the same, report favorably thereon with a recommendation that it do pass with the following amendment:

Line 7, following the word "discharged", insert "on July 30, 1864."

A measure similar to the present one passed the Senate on February 28, 1934, during the Seventy-third Congress, second session. The records show further that it was then referred to the House Military Affairs Committee.

Senate Report No. 338, Seventy-third Congress, second session, submitted by your committee on February 29, 1934, to accompany S. 2267, follows:

The Committee on Military Affairs, to which was referred the bill (S. 2267) for the relief of Isaac Pierce, having considered the same, report favorably thereon with the recommendation that it do pass with the following amendment:

Line 7, after the word "discharged", add the following: "on July 30, 1864."

The War Department report on Isaac Pierce is as follows:

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
January 17, 1934.

The official records show that Isaac Pierce was enrolled May 7, 1864, at Lexington, Ky., and was mustered into service May 16, 1864, as a private of Company B, Fourth Kentucky Mounted Infantry, to serve for 3 years. He fought in a number of battles, and appears to have been present with the organization until July 30, 1864, when he was accounted for as having been taken prisoner of war. However, no prisoner of war record has been found showing that Isaac Pierce, Company B, Fourth Kentucky Mounted Infantry, was a prisoner of war at any time. The company remained in service until August 17, 1865. The records show that the soldier did not receive a discharge certificate.

On November 6, 1923, this soldier stated under oath:

"That he was born March 4, 1845; that he was a volunteer soldier in the Civil War; that he enlisted as a private in Company B, Fourth Regiment of the Kentucky Volunteer Infantry, on May 7, 1864, at Lexington, Ky.; that he was mustered into the United States Army on May 15, 1864, at Lexington, Ky.; that during the Battle of Peachtree Creek, on or about the 30th day of July 1864, he was captured and made a prisoner of war; that he was taken to Andersonville, Ga., with other prisoners and remained a prisoner at Andersonville for over 4 months; that he was then transferred to Charleston, S. C., and from there to Florence, Ala., where he was a prisoner for some time; that he was returned to the prison at Andersonville, and remained there until the close of the war, when he was released from prison about April 9, 1865; that he has never been discharged from the United States Army; that he has only received $38 in pay for his services; that he prays for an honorable discharge from the United States Army so that he may be able to set himself right with his family and friends."

It is held by the War Department that the final record of this soldier is that of a deserter from on or about July 30, 1864.

Applications for a certificate of honorable discharge in his case have been denied repeatedly and still stand denied on the ground that it has not been established that the soldier was prevented from returning to his command after July 30, 1864, by reason of wounds, injuries, or disease incurred in the line of duty and because his case does not come within any of the provisions of the act of Congress approved March 2, 1889 (25 Stat. L. 869), the only law in force governing the subject of removal of charges of desertion from the records of soldiers of the Civil War and the issue of honorable discharges when the charge is removed

An affidavit has been submitted by Isaac Pierce which the committee believes to be a true and correct explanation of his whereabouts and conditions subsequent to July 30, 1864. In addition, there are of record statements from responsible citizens of Polk County, Ark., who have known Isaac Pierce for 15 years, and who testify to his honorable character and truthfulness.

Mr. Pierce's affidavit follows:

AFFIDAVIT

STATE OF ARKANSAS,
County of Polk, ss:

I, Isaac Pierce, of Mena, Ark., route no. 4, Polk County, do solemnly swear that I was enlisted in Company B, Fourth Kentucky Mounted Infantry, at Lexington, Ky., in 1864, and was taken prisoner on the 30th day of July 1864, and was carried to Andersonville, Ga., and was placed in prison at that place, and was kept in the Confederate prison until April 1865, and I was released at that place, but was sick at that time, and when I was able to get away I went to North Carolina. The reason that I did not go back home was that I was bound out as an apprentice and had run away and joined the Union Army and was afraid to go back home, as I was not quite 21 years old.

I have been living in Polk County, Ark., more than 20 years.

ISAAC PIERCE.

Subscribed and sworn to before me this the 2d day of December 1924.

[SEAL] R. B. BOARD, *Notary Public.*

My commission expires April 1, 1927.

We, the undersigned, of Mena, Polk County, Ark., state on our oath that we have been well and personally acquainted with Mr. Isaac Pierce for more than 15 years and know that he is truthful and law-abiding citizen and that we believe his statement herein is true to the best of his recollection.

R. B. BOARD.
W. PRICKETT.
W. A. J. SMITH.
J. A. JOHNSTON.
JNO. T. BOGARD, M. D.
J. E. CHAMBERS.

Subscribed and sworn to before me this the 2d day of December, 1924.

——— ———, *Notary Public.*

War Department report under date of January 21, 1935, on S. 633 follows:

JANUARY 21, 1935.

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs, United States Senate.

DEAR SENATOR SHEPPARD: Referring to your request of January 15, 1935, for information regarding Senate bill 633, Seventy-fourth Congress, first session, for the relief of Isaac Pierce, Company B, Fourth Kentucky Volunteer Infantry, your attention is invited to the following report in duplicate from The Adjutant General.

It is noted that the proposed bill does not mention any date upon which it shall be held and considered that Isaac Pierce was honorably discharged, although it is held by the War Department that he deserted on or about July 30, 1864.

Respectfully,

GEO. H. DERN,
Secretary of War.

CASE OF ISAAC PIERCE, PRIVATE, COMPANY B, FOURTH KENTUCKY MOUNTED INFANTRY, CIVIL WAR

The official records show that Isaac Pierce was enrolled May 7, 1864, at Lexington, Ky., and was mustered into service May 16, 1864, as a private of Company B, Fourth Kentucky Mounted Infantry, to serve for 3 years. He fought in a number of battles, and appears to have been present with the organization until July 30, 1864, when he was accounted for as having been taken prisoner of war. However, no prisoner of war record has been found showing that Isaac Pierce, Company B, Fourth Kentucky Mounted Infantry, was a prisoner of war at any time. The company remained in service until August 17, 1865. The records show that the soldier did not receive a discharge certificate.

No medical record has been found in his case.

On November 6, 1923, this soldier stated under oath:

"That he was born March 4, 1845; that he was a volunteer soldier in the Civil War; that he enlisted as a private in Company B, Fourth Regiment of the Kentucky Volunteer Infantry on May 7, 1864, at Lexington, Ky.; that he was mustered into the United

States Army on May 15, 1864, at Lexington, Ky.; that during the battle of Peach Tree Creek, on or about the 30th day of July 1864, he was captured and made a prisoner of war; that he was taken to Andersonville, Ga., with other prisoners and remained a prisoner at Andersonville for over 4 months; that he was then transferred to Charleston, S. C., and from there to Florence, Ala., where he was a prisoner for some time; that he was returned to the prison at Andersonville, and remained there until the close of the war, when he was released from prison about April 9, 1865; that he has never been discharged from the United States Army, that he has only received $38 in pay for his services; that he prays for an honorable discharge from the United States Army so that he may be able to set himself right with his family and friends."

It is held by the War Department that the final record of this soldier is that of a deserter from on or about July 30, 1864.

Applications for a certificate of honorable discharge in his case have been denied repeatedly and still stand denied on the ground that it has not been established that the soldier was prevented from returning to his command after July 30, 1864, by reason of wounds, injuries, or disease incurred in the line of duty and because his case does not come within any of the provisions of the act of Congress approved March 2, 1899 (25 Stat. L. 869), the only law in force governing the subject of removal of charges of desertion from the records of soldiers of the Civil War, and the issue of honorable discharges when the charge is removed.

Respectfully submitted.

JAMES F. MCKINLEY,
Major General, The Adjutant General.

The PRESIDING OFFICER. That completes the calendar.

N. R. A. MILLINERY CODE

Mr. KING. Mr. President, I have had some little correspondence with the N. R. A. based upon criticisms of its administration. I have received a letter from a gentleman whom I know well, a man of honor in my State, in which he refers to some of the results of the operation of the N. R. A. I want to read from the letter:

Yesterday I was in receipt of the report of the auditor for the code authority of the millinery industry. According to his figures, there were 30,000 people employed in the industry on August 31, 1934. A Government report states that in 1929 there were 74,000 people employed in the industry.

To me there is only one answer to this tremendous decrease in employees. Manufacturers in the larger areas have put more machinery in their plants, producing a greater volume of goods with a lesser number of employees. * * *

There are no provisions whatsoever in the code for operators on different types of machines rating the pay in accordance with the type of machine. You can easily see where we are compelled to pay the same price for labor on a 10-dozen machine production that New York pays on a 40-dozen capacity. It makes our position untenable and is economically unsound. There are so many instances of this kind in our daily manufacturing costs that it puts us small manufacturers out in the country to a great disadvantage over the larger factories in the cities, and I think if you would bring to the attention of the President the fact that smaller manufacturers where they employ 25 people or less should be exempted from all provisions of the codes it will build up our smaller factories throughout the Nation and will distribute manufacturing more generally, and take a good portion of it out of the congested areas, which the President is very anxious to see done. We folks out here in the country can then work out our own problems of meeting the hard competition of the metropolitan areas.

My idea on the whole thing is this: that the small plant should be encouraged, especially the small ones away from the metropolitan areas, and that we should be encouraged to build up our plants by being exempted from all requirements of the codes.

Many complaints made to me indicate that many so-called "small business institutions" have been closed, if not destroyed, by reason of rules and regulations and codes promulgated by the N. R. A. Many persons are questioning the value of the N. R. A. and some are demanding that most of its powers be taken from it.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and two conventions, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Simon Hellenthal, of Alaska, to be district judge, division no. 3, for the District of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Ingram M. Stainback, of Hawaii, to be United States attorney, district of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Joseph Lee Crawley, to be United States marshal, southern district of Georgia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Stephen J. Doyle, to be United States marshal, district of North Dakota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edward L. Faupel, of California, to be United States marshal, United States Court for China.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

ADJOURNMENT TO THURSDAY

Mr. ROBINSON. As in legislative session, I move that the Senate stand adjourned until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 3 o'clock and 5 minutes p. m.) the Senate, in legislative session, adjourned until Thursday, February 14, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 12, 1935

UNITED STATES ATTORNEY

Bunk Gardner, of Kentucky, to be United States attorney for the western district of Kentucky, to succeed Thomas J. Sparks, whose term expired February 7, 1935.

PROMOTIONS IN THE NAVY

Comdr. Stephen B. McKinney to be a captain in the Navy from the 1st day of March 1934.

Lt. Comdr. Greene W. Dugger, Jr., to be a commander in the Navy from the 1st day of October 1934.

Lt. John E. Dingwell to be a lieutenant commander in the Navy from the 1st day of January 1934.

Lt. Emil Chourre to be a lieutenant commander in the Navy from the 1st day of March 1934.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of June 1934:

George T. Campbell	Elmer J. Tiernan
Hubert K. Stubbs	William N. Thornton
John B. McGovern	

The following-named lieutenants to be lieutenant commanders in the Navy from the 30th day of June 1934:

Albert McI. Wright	James H. Foskett
Charles R. Will	Anton L. Mare
Jackson R. Tate	Laurence Bennett
John F. Wegforth	Sumner C. Cheever
James M. Fernald	Horatio G. Sickel, 4th
William B. Coleman	Raymond W. Holsinger
Benjamin C. Purrington	Virgil E. Korns
Harold J. Walker	

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of July 1934:

Edmund T. Wooldridge	Daniel F. Worth, Jr.
Charles B. Momsen	Lemuel P. Padgett, Jr.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of August 1934:

Marcy M. Dupre, Jr.
Edgar P. Kranzfelder

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of September 1934:

Elwood M. Tillson
Alva J. Spriggs
Norman R. Hitchcock

Lt. (Jr. Gr.) Hugh B. McLean to be a lieutenant in the Navy from the 13th day of November 1933.

Lt. (Jr. Gr.) Richard S. Moss to be a lieutenant in the Navy from the 1st day of February 1934.

Lt. (Jr. Gr.) William L. Erdmann to be a lieutenant in the Navy from the 20th day of February 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of March 1934:

John M. Sweeney
Frederick J. Ilsemann

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of April 1934:

Lewis E. Coley
Joseph J. Woodward

Lt. (Jr. Gr.) Harold B. Edgar to be a lieutenant in the Navy from the 17th day of May 1934.

Lt. (Jr. Gr.) Joshua C. Shively to be a lieutenant in the Navy from the 1st day of June 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of June 1934:

Arthur B. Dickie	Clifton G. Grimes
Charles L. Lee	Victor D. Long
George Edward Peterson	Philip S. Creasor
Henry Plander	Frederick K. Loomis

Lt. (Jr. Gr.) Paul W. Hord to be a lieutenant in the Navy from the 1st day of July 1934.

Lt. (Jr. Gr.) Stanley P. Moseley to be a lieutenant in the Navy from the 5th day of July 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of August 1934:

John H. Long
Paul A. Hartzell

Lt. (Jr. Gr.) David R. Hull to be a lieutenant in the Navy from the 1st day of September 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of October 1934:

James A. McNally
John R. van Nagell

Lt. (Jr. Gr.) Bruce D. Kelley to be a lieutenant in the Navy from the 27th day of October 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of November 1934:

Stirling P. Smith
Jeane R. Clark

Lt. (Jr. Gr.) Horace W. Blakeslee to be a lieutenant in the Navy from the 7th day of November 1934.

Lt. (Jr. Gr.) Chester C. Smith to be a lieutenant in the Navy from the 11th day of November 1934.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of December 1934:

George C. Wright	Robert H. Gibbs
Homer O. Dahlke	DeVere L. Day

Lt. (Jr. Gr.) Clarence E. Haugen to be a lieutenant in the Navy from the 1st day of January 1935.

Lt. (Jr. Gr.) Kenneth V. Dawson to be a lieutenant in the Navy, from the 1st day of February 1935.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 4th day of June 1934:

James D. Grant
Hepburn A. Pearce

Asst. Surg. Leland J. Belding to be a passed assistant surgeon in the Navy, with the rank of lieutenant, from the 30th day of June 1934.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 1st day of June 1934:

Charles E. Leavitt	Josephus M. Lieber
Harrison W. McGrath	Charles W. Fox
William H. Phillips	Carl W. Seitz
Lamar Lee	Cyrus B. Kitchen
Andrew C. Shiver	

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 30th day of June 1934:

Charles D. Kirk	John H. Davis
Walter W. Mahany	David W. Robinson

The following-named gunners to be chief gunners in the Navy, to rank with but after ensign, from the 1st day of October 1934:

Clarence W. White
Gardner J. Douglass

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the 1st day of October 1934:

Joseph A. Oehlers
Sam M. Ezell

CONFIRMATIONS

Executive nominations confirmed by the Senate February 12, 1935

UNITED STATES DISTRICT JUDGE

Simon Hellenthal to be United States district judge, division no. 3, for the district of Alaska.

UNITED STATES ATTORNEY

Ingram M. Stainback to be United States attorney, district of Hawaii.

UNITED STATES MARSHALS

Joseph Lee Crawley to be United States marshal, southern district of Georgia.

Stephen J. Doyle to be United States marshal, district of North Dakota.

Edward L. Faupel to be United States marshal, United States Court for China.

POSTMASTERS

ALABAMA

Daniel W. Hollis, Headland.
Richard T. McGraw, Vincent.

CALIFORNIA

Hazel B. Stites, Maxwell.
Charles L. Hollar, Maywood.
Harold B. Byron, Pasadena.
Frederick Martin, Petaluma.
Susan M. Sigler, Universal City.

FLORIDA

Helen B. Giessen, Orange Park.
A. J. Victor Johnson, Pierson.
Mildred Hanks, Port Tampa City.

IDAHO

Edward W. Cronkhite, American Falls.
L. Parker Runyon, Buhl.
Clyde B. Urban, Kimberly.

Charles N. Dundas, Pierce.
Harry B. Colwell, Rupert.
Ernest L. Clinger, Shoshone.

INDIANA

Henry E. Snyder, Atlanta.
James S. Auble, Cayuga.
Curtis Bennett, English.
Iliff W. Lewis, Fairmount.
Ralph F. Yeoman, Hanna.
Thomas W. Hall, Medora.
Ruth O. Couch, Sheridan.
George F. Coyle, Tell City.
Ernest F. Griffith, Vevay.
Louis L. Langdon, Jr., Wheatland.

IOWA

Maude M. Hanna, Burt.
Kate C. Warner, Dayton.
Sadie J. Callahan, Epworth.
Yorke A. Johnson, Jewell.

KENTUCKY

Benjamin F. Bailey, Adairville.
George W. Abbott, Bedford.
J. Edgar Moore, Berea.
Lida H. Muir, Bloomfield.
Thaddeus W. Wilson, Brandenburg.
Louise P. Kreamer, Burnside.
Jack Smith, Campton.
Roy Willis, Caneyville.
Ressie H. Miller, Cloverport.
G. Baxter Ramsey, Dawson Springs.
Maria T. Fish, Frankfort.
Mary Rogers, Guthrie.
Lyman G. Barrett, Hartford.
Leslie L. Patton, Horse Cave.
Clarence L. Sharp, Liberty.
J. Elliott Riddell, Louisville.
Jack B. Hubbard, Jr., Munfordville.
Christine Alexander, Salt Lick.
Milton Ashby, Sebree.
Theodore C. Campbell, Springfield.
William J. Smith, Stearns.
William T. Smith, Taylorsville.
Beverly L. Bradshaw, Tompkinsville.
Mary C. Greenwell, Uniontown.
H. Harvey Denham, Vanceburg.
Beulah M. Matheus, Whitesville.

MAINE

Raymond W. Chaplin, Cornish.
Nellie B. Jordan, Cumberland Center.
Harvard C. Jordan, Ellsworth.
Albert T. Elwell, West Buxton.
Michael J. Kennedy, Woodland.
Thomas J. Donohue, York Beach.

MARYLAND

James J. Ohler, Glenarm.
Jacob T. Hartle, Hagerstown.
John T. French, Owings Mills.
William H. Condiff, Solomons.

NEW JERSEY

John R. Snedeker, Atlantic Highlands.
August F. Schweers, Little Silver.
James F. Creamer, Parlin.
Charles F. Haussermann, South River.
Mary G. Appleby, Spotswood.
Henry M. Dunham, Toms River.

NEW YORK

Frank W. Junior, Chazy.
Edward F. Higgins, Great Neck.
J. Frank Schummer, Hamburg.
James J. Moroney, Pleasantville.
George J. O'Brien, Sandy Creek.
Frank T. More, Walton.

NORTH CAROLINA

John O. Redding, Asheboro.
Millard G. Poteat, Marion.
Wallace B. Stone, Swannanoa.

OKLAHOMA

Earl A. Brown, Ardmore.

OREGON

Anne E. O'Rourke, Condon.
Russell H. Sullens, Prairie City.

RHODE ISLAND

Daniel W. Coggeshall, Bristol.
William F. Harkins, West Barrington.

UTAH

Mark L. James, Bingham Canyon.
Theresa R. Taylor, Garfield.
Ralph H. Jacobshagen, Helper.
John C. Root, Milford.
Rudolph Church, Panguitch.
Joseph Park, Riverton.
G. Leonard Larson, Sandy.

VIRGINIA

Rosa L. Williams, Bassetts.
John H. Woolwine, Blacksburg.
William C. Whitmore, Leesburg.
Bourbon N. Kibler, Luray.
Jay C. Litts, Norton.
Thomas E. Frank, Warrenton.
Ethel L. Deans, Windsor.
Gipsie B. Cassell, Wytheville.

WASHINGTON

Alfred J. Twinning, Coulee.
Etta R. Harkins, Manette.
Wilbur B. Stonex, Onalaska.
Walter Lee Barnard, Sumner.

WEST VIRGINIA

John Speicher, Hopemont.
Louis Knakal, Widen.

WISCONSIN

Oliver R. Weinandy, Cochrane.
Samuel M. Hogenson, Ephraim.
Ferdinand A. Nierode, Grafton.
Raymond E. Lingsweiler, Sturtevant.
Magnus Magnusson, Washington Island.

WYOMING

Roy C. Peck, Saratoga.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 12, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Spirit of God, bend over us in sacred benediction that we may rest ourselves in Thee with quietness and confidence. Breathe into us that which is so requisite for us; approach the stature and the fullness of our Elder Brother. Heavenly Father, refresh us, and let us catch step at the beginning of another week, and move forward with hopeful hearts and understanding minds. Let this moment be dedicated to him who fell in patience and resignation amid the sorrowing tears of his fellow countrymen. In his passion of enthusiasm for the Nation, oh lead us on to guard, strengthen, and enrich the institutions which we have received as a heritage for the generations yet to come. Blessed Lord God, may our aspirations ever be to put integrity into trade, ethics into laws, patriotism into politics, and equality into institutions. With malice toward none and charity for all, as time passes, may our country grow more

stately, radiate more brightly, and fulfill the wonderful genius of the Republic. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, February 8, 1935, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1384. An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes; and

S. J. Res. 23. Joint resolution giving consent of the Congress of the United States to the States of Washington, Oregon, and Idaho, or any 2 of said States, to agree upon the jurisdiction to be exercised by said States over boundary waters between any 2 or more of said States.

HARLAN COUNTY, KY.

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 88.

The Clerk read as follows:

House Resolution 88

Whereas there exists in the county of Harlan, in the State of Kentucky, a condition which is likely to result in lawlessness and bloodshed, and serious riots, the intent and purpose of which is to prevent enforcement of the National Industrial Recovery Act and prevent the carrying into effect the provisions of the said National Industrial Recovery Act and the codes of fair competition provided thereunder by the Coal Code Authority of the National Recovery Administration; and

Whereas certain corporations doing business in said Harlan County, Ky., and engaged in the mining and shipping of coal, have refused to recognize the right of their employees to peaceably assemble and engage in collective bargaining under the provisions of subsection 7a of said Industrial Recovery Act; and

Whereas said corporations have, in their employment and under their control, large numbers of policemen and deputy sheriffs who have, in the past few months, committed such acts of violence and assaults on numerous citizens of Harlan County, Ky., as to make it necessary for the Governor of Kentucky, upon two different occasions, to call into action the National Guard and State troops to prevent riots and bloodshed; and

Whereas said corporations and their agents and representatives, many of whom are ex-convicts and lawless men, have on numerous occasions committed unlawful assaults upon, and threatened to do great bodily harm to numerous citizens of Harlan County, and Commonwealth of Kentucky, thus preventing peaceably assembly under the provisions of the said Industrial Recovery Act; and

Whereas it is asserted and believed by many citizens of Harlan County, Ky., that the sheriff of said Harlan County, Ky., is in league with and giving aid and assistance to said corporations to prevent the organization of coal mines operated by said corporations, and to prohibit and deny to their employees the right to peaceably assemble for said purpose, and to unlawfully prevent such peaceable assembly of said employees, and thereby prevent the lawful and rightful enforcement of said National Industrial Recovery Act and the codes of fair competition thereunder; and

Whereas said unlawful conduct on the part of said corporations, their agents and employees, has brought about unfair advantages of said corporations over other companies, persons, and corporations engaged in the coal industry in said Harlan County, Ky., and other counties of the eastern Kentucky coal field, and constitutes an unlawful discrimination in favor of said corporations so opposing said Industrial Recovery Act: Now, therefore, be it

Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized and directed to appoint a committee of five Members of this House, who are authorized and directed, when appointed, to make an investigation of the conditions existing in said Harlan County, Ky., and the said committee is hereby authorized to have sittings and hearings in regard to said matter at such times and places as they may deem proper and necessary, in the city of Washington, in the District of Columbia, and/or at such place or places in the State of Kentucky as said committee may deem proper and necessary to a full and complete investigation of conditions existing in and about said coal mines. The said committee may, in the holding of said hearings, require the attendance of witnesses before them, and the chairman of said committee is hereby authorized to issue processes in the form of subpena requiring the attendance of witnesses before said committee, and may administer oath and require testimony thereunder, the expenses thereof to be allowed and paid out of the contingent funds of the House of Representatives in a sum not to exceed $2,500, and said committee will, upon completion of its hearings, make report thereof to the House of Representatives.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I do not think a measure of this magnitude or importance ought to be taken up by unanimous consent or under a suspension of the rules without being reported by the committee or without the committee at least having an opportunity to examine it.

Mr. Speaker, I ask the gentleman from Kentucky to withhold his request for the time being. He might take the resolution up later in the day; but I cannot agree to its being taken up now with nobody having an opportunity to investigate it. If the gentleman from Kentucky satisfies the majority leader and others after they have a chance to go over it, he might take it up later in the day.

For the present, Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, I object to it being taken up later in the day. If it is going to be taken up at all today, let it be taken up now.

The SPEAKER. The gentleman from Mississippi objects.

UNIVERSAL EDUCATION

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD a speech by Hon. Josephus Daniels, Ambassador to Mexico, made on Thursday, July 26, 1934.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, has the distinguished gentleman from North Carolina submitted his request to the gentleman from Massachusetts [Mr. CONNERY]?

Mr. BULWINKLE. No; I have not.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of Josephus Daniels, American Ambassador, delivered to scholars and students from the United States attending the ninth annual session of the seminar, in Mexico City, Thursday, July 26, 1934:

A short while ago, driving on a street in Mexico, my attention was attracted to the words "the Horace Mann School." I did not pause to go into the building or ascertain when it was constructed or what forward-looking advocate of public education had chosen that name for the school. The fact that here in Mexico, where Government is devoting one-fifth of its revenue, according to Minister Vasconcelos, to public education, the name of the world's foremost apostle of education had been chosen for a public school was significant. "Significant of what?" you may ask. Significant that Mexico and the United States, the best of neighbors, have come to appreciate that the public man who does most to advance universal education, conducted and paid for by the government, is the most useful statesman of his generation.

Experience through many centuries has taught mankind that no other agency than government has brought the advantages of education to all the children of any country. Civic and religious organizations have promoted education of some of the people and have preserved records and advanced love of learning. But nowhere at any time has universal education carried its blessings alike to the children of the poor and the rich, unless public schools, supported by taxation of all the people for public education were accompanied by compulsory attendance by all the children. That is the educational goal of all countries where government is based on the consent of the governed.

The first apostle of the purest democracy of public education who saw his vision translated into reality was Horace Mann, lawyer, legislator, editor, school executive of Massachusetts in the 1830's. He wrote the best exposition of the practical benefits of a common-school education both to the individual and to the States. By his writings, speeches, and leadership he brought about a revolution in the public-school system of Massachusetts and indirectly in the systems of other States. He held that nothing could so benefit the race morally, intellectually, and materially as education. He later went to the Middle West and carried the torch of public education into that center of the United States. His sowing the good seed of universal education brought forth fruit a hundredfold.

Though Mann was the pioneer educational apostle who saw his dream come true, the first and foremost educational philosopher in America was Thomas Jefferson. He gave utterance to a profound principle when in 1816 he compressed into these 23 words, fit for every age and clime, this profound philosophy: "If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be."

Again, writing to Joseph C. Cabell in 1818, Mr. Jefferson enlarged upon his passion, saying: "A system of general instruction, which

shall reach every description of our citizens from the richest to the poorest, as it was the earliest, so it will be the latest of the public concerns in which I shall permit myself to be concerned."

Jefferson devised a system of public education for Virginia which, if adopted and carried out when he proposed it, would have given that Commonwealth primacy among all governments. The Virginia planters of that day, seeking to establish a second England with large landholdings and primogeniture, with the union of church and state, and like class systems, were greatly concerned for their privileges and the education of their own families. Their many virtues did not embrace concern for the education of the landless and the poor. If you look for the reason why Massachusetts in the first century of American independence, with much less rich land, forged far ahead of Virginia in wealth, the answer is that the people of the Old Bay State accepted and put into practice the public education plan of its Horace Mann, while the Old Dominion long neglected Jefferson's earlier program of public schools for all the children.

It must be gratifying to the members of the seminar to observe that Mexico is today awake to the fact that its substantial future rests upon an educated constituency. Most of its troubles in past years, as is also true in other countries, can be traced to the failure of leaders of other days to educate its people. Whenever rules have kept the mass of the population in ignorance, they have sown dragons' teeth and their countries reaped a crop of ills.

The spirit of the Mexico of this day was clearly and succinctly stated last week in Guadalajara by General Calles in as brief a sentence as that employed by Jefferson decades ago. General Calles, speaking for the ear of all patriotic Mexicans, and particularly those entrusted with leadership, said:

"We must enter and take possession of the mind of childhood, the mind of youth."

To the carrying out of that aim, which alone can give to Mexico the high place envisioned by its statesmen, the Government is making the rural school a social institution. In the United States, where public schools have long functioned in every village and hamlet, emphasis is now being laid on adult education, something apart from the instruction of the child. Speaking before the seminar a few days ago, Licenciado Eduardo Vasconcelos, minister of education, declared that "the rural school is a social institution, the principal function of which is not in binding itself to educate the children but in improving the economic and social betterment of the communities." I have myself visited schools in Mexico where fathers and sons were studying from the same book. In his address, Minister Vasconcelos regretted that "Mexico had been sleeping with its arms crossed while during this century the world has advanced." Determined to catch up with the world, Mexico has provided in its 6-year plan for the establishment of 30,000 rural schools in the country. To that end, and to promoting technical and normal and higher education, Mexico is already appropriating 15 percent of its revenues and is training teachers to carry forward its enlarged program. Upon its success in educating the people depends the future of Mexico. General Calles sees, as Jefferson saw, that no people can be both free and ignorant. Therefore, he and President Rodriguez, President-elect Cardenas, and all forward-looking leaders are placing public education as the paramount duty of the country. They all recognize that General Calles issued a challenge that goes to the very root of the settlement of all problems of tomorrow when he said: "We must enter and take possession of the mind of childhood, the mind of youth." That fortress taken, the next generation will see a Mexico that fulfills the dreams of Hidalgo, Juarez, Madero, and other patriots who loved their country.

The members of the seminar, all interested in closer relations between all Pan America, have had a warm welcome here, in which the embassy joins. They brought desire to promote better cultural relations between the two Republics. They will take home to the United States the first-hand knowledge that the Mexico of today is chiefly concerned to make the Mexico of tomorrow a republic of educated and trained men and women. Upon that solid rock it is building for all the tomorrows.

PRIVATE CALENDAR

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday and Friday of this week to consider bills on the Private Calendar unobjected to.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for 2½ minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, on Friday last we had a colloquy following the address of the gentleman from Massachusetts [Mr. CONNERY]. The gentleman from Texas [Mr. BLANTON] said that it was safe for Americans to go into Mexico. I denied that statement. When I returned to my office I found the following letter from an American citizen who had just returned from Mexico, who had suffered a harrowing experience, losing his money and his automobile:

FEBRUARY 6, 1935.

Representative BOYLAN,
House of Representatives.

DEAR SIR: In looking over the paper I see where you and two other Members are taking up the Mexican situation. Let me at this time congratulate you on this move, as I have just returned from Mexico, and the conditions are terrible, and I think that it is time for someone to look into the matter.

I would like to state my experience. To start off, I was robbed of every dollar that I possessed in the mountains by the peons. My car was wrecked to such an extent that I had to give it away, as I did not have money enough to fix it. When I started in there I took around $1,700 with me. Now, that might seem foolish to carry that amount, but I was told by friends that I could get a good job there as an automotive engineer—as I tried numerous places here and could not get work. Naturally, I took all the money that I had with me. I would get stuck on the road that they are building there and they would not pull me out unless I paid them well—in some instances 300 pesos, about $85 in our money—then I was held up and robbed of all I had. Eventually I made it to Mexico City and took it up with the government. I believe I talked with everyone except the president. They gave me all kinds of promises, but that did not help me much. They told me they would pay me what I lost for the abuses and for my car, which they almost tore apart, if I would not complain to the American Government or put it in the press, as they felt it would be detrimental to the country as to getting American tourists to come there. They have my address here and I have given them enough chance to make good. Of course, I realize there is nothing I can do about it as far as getting any money, but I do feel that my statement to you or a committee may be of some help in bringing about better conditions for the American citizen in Mexico. This thing has put me in a very precarious position, as I and my family are living on relations, something that we never had to do before; and my being out of work at present makes it all the harder—but I will gladly show papers to back up my statements if you would like to hear my story or in any way that I may assist you on this point. I have also some knowledge of the religious side of it, and I can safely say that someone will have to go there and straighten out the situation. It is true that American citizens are not safe in any way, yet they keep advertising for tourists, and I can truthfully state my case is only one of many.

I thank you.

Sincerely,

IRIS T. GARNER,
614 Grove Street, Haddonfield, N. J.

This letter, one of many similar ones, Mr. Speaker, proves conclusively that it is unsafe for Americans to travel in Mexico at the present time.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes and a quarter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, down in Old Mexico there are two special kinds of native drinks; one is called "mescal" and the other "piote." Either one will cause the drinker to see strange fantasies.

I do not know just which kind the writer of this letter imbibed while he was on that trip, but the experiences he related to our friend from New York [Mr. BOYLAN] undoubtedly resulted either from too much mescal or too much piote.

It is well known to posted people in western-southern Texas that at El Paso, in the district of my colleague, Mr. THOMASON, and at Laredo, in the district of my colleague, Mr. WEST, and down at Brownsville, and elsewhere up and down the Rio Grande, there are international bridges that cross that historic river, and every day hundreds of American nationals cross all of those bridges into Old Mexico.

From Laredo they go 140 miles on the finest, straightest boulevard in the world to Monterey, where many Americans are daily entertained. From Monterey they have just about completed a splendid boulevard all the way to Mexico City. You will find tourists from all over the United States daily going along that highway and all over the United States of Mexico in perfect safety and with every courtesy extended them from every Mexican national from the highest official to the most lowly peon.

Why, all this talk about wide-open lawlessness in Old Mexico is ridiculous. Naturally, in some parts of the mountains, where you can find wild bear, deer, and panthers, there are some thugs and bandits and a certain amount of lawlessness, just as there is in certain parts of the United States.

They undoubtedly have Hauptmanns down there just as they have them in New Jersey and New York. They have men down there who violate the law just like we have men in Washington who violate the law, right here in the Nation's Capital. Why, men are held up and robbed on the streets of Washington, and murders are committed here. If my friend from New York [Mr. BOYLAN] should park his car with its congressional tag down here in a place used by any of the Washington taxicabs, the cabbies would stick nails in his tires and let all his air out. [Laughter.] Then the gentleman would be at a disadvantage here on the floor.

I want to say to my friend that before he disseminates any further misinformation from strangers, he owes it to his country and to Mexico to visit there this summer. He will then have an entirely different idea about the situation down there.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. BOYLAN. The gentleman, I see, is familiar with the alcoholic beverages of Mexico.

Mr. BLANTON. I have been making trips in Mexico long enough during the last 40 years to get familiar with all of them.

Mr. BOYLAN. Through personal experience or otherwise?

Mr. BLANTON. In every way possible except imbibing. I have witnessed all of the different manners and ways they affect others. I am therefore an adept at recognizing symptoms.

AIR MAIL CONTRACTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, and to consider the bill in the House as in Committee of the Whole.

The Clerk read the title of the bill.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think the gentleman should make some explanation of this bill and why it is necessary to take it up in this way at the present time.

Mr. MEAD. Mr. Speaker, I shall be very glad to make such explanation, and, in fact, it was my thought to do so without request of the gentleman from New York [Mr. SNELL].

On the 1st of March next, under the existing air mail act, it will be necessary to cancel the air mail contract between Seattle and San Diego unless this bill is adopted. In the Air Mail Act of 1934 we listed as primary routes the transcontinental routes and the two coastal routes. We gave a primary-route contractor the privilege of holding only one of these contracts after March 1 of this year. If he holds two such contracts, he would have to give one of them up.

This question of primary and secondary routes was referred to the Aviation Commission for study and report. They reported that this inhibition, which prevents a contractor from holding 1 transcontinental and 1 coastal route now classified as primary routes, should be repealed and it should be repealed by the 1st of March, so that the west coastal route, now held by United Air Lines and operating to the satisfaction of the people on the coast, will be continued under the operation of that company. During the session we hope to be able to pass a permanent bill in keeping with the recommendation of the Federal Aviation Commission; but, in order to prevent a bad situation occuring on the Pacific coast on March 1, we ask this legislation.

Every Member of Congress, so far as we are informed, from California, Oregon, and Washington has favored the legislation. It was unanimously adopted by the Senate. It is recommended by the Aviation Commission and has been agreed to by all the air mail lines. As I said before, this merely extends the time from March 1 of this year until April 1 of next year for the operation of the West Coast Line from Seattle to San Diego by the United Air Lines.

Mr. SNELL. Will the gentleman yield for a question?

Mr. MEAD. I yield to the gentleman from New York.

Mr. SNELL. It seems to me from the gentleman's explanation that there are at least two facts which have been brought out: First, that not all of these contracts were crooked, and some of them at least ought to have been extended; and, second, that you rushed your legislation through so quickly it is faulty in several respects. Am I right in this conclusion?

Mr. MEAD. The gentleman is not correct, but to answer him properly would entail quite a debate which is not relevant to the particular question.

Mr. SNELL. I accept the gentleman's apology.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That subsection (g) of section 3 of the act entitled "An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 12, 1934, is amended by striking out the words "nine months" and inserting in lieu thereof the words "fifteen months."

Mr. MEAD. Mr. Speaker, I offer an amendment striking out the section just read and inserting in lieu thereof the language contained in H. R. 5218.

The Clerk read as follows:

Amendment by Mr. MEAD: Strike out all of section 1 of S. 932 and insert in lieu thereof the following:

"That section 15 of the act entitled 'An act to revise air mail laws and to establish a commission to make a report to the Congress recommending an aviation policy', approved June 12, 1934, as amended, is amended by striking out 'March 1, 1935' and inserting in lieu thereof 'April 1, 1936.'"

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. The first sentence of section 15, as amended, of such act is amended by striking out "March 1, 1935" and inserting in lieu thereof "September 1, 1935."

Mr. MEAD. Mr. Speaker, I offer an amendment striking out the section just read.

The Clerk read as follows:

Amendment by Mr. MEAD: Strike out all of section 2 of S. 932.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5218) was laid on the table.

The SPEAKER. Under the special order of the House the Chair recognizes the gentleman from Michigan [Mr. BLACKNEY].

LINCOLN AND THE CONSTITUTION

Mr. BLACKNEY. Mr. Speaker, I wish to express my appreciation to the gentleman from New York [Mr. SNELL] in asking unanimous consent in my behalf to address the House, and also to express my appreciation to the Speaker and the House in granting that request.

America is especially rich in her heritage of great men, and for that reason the month of February has always been to me a sacred month, because it is the birth month of Washington, the Father of his Country and the founder of its Constitution, and of Lincoln, the Savior of his Country and of its Constitution.

Emerson in his very delightful essay on self-reliance says:

Every true man is a cause, a country, and an age; requires infinite spaces and numbers and time to accomplish his destiny, and mankind seems to follow in his footsteps as a train of clients. A man, Caesar, is born, and for ages after we have the Roman Empire. Christ is born and millions of minds so grow and cleave to his genius that he is confounded with virtue and the possible of man. An institution is the lengthened shadow of one man.

If Emerson's statement is true, and it is, then America is the lengthened shadow of Washington and Lincoln and those other distinguished men that have helped to found and perpetuate this great Republic of ours.

Just 9 years after the death of Washington a babe was born in a log cabin in the lowly hills of Kentucky; a babe that was destined to continue the work that Washington had started.

Born in the lowliest of circumstances, under such abject poverty that the present depression is a feast in comparison thereto, the boy Lincoln grew to greatness, attending school

less than one calendar year, and yet acquiring an education in the broader and better sense that has awakened the admiration of the world.

The question is often asked, Where did Lincoln get the beauty and the glory of his English? The answer is, From the beauty and simplicity of the Bible, from the grandeur and the glory of Shakespeare.

From his earliest boyhood he was a constant reader, walking many miles to secure books, studying them carefully, and making the thoughts of the author and the language of the author ofttimes his own thought and his own language. Lincoln's Gettysburg Address will always stand as a specimen of pure English, and the occasion upon which this address was delivered has long been impressed upon my mind.

You will recall that after the Battle of Gettysburg the State of Pennsylvania and the National Government created a national cemetery which was to be dedicated on November 19, 1863. The Honorable Edward Everett, then probably one of the greatest orators in America, was to deliver the principal address, and President Lincoln was invited to be present.

A large platform had been erected at the cemetery, and 20,000 people gathered there to hear Edward Everett, the great orator of the day. For nearly 2 hours Mr. Everett held the audience spellbound by the power of his eloquence and the beauty of his English, during which time, it is said, Lincoln sat upon the platform, part of the time with his head bowed in his hands, apparently saying to himself, "What can I say to this splendid audience after this great orator is through?" At the conclusion of Mr. Everett's address round after round of applause was given him.

Then President Lincoln was introduced; he walked to the front of the platform, stood there for a moment with his head bowed and his eyes dull, and even Lincoln's friends wondered just what the President could do under the circumstances. Then President Lincoln's form was drawn to its full height. Into his dark eyes came the light of liberty, and for 4 minutes, and 4 minutes only, the President delivered an address the like of which is probably unknown in the English language.

At the conclusion of that address no applause was given, but the reason was apparent. You do not cheer a prayer, you do not applaud a benediction, and Lincoln's Gettysburg Address was both a prayer and a benediction.

The language of Lincoln's Gettysburg Address is known practically to every adult school boy in America, and the beauty of the English therein has awakened the admiration of the world; let us quote the following from this wonderful address to get the spirit thereof:

> It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth.

As I study the life of Lincoln, two great thoughts become apparent. First, Lincoln taught the doctrine of opportunity, and his whole life illustrates the thought that one can accomplish great things if he is willing to work, regardless of the circumstances under which he works. Hundreds of thousands of young men each year since the death of Lincoln have received an inspiration from his life, and by that inspiration have surged ahead regardless, in many instances, of the lack of their own education.

A love of books permeated Lincoln's life and a love of books and literature implanted in the minds of the youth of our land cannot help but develop them to better and greater things.

Second, he loved the American Constitution, and his whole life was devoted to a reverence of that great document. In these days of radicalism and of freely expressed communistic thought would it not be wise to emulate the example of Lincoln and devote our thought and consideration to a study of that great document?

May I turn back the pages of history 148 years to the Constitutional Convention? The time was May 25, 1787, the place the State House at Philadelphia, then a little town of not more than 30,000 people. The Convention met in a hall 50 feet square, whose walls were already eloquent with sacred memories. There the Second Continental Congress had met and there the Declaration of Independence had been signed.

Seventy-two leading men of the Colonies had been originally chosen from the several States as delegates to this Convention. All of the States were represented except Rhode Island, which would have nothing to do with the Constitutional Convention. The greatest actual attendance of delegates from the 12 Colonies was 55, and at the end of the Convention only 39 remained to finish a work which was to make them immortal.

This notable group of men contained merchants, financiers, farmers, doctors, educators, soldiers, and lawyers, Washington was unanimously chosen as president of the assembly and for 4 months, behind closed doors, the 55 men who attended devoted their thoughts to their country.

It was a young man's convention, the average age being only 40. Franklin was 81, Washington 55, Madison 36, Randolph 34, Hamilton 30, Charles C. Pinckney 29, and Dayton, of New Jersey, 27, the youngest man in the Convention.

Out of those 55 men, 39 had been Members of either the First or Second Continental Congress; out of those 55 men 8 had helped to build the constitutions of their own States; out of that 55 men 24 of them were college graduates; out of that 55 men, 31 of them were lawyers.

Many great and momentous problems came before the Constitutional Convention and at times the leaders were in despair as to the results, but after 4 months, on the 15th day of September 1787, the great American Constitution was perfected.

The Convention had been in session for 81 continuous days, probably consuming over 400 hours of actual debate. The original Constitution as completed consisted only of 4,000 words, 89 sentences, and 140 distinct provisions, and even including the 21 amendments, the Constitution after 146 years of development does not exceed 7,000 words. Sixty-five powers are given to the Federal Government by this great document and 79 are withheld, of which 13 are denied both to the Government and to the constituent States.

Many tributes have been made with reference to the American Constitution. James Bryce, the great English statesman and author of the American Commonwealth, says "the American Constitution is the greatest political document ever penned by man."

And Calvin Coolidge in his foreword to Beck's American Constitution says:

> The Constitution of the United States is the final refuge of every right that is enjoyed by any American citizen. To live under the American Constitution is the greatest political privilege that was ever accorded the human race.

It is especially important in these days of unrest and of depression to become students of the great fundamental law. It has been our guiding genius for 146 years from the time when our country consisted of only 3 millions of people along the Atlantic seaboard to today with its more than 122 millions of people.

But no government can be automatic; it depends upon the intelligence, the integrity, and the loyalty of her citizens. Every American citizen today should study his Constitution. That great body of laws can be read in only 30 minutes of time, and yet it contains every right that we have, direct and indirect.

There are several basic principles underlying our Constitution.

First. It establishes a representative form of government.

Second. It establishes a dual form of government, each citizen living under two forms of government, the national and the State.

Third. It guarantees to its citizens individual liberty, freedom of speech, liberty of the press, right to own property, the right to worship God according to the dictates of our conscience.

Fourth. It establishes an independent judiciary and created the great Supreme Court, which has well been called the

safety valve of the American Constitution, and is pronounced by critics as the greatest intellectual forum in the world.

Fifth. It prevents the concentration of power in the hands of one man or a group of men by checks and balances, creating the three departments of government—the legislative, the judicial, and the executive—each department independent and yet cooperating with each other to the working of a harmonious government. This provision of our Constitution has been the safeguard of the Nation in the days agone, and the perpetuity of our institutions in the future depends upon the independence of these three functions of government.

Sixth. And, finally, it places in the hands of the President and the Senate joint power in determining the foreign affairs of our Nation.

Now that we have taken this backward view of history, let us turn again to Lincoln and get his concept of the Constitution. Even in childhood he revered that great document and was impressed with the great sacrifice which the fathers of our country made to achieve national independence culminating in the framing of the Constitution.

Throughout his entire life there are many instances which reveal that his reverence for the instrument grew until he was in accord with Webster, who said—

It is the only bond of the union of these States; it is all that gives us a national character.

There are three different periods in Lincoln's life when we find him reacting toward the Constitution in such a way as to imply that he looked upon this state paper as something to be revered far beyond any other code of laws in the land; in fact, for him it approached the status of a fetish.

In the first instance he is unwilling that it should be changed in any particular from the form in which it came from the fathers. Next, as President of the United States, finding his own power as Chief Executive limited by the instrument, he is fearful lest in any way he should violate the "higher power." Finally, when a great emergency appears, Lincoln begins to view the Constitution from even a more elevated plane, and looks upon it as a vehicle by which humanity may be served.

This present Congress today, in commemorating the birth of the Great Emancipator, should feel proud that he had been a Member of Congress and that while he was representing Illinois in Congress in 1847 he had occasion to make a speech in the House of Representatives which reveals how he then looked upon the Constitution. Lincoln said:

As a general rule, I think we would much better let it alone. No slight occasion should tempt us to touch it. Better not take the first step, which may lead to a habit of altering it. Better, rather, habituate ourselves to think of it as unalterable. It can scarcely be made better than it is. New provisions would introduce new difficulties, and thus create and increase appetite for further change. No, sir; let it stand as it is. New hands have never touched it. The men who made it have done their work and have passed away. Who shall improve on what they did?

When we stop to think that during the 146 years of constitutional life in America over 3,000 attempts have been made to amend the Constitution and yet only 21 have reached the dignity of the supreme law of the land, we get the force of Lincoln's statement.

Lincoln's whole concept of the Constitution, the great love he had for it, and the place he thought it should occupy in the minds of Americans is well illustrated in Lincoln's own language, where he says:

As the patriots of '76 died to support the Declaration of Independence, so to the support of the Constitution and laws let every American pledge his life, his property, and his sacred honor.

In these days when old landmarks are being removed and when we are inclined to look slightingly upon many of the great principles of this Government of ours, which have become our heritage, should we not pause and give heed to these words of Lincoln and renew our faith to our Government and to our Constitution? This House of Representatives and the millions of people representing this Nation all owe to that Constitution their complete allegiance and support.

In conclusion I wish to give two of my favorite quotations with reference to Lincoln, one by Joseph Fort Newton, in which he says:

Tall, angular, homely, eloquent; a child of the South, a leader of the North, who grew up in the back yard of the Nation; the son of a pioneer untrained in schools; a village fabulist, postmaster, and country lawyer; hater of slavery and lover of men; a humorist with a heart full of tears; a logician with a soul of pity and pathos; a high priest at the altar of blood and fire and terror, unbendingly firm, incredibly merciful, infinitely patient; a martyr in the hour of victory; the tallest soul of his time—Lincoln, the savior of his country.

But my favorite quotation, the one that I think presents the finest summary of Lincoln's life, was given by the great Spanish statesman and orator, Emelio Castallar, who, in reviewing the life of the immortal Lincoln and the great things accomplished by him, said:

And when the slave evil became more virulent, when the slaveholders uttered their war cries, and the slaves their groans of despair, the woodcutter, the boatman, the tall son of the great West, the descendant of Quakers, the humblest of the humble in his own conscience, the greatest of the great in history, ascends the Capitol, calm and serene in his conscience and his thought. Before him, a veteran army; behind him, hostile Europe; England favoring the South, France encouraging reaction in New Mexico; in his hands a riven country.

He arms 2,000,000 men, gathers a half million horses, sends his artillery 1,100 miles in 1 week from the banks of the Potomac to the shores of the Tennessee, fights over 600 engagements, reenacts before Richmond the deeds of Alexander and of Caesar, and after emancipating 3,000,000 slaves, that nothing might be wanting, he falls at the moment of victory, like Christ, like Socrates, like all redeemers, at the foot of his work. His work, sublime achievement, over which humanity shall eternally shed her tears and God pronounce His benediction.

[Applause.]

COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may be permitted to sit during the sessions of the House to consider the bill (H. R. 5531) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

The SPEAKER pro tempore (Mr. McREYNOLDS). Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. Under the special order of the House, the gentleman from Mississippi [Mr. RANKIN] is recognized for 1 hour.

Mr. RANKIN. Mr. Speaker, I have just listened to the eloquent address of the distinguished gentleman who preceded me on this floor on the life and character of Abraham Lincoln on this one hundred and twenty-sixth anniversary of the birth of the "Great Emancipator."

What we are trying to do now, in our fight on the Power Trust, and the other utility monopolies, is to emancipate the American people from economic bondage; to rescue them from a system of economic feudalism that is grinding them into the dust.

I do not hesitate to say that if Abraham Lincoln, George Washington, and Thomas Jefferson could push back the veil that hides us from that mysterious realm where they have taken their places "in the silent halls of death", and see how the electric consumers of the United States are being plundered with light and power rates and note the legalized thievery that has taken place in the utility field, they would wonder whether or not the Constitution, which they created, or gave their lives to preserve, has not failed in its ultimate purpose of insuring equal and exact justice to all men and special privilege to none.

Governments were instituted among men to keep the strong from oppressing the weak. But governmental powers have been used in this country in recent years to help the strong oppress the weak.

On February 7, 1934, I made some remarks on this floor with reference to the power question, especially in connection with the Muscle Shoals project and the Tennessee Valley Authority. That was the day on which the first contract entered into by the T. V. A. with the city of Tupelo, Miss., for

the sale of hydroelectric power from Muscle Shoals went into effect.

I now desire to bring that subject down to date, to show what the T. V. A. is doing for the ultimate consumers of electric lights and power and to discuss the power question generally, as it affects the people in every State in the Union.

Since this is the birthday of one of the chief figures in the War between the States, I think it not amiss to again call your attention to the fact that the power generated at Muscle Shoals exceeds the combined physical strength of all the slaves freed as a result of that great conflict.

The power that will be produced at Boulder Dam in a day of 24 hours will exceed the combined physical strength that could be exerted by the entire manhood of the United States, working 8 hours a day. I make these statements in order to give you an idea of the magnitude of those two great national projects.

The power question is one of the greatest issues with which we now have to deal, one of the most important problems of this age.

Electric energy is no longer a luxury; it is a necessity and must be dealt with as such.

The power business in this country—in fact, the utility business in general—has developed into a racket; a legalized racket. President Roosevelt wrote an article in 1932 entitled "Theft Within the Law", in which he said:

> Great financial losses have come from unsound holding companies. These artificial creations are huge, topheavy superstructures, insecurely balanced over our already existing corporations. They have enabled ambitious management to create fictitious values never justified by existing earnings. Their sponsors say they enlarge the scope of capable management and facilitate financing. Yet the holding company serves no warrantable economic purpose. Actually, it enables managers to raise their own high salaries higher. It helps financiers to wrest illegitimate profits from an unsuspecting and inexperienced public—from whom vital information has been withheld.

Continuing, he says:

> Instance after instance of pillage, deceit of the public, and even of the prostitution of public agencies and officials—for which these same managers have often been responsible—may be found in the files of the Federal Trade Commission's investigation of public utilities.
>
> The record is convincing. It is so voluminous that anyone may pick out examples to convince himself. But if you are willing to believe me that it is so, I will add that nothing more atrocious in the way of thievery inside the law has ever been successfully attempted against the American public.

This article, written by Franklin D. Roosevelt in 1932, comes as near stating the facts as they exist today as they could be stated in the English language. The utility manipulators began by watering stocks and creating holding companies which, as Mr. Roosevelt says, "serve no warrantable economic purpose." They pyramided these holding companies in order to wring from the consumers every dollar possible through electric lights, power, and other utility rates. Since we are dealing today with light and power rates, I shall confine my remarks to the power question.

I make the statement advisedly that the ultimate consumers of electricity in America are today overcharged anywhere from a half billion to a billion dollars a year, and at the same time, as a result of their high rates, they are curtailing the domestic use of electricity by at least one-half. Utility officials have not only pyramided and raised rates but, as President Roosevelt said, they have raised "their own high salaries higher", flooded the country with watered stocks, and plundered the public in so many ways that they have driven the people to the point of revolt against "thievery within the law."

Let me read you some of the salaries that have been paid to some of these officials during all the years of this depression, while they were wringing the very lifeblood from the users of electric lights and power.

In the Electric Bond & Share Co., a holding company which, as President Roosevelt said, "serves no warrantable economic purpose", C. E. Groesbeck, president and director, received in 1929, $228,000, and in 1930, $251,260; S. Z. Mitchell, chairman of the board, received in 1929, $251,910, and in 1930, $276,560; Harvey C. Couch received as a director in Electric Bond & Share in 1929, $59,060, in 1931, $67,413, and 1932, $67,883.

In the Columbia Gas & Electric Co. the president, P. G. Gossler, received in 1929, $251,335, and 1930, $233,383; F. W. Crawford, vice president, in 1929, $112,315, and 1930, $106,903.

Commonwealth & Southern paid B. C. Cobb, chairman of the board, in 1931, $97,700, and in 1932, $110,200; and it paid T. W. Martin, president, in 1931, $72,600, and in 1932, $130,140.

The North American Co. paid F. L. Dame, president, in 1930, $110,440, and in 1931 the sum of $106,506; it paid Edwin Gruhl, vice president and general manager, in 1930, $91,468, and in 1931, $87,624.

The Associated Gas & Electric Co. paid J. I. Mange, president and director, in 1931, $60,156, and in 1932, $58,140.

Harvey C. Couch, by the way, is president of the Arkansas Power & Light Co., to which I shall refer later. He is also president of the Mississippi Power & Light Co., as well as president of the Louisiana Light & Power Co. Mr. Couch received as director in the Electric Bond & Share Co. a salary in 1929 of $59,060, and in 1931, $67,413, and in 1932, $67,883, and during part of that time he was drawing a salary of $10,000 a year as a member of the Reconstruction Finance Corporation.

These are simply samples of the exorbitant salaries which are paid at the expense of the ultimate consumers. You will note that these salaries of these high officials were raised higher by these officials themselves in 1931 and 1932, when we were in the very pit of the depression and when the stocks in these companies were practically worthless.

Mr. LORD. Mr. Speaker, will the gentleman yield for a question?

Mr. RANKIN. Yes.

Mr. LORD. Were these salaries a flat salary that they knew about beforehand, or were they bonuses that brought the salaries up to these figures?

Mr. RANKIN. My information is that they were salaries. They possibly carried bonuses, but whichever it was, the ultimate consumers of electric light and power paid them.

Mr. LORD. If the gentleman will pardon me just a moment, I want to make myself clear. I agree with that; but to a great many of these salaries they add on a bonus, which I think is very unfair. It is not shown on the face of it what the salary is really going to be.

Mr. RANKIN. That is one of their schemes.

The Power Trust has become a great octopus that reaches not only into every home, but its tentacles reach into every light bulb. It is literally sapping the lifeblood from the people who use electric lights and power.

The Federal Trade Commission has just made its report after a long and careful investigation of these utilities, and I do not hesitate to say to you that the American people owe that Commission a lasting debt of gratitude for the services they have rendered in unearthing and exposing the greatest system, as I have said, of legalized thievery ever known in all the history of mankind. [Applause.]

I want to say also, Mr. Speaker, that we owe a debt of gratitude to the Federal Power Commission for the great work they are doing in compiling and publishing these power rates for the information of the American people. They are turning in the blessed sunlight of pitiless publicity. I want especially to commend Chairman McNinch for his gallant fight to save the water-power resources of this country for the American people.

We contend that the hydroelectric power in these navigable streams is national wealth; it belongs to all the American people and should be used for the benefit of all. Where did the Power Trust get any divine right to monopolize the power resources of this country?

The first words that ever came from the lips of Divinity, even in the dawn of time, was "Let there be light." And from the first passage of Genesis to the last verse in Revelation there is not a single word said about the Power Trust's right to own it or to controlling its distribution. [Laughter and applause.]

About 50 years ago, when the electric light was invented by Thomas A. Edison, we stepped into a new era; it was the dawn of the electric age. That one invention gave to mankind the greatest ascendency over the forces of nature ever known in all the ages of "recorded time."

It revealed to us a new source of wealth that is worth more than all the oil wells, all the gold fields, and all the diamond mines of both the ancient and the modern world. Its supply is inexhaustible. It is the one great natural resource that we do not exhaust by use, but by its use we help to conserve other natural resources.

Mr. MOTT. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MOTT. Going back to the subject the gentleman left: As the result of the investigation by the Federal Power Commission and the rackets by some of these holding companies, have they ever been recommended for prosecution by the Department of Justice?

Mr. RANKIN. The full report has not been made yet, but I suppose there will be prosecutions, and I hope the guilty parties will be brought to justice.

Mr. MOTT. I have a holding company in my State that I should like to submit to them for prosecution.

Mr. RANKIN. I should be glad to have the gentleman do so.

Now, I want to discuss the rates the people in the various sections of the country are now paying.

I will first call your attention to the T. V. A. rates, as applied in Tupelo, Miss., the first city to contract for power from Muscle Shoals. These rates are in effect in Corinth, Amory, Booneville, Iuka, Nettleton, Fulton, Baldwyn, and other towns and communities in northeastern Mississippi, as well as in portions of northern Alabama and southern Tennessee. These rates are as follows:

STANDARD RESIDENTIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available to all residential customers at local distribution secondary voltage, either 2-wire or 3-wire service, as municipality may require:

First 50 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 150 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 200 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 400 kilowatt-hours, per month, at 0.4 cent per kilowatt-hour.

Minimum monthly bill:
5-ampere meter, 25 kilowatt-hours, 75 cents.
15-ampere meter, 33⅓ kilowatt-hours, $1.
50-ampere meter, 50 kilowatt-hours, $1.50.

BASIC COMMERCIAL RATE FOR SERVICE EFFECTIVE FEBRUARY 7, 1934

Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 750 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 1,000 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 2,000 kilowatt-hours, per month, at 0.8 cent per month.

Minimum monthly bill:
5-ampere meter, 50 kilowatt-hours, $1.50.
15-ampere meter, 66⅔ kilowatt-hours, $2.
50-ampere meter, 100 kilowatt-hours, $3.

Surcharge: Basic rate subject to a surcharge initially established by municipalities and modified from time to time as net revenues improve, of 10 percent. Surcharge to take the form of straight percentage added to customers' bills.

BASIC INDUSTRIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to industrial power users having demands in excess of 10 kilowatts. Service at primary-distribution voltage or secondary-distribution voltage at discretion of municipality.

Demand charge: $1 per kilowatt per month.
Demand: Maximum integrated 30-minute period.
Energy charge:
First 10,000 kilowatt-hours per month at 10 mills per kilowatt-hour.
Next 25,000 kilowatt-hours per month at 6 mills per kilowatt-hour.
Next 65,000 kilowatt-hours per month at 4 mills per kilowatt-hour.
Next 400,000 kilowatt-hours per month at 3 mills per kilowatt-hour.
Excess over 500,000 kilowatt-hours per month at 2.5 mills per kilowatt-hour.

The Tennessee Valley Authority is one of the greatest organizations connected with this or any other government. It has done more for the American people during the short period of its existence than any other one organization I have ever known. By applying its yardstick, showing what are reasonable rates, it has brought light and power rates down all over the country, thereby reducing costs to the ultimate consumers hundred of millions of dollars.

Here are the rates in effect in that section of the country prior to the passage of the Muscle Shoals bill. These were the average rates. I take them from the book called "N. E. L. A.", the National Electric Light Association, which has been referred to before as the "prayer book of the Power Trust." The National Electric Light Association has been succeeded by the Edison Electric Institute. These are the published rates in effect prior to the time the T. V. A. bill was passed:

	Former power-company rates	T. V. A. rates
10 cents per kilowatt-hour first 30 kilowatt-hours	$3.00	$0.90
8 cents per kilowatt-hour next 170 kilowatt-hours	13.60	3.60
7 cents per kilowatt-hour next 300 kilowatt-hours	21.00	2.40
6 cents per kilowatt-hour next 350 kilowatt-hours	21.00	1.40
5 cents per kilowatt-hour next 150 kilowatt-hours	7.50	.60
1,000 kilowatt-hours	66.10	8.90

For $8.90, under the T. V. A. rates, a householder now gets 1,000 kilowatt-hours a month, which would have cost him $66.10 under the power-company rates in effect at the time the Muscle Shoals bill was passed.

In Jackson, Miss., under the Mississippi Power & Light Co. rates in effect at the time of the passage of the Muscle Shoals bill, this 1,000 kilowatt-hours per month would have cost him $51.42.

In Tacoma, Wash., where they have a publicly owned plant, it would cost $10.60; and in Ottawa, Canada, where they also have public ownership, this 1,000 killowatt-hours per month would cost $6.17.

The Power Trust has been keeping this information away from you. The reason I asked this hour at this time was to give you this information, make these comparisons, and show what these differences in rates really mean to the man who pays the bills.

These rates are here brought down to date, with all of the reductions that we have forced. I shall read you some of them. If any of you gentlemen are interested in your own State, if you desire to have me do so, I shall put some of the rates that I have of that particular State in the RECORD, because I think practically every State is represented in this table. Let us take first 150 kilowatt-hours a month, which in Tupelo, Miss., cost $3.50 and in Tacoma, Wash., cost $2.90; in Ottawa, Canada, $2.05; in Boston, Mass., $6.70; in Brooklyn, N. Y., $8.05; in Jackson, Miss., $5.18; and in Columbus, Ohio, $7.75.

Mr. WOOD. What are the rates at St. Louis and Kansas City, Mo.?

Mr. RANKIN. St. Louis, Mo., $4.04.

Mr. DUNN of Pennsylvania. What is the Pittsburgh rate?

Mr. RANKIN. In Philadelphia, Pa., $5.95, and in Pittsburgh, $5.60.

Now, let us move on up to 500 kilowatt-hours a month. In Tupelo, Miss., 500 kilowatt-hours would cost $6.90, and in Tacoma, Wash., $6.40.

Mr. TERRY. What about Arkansas?

Mr. RANKIN. In Little Rock, Ark., $14.60; in Ottawa, Canada, $3.92; in Brooklyn, N. Y., $25.55; in Philadelphia, Pa., $10.45; in Dallas, Tex., $13.40; and in Columbus, Ohio, $13.95. You know the power companies base their rates on your ability to pay, so evidently the people in some of these cities are very much more prosperous than are the people in others.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. PIERCE. Much has been made, especially in reference to the gentleman's speech a year ago, of the fact that the T. V. A. rates are not based on the paying out of the cost of the project.

Mr. RANKIN. I shall come to that in a moment. As I said, 500 kilowatt-hours cost $6.90, in Tupelo, under the T. V. A. rates and $6.40 in Tacoma and $3.92 in Ottawa, Canada; in Little Rock, Ark., $14.60.

Mr. TERRY. Were these rates computed recently?

Mr. RANKIN. Yes. I am reading from a preliminary report made by the Federal Power Commission of domestic and residential rates in effect January 1, 1935.

Mr. COLDEN. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COLDEN. The gentleman quoted the rates from the Tennessee Valley Authority, and from Ontario, Canada, and Tacoma, Wash. Is there very much variation between those three examples which the gentleman cited?

Mr. RANKIN. There is not much difference, but for the information of the House, I will insert in the RECORD at this point, tables showing domestic light and power rates in 21 typical leading cities in various parts of the country, and also the Tennessee Valley Authority rates, the Canadian rates, and the Tacoma rates, as well as the rates for Little Rock, Ark., in parallel columns, showing the average monthly consumption, as well as the average cost. I hope every one of you will study these tables, for they tell a terrible story, which cannot be successfully contradicted.

The tables referred to are as follows:

Domestic rates—Net monthly bills for typical residential customer

City and State	Population	Company	(1) Lighting and small appliances			(2) No. 1 plus refrigeration		(3) No. 2 plus cooking	(4) No. 3 plus water heating	(5) No. 4 plus extra use		Average monthly domestic consumption
			15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	150 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	750 kilowatt-hours	1,000 kilowatt-hours	
Atlanta, Ga	270,000	Georgia Power Co	$1.00	$1.45	$2.12	$3.95	$4.95	$6.57	$8.57	$11.36	$13.92	73
Boston, Mass	781,000	Edison Electric Illuminating Co	1.05	1.65	2.40	5.20	6.70	9.70	12.70	18.70	23.70	52
Brooklyn, N. Y	2,560,000	Brooklyn Edison Co	1.30	1.80	2.55	5.55	8.05	13.05	25.55	38.05	50.55	38
Buffalo, N. Y	573,000	Buffalo General Electric Co	.75	1.13	1.70	3.06	3.81	5.31	9.06	12.81	16.56	66
Birmingham, Ala	259,000	Birmingham Electric Co	.98	1.55	2.30	4.05	5.30	7.80	12.55	16.30	20.05	40
Baltimore, Md	804,000	Consolidated Gas, Electric Light & Power Co.	.75	1.25	2.00	4.18	5.86	8.98	12.22	15.22	18.22	60
Chicago, Ill	3,376,000	Commonwealth Edison Co	1.03	1.51	2.04	3.75	5.17	8.02	15.15	22.28	29.40	61
Cincinnati, Ohio	451,000	Union Gas & Electric Co	.75	1.25	1.70	3.00	4.00	6.00	10.63	15.06	19.13	55
Detroit, Mich	1,568,000	Detroit Edison Co	1.03	1.39	1.93	3.53	4.65	6.90	9.96	13.90	16.72	58
Denver, Colo	287,000	Public Service Co. of Colorado	.90	1.50	2.40	4.80	6.30	9.30	16.80	24.30	31.80	40
Dallas, Tex	260,000	Dallas Power & Light Co	.83	1.38	2.20	4.60	6.45	8.40	13.40	18.40	23.40	54
Indianapolis, Ind	364,000	Indianapolis Power & Light Co	.86	1.44	2.30	4.80	6.72	8.53	11.53	16.65	21.03	44
Jackson, Miss	48,242	Mississippi Power & Light Co	1.30	1.90	2.80	5.40	6.40	8.40	12.40	16.15	19.90	47
Milwaukee, Wis	578,000	Milwaukee Electric Railway & Light Co	.93	1.55	2.04	3.75	5.18	7.08	8.60	12.78	16.34	47
New Orleans, La	458,000	New Orleans Public Service Co	1.38	2.13	3.25	6.00	7.25	10.75	14.50	18.25	22.00	40
Portland, Oreg	301,000	Portland General Electric Co	1.00	1.38	1.95	3.39	4.29	6.09	8.09	15.14	18.27	87
St. Louis, Mo	821,000	Laclede Power & Light Co	.69	1.07	1.43	2.85	4.04	5.70	9.26	12.82	16.39	56
San Francisco, Calif	634,000	Pacific Gas & Electric Co	1.00	1.53	2.10	4.20	5.95	7.85	9.95	12.45	14.95	53
Salt Lake City, Utah	140,000	Utah Power & Light Co	1.18	1.88	2.93	4.82	7.07	7.70	10.45	15.58	19.95	73
Philadelphia, Pa	1,950,000	Philadelphia Electric Co	1.03	1.58	2.40	4.45	5.95	8.70	11.70	16.83	20.70	48
Washington, D. C	486,000	Potomac Electric Power Co	.75	.98	1.56	3.60	3.95	5.67	10.10	13.85	17.60	68
Mean average			.98	1.49	2.20	4.23	5.62	7.93	12.06	16.99	21.46	55
Median average			1.00	1.50	2.12	4.18	5.86	7.85	11.53	15.58	19.90	54
Toronto	626,674	Ontario Hydro Commission	.75	.75	.90	1.44	1.89	2.79	5.04	7.29	9.54	138
Port Arthur	19,749	do	.68	.68	.84	1.32	1.73	2.80	4.83	6.85	8.88	183
St. Catharines	26,192	do	.75	.75	.93	1.47	1.92	3.38	5.63	7.88	10.13	142
Ottawa	130,672	do	.75	.75	1.02	1.74	2.05	2.88	3.92	5.05	6.17	311
Brantford	30,724	do	.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	142
Guelph	20,754	do	.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	99
Hamilton	154,701	do	.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	140
Kingston	23,260	do	.75	.75	1.02	1.65	2.10	3.29	5.54	7.79	10.04	92
London	73,173	do	.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	196
Niagara Falls	18,507	do	.75	.75	.92	1.51	1.97	3.04	5.07	7.09	9.12	205
St. Thomas	16,275	do	.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	155
Woodstock	10,956	do	.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	137
Fort Williams	25,188	do	.75	.86	1.20	1.87	2.32	3.52	5.77	8.02	10.27	416
Owen Sound	12,803	do	.75	.86	1.20	2.01	2.46	3.65	5.90	8.15	10.40	83
Welland	10,668	do	.75	.79	1.09	1.88	2.38	3.66	6.14	8.61	11.09	104
Sarnia	17,801	do	.75	.79	1.26	2.29	2.78	3.77	6.25	8.72	11.20	97
Chatham	16,223	do	.75	.86	1.20	1.97	2.54	3.82	6.30	8.77	11.25	88
Windsor	65,565	do	.75	.81	1.30	2.38	2.92	4.00	6.70	9.40	12.10	165
Kitchener	31,443	do	.75	.75	1.02	1.81	2.35	3.73	7.14	9.13	11.83	141
East Windsor	14,333	do	.75	.81	1.30	2.38	2.92	4.00	6.70	9.40	12.10	108
Peterborough	22,809	do	.75	.75	1.20	1.99	2.55	3.97	6.79	9.59	12.41	107
Mean average			.75	.77	1.07	1.82	2.29	3.45	5.79	8.05	10.35	155
Median average			.75	.75	1.02	1.74	2.19	3.38	5.63	7.88	10.13	141
Tacoma, Wash	106,837	City of Tacoma, department of public ut lities, light division.	.68	1.13	1.80	2.40	2.90	3.90	6.40	8.90	10.60	117
Tupelo, Miss		Tennessee Valley Authority rates	.75	.75	1.20	2.50	3.50	5.00	6.90	7.90	8.90	103
Little Rock, Ark	81,679	Arkansas Power & Light Co	1.50	2.10	2.90	5.10	6.60	9.60	14.60	19.60	24.60	49

Mr. COLDEN. The gentleman from Mississippi will recognize that the purpose is to get these three as a basis of publicly owned utilities.

Mr. RANKIN. I am aware of the gentleman's motive, and I commend him for it. I am glad to have these tables inserted.

Now, let us take 1,000 kilowatt-hours. You will note that a thousand kilowatt-hours a month in Tupelo, Miss., costs a domestic consumer $8.90 under the T. V. A. rates; in Tacoma, Wash., it costs $10.60; in Ottawa, Canada, $6.17; in Brooklyn, N. Y., $50.55. I do not blame our friend, Mayor LaGuardia, for his efforts to give the people of New York relief. In Denver, Colo., the cost would be $31.80; and in Dallas, Tex., $23.40.

Mr. CROSS of Texas. Has the gentleman the figures for Waco, Tex.?

Mr. RANKIN. I have up to 500 kilowatt-hours. In Waco the cost for 500 kilowatt-hours a month would be $13.60; in Tupelo, Miss., $6.90; in Tacoma, Wash., $6.40; and the average in Ontario, Canada, would be $5.63. In Westchester County, N. Y., it would cost $28.81.

Mr. COLDEN. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COLDEN. Will the gentleman include Los Angeles rates in his figures?

Mr. RANKIN. Yes; in Los Angeles, $8.81.

Mr. MAVERICK. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MAVERICK. What is the rate at San Antonio?

Mr. RANKIN. What is the population of San Antonio?

Mr. MAVERICK. About 236,000.

Mr. RANKIN. In San Antonio, Tex., 500 kilowatt-hours a month costs $13.38.

I have here a table showing the domestic rates up to 500 kilowatt-hours a month in all cities in the United States of 50,000 population or over. For the information of the House I am going to insert that table at the close of my remarks.

Mr. COLDEN. And the Los Angeles rate, which is a publicly owned plant?

Mr. RANKIN. In Los Angeles, 500 kilowatt-hours costs $8.81, just $20 less than in Westchester County, N. Y.

Mr. SNYDER. What is it for Pittsburgh, Pa.?

Mr. RANKIN. In Pittsburgh it is $16.10.

Mr. BLANTON. Will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. BLANTON. I just want to call the gentleman's attention to one thing, if he will permit. These utility companies have the finest legal talent in the world, and they know how to go into court and make out their case. That is how they keep these rates up. It is because the consumers do not have the proper kind of legal talent to offset their lawyers in court.

Mr. RANKIN. Yes; and the utilities sometimes control public officials.

Mrs. NORTON. Will the gentleman yield?

Mr. RANKIN. I yield.

Mrs. NORTON. Has the gentleman the New Jersey rates? For instance, Newark and Jersey City?

Mr. RANKIN. Newark, N. J., $17.30 for 500 kilowatt-hours per month.

Mrs. NORTON. And Jersey City?

Mr. RANKIN. $17.30.

Mrs. NORTON. Asbury Park. I think that is the highest.

Mr. RANKIN. No. You must go to New York to get the highest. The highest rates are in the district represented by the gentleman from New York [Mr. FISH], and the district in New York represented by Mr. MILLARD. They have the honor to represent the people who pay what are said to be the highest light and power rates on earth.

Mr. TERRY. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. TERRY. As a result of the gentleman's studies on this subject, what does he find in regard to the difference between the rates of the publicly owned utilities and the T. V. A. yardstick?

Mr. RANKIN. Where a public utility gives the people the benefit of its operation, we find the rates in line with the rates in Tacoma, Wash., and the T. V. A., and the rates in Canada, but unfortunately we have a great many boards of aldermen and mayors of cities who hold their people up for higher rates in order to turn money into the municipal treasury. In doing so they prevent the liberal use of electricity, as well as a liberal use of electrical appliances.

Mr. WOOD. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WOOD. If the gentleman has the Hannibal, Mo., rate, I will say that does not indicate what electricity is costing the people, because Hannibal, Mo., has a plant which is municipally owned. Several years ago they used the proceeds of that plant with which to buy a water plant.

Mr. RANKIN. I understand.

Mr. WOOD. They used the money which the people paid for power, out of which to buy a water plant.

Mr. RANKIN. I understand, and that ought not to be done.

Now, let me say a word to the gentleman from Pennsylvania [Mr. DUNN], who asked about the rates in Pennsylvania. The lowest rates charged domestic consumers in the United States for electric light and power, outside of the Tennessee Valley area and the far Northwest, is here in the District of Columbia. I am not guessing at that, because I have my own light bill before me. The maximum rate here is 3.9 cents per kilowatt-hour, and it goes on down to 1½ cents. They buy coal in West Virginia and Pennsylvania and haul it to Washington and manufacture power and distribute it, practically all of it to domestic and commercial consumers, because they have no industries here. But they do have a commission here, and that commission holds them down to a net profit of 7 percent. If they make more than 7-percent profit, it must be divided, and half of that excess put back into the treasury for the reduction of rates. They have recently ordered another rate reduction in the District of Columbia, yet in Erie, Pa., or Wheeling, W. Va., where this coal comes from, you might say, those people are paying probably twice as much for electric energy for domestic and commercial use as they are paying here in the District of Columbia.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COLE of Maryland. Is not the supply in the District of Columbia augmented by transmission lines from Philadelphia and Baltimore, to a very large extent?

Mr. RANKIN. I talked with the Public Utilities Commission this morning, and was informed that they manufactured their power here; but if they do bring it from Pittsburgh their conduct is——

Mr. COLE of Maryland. It does not come from Pittsburgh, it comes from Conowingo, on the Susquehanna River between Philadelphia and Baltimore.

Mr. RANKIN. If it is between Baltimore and Philadelphia, why do they not do justice to the people up in Philadelphia and Baltimore and give them lower rates?

Mr. COLE of Maryland. It is a power project which supplies Philadelphia and Baltimore, and there is a transmission line to Washington as well.

Mr. RANKIN. I understand, but the Washington rate is lower than the Baltimore rate, and yet in Baltimore they have an industrial load in addition to your domestic and commercial load. This should give them lower domestic and commercial rates.

I now call attention to the fact that the higher the rates are the less electric energy the people use, as is shown most forcibly by the tables which I have just inserted. I spoke about the rates in Brooklyn, N. Y., where they pay $2.55 for 40 kilowatt-hours per month, $8.05 for 150 kilowatt-hours, $25.55 for 500 kilowatt-hours, and $50.55 for 1,000 kilowatt-hours. You will observe that the average domestic consumption in Brooklyn is only 38 kilowatt-hours per month.

While in Ottawa, Canada, where they pay $1.02 for 40 kilowatt-hours per month, $2.05 for 150 kilowatt-hours, $3.92 for 500 kilowatt-hours, and $6.17 for 1,000 kilowatt-hours, the average consumption is 311 kilowatt-hours per month, and in Fort William, Canada, where they have practically the same rates, you will see that the average monthly domestic consumption is 416 kilowatt-hours.

In Tacoma, Wash., where they pay $1.80 for 40 kilowatt-hours, $2.90 for 150 kilowatt-hours, $6.40 for 500 kilowatt-hours, and $10.60 for 1,000 kilowatt-hours, the average domestic use is 117 kilowatt-hours per month. While in Little Rock, Ark., where the average domestic rate is more than twice what it is in Tacoma, or in the Province of Ontario, Canada, the average domestic consumption is only 49 kilowatt-hours per month.

It may be contended that the difference in climate has its effect on the amount of energy used. But let us compare the rates and the consumption in Tupelo, Miss., under the T. V. A. rates, with Birmingham, Ala., and Jackson, Miss.:

In Tupelo, 40 kilowatt-hours cost $1.20; in Birmingham, $2.30; in Jackson, $2.80.

In Tupelo, 150 kilowatt-hours cost $3.50; in Birmingham, $5.30; in Jackson, $6.40.

In Tupelo, 500 kilowatt-hours cost $6.90; in Birmingham, $12.55; in Jackson, $12.40.

In Tupelo, 1,000 kilowatt-hours cost $8.90; in Birmingham, $20.05; in Jackson, $19.90.

The average domestic monthly consumption for Tupelo is 103 kilowatt-hours; Birmingham, 40 kilowatt-hours; and Jackson, 47 kilowatt-hours.

Thus it will be seen that the cheaper the rates, the more energy the people use. High rates are not only burdensome to the people who pay the bills but they also discourage the

liberal use of electric energy and restrict the use of electrical appliances.

When our contract with the T. V. A. went into effect on the 7th day of February 1934 the average domestic consumption of electric energy in Tupelo was 42 kilowatt-hours a month.

Today the average domestic consumption is 103 kilowatt-hours per month. The amount of electricity domestically consumed has more than doubled, the number of refrigerators has trebled, the number of electric ranges has increased tenfold, while the use of electric water heaters and other electrical appliances has increased by leaps and bounds.

In the 21 principal cities of the United States, figures for which I have just inserted in the RECORD, the average domestic use of electricity is 55 kilowatt-hours a month, for which the average price paid is $4.23 for 100 kilowatt-hours, $12.06 for 500 kilowatt-hours, and $21.46 for 1,000 kilowatt-hours. In Tupelo, where they pay $2.50 for 100 kilowatt-hours, $6.90 for 500 kilowatt-hours, and $8.90 for 1,000 kilowatt-hours, they use 103 kilowatt-hours a month.

Throughout the Province of Ontario, Canada, where they pay on an average of $1.82 for 100 kilowatt-hours, $5.79 for 500 kilowatt-hours, and $10.35 for 1,000 kilowatt-hours, the average domestic consumption is 155 kilowatt-hours per month.

Let us now turn to the commercial rates. I am going to insert here tables showing the commercial rates in the 21 leading American cities which are supplied by private power interests, 20 cities in Canada, and the city of Tacoma, Wash., all of which are supplied by publicly owned plants, and the city of Tupelo, Miss., which is supplied by the T. V. A. And since I have it before me, I will insert the rates for Little Rock, Ark.

I want you to note that 150 kilowatt-hours would cost a merchant in Tupelo, under the T. V. A. rates, $4.95; in Tacoma, Wash., $5.25; in Ontario the average cost would be $4.34. While in the United States, for the 21 cities I have mentioned, the average cost would be $9.50, and in Little Rock, Ark., the cost would be $12.25.

(The table referred to follows:)

Table of monthly commercial rates—Net bills for billing demands and monthly commercial consumptions

City and State	0.75 kilowatt			3 kilowatts		6 kilowatts	12 kilowatts
	25 kilowatt-hours per month	50 kilowatt-hours per month	75 kilowatt-hours per month	150 kilowatt-hours per month	375 kilowatt-hours per month	750 kilowatt-hours per month	1,500 kilowatt-hours per month
Atlanta, Ga	$1.63	$3.15	$0.65	$9.14	$20.88	$39.61	$72.08
Boston, Mass	1.88	3.75	5.63	11.25	28.13	53.75	102.50
Brooklyn, N. Y	1.90	3.40	4.65	11.40	22.65	44.40	87.90
Buffalo, N. Y	1.25	2.45	3.45	7.50	16.80	33.60	41.00
Birmingham, Ala	1.88	3.25	4.75	12.00	18.75	37.50	70.00
Baltimore, Md	1.25	2.50	3.34	7.01	14.57	29.14	51.55
Chicago, Ill	2.29	2.93	3.56	10.43	16.16	32.33	64.65
Cincinnati, Ohio	1.25	2.50	3.45	7.50	14.72	29.43	58.86
Detroit, Mich	2.12	3.02	3.92	10.26	18.36	36.72	73.44
Denver, Colo	2.25	3.50	4.75	10.50	21.75	43.50	78.05
Dallas, Tex	1.44	2.88	4.32	8.64	21.60	35.34	63.48
Indianapolis, Ind	1.50	3.00	4.18	7.70	16.79	31.21	55.79
Jackson, Miss	3.25	5.00	6.75	15.50	30.50	59.00	116.00
Milwaukee, Wis	2.03	3.32	4.60	8.45	19.99	39.88	73.04
New Orleans, La	2.13	4.00	5.50	10.00	22.75	41.50	69.00
Portland, Oreg	1.31	2.61	3.92	7.84	17.34	32.30	60.80
St. Louis, Mo	2.01	2.73	3.44	9.50	15.91	32.16	62.86
San Francisco, Calif	1.53	2.65	3.78	7.15	15.88	29.75	53.50
Salt Lake City, Utah	1.88	3.63	5.38	10.63	25.81	48.99	84.26
Philadelphia, Pa	1.83	3.20	4.58	9.60	19.23	37.98	74.01
Washington, D. C	.95	1.90	2.85	5.50	12.53	23.40	45.15
Mean average	1.79	3.11	4.35	9.40	19.58	37.69	69.42
Median average	1.88	3.02	4.32	9.50	18.75	36.72	69.00
Toronto	.90	1.80	2.30	5.40	10.53	21.06	42.12
Port Arthur	.81	1.20	1.62	3.65	6.38	12.76	25.52
St. Catharines	.76	1.15	1.55	3.78	6.38	12.76	25.52
Ottawa	1.07	1.57	2.06	5.24	8.55	17.09	34.18
Brantford	.76	1.15	1.55	3.78	6.38	12.76	25.52
Guelph	.90	1.35	1.80	4.05	7.43	14.85	28.35
Hamilton	.76	1.15	1.55	3.78	6.38	12.76	25.52
Kingston	.90	1.35	1.80	4.05	7.25	14.51	29.03
London	.90	1.35	1.80	4.05	7.09	14.18	28.35
Niagara Falls	.85	1.28	1.70	3.83	6.61	13.19	26.39
St. Thomas	.90	1.35	1.80	4.05	7.09	14.18	28.35

Table of monthly commercial rates—Net bills for billing demands and monthly commercial consumptions—Continued

City and State	0.75 kilowatt			3 kilowatts		6 kilowatts	12 kilowatts
	25 kilowatt-hours per month	50 kilowatt-hours per month	75 kilowatt-hours per month	150 kilowatt-hours per month	375 kilowatt-hours per month	750 kilowatt-hours per month	1,500 kilowatt-hours per month
Woodstock	$0.90	$1.35	$1.80	$4.05	$7.09	$14.18	$28.35
Fort Williams	1.02	1.58	2.14	4.73	8.78	17.55	35.10
Owen Sound	1.02	1.58	2.14	4.73	8.78	17.55	35.10
Welland	.95	1.44	1.94	4.32	7.70	15.39	30.78
Sarnia	.99	1.53	2.07	4.59	8.24	16.47	32.94
Chatham	1.02	1.58	2.14	4.73	8.64	17.28	34.56
Windsor	1.02	1.58	2.14	4.73	8.64	17.28	34.56
Kitchener	.90	1.35	1.80	4.05	7.25	14.51	29.03
East Windsor	1.02	1.58	2.14	4.73	8.64	17.28	34.56
Peterborough	1.02	1.58	2.14	4.73	8.78	17.55	35.10
Mean average	.92	1.42	1.90	4.34	7.74	15.48	30.90
Median average	.90	1.35	1.80	4.05	7.43	14.85	29.03
Tacoma, Wash	.88	1.75	2.63	5.25	11.25	22.50	42.00
Tupelo, Miss	.82½	1.65	2.48	4.95	11.00	19.25	30.25
Little Rock, Ark	2.25	3.75	5.25	12.25	25.00	46.75	80.25

Mr. RANKIN. Suppose a merchant uses 750 kilowatt-hours per month. In Tupelo, under the T. V. A. rates, even after a 10-percent surcharge is added by the city, the cost would be $19.25; in the 20 Canadian cities referred to, the average cost would be $15.48; in Tacoma, Wash., $22.50.

While the cost in Little Rock, Ark., would be $46.75; in Brooklyn, N. Y., $44.40; in Jackson, Miss., $59; and in Westchester County, N. Y., $65.80.

In the 21 principal American cities to which I have referred, all of which are served by private power interests, the average cost would be $37.69, while the average cost in the 20 Canadian cities supplied by public plants would be $15.48.

But suppose that merchant used 1,500 kilowatt-hours a month, as many of them do. In Tupelo, under the T. V. A. rates, his bill would be $30.25; in Tacoma, Wash., $42; in Ontario, Canada, $30.90. These are all served by public plants.

In Little Rock, Ark., the cost would be $80.25; in Boston, Mass., $102.50; $87.50 in Brooklyn, N. Y.; $70 in Birmingham, Ala.; and $116 in Jackson, Miss.

In the 21 American cities referred to, all of which are supplied by private companies, the average cost would be $69.42, while in New Rochelle, Westchester County, N. Y., the cost would be $117.05.

By the way, that is in the district represented by Mr. MILLARD, who has been exercising himself so much about imperforate stamps. The domestic rates are so high in that county that many people have gone back to the use of oil lamps. I want to suggest to the gentleman from New York [Mr. MILLARD] that if he will put in less time on imperforate stamps and more time on trying to secure reasonable power rates for his people, as the Negro said when praying in the thunderstorm, he may be able to give them "less racket and more light." [Laughter.]

Mr. COLDEN. Can the gentleman give me the figures for Los Angeles?

Mr. RANKIN. I haven't the commercial figures for Los Angeles.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MOTT. What is the principal reason for the great discrepancy in rates between privately owned utilities in various parts of the country?

Mr. RANKIN. In some parts of the country, I may say to the gentleman from Oregon, the Power Trust does not seem to control the officials. That seems to be the case in the District of Columbia. The people's interests are looked after, and therefore they are given more reasonable rates.

Mr. MOTT. It is also the case in the State of Oregon.

Mr. RANKIN. In the District of Columbia the people have commissioners that take care of the people in connection with their light and power rates.

Mr. MOTT. That is the case in the State of Oregon to a certain extent. We have a comparatively low rate.

Mr. RANKIN. The State of Oregon has about the lowest rates in the country outside of the State of Washington and the Tennessee Valley area.

Mr. MOTT. We have one of the most efficient public-utilities commissioners in Oregon that there is in any State, and that, I believe, is largely responsible for this situation.

Mr. PIERCE. May I add that it is only in recent years that we have had an efficient public service commissioner. Up to about 4 years ago we did not have an efficient commissioner. I tried to get rid of one of them.

Mr. MOTT. That is particularly true under the Republican administration.

Mr. PIERCE. He was not a Republican. He was an Independent.

Mr. RANKIN. Probably he was just "independent" of the people and not "independent" of the Power Trust.

They tell you people that you are beyond the reach of any of these potential public projects. That is not true; every inch of ground in America is within the distribution radius of one of them. As a matter of fact, they are transmitting power from Niagara Falls 225 miles to Windsor, Ontario, and selling it for less than one-fourth of what people are paying for power in Brooklyn, N. Y., and less than one-fourth of what they are paying in New Rochelle, N. Y. Power can be transmitted 100 miles with a loss of only 5 percent.

When the T. V. A. bill went into effect the power companies were buying power at Muscle Shoals for 2 mills per kilowatt-hour and selling it just across the river in Florence, Ala., for 10 cents, a profit of 4,800 percent. I live less than 100 miles from Muscle Shoals. If you want to know how much a kilowatt-hour would lose in value by being transmitted from Muscle Shoals to Tupelo, just find out what 5 percent of 2 mills is and you will have the answer.

They have told you that the Tennessee Valley Authority does not take into consideration all the elements of cost involved in establishing its rate schedule. That is not true. They have added in every possible element of cost.

It is provided in the law that the T. V. A. is to pay the State of Alabama 5 percent of the gross income from the sale of power from Muscle Shoals, which is in lieu of taxes. They have even added in the taxes a private company would have to pay, and yet they are not selling power at a loss. They are selling at a profit, and there will be further reductions later. If any of you doubt that, look at the rates in Ontario, Canada, and also in Tacoma, Wash., both of which are lower than the T. V. A. rates.

But the power companies tell you there are a great many items they have to pay which the Tennessee Valley Authority does not take into consideration. That is true. It does not have to do so.

For instance, the T. V. A. does not have to consider money used to pay dividends on watered stocks. The T. V. A. does not have to consider the enormous salaries and bonuses these Power Trust officials have been paying themselves.

Another thing the T. V. A. does not have to take into consideration is the money spent for propaganda purposes, buying up newspapers and magazines. Those things are costly, even when paid for in watered stocks.

The T. V. A. does not have to pay campaign expenses of political henchmen. Then there is the money spent to employ lawyers it does not need, including law partners, friends, and relatives of public officials, from United States Senators down, and sometimes the officials themselves. The T. V. A. does not have to spend that money, therefore, it can furnish power at rates based upon the cost of production and transmission.

The T. V. A. does not have to consider the money spent by the Power Trust trying to defeat Roosevelt in 1932 and in 1936.

Then there are all those high-priced lobbyists the Power Trust keeps here in Washington, as well as around every State legislature. The T. V. A. does not have that expense to bear and, therefore, does not have to add it onto the consumer's bill.

The legislatures in a great many States are now in session; among them are States in which the people are paying the highest and most unreasonable light and power rates, such as Arkansas, Alabama, Tennessee, and many others. Around those legislatures the power lobbyists are literally swarming. They will see to it that no legislation is passed in the interest of the people on this subject if they can prevent it. They have many and mysterious ways their wonders to perform.

In my State a Governor and a legislature are to be elected this year, and the Power Trust will soon be lining up their forces, trying to elect a Governor and a legislature that will do their bidding. All the people of Mississippi are not getting power from the T. V. A. or at T. V. A. rates, as I have shown. The majority of the people of the State are compelled to pay exorbitant rates, and many of them are denied the use of any power at all. No man should be elected to an office, from that of Governor down, who is lined up with or under obligation to the Power Trust or any other public utility that is seeking public favors.

Mr. McFARLANE. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Texas.

Mr. McFARLANE. How can the dear people back home, who are unable to subscribe to newspapers, know the truth, especially when most of the newspapers are owned or controlled through their advertising policy by the Power Trust? I should like the gentleman to touch on that question.

Mr. RANKIN. It is the duty of liberal Congressmen, such as is the gentleman from Texas, to inform them. That is what I am trying to do for the people of Mississippi. And I tell you frankly that I have not had any easy sailing. I am having to battle every inch of the ground.

Mr. MOTT. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Oregon.

Mr. MOTT. Before I ask the gentleman the question, of course, I want to make it plain that I agree with everything the gentleman is saying, but I want to ask him if it is not a fact that State public commissioners do not have to pay any attention to the factors the gentleman has just mentioned, such as useless property, watered stock, or large salaries when it comes to the question of making rates for the utility?

Mr. RANKIN. They do not where the utilities have not made the laws. But too many State legislatures have been controlled by them.

Mr. MOTT. If you have an honest public-service commissioner he may make rates, ignoring every one of the factors the gentleman has mentioned.

Mr. RANKIN. Yes; if the legislature has given them the power to do it. The trouble is that invariably the utilities either control the Governor and the legislature, or they control the commission in the States that have commissions.

I want to say again—and I say this with all the seriousness of which I am capable—that any Governor of a State who is on the pay roll of a public utility, or who is a member of a firm that represents them, ought to either withdraw from that law firm, or repudiate that employment, or he ought to resign as Governor or be impeached by the legislature.

Every member of a legislature who is under obligation to them ought to be dealt with in the same way, and any Member of the United States Senate or House of Representatives who is in their employ, or is a member of a firm in their employ, ought to either resign from that employment or he ought to resign his seat in the House or in the Senate. [Applause.]

Mr. FOCHT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. For a question; yes.

Mr. FOCHT. Agreeing and admitting everything the gentleman has stated, but to clarify one matter and have it set forth here——

Mr. RANKIN. Just a question, please.

Mr. FOCHT. This is the basis of the question and involves the whole thing. The gentleman is making his estimates and his comparisons on no initial costs, as I understand it. You do not have to issue stock, watered or otherwise, but you are having the benefit of Government money in making this comparison.

Mr. RANKIN. All that expense was considered. The money spent by the Government at Muscle Shoals is a part

of the investment, and under these rates it will be amortized in 25 years. I fear the gentleman from Pennsylvania has been reading the stock arguments of the Power Trust.

Mr. FOCHT. Oh, no; do not believe that.

Mr. RANKIN. That is the old argument of the power interests.

Mr. FOCHT. Well, answer it, please.

Mr. RANKIN. I have answered it. Let me remind the gentleman from Pennsylvania that the money that built the power systems in Tacoma, Wash., and in Ontario, Canada, was public money, just the same as that spent at Muscle Shoals and Boulder Dam. The only difference is that it is taken from the people by taxation and paid back, and at the same time the people enjoy lower rates. But the private companies take it from the people in utility rates and do not pay it back. That is the difference. [Applause.]

Mr. PIERCE. If the gentleman will yield, I want to tell him that his speech of a year ago was more widely circulated in my district than any other speech except my own and I want this speech also to be circulated in my district.

I may state further that every publicly owned utility is reducing its capital structure and is paying out. Boulder Dam pays out in 20 years, and T. V. A. also pays out, while a privately owned project never reduces its capital structure, but increases it.

Mr. CITRON. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Connecticut.

Mr. CITRON. Has the gentleman any figures showing the comparative rates between Connecticut and some of the other New England States and the rates charged by the T. V. A.?

Mr. RANKIN. Yes; and I will put that in the RECORD at the place I indicated a while ago.

Mr. McFARLANE. And will the gentleman also include Texas?

Mr. RANKIN. Yes; I will include Texas also.

Mr. WOOD. And also Missouri.

Mr. ENGEL. And will the gentleman include Michigan?

Mr. RANKIN. Michigan, Iowa, Indiana, Missouri—I will put them all in.

Mr. ENGEL. Will the gentleman yield for a question?

Mr. RANKIN. I yield.

Mr. ENGEL. I have been intensely interested in what the gentleman has said. In my district the power company has sold stock to hundreds of people, small stockholders. I have been wondering how you could hit the Power Trust and still save those people?

Mr. RANKIN. They probably did not buy any common stock. It was preferred stock, which in the majority of cases was watered. When we were in this fight down at home, one old fellow kept rising and asking, "What am I going to do with my stock?" Finally, one old farmer said, "Go home and drink the danged stuff. It is all water anyway." [Laughter.]

But I am not going to give the gentleman that kind of an answer. That preferred stock is nothing in the world but a note for that amount. If they fail to pay dividends as provided, the people who hold these certificates can sue and get their money back, as some of these preferred-stock holders in my State are doing.

The Power Trust has succeeded in organizing its victims. They are the only racketeers in all history who have ever been able to successfully organize their victims. Yet they have organized them, and have been fighting the T. V. A. and fighting Boulder Dam and fighting everything else that tends to bring down the rates for electric light and power, when, as a matter of fact, they are simply serving the very influence that got them into trouble. If they are dissatisfied and their dividends are not paid, they should sue and get their money back.

Mr. ENGEL. Will the gentleman yield for a question?

Mr. RANKIN. I yield.

Mr. ENGEL. I am in sympathy with the gentleman. Does the gentleman know how many stockholders there are in the different power companies?

Mr. RANKIN. Oh, no; but I know there are a great many of them. I know there has been the greatest flood of watered stocks distributed over the country ever known in all history; but you cannot wring money from the American people to pay dividends on all of them. You cannot charge these unreasonable rates in order to try to placate a few people who ought to be in court today bringing to justice the very people who have plundered them by selling them stocks that represent little or no actual value.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. For a question, yes.

Mr. HOFFMAN. The people in our little town of 5,000 have voted to build a municipal plant. That is all right, but what are we to do with these stockholders? The gentleman says they can sue the company and get the money on their stock.

Mr. RANKIN. Yes.

Mr. HOFFMAN. Under what legal right?

Mr. RANKIN. If it is preferred stock, I know they can do it.

Mr. HOFFMAN. The gentleman says a preferred-stock holder can sue the company for the value of his stock?

Mr. RANKIN. Yes. But instead of building a new plant it seems to me they should first offer to buy out the existing one, just as the T. V. A. has been doing. What company does the gentleman refer to?

Mr. HOFFMAN. I am talking about the Consumers Power Co.

Mr. RANKIN. If it is a private corporation and has issued this preferred stock, this watered stock, they can sue and recover.

Mr. HOFFMAN. The preferred stock has yielded 7-percent dividends and there are about 700 stockholders. We have voted to build a municipal plant. Now, what are we to do with the stockholders of this private company?

Mr. RANKIN. And the people in the gentleman's district have been paying the highest rate in the country.

Mr. HOFFMAN. No.

Mr. RANKIN. The gentleman's own statement shows this stock to be watered, or there would not be $770,000 of preferred stock against so small a plant.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield for a question.

Mr. DUNN of Pennsylvania. Shortly after the gentleman began his instructive address, did I understand him to say that the American people are paying $1,000,000,000 more for electric power than they should pay?

Mr. RANKIN. Yes; between five hundred million and a billion, probably more.

Mr. CITRON. Does the gentleman know whether it is not a fact that many industries from New England went to Canada because of lower electric power rates there?

Mr. RANKIN. Why, certainly; and I will cite the gentleman an instance about industrial rates, and put other information about industrial rates in the RECORD. Last year one cotton mill in my town saved $2,112 in 1 month. That is $25,000 a year. Other industries have saved in proportion. What we have done there can be done in every State in the Union.

Mr. SCOTT. Will the gentleman yield for one question there?

Mr. RANKIN. For a question; yes.

Mr. SCOTT. Does the gentleman think it is ever going to be possible to achieve what he was talking about a moment ago with respect to public officials as long as we have private utility companies that are able to pay the wages and able to pay the high salaries of these very men who will take the jobs?

Mr. RANKIN. Yes; it is possible, if Congress and the various State governments will do their duties. We can protect the American people if public officials will just do it.

I am coming now to the most important phase of this great problem, that of rural electrification. You know that the cities of 50,000 and upward consume 49 percent of the electric energy used in the United States. The people out

on the farm have received very little. There has been very little done in the way of rural electrification in this country. Our farmers are entitled to share in the enjoyment of this great natural resource. Our young people are not going to stay on the farm under present conditions, to perform the drudgery, carry the burdens they now have to bear and at the same time be denied the comforts and conveniences cheap electricity would bring, whether they live in Pennsylvania or in Mississippi, if they can help themselves.

Mr. FOCHT. Let me say to the gentleman that they have electricity on nearly every farm in Pennsylvania.

Mr. RANKIN. Yes; the Power Trust is helping to give the farmers of Pennsylvania some real farm relief—relieving them of their farms and their livestock. [Laughter and applause.]

I have some rural rates before me, showing typical rates the farmers have to pay in at least one State in every section of the country. One of the States in which the rates are given is that of Pennsylvania.

I insert that table here and call your particular attention to the rural rates in Pennsylvania. I want you every one to note the withering comparison between the rates the farmers have to pay to private power companies and the ones they pay under the T. V. A., the Ontario Hydro System, and the publicly owned plant at Tacoma, Wash.

The table referred to follows:

Prevailing rural rates

State	Name of company	Monthly kilowatt-hour consumption and cost									
		0	20	30	50	100	200	300	500	1,000	1,400
Georgia	Georgia Power Co	$1.00	$1.30	$1.87	$2.87	$4.57	$7.57	$9.07	$12.08	$19.59	$25.61
Illinois	Public Service Co. of Northern Illinois	2.00	2.00	2.00	2.20	3.70	6.70	9.70	15.70	30.70	42.70
Iowa	Iowa Southern Utilities Co	4.50	4.50	4.50	7.50	10.50	14.50	18.50	26.50	46.50	62.50
Kentucky	Kentucky Utilities	3.00	3.00	3.00	4.60	7.00	10.00	13.00	19.00	34.00	46.00
Maine	Central Maine Power Co	1.00	2.00	2.73	3.89	5.89	9.89	13.89	21.89	41.89	57.89
Michigan	Consumers Power	.50	1.56	1.98	2.56	3.56	5.56	7.56	11.56	21.56	29.56
New York	New York Power & Light Corporation	6.00	6.00	6.00	6.00	6.00	7.80	9.30	12.30	19.80	25.80
Pennsylvania	Pennsylvania Power Co	2.00	2.00	2.10	3.50	6.00	9.00	12.00	18.00	28.00	36.00
Tennessee	Tennessee Electric Power Co	1.00	1.30	1.88	2.88	4.58	7.58	9.08	12.08	19.58	25.60
Virginia	Virginia Electric & Power Co	1.00	1.30	1.95	3.25	6.50	12.00	17.00	26.00	45.50	59.50
Alabama	Alabama Power Co	2.00	2.75	3.25	4.25	5.75	8.75	11.75	17.75	32.75	40.75
Arkansas	Arkansas Power & Light Co	2.00	4.00	5.00	6.20	8.90	11.90	14.90	20.90	35.90	47.90
California	Pacific Gas & Electric Co	1.50	1.80	2.35	3.05	4.80	7.70	9.20	12.20	19.70	25.70
Northeastern Mississippi	Tennessee Valley Authority	.75	.75	.90	1.50	2.50	4.50	5.50	6.90	8.90	10.50

Mr. RANKIN. You will see from this table that 20 kilowatt-hours a month will cost a farmer 75 cents under T. V. A. rates. In Pennsylvania it will cost him $2, and that 100 kilowatt-hours at T. V. A. rates costs $2.50; it would cost $4.58 in Pennsylvania; 500 kilowatt-hours costs $6.90 under the T. V. A. and $18 in Pennsylvania, while 1,400 kilowatt-hours a month would cost a farmer $10.50 at T. V. A. rates but would cost him $36 a month in Pennsylvania.

Suppose that farmer used 1,000 kilowatt-hours—it would cost him $28 in Pennsylvania, while the cost would be only $8.90 under the T. V. A. rates and $6.17 in Ontario, Canada.

On that 1,000 kilowatt-hours of electric energy, a farmer in Pennsylvania is overcharged about $19 a month. Multiply this by 12 months, and at the end of that time the farmer will probably have to dispose of his livestock in order to pay the bill.

But the Pennsylvania rates are not the worst. Look at the table I have just inserted and note the rates in Iowa, Virginia, Maine, Illinois, Alabama, Arkansas, and all the other States included in this list, and remember that each one of these States is more or less typical of the section of the country it represents.

The Tennessee Valley Authority is bringing to the farmers of the country a new deal by making it possible for them to secure electric light and power rates they can afford to pay, giving the farmers some of the benefits and advantages afforded the people in the towns and cities.

This will brighten the farm home, make the farmer and his family more prosperous, more contented, and as President Roosevelt says, it will enable them to enjoy a "more abundant life."

Through the Electric Home and Farm Authority, which has been organized by the Tennessee Valley Authority, they are making it possible for a householder to buy the necessary appliances—not giving them to him as some people intimate, but making it possible for him to buy them on reasonable terms, on long-time payments with low rates of interest.

I have in my hand duplicate bills paid by a man who, a little more than a year ago, paid $3 for 24 kilowatt-hours of electricity a month, just enough to give him lights. Today he pays $2.66 and he gets 108 kilowatt-hours and here is what he runs with it, his lights, radio, electric iron, and his range with which to cook the meals for him and his wife.

Here is another one of a widow lady who paid $8.97 for 118 kilowatt-hours a month in 1933. In 1934, after these Tennessee Valley Authority rates went into effect, instead of using 118 kilowatt-hours a month she used 575, and instead of paying $8.97 she only paid $7.30. She says, "I used nearly 5 times the current and paid 73 cents less in money." She says she had light facilities, installed an electric range, water heater, and various other appliances. She refers to the Tennessee Valley Authority as "a godsend."

Here are the bills of some real dirt farmers in my own county, with whom I am well acquainted. Here is one who used 10 kilowatt-hours in August 1933, and for those 10 kilowatt-hours he paid the power company $2.89. In July 1934 he used 27 kilowatt-hours, for which he paid 81 cents under the T. V. A. rates. Of course, he is a man who does not use much machinery.

Here is another one who paid the power company $3.36 for 19 kilowatt-hours in 1932. He used 197 kilowatts in October 1934, for which he paid $4.44 under the T. V. A. rates.

He uses an electric range, light, refrigerator, radio, and other small appliances.

Here is one who used 343 kilowatt-hours in September 1933, for which he paid the power company $20.14. In Septemper 1934, under the T. V. A. rates, he used 457 kilowatt-hours, for which he paid $6.85.

Now, let us see what appliances this farmer uses. He has his lights for his house, barn, and other outhouses, his radio, his range, his water pump for a large dairy herd, electric iron, refrigerator, fans, vacuum cleaner, and other small appliances.

This same farmer in December 1934 used 877 kilowatt-hours, for which he paid $9.41, under the T. V. A. rates. In December 1933 he used only 343 kilowatt-hours, for which he paid the power company $18.91. He used more than twice as much electricity in December 1934 as in December 1933, yet his bill was less than one-half as much in December 1934 as it was in December 1933.

What I am trying to do is to light every farm home, not only in the First District of Mississippi, which I have the honor to represent in this House, not only throughout the entire State of Mississippi, but throughout every congressional district in the United States, and to supply them with lights and power at these T. V. A. rates, and to reduce those rates as the years go by.

I know some people say that if you give the farmer cheap power the first thing he would buy would be a radio. Well,

why not? Why should not the farmer have a radio? Why should he and his family be required to live out there in the dark and in the mud and pay the highest tax rates paid by any man under the flag, and then be denied the use of the greatest source of wholesome entertainment the world affords today? I say that advisedly.

The radio furnishes the most wholesome, the least expensive, and the most elevating, and the most enlightening entertainment to be found on the face of the earth today. Congress in its wisdom, and the Radio Commission, now the Communications Commission, in its wisdom, and in the faithful discharge of its duties to the American people, has seen to it that nothing profane, indecent, or immoral goes over the radio. I hope to see a radio in every farm home in America, and the sooner that comes the better it will be for all concerned. [Applause.]

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. COX. What are the comparative prices charged by the corporation set up by the Tennessee Valley Authority for electric appliances and those charged by the power companies in their several places of business? Are they to the advantage of those who buy from the Electric Home and Farm Authority?

Mr. RANKIN. Yes. The Tennessee Valley Authority made an investigation and found this condition, that people could not use electrical appliances because the power rates were too high and they could not afford enough electricity to use them. Also they found that those who could afford electricity could not afford appliances because the appliances were too high. So, because of the high power rates and the high prices of electric appliances, the power producers and manufacturers of appliances were simply strangling each other, and the people were deprived of the adequate use of either power or appliances. The Tennessee Valley Authority then organized the Electric Home and Farm Authority, and called in the manufacturers of these appliances and got them to enter into an agreement to bring their prices down on certain appliances, such as ranges, water pumps, and refrigerators, to be handled by merchants in the T. V. A. area, the purchase to be financed through the Electric Home and Farm Authority on long terms and at low rates of interest.

I priced an electric range in one of those stores that was selling these Electric Home and Farm Authority appliances. The price was $57.50. That same range a year or two ago was selling for more than $130. These appliances are not sold through the Electric Home and Farm Authority, but they are sold through the local merchants, and the money advanced to pay for them is advanced through the Electric Home and Farm Authority, and paid back in monthly installments. The amount of each payment is simply added in with his power bill. A man who was paying $4.50 for 25 kilowatt-hours, within 5 miles of my home town 2 years ago, can now, for less than that amount, get enough electricity to supply his home and make the payments on his washing machine, refrigerator, and electric range, if necessary.

It is a wonderful plan they have worked out, and I hope to see it applied in every State in the Union.

Mr. COX. That is confirmatory of the impression that I had.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. COLDEN. Is the gentleman going to touch on the social benefits to the householder on the farm, who is relieved of drudgery by the use of the appliances? On the Missouri farm where I lived for some years in my boyhood, and suffered almost daily backaches from drawing water, sawing wood, turning the grindstone, and shelling corn, my sister and her husband now live. They now use electric light and power; but, as I remember, they are paying something like a minimum of $6 per month, of which $3 is a service charge. This high cost, as the gentleman from Mississippi has stated, curtails the use of light and power, and the farmers have failed to get relief from the State commission on that subject.

Mr. RANKIN. No people under the American flag have gone through more drudgery than have the women in the rural districts. Some years ago I passed Muscle Shoals, and within 5 miles of that plant I remember seeing a little woman doing the family washing. With her children around her, she was bowing down over a washtub in the hot sun, wearing her life away and growing old before her time. By carrying this power to the country people at what it costs to produce and distribute it, and making it possible for them to buy the necessary appliances, you will not only carry enlightenment and entertainment and joy into the home but you will relieve untold and unnecessary drudgery. A farmer, especially during the average season, who had to spend half his time pumping water for his stock, can do it now with an electric pump at a very small cost. I can take $3.50 and run a man's water pump, his radio, his lights, and his refrigerator, his wife's washing machine, and the range to cook the meals for a small family.

I have here a short petition signed by the students in the Wren Consolidated School, in one of the leading rural communities in my district. I believe it reflects the sentiment of the intelligent students in every rural school district in the United States. It reads as follows:

We, the school children of Wren Consolidated High School, Monroe County, Miss., do hereby petition the Tennessee Valley Authority to give us T. V. A. power in our rural community for the following reasons: (1) It will enable us to be better students; (2) it will lighten the burden of mother's housework; (3) it will give "dad" some of the conveniences he so much desires; (4) it will enable us to use many of the modern-day conveniences that we do not now have; (5) it will give to rural boys and girls equal advantages with town boys and girls; (6) it will make us feel that we have a part in the President's new-deal policies, to which we as school children subscribe.

We have come to a crisis in this country. America is at the crossroads. Every civilization that has ever flourished and passed away has died in the big cities. If present conditions continue, you will probably have breadlines lining the streets of your big cities for years to come. We have come to the point where we must decentralize population, and we must have a decentralization of industry. We must also make it possible for the man on the farm to stay there and live. We must make it possible for the day laborer to get out of the congested centers, get away from conditions that he does not like, and move out into the open space where he can enjoy a part of God's sunlight and all of the other blessings that rural life and the great open space afford. That can be done if this policy is carried out.

You talk about building battleships to defend the Nation. The greatest step toward national defense that we could take would be to build American homes to make them strong and prosperous, and thus increase the reverence and love of the American people for their homes. That is especially true of the farm homes. For the last few decades the farmer's children have been hurrying through school to get away from the farm. They have crowded into the cities. Many of them found themselves in the breadline. If we electrify every farm home in America and give our farmers this power at what it costs to produce and distribute it, and make their homes pleasant, profitable, and attractive, their children will be found hurrying through school to get back home. We will have in this country an era of rural home building such as they had in England in the eighteenth and nineteenth centuries, except that it will be on a more advanced scale.

Mr. RANDOLPH. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RANDOLPH. Will the gentleman explain to the Membership just what is being done in the rural electrification program of the F. E. R. A.?

Mr. RANKIN. No; I cannot explain that, because I have not gone into it.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MARTIN of Colorado. I wish to ask the gentleman if, in his opinion, there is any middle ground between private ownership and public ownership? That is to say, whether public regulation is a satisfactory solution?

Mr. RANKIN. I was coming to that. You may talk all you please about getting the Power Trust to serve the farmers. They will not do it. I am one of those men who always frowned on public ownership, but I have come to the conclusion that you will never get power to the farmers of this country at rates they should pay through private enterprise, but it must come through public enterprise, or at least the public must own the distribution facilities. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SABATH. I am interested in the farmers, of course, but also in the city users of power. What is the matter with the State commissions?

Mr. RANKIN. I have just answered that question.

Mr. SABATH. I did not hear the gentleman. I was busy.

Mr. RANKIN. Now, I am going to cite Alcorn County, Miss., as an ideal set-up for rural electrification. The power company owned the distribution system in Corinth, the county seat of Alcorn County. The Tennessee Valley Authority bought that distribution system and sold it to the Alcorn County Electric Power Association, a nonprofit-sharing cooperative organization, and agreed to build 100 miles of rural line, reaching out into every section of the county. The association buys power from the Tennessee Valley Authority and distributes it without profit. They make no profit, but in order for the farmers and the people in that county to amortize that distribution system, they pay 1 cent per kilowatt-hour extra per month, up to 100 kilowatt-hours. If a man uses 100 kilowatt-hours a month, he pays $2.50, the usual T. V. A. rate, and then pays an extra dollar, 1 cent for each kilowatt-hour, which goes into a fund to be applied to paying out the distribution system. At the rate they are now going they will amortize that distribution system in 5 or 6 years, and then these extra payments will be eliminated. All they will have to pay then will be the usual T. V. A. rates.

I wish that every county in the United States would form such an organization, and make this a Nation-wide movement to electrify every farm home from Maine to California.

When every county has such a system and they get to operating in full force, you will see this country come to the front and enjoy an era of prosperity, progress, and contentment, the like of which we have never seen.

The T. V. A. did not take those properties away from the power companies but paid them what they were worth, paid them every dollar they were worth, every dollar it would take to replace them; and that is all they could ask or expect.

In closing I want to impress upon you, if I can, the gravity of this situation; in my humble opinion, one of the gravest that has ever confronted the American people. This great wealth of power is at our command; let us use it for the benefit of all the American people; let us electrify every home in America and enable our people to use a sufficient amount of it to enjoy all the appliances and facilities that this great modern age affords. Let us electrify every farm home.

When we have done that we will have added one of the most glorious chapters to the history of our great country. Not only will we have provided for the common defense and promoted general welfare, but we will have laid the foundation for the building of a new civilization, based upon the most sacred, if not the most enduring, of all earthly institutions—the American home. [Applause.]

TABLE No 1.—*Typical monthly bills—Residential service*

[Domestic and residential light and power rates in effect on Jan. 1, 1935, in cities of 50,000 population and over. These tables are taken from the preliminary report of the electric-rates survey made by the Federal Power Commission. In the column designated "Control" it is specified opposite the name of each company whether it is (I) independent, (S) subsidiary of a holding company, (M) municipally owned and operated]

CITIES OF 100,000 POPULATION AND OVER IN UNITED STATES

Name of community	Population, 1930 census [1]	Service supplied by—			Lighting and small appliances					Lighting, small appliances, and refrigeration		Lighting, etc., and cooking	Lighting, etc., cooking and water heating	Average cost (cents per kilowatt-hours)			
					Minimum bill		15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours								
		Control	Name of company	Date	Amount	Kilowatt-hours, inclusive				100 kilowatt-hours	150 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Akron, Ohio	255	S	Ohio Edison Co	Jan. 1, 1935	$0.50	10	$0.75	$1.20	$1.80	$3.83	$5.08	$7.08	$10.08	4.80	3.83	2.83	2.02
Albany, N. Y	127	S	New York Power & Light Corporation.	do	.75	9	1.20	2.00	2.55	4.35	5.85	8.35	11.85	8.00	4.35	3.34	2.37
Atlanta, Ga	270	S	Georgia Power Co	do	1.00	15	1.00	1.62	2.37	4.57	6.07	8.32	10.32	6.48	4.57	3.33	2.06
Do	270	S	do	do	1.00	15	1.00	1.45	2.12	3.95	4.95	6.57	8.57	5.80	3.95	2.63	1.71
Baltimore, Md	804	I	Consolidated Gas, Electric Light & Power Co. of Baltimore.	do	.60	12	.75	1.25	2.00	4.18	5.86	8.98	12.22	5.00	4.18	3.59	2.44
Birmingham	259	S	Birmingham Electric Co	do	.70	10	.98	1.55	2.30	4.05	5.30	7.80	12.55	6.20	4.05	3.12	2.51
Boston, Mass	781	I	Edison Electric Illuminating Co. of Boston.	July 1, 1934	.75	10	1.13	1.75	2.50	5.30	6.80	9.80	12.80	7.00	5.30	3.92	2.56
Do	781	I	do	Jan. 1, 1935	.75	10	1.05	1.65	2.40	5.20	6.70	9.70	12.70	6.60	5.20	3.88	2.54
Do	781	S	Boston Consolidated Gas Co.	July 1, 1934	.75	10	1.13	1.75	2.50	5.50	7.00	10.00	17.50	7.00	5.50	4.00	3.50
Do	781	S	do	Jan. 1, 1935	.75	10	1.05	1.65	2.40	5.40	6.90	9.90	17.40	6.60	5.40	3.96	3.48
Bridgeport	146	I	United Illuminating Co	do	1.00	19	1.00	1.31	2.10	5.25	7.88	10.90	15.40	5.24	5.25	4.36	3.08
Buffalo, N. Y	573	S	Buffalo General Electric Co	do	.75	15	.75	1.13	1.70	3.06	3.81	5.31	9.06	4.52	3.06	2.12	1.81
Cambridge	113	S	Cambridge Electric Light Co.	do	.00	------	.75	1.25	1.90	3.40	4.65	7.15	13.40	5.00	3.40	2.86	2.68
Camden, N. J	118	S	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do	118	S	do	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Canton, Ohio	104	S	The Ohio Power Co	do	.50	7	1.05	1.75	2.50	4.60	6.10	9.10	11.80	7.00	4.60	3.60	2.36
Chattanooga, Tenn.	119	S	Tennessee Electric Power Co.	do	1.00	15	1.00	1.63	2.38	4.58	6.08	8.33	11.83	6.52	4.58	3.33	2.37
Do	119	S	do	do	1.00	15	1.00	1.45	2.13	3.95	4.95	6.58	9.70	5.80	3.95	2.63	1.94
Chicago, Ill	3,376	I	Commonwealth Edison Co	do	.50	7	1.03	1.51	2.04	3.75	5.17	8.02	15.15	6.04	3.75	3.21	3.03
Cincinnati, Ohio	451	S	Union Gas & Electric Co	do	.60	12	.75	1.25	1.70	3.00	4.00	6.00	10.63	5.00	3.00	2.40	2.13
Cleveland, Ohio	900	M	City of Cleveland, Department of Public Utilities.	do	.60	15	.60	.88	1.31	3.05	4.50	7.40	14.65	3.52	3.05	2.96	2.93
Do	900	S	Cleveland Electric Illuminating Co.	do	.60	15	.60	1.00	1.60	4.00	6.00	9.88	16.88	4.00	4.00	3.95	3.38
Columbus, Ohio	290	S	Columbus Railway, Power & Light Co	July 1, 1934	.50	8	.90	1.50	2.40	5.50	7.75	8.95	13.95	6.00	5.50	3.58	2.79
				Jan. 1, 1935	.50	9	.75	1.25	1.95	4.50	6.00	8.50	13.50	5.00	4.50	3.40	2.70
Do	290	M	Columbus Division of Electricity.	July 1, 1934	.50	0–12	.75	1.25	2.00	4.75	6.75	8.30	13.30	5.00	4.75	3.32	2.66
Do	290	M	do	Jan. 1, 1935	.50	0–12	.60	1.00	1.58	3.80	5.54	8.30	13.30	4.00	3.80	3.32	2.66

[1] In thousands.

TABLE No. 1.—*Typical monthly bills—Residential service*—Continued

CITIES OF 100,000 POPULATION AND OVER IN UNITED STATES—continued

Name of community	Population, 1930 census	Service supplied by—			Lighting and small appliances					Lighting, small appliances, and refrigeration		Lighting, etc., and cooking	Lighting, etc., cooking and water heating	Average cost (cents per kilowatt-hour)			
		Control	Name of company	Date	Minimum bill		15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	150 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
					Amount	Kilowatt-hours, inclusive											
Dallas, Tex.	260	S.	Dallas Power & Light Co.	July 1, 1934	$0.50	8	$0.86	$1.44	$2.30	$4.70	$6.50	$8.50	$13.50	5.76	4.76	3.40	2.70
Do.	260	S.	do.	Jan. 1, 1935	.50	9	.83	1.38	2.20	4.60	6.40	8.40	13.40	5.52	4.60	3.36	2.68
Dayton, Ohio	200	S.	Dayton Power & Light Co.	do.	.55	9	.90	1.50	2.30	4.90	6.40	9.40	12.78	6.00	4.90	3.76	2.56
Denver, Colo.	287	S.	Public Service Co. of Colorado.	do.	.90	15	.90	1.50	2.40	4.80	6.30	9.30	16.80	6.00	4.80	3.72	3.36
Des Moines, Iowa	142	S.	Des Moines Electric Light Co.	do.	.75	15	.75	1.25	1.97	4.10	5.70	7.45	9.70	5.00	4.10	2.98	1.94
Detroit, Mich.	1,568	I.	The Detroit Edison Co.	do.	.45	5	1.03	1.39	1.93	3.53	4.65	6.90	9.96	5.56	3.53	2.76	1.99
Duluth, Minn.	101	S.	Minnesota Power & Light Co.	July 1, 1934	.25	4	.90	1.50	2.40	4.01	5.01	7.01	13.04	6.00	4.01	2.80	2.61
Do.	101	S.	do.	Jan. 1, 1935	.25	4	.90	1.50	2.40	4.01	5.01	7.01	9.51	6.00	4.01	2.80	1.90
Elizabeth, N. J.	114	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	114	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
El Paso, Tex.	102	S.	El Paso Electric Co.	do.	.75	9	1.20	2.00	2.70	4.90	5.90	7.90	10.40	8.00	4.90	3.16	2.08
Erie, Pa.	115	S.	Erie County Electric Co.	July 1, 1934	.71	8	1.22	2.02	3.23	5.94	7.84	11.64	21.14	8.08	5.94	4.66	4.23
Do.	115	S.	do.	Jan. 1, 1935	.70	9	1.13	1.75	2.50	5.50	7.40	11.20	20.70	7.00	5.50	4.48	4.14
Do.	115	S.	Erie Lighting Co.	July 1, 1934	.71	8	1.21	2.02	3.23	5.94	7.84	11.64	21.14	8.08	5.94	4.66	4.23
Do.	115	S.	do.	Jan. 1, 1935	.70	9	1.13	1.75	2.50	5.50	7.40	11.20	20.70	7.00	5.50	4.48	4.14
Evansville, Ind.	102	S.	Southern Indiana Gas & Electric Co.	July 1, 1934 Jan. 1, 1935	1.00 1.00	16 16	1.00 1.00	1.52 1.50	2.18 2.25	3.81 4.35	5.03 5.35	7.46 7.10	10.61 10.25	6.08 6.00	3.81 4.35	2.98 2.84	2.12 2.05
Fall River, Mass.	115	S.	Fall River Electric Light Co.	do.	.50	6	1.20	2.00	2.75	5.50	7.65	10.25	17.75	8.00	5.50	4.10	3.55
Flint, Mich.	156	S.	Consumers Power Co.	do.	.50	5	1.26	1.83	2.28	3.56	4.56	6.56	9.31	7.32	3.56	2.62	1.86
Fort Wayne, Ind.	114	M.	Municipal Electric Light & Power Works.	do.	.50	10	.75	1.25	2.00	4.60	6.60	9.10	16.60	5.00	4.60	3.64	3.32
Do.	114	S.	Indiana Service Corporation.	do.	.50	10	.75	1.25	2.00	4.60	6.60	9.10	14.00	5.00	4.60	3.64	2.80
Fort Worth, Tex.	163	S.	Texas Electric Service Co.	July 1, 1934	.50	8	.90	1.50	2.40	4.25	6.20	8.60	13.60	6.00	4.25	3.44	2.72
Do.	163	S.	do.	Jan. 1, 1935	.50	9	.83	1.38	2.20	4.13	6.00	8.40	13.40	5.52	4.13	3.36	2.68
Gary, Ind.	100	S.	Gary Heat, Light & Water Co.	do.	1.00	15	1.00	1.63	2.45	4.00	5.25	7.75	14.00	6.52	4.00	3.10	2.80
Grand Rapids, Mich.	168	S.	Consumers Power Co.	do.	.50	5	1.26	1.83	2.28	3.56	4.56	6.56	9.31	7.32	3.56	2.62	1.86
Hartford, Conn.	164	I.	Hartford Electric Light Co.	July 1, 1934	.50	------	1.25	1.75	2.20	4.00	5.50	8.25	10.75	7.00	4.00	3.30	2.15
Do.	164	I.	do.	Jan. 1, 1935	1.00	10	1.25	1.75	2.20	4.00	5.50	8.12	10.62	7.00	4.00	3.25	2.12
Houston, Tex.	292	S.	Houston Lighting & Power Co.	do.	.50	8	.90	1.30	1.90	4.30	5.78	8.23	14.53	5.20	4.30	3.31	2.91
Indianapolis, Ind.	364	S.	Indianapolis Power & Light Co.	do.	.65	10	.86	1.44	2.30	4.80	6.72	8.53	11.53	5.76	4.80	3.41	2.31
Jacksonville, Fla.	129	M.	Jacksonville municipal light plant.	do.	.50	7	1.05	1.75	2.80	7.00	10.50	7.95	12.95	7.00	7.00	3.18	2.59
Jersey City, N. J.	316	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	316	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Kansas City, Kans.	121	M.	Kansas City Board of Public Utilities.	do.	.75	12	.90	1.30	1.60	2.80	3.80	4.95	8.70	5.20	2.80	1.98	1.74
Kansas City, Mo.	399	S.	Kansas City Power & Light Co.	do.	.50	7	.98	1.63	2.30	4.00	5.25	7.75	10.25	6.52	4.00	3.10	2.05
Knoxville, Tenn.	105	S.	Tennessee Public Service Co.	do.	1.00	15	1.00	1.63	2.38	4.58	6.08	8.33	12.08	6.52	4.58	3.33	2.42
Do.	105	S.	do.	do.	1.00	15	1.00	1.45	2.13	3.95	4.95	6.58	9.70	5.80	3.95	2.63	1.94
Long Beach, Calif.	142	I.	Southern California Edison Co., Ltd.	do.	1.00	20	1.00	1.25	2.00	4.75	7.00	7.00	9.25	5.00	4.75	2.80	1.85
Los Angeles, Calif.	1,238	M.	Los Angeles Bureau of Power and Light.	do.	.60	13	.72	1.20	1.81	3.31	4.56	6.31	8.81	4.80	3.31	2.52	1.76
Do.	1,238	S.	Los Angeles Gas & Electric Corporation.	do.	.60	12	.72	1.20	1.81	3.31	4.56	6.31	8.81	4.80	3.31	2.52	1.76
Do.	1,238	I.	Southern California Edison Co., Ltd.	do.	.60	13	.68	1.13	1.80	3.31	4.56	6.31	9.25	4.52	3.31	2.52	1.85
Louisville, Ky.	307	S.	Louisville Gas & Electric Co.	July 1, 1934	.60	12	.75	1.25	2.00	3.80	5.30	8.30	12.05	5.00	3.80	3.32	2.41
Do.	307	S.	do.	Jan. 1, 1935	.60	12	.75	1.25	2.00	3.80	5.30	8.30	10.80	5.00	3.80	3.32	2.16
Lowell, Mass.	100	S.	Lowell Electric Light Corporation.	do.	.75	4	1.35	2.22	3.10	5.60	7.35	10.85	19.60	8.88	5.60	4.34	3.92
Lynn, Mass.	102	I.	Lynn Gas & Electric Co.	do.	.75	11	.98	1.63	2.38	5.38	6.88	9.88	17.38	6.52	5.38	3.95	3.48
Memphis, Tenn.	253	S.	Memphis Power & Light Co.	do.	.90	16	.90	1.38	2.20	4.25	5.75	8.75	16.25	5.52	4.25	3.50	3.25
Miami, Fla.	110	S.	Florida Power & Light Co.	do.	1.00	8	1.71	2.76	4.18	6.16	8.40	10.40	15.40	11.04	6.16	4.16	3.08
Milwaukee, Wis.	578	S.	Milwaukee Electric Railway & Light Co.	do.	.50	8	.93	1.55	2.04	3.75	5.18	7.08	8.60	6.20	3.75	2.83	1.72
Minneapolis, Minn.	464	S.	Northern States Power Co.	July 1, 1934	1.00	13	1.14	1.85	2.33	4.04	5.44	7.34	9.84	7.40	4.04	2.94	1.97
Do.	464	S.	do.	Jan. 1, 1935	1.00	11	1.19	1.66	2.18	3.80	4.89	6.79	9.29	6.64	3.80	2.72	1.86
Nashville, Tenn.	153	S.	Tennessee Electric Power Co.	do.	1.00	15	1.00	1.63	2.38	4.58	6.08	8.33	11.83	6.52	4.58	3.33	2.37
Do.	153	S.	do.	do.	1.00	15	1.00	1.45	2.13	3.95	4.95	6.58	9.70	5.80	3.95	2.63	1.94
Newark, N. J.	442	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	442	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
New Bedford, Mass.	112	S.	New Bedford Gas & Edison Light Co.	do.	.75	9	1.14	1.62	2.32	4.35	5.54	7.91	13.85	6.48	4.35	3.16	2.77
New Haven, Conn.	162	I.	United Illuminating Co.	do.	1.00	19	1.00	1.31	2.10	5.25	7.88	10.90	15.40	5.24	5.25	4.36	3.08
New Orleans, La.	458	S.	New Orleans Public Service Co., Inc.	do.	.25	------	1.38	2.13	3.25	6.00	7.25	10.75	14.50	8.52	6.00	4.30	2.90
New York	6,930																
(a) Bronx	1,265	S.	Bronx Gas & Electric Co.	Jan. 1, 1935	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11
Do.	1,265	S.	New York Edison Co.	do.	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11
Do.	1,265	S.	Westchester Lighting Co.	do.	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11
(b) Brooklyn	2,560	S.	Brooklyn Edison Co.	do.	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11
(c) Manhattan.	1,867	S.	Brush Electric Illuminating Co. of New York.	do.	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11
Do.	1,867	S.	New York Edison Co.	do.	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11
Do.	1,867	S.	United Electric Light & Power Co.	do.	1.00	10	1.30	1.80	2.55	5.55	8.05	13.05	25.55	7.20	5.55	5.22	5.11

TABLE No. 1.—*Typical monthly bills—Residential service*—Continued

CITIES OF 100,000 POPULATION AND OVER IN UNITED STATES—continued

Name of community	Population, 1930 census	Service supplied by— Control	Name of company	Date	Lighting and small appliances: Minimum bill Amount	Minimum bill Kilowatt-hours, inclusive	15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	Lighting, small appliances, and refrigeration 100 kilowatt-hours	Lighting, small appliances, and refrigeration 150 kilowatt-hours	Lighting, etc., and cooking 250 kilowatt-hours	Lighting, etc., cooking and water heating 500 kilowatt-hours	Average cost (cents per kilowatt-hour) 25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York—Con.																	
(d) Queens	1,079	S	New York & Queens Electric Light & Power Co.	Jan. 1, 1935	$1.00	10	$1.30	$1.80	$2.55	$5.55	$8.05	$13.05	$25.55	7.20	5.55	5.22	5.11
Do	1,079	S	Queens Borough Gas & Electric Co.	do	1.00	------	1.28	2.13	3.20	6.25	8.75	12.75	20.25	8.52	6.25	5.10	4.05
(e) Richmond	158	S	Staten Island Edison Corporation.	do	.95	10	1.35	2.15	3.11	5.51	6.91	8.91	13.91	8.60	5.51	3.56	2.78
Norfolk, Va	129	S	Virginia Electric & Power Co.	do	1.00	15	1.00	1.63	2.60	5.30	6.60	8.25	10.75	6.52	5.30	3.30	2.15
Oakland, Calif	284	S	Great Western Power Co	do	.40	------	1.08	1.53	2.10	4.20	5.95	7.85	9.95	6.12	4.20	3.14	1.99
Do	284	I	Pacific Gas & Elec. Co	do	.40	------	1.08	1.53	2.10	4.20	5.95	7.85	9.95	6.12	4.20	3.14	1.99
Oklahoma City, Okla.	185	S	Oklahoma Gas & Elec. Co	do	1.00	14	1.05	1.75	2.80	4.60	6.10	9.10	16.60	7.00	4.60	3.64	3.32
Omaha, Nebr	214	S	Nebraska Power Co	do	.50	9	.83	1.38	2.20	4.25	5.75	8.15	11.90	5.52	4.25	3.26	2.38
Paterson, N. J	138	S	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do	138	S	do	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Peoria, Ill	104	S	Central Illinois Light Co	do	.75	10	1.00	1.50	2.01	3.81	4.81	6.81	10.31	6.00	3.81	2.72	2.06
Philadelphia, Pa	1,950	S	Philadelphia Electric Co	do	.75	10	1.03	1.58	2.40	4.45	5.95	8.70	11.70	6.32	4.45	3.48	2.34
Pittsburgh, Pa	669	S	Duquesne Light Co	do	.50	7	1.05	1.55	2.20	4.10	5.60	8.60	16.10	6.20	4.10	3.44	3.22
Portland, Oreg	301	S	Northwestern Electric Co	do	1.00	18	1.00	1.38	2.05	3.72	4.62	6.42	10.92	5.52	3.72	2.57	2.18
Do	301	S	Portland General Electric Co.	do	1.00	18	1.00	1.38	1.95	3.39	4.29	6.09	8.09	5.52	3.39	2.44	1.62
Providence, R. I	252	S	The Narragansett Electric Co.	do	.50	3	1.28	1.93	2.91	5.81	7.31	9.84	14.84	7.72	5.81	3.94	2.97
Reading, Pa	111	S	The Metropolitan Edison Co.	July 1, 1934	1.00	11	1.35	2.25	3.40	5.50	7.00	9.50	14.50	9.00	5.50	3.80	2.90
Do	111	S	do	Jan. 1, 1935	1.00	11	1.32	2.12	3.20	5.42	6.92	9.42	14.42	8.48	5.42	3.77	2.88
Richmond, Va	182	S	Virginia Electric & Power Co.	do	1.00	15	1.00	1.63	2.60	5.30	6.60	8.25	10.75	6.52	5.30	3.30	2.15
Rochester, N. Y	328	S	Rochester Gas & Electric Corporation.	do	1.00	12	1.15	1.65	2.40	5.00	7.00	10.00	12.25	6.60	5.00	4.00	2.45
St. Louis, Mo	821	S	Laclede Power & Light Co	do	.50	11	.65	1.07	1.43	2.85	4.04	5.70	9.26	4.28	2.85	2.28	1.85
Do	821	S	Union Electric Light & Power Co.	do	.50	10	.71	1.19	1.71	3.13	4.32	6.22	9.78	4.76	3.13	2.49	1.96
St. Paul, Minn	271	S	Northern States Power Co	July 1, 1934	1.00	11	1.28	1.96	2.39	4.10	5.53	3.83	11.94	7.84	4.10	3.35	2.39
Do	271	S	do	Jan. 1, 1935	1.00	10	1.25	1.75	2.30	4.00	5.15	7.15	10.71	7.00	4.00	2.86	2.14
Salt Lake City, Utah.	140	S	Utah Power & Light Co	do	.90	11	1.18	1.88	2.93	4.82	7.07	7.70	10.45	7.52	4.82	3.08	2.09
San Antonio, Tex	231	S	San Antonio Public Service Co.	do	.50	7	.98	1.63	2.60	4.88	6.38	8.38	13.38	6.52	4.88	3.35	2.68
San Diego, Calif	147	S	San Diego Consolidated Gas & Electric Co.	do	.90	12	1.07	1.65	2.51	4.59	6.09	7.88	12.88	6.60	4.59	3.15	2.53
San Francisco, Calif.	634	S	Great Western Power Company of California.	do	.40	------	1.08	1.53	2.10	4.20	5.95	7.85	9.95	6.12	4.20	3.14	1.99
Do	634	I	Pacific Gas & Electric Co	do	.40	------	1.08	1.53	2.10	4.20	5.95	7.85	9.95	6.12	4.20	3.14	1.99
Scranton, Pa	143	S	The Scranton Electric Co	July 1, 1934	1.00	14	1.05	1.75	2.80	5.00	6.50	9.50	14.50	7.00	5.00	3.80	2.90
Do	143	S	do	Jan. 1, 1935	1.00	15	1.00	1.63	2.45	4.85	6.35	9.35	12.05	6.52	4.85	3.74	2.41
Seattle, Wash	365	M	City of Seattle, department of lighting.	do	.75	14	.85	1.40	2.20	3.40	4.40	6.30	8.15	5.60	3.40	2.52	1.63
Do	365	S	Puget Sound Power & Light Co.	do	.75	13	.83	1.38	2.20	3.40	4.40	6.28	8.15	5.52	3.40	2.51	1.63
Somerville, Mass	103	I	Edison Electric Illuminating Co. of Boston.	July 1, 1934	.75	10	1.13	1.75	2.50	5.30	6.80	9.80	12.80	7.00	5.30	3.92	2.53
Do	103	I	do	Jan. 1, 1935	.75	10	1.05	1.65	2.40	5.20	6.70	9.70	12.70	6.60	5.20	3.88	2.54
South Bend, Ind	104	S	Indiana & Michigan Electric Co.	July 1, 1934	1.00	15	1.00	1.63	2.55	4.65	6.15	9.15	12.90	6.52	4.65	3.66	2.53
Do	104	S	do	Jan. 1, 1935	1.00	15	1.00	1.63	2.40	4.30	5.55	8.05	11.70	6.52	4.30	3.22	2.34
Spokane, Wash	115	S	Washington Water Power Co.	do	.70	12	.83	1.38	2.00	3.80	5.30	8.30	10.30	5.52	3.80	3.32	2.03
Springfield, Mass	149	S	United Electric Light Co	July 1, 1934	.67	12	.83	1.38	2.20	4.60	6.38	9.38	16.88	5.52	4.60	3.75	3.38
Do	149	S	do	Jan. 1, 1935	.67	12	.83	1.38	2.20	4.60	6.35	9.10	15.35	5.52	4.60	3.64	3.07
Syracuse, N. Y	209	S	Syracuse Lighting Co., Inc	do	.90	12	1.05	1.55	2.10	3.90	5.40	7.90	12.90	6.20	3.90	3.16	2.58
Tacoma, Wash	106	M	City of Tacoma, department of public utilities.	do	.50	11	.68	1.13	1.80	2.40	2.90	3.90	6.40	4.52	2.40	1.56	1.28
Tampa, Fla	101	I	Tampa Electric Co	July 1, 1934	1.00	10	1.50	2.50	4.00	7.00	8.50	11.00	16.00	10.00	7.00	4.40	3.20
Do	101	I	do	Jan. 1, 1935	1.00	10	1.50	2.50	3.40	6.25	7.75	10.00	15.00	10.00	6.25	4.00	3.00
Toledo, Ohio	290	S	The Toledo Edison Co	do	1.00	10	1.25	1.75	2.50	4.90	6.40	9.40	16.90	7.00	4.90	3.76	3.38
Trenton, N. J	123	S	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do	123	S	do	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Tulsa, Okla	141	S	Public Service Co. of Oklahoma.	do	1.00	14	1.05	1.75	2.65	4.75	6.25	8.90	11.40	7.00	4.75	3.56	2.28
Utica, N. Y	101	S	Utica Gas & Electric Co	do	1.00	13	1.13	1.88	2.75	5.75	7.25	10.25	17.75	7.52	5.75	4.10	3.55
Washington, D. C	486	S	Potomac Electric Power Co	do	.75	19	.75	.98	1.56	3.60	3.95	5.67	10.10	3.92	3.60	2.27	2.02
Wichita, Kans	111	S	Kansas Gas & Electric Co	do	1.00	13	1.08	1.48	2.08	4.23	5.98	7.98	14.35	5.92	4.23	3.19	2.87
Wilmington, Del	106	S	Delaware Power & Light Co	July 1, 1934	1.00	13	1.13	1.88	2.78	5.48	6.98	9.98	17.48	7.52	5.48	3.99	3.50
Do	106	S	do	Jan. 1, 1935	1.00	13	1.13	1.88	2.78	5.48	6.98	9.98	12.98	7.52	5.48	3.99	2.60
Worcester, Mass	195	S	Worcester Electric Light Co	do	.75	15	.75	1.25	2.00	4.85	7.00	8.50	13.50	5.00	4.85	3.40	2.70
Yonkers, N. Y	134	S	Yonkers Electric Light & Power Co.	do	1.00	12	1.20	1.95	2.95	6.85	10.10	15.85	28.35	7.80	6.85	6.34	5.67
Youngstown	170	S	Ohio Edison Co	July 1, 1934	.50	9	.83	1.38	2.20	4.80	6.00	8.00	11.00	5.52	4.80	3.20	2.20
Do	170	S	do	Jan. 1, 1935	.50	10	.75	1.20	1.80	3.83	5.08	7.08	10.08	4.80	3.83	2.83	2.02
CITIES OF 50,000 TO 100,000 POPULATION IN UNITED STATES																	
Allentown, Pa	92,563	S	Pennsylvania Power & Light Co.	Jan. 1, 1935	$1.00	10	$1.38	$2.13	$3.20	$5.70	$7.08	$9.08	$13.20	8.52	5.70	3.63	2.64
Altoona, Pa	82,054	S	Penn Central Light & Power Co.	do	1.00	11	1.35	2.09	2.84	5.84	8.34	7.89	12.64	8.36	5.84	3.16	2.53

TABLE No. 1.—*Typical monthly bills—Residential service*—Continued

CITIES OF 50,000 TO 100,000 POPULATION IN UNITED STATES—continued

Name of community	Population, 1930 census	Service supplied by—			Lighting and small appliances					Lighting, small appliances, and refrigeration		Lighting, etc., and cooking	Lighting, etc., cooking and water heating	Average cost (cents per kilowatt-hour)			
		Control	Name of company	Date	Minimum bill		15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours								
					Amount	Kilowatt-hours, inclusive				100 kilowatt-hours	150 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Asheville, N. C.	50,193	S.	Carolina Power & Light Co.	July 1, 1934	$1.00	10	$1.50	$2.25	$3.00	$6.00	$8.50	$9.65	$12.65	9.00	6.00	3.86	2.53
Do.	50,193	S.	do.	Jan. 1, 1935	1.00	10	1.50	1.88	2.40	4.25	5.25	7.25	11.00	7.52	4.25	2.90	2.20
Atlantic City	66,198	S.	Atlantic City Electric Co.	do.	1.00	11	1.35	2.25	3.60	5.50	7.00	10.00	15.00	9.00	5.50	4.00	3.00
Augusta, Ga.	60,342	S.	Georgia Power Co.	do.	1.00	15	1.00	1.62	2.37	4.57	6.07	8.32	10.32	6.48	4.57	3.33	2.06
Do.	60,342	S.	do.	do.	1.00	15	1.00	1.45	2.12	3.95	4.95	6.57	8.57	5.80	3.95	2.63	1.71
Austin, Tex.	53,120	M.	Municipal Water, Light & Power Department.	do.	.50	6	1.21	2.03	3.24	5.36	7.61	7.88	14.63	8.12	5.36	3.15	2.93
Bayonne, N. J.	88,979	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	88,979	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Beaumont, Tex.	57,732	S.	Gulf States Utilities Co.	July 1, 1934	1.00	10	1.43	2.38	3.43	5.45	6.95	8.25	10.75	9.52	5.45	3.30	2.15
Do.	57,732	S.	do.	Jan. 1, 1935	1.00	11	1.28	2.13	3.18	5.45	6.95	8.25	10.75	8.52	5.45	3.30	2.15
Berkeley, Calif.	82,109	S.	Great Western Power Co. of California.	do.	.40	------	1.08	1.53	2.10	4.20	5.95	7.85	9.95	6.12	4.20	3.14	1.99
Do.	82,109	I.	Pacific Gas & Electric Co.	do.	.40	------	1.08	1.53	2.10	4.20	5.95	7.85	9.95	6.12	4.20	3.14	1.99
Bethlehem, Pa.	57,892	S.	Pennsylvania Power & Light Co.	do.	1.00	10	1.38	2.13	3.20	5.70	7.08	9.08	13.20	8.52	5.70	3.63	2.64
Binghamton, N. Y.	76,662	S.	New York State Electric & Gas Corporation.	do.	1.00	------	1.53	1.88	2.40	4.50	5.50	7.50	12.50	7.52	4.50	3.00	2.50
Brockton, Mass.	63,797	S.	Edison Electric Illuminating Co. of Brockton.	do.	.75	9	1.20	1.90	2.50	4.65	6.40	8.90	12.46	7.60	4.65	3.56	2.49
Cedar Rapids, Iowa.	56,097	I.	Iowa Electric Light & Power Co.	do.	1.00	16	1.00	1.50	2.30	4.78	6.03	8.53	11.78	6.00	4.78	3.41	2.36
Charleston, S. C.	62,265	S.	South Carolina Power Co.	July 1, 1934	1.00	11	1.28	2.12	3.15	5.85	7.34	10.09	13.33	8.48	5.85	4.04	2.67
Do.	62,265	S.	do.	Jan. 1, 1935	1.00	12	1.17	1.93	2.90	5.60	7.09	9.84	13.08	7.72	5.60	3.94	2.62
Do.	62,265	S.	do.	do.	1.00	12	1.16	1.71	2.54	4.62	5.62	7.24	10.37	6.84	4.62	2.90	2.07
Charleston, W. Va.	60,408	S.	Appalachian Electric Power Co.	do.	1.00	8	1.40	2.00	2.60	4.75	6.25	9.25	12.25	8.00	4.75	3.70	2.45
Charlotte, N. C.	82,675	S.	Southern Public Utilities Co.	July 1, 1934	1.00	13	1.14	1.84	2.50	4.75	6.63	9.34	16.84	7.36	4.75	3.74	3.37
Do.	82,675	S.	do.	Jan. 1, 1935	.80	10	1.13	1.78	2.40	4.20	5.60	8.10	11.60	7.12	4.20	3.24	2.32
Chester, Pa.	59,164	S.	Philadelphia Electric Co.	do.	.75	9	1.13	1.68	2.50	4.55	6.05	8.80	11.80	6.72	4.55	3.52	2.36
Cicero, Ill.	66,602	I.	Public Service Co. of Northern Illinois.	do.	.50	7	1.02	1.70	2.63	4.68	5.68	7.68	10.68	6.80	4.68	3.07	2.14
Cleveland Heights, Ohio.	50,945	S.	Cleveland Electric Illuminating Co.	do.	.60	15	.60	1.00	1.60	4.00	6.00	9.88	16.88	4.00	4.00	3.95	3.38
Columbia, S. C.	51,581	S.	Broad River Power Co.	July 1, 1934	.80	11	1.08	1.80	2.88	5.60	7.10	9.60	14.60	7.20	5.60	3.84	2.92
Do.	51,581	S.	do.	Jan. 1, 1935	.75	11	1.05	1.65	2.40	4.65	5.90	7.90	11.65	6.60	4.65	3.16	2.33
Covington, Ky.	65,252	S.	Union Light, Heat & Power Co.	do.	.60	12	.75	1.25	1.70	3.00	4.00	6.00	11.00	5.00	3.00	2.40	2.20
Davenport, Iowa.	60,751	S.	Peoples Light Co.	do.	.50	6	1.08	1.78	2.39	4.01	5.36	------	------	7.12	4.01	------	------
Dearborn, Mich.	50,358	I.	Detroit Edison Co.	do.	.45	5	1.03	1.39	1.93	3.53	4.65	6.90	9.96	5.56	3.53	2.76	1.99
Decatur, Ill.	57,510	S.	Illinois Power & Light Corporation.	do.	.75	12	.90	1.50	2.25	4.25	5.75	8.00	10.75	6.00	4.25	3.20	2.15
Durham, N. C.	52,037	S.	Durham Public Service Co.	July 1, 1934	1.00	12	1.20	1.90	2.80	5.40	6.90	9.65	15.90	7.60	5.40	3.86	3.18
Do.	52,037	S.	do.	Jan. 1, 1935	1.00	12	1.20	1.88	2.70	5.00	6.75	9.25	15.50	7.52	5.00	3.70	3.10
East Chicago, Ind.	54,784	S.	Northern Indiana Public Service Co.	do.	1.00	11	1.35	1.90	2.55	4.55	6.05	9.05	------	7.60	4.55	3.62	------
East Orange, N. J.	68,020	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	68,020	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
East St. Louis, Mo.	74,347	S.	East St. Louis Light & Power Co.	do.	.50	10	.71	1.19	1.71	3.13	4.32	6.22	9.78	4.76	3.13	2.49	1.96
Evanston, Ill.	63,338	I.	Public Service Co. of Northern Illinois.	do.	.50	7	1.02	1.70	2.63	4.68	5.68	7.68	10.68	6.80	4.68	3.07	2.14
Fresno, Calif.	52,513	S.	San Joaquin Light & Power Corporation.	do.	.50	------	1.18	1.63	2.20	4.30	6.05	7.95	10.05	6.52	4.30	3.18	2.01
Galveston, Tex.	52,938	S.	Houston Light & Power Co.	do.	.50	8	.90	1.30	1.90	4.30	5.78	8.28	14.53	5.20	4.30	3.31	2.91
Glendale, Calif.	62,736	M.	City of Glendale public-service department.	July 1, 1934	.60	12	.72	1.20	1.81	3.31	4.56	6.68	11.68	4.80	3.31	2.67	2.34
Do.	62,736	M.	do.	Jan. 1, 1935	.60	13	.68	1.13	1.80	3.30	4.25	5.75	8.25	4.52	3.30	2.30	1.65
Greensboro	53,569	S.	Southern Public Utilities Co.	July 1, 1934	1.00	13	1.14	1.84	2.50	4.75	6.63	9.34	16.84	7.36	4.75	3.74	3.37
Do.	53,569	S.	do.	Jan. 1, 1935	.80	10	1.13	1.78	2.40	4.20	5.60	8.10	11.60	7.12	4.20	3.24	2.32
Hamilton, Ohio	52,176	S.	Hamilton Service Co.	do.	.75	16	.75	1.13	1.80	3.75	5.00	7.50	13.75	4.52	3.75	3.00	2.75
Do.	52,176	M.	Hamilton municipal electric plant.	do.	.50	11	.68	1.13	1.80	3.75	5.00	7.25	12.25	4.52	3.75	2.90	2.45
Hammond Ind.	64,560	S.	Northern Indiana Public Service Co.	do.	1.00	11	1.35	1.90	2.55	4.55	6.05	9.05	------	7.60	4.55	3.62	------
Hamtramck, Mich.	56,268	I.	Detroit Edison Co.	do.	.45	5	1.03	1.39	1.93	3.53	4.65	6.90	9.96	5.56	3.53	2.76	1.99
Harrisburg, Pa.	80,339	S.	Pennsylvania Power & Light Co.	do.	1.00	10	1.21	1.64	2.28	4.83	6.95	9.08	13.20	6.56	4.83	3.63	2.64
Highland Park, Mich.	52,959	I.	Detroit Edison Co.	do.	.45	5	1.03	1.39	1.93	3.53	4.65	6.90	9.96	5.56	3.53	2.76	1.99
Hoboken, N. J.	59,261	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	59,261	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Holyoke, Mass.	56,537	M.	Municipal Gas & Electric Department.	do.	.50	12	.60	1.00	1.60	4.00	5.75	9.25	18.00	4.00	4.00	3.70	3.60
Huntington, W. Va.	75,572	S.	Appalachian Electric Power Co.	do.	1.00	8	1.40	2.00	2.60	4.75	6.25	9.25	12.25	8.00	4.75	3.70	2.45
Irvington, N. J.	56,733	S.	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do.	56,733	S.	do.	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Jackson, Mich.	55,187	S.	Consumers Power Co.	do.	.50	5	1.26	1.83	2.28	3.56	4.56	6.56	9.31	7.32	3.56	2.62	1.86
Johnstown, Pa.	66,993	S.	Pennsylvania Electric Co.	do.	1.00	11	1.35	2.25	2.70	4.50	6.00	8.00	13.50	9.00	4.50	3.20	2.70
Kalamazoo, Mich.	54,786	S.	Consumers Power Co.	do.	.50	5	1.26	1.83	2.28	3.56	4.56	6.56	9.31	7.32	3.56	2.62	1.86
Do.	54,786	M.	Kalamazoo Division, Lighting Department Public Utilities.	do.	.50	8	.90	1.50	1.95	3.44	4.44	6.44	11.44	6.00	3.44	2.58	2.29

TABLE NO. 1.—*Typical monthly bills—Residential service*—Continued

CITIES OF 50,000 TO 100,000 POPULATION IN UNITED STATES—continued

Name of community	Population, 1930 census	Service supplied by—			Lighting and small appliances					Lighting, small appliances, and refrigeration		Lighting, etc., and cooking	Lighting, etc., cooking and water heating	Average cost (cents per kilowatt-hour)			
		Control	Name of company	Date	Minimum bill		15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	150 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours	25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
					Amount	Kilowatt-hours, inclusive											
Kenosha, Wis.	50,262	S	Wisconsin Gas & Electric Co.	Jan. 1, 1935	$0.50	7	$1.07	$1.79	$2.30	$4.01	$5.43	$7.33	$8.86	7.16	4.01	2.93	1.77
Lakewood, Ohio	70,509	M	City of Cleveland, Department Public Utilities, Division Light and Power.	do	.60	15	.60	.88	1.31	3.05	4.50	7.40	14.65	3.52	3.05	2.96	2.93
Do	70,509	S	Cleveland Electric Illuminating Co.	do	.60	15	.60	1.00	1.60	4.00	6.00	9.88	16.88	4.00	4.00	3.95	3.38
Lancaster, Pa.	59,949	S	Pennsylvania Power & Light Co.	do	1.00	10	1.38	2.13	3.20	5.70	7.08	9.08	13.20	8.52	5.70	3.63	2.64
Lansing, Mich.	78,397	M	Board of Water & Electric Light Commissioners.	do	.40	8	.75	1.25	1.85	3.25	4.25	6.00	9.75	5.00	3.25	2.40	1.95
Lawrence, Mass.	85,068	S	Lawrence Gas & Electric Co.	do	.75	8	1.35	2.05	2.80	5.30	7.30	11.30	17.55	8.20	5.30	4.52	3.51
Lincoln, Nebr.	75,933	M	City Hall Municipal Water & Light Department.	July 1, 1934	.40	------	1.05	1.43	2.00	3.99	5.66	8.98	17.29	5.72	3.99	3.59	3.46
				Jan. 1, 1935	.40	------	1.05	1.43	2.00	3.99	5.66	8.98	17.29	5.72	3.99	3.59	3.46
Do	75,933	M	do	do	.40	------	1.05	1.43	2.00	3.71	5.13	7.74	13.68	5.72	3.71	3.10	2.74
Do	75,933	S	Iowa-Nebraska Light & Power Co.	July 1, 1934	.40	------	1.05	1.43	2.00	3.99	5.65	8.98	17.29	5.72	3.99	3.59	3.46
				Jan. 1, 1935	.40	------	1.10	1.50	2.10	3.90	5.40	8.15	14.40	6.00	3.90	3.26	2.88
Little Rock, Ark.	81,679	S	Arkansas Power & Light Co.	do	.60	------	1.50	2.10	2.90	5.10	6.60	9.60	14.60	8.40	5.10	3.84	2.92
Macon, Ga.	53,829	S	Georgia Power Co.	do	1.00	15	1.00	1.62	2.37	4.57	6.07	8.32	10.32	6.48	4.57	3.33	2.06
Do	53,829	S	do	do	1.00	15	1.00	1.45	2.12	3.95	4.95	6.57	8.57	5.80	3.95	2.63	1.71
Madison, Wis.	57,899	S	Madison Gas & Electric Co.	July 1, 1934	.75	13	.82	1.22	1.68	2.88	3.88	5.88	10.88	4.88	2.88	2.35	2.18
Do	57,899	S	do	Jan. 1, 1935	.60	0	.94	1.17	1.50	2.73	3.73	5.60	9.98	4.68	2.73	2.24	2.00
Malden, Mass.	58,036	S	Malden Electric Co.	do	.50	6	1.12	1.77	2.60	4.70	6.45	9.95	18.70	7.08	4.70	3.98	3.74
Manchester, N. H.	76,834	S	Public Service Co. of New Hampshire.	do	1.00	10	1.50	2.34	3.24	5.36	6.36	8.36	13.36	9.36	5.36	3.34	2.67
McKeesport, Pa.	54,632	S	Duquesne Light Co.	do	.50	7	1.05	1.55	2.20	4.10	5.60	8.60	16.10	6.20	4.10	3.44	3.22
Medford, Mass.	59,714	S	Malden Electric Co.	do	.50	6	1.12	1.77	2.60	4.70	6.45	9.95	18.70	7.08	4.70	3.98	3.74
Mobile, Ala.	68,202	S	Alabama Power Co.	July 1, 1934	1.00	15	1.00	1.55	2.30	4.05	5.30	7.80	12.25	6.20	4.05	3.12	2.45
Do	68,202	S	do	do	1.00	15	1.00	1.45	2.13	3.70	4.70	6.36	9.49	5.80	3.70	2.54	1.90
Do	68,202	S	do	Jan. 1, 1935	1.00	15	1.00	1.55	2.30	4.05	5.30	7.60	11.35	6.20	4.05	3.04	2.27
Do	68,202	S	do	do	1.00	15	1.00	1.45	2.13	3.95	4.95	6.58	9.70	5.80	3.95	2.63	1.94
Montgomery, Ala.	66,079	S	do	July 1, 1934	1.00	15	1.00	1.55	2.30	4.05	5.30	7.80	12.25	6.20	4.05	3.12	2.45
Do	66,079	S	do	do	1.00	15	1.00	1.45	2.13	3.70	4.70	6.36	9.49	5.80	3.70	2.54	1.90
Do	66,079	S	do	Jan. 1, 1935	1.00	15	1.00	1.55	2.30	4.05	5.30	7.60	11.35	6.20	4.05	3.04	2.27
Do	66,079	S	do	do	1.00	15	1.00	1.45	2.13	3.95	4.95	6.58	9.70	5.80	3.95	2.63	1.94
Mount Vernon, N. Y.	61,499	S	Westchester Lighting Co.	do	1.00	8	1.56	2.36	3.41	7.31	10.56	16.31	28.81	9.44	7.31	6.52	5.76
New Britain, Conn.	68,128	S	Connecticut Light & Power Co.	July 1, 1934	1.00	10	1.50	2.10	2.70	5.10	7.10	10.10	13.80	8.40	5.10	4.04	2.76
Do	68,128	S	do	Jan. 1, 1935	1.00	10	1.50	2.10	2.70	5.10	7.10	9.35	13.30	8.40	5.10	3.74	2.66
New Rochelle, N. Y.	54,000	S	Westchester Lighting Co.	do	1.00	8	1.56	2.36	3.41	7.31	10.56	16.31	28.81	9.44	7.31	6.52	5.76
Newton, Mass.	65,276	I	Edison Electric Illuminating Co. of Boston.	July 1, 1934	.75	10	1.13	1.75	2.50	5.30	6.80	9.80	12.80	7.00	5.30	3.92	2.56
				Jan. 1, 1935	.75	10	1.05	1.65	2.40	5.20	6.70	9.70	12.70	6.60	5.20	3.88	2.54
Niagara Falls, N. Y.	75,460	S	Niagara Electric Service Corporation.	do	.75	15	.75	1.13	1.70	3.06	3.81	5.31	9.06	3.52	3.06	2.12	1.81
Do	75,460	S	Niagara Falls Gas & Electric Light Co.	do	.75	15	.75	1.19	1.90	4.75	7.13	11.88	(3)	4.76	4.75	4.75	------
Oak Park, Ill.	63,982	I	Public Service Co. of North Illinois.	do	.50	7	1.02	1.70	2.63	4.68	5.68	7.68	10.68	6.80	4.68	3.07	2.14
Pasadena, Calif.	76,086	I	Southern California Edison Co., Ltd.	do	1.00	20	1.00	1.25	2.00	5.00	7.50	7.00	9.25	5.00	5.00	2.80	1.85
Do	76,086	M	Municipal light and power department.	do	.50	11	.68	1.13	1.80	3.30	4.45	5.95	8.20	4.52	3.30	2.38	1.64
Passaic, N. J.	62,959	S	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
				Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Pawtucket, R. I.	77,149	S	Blackstone Valley Gas & Electric Co.	do	1.00	10	1.50	2.25	3.00	5.80	7.30	10.30	14.05	9.00	5.80	4.12	2.81
Pontiac, Mich.	64,928	S	Consumers Power Co.	do	.45	5	1.03	1.39	1.93	3.53	4.66	6.91	9.25	5.56	3.53	2.76	1.85
Port Arthur, Tex.	50,902	S	Gulf States Utilities Co.	July 1, 1934	1.00	10	1.43	2.38	3.43	5.45	6.95	8.25	10.75	9.52	5.45	3.30	2.15
Do	50,902	S	do	Jan. 1, 1935	1.00	11	1.28	2.13	3.18	5.45	6.95	8.25	10.75	8.52	5.45	3.30	2.15
Portland, Maine	70,810	S	Cumberland County Power & Light Co.	do	1.00	12	1.20	1.88	2.63	4.73	5.73	7.73	12.73	7.52	4.73	3.09	2.55
Pueblo, Colo.	50,096	S	Southern Colorado Power Co.	July 1, 1934	1.00	12	1.20	2.00	2.70	4.80	6.55	10.05	12.10	8.00	4.80	4.02	2.42
Do	50,096	S	do	Jan. 1, 1935	1.00	12	1.20	2.00	2.70	4.50	6.00	9.00	11.50	8.00	4.50	3.60	2.30
Quincy, Mass.	71,983	S	Quincy Electric Light & Power Co.	do	.50	7	.98	1.63	2.38	4.33	6.34	9.70	13.95	6.52	4.33	3.88	2.79
Racine, Wis.	67,542	S	Milwaukee Electric Railway & Light Co.	do	.50	7	1.07	1.79	2.30	4.01	5.43	7.33	8.86	7.16	4.01	2.93	1.77
Roanoke, Va.	69,206	S	Appalachian Electric Power Co.	July 1, 1934	1.00	12	1.20	2.00	3.20	4.75	6.25	9.25	12.25	8.00	4.75	3.70	2.45
Do	69,206	S	do	Jan. 1, 1935	1.00	10	1.28	1.88	2.48	4.63	6.13	9.13	11.83	7.52	4.63	3.65	2.37
Rockford, Ill.	85,864	S	Central Illinois Electric & Gas Co.	do	.50	7	1.02	1.56	2.16	3.96	5.36	8.16	11.91	6.24	3.96	3.26	2.38
Sacramento, Calif.	93,750	S	Great Western Power Co. of California.	do	.50	------	1.18	1.63	2.20	4.30	6.05	7.95	10.05	6.52	4.30	3.18	2.01
Do	93,750	I	Pacific Gas & Electric Co.	do	.50	------	1.18	1.63	2.20	4.30	6.05	7.95	10.05	6.52	4.30	3.18	2.01
Saginaw, Mich.	80,715	S	Consumers Power Co.	do	.50	5	1.26	1.83	2.28	3.56	4.56	6.56	9.31	7.32	3.56	2.62	1.86
St. Joseph, Mo.	80,935	S	St. Joseph Railway, Light, Heat & Power Co.	do	.75	------	1.50	2.00	2.55	4.35	5.85	8.60	14.85	8.00	4.35	3.44	2.97
San Jose, Calif.	57,651	I	Pacific Gas & Electric Co.	do	.50	------	1.18	1.63	2.20	4.30	6.05	7.95	10.05	6.52	4.30	3.18	2.01
Savannah, Ga.	85,024	S	Savannah Electric & Power Co.	do	1.00	15	1.00	1.63	2.38	4.57	6.07	8.32	11.12	6.52	4.57	3.33	2.22
Schenectady, N. Y.	95,692	S	New York Power & Light Corporation.	Jan. 1, 1935	.75	9	1.20	2.00	2.55	4.35	5.85	8.35	11.85	8.00	4.35	3.34	2.37
Shreveport, La.	76,655	S	Southwestern Gas & Electric Co.	do	1.00	14	1.05	1.75	2.65	4.75	6.25	8.75	11.25	7.00	4.75	3.50	2.25
Sioux City, Idaho	79,183	S	Sioux City Gas & Electric Co.	July 1, 1934	1.00	18	1.00	1.38	2.20	5.50	7.00	10.00	17.50	5.52	5.50	4.00	3.50
Do	79,183	S	do	Jan. 1, 1935	1.00	18	1.00	1.38	2.20	5.10	6.60	9.10	14.10	5.52	5.10	3.64	2.82

TABLE No. 1.—*Typical monthly bills—Residential service*—Continued

CITIES OF 50,000 TO 100,000 POPULATION IN UNITED STATES—continued

Name of community	Population, 1930 census	Service supplied by— Control	Name of company	Date	Lighting and small appliances: Minimum bill Amount	Minimum bill Kilowatt-hours, inclusive	15 kilowatt-hours	25 kilowatt-hours	40 kilowatt-hours	Lighting, small appliances, and refrigeration: 100 kilowatt-hours	150 kilowatt-hours	Lighting, etc., and cooking: 250 kilowatt-hours	Lighting, etc., cooking and water heating: 500 kilowatt-hours	Average cost (cents per kilowatt-hour): 25 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Springfield, Ill.	71,864	S	Central Illinois Light Co.	Jan. 1, 1935	$0.50	10	$0.75	$1.25	$1.90	$3.90	$4.90	$5.90	$11.90	5.00	3.90	2.76	2.38
Do	71,864	M	City Water, Light & Power Department.	do	.50	10	.75	1.25	1.90	3.02	3.77	4.80	7.30	5.00	3.02	1.92	1.46
Springfield, Mo.	57,527	S	Springfield Gas & Electric Co.	do	.75	5	1.25	1.75	2.50	4.50	6.00	9.00	16.50	7.00	4.50	3.60	3.30
Springfield, Ohio	68,743	S	Ohio Edison Co.	do	.50	7	1.08	1.80	2.70	4.70	6.20	9.20	12.20	7.20	4.70	3.68	2.44
Terre Haute, Ind.	62,810	S	Public Service Co. of Indiana	do	1.00	15	1.00	1.63	2.40	4.30	5.55	8.05	14.30	6.52	4.30	3.22	2.86
Topeka, Kans.	64,120	S	Kansas Power & Light Co.	July 1, 1934	.50	8	.90	1.50	2.10	4.00	5.50	7.75	10.50	6.00	4.00	3.10	2.10
Do	64,120	S	do	Jan. 1, 1935	.50	9	.83	1.38	1.98	3.63	4.88	7.38	11.13	5.52	3.63	2.95	2.23
Troy, N. Y.	72,763	S	New York Power & Light Corporation.	do	.75	9	1.20	2.00	2.55	4.35	5.85	8.35	11.85	8.00	4.35	3.34	2.37
Union City, N. J.	58,659	S	Public Service Electric & Gas Co.	July 1, 1934	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	17.30	8.60	5.30	3.92	3.46
Do	58,659	S	do	Jan. 1, 1935	1.00	11	1.35	2.15	3.20	5.30	6.80	9.80	12.30	8.60	5.30	3.92	2.46
Waco, Tex.	52,848	S	Texas Power & Light Co.	do	.75		1.60	2.15	2.90	5.50	7.00	8.60	13.60	8.60	5.50	3.44	2.72
Waterbury, Conn.	99,902	S	Connecticut Light & Power Co.	July 1, 1934	1.00	10	1.50	2.10	2.70	5.10	7.10	10.10	13.80	8.40	5.10	4.04	2.76
Do	99,902	S	do	Jan. 1, 1935	1.00	10	1.50	2.10	2.70	5.10	7.10	9.35	13.30	8.40	5.10	3.74	2.66
West Los Angeles, Calif.	53,868	I	Southern California Edison Co., Ltd.	do	1.00	20	1.00	1.25	2.00	5.00	7.50	7.00	9.25	5.00	5.00	2.80	1.85
Wheeling, W. Va.	61,659	S	Wheeling Electric Co.	do	1.00	8	1.40	2.00	2.60	4.75	6.25	9.25	12.25	8.00	4.75	3.70	2.45
Wilkes-Barre, Pa.	86,626	S	Pennsylvania Power & Light Co.	do	1.00	10	1.38	2.05	2.50	5.50	7.00	9.08	13.20	8.20	5.50	3.63	2.64
Winston - Salem, N. C.	75,274	S	Southern Public Utilities Co.	July 1, 1934	1.00	13	1.14	1.84	2.50	4.75	6.63	9.34	16.84	7.36	4.75	3.74	3.37
Do	75,274	S	do	Jan. 1, 1935	.80	10	1.13	1.78	2.40	4.20	5.60	8.10	11.60	7.12	4.20	3.24	2.32
York, Pa.	55,254	S	Edison Light & Power Co.	do	1.00	1	1.66	2.14	2.76	4.66	6.08	8.93	13.68	8.56	4.66	3.57	2.74
Do	55,254	S	Metropolitan Edison Co.	July 1, 1934	1.00	11	1.35	2.25	3.40	5.50	7.00	9.50	14.50	9.00	5.50	3.80	2.90
Do	55,254	S	do	Jan. 1, 1935	1.00	11	1.32	2.12	3.20	5.42	6.92	9.42	14.42	8.48	5.42	3.77	2.88
COMPARE THE ABOVE RATES WITH THE FOLLOWING RATES WHERE POWER AND LIGHTS ARE FURNISHED BY PUBLICLY OWNED PLANTS																	
Tupelo, Miss.	7,000	M	Tennessee Valley Authority	Jan. 1, 1935	$0.75	25	$0.75	$0.75	$1.20	$2.50	$3.50	$5.00	$8.90	3.00	2.50	2.00	1.38
Tacoma, Wash.	106,000	M	City of Tacoma, Department of Public Utilities.	do	.50	11	.68	1.13	1.80	2.40	2.90	3.90	6.40	4.52	2.40	1.56	1.28
Ottawa, Canada	130,000	M	Ontario Hydro Commission	do			.75	.75	1.02	1.74	2.05	2.88	3.92	3.00	1.74	1.11	.784

PERMISSION TO ADDRESS THE HOUSE

Mr. GREEN. Mr. Speaker, I ask unanimous consent that on Thursday next, after the reading of the Journal and the disposition of business on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HARLAN. Mr. Speaker, I ask unanimous consent to address the House on Thursday next for 30 minutes, following the remarks of the gentleman from Florida [Mr. GREEN].

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose at this moment. Under the special order of last Friday, District of Columbia business is in order at this time and has precedence over requests to address the House.

Mrs. NORTON. Mr. Speaker, I may say to the gentleman that I do not believe the District of Columbia business will take over 15 minutes.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes at the conclusion of the District of Columbia business today.

The SPEAKER. The Chair will recognize the gentleman later to submit his request.

CHANGES NECESSARY IN THE HOME OWNERS' LOAN ACT TO MAKE IT A REAL INSTRUMENTALITY FOR THE RELIEF OF DISTRESSED HOME OWNERS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, the Home Owners' Loan Corporation cannot be administered properly unless its officers, from the highest to the lowest, have complete sympathy with and understanding of the problems and difficult plight of the home owner. Instead, some of these officials have assumed a hard-boiled banker's attitude. They have become arrogant and autocratic. In many cases, instead of assisting the home owner, they have made it difficult for him to obtain the loan to which he is entitled. There is only one treatment for such officials and that is to discharge them.

PRESENT H. O. L. C. STATUS

Now I wish to discuss changes in home-loan legislation which have become necessary and which should be made at once. Permit me first to review the present H. O. L. C. situation. As of January 31, 1935, loans to 731,231 home owners, totaling $2,363,823,958 were paid out. For other purposes $317,983,000 had been expended by the Home Owners' Loan Corporation, thus leaving a balance of $512,571,000 which was still available as of January 17, 1935.

There are now 131,957 cases pending in the legal department for which sufficient bonds are available. But in addition there are 345,182 applications in the files of the Home Owners' Loan Corporation which have not yet reached the legal department and for which no bonds are available. Provision must be made for them by new legislation.

ISSUANCE OF MORE H. O. L. C. BONDS

One of the most important duties of Congress is the passage of a bill permitting the issuance of additional bonds by the H. O. L. C. On January 3, 1935, on the first day of Congress, I introduced a bill providing for the issuance of an additional two and one-half billion dollars in H. O. L. C. bonds, and a resolution providing for the immediate and complete resumption of the activities of the H. O. L. C. Action providing for further issuance of Home Loan bonds

will be taken shortly. The present plan seems to be to provide power to issue bonds sufficient to take care of some 300,000 applications already received but not yet prepared for action by the legal department. This would be inadequate. There are thousands of home owners in my own State of Pennsylvania and throughout the Nation who are in distress and who have not yet filed applications for loans. They should have an opportunity to do so.

ELIGIBILITY REQUIREMENTS TOO STRINGENT

Another change in the law, which is necessitated by what I consider a wrong interpretation of the Home Owners' Loan Act by the Home Owners' Loan Bank Board in Washington, is a new definition of what property is eligible. Thousands of home owners have been refused aid because their homes contain a shop or a storeroom. I know of cases where a small merchant has occupied his home for 20 or 25 years and has conducted a small business in a storeroom downstairs. Such a property has been classified by the H. O. L. C. as commercial. This is doing violence to the term "commercial." This misinterpretation should be remedied by an act of Congress. I introduced an act to that effect on January 21, 1935.

INTEREST RATES ON HOME LOANS EXCESSIVE

Under the present law loans made by the Home Owners' Loan Corporation by the exchange of bonds bear interest at a rate of 5 percent a year, and cash loans at a rate of 6 percent. These interest rates are too high. One of the main contributing causes of the depression has been the intolerable burden of the excessive debt structure of railroads, of corporations, and of individuals such as home owners and farmers. The amount of that burden is largely determined by the amount of interest which is charged on these loans. A rate of interest of 6 percent may have been proper in 1929 at the height of a boom and of inflated prices. It is far too high in the year 1935 when we are trying to find ways to go back to normal times by the use of sound and sober principles of economics.

Before there can be genuine recovery interest rates must come down all along the line, including interest rates on mortgages on homes and farms.

H. O. L. C. INTEREST RATES SHOULD BE REDUCED

At the passage of the Home Owners' Loan Act in June 1933 Congress may have been justified in setting a rate of interest of 5 percent, because it was then contemplated that the bonds issued by the Home Owners' Loan Corporation would carry interest coupons of 4 percent. In fact, the H. O. L. C. issued bonds totaling $323,381,000 carrying a rate of interest of 4 percent. With the amendment of the Home Owners' Loan Act on April 27, 1934, the rate of interest on the bonds issued by the Home Owners' Loan Corporation was substantially reduced. The next bond issue, totaling $930,779,000, paid only 3-percent interest, and since then bonds have been issued totaling, as of January 17, 1935, $752,650,000 bearing a rate of interest of only 2¾ percent.

At this point I should like to present the following table:

Home Owners' Loan Corporation bonds available for issuance as of Jan. 17, 1935

[All figures in thousands of dollars]

Bonds	Issued on home loans	Issued for investment and to raise cash	Commitments on loans in process of closing	Total issued plus commitments	Purchased in securities department	Authorized by H. O. L. C. acts
4 percent	$323,381	$3,395	$611	$327,387		$3,000,000
3 percent	930,779	[1] 165,477	1,954	1,098,210	$100	
2¾ percent	752,650		160,171	912,821		
2 percent		49,532		49,532		
1¾ percent		49,843		49,843		
1½ percent		49,736		49,736		
Total	2,006,810	[1] 317,983	162,736	2,487,529	100	2,487,429
Bonds available for issuance						512,571

[1] Includes bonds used to purchase stock of Federal Savings & Loan Insurance Corporation.

INTEREST RATE SHOULD BE THREE AND ONE-HALF PERCENT

From this table it is seen that, with the exception of one issue of about $300,000,000, all H. O. L. C. bonds have been issued at a rate of 3 percent and 2¾ percent. It was testified by the H. O. L. C. officials that a spread of 1 percent would be sufficient. Why, then, continue to charge the home owner 5 percent? Why continue to charge a rate of interest which the home owner cannot pay, which is dragging him further and deeper into debt and which, in the end, must be written off anyhow?

I propose in my bill that the rate of interest should be reduced to 3½ percent. That is high enough. It is as high as can be justified by the present rate of interest which the Home Owners' Loan Corporation itself pays on its own bonds. It is the highest rate which the Home Owners' Loan Corporation can conceivably ask the home owner to pay.

LONGER AMORTIZATION PERIOD

Another feature which is covered in my bill is the date of maturity of the Home Loan mortgages. The present mortgages provide that they shall become due over a period of time not exceeding 15 years. The date of maturity is important because the longer the term of the mortgage the smaller is the amount by which the home owner must reduce his mortgage every month in order to have it fully paid off on the date of maturity.

Most mortgages which were replaced by Home Loan mortgages were straight mortgages. That is, they did not provide for payments on account of principal, as is provided by the Home Owners' Loan Corporation, but only for payments on account of interest.

HOME OWNERS CANNOT MEET PRESENT CHARGES

The average home owner paid on his private mortgage 6-percent interest and nothing on the principal. For every $1,000 of his mortgage this payment amounted to $5 a month, or on a $5,000 mortgage to $25 per month. The home owners were unable to meet these interest payments, were faced with foreclosure, and thousands upon thousands of them had to exchange their private mortgages for Government home-loan mortgages. After they did so, they awoke to the startling realization that whereas their payments on a $5,000 mortgage had previously amounted to $25 per month, the payments under the new—the Home Loan mortgage—amounted to $39.55. This is due to the fact that in making payments to the Home Owners' Loan Corporation the home owner pays not only interest but also every month he pays off a part of the mortgage which he owes. This feature is very desirable, but the cold fact remains that a small home owner with a $5,000 mortgage who previously paid $25 is now expected to pay $39.55.

The home owner who could not pay $25 and, therefore, had to resort to the Home Owners' Loan Corporation—the home owner who was, and in most cases still is in distress, is now being asked to pay $39.55. That, of course, he will in thousands of cases be unable to do, so that from the very beginning many home owners will be in default with their payments to the Home Owners' Loan Corporation. Such a situation is full of danger both to the home owner and to the Home Owners' Loan Corporation and should be avoided.

ADVANTAGES OF LOWER RATES

In the bill I have introduced the rate of interest is reduced to 3½ percent and the date of maturity of the home-loan mortgage is extended from 15 to 25 years. The difference in the payments required of the home owner is striking. Under the present plan the home owner must pay $7.91 per $1,000 of mortgage; under the plan of my bill he will be required to pay only $5.01 per $1,000. A home owner who previously paid on a $5,000 straight mortgage $25 per month, without paying off anything on the principal, would under the terms of my bill pay $25.05, and after 25 years his loan would be fully paid off, and he would own his home free and clear of all debt.

I believe that this plan is sound. I believe its adoption is necessary as soon as possible to prevent the default on home-loan mortgages which is now going on at an alarming rate.

There is a crying need for a revision of the mortgage market along sensible and sound economic principles. We must have this readjustment if the investment of our people is to be preserved and their homes saved.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I inquire what the program will be for the balance of the week? I have no objection to these gentlemen being granted the time they have asked but if the Speaker could give us an outline of the program for the balance of the week we would be in better position to consider such requests.

The SPEAKER. The Chair is unable to inform the gentleman exactly what the program will be. Of course, if the Home Owners' Loan Corporation bill is reported so it can be taken up on Thursday or Friday it is desired to take it up and dispose of it. Unanimous consent has already been granted to consider bills on the Private Calendar unobjected to on Thursday and Friday. There are, in addition, some special rules pending. There is a rule relating to the San Diego Exposition and another relating to the celebration of the one hundred and fiftieth anniversary of the formulation of the Constitution. The Chair does not know whether by that time there will be other rules pending or not.

Mr. SNELL. Is it probable they will come up before Friday?

The SPEAKER. That depends, of course, upon the Rules Committee. The Chair assumes they will probably be called up on Thursday, but the Chair has no direct information.

1935 SHRINE COMMITTEE

Mrs. NORTON. Mr. Speaker, I call up House Joint Resolution 130, authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Shrine Committee, Inc.; and for other purposes, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the House joint resolution.

Mrs. NORTON. Mr. Speaker, this resolution provides that the District Commissioners be authorized to permit the use of buildings, waterways, and public space under their control to erect stands and platforms for use on the occasion of the Sixty-first Annual Session of the Imperial Council of the Ancient and Arabic Order of the Nobles of the Mystic Shrine, to be held in the month of June of this year. I may say that the Commissioners of the District reported favorably on the purpose of this resolution and are in hearty accord with its provisions. The privileges herein sought were granted to this organization on the occasion of a previous convention and everybody in the District seemed to approve of the convention at that time.

The Clerk read the joint resolution, as follows:

House Joint Resolution 130

Authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Shrine Committee, Inc., and for other purposes

Resolved, etc., That the Secretary of the Interior, the Secretary of the Treasury, the Commissioners of the District of Columbia, the Board of Education of the District of Columbia, and the Architect of the Capitol are hereby severally authorized to grant permits to the Washington (D. C.) 1935 Shrine Committee, Inc., a body corporate organized pursuant to the provisions of chapter 5 of title V of the Code of the District of Columbia (hereinafter referred to as the "Committee") for the use of any buildings, parks, rivers, waterways, reservations, sidewalks, or other public spaces in the District of Columbia, under his, their, or its control, respectively, on the occasion of the sixty-first annual session of the Imperial Council, Ancient and Arabic Order of the Nobles of the Mystic Shrine, in the month of June 1935: *Provided*, That such use will inflict no serious or permanent injury upon any such buildings, parks, rivers, waterways, reservations, sidewalks, or other public spaces, or any portion or the contents thereof, in the opinion of the person granting any such permit, in accordance with this authority: *Provided further*, That all stands, arches, or platforms that may be erected on the public spaces aforesaid, including such as may be erected in connection with any display of fireworks, shall be under the supervision of the said Washington (D. C.) 1935 Shrine Committee, Inc., and in accordance with plans and designs to be approved by the Architect of the Capitol, the Engineer Commissioner of the District of Columbia, and the Superintendent of National Capital Parks, and that no person or corporation shall be authorized to erect or use any such stands, arches, or platforms without permission of said committee: *And provided further*, That any such buildings, parks, reservations, or other public spaces which shall be used or occupied, by the erection of stands or other structures, or otherwise, shall be promptly restored to their condition before such occupancy, and the said committee shall indemnify the United States or the District of Columbia, as the case may be, for all damage of any kind whatsoever sustained by reason of any such use or occupation.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized to designate, set aside, and regulate the use of such streets, avenues, and sidewalks in the District of Columbia, under their control, as they may deem proper and necessary, for the purpose of said session, and to make such special regulations regarding standing, movement, and operation of vehicles of whatever kind or character, and all reasonable regulations necessary to secure the preservation of public order and the protection of life and property, from the — day of June 1935 to the — day of June 1935, both inclusive.

SEC. 3. That the Public Utilities Commission of the District of Columbia is hereby granted authority to make such special regulations as in the opinion of said Commission may be necessary or desirable, regulating the standing, movement, and operation of taxicabs, street cars, busses, and other vehicles of conveyance under the regulation or control of said Commission, for the period commencing the — day of June 1935 and ending on the — day of June 1935, both inclusive.

SEC. 4. That the Secretary of War and the Secretary of the Navy are hereby authorized to loan to said committee such tents, camp appliances, trucks, motor equipment, benches, chairs, hospital furniture and utensils of all description, ambulances, horses, drivers, stretchers, Red Cross flags and poles, and other property and equipment, belonging to the United States, as in their judgment may be spared at the time of said session, consistent with the interests of the United States: *Provided*, That the said committee shall indemnify the United States for any loss or damage to any and all such property not necessarily incidental to such use: *And provided further*, That the said committee shall give approved bond to do the same.

SEC. 5. That the Secretary of War and the Secretary of the Navy are authorized to loan to the said committee such ensigns, flags, decorations, lighting equipment, etc., belonging to the United States (battle flags excepted) as are not then in use, and may be suitable and proper for decorations and other purposes, which may be spared without detriment to the public service, such ensigns, flags, decorations, lighting equipment, etc., to be used by the committee under such regulations and restrictions as may be prescribed by the said Secretaries, or either of them: *Provided*, That the said committee shall, within 5 days after the close of said session, return to the said Secretaries all such ensigns, flags, decorations, lighting equipment, etc., thus loaned; and said committee shall indemnify the United States for any loss or damage not necessarily incident to such use.

SEC. 6. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Parks Service, is hereby authorized to permit the use of any or all public parks, reservations, or other public spaces in the District of Columbia, including the Monument Grounds and the Ellipse, for use by said committee for the erection of grand stands, reviewing stands, platforms, and other structures for reviewing parade or other purposes; and said committee is hereby authorized to charge reasonable fees for the use of the same, provided such fees are used to aid in meeting the necessary expenses incident to the said session.

SEC. 7. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Parks Service, is hereby authorized to permit the use of such public parks, reservations, or other public spaces in the District of Columbia, under the control of the said Superintendent of National Capital Parks, as in the opinion of said Superintendent of National Capital Parks may be necessary, for the use by said committee for the parking of automobiles, the temporary erection of tents for entertainment, hospitals, and other purposes; and the said committee is hereby authorized to charge reasonable fees for the use of the same, provided such fees are used to aid in meeting the expenses incident to the said session.

SEC. 8. That the Commissioners of the District of Columbia are hereby authorized to permit said committee to stretch suitable overhead conductors, with sufficient supports, wherever necessary and in the nearest practicable connection with the present supply of light, for the purpose of effecting special illumination: *Provided*, That the said conductors shall not be used for the conveying of electrical currents after June 15, 1935, and shall, with their supports, be fully and entirely removed from the public spaces, streets, and avenues of the said city of Washington on or before June 25, 1935: *Provided further*, That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, who shall see that the provisions of this resolution are enforced; that all needful precautions are taken for the protection of the public; and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *And provided further*, That no expense or damage on account of or due to the stretching, operation, or removing of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia, and that if it shall be necessary to erect wires for illuminating or other purposes over any park or reservation in the District of Columbia the work of erection and removal of said wires shall be under the supervision of the officer in charge of said park or reservation.

SEC. 9. That the Commissioners of the District of Columbia are hereby authorized to grant, subject to approval of said committee and under such conditions as they may impose, special licenses to

peddlers, merchants, and vendors to sell goods, wares, and merchandise on the streets, avenues, and sidewalks in the District of Columbia during said session, and to charge for such privileges such fees as they may deem proper.

SEC. 10. That the Commissioners of the District of Columbia are hereby authorized to permit the telegraph and telephone companies to extend overhead wires to such points as shall be deemed necessary by the said committee, the said wires to be taken down within 10 days after the conclusion of the session.

SEC. 11. That the Secretary of the Interior and the Secretary of the Treasury are hereby authorized to assign to said committee for use and occupancy during said session such unoccupied public buildings or portions thereof in the District of Columbia as, in its discretion, may appear advisable: *Provided*, That any and all buildings so assigned shall be surrendered within 10 days after the close of the said session: *Provided further*, That the said committee shall furnish a bond or other satisfactory assurance of indemnity against damage to said property while in its possession, incidental wear and tear excepted.

With the following committee amendments:

Page 1, line 7, strike out "District of Columbia" and insert in lieu thereof "D. C."

Page 2, line 18, strike out the words "District of Columbia" and insert the initials "D. C."

Page 3, line 18, before the word "day", where it occurs the first time in the line, insert "8th", and before the word "day", where it occurs at the end of the line, insert "15th."

Page 3, line 19, after the word "inclusive", insert the following: "Such regulations shall be in force during said period, and shall be published in one or more daily newspapers published in the District of Columbia: *Provided*, That the expiration of said period shall not prevent the arrest or trial of any person for any violation of such regulations committed during the time same were in force and effect: *Provided, however*, That no penalty prescribed for the violation of any such regulations shall be in force until 5 days after the date of publication."

Page 4, line 10, before the word "day", at the end of the line, insert "8th."

Page 4, line 11, before the word "day", insert "15th."

The committee amendments were agreed to.

Mrs. NORTON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended to read as follows: "Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington, D. C., 1935 Shrine Committee, Inc.; and for other purposes."

CHESTER C. GROFF

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 4996) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff, and ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any limitation relating to the time within which an application for a license must be filed, the Commission on Licensure to Practice the Healing Art in the District of Columbia is authorized and directed to issue a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff, Washington, D. C., in accordance with the provisions of the first paragraph of section 24 of the Healing Arts Practice Act, District of Columbia, 1928.

Mrs. NORTON. Mr. Speaker, this bill provides for the issuance of a license to practice the healing art to Dr. Chester C. Groff, who formerly held such a license, but was denied the right to practice because he failed to apply for a relicense within the time specified by the law, as he was absent from the District of Columbia. This bill is merely introduced to right that wrong.

Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENNSYLVANIA GREYHOUND TRANSIT CO.

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 3465) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and hereby are, authorized and empowered to issue a permit to Pennsylvania Greyhound Transit Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, its successors and assigns, to construct, maintain, repair, renew, and use not more than four underground pipe lines from the parcel of real estate owned by the Philadelphia, Baltimore & Washington Railroad Co., and leased or to be leased to and occupied by Pennsylvania Greyhound Transit Co. on the northerly side of New York Avenue NE., to the parcel of real estate owned by said Pennsylvania Greyhound Transit Co., in square 4038, parcel 142/25, in the city of Washington, D. C., across and under New York Avenue NE., under the following conditions, namely: Said pipe lines shall be laid, constructed, and located as directed by the Commissioners of the District of Columbia and under their inspection, and the cost of such inspection and of replacing pavements, curbs, and sidewalks disturbed shall be paid by the party or parties to whom said permit shall be granted: *Provided*, That said pipe lines shall be used for the purpose of transporting petroleum and petroleum products and for no other purpose whatsoever.

SEC. 2. That all the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith.

SEC. 3. That no permission granted or enjoyed hereunder shall vest any title or interest in or to the land within the above-mentioned street.

SEC. 4. That Congress reserves the right to amend, alter, or repeal this act.

Mrs. NORTON. Mr. Speaker, this bill merely permits the laying of pipe lines across New York Avenue NE. for the transfer of petroleum and petroleum products. It has received the favorable consideration of the Commissioners, and I may say also that similar legislation has received favorable legislation in preceding sessions. The Commissioners are in favor of it, and, so far as we know, there has been no opposition to the bill.

Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mrs. NORTON. Mr. Speaker, this concludes for today the business of the District of Columbia Committee.

VETERANS' REGULATIONS (H. DOC. NO. 97)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered printed:

To the Congress of the United States:

Pursuant to the provisions of section 20, title I, of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, I am transmitting herewith Executive Order No. 6967 (Veterans' Regulation No. 1 (f)), approved by me February 8, 1935.

This regulation amends Executive Order No. 6156, dated June 6, 1933 (Veterans' Regulation No. 1 (a)), by adding thereto a new part, V.

This regulation was promulgated in accordance with the terms of title I, Public, No. 2, Seventy-third Congress, "An act to maintain the credit of the United States Government."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 8, 1935.*

AMERICAN EMBASSIES IN RUSSIA AND TURKEY (S. DOC. NO. 18)

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Claims, and ordered printed.

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, to the end that legislation may be enacted to authorize an appropriation of not exceeding $44,403.15 for the payment of interest on funds represented by drafts drawn on the Secretary of State by the American Embassies in Russia and Turkey and transfers which the latter undertook to make by cable communications to the Secretary of State during the period from 1915 to 1920, in connection with the representation by those Embassies of the interests of certain foreign Governments and their nationals.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 12, 1935.*

ELECTRIC LIGHT AND POWER RATES

Mr. FOCHT. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FOCHT. Mr. Speaker, it is needless to say that we all listened with more than common interest to the wonderful deliverance of my personal friend and colleague for many years, the gentleman from Mississippi [Mr. RANKIN], on the question of cheap electric power and illumination.

I would not rise to make any further remarks than my interrogatory propounded to him during the delivery of his speech if it were not for the fact that there appeared in his subsequent remarks something that would indicate that he undertook to set me up as a "straw man", or as something to be attacked, probably because I am from the great State of Pennsylvania, with its power, its wealth, its might, and its progress.

This was a wonderful speech, and the gentleman deserves great credit for the work he has done in bringing the matter before the country with respect to one phase, and that phase is reduction of the cost of electric lighting and power. This we will not dispute, but I should like for him to have clarified or made proper response to the question I propounded, which was whether it is fair to set up a list of rates, as the result of the investment of untold millions of dollars by the United States, with no necessity for any calculation of any return in the shape of interest on such money or dividends to pay, as against the pioneers in the electric business in other States which had to furnish their own capital. For at least 20 years I have heard about Muscle Shoals in this House and have listened attentively to such discussions. However, there is one thing they have never been able to dispose of, no matter what beautiful and glorious language they may use with respect to the farmer and his wife. Up in my State nearly every farmer has electric light on his farm. We run our sewing machines and our irons and we bake with electricity and use it in various other ways.

I concede we pay too much for it, and I am going to make a statement now that will sink into insignificance anything that the gentleman has told you here about the difference in rates or the extortionate prices charged.

Mr. RANKIN. The gentleman has already made it.

Mr. FOCHT. I will tell you right now that in my home town we have an electric-light company which supplies us with electricity at a fairly decent rate, but pays 100 percent on the stock that is invested in it.

Mr. RANKIN. What town is that?

Mr. FOCHT. Lewisburg, Pa., the home of Bucknell University, and, if you please, my home, of which I am very proud.

Mr. RANKIN. What are your rates?

Mr. FOCHT. I did not investigate the rates, but they have a surplus in addition to this, which they do not know what to do with.

I will tell the gentleman what is wrong. It is not that we need Muscle Shoals. In Pennsylvania we scorn the idea; but before I refer to that I want to finish my statement on the matter of having Government money competing with private enterprise of people who went out as frontiersmen and risked their money to supply this great modern convenience of electricity.

Now, you are going to confiscate that, are you, without a single voice in this House being raised against it? I am telling you that I raise my voice, for one, against the practice of using Government money to destroy the investment of widows, banks, estates, and people who have confidence and faith in our chartered institutions, institutions that are not run by racketeers. I would say to my friend that probably the greatest racket that could ever be perpetrated upon honest people and upon honest investors who believe in chartered organizations and in public-service commissions would be to rob them of their investments.

So far as my State is concerned, we do not need anything from Muscle Shoals. As John Burkenbine, the greatest hydroelectric engineer in America, said, "We have enough energy in Pennsylvania to last 10,000,000 years." I agree with the gentleman from Mississippi about human nature. The selfish part of it has not changed much, and it does not differ much in any community. They charge too much for this electricity, but we have followed this procedure of organization and capitalization, which will be modified. The common intelligence of the people has worked out what they thought would be a protection in this situation, something that would protect capital and something that would save the people from oppression, and with this in view they established what they call "public-service commissions."

I do not know why it is they cannot make rates that would be just and honest and made on a fair basis as between capital and the people. I dare say it is one of the reproaches on Pennsylvania that our public-service commission has been derelict, inefficient—I would not say crooked, because I could not prove this—but I do know of their inefficiency or lack of energy to go to the front and give the people proper rates; not the same everywhere, but just rates according to the conditions that may exist.

Mr. RANKIN. Will the gentleman yield?

Mr. FOCHT. I yield.

Mr. RANKIN. Does the gentleman know that in the State of Pennsylvania the utilities own $100,000,000 worth of real estate which they have got exempted from taxation by statute, office buildings which they rent for profit and upon which they pay no State, county, or municipal taxes?

Mr. FOCHT. Does that justify our coming here and enacting legislation and having the Government do the same thing? What we want is more efficiency on the part of the public-service commissions, men who get high salaries and who are not doing their duty. We expect fair dealing somewhere in the Republic, but we do not want the Government to confiscate property. I want you gentlemen to answer that question, and you will have to answer it. Pennsylvania does not need any light from Muscle Shoals.

Mr. SCOTT. Will the gentleman yield?

Mr. FOCHT. I yield.

Mr. SCOTT. Does not the gentleman think that the fact that the public-utilities commissions have not done anything toward reducing rates that they will not do anything?

Mr. FOCHT. Oh, no; do you mean to say that you have no chance for your reformation or soul's salvation? We have a penitentiary up in my district where these people may be sent and be corrected. It is supposed to be a high-toned penitentiary, but every time a man gets out in the field he just skips off and is gone. The common impulse of us all is liberty.

Now, I challenge the gentleman from Mississippi to answer my question.

[Here the gavel fell.]

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members, today the House paid just tribute to the memory of Abraham Lincoln, who exemplified all that we hold dear in patriotism and love of country. I rise this afternoon to call attention to some facts in connection with the principles so often enunciated by Lincoln, and also to pay humble tribute to the mother of Lincoln, whose grave I visited on my way to Washington.

In paying tribute to the mother of Lincoln, I am honoring those high qualities of American motherhood which she personied—her sincere devotion to her family, her stanch allegiance to her ideals, the courage and fortitude with which she met the handicaps and trials of fortune, and her steadfast, unselfish patriotism.

I mention these facts because there appears to be a divided allegiance or sympathy in America, evidenced recently by the un-American propaganda designed to entangle the United States in the World Court. In all honor to the 38 Senators who rejected this un-American proposal, we, as Americans, should be proud that the United States reaffirmed its sovereignty and refused to enter the World Court. At that time we were told that there were a large number of internationalists here in Washington and elsewhere throughout the United States, and also a group of hybrid American professors who were endeavoring to deceive the American people into favoring the World Court.

Not discouraged with the defeat of the World Court issue, according to press reports we find that General Smuts, of South Africa, is now advocating that the United States join hands with Great Britain in the control of the Pacific. At the same time we find the editor of Asia, in a form letter sent to Members of Congress, warning us of the menace of the situation in the Orient in the following words:

> You know from your position of advantage in Washington how the rumblings in the East are growing louder. Will it be war?

Two days ago, here in the city of Washington, in one of the most fashionable hotels, Lord Lytton spoke before a group of 1,500 people, seeking, it appears from press reports of his talk, to create prejudice and criticism against the sovereign nation of Japan. He decried the failure of the Naval Limitations Conference and stated:

> The gravest possible danger is ahead unless there is a replacement of a naval treaty.

In other words, unless Japan agrees to have a navy smaller than that of Great Britain, Lord Lytton sees danger ahead—but danger for whom? This danger can be for no other than the British Empire, whose economic stability is being rapidly undermined through inroads by the Japanese on the commerce of India and the Orient.

I protest granting sympathetic consideration to any European politician who comes here and endeavors to sow the seed of discord and enmity against another sovereign nation with whom we are at peace. What would be the attitude of the British Government if one or more of our distinguished Senators, traveling in France and Germany, should continually berate British commercial or naval policies, especially if they should criticize the treatment accorded to the people of India and the attitude of the British in forcing the Chinese to buy their opium? There would certainly be a protest—but as yet, I have not heard anyone protest the action of Lord Lytton in his endeavor here to create animosity against the Japanese. For this reason, I consider it my duty to protest against the action of spokesmen for the British Government who come to our shores apparently in belief that the United States is a British dependency.

What right have we, as a nation, to designate what the naval strength of Japan or any other nation may be? After all, why is Great Britain so solicitous to curtail and hold down the naval power of Japan? Great Britain is not interested in the economic welfare of the United States. This has been proved repeatedly. What the British are interested in is their own economic stability and they are justified in this stand, but they are not justified in the attitude which is being taken by them to array the United States against Japan. It would appear that the British would willingly sacrifice American sons and American wealth to maintain their economic status in the Orient.

The mothers of America, as earnestly as they wish for peace, would gladly send their sons forth to fight for the perpetuation of our Government and its free institutions. But certainly no one would wish to see his sons sacrificed in an oriental conflict in order to perpetuate the British sphere of influence in the Pacific. I myself have two sons, and I protest any maneuver on the part of British internationalists which may eventuate in the drafting of these boys to fight Great Britain's battle in the Orient.

Following their age-old tradition, the British seek to dominate the world, and their official representatives have the effrontery to come here to the very seat of our Government for the purpose of telling us what we ought to do with respect to our relations to other nations.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. Yes.

Mr. HARLAN. How many native-born Japanese are there in the gentleman's district?

Mr. HOEPPEL. As far as I know there is not one. I am not interested in politics. I am interested in Americanism versus selfish internationalism. I am interested in our American flag and the furtherance of real Americanism, not pro-British Americanism.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. Yes.

Mr. BLANTON. The gentleman has dedicated his remarks to the mothers of America, and seeks at the same time to condemn the mother country of America. I do not see the consistency of that.

Mr. HOEPPEL. The gentleman from Texas means the stepmother. At no time has Great Britain shown a motherly instinct in her conduct toward our early settlers or toward our Nation. This was strikingly exemplified in her attitude during the Civil War.

Mr. BLANTON. No; England is our mother country, and the gentleman ought to be proud that England is concerned about our welfare, when it is threatened. I am.

Mr. HOEPPEL. I do not recognize that our Nation is threatened by any nation. Certainly, she is not threatened by Japan, which is busily engaged in her own sphere of influence. Explaining further, I wish to state that I am not in favor of inordinate expenditures for preparedness while our people are suffering. Only last year, according to the newspaper report which I have in my hand, Mr. Ickes, the Federal Emergency Administrator of Public Works, allocated $1,778,000,000 for military and naval defense and according to further newspaper reports, we propose to spend another billion dollars or more this year for this same purpose. No one objects to expenditures for defense for purely American purposes, but we do object to expenditures for defense—and defense implies possible offense—when such is inspired by British internationalists for the purpose of maintaining or enlarging the British sphere of influence in the Orient. We have no quarrel with Japan and we have absolutely no right to tell the Japanese what their naval strength may be as the Japanese have no right to tell us what we may do in this same respect.

Mr. STACK. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. Not just now. We have a right to arm Hawaii, or any other of our possessions, and the Japanese have the same right to arm their possessions, whether it meets with the approval of the British House of Lords or not.

The SPEAKER. The time of the gentleman from California has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman may continue for 2 minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOEPPEL. I yield to the gentleman so that I may ask him a question.

Mr. BLANTON. Will the gentleman allow me to ask him a question?

Mr. HOEPPEL. Then I yield first to the gentleman from Pennsylvania.

Mr. STACK. Mr. Speaker, the gentleman from Texas [Mr. BLANTON] on more than one occasion has sought so to arrange it for us around here that we cannot express our own sentiments.

Mr. BLANTON. Oh, no; the gentleman is entirely mistaken. I asked for and secured the additional time for the gentleman from California.

Mr. STACK. Now, just a minute. I happen to be one of those strange individuals rarely found in the Hall of Congress—a Democrat from Philadelphia—and I rise to the gentleman's statement that England is our old mother. I deny her sonship.

Mr. BLANTON. Let those who will, condemn Great Britain and eulogize Japan. It does not in any way embarrass me to refer to England as "our mother country." I do not take offense at any friendly suggestion that any Englishman may make for the welfare of our country. In my opinion there are more things in common between the United States and Great Britain than between us and the Japanese. There is a tie that binds us. I should like to make one further observation, if my good friend, the gentleman from California would yield?

Mr. HOEPPEL. I yield.

Mr. BLANTON. If the gentleman had been here some 14 years ago, when the Interparliamentary Union was held in this Chamber, when there were some fifty-odd countries represented on this floor, the gentleman would have been proud of every representative of Great Britain who rose to speak.

Mr. HOEPPEL. As a representative of the people, I feel the same sense of impartiality toward the British as I do toward the Japanese, but I resent British agents coming to our country in an endeavor to inflame us against another sovereign power. What the gentleman refers to in regard to the Interparliamentary Union may be correct, but I should like to remind him that this meeting was held years before it was found that the British Government had developed into a nation of welchers and that, notwithstanding that they do not have a deficit in their Treasury, they refuse to pay us their just obligations of billions of dollars. Notwithstanding this international default, the British would have us spend additional billions to safeguard their interests in the Orient. The money owed us by the British, if paid, would be a godsend for our unemployed.

Mr. BLANTON. Oh, I have not yet lost faith in the integrity of Great Britain, and I predict that eventually they will pay every dollar they owe us. Eventually the innate honesty that is inherent in the breast of every Englishman will assert itself and England will lead the way in repaying these just debts of honor.

The SPEAKER. The time of the gentleman from California [Mr. HOEPPEL] has again expired.

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent that I may proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Referring to the remarks of the gentleman from Texas, England may eventually pay, but in the meantime her failure to pay her just obligations to us is adding to the distress of our aged and unemployed, and for the gentleman's further information, I may state that if England were so inclined she could pay the annual installments due us through the profits which accrue to her nationals as a result of our gold devaluation.

I should like to refer to some letters received showing the deplorable plight of our unemployed. While we are spending billions for defense, millions of our unemployed are living below the standards of slavery. One individual, who happens to be a disabled veteran receiving only $18 a month pension, whose wife has been an invalid in a wheel chair for 9 years, has been receiving only $7.50 per month relief. How can two people in this condition live on $25.50 per month? Numerous letters from my district show families of six receiving as low as $38.50 per month. Instances of this kind can be multiplied almost ad infinitum, as we here in the Congress are appropriating billions of dollars supposedly for American national defense, when the prime objective, if one may judge from the speech of Lord Lytton, is to put pressure on Japan so that England may profit. Our danger lies not from without, but from within, and our paramount need for defense in this emergency is against the ravages of hunger and unemployment which stalk our country today and which threaten the very existence of our democratic form of government. No one is more interested in real national defense than I am; but when that defense is applied for the interest and benefit of the British Government, in order that they may squeeze more blood out of the people of India, then I certainly rise to protest.

Mr. EKWALL. Will the gentleman yield?

Mr. HOEPPEL. I yield.

Mr. EKWALL. I understand the gentleman from California [Mr. HOEPPEL] is receiving $100 a month retirement pay. Is that correct?

Mr. HOEPPEL. The gentleman's information is incorrect. Before the enactment of the economy bill I received $138.75 per month as an earned annuity through the performance of contract entered into with Uncle Sam. Existing laws provide that after 30 years' service in the Army, Navy, or Marine Corps an enlisted man may be retired at three-fourths of the pay of the rank at which retired. The gentleman should remember that during the years of my youth I built up this annuity through accepting as low as $13 per month pay from the Government, and that during this same period my entire life was placed in the hands of the Government, and I was subject to call at any moment, on any duty, regardless of how hazardous. The gentleman certainly cannot deny that, as a veteran of the Spanish-American and the World War, and after retirement with 30 years' service, I earned this annuity. If the gentleman arises to criticize this, I should like to have him say so.

Mr. EKWALL. I was going to say if the gentleman has so much pity for some of these people, he might turn in some of that money he is getting as an annuity in addition to his pay as a Congressman.

Mr. HOEPPEL. If the gentleman will come to my office, I will show him checks and other data which will prove to him conclusively that I have given every cent of that money and more to charity. Come to my office, and I will show them to you. [Applause.] If there are any other pro-Britishers on this floor who feel inclined to harass me when I speak on real Americanism by bringing up personal or other irrelevant questions, I should like for them to rise, and I will yield to them.

The SPEAKER. The time of the gentleman from California [Mr. HOEPPEL] has again expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LLOYD and Mr. BLANTON rose.

Mr. HOEPPEL. I yield to the gentleman from Washington [Mr. LLOYD].

Mr. LLOYD. I was wondering if the eminent gentleman from Texas rose in response to the invitation of the gentleman from California?

Mr. BLANTON. Yes; I will admit that I am more pro-British than pro-Japanese. Will the gentleman yield?

Mr. HOEPPEL. Yes; I yield.

Mr. BLANTON. I was wondering whether the gentleman from California has more interest in the Japanese than he has in the English?

I do not believe in internationalism, and I believe in having our country attend to her own business and letting all other countries attend to their own business. I believe in keeping out of their squabbles. It was just this kind of a policy that led our country to exclude Japanese immigrants. And yet we are friendly with the Japanese Government.

I believe that just now our good friend from California [Mr. HOEPPEL] is more concerned about the unemployed in the United States than any other subject.

Mr. HOEPPEL. I will answer the gentleman by saying that my interest is primarily in the unemployed and the aged citizens of America who have been robbed of their substance by the international bankers, and this same financial group, in my opinion, is behind the pro-British pressure directed against Japan in this country. I believe in a square deal to all nations. [Applause.] Personally, I am proud to pay tribute to our immortal Lincoln, but I would have this Nation honor his memory, not in mere lip service but by following his noble example of conduct, "with malice toward none; with charity for all." [Applause.]

The SPEAKER. The time of the gentleman from California has again expired.

ADJOURNMENT OVER

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next at 12 o'clock.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. McFARLANE. Reserving the right to object, does the gentleman know the condition of the calendar, as to whether or not anything is ready for consideration tomorrow?

Mr. VINSON of Georgia. I will state to the gentleman from Texas I do not think there are very many important bills on the calendar for Wednesday.

Mr. MICHENER. Reserving the right to object, we have not had a Calendar Wednesday, and the prospects are that if we continue, we are not going to have a Calendar Wednesday. Experience tells us that if we do not get Calendar Wednesdays as they should come, there will not be an opportunity to consider legislation which has had consideration by the committee, which has been reported, unless by rule or unanimous consent. I should like to ask the acting floor leader what the policy is going to be as to Calendar Wednesday.

Mr. VINSON of Georgia. I will say to the gentleman that at this time there are only six or seven bills on the calendar. Of course, I share the same opinion as the gentleman from Michigan that Calendar Wednesday should not be dispensed with when there are sufficient bills to take up the time of the House to consider.

I feel confident there will be ample opportunity for the call of the calendar, for business in order on Calendar Wednesdays can be suspended only by unanimous consent; one objection will force the calendar to be called on Wednesdays.

Mr. MICHENER. Yes; but if we are going to get away from here by the fore part of May we will not have much opportunity to dispose of these matters.

Mr. VINSON of Georgia. I think the gentleman may rest assured there will be ample time to consider bills on the calendar.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I would remind the gentleman from Georgia that we adjourned over from Friday until today and that we have lost this legislative time. We Members who favor the payment of the adjusted-service certificates feel very strongly that we should start a petition to discharge the committee from further consideration of the matter and bring it onto the floor. The more we adjourn over and miss these legislative days the longer it will take us to reach a consideration of this legislation. For this reason I feel we should work tomorrow instead of missing another legislative day, so we can get the adjusted-service-certificate bill up and pass it.

Mr. VINSON of Georgia. Mr. Speaker, I may say to the gentleman from Texas that I am heartily in favor of the consideration of the bonus bill, but the subject has not yet been taken up by the Ways and Means Committee. Let me state to the gentleman from Texas that the Ways and Means Committee does not deserve his criticism.

Mr. McFARLANE. I am not criticizing the committee; I just want them to consider the matter. And if they fail to consider it within 30 legislative days, then we can place a petition in the well of the House to discharge them from further consideration. I see no reason why we should lose further time by adjourning over and to in this way put off consideration of this bill.

Mr. VINSON of Georgia. The time of the Ways and Means Committee is occupied with very important legislation in reference to old-age pensions and unemployed insurance.

Mr. McFARLANE. Mr. Speaker, I object.

The SPEAKER. The Chair will state to the House that there is no committee that is asking for the call of the calendar tomorrow.

Mr. BLANTON. If the Speaker will permit, I would like to say to my colleague the gentleman from Texas [Mr. McFARLANE] that if we met tomorrow we would adjourn immediately. It would be a senseless and futile proceeding. Nothing whatever would be gained by it.

There will be plenty of time to file and get action on a petition to discharge committees respecting all bills introduced on the first day of this session. The necessary 30 legislative days will soon have transpired. I hope that my colleague will withdraw his objection.

We are further advanced with appropriation bills than ever before in any previous session. All of us are behind with our office work, with our correspondence, and business at departments congested; and we need tomorrow to catch up.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GRAY of Indiana, for 1 week, on account of illness.

Mr. HAMLIN, indefinitely, on account of death in family.

ADJOURNMENT OVER

Mr. VINSON of Georgia. Mr. Speaker, I renew my request that when the House adjourns today it adjourn to meet at 12 o'clock on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1384. An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes; to the Committee on Agriculture.

S. J. Res. 23. Joint resolution giving consent of the Congress of the United States to the States of Washington, Oregon, and Idaho, or any 2 of said States, to agree upon the jurisdiction to be exercised by said States over boundary waters between any 2 or more of said States; to the Committee on the Judiciary.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 55 minutes p. m.) the House, under its previous order, adjourned until Thursday, February 14, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

206. A letter from the President of the United States Civil Service Commission, transmitting the Fourteenth Annual Report of the Board of Actuaries of the Civil Service Retirement and Disability Fund under the provisions of section 16 of the act of May 29, 1930 (Public, No. 279, 71st Cong.); to the Committee on the Civil Service and ordered to be printed.

207. A letter from the assistant to the president of the American Academy of Arts and Letters, transmitting the official report of the academy for the year 1934; to the Committee on the Library.

208. A letter from the Secretary of War, transmitting draft of a proposed bill to authorize the Secretary of War to pay all expenses incident to the training, attendance, and

participation in the Eleventh Olympic Games from the appropriation for the support of the Army, as in the opinion of the Secretary of War are necessary, and not to exceed $9,000; to the Committee on Military Affairs.

209. A letter from the Secretary of War, transmitting a draft of a bill to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its Territories, or its possessions, to regulate vessels engaged in fisheries; to the Committee on Merchant Marine, Radio, and Fisheries.

210. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty", to include officers assigned to duty at submarine training tanks and diving units, and for other purposes; to the Committee on Naval Affairs.

211. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to regulate the strength and distribution of the line of the Navy and for other purposes; to the Committee on Naval Affairs.

212. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend section 3 (b) of the act of March 27, 1934, entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes"; to the Committee on Naval Affairs.

213. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to provide for aviation cadets in the Naval Reserve; to the Committee on Naval Affairs.

214. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes; to the Committee on Naval Affairs.

215. A letter from the Comptroller General, transmitting a report with recommendations thereon of the claim of May C. Gustin, as transmitted by the Secretary of the Navy; to the Committee on Claims.

216. A letter from the Comptroller of the Currency, transmitting a copy of the text of the annual report of the Comptroller of the Currency for the year ending October 31, 1934; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. H. R. 59. A bill to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes; with amendment (Rept. No. 117). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H. R. 115. A bill to amend section 27 of the Merchant Marine Act, 1920; without amendment (Rept. No. 118). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN. Committee on Military Affairs. H. R. 5529. A bill to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace; without amendment (Rept No. 119). Referred to the Committee of the Whole House on the state of the Union.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 3472. A bill to amend section 23 of the Immigration Act of February 5, 1917 (39 Stat. 874); with amendment (Rept. No. 120). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLDEN: Committee on Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Post Office Department (Rept. No. 121). Ordered to be printed.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 1068. An act to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934; without amendment (Rept. No. 122). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 340. A bill for the relief of Louis Zagata; with amendment (Rept. No. 92). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 373. A bill for the relief of Alex Terlizzi; with amendment (Rept. No. 93). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 378. A bill for the relief of Gerald Mackey; without amendment (Rept. No. 94). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 396. A bill for the relief of the Virginia Engineering Co., Inc.; with amendment (Rept. No. 95). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 419. A bill for the relief of Ruth Relyea; without amendment (Rept. No. 96). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 426. A bill for the relief of Jacob Santavy; with amendment (Rept. No. 97). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 529. A bill granting compensation to George S. Conway, Jr.; with amendment (Rept. No. 98). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 530. A bill granting compensation to the estate of Thomas Peraglia, deceased; with amendment (Rept. No. 99). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 531. A bill granting compensation to Walter F. Northrop; with amendment (Rept. No. 100). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 593. A bill for the relief of Fred C. Blenkner; with amendment (Rept. No. 101). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 816. A bill for the relief of Logan Mulvaney; with amendment (Rept. No. 102). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 829. A bill granting 6 months' pay to Hester Hamilton; without amendment (Rept. No. 103). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 1438. A bill for the relief of Carrie McIntyre; with amendment (Rept. No. 104). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 1442. A bill for the relief of Clifford N. Raymond; without amendment (Rept. No. 105). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 1951. A bill for the relief of John J. O'Connor; without amendment (Rept. No. 106). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. H. R. 2311. A bill to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person; without amendment (Rept. No. 107). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 2431. A bill for the relief of James R. Davis, Jr.; without amendment (Rept. No. 108). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 2480. A bill for the relief of Charles Davis; with amendment (Rept. No. 109). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 3105. A bill for the relief of Samuel Kaufman; without amendment (Rept. No. 110). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 3533. A bill for the relief of Joseph J. McMahon; without amendment (Rept. No. 111). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 3547. A bill for the relief of Thomas Lee Mitchum; without amendment (Rept. No. 112). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 231. A bill for the relief of Thomas M. Bardin; with amendment (Rept. No. 113). Referred to the Committee of the Whole House.

Mr. EDMISTON: Committee on Military Affairs. H. R. 319. A bill for the relief of Zinsser & Co.; without amendment (Rept. No. 114). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. S. 488. An act for the relief of Michael Ilitz; without amendment (Rept. No. 115). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H. R. 5518. A bill for the relief of George Tatum; without amendment (Rept. No. 116). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4044) granting a pension to Edward C. Steward; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 832) for the relief of Wayne Smallwood Vetterlein; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1618) for the relief of Anna McDonald; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3223) for the relief of Samuel J. Scharf; Committee on Claims discharged, and referred to the Committee on Pensions.

A bill (H. R. 3591) for the relief of Emma L. Albrecht; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (H. R. 414) for the relief of the heirs of Reuben Ragland; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 381) granting insurance to Lydia C. Spry; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2992) for the relief of John E. Meehan; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 4723) for the relief of Maurice Clifford; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 3159) for injury sustained by Robert W. Krieger; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 2329) for the relief of Joseph Edward Richards; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 4398) for the relief of Julius McKindry Henderson; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 5571) to repeal certain provisions relating to publicity of income-tax returns; to the Committee on Ways and Means.

By Mr. BLAND: A bill (H. R. 5572) to permit antique furniture to be entered at certain ports; to the Committee on Ways and Means.

By Mr. BOILEAU: A bill (H. R. 5573) to amend section 114 of the Judicial Code to provide for terms of district court for the western district of Wisconsin to be held at Wausau, Wis., and for other purposes; to the Committee on the Judiciary.

By Mr. CELLER (by request): A bill (H. R. 5574) to provide for the promotion of employees in the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. COLMER: A bill (H. R. 5575) for the erection of a public building at Pascagoula, Jackson County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. DARDEN: A bill (H. R. 5576) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. DELANEY: A bill (H. R. 5577) to provide for aviation cadets in the Naval Reserve; to the Committee on Naval Affairs.

By Mr. DOXEY: A bill (H. R. 5578) to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes; to the Committee on Agriculture.

By Mr. EAGLE: A bill (H. R. 5579) to provide a permanent program to maintain the cotton-producing industry on a sound basis; to the Committee on Agriculture.

By Mr. EICHER: A bill (H. R. 5580) to amend title I of an act entitled "Agricultural Adjustment Act (Pubs., No. 10, 73d Cong.), and to provide additional relief by increasing agricultural purchasing power, and for other purposes; to the Committee on Agriculture.

By Mr. HOEPPEL: A bill (H. R. 5581) to grant increase in rank on the retired list to officers of the Army, Navy, and Marine Corps retired because of disability incurred during a war period; to the Committee on Military Affairs.

Also, a bill (H. R. 5582) to grant compensation or pension benefits to personnel of the armed services, under certain limitations; to the Committee on Pensions.

Also, a bill (H. R. 5583) to provide for expansion of Government-owned motor-vehicle service in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. JENKINS of Ohio: A bill (H. R. 5584) granting pensions and increases of pensions to certain widows and dependents of soldiers, sailors, and nurses of the War with Spain, the Philippine Insurrection, and China Relief Expedition; to the Committee on Pensions.

By Mr. JONES: A bill (H. R. 5585) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. KLEBERG: A bill (H. R. 5586) prohibiting the shipment in interstate commerce of adulterated oleomargarine; to the Committee on Agriculture.

Also, a bill (H. R. 5587) for the taxation of oleomargarine containing any foreign-grown or foreign-produced fat or oil ingredient; to the Committee on Agriculture.

By Mr. LANHAM: A bill (H. R. 5588) to authorize participation by the United States in the Interparliamentary Union; to the Committee on Foreign Affairs.

By Mr. LEMKE: A bill (H. R. 5589) to amend the United States Grain Standards Act, approved August 11, 1916, and acts amendatory thereto, to the Committee on Agriculture.

By Mr. McSWAIN (by request): A bill (H. R. 5590) to aid in the perfection of the national defense; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5591) to further amend section 6, act of March 4, 1923, so as to make better provision for the recovery and disposition of bodies of members of the civilian components of the Army who die in line of duty, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 5592) to authorize short-term enlistments in the Regular Army; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5593) to authorize enlistments of members of the Civilian Conservation Corps; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5594) to increase the efficiency of the Medical Department of the Regular Army; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H. R. 5595) providing for payments in lieu of transportation in kind and subsistence en route to certain veterans of the War with Spain and the Philippine Insurrection; to the Committee on Military Affairs.

By Mr. PATTERSON: A bill (H. R. 5596) granting equipment allowance to third-class postmasters; to the Committee on the Post Office and Post Roads.

By Mr. SCHULTE: A bill (H. R. 5597) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. STEFAN: A bill (H. R. 5598) to provide for liquidation of loans to farmers for crop production and harvesting during the year 1935; to the Committee on Agriculture.

By Mr. VINSON of Georgia: A bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. PIERCE: A bill (H. R. 5600) to amend sections 211, 245, and 312 of the Criminal Code, as amended; to the Committee on the Judiciary.

By Mr. WEST: A bill (H. R. 5601) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLCOTT: A bill (H. R. 5602) authorizing the State of Michigan to construct, maintain, and operate a toll bridge across the St. Clair River at or near Port Huron, Mich., and to acquire other transportation facilities between said State and Canada; to the Committee on Interstate and Foreign Commerce.

By Mr. WOOD: A bill (H. R. 5603) to provide homes and farms for tenant farmers of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. GOLDSBOROUGH: A bill (H. R. 5604) to establish the Bank of the United States, to reduce the cost of United States Government financing, and to insure a steady reduction in the amount of the United States debt; to the Committee on Banking and Currency.

By Mr. WEST: A bill (H. R. 5605) authorizing the Secretary of War to lease or to sell certain lands and buildings known as "Camp Eagle Pass, Tex.", to the Eagle Pass & Piedras Negras Bridge Co.; to the Committee on Military Affairs.

By Mr. BOYLAN: A bill (H. R. 5606) to reclassify salaries of employees in the custodial service of the Treasury and Post Office Departments of the United States, including assistant custodians, enginemen, firemen, watchmen, laborers, cleaners, elevator and telephone operators; to the Committee on the Civil Service.

By Mr. BURCH: A bill (H. R. 5607) to provide for the appointment of an additional district judge for the eastern and western districts of Virginia; to the Committee on the Judiciary.

By Mr. CELLER (by request): A bill (H. R. 5608) amending the Civil Service Retirement Act; to the Committee on the Civil Service.

Also (by request), a bill (H. R. 5609) to reclassify the salaries of employees in the custodial service of the Post Office Department of the United States; to the Committee on the Post Office and Post Roads.

By Mr. DEMPSEY: A bill (H. R. 5610) to extend the provisions of the act entitled "An act for the relief of Indians occupying railroad lands in Arizona, New Mexico, and California", approved March 4, 1913, as extended by the acts of April 11, 1916; June 30, 1919; and March 10, 1928; to the Committee on Indian Affairs.

By Mr. SMITH of Virginia: A bill (H. R. 5611) to provide for the acquisition of a tract of land in Arlington County, Va., for inclusion within the Fort Myer Military Reservation, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 5612) authorizing the restoration and occupation of the houses and grounds known as "Belvoir" on the former Lord Fairfax estate upon the Fort Humphreys Military Reservation in Fairfax County, Va., appropriating $40,000 for such uses, and for other purposes; to the Committee on Military Affairs.

By Mr. WALTER: A bill (H. R. 5613) to establish a fish-cultural station at Hamilton Township, Monroe County, Pa.; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 5614) to incorporate the National Association of State Libraries; to the Committee on the District of Columbia.

By Mr. WEARIN: A bill (H. R. 5615) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnum Street, Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG: A bill (H. R. 5616) to abolish payment of salaries to resigned or retired judges of courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. LEWIS of Maryland: A bill (H. R. 5617) to amend the Interstate Commerce Act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH: Resolution (H. Res. 107) requesting the names and addresses of all persons and corporations who own tax-exempt securities in the amount of $100,000 or over; to the Committee on Ways and Means.

By Mr. SABATH: Resolution (H. Res. 108) authorizing the Speaker to recognize the Chairman of the Committee on Claims after the reading of the Journal in reference to certain bills; to the Committee on Rules.

By Mr. SAUTHOFF: Resolution (H. Res. 109) to amend the Standing Rules of the House; to the Committee on Rules.

By Mr. FORD of California: Joint resolution (H. J. Res. 164) authorizing the President to invite foreign countries to participate in the Pacific Exposition of 1938 at Los Angeles, Calif.; to the Committee on Foreign Affairs.

By Mr. BLOOM: Concurrent resolution (H. Con. Res. 11) for the printing of additional copies of the United States Constitution; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, regarding the use of pneumatic tube for the distribution of mail in Brooklyn; to the Committee on the Post Office and Post Roads.

Also, memorial of the Legislature of the State of New York, regarding bills introduced by Senator WAGNER; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Wisconsin, regarding the immediate payment of the veterans'

adjusted-service certificates; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of North Carolina, supporting legislation to take profit out of war; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Wisconsin, supporting the General Pulaski memorial resolution; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wisconsin, requesting Congress to advise the Legislature of Wisconsin as to the effect upon Congress of resolutions memorializing that body; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Arkansas, urging passage of the Frazier-Lemke bill; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Arkansas, supporting Senate bill 212 and House bill 2066; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Illinois, urging immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of California; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of California; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California; to the Committee on the Post Office and Post Roads.

Also, memorial of the Legislature of the State of California; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of California; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of California; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of North Dakota; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Minnesota; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Nebraska; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Nebraska; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Colorado; to the Committee on Labor.

Also, memorial of the Legislature of the State of North Dakota; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Illinois; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of California; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Montana; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 5618) for the relief of Floyd Gatton; to the Committee on Claims.

By Mr. BINDERUP: A bill (H. R. 5619) for the relief of Karl A. Medalin; to the Committee on Claims.

By Mr. BOYLAN: A bill (H. R. 5620) for the relief of Francis Leo Shea; to the Committee on Naval Affairs.

By Mr. BUCKLER of Minnesota: A bill (H. R. 5621) granting a pension to Adeline Dum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5622) for the relief of the estate of Robert Garrard; to the Committee on Claims.

By Mr. CARMICHAEL: A bill (H. R. 5623) for the relief of C. T. Hamm; to the Committee on Claims.

By Mr. CELLER: A bill (H. R. 5624) for the relief of Franklin L. Hamm; to the Committee on Claims.

Also, a bill (H. R. 5625) for the relief of Sperry Gyroscope Co., Inc., of New York; to the Committee on Claims.

By Mr. COLLINS: A bill (H. R. 5626) for the relief of James Richard Barnes; to the Committee on Naval Affairs.

By Mr. CULKIN: A bill (H. R. 5627) granting an increase of pension to Ellen E. Chidester; to the Committee on Invalid Pensions.

By Mr. DUNCAN: A bill (H. R. 5628) granting a pension to Joseph Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5629) granting a pension to Susan Harder; to the Committee on Invalid Pensions.

By Mr. EKWALL: A bill (H. R. 5630) granting a pension to Grace V. Foster; to the Committee on Pensions.

By Mr. ELLENBOGEN: A bill (H. R. 5631) for the relief of Max W. Amster; to the Committee on Military Affairs.

Also, a bill (H. R. 5632) for the relief of the Potter Title & Trust Co., of Pittsburgh, Pa.; to the Committee on Claims.

By Mr. FIESINGER: A bill (H. R. 5633) for the relief of Sarah Abbott; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 5634) for the relief of the Baltimore Renovating Co.; to the Committee on Claims.

By Mr. HART: A bill (H. R. 5635) for the relief of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation; to the Committee on Claims.

By Mr. HILDEBRANDT: A bill (H. R. 5636) authorizing the President to present gold medals to Julius Bush, Walter Eggers, Benjamin F. Johnson, and George Jones; to the Committee on Military Affairs.

By Mr. HOEPPEL: A bill (H. R. 5637) to authorize the award of a decoration for distinguished service to Col. John A. Lockwood, United States Army, retired; to the Committee on Military Affairs.

Also, a bill (H. R. 5638) for the relief of Elijah W. Leonard; to the Committee on Military Affairs.

By Mr. JENKINS of Ohio: A bill (H. R. 5639) extending the benefits of the Emergency Officers' Retirement Act to Charles Stanley Mechem; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 5640) for the relief of James Monroe Caplinger; to the Committee on Claims.

By Mr. KELLY: A bill (H. R. 5641) for the relief of Bertie Colvin; to the Committee on Military Affairs.

By Mr. KIMBALL: A bill (H. R. 5642) for the relief of John W. Barnum; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 5643) granting a pension to Claribel Guy; to the Committee on Pensions.

By Mr. McKEOUGH: A bill (H. R. 5644) for the relief of Arthur W. Adams; to the Committee on Military Affairs.

By Mr. McLEOD: A bill (H. R. 5645) for the relief of Frank Drodowsky, otherwise known as "Frank Weber"; to the Committee on Military Affairs.

By Mr. McREYNOLDS: A bill (H. R. 5646) for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature and other causes; to the Committee on Foreign Affairs.

By Mr. MAVERICK: A bill (H. R. 5647) for the relief of Mattie M. Tapping; to the Committee on Claims.

Also, a bill (H. R. 5648) for the relief of Maj. Wilbur Rogers; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 5649) for the relief of John T. Thompson; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H. R. 5650) for the relief of William J. Ewing; to the Committee on Claims.

Also, a bill (H. R. 5651) authorizing a preliminary examination of the Umpqua River, Oreg.; to the Committee on Flood Control.

Also, a bill (H. R. 5652) providing for an examination and survey of the Columbia River at and near Hammond, Oreg.; to the Committee on Rivers and Harbors.

By Mr. PETERSON of Georgia: A bill (H. R. 5653) for the relief of Nellie S. Barbee; to the Committee on Claims.

By Mr. QUINN: A bill (H. R. 5654) to authorize the Court of Claims of the United States to hear and determine the claim of Samuel W. Carter; to the Committee on Claims.

By Mr. RANDOLPH: A bill (H. R. 5655) for the relief of Mary E. Stout; to the Committee on Claims.

Also, a bill (H. R. 5656) for the relief of Harry L. Reaves; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 5657) granting a pension to Elizabeth Frank; to the Committee on Pensions.

Also, a bill (H. R. 5658) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Herbert Hignite; to the Committee on Claims.

Also, a bill (H. R. 5659) granting a pension to Nettie Saylor and Noel Junior Saylor; to the Committee on Pensions.

Also, a bill (H. R. 5660) granting a pension to Roy Webb; to the Committee on Pensions.

Also, a bill (H. R. 5661) granting a pension to Charley Payne; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 5662) for the relief of Isaac White; to the Committee on Military Affairs.

Also, a bill (H. R. 5663) for the relief of Clarence Oral Privitt; to the Committee on Military Affairs.

By Mr. SECREST: A bill (H. R. 5664) granting a pension to Ida A. Evans; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5665) for the relief of Charles M. Dansizen; to the Committee on Military Affairs.

Also, a bill (H. R. 5666) granting a pension to Maretta Anna Booher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5667) granting a pension to Florence Bonnell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5668) granting a pension to Louisa J. Humphrey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5669) granting a pension to Marion Gregory; to the Committee on Invalid Pensions.

By Mr. STACK: A bill (H. R. 5670) granting a pension to Bridget Harrison; to the Committee on Pensions.

Also, a bill (H. R. 5671) for the relief of Mary Ellen Tiefenthaler; to the Committee on Claims.

Also, a bill (H. R. 5672) for the relief of Joseph Rabinovitch; to the Committee on Naval Affairs.

By Mr. THOM: A bill (H. R. 5673) granting an increase of pension to Rachel Ann Barr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5674) granting a pension to Tom Teeters; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5675) granting a pension to Ammon Barkman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5676) granting a pension to William Barkman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5677) granting a pension to Mary G. Ferguson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5678) granting an increase of pension to Emma B. Korn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5679) granting an increase of pension to Emma Wiley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5680) granting a pension to Lee J. Bethel; to the Committee on Pensions.

Also, a bill (H. R. 5681) granting a pension to Anna G. Van Horn; to the Committee on Pensions.

Also, a bill (H. R. 5682) granting a pension to Susan Van Pelt; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 5683) granting a pension to Margaret Marchbank; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 5684) granting an increase of pension to Elizabeth B. Orndurf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5685) granting a pension to Margaret M. Warner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5686) granting an increase of pension to Elizabeth Foughty; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 5687) for the relief of Floyd Carpenter; to the Committee on Military Affairs.

By Mr. WEARIN: A bill (H. R. 5688) for the relief of Anthony Wade; to the Committee on Claims.

By Mr. WEST: A bill (H. R. 5689) providing for an examination and survey of the Arroyo Colorado, Tex.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5690) granting a pension to Hattie House; to the Committee on Invalid Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 5691) granting an increase of pension to Catherine J. Donleavy; to the Committee on Invalid Pensions.

By Mr. ZIMMERMAN: A bill (H. R. 5692) for the relief of A. H. Marshall; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1016. By Mr. AYERS: Memorial of the Senate of the Twenty-fourth Legislative Assembly of the State of Montana, protesting against any reduction in the tariff on manganese as set forth in the terms of the reciprocal-tariff agreement with Brazil; to the Committee on Ways and Means.

1017. Also, resolution of the Twenty-fourth Legislative Assembly of the State of Montana, memorializing the Congress of the United States for the passage of legislation for the creation and establishment of a pension benefit to be paid to all persons over the age of 60 years; to the Committee on Ways and Means.

1018. By Mr. BELL: Petition of the American Veterans' Association; to the Committee on World War Veterans' Legislation.

1019. Also, resolution of the House of Representatives of the Legislature of the State of Missouri, as submitted by Joseph A. Bauer, chief clerk, at the direction of that assembled body; to the Committee on World War Veterans' Legislation.

1020. By Mr. BLOOM: Petition of the Southern Beneficial League, urging the passage of the Costigan-Wagner anti-lynching bill (S. 24); to the Committee on the Judiciary.

1021. Also, petition of the Building Contractors Employers Association of New York City, recommending the adoption of an amendment to House Joint Resolution 117 limiting the powers conferred to any governmental agency, so that in general these powers will be used to encourage where possible existing and qualified agencies pertaining to design, management, and execution of the projects contemplated in this joint resolution; to the Committee on Ways and Means.

1022. Also, petition of the Second Division Post, No. 860, American Legion, New York, N. Y., endorsing the Vinson bill (H. R. 3896); to the Committee on Ways and Means.

1023. By Mr. BURNHAM: Petition of the Phoenix (Ariz.) Junior Chamber of Commerce and the Santa Monica (Calif.) Junior Chamber of Commerce, endorsing the reenactment of the excise tax on copper; to the Committee on Ways and Means.

1024. By Mr. CARTER: Assembly Joint Resolution No. 6, State of California, memorializing the President and Congress to carefully consider the Townsend plan of old-age revolving pension; to the Committee on Ways and Means.

1025. By Mr. CHAPMAN: Petition of J. W. O'Connor, W. O. Warner, and 11 other citizens of Mercer County, Ky., urging the enactment of the old-age-pension bill as embodied in House bill 2856; to the Committee on Ways and Means.

1026. By Mr. CLARK of Idaho: Petition of citizens of Pocatello and nearby towns, supporting the Townsend old-age-pension plan; to the Committee on Ways and Means.

1027. Also, petitions concerning the Townsend plan; to the Committee on Ways and Means.

1028. Also, petition of the secretary of the State of Idaho; to the Committee on Ways and Means.

1029. By Mr. CRAWFORD: Petition of Tom Burns and 40 other residents of Montcalm County, Mich., favoring legislation for the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

1030. Also, petition of M. A. Hunt and a number of other residents of Montcalm County, Mich., favoring the enactment

of the Frazier-Lemke refinance bill; to the Committee on Agriculture.

1031. Also, petition of certain employees of the Saginaw division of Pere Marquette Railway Co., urging the enactment of House bill 8100; to the Committee on Interstate and Foreign Commerce.

1032. Also, petition of James Huetunka and a number of other residents of Gratiot County, Mich., favoring the enactment of the Frazier-Lemke refinance bill; to the Committee on Agriculture.

1033. Also, resolution of Saginaw Division No. 225, Order of Benefit Association of Railway Employees, urging the enactment of House bill 8100; to the Committee on Interstate and Foreign Commerce.

1034. Also, petition of Roy Wagner and other residents of Clinton County, Mich., favoring the enactment of legislation of the Townsend plan of old-age revolving pensions; to the Committee on Ways and Means.

1035. Also, petition of 146 residents of Shiawassee County, requesting the printing of currency for certain purposes; to the Committee on Banking and Currency.

1036. By Mr. CULKIN: Petition of the New York State Assembly, urging the passage of the Rudd bill (H. R. 6); to the Committee on the Post Office and Post Roads.

1037. Also, petition of the New York State Assembly, urging the passage of the Wagner-Lewis bill (S. 1130); to the Committee on Ways and Means.

1038. Also, petition of certain residents of South Rutland, N. Y., favoring the Townsend old-age revolving pension; to the Committee on Ways and Means.

1039. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing the 30-hour-week bill; to the Committee on Labor.

1040. Also, memorial of the Philadelphia Board of Trade, opposing the enactment of legislation proposing so-called "social security" insurance; to the Committee on Ways and Means.

1041. By Mr. DELANEY: Petition of Assumption Holy Name Society, of Brooklyn, N. Y., urging the immediate cessation of the persecution of the Catholics in Mexico; to the Committee on Foreign Affairs.

1042. Also, petition of the substitute committee of Local 251, National Federation of Post Office Clerks, of Brooklyn, N. Y., requesting an increase in the clerical quota and to maintain this quota by filling vacancies as they occur in the Brooklyn post office; to the Committee on the Post Office and Post Roads.

1043. By Mr. DOBBINS: Resolution of the Illinois State Senate, adopted February 5, 1935, and signed by Thomas F. Donovan, president, and A. E. Eden, secretary of the senate, importuning the Congress to enact the Costigan-Wagner antilynching bill as a means for correction of the lynching evil; to the Committee on the Judiciary.

1044. By Mr. FORD of California: Resolution of the Board of Supervisors of the County of Los Angeles, Calif., requesting the Congress of the United States and the Legislature of the State of California to adopt such measures as may be deemed proper to discourage the unlawful and dangerous activities of Communist and radical groups who design to undermine the foundation of all forms of existing government in the Nation and State; to the Committee on the Judiciary.

1045. By Mr. FULMER: Petition of Dove Council, No. 34, Daughters of America, in regular session assembled, endorsing and advocating the passage of a joint resolution known as "House Joint Resolution No. 69", creating in the Department of Justice a bureau of alien deportation; to the Committee on Immigration and Naturalization.

1046. Also, petition of the South Carolina delegation in the National Congress, be, and the same is hereby, requested and urged to use its influence to the end that an appropriate part of any funds authorized by Congress to be expended for the purpose of increasing employment be definitely allocated to public-road work; to the Committee on Appropriations.

1047. Also, petition of the cotton-gin operators, memorializing and requesting the Congress of the United States to enact such legislation as will fairly compensate the operators of cotton ginneries for the extra expense incurred in the keeping of records and collection of taxes in connection with the operation of the Bankhead bill during the years 1934 and 1935; to the Committee on Agriculture.

1048. By Mr. GOODWIN: Petition of the New York State Legislature, urging the Federal Government to make available to drought-stricken counties of western and northern New York sufficient hay and other roughage for the maintenance of farmers' herds for the rest of the winter; to the Committee on Agriculture.

1049. Also, petition of the New York State Legislature, urging Congress to adopt a social-security plan of permanent employment insurance, old-age pensions, and benefits to needy and dependent mothers and children offered by the President; to the Committee on Labor.

1050. Also, petition of the New York State Legislature, urging Congress to expedite the passage of House bill no. 6, relating to the construction of pneumatic-tube transmission of mail between the general post office in Brooklyn and the Floyd Bennett Field, Brooklyn; to the Committee on the Post Office and Post Roads.

1051. Also, petition of New York State Legislature, favoring the inclusion of the Hamilton Avenue-Governors Island-Battery vehicular tunnel project in the Federal public works now being formulated; to the Committee on Appropriations.

1052. By Mr. HALLECK: Petition of the World War veterans of Cass County, State of Indiana, favoring the immediate payment of the World War adjusted-service certificates; to the Committee on Ways and Means.

1053. Also, petition of Pulaski Post, No. 71, of the American Legion, Winamac, Ind., favoring the immediate payment of adjusted-service certificates, the universal-draft bill, the national-defense program, and pensions for widows and orphans of World War veterans; to the Committee on Ways and Means.

1054. By Mr. HILDEBRANDT: Petition urging Congress to enact the Frazier-Lemke refinance bill, or its equivalent, and Government regulation of marketing on basis of cost of production for that part of our farm crops domestically consumed, and providing for storage of surplus on the farm or disposal in the world market; to the Committee on Agriculture.

1055. By Mr. HOEPPEL: Resolution of the California Oil & Gas Association, urging that the Federal gasoline tax be permitted to expire at the close of the present fiscal year, June 30, 1935, in accordance with the declared intent at the time the act imposing the same was passed, and that the same be not imposed again in any manner or to any extent whatsoever by the Federal Government; to the Committee on Ways and Means.

1056. By Mr. HOPE: Petition of R. W. Childers and 54 others, of Dodge City, Kans., urging the enactment of the old-age-pension plan embodied in House bill 2856; to the Committee on Ways and Means.

1057. Also, petition of Emma Pratt and 36 others, of Langdon, Kans., urging the enactment of the old-age-pension plan embodied in House bill 2856; to the Committee on Ways and Means.

1058. Also, petition of Anna Berkshire and 34 others, of St. John, Kans., urging the enactment of the old-age-pension plan embodied in House bill 2856; to the Committee on Ways and Means.

1059. Also, petition of Minnie Phares and 23 others, of Cimarron, Kans., urging the enactment of the old-age-pension plan embodied in House bill 2856; to the Committee on Ways and Means.

1060. By Mr. JOHNSON of Texas: Petition of Corsicana Chamber of Commerce; R. L. Wheelock, of Corsicana; Mexia Chamber of Commerce; J. T. Scott and others of Houston, Tex.; and Hubert M. Harrison, vice president and general manager East Texas Chamber of Commerce, urging passage

of Connally oil bill; to the Committee on Interstate and Foreign Commerce.

1061. Also, resolution by the State Senate of Texas, urging increased allocation of Federal funds for public highways and elimination of grade crossings; to the Committee on Appropriations.

1062. Also, petition of Oscar Burton, president of the Texas Telephone Association, of Tyler, Tex., urging an amendment to House Joint Resolution 135, exempting telephone companies doing intrastate business therefrom; to the Committee on Interstate and Foreign Commerce.

1063. Also, petition of Oscar Burton, president of the Texas Telephone Association, of Tyler, Tex., urging an amendment to House Joint Resolution 135, exempting telephone companies doing intrastate business therefrom; to the Committee on Interstate and Foreign Commerce.

1064. Also, petition of Hon. George H. Sheppard, comptroller of public accounts, Austin, Tex., favoring passage of House bill 3660; to the Committee on Ways and Means.

1065. Also, petition of Robert Cooksey, president, and Mr. Robert Galloway, secretary-treasurer, of Corsicana Reserve Officers' Chapter, Corsicana, Tex., urging the passage of House bill 4012 and also appropriation sufficient to train 30,000 reserve officers; to the Committee on Military Affairs.

1066. By Mr. KVALE: Resolution of the Farmers' Educational and Cooperative Union of America, embodying the farmers' union program; to the Committee on Agriculture.

1067. Also, resolution of the Farmers' Educational and Cooperative Union of America, Big Stone County, Minn., urging that the Federal Government take over the manufacture of munitions; to the Committee on Military Affairs.

1068. Also, resolution of the Farmers' Educational and Cooperative Union of America, Big Stone County, Minn., urging passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1069. By Mr. LAMNECK: Petition of Rev. George L. Willetts, the First Presbyterian Church, Bryden Road and Ohio Avenue, and other citizens of Columbus, Ohio, urging the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

1070. By Mr. LEWIS of Maryland: Petition of certain citizens of Garrett County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

1071. Also, petition of certain citizens of Garrett County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

1072. By Mr. LUCKEY: Memorial of the Senate of the State of Nebraska, memorializing the Congress of the United States to pass and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Library.

1073. Also, memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to pass, and the President to approve if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Library.

1074. By Mr. MEAD: Petition of the Senate of the State of New York, requesting the Congress of the United States to consider amendments to the War-Risk Insurance Act providing that any veteran having an amputation or eye disability shall be presumptively entitled to the benefits of his war-risk-insurance policy in the exact proportionate amount of his disability rating for compensation purposes; to the Committee on World War Veterans' Legislation.

1075. Also, petition of Verhovay Aid Association, of Pittsburgh, Pa., and elsewhere, requesting Congress to provide legislation for unemployment insurance, old-age insurance, and sick-benefit insurance, and to introduce and support bills for the abolition of sweatshops and child labor; to the Committee on Ways and Means.

1076. By Mr. MERRITT of New York: Resolution of the Chamber of Commerce of the State of New York, endorsing certain basic considerations as essential to any legislation enacted to establish a system of economic security by providing unemployment compensation, old-age benefits, etc.; to the Committee on Ways and Means.

1077. Also, resolution of the Rochester Parent-Teacher Council and its affiliated associations, urging the United States Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education, etc.; to the Committee on Interstate and Foreign Commerce.

1078. Also, resolution of Salamanca Division, No. 87, of the Order of Benefit Association of Railway Employees, urging Congress to support enactment of legislation to modify the fourth section of the Interstate Commerce Act, to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation, as recommended by the Federal Coordinator, etc.; to the Committee on Interstate and Foreign Commerce.

1079. Also, resolution of the taxpayers of the city of Buffalo and Erie County, affirming that the sewage-disposal bill now pending in the New York State Legislature, if passed, will impose an unnecessary and intolerable tax on the taxpayers of the city of Buffalo, Erie County, because the cost of the sewage-disposal system can and should be paid entirely out of Federal funds, etc.; to the Committee on Appropriations.

1080. By Mr. MILLER: Petition of C. F. Koons and other citizens of Randolph County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1081. Also, petition of Joe H. Blue and other citizens of Fulton County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1082. Also, petition of L. R. Pipka and other citizens of Lawrence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1083. Also, petition of Dolph M. Pegg and other citizens of Independence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1084. Also, petition of C. A. Williams and other citizens of Izard County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1085. Also, petition of Anna Moore and other citizens of Sharp County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1086. Also, petition of George Washington and other citizens of Monroe County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1087. Also, petition of Mrs. Ida Morgan and other citizens of Independence County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1088. Also, petition of Mrs. Bettie Pearson and other citizens of White County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1089. Also, petition of Sam Moore and other citizens of Stone County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1090. By Mr. McFARLANE: Resolution of Senate of State of Texas endorsing Miss Jean Vaughan for position as judge of the first circuit in Honolulu, to succeed Judge Christy when his term expires on February 23, 1935; to the Committee on the Judiciary.

1091. Also, resolution by the Senate of the State of Texas, the house of representatives concurring, that the President and the Congress of the United States be requested to give careful consideration, in connection with the promulgation of any new Public Works or construction program in the United States, to the practicability, as well as to the economy, of allocating a relatively increased ratio of said Public Works funds to construction of highway and railroad-crossing grade-separation projects, and to the construction of highways and public roads in each of the several States, and particularly in the State of Texas; to the Committee on Appropriations.

1092. By Mr. PFEIFER: Petition of the Associated General Contractors of America, Inc., Washington, D. C., concerning the 30-hour-week legislation; to the Committee on Labor.

1093. Also, petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the 30-hour-week bill; to the Committee on Labor.

1094. Also, petition of Mente & Co., Inc., New Orleans, La., opposing the passage of House bills 2796, 17, and 14, which would destroy the jute-cotton-bagging industry in the United States; to the Committee on Agriculture.

1095. Also, petition of Western Union Cable Employees Association, New York City, concerning the communications merger; to the Committee on Interstate and Foreign Commerce.

1096. Also, petition of Williamsburgh Local, No. 2, of the Unemployment Council, Brooklyn, N. Y., urging the passage of House bill 2827; to the Committee on Labor.

1097. Also, petition of the Assembly of the State of New York, Albany, urging the adoption of the President's recommendations for a social-security plan of permanent-employment insurance, old-age pensions, etc., as introduced by Senator WAGNER, of New York; to the Committee on Ways and Means.

1098. Also, petition of the Chamber of Commerce of the State of New York, New York City, opposing the Hudson River Bridge at Fifty-seventh Street; to the Committee on Interstate and Foreign Commerce.

1099. Also, petition of the Assembly of the State of New York, Albany, urging the passage of the Rudd bill (H. R. 6); to the Committee on the Post Office and Post Roads.

1100. By Mr. PITTENGER: Communication of M. M. Steel, of Chisholm, Minn., accompanied by two petitions containing numerous signatures, supporting Townsend old-age pension plan; to the Committee on Ways and Means.

1101. Also, petitions submitted to him by S. Nomb, secretary of Duluth Townsend Pension Club, of Duluth, Minn., there being 22 separate petitions, each containing numerous signatures; to the Committee on Ways and Means.

1102. By Mr. ROGERS of Oklahoma: Petitions of certain citizens of Conway, Wichita, and Coffey Counties, Kans., urging enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1103. Also, petitions from 19 citizens and residents of Memphis, Tenn., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1104. Also, petitions of nine citizens of Saguache, Colo., urging the enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1105. Also, petition of Peter Eby and 14 other citizens of Arapahoe, Nebr., urging the enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1106. Also, petitions of certain citizens of Henrico, Wise, Wythe, Roanoke, Rockbridge, Scott, and Pittsylvania Counties, Va., all numerously signed, urging enactment of Senate bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1107. Also, petitions of certain citizens of the counties of Carroll, Fulton, Talbot, Haralson, Dade, Newton, Whitfield, Forsyth, Warren, Dooly, Grady, Cherokee, Cook, Terrell, Randolph, Douglas, Turner, Harris, Banks, Crisp, and Walker, State of Georgia, all numerously signed, urging enactment of House bill 2856 for Federal old-age pensions of $30 per month to all over 55, known as the "Pope plan", independent of participation by the State; to the Committee on Ways and Means.

1108. Also, petitions of certain citizens of the counties of Caldwell, Burke, Richmond, Moore, Yadkin, Person, Bladen, Columbus, Cumberland, Brunswick, Wilson, and New Hanover, State of North Carolina, all numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of participation by the State; to the Committee on Ways and Means.

1109. Also, petitions of certain citizens of the counties of Bradley, Monroe, Randolph, Izard, Dallas, Hempstead, Ouachita, Independence, Columbia, Pulaski, Johnson, Jefferson, Lonoke, Desha, Clay, Cross, Lee, St. Francis, Craighead, Drew, Crittenden, Poinsett, Franklin, Faulkner, Nevada, Yell, Phillips, Saline, Clark, Woodruff, Lincoln, Mississippi, Ashley, Greene, Arkansas, Jackson, and Prairie, State of Arkansas, all numerously signed, urging enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1110. Also, petitions of certain citizens of the counties of Okmulgee, Pushmataha, Seminole, Osage, Stephens, Jackson, Cherokee, Cotton, Payne, McClain, Pittsburg, Bryan, Muskogee, Ottawa, Rogers, Tulsa, McIntosh, Custer, Mayes, Lincoln, Garvin, and Oklahoma, in the State of Oklahoma, all numerously signed, urging enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1111. Also, petitions of certain citizens of the counties of Lake, Shelby, Lincoln, De Kalb, Warren, Obion, Crockett, Campbell, Weakley, Lawrence, Tipton, Henderson, Decatur, Dyer, Morgan, Fayette, Bedford, Wilson, Perry, Haywood, Knox, Hardin, Henry, Gibson, Carroll, Sequatchie, Sullivan, Davidson, Chester, Hamilton, White, Monroe, Madison, Hardeman, Montgomery, Lewis, Bradley, Campbell, Cocke, Union, Macon, Marion, Cheatham, Sumner, and Giles, State of Tennessee, all numerously signed, urging enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to all persons over 55, independent of State participation; to the Committee on Ways and Means.

1112. Also, petitions of certain citizens of the counties of St. Louis, Franklin, Grundy, Jackson, Wright, Texas, Butler, Randolph, Washington, Iron, Dunklin, Carter, Pemiscot, Jasper, Warren, New Madrid, and Mississippi, State of Missouri, all numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1113. Also, petitions of certain citizens of the counties of McCracken, Henderson, Logan, Butler, Graves, Letcher, Allen, Livingston, Breckinridge, Cumberland, Metcalfe, Jefferson, Marshall, Meade, Daviess, Rockcastle, Ballard, Carlisle, Russell, Whitley, Todd, Martin, Edmonson, and Union, State of Kentucky, all numerously signed, urging enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1114. Also, petitions of certain citizens of the counties of Carroll, Monroe, Pike, Franklin, Tallahatchie, Lowndes, Perry, Pearl River, Tate, Attala, Jones, Yalobusha, Prentiss, Yazoo, Panola, Clay, Greenwood, Lincoln, Greene, Covington, Calhoun, Holmes, Hinds, Itawamba, Forrest, Humphreys, Simpson, Adams, Smith, Sunflower, Lee, Montgomery, Alcorn, Washington, Bolivar, Kemper, Newton, Lauderdale, State of Mississippi, all numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of participation by the State; to the Committee on Ways and Means.

1115. Also, petitions of certain citizens of the counties of Franklin, Cook, Kankakee, Vermilion, St. Clair, Alexander, Jefferson, Ford, Edgar, Jackson, Madison, Saline, Lake, Stephenson, Du Page, Johnson, Sangamon, Union, Williamson, and Kane, State of Illinois, all numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of participation by the State; to the Committee on Ways and Means.

1116. Also, petitions of certain citizens of the counties of De Kalb, Mobile, Sumter, Blount, Lamar, Cullman, Jefferson, Morgan, Marion, Lauderdale, Baldwin, Dallas, Shelby, Lawrence, Marengo, Winston, Chambers, Geneva, Pickens, Washington, Walker, Clarke, Bibb, Houston, Meriweather, Chilton, Madison, Calhoun, Etowah, Cleburne, Jackson, Henry, Pike, Hale, Escambia, Wilcox, Limestone, Choctaw, St. Clair, Marshall, State of Alabama, all numerously signed, urging enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 to persons over 55, independent of State participation; to the Committee on Ways and Means.

1117. Also, petition of certain citizens of Jefferson County, N. Y., urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of participation in by the State; to the Committee on Ways and Means.

1118. Also, petitions of certain citizens of the counties of Cherokee, Pickens, Greenville, Anderson, Lexington, Spartanburg, Clarendon, York, Richard, Oconee, and Sumter, in the State of South Carolina, all numerously signed, urging enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month for persons over 55, independent of State participation; to the Committee on Ways and Means.

1119. Also, petitions of certain citizens of the counties of Santa Rosa, Hardee, Hillsborough, Orange, Marion, Leon, Wakulla, Clay, and Polk, in the State of Florida, all numerously signed, urging enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to all persons over 55, independent of State participation; to the Committee on Ways and Means.

1120. Also, petitions of certain citizens of the counties of Marion, Raleigh, McDowell, and Mason, in the State of West Virginia, all numerously signed, urging enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1121. Also, petitions of certain citizens of Grant, Colfax, and Harding, State of New Mexico, all numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to all persons over 55, independent of State participation; to the Committee on Ways and Means.

1122. Also, petitions of certain citizens of Shasta County, Calif., urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month for persons over 55, independent of participation in by the States; to the Committee on Ways and Means.

1123. Also, petitions of certain citizens of Lake County, Ind., urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of participation in by the States; to the Committee on Ways and Means.

1124. Also, petitions of certain citizens of the counties of Polk, Woodbury, and Tama, State of Iowa, all numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to persons over 55, independent of participation in by the States; to the Committee on Ways and Means.

1125. Also, petition of certain citizens of Okanogan County, Wash., urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to all persons over 55, independent of State participation; to the Committee on Ways and Means.

1126. Also, petitions of certain citizens of the counties of Day and Minnehaha, State of South Dakota, numerously signed, urging the enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 per month to all persons over 55, independent of State participation; to the Committee on Ways and Means.

1127. Also, petition of C. R. Morris and other citizens of Washington County, Md., urging enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1128. Also, petitions of certain citizens of the parishes of St. Tammany, Livingston, De Sota, Ouachita, Morehouse, Sabine, St. James, Calcasieu, St. John the Baptist, Tangipahoa, Natchitoches, Beauregard, Grant, Bossier, Lincoln, Orleans, Red River, Richland, Jefferson, Webster, Tensas, West Baton Rouge, Bienville, Franklin, Jackson, St. Helena, State of Louisiana, all numerously signed, urging enactment of House bill 2856, the Pope plan for Federal old-age pensions of $30 to persons over 55, independent of State participation; to the Committee on Ways and Means.

1129. Also, petitions of certain citizens of the counties of Montgomery, Nacogdoches, Newton, Shelby, Navarro, Parker, Caldwell, Dallas, Potter, Houston, Bastrop, Delta, Frio, Tyler, Jackson, Liberty, Milam, Hale, Coryell, Tarrant, San Jacinto, Coke, Upshur, Burnet, Hopkins, Angelina, Henderson, Harris, Bowie, Stephens, Lamar, Nolan, Concho, Fisher, Walker, Freestone, Johnson, Hunt, Wood, Lee, Kaufman, Hutchinson, Robertson, Hamilton, San Saba, Polk, Fannin, Fayette, Harrison, and Hardeman, in the State of Texas, numerously signed, urging the enactment of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1130. Also, petition from 11 citizens and residents of Le Flore County, urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1131. By Mrs. ROGERS of Massachusetts: Petition of the Kiwanis Club of Boston, endorsing the efforts of the National Crime Commission to secure the enactment of legislation to control and regulate the sale of firearms; to the Committee on the Judiciary.

1132. By Mr. ROMJUE: Petition of the Springfield (Mo.) Post, No. 963, Veterans of Foreign Wars, favoring the immediate payment in cash of adjusted-compensation certificates under the provisions of House bill No. 1 of the Seventy-fourth Congress; to the Committee on Ways and Means.

1133. By Mr. SANDERS of Texas: Petitions of citizens of Third Congressional District, urging passage of old-age-pension legislation; to the Committee on Ways and Means.

1134. By Mr. SUTPHIN: Petition of 110 citizens of Ocean County, N. J., praying for favorable action on House bills 3801, 3994, and 4511, and any others benefiting star-route carriers; to the Committee on the Post Office and Post Roads.

1135. By Mr. TARVER: Petitions of W. F. Truett and 14 other citizens and Gordon Hinsey and 14 other citizens of Chattooga County, Catherine Johns and 18 other citizens of Gordon County, H. N. Ingle and 12 other citizens of Murray County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

1136. Also, petition of citizens of Cobb County, Ga., urging enactment of House bill 2856 for Federal old-age pensions of $30 per month for persons over 55, the Pope plan; to the Committee on Ways and Means.

1137. Also, petition of citizens of Dade County, Ga., urging enactment of House bill 2856 for Federal old-age pensions of $30 per month for persons over 55, the Pope plan; to the Committee on Ways and Means.

1138. Also, petition of citizens of Chatooga County, Ga., urging enactment of House bill 2856 for Federal old-age pensions of $30 per month for persons over 55, the Pope plan; to the Committee on Ways and Means.

1139. Also, petition of residents of Gordon County, Ga., urging enactment of House bill 2856, for Federal old-age pensions of $30 per month for persons over 55, the Pope plan; to the Committee on Ways and Means.

1140. By Mr. THURSTON: Petition of the Town Council of Mount Ayr, Iowa, endorsing provisions of the Townsend old-age-pension plan; to the Committee on Ways and Means.

1141. By Mr. TINKHAM: Resolution of the General Court of Massachusetts in behalf of the fishing industry, in connection with loans by the Reconstruction Finance Corporation to industrial enterprises in need of financial assistance; to the Committee on Banking and Currency.

1142. By Mr. TURNER: Petitions from (1) Dickson, (10) Giles, (5) Hickman, (3) Wayne, (1) Maury, (5) Lawrence, (2) Williamson Counties, Tenn., requesting the passage of House bill 2856, old-age-pension bill; to the Committee on Ways and Means.

1143. By Mr. TREADWAY: Resolutions of the General Court of Massachusetts, urging an amendment to the reconstruction finance law in behalf of loans to small fishing industries; to the Committee on Banking and Currency.

1144. Also, petition of employees of Greenfield Tap & Die Corporation, Greenfield, Mass., protesting against the Connery-Black 30-hour bill; to the Committee on Labor.

1145. By Mr. TRUAX: Petition of Societa M. S. Nord Italia di East Liberty, Pittsburgh, Pa., by their secretary, Dan Calalerese, demanding immediate enactment of the workers' bill (H. R. 2827); to the Committee on Labor.

1146. Also, petition of the Tony Wroblewski Post, No. 18, of the American Legion, Toledo, by their adjutant, James J. Tusynski, asking only to be treated on a par with the railroads, munitions concerns, and other industrial organizations, and urging the payment of the adjusted-service certificates; to the Committee on Ways and Means.

1147. Also, petition of the Akron Board of Business Representatives, Akron, Ohio, by their recording secretary, Daniel C. Stokes, favoring the Wagner bill and urging Members of Congress to give it their full support; to the Committee on Labor.

1148. Also, petition of German-American Federation of the Ohio Valley, by their secretary, Theodor Meyer, Shadyside, Ohio, endorsing the Lundeen bill (H. R. 2827); to the Committee on Labor.

1149. Also, petition of German Beneficial Union of Pittsburgh, District No. 474, of Mansfield, Ohio, by their secretary, Jacob B. Walery, urging that their Congressmen actively support to the fullest extent House bill 2827; to the Committee on Labor.

1150. By Mr. WALLGREN: Petition of Washington State Legislature; to the Committee on Agriculture.

1151. By Mr. WELCH: Resolution No. 1789, adopted by the Board of Supervisors of the City and County of San Francisco, urging the President and the Congress of the United States to do all in their power to remove unwarranted obstacles to wine distribution; to the Committee on Ways and Means.

1152. Also, Joint Resolution No. 1 of the California State Senate, memorializing Congress to provide compensation, in lieu of taxes, for certain lands of the United States within the borders of the several States; to the Committee on Ways and Means.

1153. By Mr. WERNER: Memorial of the Legislature of the State of South Dakota urging enactment of the Frazier-Lemke refinance bill, or its equivalent, and Government regulation of marking on basis of cost of production for that part of farm crops domestically consumed, and providing for storage of surplus on the farm or disposal in the world market; to the Committee on Agriculture.

1154. By Mr. WHITE: Petition of the Idaho State Legislature, being senate joint memorial no. 3, with reference to discriminatory freight rates on livestock and agricultural products produced in Idaho and other Western States similarly situated, urging the Congress to examine into the conditions set forth in connection with the proposed legislation for the purpose of creating and designating marketing termini within the several producing States; also urging that a processing or consumer's tax be levied by Congress on the commodity in commerce which shall be sufficient in amount to create a fund out of which all freight charges shall be paid from the designated terminal to the point of destination; to the Committee on Ways and Means.

1155. By Mr. WOLCOTT: Petition of George Ricker, of Owendale, Mich., and 39 others of Huron County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1156. By Mr. ZIMMERMAN: Petition of House of Representatives of Missouri, urging Congress to pass legislation providing for immediate payment of balance due on adjusted-service certificates, commonly referred to as "soldiers' bonus"; to the Committee on Ways and Means.

1157. Also, petition of numerous citizens of Dunklin County, Mo., and of Ripley County, Mo., asking Congress to enact an old-age-pension law; to the Committee on Ways and Means.

1158. By the SPEAKER: Petition of the Sioux Falls Chamber of Commerce, regarding the national defense; to the Committee on Military Affairs.

SENATE

THURSDAY, FEBRUARY 14, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Dear Lord and Father of us all, who knowest the weariness of every heart that comes to Thee for rest: refresh us with the streams of love which flow from Thee forever like a never-ebbing sea, as at Thy gracious word we come before Thee, laying at Thy feet our fretting cares. Grant that Thy children everywhere may own Thy sway, and hear the call of Him by whom we test our lives, that as He walks again amid life's throng and press all sin-sick souls may touch the seamless garment of His love and be made whole again. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 12, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Costigan	King	Radcliffe
Austin	Couzens	La Follette	Reynolds
Bachman	Cutting	Lewis	Robinson
Bailey	Davis	Logan	Russell
Bankhead	Dickinson	Lonergan	Schall
Barbour	Dieterich	Long	Schwellenbach
Barkley	Donahey	McAdoo	Sheppard
Bilbo	Duffy	McCarran	Shipstead
Black	Fletcher	McGill	Smith
Bone	Frazier	McKellar	Steiwer
Borah	George	McNary	Thomas, Okla.
Brown	Gerry	Maloney	Thomas, Utah
Bulkley	Gibson	Metcalf	Townsend
Bulow	Glass	Minton	Trammell
Burke	Gore	Moore	Truman
Byrd	Guffey	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Van Nuys
Caraway	Hastings	Norbeck	Wagner
Carey	Hatch	Nye	Walsh
Clark	Hayden	O'Mahoney	Wheeler
Connally	Johnson	Pittman	White

Mr. LEWIS. I desire to announce that the Senator from New York [Mr. COPELAND] is detained by illness in his family and that the Senator from Louisiana [Mr. OVERTON] is absent because of illness.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3465. An act permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia;

H. R. 4996. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff; and

H. J. Res. 130. Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington, D. C., 1935 Shrine Committee, Inc., and for other purposes.

PERSONAL EXPLANATION

Mr. DIETERICH. Mr. President, I rise to a question of personal privilege. It is very seldom that I address the Senate on a matter of this kind, but for fear that some of my colleagues may think I have suddenly gone insane, I think it might be well for me to explain an article which was published in the Washington Post, Wednesday, February 13, pertaining to an address delivered by me before the Dames of the Loyal Legion assembled at the Mayflower Hotel in Washington, D. C., in commemoration of the anniversary of the birth of Abraham Lincoln, a President who came from my State.

In that address I stated that Lincoln in his time met with a treachery that was not unlike that with which the present administration was meeting. I did not think anyone could misunderstand that statement nor draw any deduction such as has been drawn. I am reported as saying that "Lincoln met with a little more treachery than we are meeting now." Even if that was the language I used, the newspaper could not construct the headline in which it is said by innuendo that I said the new deal was "like the treachery Lincoln met", and could not characterize my address as vicious assault upon the policies of the administration and the new deal.

I believe that anyone within the sound of my voice who has watched my action on the floor of the Senate in supporting those measures would say, if that was my attitude, I had suddenly suffered an illucid interval.

I did comment upon the unusual conditions we were meeting and the unusual legislative program necessary to meet those conditions, but I made no criticism of that program. Everyone within the sound of my voice knows that I have always felt, and so expressed myself, that it was a consistent program directed toward a definite objective which had for its purpose the cure and recovery from the depressed condition which has confronted the Nation. I think all others, like myself, have hoped that the time for these unusual measures would eventually expire and we would finally get to the place where we could pursue a normal course of legislation.

I merely wish to say that the article does not do me justice. Evidently whoever listened to my talk misunderstood me. Unfortunately I did not talk from manuscript. I think that is a serious mistake I made and I shall try not to make that mistake again.

I make this statement merely to inform those Senators who may have read the article that I am still with the new deal, still with the policies of the administration, and still expect to lend my support in the fight for recovery. I have never made any public or private expression to the contrary.

Mr. President, I apologize to the Senate for taking its time on this matter, because it is very distasteful to me to have to bring up such a personal matter.

Mr. LEWIS. Mr. President, I should like to add my complete endorsement of the statement just made by my eminent colleague as to his ceaseless and constant support of the administration. Particularly, I may note this fact, when it is recalled that my eminent colleague, who for 20 years with me has been urging a cause and aiding in a fight in our great State of Illinois, parted from me upon the vote on the World Court upon construction by him of the national platform of 1932 on which he was elected, where I departed from the administration based upon the terms of the Illinois 1930 platform on which I was elected. I voted against the Court.

I merely call attention now that a more consistent, honorable, and devoted course of support to any President could not be carried on by any Senator in excess of that which has been represented by word and conduct everywhere by my honorable colleague.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following memorial of the Senate of the State of Arizona, which was referred to the Committee on Appropriations:

STATE OF ARIZONA,
TWELFTH LEGISLATURE, SENATE,
REGULAR SESSION.

Senate Memorial 1

A memorial to the Congress of the United States praying for an adequate appropriation for the United States Bureau of Mines

Whereas the mining industry in the United States is the Nation's second largest industry, providing a large proportion of the Nation's wealth, and giving employment to a large proportion of our population; and

Whereas the United States Bureau of Mines is the only governmental agency devoting entire effort to the development of the mining industry, the safety of those employed by the industry, and the compilation of authoritative information for guidance of the industry; and

Whereas the appropriation for the maintenance and operation of the United States Bureau of Mines by the Seventy-third Congress was severely curtailed, necessitating economies which seriously interfere with the efficient operation of the Bureau, greatly limiting research work, and seriously interfering with the work of the Bureau in safety and mine-rescue operations, thus endangering the lives and health of our citizenship engaged in the business of mining; and

Whereas the mining industry is entitled to and should receive a portion of the benefits accruing from governmental functions: Now, therefore, be it

Resolved, That the Congress of the United States be, and is hereby, petitioned to provide sufficient funds for the efficient operation of the United States Bureau of Mines, and particularly that portion of the work assigned to the Bureau covering research, statistical, and safety work; and be it further

Resolved, That suitably engrossed copies of this memorial, signed by the president of the senate, be transmitted to the Presiding Officer of the United States Senate, the Speaker of the National House of Representatives, the Director of the Budget, the President of the United States, and to each of the Arizona Members of the Congress of the United States at Washington.

And your memorialist will ever pray.

Unanimously adopted by the senate, February 8, 1935.

M. C. HALDMAN,
President of the Senate.
W. J. GRAHAM,
Secretary of the Senate.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Appropriations:

TWENTY-FOURTH LEGISLATIVE ASSEMBLY
OF THE STATE OF NORTH DAKOTA.

Concurrent Resolution A

Resolution memorializing the Congress of the United States to continue Federal aid to school districts in financial distress

Whereas the Federal Government during the year of 1934 did grant to the teachers employed by distressed school districts financial assistance by paying salaries to teachers, thus enabling many school children in the drought area to secure schooling who would otherwise have been denied it; and

Whereas such aid now being furnished will expire January 31, 1935, or within 21 days; and

Whereas while recognizing the State's responsibility to provide assistance to such distressed school districts we must acknowledge that in the ordinary course of legislative action any financial plan devised will be too late to be of assistance during the present term; and

Whereas the financial crisis of the entire public-school system is bound to grow more serious and will, unless aid is forthcoming, result in the loss of school privileges to at least 25 percent of the school children living on farms and in small towns, villages, etc.: Therefore be it

Resolved, That the Senate of the State of North Dakota (the house concurring) respectfully and urgently memorialize the Congress of the United States to direct that the Federal Emergency Relief Administration continue the relief aid now being furnished to distressed school districts for the balance of this school term or until such time as may be necessary to secure special State revenue for such purposes.

WALTER WELFORD,
President of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Finance:

TWENTY-FOURTH LEGISLATIVE ASSEMBLY
OF THE STATE OF NORTH DAKOTA.

Senate Concurrent Resolution H

Requesting Congress of the United States to enact legislation to provide for the immediate payment of World War veterans' adjusted-compensation certificates; canceling interest; refunding interest paid

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring)—

Whereas a general economic depression, producing a depreciation in the value of all commodities, a stagnation of business, an aggravated condition of unemployment, and serious individual suffering, now exists in the State of North Dakota and throughout the whole Nation; and

Whereas there are now pending before the Congress of the United States certain measures, the purpose of which is to alleviate in some degree the existing distressing conditions by providing for the immediate conversion into cash of World War veterans' adjusted-compensation certificates; and

Whereas the passage of such legislation would bring immediate relief to thousands of veterans and their dependents who are now in need, create new markets, instill new life into American business, and be a well-deserved demonstration of the gratitude of the Nation to those who carried its arms in 1917 and 1918; and

Whereas the American Legion in convention duly assembled have requested the immediate cash payment of all adjusted-compensation certificates; and

Whereas it is our sincere and honest belief that the immediate cash payment of all adjusted-compensation certificates will be of untold value in hastening recovery from present economic crisis: Now, therefore, be it

Resolved, That the Senate of the State of North Dakota (the House of Representatives concurring) most respectfully urge upon the Congress of the United States the early enactment of legislation providing for the cancelation of all accrued interest, the refund of all interest paid, and the immediate payment, upon application, of the full face value of such adjusted-compensation certificates; and be it further

Resolved, That the secretary of state of the State of North Dakota be, and is hereby, instructed to forward a duly authenticated copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and to each representative of the State of North Dakota in the United States Senate and House of Representatives.

WALTER WELFORD,
President of the Senate.
F. E. TUNNEL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Indiana, which was referred to the Committee on the Judiciary:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now

Resolved by the Senate and House of Representatives of the State of Indiana in session assembled—

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, and each of the United States Senators and Representatives from Indiana.

The VICE PRESIDENT laid before the Senate the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Public Lands and Surveys:

Resolution to memorialize the Congress of the United States to acquire the Daniel Freeman farm in Gage County, Nebr., for the purpose of establishing it as a national monument to mark the filing of homestead no. 1, of the United States, and to commemorate the development of the agricultural empire of the West

Whereas the homestead law of 1862 marked an era in our Government's effort to solve the problems of humanity by making available free homesteads for its citizens; and

Whereas Daniel Freeman, a resident of Gage County, Nebr., a soldier in the Union Army, on January 1, 1863, filed on a certain tract of land on Cub Creek, in Gage County, Nebr.; and

Whereas the filing by Daniel Freeman on January 1, 1863, stands of record as filing no. 1, of more than 1,000,000 homestead filings; and

Whereas the homestead filing of Daniel Freeman also marked and was situated upon the old freight road from the Missouri River to the mountains, which was an important line of communication and marked the development of the West; and

Whereas today humanity is at the crossroads, and history of the development of the great agricultural empire of the West, made possible by the homestead law of 1862, is an inspiring story: Now, therefore, be it

Resolved by the Senate of the State of Nebraska, fiftieth session assembled—

SECTION 1. That the National Congress be memorialized to acquire the Daniel Freeman homestead, which is homestead no. 1 of the records of the Land Office of the United States; and

SEC. 2. To establish the Daniel Freeman homestead as a national monument in commemoration of the beneficent purposes of the homestead law of 1862, made possible by the great humanitarian, President Abraham Lincoln; and

SEC. 3. The Daniel Freeman homestead as a national monument to also commemorate and be a permanent monument to the development of the agreat agricultural empire of the West; and

SEC. 4. That a copy of this resolution be sent to the President of the United States, to the Vice President as the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, to the Secretary of the Interior, to the Secretary of Agriculture, to the Members of the United States Senate from Nebraska, and to the Members of the House of Representatives from Nebraska, and to all patriotic, historical, and civic societies with the request that they lend their support to the establishment as a national monument of homestead no. 1 of the United States, known as the "Daniel Freeman homestead", located in Gage County, Nebr.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Agriculture and Forestry:

House Joint Memorial 9

To His Excellency the President of the United States and to the Honorable Senate and House of Representatives of the United States in Congress assembled:

Whereas during the past decade the production of narcissus bulbs within the State of Oregon has increased to a point where it now assumes the status of an important horticultural industry, representing an investment of approximately $3,000,000; and

Whereas the amazing development and success of this industry has been influenced by several important factors, namely, favorable climatic conditions, scientific cultural methods, rigid standards of grading, the success of an organized pest-control program, the close cooperation between the bulb growers, the State department of agriculture, and particularly the protection from foreign pests and diseases afforded by the United States Department of Agriculture quarantine no. 37; and

Whereas an announcement by Secretary of Agriculture Henry A. Wallace on January 14, 1935, that the regulations governing the importation of narcissus bulbs from foreign countries will be removed and unlimited importation permitted places our tremendous stocks of high-quality, clean, domestic-grown narcissus bulbs in jeopardy from the influx of infested foreign material which will follow; and

Whereas we realize that the United States Department of Agriculture takes all reasonable precaution to prevent the introduction of foreign pests which may be detrimental to agriculture, nevertheless, it is the consensus of opinion of scientific authorities that the presence of the serious pest known as the "bulb nematode" (Anguillulina dipsaci) in narcissus bulbs cannot usually be detected in the ordinary process of inspection as practiced at the various ports of entry; and

Whereas in view of the large expenditures in money and effort by the narcissus growers of the State in maintaining high cultural standards and in successfully fulfilling the requirements of

a pest-control program which has been encouraged by the United States Department of Agriculture; and

Whereas in view of the judgment of practical bulb growers that all of this money and effort will be lost and a valuable, growing industry would be destroyed by this order: Therefore be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That we, your memorialists, the Thirty-eighth Legislative Assembly of the State of Oregon, convened in regular session, respectfully petition the Congress of the United States to reestablish narcissus bulbs in United States Department of Agriculture quarantine no. 37 to the status occupied prior to the above announcement of the Secretary of Agriculture, and we further request that all imported stocks of narcissus be subjected to the latest improved treatment of hot-water sterilization at ports of entry as a protection to our domestic stocks of narcissus bulbs; and be it further

Resolved, That a copy of this memorial be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, to each Member of the Oregon delegation in Congress, and to the Secretary of Agriculture of the United States.

The VICE PRESIDENT also laid before the Senate a letter from Louis A. Nucera, of Buffalo, N. Y., enclosing data and his views concerning a national new deal, having reference to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which, with the accompanying papers, was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by money institutes held at Corunna and Owosso, Mich., under the auspices of the American Science Foundation, favoring the prompt enactment of legislation taking from banks organized for private profit the privilege of issuing money, and the issuance instead of all money directly by the Government to citizens for services rendered and materials purchased, etc., which were referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by members of Goodyear Local, No. 18282, United Rubber Workers Federal Labor Union, of Akron, Ohio, favoring the enactment of the so-called "Wagner Labor Disputes Act"; which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Ensign Eric Lingard Post, No. 1624, Veterans of Foreign Wars of the United States, of Gloucester, Mass., favoring the imposition of an adequate tariff duty upon foreign fish entering the United States, which was referred to the Committee on Finance.

He also laid before the Senate a telegram from members of the Ladies' Auxiliary of Veterans of Foreign Wars, Fort Concho Post, No. 1815, of San Angelo, Tex., favoring the passage of legislation providing for immediate cash payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a petition from the committee on legislation, Kit Carson County Bureau Federation, Burlington, Colo., praying for adoption of the so-called "Wagner Labor Disputes Act", which were Act", lowering the farm-mortgage interest rate to 3½ percent, which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from Louis Weiss, secretary, etc., New York City, N. Y., on behalf of 15,000 bricklayers in New York City and Long Island, praying for the insertion of the so-called "McCarran amendment" relative to the prevailing rate of wages clause in the pending work-relief program joint resolution (H. J. Res. 117), which was ordered to lie on the table.

Mr. SHIPSTEAD presented a concurrent resolution of the Legislature of the State of Minnesota, favoring the passage of legislation repealing the Federal tax on gasoline, which was referred to the Committee on Finance.

(See resolution printed in full when laid before the Senate by the Vice President on the 12th instant, p. 1821, CONGRESSIONAL RECORD.)

Mr. ASHURST presented petitions signed by 436 citizens of the State of Arizona, praying for the adoption of Senate Resolution 70, submitted by Mr. BORAH, protesting against religious persecutions by the Government of Mexico and authorizing an investigation thereof by the Committee on Foreign Relations, which was referred to the Committee on Foreign Relations, and, on request of Mr. ASHURST, the body of one of the petitions was ordered to be printed in the RECORD, as follows:

We, the undersigned, citizens of the United States, resident in the county of Maricopa, State of Arizona, having read the Borah resolution on Mexico, do heartily concur in the sentiments of that resolution, and we hereby respectfully but urgently call upon our Senators, the Honorable HENRY F. ASHURST and the Honorable CARL HAYDEN, as well as upon our Representative, the Honorable ISABELLA GREENWAY, to lend their support to this and any corresponding resolution in the Senate and the House, respectively.

Mr. TOWNSEND presented the following concurrent resolution of the Legislature of the State of Delaware, which was referred to the Committee on Finance:

House Concurrent Resolution 10

Whereas the immediate cash payment of the adjusted-service certificates to the veterans of the World War will increase tremendously the purchasing power of millions of the consuming public distributed uniformly throughout the Nation; and will provide relief for the holders thereof, who are in dire need and distress because of the present unfortunate economic conditions; and will lighten the burden which towns, cities, counties, and States are required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt but will discharge and retire an acknowledged interest obligation to the National Government: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Delaware in general assembly met—

1. That since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis, the General Assembly of the State of Delaware recommends the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, as a most effective means to that end.

2. That the secretary of the senate and the chief clerk of the house of representatives are hereby directed to forward copies of the concurrent resolution to the congressional delegates of the State of Delaware: Hon. DANIEL O. HASTINGS, Hon. JOHN G. TOWNSEND, Jr., and Hon. J. GEORGE STEWART.

Mr. RUSSELL presented the following resolution of the Senate of the State of Georgia, which was referred to the Committee on Finance:

Whereas there is now pending in the Congress of the United States what is commonly known as the "bonus bill"; and

Whereas the Government of the United States through various agencies is extending relief throughout the United States and is making loans for the purpose of restoring employment; and

Whereas ex-soldiers who would be benefited by the payment of the bonus at this time are in every walk of life, and live in every section of the United States; and

Whereas many of these ex-soldiers have procured loans against their bonus certificates which are bearing interest which is accumulating so that at the maturity of the bonus certificates there will be little or nothing left; and

Whereas the service for which the bonus certificate is granted was performed at a wage of $30 per month for the great majority and at the most productive age of the soldiers and at a time when other citizens were gainfully employed at much higher wages: Therefore be it

Resolved by the Senate of Georgia, That we urge upon our Representatives in Congress the immediate passage of the "bonus bill" regarding the distribution of the payments thereunder as being fair, equitable, and just.

Mr. RUSSELL also presented the following resolution of the House of Representatives of the State of Georgia, which was referred to the Committee on Finance:

Whereas the veterans of the World War have heroically and valiantly fought and suffered to protect and safeguard the ideals of America; and

Whereas a great number of them surrendered their business and suffered much loss when they volunteered their services to their country; and

Whereas our great country issued to them an adjusted compensation as a medium of their appreciation for what they have done when duty called: Be it

Resolved, That the Congress of the United States now in session pay these men in cash their adjusted compensation just as soon as they, in their judgment, feel that our national finances will permit; be it further

Resolved, That the House of Representatives of the State of Georgia, now in session, go on record favoring the payment of the adjusted compensation.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY PROJECT

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the CONGRESSIONAL RECORD and appropriately referred a resolution adopted by the Division No.

22, Brotherhood of Locomotive Engineers, of Camden, N. J., against ratification of the St. Lawrence Waterways Treaty. I may add in passing that I voted against the ratification of this treaty when it came up before the Senate last session.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

To the Honorable Senators WARREN BARBOUR, A. HARRY MOORE, and Honorable Congressman CHARLES WOLVERTON:

Resolution

Whereas the opening of the St. Lawrence Waterways would cause irreparable damage to railroads operating between Atlantic coast and Chicago tidewater; and

Whereas the movement of freight by foreign ships manned by cheap foreign labor would cause heavy loss of employment by American railroad employees: Therefore be it

Resolved, That Division No. 22, Brotherhood of Locomotive Engineers, of Camden, N. J., goes on record as opposed to the opening of the aforesaid St. Lawrence Waterways and requests their representatives, the Honorable Senators WARREN BARBOUR and A. HARRY MOORE and Honorable Congressman CHARLES WOLVERTON to use their influence and vote against the furtherance of this project.

JOSEPH H. SYPHERD,
Chief Engineer.

[SEAL] RALPH ELBERTSON,
Secretary.

WORK-RELIEF PROGRAM—REPORT OF THE COMMITTEE ON APPROPRIATIONS

Mr. GLASS. Mr. President, I am directed by the Committee on Appropriations to report back favorably, with amendments, House Joint Resolution 117, making appropriations for relief purposes; and I submit a report (No. 109) thereon. I ask unanimous consent that the joint resolution may be immediately considered and made the unfinished business.

The VICE PRESIDENT. The Senator from Virginia asks unanimous consent for the immediate consideration of the joint resolution. Is there objection?

Mr. McNARY. Mr. President, do I understand that the Senator from Virginia desires to have the Senate enter upon the immediate consideration of the joint resolution?

Mr. GLASS. I made that request.

Mr. McNARY. Has the report on the joint resolution been filed?

Mr. GLASS. I am filing the report now.

Mr. McNARY. In view of that situation, Mr. President, since the immediate consideration of the measure is objectionable to the rule and the practice of the Senate, I object.

The VICE PRESIDENT. Objection is made.

REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 1425) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, reported it without amendment.

Mr. DICKINSON, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1094. A bill for the relief of Claude C. Martin (Rept. No. 110); and

S. 1427. A bill for the relief of Lyman I. Collins (Rept. No. 111).

Mr. DICKINSON also, from the Committee on Military Affairs, to which was referred the bill (S. 1347) for the relief of Robert J. Smith, reported it with amendments and submitted a report (No. 112) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1390) for the relief of Harry L. Reaves, reported it without amendment and submitted a report (No. 113) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 1821) for the relief of Frank White and others; to the Committee on Claims.

A bill (S. 1822) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. DAVIS:

A bill (S. 1823) to correct the naval record of Willard A. Freeman; to the Committee on Naval Affairs.

By Mr. KEYES:

A bill (S. 1824) for the relief of Abraham Green (with accompanying papers); to the Committee on Claims.

A bill (S. 1825) to amend the Revenue Act of 1934; to the Committee on Finance.

By Mr. GIBSON:

A bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch; to the Committee on Civil Service.

By Mr. SCHWELLENBACH:

A bill (S. 1827) for the relief of Lucille McClure;

A bill (S. 1828) for the relief of Mrs. Frank G. Sanford; and

A bill (S. 1829) to confer jurisdiction on the Court of Claims to hear and determine the claims arising from the use by the Postal Service of the United States of a combined postmarking and stamp-canceling device, generally known and referred to as the Norton device or stamp, and more particularly described in United States letters patents issued to Marcus P. Norton, nos. 25036, 37175, and 38175; and to award compensation therefor; to the Committee on Claims.

(By request.) A bill (S. 1830) for the relief of Naomi L. Thompson; to the Committee on Claims.

By Mr. HATCH:

(By request.) A bill (S. 1831) transferring certain national-forest lands to the Zuni Indian Reservation, N. Mex.; and

A bill (S. 1832) to authorize the Secretary of the Interior to provide by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years; to the Committee on Indian Affairs.

By Mr. BANKHEAD:

A bill (S. 1833) for the relief of W. L. Horn; to the Committee on Military Affairs.

By Mr. WALSH:

A bill (S. 1834) authorizing loans by the Reconstruction Finance Corporation to publicly and privately controlled colleges, universities, and other institutions of higher learning, and for other purposes; to the Committee on Banking and Currency.

By Mr. HAYDEN:

A bill (S. 1835) for the relief of the legal representatives of John T. Brickwood, deceased, Edward Gaynor, Theodore Gebler, Lee W. Mix, Arthur L. Peck, Thomas D. Casanega, Joseph de Lusignan, and Joseph H. Berger; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 1836) for the relief of Emma S. Fletcher; to the Committee on Claims.

By Mr. DICKINSON:

A bill (S. 1837) for the relief of W. W. Cook; to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 1838) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. ROBINSON:

A bill (S. 1839) amending section 12 of the Federal Farm Loan Act of 1916, and section 32 of the Emergency Farm Mortgage Act of 1933; to the Committee on Banking and Currency.

By Mr. TYDINGS:

A bill (S. 1841) to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties; and

A bill (S. 1842) to amend section 863, title 48, of the Code of Laws of the United States of America relating to the District Court of the United States for Puerto Rico; to the Committee on the Judiciary.

A bill (S. 1843) to authorize the presentation of a Distinguished Service Cross to George J. Frank; to the Committee on Military Affairs.

A bill (S. 1844) granting a pension to Howard E. Tolson; to the Committee on Pensions.

By Mr. MALONEY:

A bill (S. 1845) granting an increase of pension to George B. Sheldon; to the Committee on Pensions.

By Mr. SCHALL:

A bill (S. 1846) for the relief of the estate of Anton W. Fischer; to the Committee on Claims.

By Mr. GORE:

A bill (S. 1847) to amend Public Law No. 169, 73d Congress, commonly known as the "Bankhead Act", to permit farmers producing 3 bales of cotton or less to sell same tax free, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. CAREY:

A bill (S. 1848) for the relief of Joseph E. Myers; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 1849) to amend the act of June 27, 1934, known as the "National Housing Act"; to the Committee on Banking and Currency.

A bill (S. 1850) to amend an act entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever", approved February 28, 1929, as amended, by including Roger P. Ames among those honored by said act; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

A bill (S. 1851) to amend an act entitled "The United States Grain Standards Act", approved August 11, 1916, and acts amendatory thereto; to the Committee on Agriculture and Forestry.

A bill (S. 1852) to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; to the Committee on Claims.

By Mr. BULKLEY:

A bill (S. 1853) to amend the Revenue Act of 1934; to the Committee on Finance.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 58) for the relief of Lillian Morden; to the Committee on Finance.

By Mr. ASHURST:

A joint resolution (S. J. Res. 59) providing for the celebration on September 17, 1937, of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States of America by the Constitutional Convention; establishing a commission to be known as the "Sesquicentennial Constitution Commission"; to the Committee on the Judiciary.

MEDAL OF HONOR TO MAJOR GENERAL GREELY

Mr. ROBINSON. Mr. President, on the 4th of February the gentleman from South Carolina [Mr. McSWAIN], Chairman of the Committee on Military Affairs of the body at the other end of the Capitol, introduced a bill authorizing the President to present, in the name of Congress, a medal of honor to Maj. Gen. Adolphus W. Greely. At the request of Mr. McSWAIN, I introduce a similar bill and ask that it be referred to the Committee on Military Affairs of the Senate.

The bill (S. 1840) authorizing the President of the United States to present in the name of Congress a medal of honor to Maj. Gen. Adolphus Washington Greely, was read twice by its title and referred to the Committee on Military Affairs.

HIGHWAY CONSTRUCTION IN WORK-RELIEF PROGRAM

Mr. HAYDEN. Mr. President, I submit an amendment intended to be proposed by me to House Joint Resolution 117, relating to highway construction. I ask that the amendment lie on the table, be printed, and printed in the CONGRESSIONAL RECORD, and, immediately following it, a brief statement relative to the meaning of the amendment.

I offer this amendment at this time in order that the Senate may have ample time to study it. In connection therewith I should also like to have printed in the RECORD certain data relative to the ratio of apportionment of Federal road-construction funds, the work that could be performed in the several States, and a comparison of the total expenditures for highways with the collection of Federal taxes from those who use the roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The amendment intended to be proposed by Mr. HAYDEN is as follows:

On page 3, line 4, before the period insert a colon and the following: "*Provided*, (1) That from the appropriation made herein not less than the several sums authorized to be appropriated for the fiscal year ending June 30, 1936, by the act approved June 18, 1934, entitled 'An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, including the unappropriated balance of the amount authorized by section 1 of such act of June 18, 1934, shall be expended in the manner and for the purposes specified in said act; and, (2) except as hereinafter provided, all additional sums allocated from the appropriation made herein for the construction of public highways and other related projects (except within or adjacent to national forests, national parks, or other Federal reservations) shall be apportioned by the Secretary of Agriculture in the manner provided by section 204 (b) of the National Industrial Recovery Act for expenditure by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934: *Provided further*, That any amounts, in addition to the amounts specified in the preceding proviso, allocated from the appropriation made herein for the elimination of existing hazards to life at railroad grade crossings, including the separation of grades at crossings, the reconstruction of existing railroad grade crossing structures, and the relocation of highways to eliminate grade crossings, shall be apportioned by the Secretary of Agriculture to the several States (including the Territory of Hawaii and the District of Columbia), one-half in the ratio which the population of each State bears to the total population of all the States as shown by the latest decennial census, one-fourth in the ratio which the mileage of the Federal-aid highway system in each State bears to the total mileage of the Federal-aid highway system in all the States, as of January 1, 1935, and one-fourth in the ratio which the railroad mileage in each State bears to the total railroad mileage in all the States, as determined by the Interstate Commerce Commission, to be expended by the State highway departments under the provisions of the Federal Highway Act of November 9, 1921, as amended and supplemented, and subject to the provisions of section 1 of such act of June 18, 1934; but no part of the funds apportioned to any State need be matched by the State: *And provided further*, That the President may also allot funds made available by this joint resolution for the construction, repair, and improvement of public highways in Alaska, the Canal Zone, Puerto Rico, and the Virgin Islands: *Provided, however*, That in the expenditure of funds from the appropriation made herein for the construction of public highways and other related projects preference in the employment of labor shall be given (except in executive, administrative, supervisory, and highly skilled positions) to persons receiving relief, where they are qualified, and the President is hereby authorized to predetermine the hours of work and the rates of wages to be paid to skilled, intermediate, and unskilled labor engaged in such construction in the several States."

The statement and data ordered to be printed in the RECORD are as follows:

STATEMENT BY SENATOR HAYDEN

The amendment consists of five substantive propositions:

1. The actual appropriation of $249,000,000 authorized to be appropriated by the Road Act of June 18, 1934, for expenditure as provided in that act. This appropriation is made, not because of a desire to earmark money for roads in the joint resolution, but primarily to secure uniformity in the expenditure of road funds with respect to wages and hours of labor. If earmarking had been the object, the sum for roads and grade-crossing elimination would

have been much larger. Administrator Ickes reports that 18 percent of the $3,300,000,000 appropriated for public works has been allocated to highways, and it is, therefore, reasonable to assume, that substantial sums above the minimum of $249,000,000 will be so used out of the appropriation of $4,000,000,000.

2. Direction that any additional sums allotted to road construction from the $4,000,000,000 shall likewise be expended in accordance with the Federal Highway Act of 1921, and section 1 of the act of June 18, 1934. This provision means that all money for primary and secondary roads, and within municipalities, will be apportioned among the States in the customary way and all new highway construction will be supervised by the State highway departments and carried on in the manner now provided by law.

3. Recognizing that the established rule of apportionment based on population, area, and mileage of roads does not fit the grade-crossing situation, the amendment adopts a new method suggested by the American Association of State Highway Officials. The factor of area is eliminated and railway mileage substituted therefor. The factor of population is increased to one-half. Careful comparison with the work capable of being accomplished shows that this change in the basis of apportionment will fairly and equitably distribute the Federal funds to be used in grade-crossing elimination.

4. Since Federal aid is not regularly apportioned to Alaska, Puerto Rico, the Canal Zone, or the Virgin Islands, it is necessary to specifically authorize highway construction therein.

5. In his message to Congress, the President proposed that persons who are on relief be employed at less than the ordinary rate of wages. The monthly rate is to be more than twice the average relief payment, which is $24 per month, or an average of about $50 per month for continuous employment. This can readily be accomplished on road construction by authorizing the President to adjust the scales of wages which have been predetermined by the several State highway departments. The last provision gives this authority to the President and provides for preference to those on relief. The hours and wages fixed by the President will apply to all State highway work paid for with Federal funds, and thus avoid different rates of pay for the same kind of work done within the same State.

Sample apportionments of $100,000,000

State	Basis of apportionment	
	½ population, ¼ mile Federal-aid highway system, ¼ mile railroad	Sec. 204, N. I. R. A., ⅓ Federal aid, ⅓ population
Alabama	$2,073,000	$2,129,000
Arizona	652,000	1,318,000
Arkansas	1,831,000	1,719,000
California	3,794,000	3,973,000
Colorado	1,332,000	1,742,000
Connecticut	874,000	728,000
Delaware	221,000	462,000
Florida	1,450,000	1,332,000
Georgia	2,522,000	2,559,000
Idaho	870,000	1,140,000
Illinois	5,260,000	4,458,000
Indiana	2,624,000	2,534,000
Iowa	2,865,000	2,560,000
Kansas	2,644,000	2,561,000
Kentucky	1,894,000	1,911,000
Louisiana	1,650,000	1,482,000
Maine	734,000	860,000
Maryland	1,070,000	898,000
Massachusetts	2,110,000	1,673,000
Michigan	3,382,000	3,232,000
Minnesota	2,760,000	2,706,000
Mississippi	1,675,000	1,773,000
Missouri	3,164,000	3,083,000
Montana	1,428,000	1,885,000
Nebraska	1,852,000	1,985,000
Nevada	457,000	1,150,000
New Hampshire	424,000	485,000
New Jersey	2,038,000	1,604,000
New Mexico	914,000	1,473,000
New York	6,930,000	5,665,000
North Carolina	2,490,000	2,421,000
North Dakota	1,702,000	1,470,000
Ohio	4,280,000	3,934,000
Oklahoma	2,383,000	2,349,000
Oregon	1,211,000	1,558,000
Pennsylvania	5,901,000	4,793,000
Rhode Island	359,000	507,000
South Carolina	1,510,000	1,386,000
South Dakota	1,464,000	1,526,000
Tennessee	1,943,000	2,150,000
Texas	5,591,000	6,148,000
Utah	641,000	1,061,000
Vermont	376,000	474,000
Virginia	1,939,000	1,873,000
Washington	1,569,000	1,552,000
West Virginia	1,375,000	1,144,000
Wisconsin	2,578,000	2,474,000
Wyoming	726,000	1,138,000
District of Columbia	201,000	487,000
Hawaii	237,000	475,000
Total	100,000,000	100,000,000

CONSTRUCTION DATA COMPILED BY THE AMERICAN ASSOCIATION OF STATE HIGHWAY OFFICIALS

President Roosevelt said in his message to the Congress, January 4, 1935: "This new program of emergency public employment should be governed by a number of practical principles (a) all work undertaken should be useful * * * affords permanent improvement. (b) Projects should be undertaken on which a large percentage of direct labor can be used. (c) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprise * * *.

"This work will cover a wide field including * * * improving existing road systems and in constructing national highways designed to handle modern traffic and in the elimination of grade crossings * * *."

State highway departments report building roads meet the policies of Public Works expenditures demanded by the President, for they are:

1. Useful—affording permanent improvement.
2. Over 80 percent of the outlay goes to wages.
3. The projects are planned and fit into a definite system of highways.
4. Do not compete with private enterprise.
5. Form a permanent improvement which adds to the stability and wealth of the Nation.

The State highway departments herewith list hundreds of definite projects that can be immediately undertaken to meet this situation.

Railroad grade-crossing eliminations and reconstruction of same

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Alabama	48	$1,800,000	36	$2,500,000	84	$4,300,000
Arizona	6	730,000	9	1,305,000	15	2,035,000
Arkansas	40	2,500,000	20	1,800,000	60	4,300,000
California	150	24,678,000	577	72,000,000	727	96,678,000
Colorado	17	2,305,000	27	4,173,000	44	6,478,000
Connecticut	19	2,025,000	9	2,061,000	28	4,086,000
Delaware	5	730,000	5	1,000,000	10	1,730,000
Florida	32	3,750,000			32	3,750,000
Georgia	60	2,500,000	50	2,500,000	110	5,000,000
Idaho	11	800,000	21	1,720,000	32	2,520,000
Illinois	75	8,000,000	75	10,000,000	150	18,000,000
Indiana	2	350,000	36	1,954,000	38	2,304,000
Iowa	50	4,000,000	50	4,000,000	100	8,000,000
Kansas	50	3,500,000	50	3,500,000	100	7,000,000
Kentucky	8	520,000	43	2,050,000	51	2,570,000
Louisiana	16	2,200,000	11	1,520,000	33	3,720,000
Maine	22	1,939,500	41	3,300,000	63	5,239,500
Maryland	22	3,570,000	25	4,000,000	47	7,570,000
Massachusetts	54	6,230,000	36	10,575,000	90	16,805,000
Michigan	23	5,025,000	41	8,960,000	64	13,985,000
Minnesota	40	3,000,000	60	4,500,000	100	7,500,000
Mississippi	33	2,500,000	69	4,500,000	102	7,000,000
Missouri	40	3,309,500	31	4,227,500	71	7,537,000
Montana	18	1,725,000	26	1,500,000	44	3,225,000
Nebraska	16	620,000	18	725,000	34	1,345,000
Nevada	9	710,000	3	250,000	12	960,000
New Hampshire	17	745,000	13	960,000	30	1,705,000
New Jersey	43	11,367,000	77	18,860,000	120	30,227,000
New Mexico	9	485,000	10	745,000	19	1,230,000
New York	129	16,000,000	113	8,400,000	242	24,400,000
North Carolina	28	1,268,000	30	1,312,000	58	2,580,000
North Dakota	15	600,000	20	650,000	35	1,250,000
Ohio	150	25,000,000	150	40,000,000	300	65,000,000
Oklahoma	34	1,995,000	37	2,215,000	71	4,210,000
Oregon	20	2,500,000	10	2,000,000	30	4,500,000
Pennsylvania	73	8,000,000	67	16,000,000	140	24,000,000
Rhode Island	5	415,000	4	500,000	9	915,000
South Carolina	30	700,000	40	1,500,000	70	2,200,000
South Dakota	31	790,000	26	750,000	57	1,540,000
Tennessee	17	840,000	56	3,900,000	73	4,740,000
Texas	25	1,700,000	50	3,100,000	75	4,800,000
Utah	28	2,635,000	22	1,685,000	50	4,320,000
Vermont	32	2,125,000	55	4,535,000	87	6,660,000
Virginia	43	1,845,000	27	2,400,000	70	4,245,000
Washington	44	3,627,000	30	2,500,000	74	6,127,000
West Virginia	24	2,935,000	24	2,935,000	48	5,870,000
Wisconsin	87	9,225,000	60	7,500,000	147	16,725,000
Wyoming	6	500,000	6	500,000	12	1,000,000
Total	1,756	184,314,000	2,302	277,567,500	4,058	461,881,500

Elimination of congested and dangerous highway intersections

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Alabama			2	$600,000	2	$600,000
California	4	$1,100,000	4	1,100,000	8	2,200,000
Colorado			9	3,800,000	9	3,800,000
Connecticut	9	1,600,000	10	1,500,000	19	3,100,000
Delaware			1	100,000	1	100,000
Georgia	1	100,000	2	500,000	3	600,000
Illinois	9	900,000	12	1,250,000	21	2,150,000
Iowa	10	4,000,000	6	3,000,000	16	7,000,000
Kansas	2	250,000	4	500,000	6	750,000

Elimination of congested and dangerous highway intersections—Continued

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Louisiana	2	$150,000	3	$275,000	5	$425,000
Massachusetts	7	1,060,000	3	450,000	10	1,510,000
Michigan	1	250,000	1	500,000	2	750,000
Minnesota	4	400,000	8	800,000	12	1,200,000
Missouri	7	535,000	5	1,250,000	12	1,785,000
Nebraska			1	40,000	1	40,000
New Jersey	16	2,400,000	12	1,800,000	28	4,200,000
New York	36	4,000,000	30	2,400,000	66	6,400,000
North Carolina	1	50,000	1	50,000	2	100,000
Oklahoma			1	100,000	1	100,000
Oregon	1	250,000	2	1,000,000	3	1,250,000
Pennsylvania	2	550,000	11	2,557,500	13	3,107,500
Rhode Island	3	425,000	1	290,000	4	715,000
South Carolina	4	300,000	7	500,000	11	800,000
South Dakota	5	175,000	5	175,000	10	350,000
Tennessee	1	40,000			1	40,000
Texas	6	450,000	20	1,400,000	26	1,850,000
Utah	1	80,000			1	80,000
Virginia	5	200,000	12	500,000	17	700,000
Washington	1	75,000			1	75,000
West Virginia	20	250,000	6	300,000	26	550,000
Wisconsin	3	650,000	3	575,000	6	1,225,000
Total	161	20,240,000	182	27,312,500	343	47,552,500

Construction and reconstruction of highways—Federal aid, State, secondary

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Alabama	39	$11,200,000	34	$12,300,000	73	$23,500,000
Arizona	44	7,661,000	52	10,280,000	96	17,941,000
Arkansas	40	7,500,000	85	8,250,000	125	15,750,000
California	115	6,000,000	105	20,000,000	220	26,000,000
Colorado	327	10,000,000	135	10,000,000	462	20,000,000
Connecticut	7	1,629,000	3	1,871,000	10	3,500,000
Delaware	6	500,000	6	500,000	12	1,000,000
Florida	41	3,000,000	41	3,000,000	82	6,000,000
Georgia	52	3,000,000	112	7,000,000	164	10,000,000
Idaho	38	2,177,000	17	1,185,000	55	3,362,000
Illinois	166	7,500,000	200	5,000,000	366	12,500,000
Indiana	65	6,429,310	117	10,595,580	182	17,024,890
Iowa	50	5,000,000	100	10,000,000	150	15,000,000
Kansas	25	5,000,000	25	5,000,000	50	10,000,000
Kentucky	35	5,000,000	60	8,000,000	95	13,000,000
Louisiana	60	4,000,000	80	6,000,000	140	10,000,000
Maine	104	3,200,000	104	3,200,000	208	6,400,000
Maryland	43	1,500,000	43	1,500,000	86	3,000,000
Massachusetts	90	8,000,000	110	10,000,000	200	18,000,000
Michigan	107	6,495,000	177	13,695,000	284	20,190,000
Minnesota	90	13,000,000	50	4,000,000	140	17,000,000
Mississippi	50	8,000,000	30	4,500,000	80	12,500,000
Missouri	308	8,517,000	340	9,556,000	48	18,073,000
Montana	60	5,000,000	60	5,000,000	120	10,000,000
Nebraska	170	6,300,000	61	5,100,000	231	11,400,000
Nevada	277	1,100,000	277	1,100,000	554	2,200,000
New Hampshire	19	1,185,000	9	585,000	28	1,770,000
New Jersey	6	4,000,000	7	6,000,000	13	10,000,000
New Mexico	30	2,500,000	30	2,500,000	60	5,000,000
New York	120	20,000,000	180	30,000,000	300	50,000,000
North Carolina	100	4,000,000	125	6,000,000	225	10,000,000
North Dakota	40	2,000,000	40	2,000,000	80	4,000,000
Ohio	343	10,700,000	1,000	38,000,000	1,343	48,700,000
Oklahoma	24	4,255,000	67	9,849,000	91	14,104,000
Oregon	10	4,000,000	20	10,000,000	30	14,000,000
Pennsylvania	530	36,300,000	1,050	72,700,000	1,580	109,000,000
Rhode Island	30	2,000,000	20	1,500,000	50	3,500,000
South Carolina	75	10,000,000	75	15,000,000	150	25,000,000
South Dakota	150	3,600,000	120	5,000,000	270	8,600,000
Tennessee	149	25,700,000	5	1,000,000	154	26,700,000
Texas	200	12,000,000	450	22,000,000	650	34,000,000
Utah	75	2,260,000	66	2,560,000	141	4,820,000
Vermont	30	1,745,000	52	2,525,000	82	4,270,000
Virginia	65	6,000,000	130	12,000,000	195	18,000,000
Washington	65	6,200,000	67	6,662,000	132	12,862,000
West Virginia	50	5,000,000	30	3,000,000	80	8,000,000
Wisconsin	100	20,000,000	100	20,000,000	200	40,000,000
Wyoming	25	2,000,000	20	2,000,000	45	4,000,000
Total	4,645	332,153,310	6,087	447,513,580	10,732	789,666,890

Construction and reconstruction of trunk-line routes through cities and city bypasses

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Alabama	16	$1,000,000	11	$1,400,000	27	$2,400,000
Arizona	7	258,500	2	165,000	9	423,500
Arkansas	10	1,000,000	25	3,500,000	35	4,500,000
California	11	2,000,000	17	3,000,000	28	5,000,000

Construction and reconstruction of trunk-line routes through cities and city bypasses—Continued

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Colorado	20	$700,000	16	$600,000	36	$1,300,000
Connecticut	7	1,550,000	5	2,975,000	12	4,525,000
Delaware			2	500,000	2	500,000
Florida	4	500,000	4	500,000	8	1,000,000
Georgia	4	700,000	6	1,000,000	10	1,700,000
Idaho	1	50,000	2	205,000	3	255,000
Illinois	40	5,600,000	100	8,000,000	140	13,600,000
Indiana	16	341,500	44	2,867,800	60	3,209,300
Iowa	10	500,000	20	1,000,000	30	1,500,000
Kansas			5	1,500,000	5	1,500,000
Kentucky	10	500,000	13	600,000	23	1,100,000
Louisiana	1	300,000	3	900,000	4	1,200,000
Maine	1	115,000	1	105,000	2	220,000
Maryland	13	6,000,000	31	14,000,000	44	20,000,000
Michigan	9	870,000	26	3,290,000	35	4,160,000
Minnesota	15	3,000,000	20	4,500,000	35	7,500,000
Mississippi			18	2,000,000	18	2,000,000
Missouri	10	750,000	16	1,500,000	26	2,250,000
Montana			3	300,000	3	300,000
Nebraska			1	250,000	1	250,000
New Hampshire	2	400,000			2	400,000
New Jersey	6	4,000,000	7	6,000,000	13	10,000,000
New Mexico	2	250,000	2	250,000	4	500,000
New York	30	6,000,000	70	14,000,000	100	20,000,000
North Carolina	60	1,000,000	85	1,400,000	145	2,400,000
North Dakota	20	600,000	20	600,000	40	1,200,000
Ohio	18	3,700,000	30	7,500,000	48	11,200,000
Oklahoma			10	1,000,000	10	1,000,000
Oregon	7	1,500,000	8	2,000,000	15	3,500,000
Pennsylvania	100	10,000,000	200	20,000,000	300	30,000,000
Rhode Island			5	500,000	5	500,000
South Carolina	20	5,000,000	30	5,000,000	50	10,000,000
South Dakota	8	200,000	8	350,000	16	550,000
Tennessee	1	500,000			1	500,000
Texas	50	1,500,000	150	4,500,000	200	6,000,000
Utah	1	120,000	2	150,000	3	270,000
Vermont	2	175,000	2	70,000	4	245,000
Virginia	4	500,000	6	1,500,000	10	2,000,000
Washington	30	1,100,000	32	1,225,000	62	2,325,000
West Virginia	5	250,000	10	500,000	15	750,000
Wisconsin	50	10,000,000	50	10,000,000	100	20,000,000
Total	621	72,530,000	1,118	131,202,800	1,739	203,732,800

Weak and narrow bridges

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Alabama	40	$4,000,000	45	$5,300,000	85	$9,300,000
Arizona	9	416,000	8	1,170,000	17	1,586,000
Arkansas	60	1,500,000	90	3,600,000	150	5,100,000
California	130	2,600,000	130	2,600,000	260	5,200,000
Colorado	16	825,000	13	840,000	29	1,665,000
Connecticut	17	4,485,000	16	5,097,000	33	9,582,000
Delaware	3	100,000	3	180,000	6	280,000
Florida	16	3,820,000	58	2,800,000	74	6,620,000
Georgia	10	2,000,000	15	2,000,000	25	4,000,000
Idaho	12	550,000	12	675,000	24	1,225,000
Illinois	30	2,000,000	40	3,250,000	70	5,250,000
Indiana	100	1,059,000	177	3,543,200	277	4,593,200
Iowa	75	3,000,000	100	4,000,000	175	7,000,000
Kansas	25	1,500,000	25	1,500,000	50	3,000,000
Kentucky	8	640,000	56	4,095,000	64	4,735,000
Louisiana	12	970,000	14	1,820,000	26	2,790,000
Maine	40	1,225,000	50	1,300,000	90	2,525,000
Maryland	23	1,650,000	25	1,800,000	48	3,450,000
Massachusetts [1]						
Michigan	15	688,000	28	988,000	43	1,686,000
Minnesota	160	2,000,000	215	4,000,000	375	6,000,000
Mississippi	22	1,500,000	25	3,000,000	47	4,500,000
Missouri	60	600,000	75	750,000	135	1,350,000
Montana	4	500,000	4	500,000	8	1,000,000
Nebraska	30	450,000	58	656,500	88	1,106,500
Nevada	5	132,500	5	132,500	10	265,000
New Hampshire	17	1,082,000	11	450,000	28	1,532,000
New Jersey	2	500,000	22	2,000,000	24	2,500,000
New Mexico	26	500,000	127	1,580,000	153	2,080,000
New York	138	5,700,000	121	3,000,000	259	8,700,000
North Carolina	47	2,366,000	95	1,213,000	142	3,579,000
North Dakota	20	250,000	40	500,000	60	750,000
Ohio	175	6,000,000	175	14,000,000	350	20,000,000
Oklahoma	39	5,664,000	98	5,073,500	137	10,737,500
Oregon	20	750,000	25	1,000,000	45	1,750,000
Pennsylvania	303	6,500,000	187	13,100,000	490	19,600,000
Rhode Island	3	115,000	3	105,000	6	220,000
South Carolina	100	1,000,000	400	4,000,000	500	5,000,000
South Dakota	176	1,875,000	159	1,600,000	335	3,475,000
Tennessee	87	1,950,000	90	2,000,000	177	3,950,000
Texas	9	960,000	15	3,110,000	24	4,070,000
Utah	16	640,000	16	740,000	32	1,380,000
Vermont	35	1,489,000	38	1,164,500	73	2,653,500
Virginia	41	1,683,000	27	6,100,000	68	7,783,000
Washington	20	1,400,000	30	3,600,000	50	5,000,000
West Virginia	23	2,807,500	23	2,807,500	46	5,615,000
Wisconsin	58	4,715,000	42	6,000,000	100	10,715,000
Wyoming	8	300,000	10	400,000	18	700,000
Total	2,285	86,457,000	3,041	129,131,700	5,326	215,588,700

[1] In roads.

Grand total

State	Early projects		1-year projects		Total projects	
	Number	Cost	Number	Cost	Number	Cost
Alabama	143	$18,000,000	128	$22,100,000	271	$40,100,000
Arizona	66	9,965,500	71	12,920,000	137	21,985,500
Arkansas	150	12,500,000	220	17,150,000	370	29,650,000
California	410	36,378,000	833	98,700,000	1,243	135,078,000
Colorado	380	13,830,000	200	19,413,000	580	33,243,000
Connecticut	59	11,289,000	43	13,504,080	102	24,793,000
Delaware	14	1,330,000	17	2,280,000	31	3,610,000
Florida	93	11,070,000	103	6,300,000	196	17,370,000
Georgia	127	8,300,000	185	13,000,000	312	21,300,000
Idaho	62	3,577,000	52	3,785,000	114	7,362,000
Illinois	319	24,000,000	437	27,500,000	756	51,500,000
Indiana	183	8,179,810	374	18,960,580	557	27,140,390
Iowa	195	12,900,000	276	19,300,000	471	32,200,000
Kansas	102	10,250,000	105	12,000,000	207	22,250,000
Kentucky	61	6,600,000	172	14,745,000	233	21,345,000
Louisiana	91	7,620,000	111	10,515,000	202	18,135,000
Maine	167	6,479,500	196	7,905,000	363	14,384,500
Maryland	101	12,720,000	124	21,300,000	225	34,020,000
Massachusetts	151	15,290,000	149	21,025,000	300	36,315,000
Michigan	155	13,328,000	273	27,383,000	428	40,711,000
Minnesota	309	21,400,000	353	17,800,000	662	39,200,000
Mississippi	105	12,000,000	142	14,000,000	247	26,000,000
Missouri	425	13,711,500	467	17,283,500	892	30,995,000
Montana	82	7,225,000	93	7,300,000	175	14,525,000
Nebraska	216	7,379,000	139	6,771,500	355	14,141,500
Nevada	291	1,942,500	285	1,482,500	576	3,425,000
New Hampshire	55	3,412,000	33	1,995,000	88	5,407,000
New Jersey	73	21,767,000	125	32,160,000	198	53,927,000
New Mexico	67	3,735,000	169	5,075,000	236	8,810,000
New York	453	51,700,000	514	57,800,000	967	109,500,000
North Carolina	236	8,684,000	336	9,975,000	572	18,659,000
North Dakota	95	3,450,000	120	3,750,000	215	7,200,000
Ohio	686	45,400,000	2,355	99,500,000	3,041	144,900,000
Oklahoma	97	11,914,000	213	18,237,500	310	30,151,500
Oregon	58	9,000,000	60	16,000,000	118	25,000,000
Pennsylvania	1,008	61,350,000	1,515	124,357,500	2,523	185,707,500
Rhode Island	41	2,955,000	33	2,895,000	74	5,850,000
South Carolina	229	17,000,000	552	26,000,000	781	43,000,000
South Dakota	370	6,640,000	318	7,875,000	688	14,515,000
Tennessee	255	29,030,000	151	6,900,000	406	35,930,000
Texas	290	16,610,000	685	34,110,000	975	50,720,000
Utah	121	5,735,000	106	5,135,000	227	10,870,000
Vermont	99	5,534,000	147	8,294,500	246	13,828,500
Virginia	158	10,228,000	202	22,500,000	360	32,728,000
Washington	160	12,402,000	159	13,987,000	319	26,389,000
West Virginia	122	11,242,500	93	9,542,500	215	20,758,000
Wisconsin	298	44,590,000	255	44,075,000	553	88,665,000
Wyoming	39	2,800,000	36	2,900,000	75	5,700,000
Grand total	9,467	691,534,310	13,725	1,007,487,080	23,192	1,699,021,390

Comparison of Federal-aid highway expenditures and Federal tax income from motor vehicles, gasoline, etc.

[Cumulative figures for expenditures and receipts]

Date	Total Federal-aid highway expenditures to date shown			Motor-vehicle Federal tax receipts to date shown	Amount income greater than expenditure
	Regular Federal aid	Emergency and public works	Total		
June 30, 1917	$34,338		$34,338		—$34,338
June 30, 1918	609,154		609,154	$23,981,268	+23,372,114
June 30, 1919	3,524,437		3,524,437	72,815,540	+69,291,103
June 30, 1920	23,865,211		23,865,211	216,738,332	+192,873,121
June 30, 1921	81,327,979		81,327,979	332,284,581	+250,956,602
June 30, 1922	171,274,583		171,274,583	436,718,344	+265,443,761
June 30, 1923	242,879,292		242,879,292	581,008,834	+338,129,542
June 30, 1924	323,327,115		323,327,115	739,023,544	+415,696,429
June 30, 1925	420,799,622		420,799,622	863,710,289	+442,910,667
June 30, 1926	510,161,732		510,161,732	1,001,865,484	+491,703,752
June 30, 1927	593,139,298		593,139,298	1,068,303,365	+475,164,067
June 30, 1928	675,653,132		675,653,132	1,119,931,631	+444,278,499
June 30, 1929	759,659,751		759,659,751	1,119,931,631	+360,271,880
June 30, 1930	837,551,943		837,551,943	1,119,931,631	+282,379,688
June 30, 1931	973,143,316	$20,296,266	993,439,582	1,119,931,631	+126,492,049
June 30, 1932	1,102,948,504	79,208,699	1,182,157,203	1,119,931,631	−62,225,572
June 30, 1933	1,206,689,629	141,335,680	1,348,025,309	1,293,899,291	−54,126,018
June 30, 1934	1,250,159,050	322,355,073	1,572,514,123	1,592,630,358	+20,116,235
June 31, 1934	1,259,222,497	499,321,158	1,758,543,655	1,723,780,555	−34,763,100

WORK-RELIEF PROGRAM—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On pages 7 and 8, to strike out all of section 6 and in lieu insert the following:

"SEC. 6. The President is authorized to subscribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however,*

"(a) That such rules and regulations shall stipulate that all work done under this joint resolution, whether by contract or otherwise, involving the expenditures of any money appropriated by this joint resolution, shall contain a provision to the effect that all laborers and mechanics employed by the contractor or any subcontractor, or the public officer in charge for the United States and the District of Columbia, shall be paid rates of wages not less than the prevailing rates of wages paid for work of a similar nature in the city, town, village, or other civil division of the State in which the work is located or in the District of Columbia.

"(b) Rules and regulations prescribed under this section shall not abrogate any existing law."

AMENDMENT TO STATE, JUSTICE, ETC., APPROPRIATION BILL

Mr. FLETCHER submitted an amendment proposing to appropriate $500,000, of which $250,000 shall be immediately available, to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States (in accordance with the provisions of H. R. 4018, 74th Cong., 1st sess), intended to be proposed by him to the bill (H. R. 5255) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1936, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

REPORTS ON PUBLIC-WORKS ADMINISTRATION

Mr. STEIWER obtained the floor.

Mr. LONG. Mr. President, I send a resolution to the desk, which I ask to have read.

The PRESIDENT pro tempore. The Senator from Louisiana presents a resolution, which will be read.

Mr. LONG. I ask to have it read, and, if there shall be no objection, I shall ask for its immediate consideration.

The PRESIDENT pro tempore. The Senator from Louisiana presents a resolution and asks for its immediate consideration.

Mr. LONG. I ask to have it reported first.

Mr. ROBINSON. I shall, of course, have to object to immediate consideration.

Mr. LONG. I want the Senator to hear it before he objects.

Mr. ROBINSON. I have no objection to the resolution being reported.

The PRESIDENT pro tempore. The clerk will read the proposed resolution.

The resolution (S. Res. 78) was read, as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, requested to transmit to the United States Senate as soon as possible all reports, checks of reports, daily and temporary reports, work sheets, and any and all other material and data in the possession of the Department of the Interior which was assembled by or under the direction of or in association with Louis Glavis or any other person in the employ of said Department of the Interior in connection with any investigation, inspection, review into the Public Works building program, or the building program commonly known and referred to as the "P. W. A.";

Resolved further, That there particularly be transmitted to the United States Senate by the Secretary of the Interior any and all reports, data assembled, or work sheets (including daily, temporary, or final reports, work sheets, and material collected) affecting any building project investigated or inquired into which affects the contracts let to or done by the firm of James Stewart Co., and particularly as may have affected the supplies furnished thereon by the General Builders' Supply Corporation; and

Resolved further, That the Secretary of the Interior further transmit to the United States Senate any and all information, data, reports, investigations, or inspections that have been assembled or conducted by the said Louis Glavis, or those working under or in association with him, or by any other person or persons, which affect, mention, or report on James A. Farley, or any concern with which said Farley has been or is now identified.

Mr. LONG. Mr. President, all I am asking in this proposed resolution is for the Department of the Interior to transmit to the Senate such reports and data as it has collected. I, of course, would say that this is in the usual form, and that copies of the reports would be acceptable as a compliance with the resolution. I only ask that the Department of the Interior transmit to the Senate reports, that is all.

The PRESIDENT pro tempore. The resolution will go over.

Mr. STEIWER obtained the floor.

Mr. LONG. Mr. President, I want to ask immediate consideration, with the explanation I have given, if there is no objection.

The PRESIDENT pro tempore. The Senator from Oregon has the floor.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. STEIWER. I yield.

Mr. ROBINSON. Let the resolution go over under the rule.

Mr. LONG. Very well; let it lie over for the day.

The PRESIDENT pro tempore. The resolution will lie over under the rule.

Mr. LONG subsequently said: Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. STEIWER. I yield.

Mr. LONG. I do not wish to offend the Senator from Oregon, but I had intended to read a statement, covering a couple of pages, which I had prepared in connection with the matter I submitted to the Senate this morning.

Mr. STEIWER. I prefer that the Senator defer doing so, because I think it may lead to considerable discussion. If it is not of importance at the moment, I hope the Senator will defer it.

Mr. LONG. I do not believe it will lead to any considerable discussion. I did not think I was losing the floor when the Senator rose. I thought he was rising to ask me a question, but the President pro tempore recognized the Senator from Oregon.

Mr. STEIWER. I shall conclude as promptly as I can.

ADMINISTRATION OF CODES UNDER THE N. R. A.

Mr. NYE. Mr. President, I send to the desk and submit a resolution which is being offered by myself and the Senator from Nevada [Mr. McCARRAN] jointly. Reference to the Committee on Commerce is requested. There are a number of whereases preceding the resolution, and, if the reading of the whereases can be dispensed with, I ask that the resolution itself be read at the desk.

The PRESIDENT pro tempore. Is there objection to the reading of the resolution from the desk? The Chair hears none, and the clerk will read.

The Chief Clerk read as follows:

(S. Res. 79, without the preamble thereto)

Resolved, That the subject matter of this resolution be referred to the Senate Committee on Commerce and that said committee be, and is hereby, authorized and directed to investigate and report upon the subject matter of this resolution.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. JOHNSON. Mr. President, I should like to inquire of the Senator from North Dakota what the subject matter of the resolution is. It did not appear from the reading.

Mr. NYE. Mr. President, I have explained that the whereases within the resolution were very extended. They relate the many allegations which are being offered concerning hardship under N. R. A. and operation under the codes. The subject matters are the charges of inability on the part of business to operate under the codes, and the resolution is a call for an investigation by the Committee on Commerce of the Senate of these charges. I am asking that the resolution be referred to the Committee on Commerce.

Mr. COUZENS. Mr. President, may I ask the Senator from North Dakota whether the N. R. A. Act was not reported to the Senate by the Committee on Finance? I was wondering whether the Senator had chosen the committee with jurisdiction of the subject matter of his resolution. The Finance Committee reported the National Recovery Act. I suggest to the Senator that the proposed resolution lie on the table until he ascertains what the fact is about that.

Mr. NYE. I have no objection to the resolution going over a day, but I should be rather insistent that it be referred to the Committee on Commerce.

The PRESIDENT pro tempore. Under the rule, the resolution will lie over 1 day.

The resolution (S. Res. 79) was ordered to lie over under the rule, as follows:

Whereas the National Industrial Recovery Act, as a temporary measure, has been in operation for nearly 2 years and will expire by limitation of time on June 16, 1935; and

Whereas proposals will soon be pending before the Congress for an extension of the act or for the enactment of new legislation in lieu of it; and

Whereas the Congress should be guided in its deliberations by the practical experience of the last 2 years; and

Whereas numerous charges have been made of injustice, oppression, and favoritism in the administration of the codes of the several industries; and

Whereas the charges include, among others, the following:

1. That small enterprises are oppressed and their continued existence jeopardized;

2. That wage scales and the rights of the workers are being ignored or subordinated in the competitive battle of the strong to seize the markets of the weak;

3. That in some industries the code authorities are dominated by certain elements of the industry, and are using their powers for the oppression of other elements;

4. That they are energetically using their usurped powers to accomplish the centralization of industry and to prevent its decentralization;

5. That hordes of paid investigators and inquisitors travel over the country practicing unlawful searches and seizures;

6. That in certain cases the administrators themselves have not hesitated openly to suspend or revoke the law for the benefit of favored individuals;

7. That even among the nonfavored elements of industry there is discrimination in this respect; that the strong are able to resist aggression while the weak must submit;

8. That, possessing vast and extralegal powers, code authorities have made trivial demands which cannot be ignored, under pain of economic death and have compelled the accused to travel vast distances with their witnesses and records to remote places to vindicate themselves;

9. That under the pretense of enforcing wage provisions the code authorities and the administrators have declared and are putting into effect a policy of regulating production costs without reference to wage scales;

10. That by means of the usurped power of fixing production costs they are indirectly fixing prices to the consumer;

11. That code authorities have usurped the legislative function and have issued floods of new legislation under the guise of rules, regulations, and interpretations;

12. That such rules, regulations, and interpretations are deliberately designed to affect adversely the unfavored elements and to leave unaffected the favored elements of industry;

13. That the torrent of rules, regulations, and interpretations has been deliberately designed to be vague, indefinite, and uncertain in order that the codes may mean anything or nothing in the unlimited discretion and untrammeled will of the code authorities;

14. That many of these vague rules, regulations, and interpretations have been retroactive in character; that industry has been compelled to guess at its peril; and individuals have been charged with serious offenses for violation of supposed laws which were not and could not have been anticipated;

15. That a wealth of statistical information is obtained from members of industry for the use and guidance of code authorities; that this information is available to the dominant elements and is withheld from those who would resist their domination;

16. That protected by code provisions for the confidential nature of information thus obtained, the operations of the code authorities are shrouded in mystery which the unfavored elements are unable to penetrate;

17. That in certain instances important amendments to codes have been obtained and approved of which the industry at large was in total ignorance for many months;

18. That when just complaints have been made to the administration the administrators have investigated the conduct of themselves and of their collaborating code authorities; that such investigations have been secretly conducted, and the complaining elements never called upon to produce evidence or informed that the investigation was in progress;

19. That section 4 (b) of the National Industrial Recovery Act (now expired by limitation) provided the conditions under which the President may require that no person shall engage in any trade or industry without first obtaining a license; that in defiance of the clear intent of the act certain industrial codes provide that all commodities produced shall bear an N. R. A. label; that the privilege of using such label shall be granted upon application to the code authority; that the privilege of using such label may be withdrawn in respect of any manufacturer whose operations, after hearing by the code authority and review by the Administrator, shall be found to be in substantial violation of the code; that this in effect constitutes the code authority and the Administrator a

licensing authority; that some retail codes contain an absolute prohibition of the sale by any merchant of any commodity the code of whose industry requires a label unless the label of such industry be thereto affixed; that this system of legalized boycott places the manufacturer at the absolute mercy of the code authority and the Administrator; that a standardized practice has evolved under which a person aggrieved by a ruling of the code authority may appeal to the Administrator for redress, but that as a condition of obtaining a hearing of his grievances he must agree in advance to be bound by the decision of the Administrator and waive his right to resort to the judicial process;

20. That, notwithstanding the provision of the Constitution of the United States that all bills for raising revenue shall originate in the House of Representatives, code authorities have assumed and are exercising the power to levy taxes on industries and are enforcing collection thereof by duress;

21. That code authority administration in many cases has lost all semblance of a rule of law and has become a rule of men, bent upon the oppression of their weaker competitors; and

Whereas if the conditions charged obtain to any considerable extent the Congress should have full knowledge of them to guide it in the formulation of new legislation; and

Whereas all friends of labor and all well-wishers for the success of the industrial-recovery program recognize that the correction of abuses is a necessary condition to the success of the program: Now, therefore, be it

Resolved, That the subject matter of this resolution be referred to the Senate Committee on Commerce and that said committee be, and is hereby, authorized and directed to investigate and report upon the subject matter of this resolution.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings; to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

PIPE LINES ACROSS NEW YORK AVENUE

Mr. KING. Mr. President, a day or two ago the Senate passed Senate bill 1519, a measure permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia. A similar measure, indeed, one identical in terms, has passed the House of Representatives and has been messaged to the Senate. I ask that the House measure now be laid before the Senate.

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 3465) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia, which was read twice by its title.

Mr. KING. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the bill just read.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 3465) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

SUSAN B. ANTHONY

Mr. WAGNER. Mr. President, my colleague the senior Senator from New York [Mr. COPELAND] intended this morning to deliver an address honoring the memory of a distinguished American, Susan B. Anthony. He was suddenly called away because of illness in his family, and has asked me to request the Senate to accord him the privilege of having the clerk read the address, a transcript of which I have in my hand.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the clerk will read the address.

The Chief Clerk read as follows:

SUSAN B. ANTHONY—BORN FEBRUARY 15, 1820; DIED MARCH 13, 1906

By ROYAL S. COPELAND

In our generation woman suffrage is accepted as a natural and normal procedure. It is difficult to understand why such bitter opposition prevailed against it in this country and abroad.

When the cry was raised, "Votes for women", England was shocked, and the music halls of London made nightly use of the theme. A familiar ditty was the following:

"Put me upon an island where the girls are few,
Put me among the most ferocious lions in the zoo,
Put me upon a treadmill and I'll never fret,
But for heaven's sake don't put me near a suffragette!"

During my campaign last year my itinerary took me to Seneca Falls, N. Y. The editor of the local paper invited me to visit the church where the first American Equal Rights Association was formed. As I recall, there were present at that meeting Lucretia Mott, Elizabeth Cady Stanton, Frederick Douglass, and other friends of the cause of equal suffrage. My editor friend said that his grandmother, then a girl of 18, was present at this gathering, and went home enthusiastic for suffrage. Her father was so shocked that he proceeded at once to horsewhip his daughter as a warning to her and others that such a heresy could not be endured.

It is impossible for us to imagine how there could be such intense feeling over this matter, yet there are women alive in the United States who can testify to the violent opposition to the idea of women voting.

We cannot speak about equal rights for women without thinking of Susan B. Anthony. Tomorrow is her birthday. This remarkable woman was one of eight children. She first saw the light of day on February 15, 1820, born at the foot of "Old Greylock", a spur of the Green Mountains, a mile east of the village of Adams, Mass.

Miss Anthony sprang from rugged Yankee stock. Her father was Daniel Anthony, a strict Quaker. Her mother was Lucy Reed, a Baptist. Both parents were descendants of a long line of distinguished pioneers. They were of liberal religious tendencies, remarkably broad in their views. Their teachings are traceable in the life of Susan B. Anthony, strengthened by education and environment.

In her youth Miss Anthony belonged to the Quakers. The even tenor of her career was disturbed by a mild sensation. Her father was expelled from the Quaker affiliation because his worldliness could no longer be endured. He received a public reprimand for wearing a comfortable cloak with a long cape. This act was regarded as altogether too human.

Susan B. Anthony earned her first dollar by working in her father's large cotton mill. She took the place of one of the mill hands who had fallen ill. Although a man of wealth, the father believed in self-support for his sons and daughters. In consequence, the founder of woman suffrage grew up in an atmosphere of self-reliance and independence of thought.

Before attending a boarding school in Philadelphia, Miss Anthony, at the age of 17 years, was teaching school in a Quaker family. For this she received less than a security wage. Her salary was $1 a week and board.

The wisdom of Mr. Anthony's training for his children, teaching them self-support, was proved when the financial panic of 1837 caused his own financial failure. His offspring were not only able to support themselves, but they materially assisted their father to retrieve his fortune.

The tireless energy, cheerful disposition, and rare sense of humor which were hers all through a long life helped to make Miss Anthony a successful teacher. What she learned in the classroom assisted in her efforts at education of the public in the interest of equal rights for her sex. I am glad to note that her professional qualities were recognized, and that soon she was paid $8 a month. But, even then, men teachers received from $24 to $40 a month for the same work, probably not so well performed.

This discrimination taught Miss Anthony the first lesson in women's inequalities. During the following 15 years she devoted to teaching she made many eloquent pleas of protest at the conventions of the New York State Teachers' Association. She pled eloquently for the principle of equal rights for women, which, with all the accompanying honors and responsibilities, should include the higher wages.

In 1845 Miss Anthony removed her family to Rochester, N. Y., where she continued teaching school. The following year found her in the Canajoharie Academy. There she joined the Daughters of Temperance and was made secretary. After making her first platform address for this organization, the villagers said, "Miss Anthony is the smartest woman who ever has been in Canajoharie!"

Miss Anthony's public life really began in 1852, when she attended as a delegate the State meeting of the Sons of Temperance at Albany. During the meeting there was a discussion among the men. She rose to speak, but was not permitted to do so. Her very desire to do something so unconventional caused consternation among the men and horror and indignation on the part of the women present. The latter referred to her as a "bold thing." The presiding officer said that women were not to speak in meeting, a rebuke which acted as a firebrand to one of Miss Anthony's temperament. She and a dozen others marched out of the hall. The following evening a meeting headed by Miss Anthony was held in a church in Albany. Out of this came the formation of the first Woman's State Temperance Society.

During the years she engaged in the temperance movement, Miss Anthony's determination to work for greater freedom for women became the motive of her ever active life. She became convinced that to secure this objective women should be enfranchised, so she allied herself with the suffrage movement.

About this time Miss Anthony met Elizabeth Cady Stanton. A warm friendship was formed, and this lasted during their entire lives. For many years they cooperated in all movements for the advancement of women.

At the behest of Miss Anthony, the first Woman's Rights Convention, which illness prevented her attending, was held in Seneca Falls, N. Y., in July 1848. To this I have referred. The next gathering was held in Syracuse in September 1852. In this she was the leading spirit. The advanced position taken by that con-

vention gave rise to discussions and controversies in the press and pulpit for many months thereafter.

Horace Greeley, the great editor of the New York Tribune, became a convert to the cause. I observe that along about this time he wrote as follows:

"I still keep at work with the President in various ways and believe you will yet hear him proclaim universal freedom. Keep this letter and judge me by the event."

During the State teachers' convention in Rochester in 1853 Miss Anthony, true to her traditions, claimed the privilege of speaking. After lengthy debate, she was allowed to speak on a subject assigned her. It was, "Why is the profession of teaching not as respected as that of lawyers, doctors, and ministers?" She said: "It seems to me you fail to comprehend the cause of disrespect of which you complain. Do you not see that so long as society says a woman has not brains enough to be a doctor, lawyer, or minister, but has plenty to be a teacher, every man of you who condescends to teach tacitly admits that he has no more brains than a woman?"

She certainly turned the tables on her critics.

The winter of 1854–55 was a stormy one for Miss Anthony. She succeeded in gathering 10,000 signatures, which she accumulated for the cause of equal rights at 54 conventions held throughout the State. She never faltered because of insults, slammed doors, and all sorts of abuse, even from the clergy.

From January 1868 to May 1870 Miss Anthony backed a weekly paper called "Revolution." Some of the brightest minds of that period were contributors. Financially it was not a success, so the publication went out of business owing $10,000. Within 6 years, from the earnings of her lectures, Miss Anthony paid this indebtedness in full, with interest.

One of the exciting episodes of Miss Anthony's life occurred in November 1872, when she and 14 other women were arrested, and each was held in $500 bail. These daring women had sworn in their votes after registering, claiming it was their right under the fourteenth amendment to exercise suffrage. Miss Anthony refused bail and applied for a writ of habeas corpus. Her bail was then raised to $1,000. She objected, but was overruled by her counsel, who thought it would be a disgrace for so fine a woman to go to jail. Though in the eyes of the law a prisoner, Miss Anthony was left free to attend to many engagements.

Her trial opened on the 18th of January 1873. It was a lengthy proceeding and Judge Hunt, who sat on the bench, charged the jury to bring in a verdict of guilty. She was sentenced to pay a fine of $100 and costs of prosecution. In response to this, Miss Anthony said to the court:

"May it please Your Honor, I will never pay a dollar of your unjust penalty. All the stock in trade and possession I have is a debt of $10,000 incurred in the publication of a paper known as "The Revolution." The sole object of this publication was to educate all women to do precisely what I have done, rebel against your unjust mandates and unconstitutional assumption of power to tax, fine, imprison, and hang women while denying them the right of representation in government. I will work on with might and main to pay every dollar of my honest debt, but not one penny will go to meet the unjust claim made by the court; and I shall earnestly and persistently continue to urge all women to the practical recognition of the old revolutionary maxim, 'Resistance to tyranny is obedience to God.'"

The fine was never paid.

To celebrate the fortieth anniversary of the Woman's Rights Convention held at Seneca Falls in 1885, Miss Anthony originated the holding of the International Council for Women at Washington. How successfully this plan was carried out is a matter of history. In all parts of the United States women formed organizations for woman suffrage. Miss Anthony and her followers spoke in many parts of the country. The movement spread to most of the civilized countries of the world.

At the Thirteenth Annual Convention of the Woman's Suffrage Association, held in Washington in 1900, Miss Anthony, then 80 years old, resigned as president. She was succeeded by Carrie Chapman Catt. It was with the utmost regret that the resignation was accepted, but her followers felt it was not right to insist upon Miss Anthony continuing to endure the stress and strain of the work.

On her eightieth birthday a magnificent reception was held in her honor in the Corcoran Art Gallery in Washington. Thousands of congratulatory telegrams and letters were received from all parts of the world. White and black, high and low, as well as the President himself, did her honor. Through it all she remained what she had always been—a simple, gracious, affable, ingenuous woman.

On the eve of her eighty-sixth-birthday celebration in Washington the late President Theodore Roosevelt sent a letter of congratulation. Many prominent officials brought tributes of esteem. During the reception Miss Anthony said:

"Why do not all these men, who have power, do something for the cause, instead of lavishing praise upon me?"

After the celebration Miss Anthony's condition was such that she could not attend a private dinner in her honor in New York. She went directly home from Washington, and on March 13 quietly slipped away from this life. She was buried in Mount Hope Cemetery, Rochester. Just before turning away from the grave the Reverend Anna H. Shaw, a long-time associate, said: "Dear friend, thou hast tarried with us long; thou hast now gone to thy well-earned rest. We beseech the Infinite Spirit, who has upheld thee, to make us worthy to follow thy steps and carry on thy work. Farewell!"

T. V. A. AUTHORITY—NATIONAL EDUCATIONAL ASSOCIATION

Mr. DICKINSON. Mr. President, I ask that there be inserted in the RECORD two letters. Some days since I made a statement here with reference to the Tennessee Valley Authority. In reply to that statement the editor of the Journal of the National Educational Association wrote a letter and asked that it be inserted in the RECORD. I ask that his request be complied with and that my reply to his letter be also included, and that both be inserted in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE NATIONAL EDUCATION ASSOCIATION
OF THE UNITED STATES,
Washington, D. C., January 25, 1935.

Hon. L. J. DICKINSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR DICKINSON: I believe you would wish me to call your attention to the fact that there are three serious errors in your statement about the article on the T. V. A., which appeared in the Journal of the National Education Association for December.

First, your assertion "that this article was prepared by Mr. Myer at the instance and request of those in the authority." The idea of publishing that article was entirely our own and grew out of the demand for it. The selection of Mr. Myer to write the article was entirely on our own motion.

Second, your implication of secrecy as to the cooperation between the T. V. A. and the Journal. The fact of that cooperation is clearly stated in the article itself. My letter to you which you publish certainly does not suggest that we have anything to conceal.

Third, your implication that the article is fraudulent propaganda. Every page in that article is a statement of fact prepared by one of America's leading scholars, and there is not a sentence in it whose accuracy any fair-minded scholar would question.

The facts about the efforts of the Power Trust to misinform the schools are well documented in the investigations conducted by the Federal Power Commission. May I inquire if you ever raised your voice to denounce the spokesmen of the Power Trust when they were spending a million dollars of the people's money to fill the schools with subversive teaching? You assert in your statement that your record is clear on the power issue. Is your record really clear when you fail to denounce the efforts of the Power Trust to misinform the people and on the other hand lend your voice to destroy freedom of teaching by attacking an honest presentation of the facts by disinterested parties?

Your own misleading statements appear on page 800 of the CONGRESSIONAL RECORD for January 23. In the name of fair play I ask that you have this letter also inserted in the RECORD. I am sending copies to Senator NORRIS, to whom you refer; to Mr. Walter E. Myer; and to the T. V. A.

Very cordially yours,

JOY ELMER MORGAN, *Editor.*

FEBRUARY 14, 1935.

Dr. JOY ELMER MORGAN,
Washington, D. C.

DEAR DR. MORGAN: Thank you for yours of the 25th, which I have studied with care, in view of the nature of its contents. In the light of that study, I am forced to reiterate the charges which I made on the floor of the Senate on January 23, and now I must add to those charges your own implied admission of them.

From your letter I must conclude either that you are unaware of ordinary ethical obligations that have been placed upon you as editor of a great schoolroom journal to maintain a fair and impartial position on public questions, without recourse to subterfuge and frauds upon your readers, or that you have deliberately evaded and avoided the essential charge involved and have sought to becloud the vital issue with trivial and impertinent side issues.

Your denial does not deny, and by implication affirms the charges.

The essence of those charges was contained on page 800 of the RECORD, as follows:

"Thus is revealed an agency of the Federal Government engaging in a propaganda trick that amounts to a public fraud—a deception as black as any charged against its public-utility opponents. T. V. A. has employed a writer of reputation to prepare an article purely for propaganda purposes, pleasingly painting its arguments, and has paid this man to place the article within the covers of the journal of the National Education Association as a bona fide, unbiased study of a great Federal experiment. The deception lies in the fact that the readers of this article—and it has been reprinted for classroom use, large quantities having been purchased for free distribution by T. V. A.—are forced to assume that the writer has written freely from his own observations."

You have not answered that charge—you have not even referred to it.

The fraud involved, of course, is the fact that your readers were forced to assume, naturally, in view of the high character of your journal, that Walter Myer was in your employ, not in that of the interest he lauds so eloquently.

The same point would be involved if you had permitted a Power Trust writer to expound power propaganda as a study unit arranged, as you euphemistically put it, "in cooperation", with, for example, the Edison Institute. Or do you contend that there is a difference in the relative blacknesses of the pot and the kettle?

You have made certain categorical statements, which, while they do not challenge the essential assertions of my speech, I shall discuss, rather than leave myself open to any charge of having ignored them.

First, what is the distinction between your initiating this propaganda deal with T. V. A., or their starting it? If it doesn't make any difference, for what reason was the point raised? In fact, you seek to make a point of virtue that you solicited T. V. A. for the opportunity to prostitute your magazine and its readers, and that T. V. A. did not. I recognize the validity of a certain ethical difference insofar as T. V. A. is concerned, but does not this very admission compound your own misfeasance? In any case, I can regard it as nothing less than a most extraordinary coincidence that, if the article was initiated and solicited by yourself, you should choose as its author one of the paid propagandists of T. V. A.

Second and third, I think I have completely answered your question on the matter of fraud involved. Certainly, as I have already pointed out, the true manner of cooperation was not stated in the article itself. The obvious implication of such cooperation meant, to any unsuspecting reader, that T. V. A. had courteously laid at the disposal of Mr. Myer all pertinent data for the preparation of his article. Or must I assume that this type of cooperation is customary in the preparation of articles for the Journal, where the writer is paid by the interest being written up?

On this point permit me to refresh your memory by referring you to specific remarks directed to the question you raised—to be found in the first column, on page 801, of the January 23 RECORD—the paragraph beginning "In a personal message", etc.

Your remarks about my record in connection with the Power Trust are a bit bewildering. In my speech I made simply reference to the fact that I have, on numerous occasions, denounced the same type of tactics, when conducted by power interests, to which you are now a party. I have a file of statements of my record which I shall be glad to permit you to examine if you have any doubts on that score. However, that same paragraph brings out an unusual attitude from you. You ask why I have "lent my voice to destroy freedom of teaching by attacking an honest presentation of the facts by disinterested parties?" In view of the admitted facts, do you still consider Dr. Myer, who was secretly in the pay of the T. V. A., a disinterested party? Indeed, I would seek to destroy freedom to teach biased and dishonest facts. You will find me always a champion for the freedom of, to use your own words, "teaching honest presentation of facts by disinterested parties." That is exactly the point at issue.

I shall be delighted to request the insertion of your letter into the CONGRESSIONAL RECORD, together with my reply.

Yours very truly,

L. J. DICKINSON.

ABRAHAM LINCOLN—LETTER TO COURIER-JOURNAL

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a tribute to Lincoln, which appeared on February 12 in the Courier-Journal, of Louisville, Ky. It is in the form of a letter to the editor, signed "A Jeffersonian Democrat, Frankfort, Ky."

The tribute which this letter pays to Lincoln is well worthy of record; and the fact that the writer signs himself "A Jeffersonian Democrat" shows that he is such a rare specimen that that fact alone justifies the inclusion of the letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal, Feb. 12, 1935]

LINCOLN

TO THE EDITOR OF THE COURIER-JOURNAL:

Kentucky soil gave birth to one of the greatest characters the world has ever known—Abraham Lincoln. His environments were humble. His hardships were many. But these hardships were the making of the man. Denied the opportunity of attending school because of poverty, he applied his energies and educated himself. To those who criticized his zeal for knowledge, he said: "I will prepare myself and the opportunity will come."

The opportunity did come. He struggled along as a young lawyer until his constituents sent him to the lower house of the Illinois Legislature, where he distinguished himself as a brilliant debater. Later he went to Congress, where he challenged the slavery evil. A few years more and he was debating with Douglas, these discussions winning him admirers. "* * * 'A house divided against itself cannot stand. * * *' I do not expect the house to fall, but I do expect that it will cease to be divided." Having won the Presidency in 1860, he took over the reins of government at the most critical period in the Nation's history.

Addressing the Southern people in his first inaugural: "In your hands, my dissatisfied countrymen, and not in mine rests the momentous issues of civil war * * *."

In his Gettysburg address: "* * * Government of the people, by the people, and for the people shall not perish from the earth."

In his second inaugural address: "With malice toward none, with charity for all * * *."

He triumphed. But he paid with his life for the destruction of slavery and the preservation of the Union. No President had a greater or more noble character than the martyred Lincoln. No man had greater faith in the intelligence and capacities of the common people. For from these he sprang and to these he gave, in truth "The last full measure of devotion." Truly, this great champion of popular government and human rights deserves to, and doubtless does "belong to the ages."

A JEFFERSONIAN DEMOCRAT.

FRANKFORT, KY.

LINCOLN'S BIRTHDAY—ADDRESS BY REPRESENTATIVE PLUMLEY

Mr. DAVIS. Mr. President, on February 12 Hon. CHARLES A. PLUMLEY, Representative from Vermont, delivered an address at a Lincoln Birthday dinner in Beaver Falls, Pa., given under the auspices of the Lincoln Republican Club of Beaver County. This club was organized in 1880 and is the oldest Republican marching club in the United States.

I ask that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE REPUBLICAN PARTY

AGGRESSIVE IN ITS OPPOSITION TO ALL THE POLICIES OF THE PRESENT ADMINISTRATION SUBVERSIVE AND DESTRUCTIVE OF OUR AMERICAN FORM OF GOVERNMENT

Mr. Toastmaster, ladies, and gentlemen, we have come together tonight to observe the anniversary of the birth of the uncommon commoner—an American, great emancipator, savior of a Nation. "A type that Nature wills to plan but once in all a peoples' years."

"Some opulent force of genius, soul, and race,
Some deep life current from far centuries
Flowed to his mind and lighted his sad eyes,
And gave his name, among great names, high place.

Unschooled scholar! How did you learn
The wisdom a lifetime may not earn?
Unsainted martyr! Higher than a saint!
You were a man, with a man's constraint,
In the world, of the world was your lot;
With it and for it the fight you fought
And never 'till time is itself forgot
And the heart of man is a pulseless clot
Shall the blood flow slow, when we think the thought
Of Lincoln."

Shepherd of the people, that old name that the best rulers ever craved. He fed us with counsel when we were in doubt, with inspiration when we sometimes falter, with caution when we would be rash, with calm, clear, trustful cheerfulness through many an hour when our hearts were dark. He spread before the whole land feasts of great duty and devotion and patriotism on which the land grew strong. He fed all his people from the highest to the lowest, from the most privileged down to the most enslaved.

"So they buried Lincoln! Strange and vain.
Hast any creature thought of Lincoln hid
In any vault 'neath coffin lid?
In all the years since that wild spring of pain?
It is false—he never in grave hath lain.
You could not bury him, although you slid
Upon his clay the Cheops pyramid,
Or heaped it with the Rocky Mountain chain.
If so, man's memories not a monument be,
None shalt thou have."

His rugged, honest, steadfast perseverence and staunch Americanism still stand as examples, as objectives which the Nation and all of us as individuals may well try to emulate. Unwavering in his loyalty to the fundamentals of American Government, his genuine respect for the Constitution and his great concern for the destiny of the Republic ended only with his death.

A redeemed and reunited Republic is his monument.

I say to you tonight, Mr. Toastmaster, that no such crisis has confronted this country since the day when Abraham Lincoln declared that this country could not permanently endure half slave and half free. It was on that declaration that the Republican Party was formed, and the Civil War was fought utterly and completely to extirpate slavery from the soil of this Republic. The war was won, that issue was determined, the Union was saved, the fundamental principles of the Republican Party and its policies and leadership were vindicated. The national character of the Union was established, and an end was put to the doctrine of secession. Now another great crisis is at hand. It is time to wake up!

I am a Republican since I believe the Republican Party was born because of a principle, and has lived and grown because of vital governmental principles and policies, for which it has stood, which it has maintained, too sound to be permanently overthrown, too deep and fundamental and underlying to be effaced!

I am a Republican because I believe this. I am a Republican because with the farmer in Vermont I also believe that our liber-

ties and our Union can be preserved only by strict adherence to the principles laid down in our Constitution.

I know that a republican form of government, with a Republican administration, has in a long period of years made greater material progress, produced higher standards of living, inspired superior love of peace, tolerance, and good will, than in any other period in any nation on earth.

I am a Republican because that party stands always for the sanctity of the home and the church; for the constitutional right of free speech; free criticism of government; for independence in thought, work and play, worship and prayer; individual license to plant and sow and harvest without dictation by "brain trust" or bureaucrat.

I am a Republican because that party stands now, and ever has stood, for sound currency, full-value money, and against any repudiation of Government pledges to the people in whatever guise such repudiation may be offered.

Many panaceas have been offered, many remedies suggested, and so many methods of resuscitation or revival of the body politic have been tried, it is a wonder the patient has survived the ordeal. We are threatened with a dose of inflation, which means repudiation or substantial reduction of debts; and deflation, which means an enforced sale of assets at a price far below what they are really worth. Inflation is an insidious method of fooling the people, the workmen and wage earners, and the farmers. The farmer is hardest hit of them all. History attests this fact, a fact so often proven as to be an axiom.

To lighten the burden of debt by depreciation of the currency is a benefit to a very small minority of the population at the expense of a large majority. By far the greater part of the population is interested as a creditor rather than as a debtor.

Recovery can only be brought about by an increased volume of business, done with the expectation of a reasonable profit, and anything that tends to obscure the hope of profit tends to retard recovery. Uncertainty as to the future character and value of money is the strongest single deterrent to business enterprise. It has always seemed to me that to stabilize the currency by reducing the gold content of the dollar to approximately its recent value can but result in further and far-reaching disturbances and disaster causing great harm and injustice to a majority of our people. It will eventually bring about a larger increase in the general price level over even that of today, of the cost of living, of the wages of organized labor, measured in the dollars of depreciated purchasing power. While wages may double, so will prices also, and the buying power of the money with which current bills are to be paid will be further depreciated.

It does not follow that it is a good thing to raise prices, for unless incomes rise at the same time as do prices the standard of living must go down. You do not have to argue this hard or long to the people of the State of Justin S. Morrill, George F. Edmunds, or Calvin Coolidge. They know that to issue fiat money—to start the printing presses or to put our currency on a silver standard, or to attempt to establish a bimetallic standard would but spell national disaster. They know these things from experience, and they know they have been found to be facts by a Monetary Commission, of which the late Honorable George F. Edmunds, Vermont's distinguished statesman, was the chairman. The facts so found exist today.

No complicated scheme of relief; no plan for Government fixing of prices; no resort to the Public Treasury will be of any permanent value in establishing agriculture or bringing back prosperity. The America which Washington founded does not mean we shall have everything done for us by the Government, but that we shall have every opportunity to do everything for ourselves. These are the announced fundamental doctrines on which the political philosophy of Calvin Coolidge was based. They are good enough for me!

The sound judgment, wisdom, and foresight of the man is well illustrated by the letter he wrote from Northampton, Mass., on June 21, 1931. He said: "The centralization of power in Washington which nearly all Members of Congress deplore in their speech and then support by their votes steadily increases." The latest report is that the Federal employment service will have a bureau in every State and the District of Columbia.

The farmer, who was the shining example of sturdy independence, has intrusted the Government with finding him a market. Now the wage earner is to look to the same source to find employment. Individual self-reliance is disappearing and local self-government is being undermined.

A revolution is taking place which will leave the people dependent upon the Government and place the Government where it must decide questions that are far better left to the people to decide for themselves. Finding markets will develop into fixing prices and finding employment will develop into fixing wages. The next step will be to furnish markets and employment or in default pay a bounty and dole. Those who look with apprehension on these tendencies do not lack humanity but are influenced by the belief that the result of such measures will be to deprive the people of character and liberty.

We do not have many multimillionaires or millionaires among us in Vermont, but we look with disapproval on all attempts to arouse class antagonism by ranting and raving about the capitalistic system. Every home owner in this land is a capitalist, so are 60,000,000 holders of insurance policies and 20,000,000 of savings depositors and all those hard-headed, thrifty investors who have purchased United States and State municipal bonds and securities. Every farmer and every wage earner in the land is a capitalist. It follows, therefore, that all of us who constitute the backbone of this Republic must suffer by the reduction of the purchasing power of the currency and the resulting increase in the cost of living. No, my friends, Vermont Republicans are for a sound currency and a solid basis for a sure recovery, which will be sound, solid, and secure only if it comes of itself.

Today we are forced to the inescapable conclusion that the administration's program of recovery measures has in most part been nullified by the administrative abandonment of the only principles which can guide a government through the stormy waters of economic distress. It is a tragic fact that every major country in the world from Australia to Denmark is nearer to permanent recovery than the United States. Canada to the north of us and Mexico to the south of us move ahead toward recovery while we struggle in a foggy mist of legislative experiments. The early restoration of trade and employment and investment is held back by the uncertainty, the bewilderment, and the fear which shadow the industry of the Nation.

Some people are pessimistic. They think they see social chaos ahead. They are mistaken. They are wrong. The deep-lying forces of economic life, anchored to the fundamental principles on which this Government was established, have already set in motion the inevitable processes of recovery. Every new day presents new evidence of the absolute futility of artificial stimulation of recovery, the unwisdom of experiments with the lives and property of the people and of the Nation.

I believe that as recovery proceeds, as it is proceeding, inevitably and in spite of the artificial stimulation undertaken to have been given to the body politic, interference with its orderly progress will be widely resented; that it will be reduced and eventually have to be abandoned. I charge you that it is the clear duty of the Republican Party, the party of opposition to the fantastic program of the administration, to keep these facts constantly and everlastingly at the front. I admit that there is the danger that the extravagant expenditures for experimentation and wasteful spending of the taxpayers' money may create so hopeless a situation that Government insolvency may be inevitable; but in my opinion before that point is reached the people of these United States, under the leadership of the Republican Party, will wake up, will read the handwriting on the wall, will be wise, and will return to the principles maligned and derided as "old economics", for which the Republican Party has so long and successfully stood.

As Republicans we still believe in the Constitution of the United States, the Declaration of Independence, and the Bill of Rights. We still insist, among other things, that Congress shall make no law abridging freedom of speech; that no person shall be deprived of life, liberty, or property without due process of law; and that powers not delegated to the Federal Government by the Constitution itself are reserved to the States respectively or to the people. We believe that the Constitution still is the supreme law of the land, and that neither Congress nor the President on any plea of emergency may ever suspend its provisions in any particular at any time, at any place, or anywhere.

We are opposed, moreover, to the profligate spending of our hard-earned money. If that makes us isolated and old-fashioned and rugged individualists, we thank God for it. We are Republicans.

If, by common consent, hypnotized by the spending of money as if there never were to be a day of reckoning, we sell our birthright for a mess of pottage—if by lack of appreciation and a disinclination to advise ourselves as to what confronts us, we keep silent, suffer the Constitution to be nullified, and our rights to be taken away from us, just so certainly as the sun rises and sets the principle of liberty will surely and steadily be destroyed, despotism will crown itself with power, and it will then be too late to recover the liberty at whose loss we have connived.

The framers of our Government knew all about regimentation, planned economy, colonizations, and other features, and government schemes, and the futility and folly and failure of them all as repeatedly demonstrated in the days that have gone. They knew the story of kings and despots, and tyrants, and bureaucracy—the beginning and endings thereof—and they definitely and positively would have none of them. It is only by the subversion and the ignoring of the limitations which these men prescribed in the Constitution which they made, and the assumption and usurpation of unwarranted power and authority that it has been possible for the administration, autocratically, to tell the wage earner what he may earn, how long he may work; the farmer what and how much he may produce on his own farm; the merchant at what price he may sell his goods; the manufacturer what additions he may make to his plant, how much he may produce; to control the flow of capital and savings; to enter into business in competition with private citizens. They have obliterated State lines. The prerogatives of Congress, in whom is vested the sole power to impose taxes and regulate the value of money, have been usurped. Do you realize that the right to impose taxes, in his discretion, has been granted the Secretary of Agriculture, and the authority to fix the value of money has been transferred to the President, a power so great over the lives of men it has never been enjoyed save by complete despots? And this is America! It is time to wake up. "The liberty of a people", said Edmund Burke, "has many times been lost in a night." He who loses it, loses all. Human rights and property rights are inseparable.

The cost of it all is staggering. Money is being spent at the rate of $7,500 a minute; $45,000 an hour; $324,000,000 a month; $3,888,000,000 a year. Just think of it, you thrifty people. And this is not spending money merely as it is received, for the spending has been at the rate of $2.28 spent for every $1 received. We have been "going in the hole" at the rate of $11,000,000 every day.

The debt and deficit already incurred is stupendously staggering. From reliable sources come the statements that at the end of the next fiscal year the Federal Government will be in debt for not less than $40,000,000,000, or double the Federal debt when Roosevelt became President, and with an additional contingent debt of more than seven billions besides. It is generally estimated that at least 25 percent of the contingent debt will have to be assumed by the Federal Government. If this proves to be reasonably accurate, the total net debt is somewhere around $42,000,000,000. To this must be added the twenty billions owed by States, cities, and towns, making a total Government debt, which rests as a burden upon all properties of all of us, of whatever description, in the United States of sixty-two billions.

The interest on this huge sum alone, at 3 percent, which is less than the average paid, would be nearly $2,000,000,000 per year. To amortize this, as it has been our practice in the past, over a period of 20 years would call annually for $3,000,000,000 more; thus the annual burden for the service of the debt alone for the next generation will average between four and five billion dollars.

It runs into the billions and billions. Our great-grandchildren will not live long enough to see it paid. What a burden we are imposing on our children and on posterity. What a price they will have to pay for our orgy of spending. No wonder they are rising in revolt against such a program. What is there in it that can appeal to red-blooded, virile, young, patriotic Americans? They know that they must face the necessity of paying off the debt we have incurred. They know that the door of opportunity will be closed to them, and that under the present program they will be reduced to mere cogs in the machinery of a planned economy—regimented, colonized, Russianized, working for the state and not for themselves.

And the women of America! They are awake to what it means—not selfishly for them, but for their children. Hear the woman farmer when she says, "What of my children and my grandchildren, and my great-grandchildren." Will there be any incentive to work hard and try to get ahead when the income must be turned over in such increasingly large amounts to the Government? What will it do to the souls of the people? They find no encouragement to do their best since a premium appears to be set upon inefficiency, waste, and idleness. The blood of generations of independent farm people rises within me to hate dictation, no matter how soft the velvet may be laid over the mailed fist, or how beautiful the bribery it offers for our inalienable rights. That is what the women are thinking.

Whether we like it or not the fact is incontrovertible that we are the Santa Claus. We'll have to pay or else our children will. We will pay for every bushel of grain and bale of cotton that has been destroyed; for every pig slaughtered by bureaucracy; for every farm and home defaulted to the Government. "These grants seem to be gifts," said that grand old man, that blunt old Democrat, Senator CARTER GLASS, of Virginia, as he talked turkey to his fellow Democrats in his home town of Lynchburg. "But we will pay them all; we in Virginia will pay ours and we will help pay for 14 Western States that all together do not pay as much Federal taxes as Virginia. We will pay and through the nose—and our children and grandchildren and great-grandchildren will be paying taxes, taxes, taxes.

And so far as we are concerned more than our share, as always. Its your money that is being spent. Can we be bought and sold with our own money? And one thing above all others we should remember, namely, that real estate as always will have to bear more than its share of the tax burden. The farmers and other real-estate owners and their descendants will have to meet the bill.

The Republican Party is the party of opposition to these theories and this program that has been forced upon us. Let me tell those who resent constructive criticism of their plans and policies that whatever in this country is too delicate to discuss or to criticize is too dangerous to be tolerated. Any system, any policy, any institution which may not be debated will overthrow us if we do not overthrow it.

There are none of us who do not favor and approve of some of the measures constituting a part of the so-called "new deal": Proper control of market speculation; the regulation and limitation of private profits in the manufacture of munitions in preparation for war; the elimination of child labor and sweatshops; some rational plan for unemployment insurance and relief for debt harrassed home and farm owners. But measures looking toward satisfactory solution of the problems just enumerated were under consideration long before the days of the "brain trust" or the new deal. These propositions are not the ones that give us pause. It is the proposition to socialize the States and for national regimentation that shocks us, and to which we are opposed. Regimentation is anathema to free, independent, home-loving Americans. National regimentation violates practical economies and essential liberty, if America is to remain America. National price fixing never worked whenever or wherever it has been tried, and it never will.

The suspension of the antitrust laws and the establishment of the codes has had and can have but one result, the encouragement of monopoly. The Government should get out of business and the dangerously growing bureaucracy should be stopped. Republicans, as I have said, are opposed to the new-deal plan of delegating nondelegable powers to the President respecting money, tariffs, expenditures, and other factors which create the deadly uncertainties now defeating the very recovery they are assumed to be attempting to accomplish. I am too much a Vermonter to consent to the usurpation of these legislative and judicial powers and prerogatives by the Executive, and the taking over of the rights of the States by the Federal Government without a protest, and, as a Vermonter, representing my constituents and the best interest of all the people, as I have seen it, under my oath, I have voted against such a program.

Thrift, industry, economy are no longer regarded as essential to the well-being of our people. With millions unemployed, we are advised that factories and workshops, mines, and quarries shall be closed in order that a scarcity of their products may enhance their price. With hundreds of thousands of the poor suffering the pangs of hunger, it is made an offense against the law to plant more than a modicum of crops in order that food may not become too cheap. Not too much milk must be produced, though the pale faces of undernourished children haunt the dreams of those who come in contact with the poor. Millions—yes, billions of dollars representing wealth dug from the earth and wrested from the sea, brought to public treasuries by the taxgatherers are being wasted in an unprofitable expenditure in an attempt to create a prosperity as unreal and unsubstantial as the dreams of an opium eater.

The gigantic debts so created will bear down and burden generation after generation yet to come. It is time to stop.

It is illogical, unwarranted, and uneconomic to rave about overproduction and to favor plowing under crops and limiting the raising of livestock while starving thousands walk the streets in direst need. "Want in the midst of plenty." I am forever opposed to the wanton destruction of God's bounty by any self-constituted authority, on any political pretext, for the selfish interests of any section or group, while millions of our fellow citizens are suffering for want of the necessities so destroyed.

Taking the position that I have, I have been in very distinguished Democratic company. "Let's look at the record", said Gov. Alfred E. Smith, for whom some 45,000 Vermont Democrats voted in 1928 for President; and having looked at it, no man can be more outspoken in opposition to the policies of the present administration than he has been. And that great constitutional lawyer and ambassador and candidate for President on the Democratic ticket for whom so many Vermont Democrats voted in 1924, the Honorable John W. Davis. No man could fight more vigorously than he is fighting against bureaucracy and the other undemocratic theories in which he sees nothing but wreck and ruin for his party and for the country. Two great men were these, and they still are.

Then here comes Senator Carter Glass and Senator Byrd and Senators Gore, Tydings, and Bailey; Thomas, and former Senator James Reed and Bainbridge Colby, Secretary of State in President Wilson's Cabinet; and scores of others, each and all of whom the Democrats have recognized and followed as the high counsels of their party, each and all of whom are active and outspoken in their opposition to the present program. A few days ago Senator Reed said: "The remedies now imposed and sought to be imposed will delay recovery, if, indeed, they do not make recovery impossible." I warn the farmers of this country who may be enticed by arguments or influenced by the bribe money paid. I warn the laborer who may be allured by the promise of higher wages that if we proceed further along this road of bolshevism and socialism the burden in the end will be visited upon them. A few weeks ago one of the ablest Democrats in this country, one of the greatest Secretaries of War who ever sat in any President's Cabinet, the Honorable Newton D. Baker, said: "Picture Uncle Sam bailing out a pond with a sieve and you have a birdseye view of our great national paradox."

History with all her volumes vast, so far as the Democratic Party and its accomplishments are concerned, hath but one page. To save themselves, to restore confidence, the people of these United States have in days gone by called in and on the Republican Party. History repeats itself. The call for the constructive leadership of the Republican Party grows stronger and louder day by day, as people the country over come to realize how deep in the slough of national financial debauchery and despond, how severe the civil destruction into and through which we are being so blindly led. They see Government-enforced pauperism and conflicting programs which will not lead to a substitution of the pay roll for the relief roll.

The danger of today, as has been so well said, is not the loss of liberty by use of force. It lies, rather, in the supine surrender of the rights of free men to a seductive, subversive program of paternalism which is gradually changing the form of our government from a representative democracy to a bureaucratic state, mildly despotic in action, dangerously experimental in conception—a program in which human rights and property rights cease to rest on the firm foundation of established law and come to depend upon the whims of a temporary majority.

No free government can remain virile if it ignores or attempts to forget the traditions of its history. It is not ignorance to heed the lessons that history is ever willing to teach us—it is just that to ignore them. As Woodrow Wilson so cogently said: "Every nation must constantly keep in touch with its past; it cannot run toward its ends around sharp corners."

Moreover, to those who hurl the words "reactionary" and "obstructionist" as an epithet, I say to you that no student who makes even a cursory study of history can wisely censure those who protest against State paternalism. The present administration attempts both to ignore the traditions of our Government's history and to become essentially paternalistic.

The Nation which the Civil War was fought to preserve will have ceased to be when the legislative powers are surrendered to executives who are but too willing to accept them; when the judiciary strives to find reasons for upholding laws enacted at the behest of noisy minorities; when the plain language of Federal and State

Constitutions is given new and strange meanings in order to meet assumed emergencies; when debasement of the currency is adopted as a sound financial policy; when the sovereignty of the individual States is disregarded and local self-government becomes an obsolete phase; when individual initiative is discouraged, the lessons of experience cast aside, and personal liberty, in great measure, becomes a thing of the past; when men are denied to buy and sell the products of their labor in the open market place; to fix the price of goods in which they deal by bargain with their fellows; when the farmer is forbidden to sow and reap on the land he owns, according to his own best judgment; when every detail of business life of the citizen is ordered by officials, not of his own choosing; lastly, when written agreements and contracts cease to have a binding force even upon government itself. All these things are involved in, will be the ultimate end and result, and are a part of the policy and program which candidates of the Democratic Party endorsed and pledged themselves 100 percent blindly to support, like automatons or robots. It is the clear duty of the Republican Party aggressively to resist and to oppose them.

It is a tremendous task which confronts the Republican Party, but not too great an undertaking for this party of ours, which sponsored and was responsible for the enactment of legal tender and sound-money laws, for a system of internal taxation by which a major part of the operating expenses of the Government has been met; not too great an undertaking for the party which forced the adoption of the thirteenth amendment, which abolished slavery, the fourteenth amendment, which created citizenship of the United States, the fifteenth amendment, which established equality of suffrage.

What Daniel Webster said over a hundred years ago comes down to us today as a challenge wisely prophetic and as forcefully applicable to our day and time, and the matters and things which confront us as for the day and age in which it was delivered. Hear him when he says:

"Other misfortune may be borne, or their effects overcome. If disastrous war should sweep our commerce from the ocean, another generation may renew it; if it exhaust our Treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again and ripen to future harvests. It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these might be rebuilt. But who shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites National sovereignty with State rights, individual security and public prosperity? No; if these columns fall, they will be raised not again. Like the Colosseum and Parthenon, they will be destined to a mournful, a melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art, for they will be the remnants of a more glorious edifice than Greece or Rome ever saw, the edifice of constitutional American liberty."

It has been well said: "If the Republican Party is to function effectively as an opposition party; if it is to win again the confidence of the majority of the people of America, it must be as a champion of a competitive system of economy in which every man shall have an equal chance; it must be as the foe of monopoly putting under the control of clean-cut, enforcible laws, those great combinations of capital and wealth which have exploited labor and stifled competition; it must be as the exponent of a free, independent system of banking and credit which shall be neither the pliant tool of great bankers in New York nor the suppliant instrument of political power in Washington. Our party, to deserve and win majority favor again, must not be content to preserve the profitable domestic market for American manufacturers and leave to the mercies of a world market and world price fixing the products of American farms. We must have the courage, as a party, to stand for a single gold standard as a measure of value and be prepared to maintain the stability of that gold standard at all times and under all circumstances. We must believe in, champion, and practice economy in public affairs, precisely as we are compelled to practice it in our private affairs. We must repudiate with the scorn it richly deserves the utterly insane attempt to spend ourselves back into prosperity out of the Government Treasury. While recognizing and acknowledging the obligations to protect from privation and want the victims of depression and drought, we must insist upon the speediest possible balancing of the Budget, knowing full well this to be the first, essential, and vital step toward prosperity. And, finally, we must rally America against the dangers of a constantly growing bureaucratic army that has descended upon us in the past 2 years like a swarm of locusts to eat the people's substance, interfere with their lives, and prevent their recovery."

The Republican Party has made mistakes but is big enough to admit them; subsequently to correct them. It has maintained a record for achievement and accomplishment which will not permit it to lie down or to admit that its men or its women have lost their vision or that, as a party, it is unable to cope with the present situation. It has always been the party of action, of progress, of achievement, since the day of its founding. I tell you that the call for its leadership is stronger today than ever before. The political party which has put into effect the principles and policies which saved national unity, freed a race, resumed specie payments, established the national credit, fixed the gold standard, restored prosperity—in short, which always, when it has been brought to a realizing sense of the magnitude of the crisis and the responsibility resting upon it, has responded to the call, has then proven equal to the emergency—that party will once more respond, will continue to keep the faith, will provide the solution for our current problems, and, true to its record, will lead the country out of the slough of despond into the sunshine of a complete recovery, prosperity, contentment, and peace.

Place the Republican Party in power, restore confidence! Go tell the pessimist that we have a vast domain of 3,000,000 square miles, this Nation of ours, literally bursting with latent treasure still awaiting the magic of capital and industry to be converted into the practical uses of mankind; that what natural resources we lack we have the brains to manufacture synthetically; a country rich in soil and climate, in the unharnessed energy of its mighty rivers, and in all the varied products of the field, the forest, the factory, and the farm. Tell him we have the man power and the brains; that the Republican Party, renewing its allegiance to the principles, purposes, and declaration of its founders, with its face toward the light, reaffirming its adherence to fundamental Republican doctrines, will go forward determined to perpetuate blessings already received and to make sure and secure the achievement of a greater America yet to be.

ADDRESS BY SENATOR MALONEY ACCEPTING NOMINATION

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered by the junior Senator from Connecticut [Mr. MALONEY] accepting the nomination to the office of United States Senator, the address having been delivered on September 6, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the time I was nominated for Congressman 2 years ago, I delivered a speech in which I gave my opinion as to how we might bring about a correction of the distress of the times. That speech was, in a large part, the expression of a conviction I had had, and had often expressed, since the very beginning of the panic which cast its shadow over the entire country during the administration of President Hoover.

I said then that the paramount question of the campaign was the attitude of candidates on the subject of employment, or unemployment. Since then I have not changed my opinion as to the way to guarantee jobs to every able-bodied man who is willing and anxious to work. Neither have I changed my opinion on one single statement that I made in my acceptance speech of 2 years ago.

RESPONSIBILITY FOR RELIEF

As a matter of necessity, the Government has been compelled to assume the responsibility of providing relief for millions of our people. If these were ordinary times this would not be my idea of a proper function of the Federal Government, for, carried to the end of its possibilities, it would mean the end of the capitalistic system. I am against that.

On the other hand, however, because of the power and influence of a reactionary element in our political and economic structure, we have been denied the opportunity to use certain prescriptions which long before now could have effected a cure.

If we stop the relief measures without providing work for people in another way, we are certain to create a chaos that will destroy the efforts of 150 years and bring about not only a complete destruction of business but misery to all of our people. Everything is based upon buying power, and when you take that away from a sufficient number of our people, you destroy not only the opportunity of business and capital but every other value.

If we stopped the Federal relief measures tomorrow, we would rob every home owner in America, and the merchants and other business men of the Nation would be compelled to join the ranks of those without anything to do. Local taxes would be raised to an impossible point in an attempt to raise money to care for the unfortunate victims of unemployment. Very few of the local taxpayers would be able to meet the bills, and it does not require any special gift of wisdom to anticipate the consequences. Men will not give up their homes and idly watch the suffering of their families without one or another kind of resistance.

MUST CARE FOR WEAK

The true test of a nation is its care of the weak, and until industry assumes the responsibility the Government must. At that point we make the diagnosis and we should prescribe the medicine aiming to bring about a cure.

I shudder when I think of the paternalism now necessarily practiced by the Federal Government. People are expecting that the Government will provide for them, and unless we exercise and accelerate the wisdom with which this country is endowed, we will drift into the chaos and decay which has overcome other great nations in the days behind us.

While the care of the weak is a governmental responsibility, I believe that we should provide that care through the enactment and enforcement of laws and not through the assumption of the responsibilities and obligations of States and municipalities. I am willing to assume the responsibility, and to brush aside that reactionary element which decries the existing situation but is not prepared to offer any other substitute than the pagan practice of the survival of the fittest. They are mistaken when they think that such a procedure would keep them secure.

For the past 4 years or more I have urged that the Government assume the responsibility of providing work, for those desiring work, by the regulation of working hours. Everyone admits that there can be no return to better times until there is a shorter

working day and week, but industry as a whole refuses to do anything about it. It is my claim that the Government should assume the necessary leadership and guidance to make the cure effective. This could be done very quickly if the people had a sufficient courage to enforce their convictions.

I will not believe that we are to revert to a standard of living through which men are to be deprived of many of the good things of life which they have enjoyed up to now, and neither do I believe that natural laws, unaided, will carry us back to that high standard of living which so recently we regarded as normal. We have ignored so many natural laws in this machine age that it is pitiful to hear men say that eventually the laws of nature will bring us the cure. How sad for those who suffer misery while we wait.

CURTAIL WORKING HOURS

The attempts at regulation up to now have been in the right direction, but too complicated and in many instances unfair. It is futile to establish a 40-hour code for any industry that has worked only 30 hours a week for 4 years. That procedure corrects the sweatshop evil, but it does not go far enough to keep up with the inventive genius that forced millions of men out of work. The proper way is a governmental regulation that will curtail working hours so that the right to earn a living will be distributed over the entire field of those who want to work. This will bring relief not only to those who labor, but also to those for whom they labor, and to every kind of business. That the wages of workmen would increase is beneficial, as I see it, for people are willing to pay prices that permit a profit if given some assurance of the necessary income. I say again America has never been prosperous when compelled to give away its produce and its products.

Many people entertain the notion that we are suffering only from the ills of a mad period of speculation. This opinion is in part true, and the mad rush for seemingly certain wealth is what brought the economic disaster upon us so suddenly and severely. Before and beyond that is the fertility of American inventive genius. This God-given wisdom expelled men from the busy industrial plants by the hundreds of thousands. Until the fruit of this genius is properly divided between capital and labor, both will suffer to a greater or less extent. Both will agree to the division, and to governmental leadership if intrusted the almost sacred responsibility of effecting the proper procedure. We stay in the wilderness until people have been given employment. Everyone knows that our opponents are anxious to see men go back to work. So far, however, they have offered no plan.

MUST FIGHT DEPRESSION

They appear to entertain the thought that we have gone through similar periods before, and that because prosperity runs in cycles, the situation will ultimately clarify itself. I am not among those following that line of thought. I believe that the past is behind us and the future is what we make it. This period has little in common with other periods, and while some people feel that we drifted out of depressions in the past, I do not think we did. To overcome the last one we saw financial experts devising ways to make credits easier for individuals as well as corporations, and the manufacturers of the country furnishing advanced necessities and luxuries that made work for the man in the factory and life easier for those in his home.

What regulation of industry we have at the moment is the creation of industry. Industry itself has written the codes, but they fall short of the mark because they neglect the welfare of those not working, and they are almost impossible of enforcement because they are so complicated and there are so many of them. They are being violated every day in thousands of places.

I propose that we write one law that will regulate the hours of labor, and that the same law apply to all industry. If it can be proven that certain fields should enjoy a certain privilege because of a peculiar problem of the business, I am for that. I would have the law administered by some such governing body as the Supreme Court of the United States, with authority to set the specific hours of labor in industry in accordance with the needs of the situation. As conditions changed the hours could be changed. The law should be flexible, but there should be but one code, with the aforementioned exception, insofar as the hours of workmen are concerned. The needs of the moment demand a lessening of the hours per week.

Industrialists and bondholders and stockholders must know that the value of their holdings can only be determined by the success of labor and the maintenance of buying power. If men do not have jobs they cannot buy for their families and they cannot pay taxes. When the buying power is too greatly impaired industrial plants become a liability and stocks and bonds are tokens of a past period of security.

SOURCE OF MONEY

Employers will ask, "Where is the money coming from with which to start this plan?" If necessary, the Government should loan the necessary money to industry with which to meet its early pay rolls. The machinery would start quickly, as it did when credit was made available in 1921, and the Government loans would be repaid. Much that is now being expended will not be returned.

This proposal means as much to the farmer as it does to the industrial leader and the stockholder and bondholder. He sells his produce to the man who labors in the field of industry, and a successful industry assures the proper market for the man who gets his living from the soil. With the buying power of labor curtailed, or destroyed, there can be no profit in a farm.

In one part of the country a proposal is made that the Government operate certain industrial plants that are idle. This is a socialistic dream. Our governmental structure is burdened with the frailties of practical politics, and where private industry fails governmental operation under the capitalistic system cannot be successful. This proposal is just as fallacious as the plea of the reactionary element in the Republican Party that wants to stop where we are and return to those days we knew just before the bold and courageous Roosevelt assumed the oath of office.

We cannot go back to the days of complete despair, when all of the banks were closed and people wondered if we had come to the end. The old order has passed. The days of stock-market manipulation and easy profits are over forever. We must decide whether we want all of the people to have a share of the world's goods, which are the gifts of God, or whether we surrender.

RUGGED INDIVIDUALISM

I am against regimentation and I am for rugged individualism. I am for a destruction of that regimentation that made puppets of the masses while the wealth was poured into the capital structure at the expense of the Nation's buying power. I am for that rugged individualism that means a job for every honest and able-bodied man who is willing and anxious to work. I am against that rugged individualism that was threatened by the blind political philosophy of the administration in power up until 1932.

If industry tries to arouse fear by telling those men who are still working that curtailed working hours will mean a loss to them, I want to say that no job is secure while half of the people are without work, and unless we correct the situation, all of us will fall before the inevitable tax burden.

The speech of acceptance I am making now is pretty much the speech I delivered when I was nominated for Congress 2 years ago. Since that time our opponents have been over all the territory. They have pulled every string on the zither and they have condemned almost every patriotic effort of a brave national leadership, and those of them who have been your agents in governmental places made little or no contribution to the war against misery and despair. If they meant well, their vision was dimmed by a reactionary school of thought, or their efforts by the party lash, wielded by those who were blinded by selfishness.

OVERPRODUCTION PROBLEM

Two years ago I said that if we permitted good times to return in the normal and natural way, which is so frequently and so easily described, we would ever be confronted with the terrifying problem of unemployment and the awful spectre of new panics. Our generation had witnessed a period of invention surpassing the imagination of those just before us. Production, accelerated by intense competition, and sometimes by greed, nearly devoured the wage earner and too often crippled the producer. Perfected production surfeited the market in every direction and left industry on the rocks.

The fallacious philosophy of natural laws, as it applies to industry and labor, is antiquated. Some of us sensed this a long time ago, and most of us fully realize it now. We realize that there will be no regeneration by dole or moratorium, or by new taxes, or by a vicious political criticism. The courage to face the facts and take the seemingly bitter medicine that promises a cure is the one way out—and the only way.

For too many years we have had inefficient representation at Washington. It was permitted because in good times the average man was usually concerned with politics only to the extent of his ordinary emotions. This year, however, he is not treating the subject very lightly, and I think he is going to make certain that the agents elected to represent the State at Washington are not the agents of only a certain few.

I have never been afraid that we would not solve our problem, because I have great faith in the intellectual capacity of the American people when they are aroused. I have had the fear that we might delay the proper action so long that a less clear thinking influence might assume control of governmental affairs and retard the progress which is available. Despite our rich natural resources, and a greatly developed material wealth, a too-long dormant or reactionary element in office will permit much of them to decay and be wasted.

JOBS, BUYING POWER

A great many otherwise careful-thinking people appear to believe that we only need to restore confidence and credit. They are absolutely right so far as they go. You cannot, however, restore confidence and credit without restoring jobs and buying power. We are not coming out of this depression by using rose-colored glasses. We can emerge from it only by a redistribution of wealth through a fair division of work.

If we were to return to so-called "normal times" tomorrow, it would still be a fact that the shoe manufacturers, the makers of silver products, and of almost everything else, could, in a period of less than 6 months, supply the needs of the country for a year. This seems to prove, by simple subtraction or division, that there must be a rearrangement of working hours. The reward of the genius that made this speeded production possible cannot successfully be controlled by a group or a class. It belongs to the manufacturer, the man who works for him, the farmer, and to every other honest and sincere person who helps to make up the national structure. In my opinion the division can only come by a supervision of working hours.

Many of the manufacturers will not see this, and I want to rescue them from themselves. They will say that it is not proper

to tell a man how long he can work. I answer that no other means has solved the puzzle, despite many legislative ventures, and it is much less serious to tell a man how long he can work than to tell him he cannot work at all.

FOREIGN COMPETITION

They will claim that foreign competition will defeat the purpose. I answer that we can meet that situation by establishing such restrictions as are necessary to compel those who compete with us to meet our labor standards. Let us sell to the rest of the world such things as they need from us, and buy from the rest of the world those products we need from them. Let us lead the rest of the world to a proper division of work. We saw our American industrialists establish industrial plants abroad in great number.

Despite the arguments made, I challenge opponents of this proposal to tell us how else we can get men back to work. I challenge them to tell how we will preserve the capitalistic system unless we do get men back to work.

Some industrialists will maintain that they are in accord with the idea but that industry should be permitted to work out the problem without governmental interference. I like the theory of their suggestion, but it will never work. Many manufacturers are sufficiently patriotic and convinced of the wisdom of the plan, but just enough of them would take advantage of the situation to destroy the attempt of others in competitive lines. While we wait for the natural processes to correct the evil, the coupon-cutting income, together with the power for good of normal labor conditions, becomes less potent and there is a corresponding loss of confidence and faith.

At one time a road was built by hundreds of men with the aid of wheelbarrows. Gigantic equipment now replaces that small army of another day. Factory work and office work is now done to a great extent by machines. And millions of college graduates are among the masses unable to gain employment.

I cannot see failure if we pursue this course. I claim that those who doubt it should be willing to experiment. Without bold and experimental steps there would have been no Revolution and no Republic. Without experimentation, no electricity, no radio, no medicine. Shame on those who fear to experiment in this advanced age, while people are drinking the most bitter dregs of distress.

CONCERN FOR INDUSTRY

We should be as much concerned over the welfare of the manufacturer as we are of the wage earner and the small taxpayer, because if he falls by the wayside we all fall with him. I call attention to the fact that, if the idea of regulated working hours was national and compulsory, no manufacturer would have an advantage over another, and proper wage scales would be maintained. With proper wage scales there need be no continuous slashing of prices that only results in disaster. Times are good only when men get good wages and manufacturers substantial prices.

Industry can now produce as much in 30 hours as it did in 45 or 50 hours in 1927 and 1928. I only suggest that the men produce as much now as they did then and for the same production receive the same wages they then received. Buying power would be the same now as it was then. Merchants and manufacturers and farmers, as well as professional men, could charge the same prices as they did in those years and enjoy the same profit. If they would keep that profit where it belonged in their own business, the brighter day would be secure. Once more there would be money for advertising and for every service field—and for honest investment.

We cannot return to the honest but floundering philosophy of the administration of Mr. Hoover. He believed—and his very close friends here in Connecticut seem to still believe—that the proper procedure is to take care of those on top, with the hope that a sufficient amount will trickle through to the farmers and factory workers and small merchants underneath.

My prescription is to start at the bottom, in accordance with the laws of nature, and construct the foundation properly. This foundation is the millions of plain people who make up most of our national life.

My concern for industry and business is no less than that of our opponents, because I fully understand that there can be no return to good times unless these are successful, but I cannot overlook the truth of the other side of the question—that industry and business, or capital, if you will, cannot do more than dream of success until the real buying power of the 90 percent is returned.

This is my speech of acceptance. I have not a sufficient gift of words to tell you how grateful I am for the great honor you have conferred upon me. I am mindful of the responsibility and I accept it. I pray for God's help in the days ahead and I ask the support of every honest man and woman who believes that I will fearlessly and fairly represent this great Commonwealth in the Senate of the United States.

PRAISE FOR ROOSEVELT

I have refrained from a detailed recital of the accomplishments of our great President because I think the people are more concerned with the days ahead than those behind us. I have made no attempt to appeal to passion, nor will I make such an attempt in this campaign. I do reserve the right to point to the record of my opponent, if he has a public record, and I shall welcome his criticism of mine.

It would have been proper here to have said that President Roosevelt found the country and its banking, agricultural, industrial, and mercantile institutions disorganized and in a wilderness and that on the first day he raised the hope of every man and started the Nation on the road to recovery.

I might herein have recited that I helped lead the fight in Congress for the passage of the stock exchange bill, designed to protect small investors of America; that I fought for the repeal of the recapture clause to help strengthen the railroads and insurance companies and banks of the country, and in turn the bondholders, stockholders, small-policy holders, and bank depositors.

It might have been proper for me to have dwelt upon the part I played in attacking the municipal bankruptcy bill. I was in the well of the House in those fights, and it is part of the printed record that I spoke in behalf of old-age pensions and regulated working hours. I will save the details for the campaign, and then we will examine the records. My opponent may have a chance to explain what part, if any, he played.

CHALLENGES OPPONENT

If my good health continues, I hope to visit most of the cities and towns of Connecticut during the next several weeks. Issues will be available when our opponents are selected. I welcome the campaign, because I have complete faith in our party, our leadership, and our purposes. I now invite my opponent, whoever he may be, to discuss the issues with me on such platforms as he may select.

I have always lived in Connecticut. My record is readily available. I pray that I may reflect credit upon your judgment and that I may bring some glory to Connecticut and help to bring happiness to the people of our country.

SUPPRESSION OF RADICALS

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD an editorial from the Washington Daily News, entitled "The Methodists Speak."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE METHODISTS SPEAK

A timely warning is issued by the Methodist Federation for Social Service against proposed measures to suppress radicals.

Speaking for the federation, Dr. Harry F. Ward said:

"If American citizens let these laws pass, they will wake up and find they have lost all the freedom guaranteed them by the Constitution. If the Communists are denied their constitutional rights, we shall soon see the order of events that was followed in Europe. First the Communists are repressed; then the Socialists, then the labor unions, then the others.

"If this legislation is passed big business will have the legal machinery to put out of business any organization that opposes capitalism or war or that conducts a strike. It will not be necessary to subsidize Fascist storm troops. They will kill democracy in the name of democracy, and they will trample upon every sacred principle of Christianity."

To appreciate the logic of Dr. Ward's statement, Americans have only to recall the tyranny of the Federal spy system under Attorneys General Palmer and Daugherty.

OFFICIAL RECORD OF HON. FRANK R. M'NINCH

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD a statement by Judson King, director of the National Popular Government League, headed "Official Record of Hon. Frank R. McNinch, Chairman of the Federal Power Commission, December 22, 1930, to February 1935."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Clearly to understand the significance of the official acts of Hon. Frank R. McNinch as member and Chairman of the Federal Power Commission one must know the history of the conflict between the American people and the private power interests for the past 30 years.

The purpose of the Federal Water Power Act of 1920 was to stop the practice of giving away the Nation's power sites in fee simple to private monopoly; to prevent security inflation; to secure reasonable rates and make certain the recapture of these sites at the end of lease period. Unreasonable profits by private lessees to be prohibited.

The power interests, through political control of the Power Commission, had made a farce of the administration of the act for the first 10 years. President Hoover attempted the further wreck of the act, administration of which under Chairman Ray Lyman Wilbur, Secretary of the Interior, created a scandal. Congress in May 1930 passed the Couzens bill, setting up an independent full-time commission of five members. Mr. McNinch was appointed on this new Commission and thus came upon the Federal power scene. Two things must be noted at the start:

1. He did not seek the office; it came to him as a complete surprise.

2. No commitments were asked or given, his only promise being that in the oath of office to faithfully administer the law.

Doubtless it was a political appointment, President Hoover's reward to North Carolina and other Southern Democrats for opposing Alfred E. Smith in the campaign of 1928, with the hope of holding them in the Republican column. It is true that Mr. McNinch had

no expert knowledge of the Nation's power problem, but neither did the other members, excepting the chairman, Dr. George Otis Smith, for 20 years head of the Geological Survey, who had considerable general knowledge.

It was assumed that Chairman Smith would dominate the Commission, and it was believed that he would execute Hoover's policies. Doubtless Mr. Hoover thought Mr. McNinch would go along with the administration whatever it might do. Events quickly proved that he did not know his McNinch any more than President Coolidge knew his Robert E. Healy when he permitted that faithful public servant to be appointed chief counsel of the Federal Trade Commission.

Progressive members of the Interstate Commerce Committee of the Senate, which investigated Mr. Hoover's appointees before confirmation, freely stated that McNinch was too new to the power question to have fixed opinions, but that they considered him honest, intelligent, and a man of marked courage and independence who would do what he considered right, this at a time when there was general scepticism over any power appointment Mr. Hoover might make in any department of the Government, so notorious was his championship of the private power position. It soon developed that Chairman Smith's policy would be favorable to the power companies not only by positive acts but by marking time and leaving unenforced the most important provisions of the Power Act, which the Harding-Coolidge-Hoover regime had ignored for 10 years. That put Commissioner McNinch in a trying position.

THE NEW RIVER CASE

The first "show down" came on the New River case, inherited from the old Commission. The Appalachian Electric Power Co., controlled in New York, had applied in 1930 for the right to construct a 185,000-horsepower plant on the New River in Virginia under a minor part license. A standard license, imposing full regulation over security issues, rates, etc., was clearly required, but a minor part license carried on regulation. A former Commission had found the river nonnavigable at the dam site, but if this Commission admitted, as the company claimed, that the entire river was nonnavigable, although it had been held navigable through 100 years of State and Federal legislation, it would set a precedent for like rivers and destroy the Government's jurisdiction over 80 percent of the Nation's running waters.

It was the most insidious and dangerous attack on the Power Act yet devised, and in some form it was certain to go to the United States Supreme Court. By virtual direction of President Hoover, Attorney General Mitchell gave an opinion that the Commission could issue a minor part license if it found the river nonnavigable, but Chairman Smith refused to touch the question of navigability.

Commissioner McNinch studied the case, decided the river legally navigable, and, as a lawyer, saw that the Government's case would be gravely prejudiced unless the Commission, as a fact-finding body of the first instance, would do its duty and declare the river navigable.

Mr. McNinch had then to make his first decision as to whether he would follow President Hoover or serve the American people and uphold the law. On April 3, 1931, a little over 3 months after he took office, he sought, with the sole backing of Commissioner Draper, to have the Commission declare the river navigable, and met defeat at the hands of Smith, Garsaud, and Williamson. (See 1931 Annual Report, p. 124.)

That is, Commissioner McNinch, shortly after his appointment, finding Hoover and Mitchell undermining the Power Act to serve the Power Trust, fought them to the limit and there ended his chances for reappointment in 1934 should Hoover be reelected. That took nerve, and it was 1 year before Governor Roosevelt became a Presidential candidate.

On the same day (Apr. 3) the Commission refused the minor part license on the grounds that the project would affect interstate commerce, but it left the dangerous question of navigability untouched, against the protest of McNinch and Draper. On June 8, with Newton D. Baker as chief counsel, the power company sought a Federal injunction forbidding the Commission to interfere with the company on New River, and later amended its plea to deny the jurisdiction of the Commission and the Federal Government over water power in the rivers of the United States, navigable or nonnavigable.

Chairman Smith delayed the appointment of counsel to defend the Government's case for 6 months. It was through the efforts of Mr. McNinch that the Honorable Huston Thompson, progressive Democrat, who had shown his true metal as a public servant when Chairman of the Federal Trade Commission, was selected. The appointment became effective only a few days before the case was set for hearing and with the Power Trust battery of lawyers fully prepared. McNinch kept insisting, and on October 12, 1932, his resolution, seconded by Draper, officially declaring New River navigable, was adopted. (For text, see 1932 Annual Report, p. 226.) It was Smith who began veering with the political winds. Mr. Thompson won the case and has publicly stated that in all the cases in which he has been Government counsel he has never had the courageous, active support he received from Commissioner McNinch. Mr. Thompson was formerly Assistant Attorney General of the United States and has had a long experience in defending the public interest.

Since this initial case illustrates Commissioner McNinch's independent attitude and his intelligence, courage, and fighting capacity throughout, it has been given here in more detail than is possible in this survey in dealing with his other official acts.

INFLATED SECURITIES

On July 15, 1932, the Commission made public its decision in the Mitchell Dam (Alabama) case which refused to allow approximately $4,500,000 in the claimed valuation of that project by the Alabama Power Co. It is known that McNinch, then vice chairman, powerfully influenced the decision and showed his position on one of the greatest economic issues before the Nation—watered stocks.

The Power Act provides that the investment of a power company in development of a lease on a public site shall consist only of the actual cash legitimately invested in plant equipment, with no padding or inflations allowed. Old Commissions had never enforced this provision. Company reports on construction costs were padded by millions of dollars. Previous Commissions had accepted company statements on leases made over the Nation but had made no final decision as to their correctness. Hence, the significance of the Mitchel Dam case. But McNinch went further and filed a minority opinion, proposing to throw out an organization expense item of $152,000 which should not have been put into capital expense and here first laid down principles supporting Federal jurisdiction in such matters. The company appealed, and the case is still in the courts. (For Mr. McNinch's opinion, see the 12th Annual Report, 1932, p. 18.)

REGULATION OF SECURITIES

The Power Act provides that the Commission shall regulate rates and security issues of companies under lease from the Commission where State governments provide no such regulation. Here, again, the old Commission had never exercised authority, and it was not until Mr. McNinch took the initiative that it was ever attempted. On November 12, 1932, he introduced and had passed regulation no. 21, requiring companies under lease to observe the law in this respect. The move was important. At that time 22 States had no machinery for the regulation of such securities. (See 1933 Annual Report, p. 81.)

HOLDING-COMPANY PRACTICES

One of the most flagrant methods by which the extortionate profits in the power business are covered up and by which holding companies secure income to sustain their inflated securities is to charge the underlying companies management fees, etc., for alleged supervision. These holding and management corporations were then, and are still, wholly without regulation. Even President Hoover finally had to admit the necessity of such regulation, but did nothing. It is one of the chief objectives of the Roosevelt administration, and a bill is pending in Congress as this is written.

On October 31, 1933, in the Louisville Hydroelectric Co. case, Chairman McNinch wrote one of the most advanced opinions on this question yet made. He held that these practices constitute "a grave economic and social peril." He described the Byllesby Corporation, which controls the Louisville Co., as "a holding-company dynasty, not exceptional but typical, with absentee ownership and management and sovereignty over far-flung dominions in many States, but subject to the jurisdiction of none, its authority centralized in a few strong hands, its 'fee' taxation without representation of the operating companies." He said, "The crux of the problem is in the present inadequacy of the law." Around $800,000 of this company's investment claim was disallowed. (See 1933 Annual Report, p. 307, et seq.)

THE E. E. I. AND N. R. A. ELECTRIC CODE

In January 1934, when codes were being set up, the Edison Electric Institute, trade organization of that power industry, proposed a code which, in effect, would have brought under its supervision not only private but municipally owned power plants of the Nation, including the T. V. A. and like undertakings. The N. R. A. officials yielded to the institute's proposals. The liberals of the Nation fought the move to bring public plants under Power Trust domination. The situation was critical, and Chairman McNinch, in an able and forceful speech at the public hearing, fought the proposition and was an important factor in its defeat. It is observed here that his independence led him to oppose one of the agencies of the Roosevelt administration which he did not believe was acting in the public interest. There is no evidence that President Roosevelt had approved the N. R. A. proposals.

The summation is that since Frank R. McNinch became its chairman, the Federal Power Commission has been functioning in the public interest and in the fashion intended by the progressive Republicans and Democrats who fought 15 long years for its creation. Furthermore, the rank and file of the American people, not merely official Washington, are rapidly becoming aware that such an agency exists. They knew, therefore, that when President Roosevelt, in August 1933, ordered a national power survey and placed it under the direction of the Federal Power Commission they would learn what they wanted to know. The survey was welcomed by Chairman McNinch and placed under the immediate direction of Vice Chairman Basil Manly, as was also the electric-rate survey, directed by an act of Congress under Joint Resolution No. 74, introduced by Senator GEORGE W. NORRIS, of Nebraska, and Representative JOHN A. RANKIN, of Mississippi.

I cannot remember a single speech by a chairman or member of the Federal Power Commission prior to 1930 which struck fire and showed that Commission alive. Since Mr. McNinch became chairman the Commission has had a voice; and, although he does not make many public addresses, when he does speak it is always in the public interest, while at the same time he is eminently fair to private power companies who are not trying to evade the law and exploit the people. But with McNinch it is deeds first and words afterward.

MONETARY PROBLEMS OF RECOVERY—ADDRESS BY MARRINER S. ECCLES

Mr. FLETCHER. Mr. President, on the 12th of February Mr. Marriner S. Eccles, Governor of the Federal Reserve Board, delivered before the annual midwinter meeting of the Ohio Bankers Association, at Columbus, Ohio, a very interesting address bearing directly upon pending legislation. I ask to have it inserted in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am grateful for this opportunity to address the members of the State Bankers Association of Ohio and their friends who have joined them on this occasion.

In taking up my duties in Washington, first with the Treasury and then with the Federal Reserve Board, I was, of course, under the necessity of resigning my own banking connections. Nevertheless I have every reason to feel entirely at home in an assembly of bankers, and I am genuinely glad to be here. This is, in fact, the first opportunity I have had to address a large number of bankers since I became Governor of the Federal Reserve Board.

When I accepted the invitation I received from your president in December, I was somewhat at a loss to decide what subject to discuss with you. Since then the banking bill of 1935 has been introduced and I feel sure that there is no subject in which bankers will be more interested than the provisions of that bill. I am especially glad to be able to present to you my conception of the objectives of this measure, because I believe that all who are of the banking fraternity, no less than those of us who are identified with the administration in Washington, have every reason of common interest and common purpose to desire the solution of the monetary problems of recovery in the manner in which the banking bill of 1935 seeks to solve them.

But it is not my intention this afternoon to go into a detailed discussion of each provision of the bill. There will be ample opportunity for that on other occasions. I propose this afternoon, rather, to discuss the general philosophy underlying the bill as a whole. I have chosen this method of approach because I believe that it will enable you to appreciate more fully the significance that we attach to its various provisions, and the result that we hope to accomplish through their practical operation.

Broadly speaking, there are four main objects which we seek to accomplish. In the first place, we wish to make the banking system a more efficient instrument for the promotion of stable business conditions in the future; secondly, various proposals in the bill are designed to bring our banking system into closer conformity with modern conditions and, more immediately, to aid in business recovery; thirdly, we seek to make certain rather fundamental changes in the law relating to deposit insurance in order to make the system sounder and more equitable; and, finally, we seek to correct various inequalities, ambiguities, and abuses that have developed in the banking system in the course of time. In the limited time at my disposal I shall have to confine myself to a discussion of the broad principles behind the proposals which are designed to secure the first two objectives mentioned, stability and recovery.

How may our banking system be so regulated and adapted that it may become a more efficient instrument for the promotion of business stability and the mitigation of industrial fluctuations? A complete answer to this question demands much fuller treatment than I can possibly give it here. Book after book has been written on this subject. Because of the need for brevity I fear the statement of my views may appear to be dogmatic. I shall, however, have to run this risk, as I feel that in no other way can I indicate to you the significance I attach to the various proposals.

The fundamental premise underlying the bill and underlying my discussion this afternoon is that business stability is a desirable objective. I feel sure that no one will disagree with this premise, and to my way of thinking agreement on this one vital point alone will lead you to lend your whole-hearted support to the banking bill of 1935.

The second fundamental premise upon which I proceed is that business stability cannot be achieved without real thought, real effort, and real courage. To establish this point it is not necessary to accept and defend any one single explanation of the business cycle. It is merely necessary to call to mind that in the heyday of laissez faire, before any attempts at conscious control were undertaken, business fluctuations on a disastrous scale occurred with distressing regularity. If we had a perfectly flexible cost-and-price structure—which would have to include, I may remind you, an equally flexible wage-and-interest structure—our economy could probably adjust itself to rapid expansions and contractions with little resultant unemployment. Without such flexibility, however, expansion and contraction, instead of calling into play forces that adjust and correct such movements, tend to feed upon themselves and for a considerable period to generate further expansions and contractions.

It is not realistic, however, to say that all that is necessary is to introduce more flexibility into our system. Numerous rigidities and inflexibilities have developed in our economy, and the trend in the recent past plainly points to more rather than less rigidity in the future. If there is one thing that to me seems clear, it is that, unless conscious effort is made to prevent them, booms and collapses will continue to recur in capitalistic democracies. It also seems evident to me that neither capitalism nor democracy can survive another depression of the magnitude of the one from which we are just emerging.

Proceeding, then, on the assumption that business stability is a desirable, nay, a necessary objective which cannot be achieved without conscious effort, I wish to develop the thesis that the banking system can and should be one of our chief instruments for the promotion of stability.

The first elementary principle which it is essential to grasp and which it is not necessary for me to expand upon is that the bulk of our money supply today is composed of deposits subject to check. Out of a total volume of $24,000,000,000 of money, or units of purchasing power, nearly $19,000,000,000 is composed of checking accounts in commercial banks.

The second general principle in the theory of monetary control is that variations in the community's supply of money have an effect on the state of business activity. There is no general agreement as to the extent or nature of the effect such variations have on business conditions. If I presume, as a layman, to enter this controversial field, it is because I feel that the question "What effect have variations in the supply of money on business conditions?" cannot be answered in general terms or in a dogmatic manner. The effect depends on a large number of circumstances. Thus, at certain times an increase or decrease of 5 percent in the money supply may modify substantially the course of business. At other times the effect of a variation of 20 percent may be barely discernible. One point on which I think there is general agreement, and the only point which it is necessary for me to make here, is that increases in the money supply tend to stimulate business activity while decreases in the money supply tend to restrict activity.

The third principle in my general thesis of monetary control is that the operation of the banking system left to itself with no conscious effort of control tends to intensify rather than to counteract business fluctuations. The sequence of events may be briefly outlined. When business activity is increasing, there is an increased demand for bank loans and a growing disposition among banks to loan liberally. When banks lend more, thus increasing their assets, they also increase their deposits. Consequently, at the very time when the community is increasing its expenditures, there is a tendency for the supply of money to increase. Similarly, when expenditures are decreasing, the demand for bank loans falls off, bankers become more cautious, maturing loans are repaid, and deposits are extinguished. Our banking system, therefore, not only fails to act as a compensatory agent, but actually intensifies fluctuations. For example, in the period from 1929 to 1933, when expenditures were falling rapidly and the national income was being cut in half, the supply of deposit money decreased by approximately one-third. Part of the decrease can be attributed to bank failures, accentuated by withdrawals of cash for hoarding, and part to the contraction of loans and investments by surviving banks. No one person or body is responsible for this decline. The responsibility must be shared by the entire system.

The fact is that laissez faire in banking and the attainment of business stability are incompatible. If variations in the supply of money are to be compensatory and corrective rather than inflammatory and intensifying, there must be conscious and deliberate control.

The difficult and controversial question is, Who should do the controlling. I should gladly follow the course of the worthy divine who looked a difficulty boldly in the face and passed it by, but that is not the kind of boldness that will lead us out of the wilderness. I shall state, therefore, as my fourth principle that the controlling or regulatory body must be one which represents the interests not of any particular class or group of people but of the Nation as a whole.

There is no political or economic power more charged with the general or social interest than the power to increase or decrease the supply of money. If the sovereign authority delegates this power to a particular group or class in the community, as it has done in large part in this country, it divests itself of a part of its effective sovereignty. The purposes of the Nation, as expressed in its national administration, can be completely nullified by those who control the money supply.

The theory of a democratic state presupposes that the will of the majority shall prevail. If minorities feel that the acts of the majority make life unbearable, they may try to change the views of enough voters to change the complexion of the majority, or they may revolt and try to establish a rule of the minority. If they succeed in the latter course, the state ceases to be democratic. Majorities may, and sometimes do, abuse their power. It is necessary to remind ourselves, however, that so long as we remain a democracy the will of the majority is expected to prevail in monetary policy as well as in other matters of national concern.

It is my personal conviction that our system of broad political representation, faulty as it may be, constitutes a better guaranty that the general interest will be served than would control by a group of individuals chosen, let us say, entirely by bankers or business leaders.

The power to coin money and to regulate the value thereof has always been an attribute of a sovereign power. It was one of the first powers given to the Federal Government by the Constitutional Convention. The development of deposit banking, however, introduced into the economy numerous private agencies which have the power to create and destroy money without being aware of it themselves and without being recognized as creators or destroyers of money by the Government or the people. The

trend since 1913 represents a gradual recognition of this condition and a reassertion by the state of a power which it always possessed.

The President stated the underlying principles controlling the relation of the Government and the banks last October in his speech before the American Bankers Association. He then remarked that "the old fallacious notion of the bankers on the one side and the Government on the other as more or less equal and independent units has passed away. Government by the necessity of things must be the leader, must be the judge of the conflicting interests of all groups in the community, including bankers. The Government is the outward expression of the common life of all citizens." That, I think, expresses the matter very effectively.

I am here merely stating the broad principles involved. I should not like to be understood as arguing for a highly centralized control of all banking activities. Local versus national control is not a subject on which one should take sides irrespective of the question at hand. The administration of certain interests can obviously be handled more efficiently locally. Similarly, there are other things which can be handled more efficiently on a national scale. We should consider each case on its merits and provide for local control or national control, whichever is in the public interest. Let us now apply this principle to banking.

Banks in this country perform two main services. They act as middlemen for the investment of a substantial portion of the community's savings, and, through the provision of checking facilities, they supply the bulk of the community's means of payment. So far as the investment of savings is concerned, a large degree of local autonomy should be left with the individual bankers. The State should lay down minimum standards to be observed in the interests of protecting savings of individuals, but these standards can only be a minimum, and chief reliance for the safe investment of the community's savings must rest on the judgment and knowledge of the individual banker.

When we come to the second function of banks—namely, that of providing the community's money supply—a different range of factors must be taken into consideration. The effect of variations in the supply of money is Nation-wide, and cannot be localized. The Reserve administration may make conditions favorable for the creation of new deposits, but it cannot insure that the new money will be used in any particular section of the country, or spent on any particular kind of goods. Since, therefore, the effect of monetary policy is Nation-wide, the formulation of monetary policy should be by a body which represents the Nation, and which is activated by national considerations. It is inconceivable that variations in the community's money supply should be left to the individual decisions of some 15 thousand local bankers. It is scarcely more logical that the variations should reflect uncoordinated decisions of the 12 Federal Reserve banks.

It may be helpful if I here summarize the various steps in my argument to this point.

My fundamental premise is that business stability is a desirable objective which it is worth making every effort to achieve. Variation in the supply of money, which in this country is furnished largely by our commercial banks in the form of checking accounts, influence business activity to an unknown degree but in a known direction. The banking system, left to itself, behaves in an intensifying rather than a compensatory fashion. If it is to be made to behave in a compensatory fashion, there must be conscious and deliberate control, and this control must be exercised by a body which represents the Nation.

Let us now examine the Federal Reserve System in the light of the preceding discussion. I propose, first, to discuss the development of open-market policy.

In 1913 the framers of the Federal Reserve Act had certain definite purposes in mind which did not include, as the bill was enacted, any reference to national monetary policy. They wished to prevent the periodic suspension of payments which occurred under the old national-banking system, and to provide an agency where banks could rediscount commercial loans in order to supply temporary, seasonal, and emergency needs of their customers for credit and currency. Broadly speaking, I think it is true to say that the Reserve banks were looked upon as emergency lending institutions. From this viewpoint it was proper that the regional Reserve banks should have almost complete autonomy, and that the Federal Reserve Board should have only a limited amount of supervisory and coordinating power.

In the post-war period our concept of the functions of the Reserve administration gradually changed. It became evident that through the control of the reserves of member banks the Reserve administration could influence the volume of deposits, and hence the volume of loanable funds of commercial banks. The trend away from autonomous regional action to a more coordinated and centralized control was evidenced by a significant development in 1922 and 1923. In 1922 certain of the Reserve banks began to buy securities, mainly for the purpose of increasing their earning assets. The purchase of these securities, however, took place in New York and gave deposits and reserves to New York commercial banks. These banks utilized these increased reserves to reduce their borrowings from the New York Federal Reserve Bank. It appeared, therefore, that the attempt of other Reserve banks to increase their earning assets resulted in a decrease in the earning assets of the New York Reserve Bank. It also became evident that increased or decreased purchases of securities by the Reserve banks affected member banks' reserves, and in this way member banks' deposits and loans and investments. A small committee of governors was thereupon set up to coordinate purchases and sales. In 1923 this committee became the open-market committee, composed of the Governors of the Federal Reserve banks of New York, Boston, Philadelphia, Chicago, and Cleveland. Its stated duty was to formulate open-market policy, subject to the approval of the Federal Reserve Board, with primary regard to the accommodation of commerce and business, and to the effect of such purchases or sales on the general credit situation. This marked a step toward the theory of conscious and continuous control. From this date onward the volume of money in the United States was influenced greatly by actions of the open-market committee and the Federal Reserve Board.

It appears, therefore, that the System itself by virtue of necessity has developed a large measure of coordinated activity in regard to open-market operations, the single most important instrument of Reserve control. This coordination, while it represented a great advance over the situation which prevailed up to 1923, nevertheless leaves much to be desired. The body which is charged with the formulation of open-market policy is the Federal open-market committee, which is composed of the governors of the 12 Federal Reserve banks. These governors are independent of the Federal Reserve Board. After the open-market committee has formulated its policy, its recommendations may be adopted or rejected by the Federal Reserve Board. Even after the policy has been formulated by the committee and approved by the Board, any Federal Reserve bank, through its board of directors, is free to decline to participate in the policy. Since you are all administrators, I do not think that I need spend much time in pointing out to you how bad this set-up is from an administrative point of view. The body which is ultimately responsible for policy—the Federal Reserve Board—legally can take no part in the formulation of the policy. The body which formulates policy, on the other hand, legally has no power to bring the policy into operation. The boards of directors of the individual Reserve banks, who take no part in the formulation of policy, have the power to obstruct its operation. It is a well-known fact that the more people there are who share a responsibility for policy the less keenly does any one of those people feel his own personal responsibility.

The theory, therefore, back of the open-market provision in the recent banking bill becomes clear. The bill provides for a small, responsive body which is charged with the duty of acting in the national interest in formulating open-market policy and in accepting responsibility for its consummation and results.

You will observe next that we propose to leave the essentially regional organization of the Federal Reserve System virtually unchanged. I feel that in a country the size of ours the regional system of Federal Reserve banks must always play an important and necessary role in our banking system. They afford, for one thing, an essential link between the thousands of individual member banks, on the one hand, and the Federal Reserve Board, on the other. Besides keeping in close touch with member banks, the Reserve banks examine member banks, admit banks to membership, provide check-clearing facilities, make loans to individual member banks, carry the reserves of member banks, and supply the currency needs of their localities.

There is but one change in the internal organization of the Reserve banks which, in the interests of economy, efficiency, and coordination, I think it is necessary at this time to effect. Officially the Federal Reserve Board has no relations with the governors of the Reserve banks. In their dealings with the Reserve banks the Board is supposed to work through the chairmen, who are not the chief executive officers of the banks. It is proposed to end the dual administration of the Reserve banks under the chairman of the board, who is appointed by the Federal Reserve Board, and the governor, who is appointed by the local board of directors, to give the governors a legal status and to combine their position with that of chairmen of their boards of directors. Inasmuch as the Federal Reserve Board is surrendering the appointment of the chairman, it is obviously desirable in the interests of coordination and harmony that the appointment of governors by the local boards be subject to the approval of the Federal Reserve Board.

In laying down a guiding principle for the President in his selection of future members of the Board, it seemed desirable to substitute for the somewhat meaningless phrases in the law the unequivocal requirement that the members should be persons qualified by education and experience to take part in the formulation of national economic and monetary policies. This is a recognition in the law of the principal function of the Federal Reserve Board.

In view of the enormous difficulty of the task of the Federal Reserve Board, the bill attempts to make a position on that Board as attractive as possible for the purpose of securing and retaining the services of the best talent in the country. The attractiveness of a position on the Board will be increased by the added powers granted to it and by providing that its members shall be relieved as far as possible from financial worries. A position on the Board is one of the most important posts in the Nation, and recognition of this fact is accorded in the bill.

I turn now to proposed changes in the operation of the Federal Reserve banks.

Two of the proposed changes now in the bill have been widely commented upon and have been as widely misunderstood. I refer to the provision that the type of paper eligible for rediscounting at Federal Reserve banks shall not be defined in the law, but shall be subject to the regulation of the Federal Reserve

Board; and to the provision that segregation of collateral for Federal Reserve notes shall be repealed.

In order to understand our reasons for wishing to modify the present requirements in the law relating to eligibility, it is necessary to recount briefly certain developments that have occurred in the history of the Federal Reserve System. Apparently it was the theory of the framers of the Federal Reserve Act that borrowings on commercial paper from the Reserve banks and the issue of Federal Reserve notes would be closely connected. It was provided, therefore, that Federal Reserve notes issued by Federal Reserve agents should be secured by 100-percent collateral in gold or eligible paper and that Federal Reserve notes in actual circulation shall have a 40-percent reserve in gold. It was apparently believed that the demand for notes arose from commercial borrowers, that the collateral requirements would restrict the issue of notes to such borrowers, and that this would afford elasticity and prevent the danger of overissue.

This line of reasoning did not take cognizance of a profound change in our monetary habits. In a deposit-using country, such as the United States, currency is seldom borrowed from a bank. Borrowers normally receive deposit credits and pay their bills with checks. The demand for currency arises chiefly from individuals and businesses who for the sake of convenience desire to convert a portion of their checking accounts into currency. The volume of money in circulation fluctuates with changes in the volume of those activities which employ the largest amount of cash, namely, retail trade and factory pay rolls. A consequence of this development is that the Reserve banks play a passive role in supplying Federal Reserve notes for circulation. If they issued Federal Reserve notes in payment for securities purchased, the sellers of the securities would immediately deposit the notes in the member banks and the member banks would send them in to the Reserve banks. If they sold securities for Federal Reserve notes, the buyers of the securities would get the notes from their member banks and these banks in turn would get them from the Reserve banks.

Thus, it will be seen that the framers of the Federal Reserve Act were mistaken in two of their expectations regarding note issue. Notes are not associated in any direct or immediate way with the needs of business for commercial loans. Neither is there any need to place restrictions on the issue of Federal Reserve notes since, as we have just seen, the volume outstanding is not susceptible to control in a predominantly deposit-using country.

Although the requirements that Federal Reserve notes be secured by eligible paper or gold does not serve as a restriction on the issue of Federal Reserve notes, it may in the future, as it has in the past, severely restrict the ability of the Reserve administration to increase the volume of deposits through open-market operations. Thus, in 1931 there occurred simultaneously a demand for gold for export and for notes to hoard. Owing to the shortage of eligible paper held by the Reserve banks, more than a billion dollars in gold in excess of the 40-percent gold requirement had to be earmarked for the account of Federal Reserve notes. Had the Reserve banks bought securities in order to build up member banks, reserves, the rediscounts would have decreased and more gold would have had to be pledged against Federal Reserve notes. The Reserve administration felt at that time that its hands were tied and that it could take no action to stem the course of deflation so long as the note-issue provisions remained in the law. The Glass-Steagall Act of 1932, by making Government securities bought in the open market eligible as collateral for Federal Reserve notes, permitted the Reserve administration to buy securities, get member banks out of debt, and thus stem the process of deflation. This act expires this year unless extended by the President for a maximum of 2 more years.

It is realistic and desirable at this time to do away with the collateral requirements altogether. They add nothing to the safety of the Federal Reserve notes since these notes are an obligation of the United States Government and have a prior lien on the assets of the Federal Reserve banks. This does not mean that notes will be issued without adequate backing. Any increase in the note issue must be counterbalanced by a corresponding increase in Federal Reserve bank assets. It makes no change in the requirement for a 40-percent reserve in gold certificates or lawful money. It is merely a proposal to get rid of an antiquated feature in the Federal Reserve Act which has never served a useful purpose and has in the past at times prevented the timely launching of an essential monetary policy.

The restriction of the rediscounting privilege to a particular and narrowly restricted type of bank loan is in accordance with a theory of reserve banking which I think we have now outgrown. The major task of the Reserve administration is not to encourage the extension of a particular type of loan. The restriction of the borrowing privilege to commercial loans has no connection with regulation of the volume of bank credit or of the access to the Reserve banks. The aggregate amount of paper eligible for rediscounting has been at all times greatly in excess of the volume of rediscounts. Moreover, banks have been permitted to rediscount their own notes secured by Government obligations. To control the amount of borrowing from Reserve banks, the Reserve administration relies upon the rediscount rate and the general policy, amounting to unwritten law, that borrowing should not be continuous and should be for emergency and seasonal purposes only.

Hence, the elimination of technical restrictions on eligibility does not involve any danger of excessive use of Reserve-bank facilities. But it does enable the Reserve banks to come to the assistance of banks who may have sound assets but may be devoid of eligible paper. For the emergency such a provision was made by the Glass-Steagall Act, but not until great harm had resulted from the inability of the member banks to receive help from the Reserve banks in the emergency.

The bill provides for admission of nonmember banks into the Federal Reserve System prior to 1937 without regard to the size of their capital. This will enable small banks, which would otherwise be confronted with the dilemma of either foregoing the protection of deposit insurance or promptly raising additional capital, to join the Federal Reserve System with their present capital, and thus to become eligible for admission to the insurance system. The resultant unification of banking under the Federal Reserve System and the provision in the bill giving the Federal Reserve Board power to change member bank reserve requirements will contribute to the Board's ability to exercise effective monetary control.

Let us now consider the proposals in the bill that are designed more specifically to aid in business recovery. I shall confine my discussion chiefly to the one proposal which I regard as the most important in this respect and at the same time the one most susceptible to misunderstanding. I refer to the provision permitting banks to make loans on improved real estate up to 75 percent of its appraised value and on an amortization basis for a 20-year period and in an aggregate amount up to 60 percent of their time deposits.

It has been asserted that this is an invitation to banks to make loans of a character that does not conform to sound banking principles or standards. The collapse of real estate values is cited as an illustration of the dangers associated with such loans. It is constantly stated that the troubles of our banking system were due entirely to the acquisition of long-term assets by the banks. It is suggested that banks in the future should confine themselves to short-dated commercial loans and investments. But I need not tell you that, if this suggestion were acted upon, the result would be fatal to the banks.

In October 1934 the eligible paper of member banks, within the meaning of the Federal Reserve Act, amounted to only slightly more than $2,000,000,000. No doubt, based upon your past experience, you would find that a much smaller amount would be acceptable if it were offered to the Reserve banks. Even in 1929 this paper amounted to only 4½ billion dollars. Banks cannot live on the interest of such a small volume of loans and an attempt to confine themselves to these loans would greatly curtail the scope of banking. The more business the banks refuse the more will be handled by other agencies, including the Government, and the less room will remain for the operations of the private banking system.

I am fully aware of the fear with which bankers view the extension of other lending agencies and the uneasiness they feel at having to rely more and more on holdings of Government obligations to keep up their income. I might point out, however, that these developments are a consequence of the failure of the banking system to perform its functions adequately. If the banking system would utilize in real-estate loans and other long-term investments the savings and excess funds that it now possesses, business activity would be greatly stimulated, and the Government would then be able to withdraw rapidly from the lending field.

The bankers also feel a deep concern about the constant growth of the Government's deficit and of the public debt, and yet a considerable part of this debt is incurred in refinancing mortgages and in undertaking other functions which the banks have failed to perform. Release of banking funds in these fields would enable the Government to diminish its expenditures and to reduce the rate of growth of the public debt.

I am, you will carefully note, criticizing the banking system and not the bankers as individuals. I do not see how you as individual bankers, having to secure liquidity alone and unaided, could safely have followed a different lending policy than you did.

This, then, is the dilemma that faces the banks. If they go into the longer-term lending business, they run the risk of depreciation and of inability to realize quickly upon their assets in case of need. If they do not go into this business, they cannot find an outlet for their funds. Their earnings will suffer and the justification for their existence diminishes. How can this dilemma be solved? It is proposed in the bill to solve it by removing the problem of liquidity as such from the concern of the banks, by bestowing liquidity on all sound assets through making them eligible as a basis of borrowing at the Reserve banks in case of need. This will enable the banks to concentrate their effort on keeping their assets sound and to pay less attention to their form and maturity.

Reliance on the form of paper as a guide to soundness and eligibility has not protected the banking system from disaster. We wish to divert bankers' attention from the semblance of paper to its substance; to emphasize soundness, rather than liquidity. To require that a real-estate loan shall be repaid in 5 years, as the present law requires, does not even improve liquidity but rather, through the excessive strain it places on the borrower, acts to promote foreclosures and insolvency.

What we are proposing is that the problem of liquidity shall cease to be an individual concern and shall become the collective concern of the banking system. A single bank which adopts a policy calculated to pay off all of its deposits at a moment's notice, even though the national income is cut in two, cannot adequately perform its duty of serving its community. Since good local loans go bad when a depression sets in, the bank's portfolio would have to consist of superliquid open-market paper. What we want to accomplish is to make it possible for banks, without abandoning prudence or care, to meet local needs both for short- and for long-time funds. We want to make all sound assets liquid by making them rediscountable at the Reserve

banks, and then to use the powers of monetary control in an attempt to prevent the recurrence of national conditions which result in radical declines of national income, in the freezing of all bank assets whether they are technically in liquid form or not, and in general unemployment and destitution. If we can bring this about, then the banks, as well as all other enterprises, will be safer than they can ever be under a policy of each for himself and the devil take the hindmost.

In conclusion, let me make myself clear that I do not expect the passage of the banking bill of 1935 to solve the problem of the business cycle. What I do expect is that its passage will make conditions more favorable for its eventual solution. My own view is that, while through the compensatory action of the banking system much can be done to moderate fluctuations, it will be necessary for the Government also to help in offsetting and counteracting rapid expansion and contraction of expenditures on the part of the community at large. It can do this by varying its expenditures and by the use of the taxing power in securing a better distribution of income so as to insure employment, thus maintaining the necessary distribution of wealth production as currently produced.

One thing is certain: We will not obtain stability unless we work for it. A policy of laissez faire presupposes an economy possessing a flexibility which I think it is hopeless for us to expect to achieve. Therefore it is absolutely essential to develop agencies which by conscious and deliberate compensatory action will obviate the necessity of drastic downward or upward adjustments of costs and prices, wages, and capital structures. If we do not develop such agencies, our present economy, and, perhaps, our present form of government cannot long survive.

For this reason it behooves all of us, who are charged with the responsibility of managing our money and credit mechanism, to devote our best thought and greatest effort to promote an intelligent understanding of the monetary and economic problems confronting the Nation. By supporting the proposed legislation which I have outlined to you, and, what is even more important, by cooperating with the policies for the promotion of which the changes in our banking structure are proposed, the bankers of the country will be working not only in their own best interests but also in the interests of recovery and the establishment, within our economic and political framework, of a more stable and equitable national economy.

WORK-RELIEF PROGRAM

Mr. STEIWER. Mr. President, House Joint Resolution 117, reported to the Senate by the Chairman of the Committee on Appropriations, contains legislative evils which are almost beyond description. Certain amendments are recommended by the committee, and, in my judgment, the adoption of those amendments would render the joint resolution somewhat less objectionable. Yet I still regard it as being subject to very grave objection, and to very severe and serious criticism.

As passed by the House of Representatives it was the most radical perversion of the American concept of Government which I have seen in my brief service in the Senate. The resolution is entitled "A joint resolution making appropriations for relief purposes." As it comes to the Senate it ought to have been entitled "A joint resolution making appropriations for all purposes." As I proceed I shall endeavor to indicate that if the House joint resolution is enacted the appropriation may be expended in every way which fancy may conceive, and that the fancy may not be that of the President, but may be that of some person unknown, who, under the House joint resolution, would act as the spending agency; that that unknown person may use this money, not spend it, but use it by spending it, by gift, or by loan, in his unrestrained discretion, subject only to the very vague and general objectives which the joint resolution recites, and to those I shall refer further as I proceed.

If the Supreme Court does not hold this resolution invalid and unconstitutional, the whole character of our Government, so far as the expenditure of $5,000,000,000 is concerned, will be determined by some unidentified person under a plan or scheme which has not been revealed by the sponsors of this resolution, except in a meager way, and which has not been outlined even by the messages of the President except in very general terms.

Whether the unidentified spending agency will limit the expenditure of the $5,000,000,000 to direct relief and to work relief is a matter of pure conjecture, and will be unknown to the Congress until after the spending has been partly accomplished.

I want no one to mistake my position. I would not have it thought on account of the characterization which I have made, and which I propose to make of this resolution, that I am opposed to direct relief for those who suffer, nor am I opposed to indirect or work relief. The record will disclose that I have voted for every relief proposal that has come out of the Congress in this administration and in the preceding administration. I was one of those who joined in reporting from the Committee on Appropriations last Congress the $950,000,000 relief bill under which the Federal Emergency Relief Administration was set up. I did not suggest limitations upon the use of the money. I did not suggest decrease in the amount. I voted, moreover, for the La Follette-Costigan bill in the preceding administration. Senators will remember that at the time it was offered that bill was the most far-reaching measure of its kind for work relief that had been brought before a Congress of the United States. I stand ready today to vote for such appropriation as may be reasonably necessary for direct relief for those in distress. I want to aid those who suffer privation and want.

I am assured by my colleague, the minority leader, and by other influential Republicans that there is no disposition on this side of the aisle to stand in the way of any appropriate resolution for relief. I believe that a distinct resolution providing relief for those in want could be passed without reference to a committee, without a hearing, without a report, and so far as I am advised, it could be passed here now and at this hour by unanimous consent. I make this statement, Mr. President, and I hope that it will be understood, for the reason that there should be an assurance to the Senate and to the country that there is no one here objecting to any proper method for the relief of those in distress. I want to make this fact plain, and I desire to have it remain plain so that no pettifogger in Congress or out of Congress will assert the baseless claim that anybody in this Chamber is opposed to relief for suffering humanity. They need not suffer, Mr. President, because adequate and prompt aid may be had at any time that the administration leaders may ask for it.

In view of the unusual character of the resolution it seems in order that some attention be given to its meaning and to the interpretations that may be placed upon it by the spending agencies. I realize that this sort of discussion may be tiresome to those who listen, but I ask the indulgence of Senators that I may proceed upon this score in order that those who have not had opportunity to examine the resolution as it has been examined by members of the Appropriations Committee may gain some idea of what it is that is proposed.

Mr. President, the resolution in its terms is a resolution of appropriation for the accomplishment of certain objectives, which are set out in the resolution. But it is far more than that, for the appropriation is to be used, and I now quote:

> In the discretion and under the direction of the President in such manner and for such purposes—

as shall be adapted to the accomplishment of the objectives enumerated in section 1 of the resolution. Those objectives include relief from hardships attributable to unemployment and conditions resulting therefrom. That language also is substantially the literal statement of the resolution. The objective might be dealt with by providing direct relief or work relief, but it is most certain that the objective need not be attained by pursuit of either of these methods. Nothing in the discretion of the President which would provide relief from such hardship would be out of order under the resolution save only for certain very limited restraints, which I will deal with later if time permits. If the President should determine to relieve against hardships attributable to unemployment by relieving against the unequal distribution of wealth, he might in his discretion set up factories in competition with existing manufacturing institutions, and he would find nothing in the resolution passed by the House to deter him. If he should conclude that the foreign trade ought to be stimulated by loans to the soviets in order to provide unemployment, his conclusion would not be disturbed by anything in the resolution, provided the loans were made in the United States.

The elimination of clause no. 2 in section 1, as recommended in an amendment reported by the committee, removes

a part of the outward appearance of the carte blanche authority; but, in my opinion, it does not substantially change the scope and effect of the resolution; for even though the President may not spend the money to relieve against economic maladjustments, which is the clause removed, he may spend it for the same purpose in order to relieve against hardships attributable to unemployment, because that provision still remains in the resolution.

One of the enumerated objectives is the improvement of living and working conditions. How is this to be done? Would anyone deny that the general language employed in this section empowers the agency to whom the spending power is delegated to organize corporations and provide them with money in order to purchase American products, and thus provide employment for American artisans and improve their living and working conditions? The joint resolution does not deny it. Would anyone deny that if the Executive, in his discretion, should conclude to move vast numbers of our population from the so-called "submarginal areas" to the "supermarginal areas", or to the city from the country, or vice versa, that there is anything in the joint resolution to preclude the spending of $5,000,000,000, or some part of it, for this purpose? The joint resolution, Mr. President, does not preclude that possibility.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. MURPHY in the chair). Does the Senator from Oregon yield to the Senator from Michigan?

Mr. STEIWER. I yield.

Mr. VANDENBERG. And is it not illuminating at that point to know that in a Presidential message which was submitted to the House of Representatives, that at the moment this bill was under consideration the sole and only exhibit submitted was the precise exhibit which the Senator now discusses, namely, the movement and transfer of citizens from farm to city and from city to farm?

Mr. STEIWER. Yes; of course, that is illuminating, but it is also illuminating to reflect that in the existing law there is authorization of a sort, at least, to do this precise thing, and that it has been one of the objectives, either vague or specific, which has already been suggested and to some extent pursued in the efforts of the administration to deal with the depression.

Mr. VANDENBERG. Will the Senator yield to me further?

Mr. STEIWER. I yield.

Mr. VANDENBERG. The Senator finds nothing in the new limiting language which has been inserted by the Senate committee which in any way would actually prevent the achievement of the objective we discuss?

Mr. STEIWER. No; I am quite sure there is nothing. I will allude to the limiting language suggested by the committee amendment at a later time in my remarks.

Mr. BORAH. Mr. President, will the Senator yield? If the Senator prefers not to be interrupted, I shall defer my question.

Mr. STEIWER. No; I do not mind being interrupted, Mr. President.

Mr. BORAH. Is there no precedent for this joint resolution? Of course, there is no precedent in amount, but have we not granted lump sums to be used solely in the discretion of the President?

Mr. STEIWER. Not solely in the discretion of the President; but there is one rather outstanding precedent that comes to my mind, and that is the expenditure of the $3,300,000,000 under the National Recovery Act, which provides that the President, in his discretion, may use that money for certain projects—certain projects, however, which are defined and described in the act and subject to certain limitations in section 206, I think, of the act. Even in that very broad and enormous discretionary power conferred upon the President there is nothing comparable to the general powers which are suggested by the discretion conferred in this measure.

Mr. BORAH. I am not arguing either pro or con, but I was of the opinion that there were precedents where we had granted very large sums of money without any limitations at all upon the discretion of the President.

Mr. STEIWER. I think of that one very important precedent, but as it will presently appear—I am not arguing that today, but before this matter is settled I am sure it will be very clear to the Senator, with his ability to make distinctions, that even that precedent does not support all that is attempted to be done in the joint resolution now under discussion.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from California?

Mr. STEIWER. I yield.

Mr. JOHNSON. Merely as a matter of construction I wanted to ask the Senator, because he has studied this matter, and the opportunity has not been presented to many of us to study it at all—do these qualifications 1, 2, and 3 really put any limitation upon the expenditure of the money? Would not this resolution, if it had neither qualifications 1, 2, nor 3, be substantially the same as it is with the 1, 2, and 3 limitations which are found now within that resolution?

Mr. STEIWER. In a practical sense I think the answer is in the affirmative, for the reason that clauses (1), (2), and (3) are so vague and so general that they cannot possibly operate in terms of practical limitation. I think, however, that, dealing with the matter in a legalistic way and considering only the structure of the section, the answer should be in the negative, because it is provided at the bottom of the page following the provision that money may "be used in the discretion and under the direction of the President in such manner, and for such purposes and such projects", and so forth. I am reading now from page 2, line 2—

as shall be adapted to the accomplishment of any one or more of the objectives specified in clause (1), (2), or (3).

So, in structure, the clauses are limiting in nature, but, in practical effect, there is in them no limitation at all.

Mr. JOHNSON. That was exactly why I made the query. I am not speaking as to whether it ought to be done or whether it ought not to be done; I am speaking now merely as a matter of construction. Does not the Senator conceive that, under the provisions of clauses (1), (2), and (3), which he says legalistically may be limitations, there is no limitation of any kind or character to interfere with the expenditure of the money, as a matter of fact?

Mr. STEIWER. That I think is absolutely true except there is a limitation of the date of expenditure, the appropriations being available up to a certain date named.

Mr. JOHNSON. I was speaking of purposes. Do I bother the Senator by interrupting him?

Mr. STEIWER. Not at all.

Mr. JOHNSON. I ask these questions because I have not had the opportunity to study this measure at all, and now we are beginning the discussion of a most important matter; and if it does not disturb the Senator I should like, now, to get a little more light on it.

Mr. STEIWER. Not at all. I welcome the Senator's questions and his contribution.

Mr. JOHNSON. I read the three clauses. Number—

(1) providing relief from the hardships attributable to widespread unemployment and conditions resulting therefrom, (2) alleviating distress, and (3) improving living and working conditions.

I cannot conceive of any set of circumstances where money might be required that it could not be used under those limitations. Can the Senator?

Mr. STEIWER. The answer is no; none at all, as long as there is depression and distress.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Maine.

Mr. WHITE. Whether any particular project falls within clauses (1), (2), or (3) of the purposes here enumerated, is it not a fact that the determination of that question comes solely within the judgment and discretion of the President?

Mr. BYRNES. Mr. President——

Mr. STEIWER. Certainly; unless the amendment appearing at the top of page 2 and recommended by the committee shall be agreed to. That amendment I hope to discuss later. It may have the effect of giving to the Office of the Comptroller General the right to determine whether the projects employed are of the type defined in the amendment; but even that is a perfectly vague and unsatisfactory protection.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield; and, if so, to whom?

Mr. STEIWER. The Senator from California has been asking some questions.

Mr. JOHNSON. If the Senator from South Carolina desires to interrupt the Senator, I am glad to yield.

Mr. BYRNES. Mr. President, I was only going to suggest to the Senator from Oregon that the Senator from California and himself would be interested in the language that the Senator from Oregon has now called his attention to, at the top of page 2, which limits the discretion to expenditures for types of projects which have been heretofore or may hereafter be authorized by Congress.

Mr. STEIWER. Not "by the Congress", if the Senator will permit me to correct him, but "by law." Therefore, if it is a non-Federal project, the authorization would be by a State legislature or city council in some remote part of the country at some date in the future, and thus the limitation on a non-Federal project goes to the bowwows before it begins to operate.

Mr. KING. Mr. President, will the Senator yield?

Mr. STEIWER. I have yielded to the Senator from California.

Mr. JOHNSON. I yield to the Senator from Utah. I am merely seeking information.

Mr. KING. I am wondering whether or not existing law would not authorize expenditures along certain lines for which the Congress now, in the light of the depression and in view of the financial condition of the country, would not be willing to permit an appropriation to be made?

Mr. STEIWER. That is quite possible. Moreover, existing law, when we stop to delve down into it, authorizes so broad a range of projects, as I will presently attempt to show, that even the committee amendment constitutes in a practical sense no limitation at all. I think it is just a question of fancy or imagination, that there are so great a variety of possibilities under Federal projects, and under non-Federal projects alike, that there is nothing in the joint resolution which, in a practical sense, constitutes a restraint, or deterrent upon anybody.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Montana.

Mr. WHEELER. This thought just occurred to me. The amendment referred to reads:

> Of a type such as is or may be authorized by law.

That might mean any project which is not forbidden by the law of a State; so that practically money might be used on any project of any kind or character.

Mr. STEIWER. I do not so construe it; I think that is possible, but the phrase "or may be", I think, means such projects as in the future actually will be authorized. If the word "may" is merely speculative then, of course, the Senator from Montana is correct, and so in another way a great hole is kicked in the supposed limitations, and there will be no boundary at all.

Mr. JOHNSON. Mr. President, will the Senator let us get this construction accurate, if he pleases? May I call the attention of my friend from South Carolina [Mr. BYRNES] and my friend from Virginia [Mr. GLASS] to what I am about to say? I do not quite follow the meaning here. There are three specific things mentioned—and when I say "specific" I use it to indicate that they are mentioned at all because they are of such general character that the use of the adjective "specific" is improper—and then the joint resolution provides:

> To be used in the discretion and under the direction of the President in such manner, and for such purposes and such projects—

What is the meaning there? It is to be used for such purposes and is to be used for such projects, Federal or non-Federal. Are there not included the purposes that are mentioned and projects that may be or have been authorized by law? So there is not any limitation, in reality, in the amendment which has been presented, I assume, by the committee, which reads:

> Of a type such as is or may be authorized by law.

Mr. STEIWER. Mr. President, the interpretation which the Senator from California suggests as the proper interpretation of this language is the one which I first placed upon it. I learned yesterday afternoon, however, in the committee, that some of those who are most responsible for formulating the amendment at the top of page 2, place a somewhat different interpretation upon it and regard the amendment on page 2 as limiting both the projects and the purposes.

I submit, however, to the Senator, in further answer to his question, that, in a matter of this importance, Congress ought from every standpoint to employ language that means something to the average reader, and not appropriate $5,000,000,000 of the people's money with provisions so equivocal that even members of the committee sit at the table and argue over what they may mean.

Mr. JOHNSON. Is it the opinion of the Senator now that by the use of the conjunctive and by the words "Federal or non-Federal of a type such as may be authorized by law", the purposes which are previously designated in the joint resolution are qualified?

Mr. STEIWER. That was not my interpretation, but that is the interpretation of some members of the committee.

Mr. JOHNSON. What is now the interpretation of the Senator after consideration?

Mr. STEIWER. It is my belief that purposes are not authorized by law; it is my belief that projects, Federal and non-Federal, may be authorized by law.

Mr. JOHNSON. Exactly.

Mr. STEIWER. And that, in the very nature of the two objectives—that is to say, purposes on the one hand and projects on the other—the limiting language at the top of page 2 must apply to projects and to projects alone and that the purposes are wholly unlimited, except that they be such purposes as shall be adapted to the accomplishment of any one or more of the objectives specified in the clauses numbered (1), (2), and (3).

Section 3 of the joint resolution provides expressly that the President in the exercise of his discretion is relieved from certain specific prohibitions or restraints of law. In addition to specific restraints which are enumerated in the section and are wiped out by it, there is a provision that the President may authorize expenditures for "such other" purposes "as he may deem necessary to the accomplishment of the objectives of this joint resolution."

I do not pretend to say why this section was included in the joint resolution. Section 1 having clothed the President with an absolute discretion within the objectives stated in that section, it is not necessary at a later point in the joint resolution to relieve him from other restraints of law; that is to say, section 1 has already accomplished his release and he therefore may use the appropriation for any and every purpose.

It was admitted before the Appropriations Committee by one of the authors of the resolution that this section is unnecessary. I claim that it is more than unnecessary; it is actually misleading, in that it suggests to the casual reader that the breaking down of the enumerated restraints, including the suspension of the civil-service laws and the Classification Act of 1923, provide the only release from legal restraints contained in the joint resolution. This understanding is fallacious. The enumeration of releases from existing legal restraints set forth in section 3, if standing

alone, would imply that other restraints of existing law were still operative, and that provisions of law like the giving of preference to American-made goods in the purchase of governmental supplies, and provision against the employment of convict labor on governmental projects would not be superseded.

The author of the joint resolution or one of the gentlemen who had helped prepare it, testifying before the committee, admitted that it was the purpose of the sponsors of the resolution to permit no existing legal restraints to stand in the way of the Presidential discretion in the use of the $5,000,000,000, because, he said, such restraint would constitute "very much of a handicap on the President."

It is contended that the discretionary spending power means the money may be expended without let or hindrance within the vague objectives stated in the fore part of the section and substantially without the restraints of existing law, and that the expenditure should be limited only by the fact that it must be made toward the accomplishment of those objectives. To remove all doubt on this point I invite attention to the last sentence at the end of section 1 as the joint resolution came to the Senate from the House. That sentence provides:

> The specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section.

The attorney who drafted the joint resolution told the committee in effect that that language was incorporated in the measure so there could be no possible conflict and to remove any doubt upon the score that section 1 conferred upon the President unqualified and unrestrained discretionary power to use this money in any way he should deem proper, and to use it in accordance with the objectives named in the forepart of the section.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Michigan?

Mr. STEIWER. I yield.

Mr. COUZENS. The Senator just referred to "the attorney who drafted the joint resolution." Who was that attorney?

Mr. STEIWER. The Senator is getting me into a difficult subject.

Mr. COUZENS. The Senator just made that statement. Can he tell me who was the attorney?

Mr. STEIWER. I can answer that the House committee failed to elicit the name of the author of the joint resolution. In the debate in the House it was stated over and over again that nobody knew where the joint resolution came from. The Senate committee made an effort to ascertain who were the authors of the joint resolution. Mr. Bell, Director of the Bureau of Budget, advised the committee that the joint resolution was drawn under his supervision. I think he did not intend by that to say he actually prepared the joint resolution. It seemed that Admiral Peoples had something to do with it and professed some knowledge of the general objects and purposes of the measure.

The committee did develop the fact that a gentleman named Hester, an attorney of the Treasury Department, serving in the Bureau of the Budget, had actually drawn some part of the joint resolution; that he had assisted in its preparation generally and that he showed a very complete familiarity with its provisions.

Mr. COUZENS. I desire to thank the Senator, because that man is the man for whom I am looking.

Mr. STEIWER. The Senator from Michigan will find Mr. Hester a very satisfactory man with whom to deal. He was frank and entirely candid with the committee. I regarded him as a very able lawyer because in his interpretation of the joint resolution he agreed with my own interpretation. [Laughter.]

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. Gladly.

Mr. GLASS. Does not the Senator think that he should state to the Senate that the provision which he is now discussing was stricken out in the Senate committee?

Mr. STEIWER. Yes; I should make that statement; that is to say, it is one of the amendments recommended by the committee, and it will be stricken if the Senate concurs in the action of the committee.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Texas?

Mr. STEIWER. I yield.

Mr. CONNALLY. While I have been very much interested in what the Senator said about who drew it, yet how does that become important? Is not the important thing the language in the joint resolution?

Mr. STEIWER. Oh, yes. I was doing the Senator from Michigan [Mr. COUZENS] the courtesy of answering his question. That was one importance of my answer. Aside from that, when we are dealing with a situation like this, when the Congress does not know what the money is going to be spent for, it becomes important to know who the father of this child may be in order that we may learn how the money is going to be expended; but when we fail to learn in full the authorship of the joint resolution, then we are equally in the dark as to what the money may be spent for after it shall have been appropriated.

Mr. CONNALLY. Responsibility for the joint resolution is here and not with the man who wrote it.

Mr. COUZENS. Does the Senator from Texas object to the Senator from Michigan finding out something about the measure?

Mr. CONNALLY. Oh, no. If I had known the Senator from Michigan wanted information I should not have ventured the observation.

Mr. COUZENS. I thank the Senator.

Mr. CONNALLY. The point with me is that I do not see the importance of who wrote the joint resolution. The important thing is who passes it. We are the ones responsible for the joint resolution as it finally passes, and not the man who wrote it.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. STEIWER. I yield.

Mr. KING. I suggest to my able friend from Texas, speaking for myself at any rate, that I am anxious to know who is the father of the thoughts embodied in the measure. I am not quite so much concerned as to who drafted the measure after the plan had been devised. I want to know whether it was Mr. A or Mr. B, in this department or that department, in this agency or that agency. Knowing the greediness of departments and bureaus to get power and authority I want to know who originated the plan. I am concerned about that. Knowing the speed with which these matters are rushed through the House and Senate, I am not so sure, speaking for the Senate, that we will give the measure the consideration which its importance deserves.

Mr. STEIWER. The President himself suggested the amount of the appropriation and is responsible for the idea of transferring 3,500,000 unemployed from the relief rolls to work-relief rolls. The President, in presenting these proposals to the Congress, has done so by two messages, one of which he delivered at the time of the convening of the Congress, and later in his Budget message; but nowhere in the President's proposal is there any explanation of the necessity for writing a blank check for $5,000,000,000 of the taxpayers' money without specifying the purposes for which it shall be used. Nowhere in the President's plan has there been outlined any reason for doing the thing we are called upon to do when we abdicate our legislative functions and turn this money over under carte blanche authority to somebody else.

The desire to be relieved from legal restraint of all existing law portrays a spirit which I think is worth a one-sentence characterization. It is a spirit which is alike impa-

tient of restraint and is bent upon the attainment of utter freedom in the spending of the people's money.

The hearings disclosed that the Attorney General cooperated in creating an atmosphere of extravagance and nonrestrained expenditures by his advice to the President that the phrase "in his discretion" means an unqualified discretion. I do not quarrel particularly with that. I think there is at least one decision of the Supreme Court which justifies the Attorney General in his opinion; but the Comptroller General, who by law is the agent of Congress and who has sought to resist the viewpoint of the Attorney General, has endeavored in some respects to curb the spenders. When he seeks to do so by contending that a discretion in expenditure of money means a legal discretion and means the disbursement must be made pursuant to the specific inhibitions or prohibitions of existing law, we read in the newspapers that certain of the spenders threaten to bring about his removal from office, that they threaten to curtail his power so that he may not be able to apply restraint in behalf of lawful and careful use of public funds.

From every standpoint the joint resolution ought to be amended by providing in effect that the authority created shall be exercised with due regard to all existing law save only as to such exceptions as the Congress may find necessary and which well might be expressly enumerated in the measure.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. STEIWER. Certainly.

Mr. KING. I think the Senator does not go quite far enough. With my present view I should not feel that this fund or any part of it might be diverted to carry out some project or proposition which has been authorized by statute perhaps enacted weeks or months or years ago. It seems to me that this huge fund ought to be so earmarked as that we might not hark back to former laws or statutes for authority conferred upon the President or individuals to carry out the provisions of the joint resolution.

Mr. STEIWER. I thank the Senator, and will advise him that some of us in the committee attempted to limit the expenditures to work relief and to direct relief, leaving the President complete discretion as to the amount which he should employ in direct relief and the amount which he should employ in work relief upon projects. We made that proposal because we thought from the President's message that that was the real objective which he sought to attain; but a majority of the committee would not take that view. They resisted an amendment to limit the expenditure to work relief and to direct relief, and left the door wide open so that the expenditures may be made for any purpose at all.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. STEIWER. In just a moment. For the moment, however, I was not dealing with the purposes for which the expenditures would be made. I was dealing with certain specific restraints which exist in law and which the joint resolution wipes out. I am talking about restraints, we will say, in paying personnel in the District of Columbia; with the requirement that supplies shall be purchased by contract and the contracts awarded to the lowest responsible bidders; that American-manufactured goods shall have a preference; that convict labor shall not be employed; and so forth. There are some 14 or 16 or 18 of these specific restraints of law. This measure not only opens the door of the expenditures so far as the use of the money is concerned, but it wipes out these restraints, so as to confer upon the President substantially a completed, unqualified, and unrestricted discretion to use the money by spending, or by gift, or in any other way that he may think necessary in order to attain the vague objectives of section 1.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from Wyoming, who is my colleague on the committee. Then I will yield to the Senator from New York.

Mr. O'MAHONEY. Mr. President, may I ask the Senator if it is not his opinion that the use of the conjunctive in line 11 between "such purposes" and "such projects" makes it clear that the amendment in lines 1 and 2, page 2, "of a type such as is or may be authorized by law" modifies "purposes" as well as "projects"?

Mr. STEIWER. Evidently my friend from Wyoming was detained from the Chamber at the time that question was raised by the Senator from California [Mr. JOHNSON] a little while ago. At that time I answered that in my own opinion the limitation on page 2 does not apply to "purposes" but applies only to "projects."

Mr. O'MAHONEY. Despite the fact that the conjunctive is used?

Mr. STEIWER. Yes; I think so, because I think purposes are not authorized by law. Projects are authorized by law, or may be; but purposes ordinarily are not.

Mr. O'MAHONEY. May I ask the Senator a further question?

Mr. STEIWER. Permit me to answer a little further. I do not want to be dogmatic about that. It may be that the Senator from Wyoming is correct; and I stated to the Senate, in answering the Senator from California, that some members of the committee had insisted upon the interpretation which the Senator from Wyoming now suggests. It may be that he is correct; but the question he asked me was whether the use of the conjunctive did not make the clause clear. I will answer that with a very hearty spirit: It certainly does not make it clear to me. It may be clear to somebody, but it is not clear to me.

Mr. O'MAHONEY. I was about to add that the language in lines 3 to 10 of the first section, on the first page, seemed to me to define the purposes for which this expenditure is to be made.

Mr. STEIWER. If we knew what those clauses meant, then we would know what the purposes are; but I must insist, still expressing my own opinion, that clauses so vague and so general cannot constitute a limitation. They merely suggest a target, a goal to be attained, but they cannot constitute a limitation.

Mr. O'MAHONEY. May I ask the Senator, then, whether it would clear up the matter in his mind if on page 2, line 1, after the word "type", we were to insert the additional words "or types"?

Mr. STEIWER. "Or types"?

Mr. O'MAHONEY. Yes.

Mr. STEIWER. I do not think that would change the clause substantially. May I say to the Senator that in just a few minutes I desire to discuss the committee amendment concerning which he now makes inquiry, and which appears at the top of page 2. I think I can demonstrate to the Senate that by reason of the legislative enactments of the past, and of the construction which must inevitably be placed upon this sentence, together with the amendment, there is no substantial restraint in it.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from New York.

Mr. WAGNER. I heard the Senator say a moment ago that he favored, in committee, a limitation of the use of the funds to direct relief or work relief only.

Mr. STEIWER. That is correct.

Mr. WAGNER. What does the Senator mean by "work relief"?

Mr. STEIWER. Jobs—jobs on projects.

Mr. WAGNER. On public projects?

Mr. STEIWER. Federal or non-Federal; we did not raise any question about that. We are not trying to limit or restrain the President so far as work relief or direct relief is concerned. I was quite content to let him go his way, and I have very great confidence that his judgment will be good. What I sought to do when I proposed an amendment to limit the expenditures to work relief and to direct relief was to get away from any sort of bizarre scheme by which somebody administering this proposed law in behalf of the President would seek to bring about a redistribution of wealth, or a redistribution of population, or some kind of

an economic accomplishment which that somebody might think had a relation to clause 1, which is to the effect—

That in order to protect and to promote the general welfare, by (1) providing relief from the hardships attributable to wide-spread unemployment and conditions resulting therefrom.

I do not see that there is any limitation in that.

Clause (2) provides for "alleviating distress." In times like these, Mr. President, when practically half the population of our country is in distress, there is no limitation upon anybody when we authorize the President to go out and alleviate distress. How could anybody suggest that that constitutes a limitation? It is language of inducement. It is language put in there to secure sympathetic consideration of the proposal, but it is not a limitation upon authority. It may enlarge it. I am not so sure, Mr. President, but that if there were any way to take this matter to a court, the court would say all three of these clauses suggest enlargements of purpose; they suggest a total lack of boundary and a complete absence of restraint.

Mr. WAGNER. I am frank to confess that the Senator has not cleared my misunderstanding as to his attitude. Beyond direct relief and expenditures upon public projects intelligently selected, what is the Senator apprehensive about?

Mr. STEIWER. I shall attempt to develop that as I proceed. I have no doubt—and I am not speaking now as to what the President may do—I have no doubt, so far as his powers under this joint resolution are concerned, that the President may take over the railroads, may take over the steamship lines, may take over the utilities, may take over every kind of public business, and many kinds of private business. I have no doubt of it at all, and I think the Senator will agree with me if he will listen just a little more to the explanation which I desire to offer.

The sponsors of the joint resolution did not favor the amendment which I suggested to the committee; and I am assuming that the forces for unrestrained expenditure will insist that the joint resolution shall be enacted in the form of a blank check, with nothing absolutely certain except the amount, and nothing else even partially certain except the probability that before a year is past the spenders will be back to Congress asking Congress to appropriate some more money for the same purposes.

Now, I desire to deal with the supposed limiting effect of the language of the amendment we have been discussing. I refer to the amendment which appears in lines 2 and 3 at the top of page 2 of the joint resolution.

The question is, What kind of projects, what types of projects have been authorized? I do not contend that that language speaks in the past tense. I do not think that means every project that was ever authorized. It might be so construed, but I think fairly it means projects that presently are authorized. In other words, it refers to a continuing or permanent authority of some kind; and I desire to ask, what type of projects are included in that definition? If they are work projects, good and well. If they are nothing else than work projects, I have no controversy with the proposal. I voted for the amendment thinking that it was better than no limitation at all; but I seek now to present to the Senate the idea that in a practical sense it constitutes no limitation.

In the first place, I desire to quote the following from section 202, title II, the public works part of the N. R. A. Act:

The Administrator * * * shall prepare a comprehensive program of public works, which shall include, among other things, the following: * * * (c) any project of the character heretofore constructed or carried on either directly by public authority or with public aid to serve the interests of the general public.

Then in the next section we find the authorization for the construction of such public projects as those defined in the language I have just read.

Section 203 (a) contains this language:

The President is authorized and empowered * * * (1) to construct, finance, or aid in the construction or financing of any Public Works project included in the program prepared pursuant to section 202.

Mr. President, I am not able to advise the Senate what the Administrator of the Public Works program did with respect to making this program of public works. Nothing, I think, has been published. If any program was ever made, we do not know what it is; nor do I know what the President did in connection with the authorization of that program. But whatever was done, and I believe I am right when I say whatever may be done, pursuant to the authorization of this act, will create a type of project which will be permissive under the amendment which the Committee on Appropriations has recommended to the Senate.

But, Mr. President, that is only the beginning. The clerks in my office find, from examination of a number of authorizations, that the authorizations of projects have covered a very wide field, indeed. We have had no opportunity during the past 2 days to make a complete or exhaustive survey of this subject; but we find that there is existing and continuing authority at this moment for the Government of the United States to build or construct or to acquire river-and-harbor projects, public buildings, subsistence homesteads, roads, reclamation projects, topographical surveys, other surveys, railroads, cemeteries, hospitals, airplanes, vessels, fuel yards, bridges, fish hatcheries, fish-rescue stations, parks, monuments, memorials, barracks, navy yards, airways, schools, flood-control projects, electric power plants, fertilization plants, military posts, fortifications, conservation enterprises—I take it that means conservation of natural resources—shipping facilities, radio and wireless facilities, warehouses, docks, stores, libraries, lighthouses, museums, agricultural experiment stations, projects for the prevention of soil erosion, game preserves, housing, insect investigation and control, grade crossings, ordnance, and many other things.

Mr. AUSTIN. Mr. President——

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Oregon yield to the Senator from Vermont?

Mr. STEIWER. I yield.

Mr. AUSTIN. I did not hear the Senator read the item of the manufacture of and dealing in rum in connection with these other industries.

Mr. STEIWER. I have no doubt the Senator could supplement this incomplete list, and possibly make it twice as long and four times as inclusive.

Mr. WAGNER. Mr. President, will the Senator point out the types of projects of those he has enumerated to which he himself objects?

Mr. STEIWER. Yes; if the Senator will permit me to proceed in my own way; I am proceeding to do that.

The National Recovery Act—that is, title II—authorizes the following:

1. Construction, repair, and improvement of—
a. Public highways and parkways.
b. Public buildings.
c. Any publicly owned instrumentality and facility.

Senators may draw their own conclusions concerning that language. I place no interpretation upon it.

Mr. KING. Mr. President, may I ask the Senator whether, when it says "publicly owned", it means the facilities which are owned and operated by municipalities, by counties, and by States?

Mr. STEIWER. I have no doubt of it; and under another section of the act, to which I have already alluded, many privately owned facilities would be permitted under this measure, because such types of projects are authorized by law.

Mr. KING. That would permit the expenditure of a billion dollars, which has been requested by the mayor of New York, for New York City, the very modest sum of a billion dollars for a project the plan of which the mayor of New York has presented, and to complete which he has asked for Federal funds?

Mr. STEIWER. I think there could be no doubt about that, providing the spending agency, in its discretion, concluded that the expenditure was in order to provide relief

from hardship attributable to unemployment. That is the only thing there is to it.

Let me proceed. In title II of the National Recovery Act we find authority for conservation and development of natural resources, including—

a. Control, utilization, and purification of waters.
b. Prevention of soil or coastal erosion.
c. Development of water power.
d. Transmission of electrical energy.
e. Construction of river-and-harbor improvements.
f. Flood control.
g. Construction of any river or drainage improvement required to perform or satisfy any obligation incurred by the United States through a treaty with a foreign government heretofore ratified and to restore or develop for the use of any state or its citizens water taken from or denied to them by performance on the part of the United States of treaty obligations heretofore assumed.

We find also that there is authorization for any projects of the character heretofore constructed or carried on, either publicly or by private authority, with public aid, to serve the interests of the general public.

Mr. WAGNER. Mr. President, will the Senator yield to me to make an inquiry?

Mr. STEIWER. I yield.

Mr. WAGNER. Is not the Government spending some money in the State of Oregon at this time?

Mr. STEIWER. Oh, yes.

Mr. WAGNER. For the construction of a dam which is ultimately to be used for the development of water power?

Mr. STEIWER. Yes.

Mr. WAGNER. Did the Senator object to the expenditure of that money?

Mr. STEIWER. No; I favored it very heartily.

Mr. WAGNER. I thought so.

Mr. STEIWER. I favored it heartily, and that construction, incidentally, is on the Columbia River, between the States of Oregon and Washington.

Mr. WAGNER. That project is all right, although it will result——

Mr. STEIWER. A perfectly splendid project, but from the standpoint of work relief, which I shall discuss later—about 5 or 6 years will be required in the completion of that project. It was built under the authority of an act with which the Senator from New York is probably more familiar than any other man in this Chamber, which was for the purpose of bringing about the speedy reemployment of unemployed people.

On the score of compliance with the mandate of Congress, that kind of a project might be subject to very serious criticism.

I was earnestly for the project, but that is not the question; from the score of compliance there is much to be said against that project, because it not only did not bring about the speedy reemployment of a large number of people, but from its very nature its construction had to be spread over so many years that when the money was allocated to that project, the President took away from himself the power to comply with the direction of the Congress of the United States. And not only in connection with that project, but in connection with others, and in connection with the money set aside for the building of warships, some $238,000,000, the President, in defiance, I claim, of the will of Congress as expressed by the act, put the money where he could not spend it for the speedy reemployment of our people. So I claim that Congress has an obligation and a duty to itself and to the unemployed to define these projects in such a way that we will know that if we authorize the appropriation of money for a work construction program, there will be a work construction program available to the unemployed now, in this winter, and in the winter to come, and not at some time in the remote future, when, we all hope, the employment conditions in the United States will be greatly improved.

Mr. WAGNER. Then I take it the Senator's attitude is that this money, though it is being expended in his State to great advantage, should not have been spent there by the President at all, that he should have postponed the construction of that project in favor of other projects.

Mr. STEIWER. May I say most respectfully to my friend the Senator from New York that he knows better than to ask me that question. He knows I would not say that the money should not be spent there, because he knows I favored the construction of the project.

Mr. WAGNER. The Senator did, and then in some respects he modified his statement.

Mr. STEIWER. No; I did not modify anything. I said that in terms of compliance with an act of Congress of the United States the President had shown open defiance, because he had put it out of his power to do the thing which Congress had directed he should do. I do not say that because I am opposed to the project; I say it because I am going to suggest before I conclude that it is the duty of Congress to write into this appropriation bill a sufficient direction to the President so that we may know whether the congressional objective is going to be attained.

Mr. WAGNER. I think I am right, then. The Senator says the money expended in his own State for this purpose was spent by the President in defiance of the mandate of the Congress.

Mr. STEIWER. The Senator is not right in his statement. He is substantially right in restating my position, but he is not right in indicating the statement he now makes is the question he asked me a moment ago.

Mr. WAGNER. Therefore that money should not have been spent upon this great project, because the Congress had ordered otherwise. Is that the Senator's attitude?

Mr. STEIWER. It is my attitude that, so far as compliance with the will of Congress was concerned, the expenditure of this money was carried on in a way that did not speedily employ idle people.

Mr. WAGNER. I should think the people of Oregon would be interested in the attitude the Senator takes upon this matter.

Mr. STEIWER. They know my position, and they know I struggled in behalf of the attainment of that project 10 years before the present incumbent in the White House was President. They know I worked for it before I was in public life, commencing shortly after the World War; they know the persistence of my efforts throughout the years, and they know how grateful I was when the President, in his wisdom, put that project where he did. However, that still begs the question as to whether or not the President has shown a faithful compliance or a spirit of defiance in dealing with the Congress in connection with the expenditure of these moneys.

Let me proceed. In the P. W. A. Act we find authority for the construction, reconstruction, alteration, or repair under public regulation or control of low-cost housing and slum-clearance projects.

We have also authorized any project, other than those included in the foregoing classes, of any character heretofore eligible for loans under subsection (a) of section 201 of the Emergency Relief and Construction Act of 1932, as amended, and paragraph (3) of such subsection (a) shall for such purposes be held to include loans for the construction or completion of hospitals, the operation of which is partly financed from public funds, and of reservoirs and pumping plants and for the construction of drydocks, the construction of naval vessels, and of aircraft, the construction of heavier-than-air aircraft and technical construction for the Army Air Corps, and such Army housing projects as the President may approve and provision of original equipment for mechanization or motorization of such Army technical units as he may designate.

Subsistence homesteads are provided for as follows:

SEC. 208. To provide for aiding the redistribution of the overbalance of population in industrial centers $25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make, for making loans for and otherwise aiding in the purchase of subsistence homesteads. The moneys collected as repayment of said loans shall constitute a revolving fund to be administered as directed by the President for the purposes of this section.

We find that under the act the authority may acquire real estate for the construction of dams, reservoirs, transmission

lines, power houses, and other structures; rather a general authority to buy real estate. And in the measure we are now considering the power of eminent domain, one of the highest attributes of sovereignty, is conferred on the President that he may carry out this type of project by buying real estate.

We find that the authority may manufacture and sell fixed nitrogen fertilizer and fertilizer ingredients.

Under the act of March 3, 1927, there is authority for the construction of plants and the production of helium, and the lease of surplus helium to American corporations or American citizens.

I take these things rather at random, Mr. President. I do not attempt to exhaust the possibilities of authority existing, of the authority that may suggest the types which may be employed under this amendment to the pending joint resolution, but I take these things that come readily to me for illustration of what the possibilities may be.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Utah?

Mr. STEIWER. I yield.

Mr. KING. Would not the President, under the broad authority which is conferred, have the right, if he could get the consent of Canada, to go into Canada and carry out the purposes of that treaty which we defeated?

Mr. STEIWER. There is a limitation in the act against expenditure of the money outside the United States. The President, therefore, would spend the money within the United States, but such part of it as might be employed within the United States might well be spent in doing work upon the St. Lawrence or any other river. There is no limitation, geographical or otherwise, with respect to that.

The act of March 12, 1914, which is the Alaska Railroad Act, authorizes the Government of the United States to construct and operate railroads, and that authority has never been changed. It is still an existing and continuing authority in the Government of the United States.

The Panama Canal Act has rather similar provisions.

The Shipping Act of 1916 contains some continuing and permanent authorities to construct and equip vessels, repair and alter vessels, to charter, lease, and to sell vessels.

A thing which interested me was the various bridge acts. For instance there is an authorization for the construction of a bridge across the Mississippi River called the Rock Island Bridge. That creates a type of authorization. So under the amendment to which the committee has agreed, any bridge across any stream apparently would fall within the type, and therefore would be permissible. So that a bridge may be built anywhere, a public bridge, private bridge, Federal bridge, State bridge, county bridge, any kind of a bridge anywhere so far as the limitation of this amendment is concerned. Navigable streams may be obstructed with approval of the War Department.

In the Merchant Marine Act of 1928 there is authority to make loans to citizens of the United States to aid them in construction in private shipyards or in navy yards of vessels in the United States. So we have there an authority that creates a type, and in accordance with the provisions of this joint resolution, as amended, the spending agents may, if they desire, make such loans as they may find expedient for the construction and repair of ships in private yards and public yards.

So, too, in the Air Commerce Act of May 1926 we find authority to do various things in connection with airways, the operations of aircraft, and other navigation facilities.

We find in the Naval Appropriation Act of 1921 authority to use, and store, and exchange, and sell oil or gas products from lands within the naval reserves. We find authority to develop the naval property. We find an indefinite authority in the act of May 7, 1928, to construct laboratories for investigatory work, and there is not a word in it to show what kind of investigation should be carried on. Any kind of investigation, therefore, answers the type required under the amendment suggested to the pending joint resolution.

We find authority to acquire land to establish an arboretum for the purpose of research. We find authority to conduct certain experimentations in connection with the soils of some of the Southern States. I was interested to learn that there is an authority existing to purchase and maintain a herd of longhorn cattle. I was interested, too, to know that in one of the appropriation acts—I do not seem to have it here—one of the Navy appropriation acts, there is authority to acquire and maintain coal yards and fuel facilities and to furnish coal and fuel to American ships, and, to such extent as deemed to be practical, other ships which may call for it. So we have a type of authority to take our Government into the coal business and into the fuel business.

I think it is unnecessary, Mr. President, to detain the Senate further with the discussion of those types. It is obvious, it would seem to all, that the authorizations of continuing character are so far-reaching, so wide in their scope, that when we limit the expenditures to a type heretofore authorized that we place substantially no limitation at all.

Let me refer to one other angle of this question. The amendment at the top of page 2, which defines the types which may be authorized by law, seems to refer to both Federal and non-Federal projects. When you are talking about Federal projects undoubtedly the authorization that is contemplated is the authorization by a law enacted by Congress. I think there cannot be any controversy about that. But what is the situation with respect to a non-Federal project? That is a project to be authorized by law. By what law, Mr. President? By the law of the United States, which has no application to it at all, or by the law of the State or municipality under which the non-Federal project is to have its existence?

It seems to me—and upon that I am not perfectly clear—I have not had time to reflect upon it—but it seems to me that the non-Federal projects will be of such types as are or may be authorized by State or municipal law; the kind of authority that may now exist, the kind of authority that may be created next week or next month.

We have been reading in the newspapers that the Public Works Administration prepared a group of laws and sent them out to the various States of the Union for the legislatures of those States to consider. How easy it will be for some spending agency of the Federal Government to suggest to municipalities and to the States a mode or form of authorization which will take the boundary completely off this expenditure and permit all projects to be built of any type whatever? I should like to hear an adequate answer to that suggestion.

Now, Mr. President, I desire to proceed as rapidly as I can.

Mr. BORAH. Mr. President, before the Senator leaves that part of his discussion I should like to ask him a question. I should like to understand, if the Senator can tell me, what is the significance of that clause beginning at the bottom of page 1, which says—

> And such projects, Federal or non-Federal, of a type such as is or may be authorized by law.

I am wondering why you do not say—

> And such projects, Federal or non-Federal, as are or may be authorized by law.

Why did you use the word "type" there?

Mr. STEIWER. Does the Senator want me to answer that question?

Mr. BORAH. Yes, Mr. President; if the Senator can, I should like to have him answer it.

Mr. STEIWER. That amendment was agreed upon—I think it is no violation of confidence to say—by our friends of the majority in a meeting from which I was unavoidably detained, and I do not know what discussion went on there, but in the committee it was suggested that that would constitute a reasonably fair limitation upon the type of project. I have tried to argue here, either successfully or unsuccessfully, that it actually constitutes no limitation at all, but I cannot answer the Senator's question. I do not know

why the word "type" was necessarily used there. I think now it might be preferable to say "projects, Federal or non-Federal"——

Mr. BORAH. "As are or may be authorized by law."

Mr. STEIWER. "As are or may be authorized by law." I think I agree with the Senator, but I cannot answer his question.

Mr. GLASS. Mr. President, I think the Senator from Oregon is somewhat inaccurate in saying that was agreed upon by the majority. As I recall, there was no particular opposition to this proposition.

Mr. STEIWER. That is true.

Mr. GLASS. It certainly was not agreed upon in any preceding conference of the majority.

Mr. STEIWER. I think when the matter was presented to the committee it was accepted and that there was no objection to it.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me for a question?

Mr. STEIWER. I yield.

Mr. SHIPSTEAD. Until recently in Congress the term "authorized by law" has been used in connection with some projects specifically authorized by an act of Congress.

Mr. STEIWER. Yes.

Mr. SHIPSTEAD. Under the broad provisions and powers given the P. W. A. and the N. R. A. there was a broad general authorization, as I understand. There was nothing specifically authorized; there were broad general powers given to the administrative authorities.

Mr. STEIWER. Yes, that is true; but the administrator was directed to select projects, and the President was empowered to authorize them.

Mr. SHIPSTEAD. Yes.

Mr. STEIWER. And, therefore, to whatever extent these agencies have acted there has been created there an authorization by law.

Mr. SHIPSTEAD. That is what I wanted to make clear.

Mr. STEIWER. That is the point I sought to make.

Mr. SHIPSTEAD. So that any projects which have been authorized under the provisions of these acts which I have referred to can be said to come within the meaning of this amendment; that they are now authorized by law and may be in the future.

Mr. STEIWER. Yes; not only projects are authorized but projects of the same type may be built.

Mr. SHIPSTEAD. Yes; that have not already been authorized, but if they are of the same type they may be authorized under existing law.

Mr. STEIWER. That is my understanding.

Mr. SHIPSTEAD. And the Senator does not think that this removes that broad general provision?

Mr. STEIWER. No; I have tried to argue that it does not.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. STEIWER. I yield to the Senator from Michigan.

Mr. VANDENBERG. May I ask the Senator if the words of the qualification, "of a type", were removed would it not fail then to satisfy the general purpose which the witnesses before the committee have indicated would be in the minds of the anonymous administrators who are to be clothed with this responsibility? In other words, has not the discussion before the committee, insofar as any information has been provided it with regard to projects, indicated a field of activity which is not authorized at present by law, and which could only be brought within the boundaries of this amazing appropriation by the use of the longer phrase, "of a type authorized by law"?

Mr. STEIWER. I think it is true that in the main the activities contemplated are not specifically authorized by law. I think that the work-relief projects within the discretion of the administrator or under his resolution might very well be of a type authorized by law, because there are so many types authorized by law that unless the administrator is a man of rather transcendent imaginative powers he will not find it possible to select anything which is not authorized by law.

Mr. VANDENBERG. What I am trying to inquire is if the use of this authority were to be confined to specific projects for which there is an actual congressional authorization, it would fall far short of the ambitious prospectus which is rather anonymously discussed by the prospective administrators?

Mr. STEIWER. Possibly that is the reason why the word "type" is employed in the amendment.

Mr. VANDENBERG. In other words, they would at least have to stay out of the stratosphere if we eliminated those three words.

Mr. STEIWER. I hope that Senators will not detain me further on the interpretation of the language. I have already consumed more time than I wanted to employ on that feature, and I desire to discuss some other phases of this very important matter.

IS RESOLUTION BASED ON SOUND GOVERNMENTAL POLICY?

The joint resolution reported today from the committee permits the President to carry into execution the suggestion made in his message to Congress by which he would remove three and one-half million men from the direct-relief rolls and place them on a work-relief roll at what is styled a security wage. The evidence discloses that the average cost per capita, under the direct-relief system, is approximately $25 per month. It is contemplated that the average security wage will be $50 per month and that another $50 per month will be employed for each worker in the acquisition of materials and equipment in order to maintain the necessary work projects. In other words, the unit cost within the contemplation of the sponsors of this legislation is approximately $100 per month, which is four times the unit cost under the present system of direct relief. In plain language this means that we are asked to appropriate and to spend for relief $4 where we now spend one. Stated in another way, it means that the public debt for relief purposes will grow four times as fast as it has grown under the present system. It means that the deficit in the operations of the Federal Government, so far as relief is concerned, will be four times as large as it would be under a system of direct relief. The appalling possibilities of this situation become increasingly clear. We know that on the less expensive basis of direct relief the Government can continue caring for those in distress for a very long time to come. We do not know and can only speculate upon the length of time the credit of the Government will be able to carry the loan on a work-relief basis at a cost of four or five billion dollars per year. The work-relief theory on so grand a scale is an untried theory. In its behalf are urged two important arguments:

First. That direct relief induces a spiritual and moral disintegration and is thus destructive to the national fiber.

Second. That a security wage paid for labor on useful works produces something of value and at the same time stimulates a demand for materials and thus effectually aids the materials industry.

In my humble opinion both these arguments are tenable. I agree with the ideology which prompts them. The very practical question is whether the credit of the country will indefinitely endure against the financial requirements necessary to sustain the ideal. If recovery shall come promptly, then private industry will absorb the relief workers and gradually lessen the demand on the Treasury. If recovery shall be retarded, the number on relief work will not be diminished but, on the contrary, it is most likely that the number will be increased. A disturbing fact is that the sponsors of the pending joint resolution seem willing to bet that recovery will come soon enough to save the Nation from the disaster of ever-increasing debt, with final inability to service the debt and to meet the cost of the work system which is contemplated by this joint resolution. If their surmises and speculations prove to be sound, all is well for America. If, however, their expectations shall not be realized we will find that we have invited national catastrophe by permitting zealous optimists to submit our Government to this monumental risk. It is even possible

that the wage-relief scheme will ultimately and in its final effect destroy the credit of the American Nation.

It was disclosed at the hearings that the appropriation carried by the pending joint resolution is estimated to meet the requirements for a year. If expectations shall not be realized, the problem at the end of the year will be infinitely more serious than now by reason of the mounting public debt and of the inevitable demand that it be further increased. This demand will be supported by the necessities of the people and no man is wise enough to know whether any way may then be found to extricate our country from the difficulties which this legislative proposal invites.

To the objection that my opposition to further enactments for wage relief may be interpreted as a preference for the dole, I want to add that if I felt free to choose I would not prefer the dole. I do not approve a dole. I reconcile myself to the payment of dole or direct relief because it is the least expensive of the proposals made in order to relieve distress. I prefer direct relief because I favor a system within the sound credit of the Nation, as against the more elaborate system and the larger expenditure for wage relief. I am unwilling to vote for unnecessary increase in public debt, with the inevitable hazard of destruction of the governmental credit.

Mr. BORAH. Mr. President——

Mr. STEIWER. I yield to the Senator from Idaho.

Mr. BORAH. If one could know how this money is going to be expended, if the legislator could have some idea as to how it is going to be utilized, I would have no trouble about voting for work relief instead of for doles. I think the statement made by the President that the effect of work in preserving the moral and spiritual character of the American citizen is almost incalculable in its worth; but what troubles me is that we are voting $4,000,000,000 and we really do not know whether it will be expended for a dole or whether it will be expended for public works.

Mr. STEIWER. If I may interrupt the Senator, so far as the joint resolution is concerned, the money may be expended either way, under the discretion of the spending agency, to the full extent of any sum of money which may be provided.

Mr. BORAH. I should be quite inclined to follow the President in his theory of taking men off the dole and putting them to work, for I think that is vital; but when I am asked to vote for a proposition, not knowing whether I am taking men off the dole or not, it presents a very difficult problem.

Mr. GLASS. Mr. President, if I may so state, the whole bill is based upon the theory that the President is going to do what he says he is going to do; that is all there is to it. There is not a provision in the bill which requires a dollar to be expended for any particular project, and the committee proceeded upon the basis that the money is always to be expended either for direct relief or for work relief.

Mr. BORAH. Mr. President, I am not challenging anybody's integrity of purpose, but I do not think we can liquidate relief necessities in a few months; and, even if we could, I should like to know how it is going to be done before I vote $4,000,000,000 to do it. As I have said, I do not underestimate at all the strength of the argument presented by the President as to the wisdom of taking men off the dole and putting them to work, but it leaves me in a rather difficult position as a legislator when I am not told how it is going to be done.

Mr. STEIWER. Mr. President, I think there is no disagreement and I have heard of no controversy over the President's proposal to take men off direct relief and place them upon work relief. Of course, it is better for the three and a half million men to take them off the direct relief, and, to the extent that is practicable and possible, it is better for the country at large to take them off direct relief; and yet it is going to be difficult once we put them on work relief ever to place them back on direct relief. If we find that the $5,000,000,000 does not accomplish the object which all of us, the President and the Congress, seek to accomplish, then we are going to be confronted with a problem at the end of a year infinitely more serious by reason of the fact that we shall have exhausted $5,000,000,000 of the credit of our country, and we do not know what is going to be the situation at the end of the year. It seems to me that the prudent thing to do is to spend the lesser amount of money. It is true that it is not the best service to those on direct relief; I realize that; but, on the other hand, it comes nearer to a sound financial proposal; it is better for the credit of the Government; and, in the long run, it may be better for those on direct relief and may be better for the 120,000,000 people who are not on direct relief. We are dealing now with the welfare and perpetuity of our country; and, as I regard this matter, we are dealing with forces so great and with sums so large affecting the credit of our Nation in so substantial a way that we have a right to ask not only what we are doing to the three and a half million men but we should ask also what are we proposing to do now and ultimately to the rest of the Nation.

Mr. O'MAHONEY. Mr. President——

Mr. STEIWER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Reverting to the question which was asked by the Senator from Idaho [Mr. BORAH], I ask the Senator from Oregon if he does not recall the testimony adduced before the committee, chiefly that of Admiral Peoples, to the effect that there was what he called a large reservoir of projects which could be availed of for the expenditure of money for work relief?

Mr. STEIWER. Oh, yes.

Mr. BORAH. Yes; Mr. President. I read Admiral Peoples' testimony twice.

Mr. STEIWER. Did the Senator get anything out of it?

Mr. BORAH. I thought when I first read it that I must have overlooked some important point in it, but when I read it the second time I found there was nothing definite in it; that it was perfectly vague; that it did not give me any information whatever as to how this money is going to be spent. Having, in some degree, a rather ample imagination, Admiral Peoples did indicate the range of possibilities within which the money might be expended but there was nothing definite, nothing specific whatever in his testimony.

Mr. LONG. Mr. President, will the Senator from Oregon yield to me?

Mr. STEIWER. I yield.

Mr. LONG. I wish the Senator would let me make a little reply to the Senator from Idaho. If the Senator from Idaho were a candidate for reelection, he would find out how they would spend some of it. [Laughter.]

Mr. BORAH. Why mention that? [Laughter.]

Mr. STEIWER. Mr. President, I am very happy to yield, but I am almost at the point of saying that I do not want to yield any further, because I wish to proceed as expeditiously as possible to the further presentation of my ideas upon the pending joint resolution.

Senators who know me well will, I think, agree that during my brief service in this body it has been only on the rarest occasions that I have ever criticized any President, either Republican or Democratic. It is always painful to me to take part in criticism of the Chief Executive of this country. It is much happier for me to recognize the splendid service which he has rendered to the country. But I can plead in extenuation of certain remarks that I am about to make that I did not bring this joint resolution before the Congress. No Senator brought it here. Administrative agencies, acting pursuant to the Presidential desire, have caused the joint resolution to be introduced. If it is to be discussed with the candor and courage which its importance requires, there is no escape from a discussion of the capacity of the administration to disburse this money under the boundless limitations of unqualified discretion.

What is there in the record of expenditure of relief moneys which justifies the belief that the President is especially fitted to carry into effect the purposes of the joint resolution? What is there in the record of the spending agencies which justifies our faith in them or sustains the belief that the unknown and unidentified agencies which

it is supposed will deal with this appropriation will proceed wisely and efficiently in carrying into effect the objectives of the joint resolution?

The United States Treasury statement as of the close of business January 31, 1935, page 4, gives the cumulative report of "funds appropriated and allocated to emergency organizations, expenditures therefrom, and unexpended balances." This report covers all appropriations for emergency purposes made under this administration and all expenditures. Under the item of Public Works it gives the following classifications having unexpended balances in the sums indicated:

Loans to railroads	$64,996,520
Loans and grants to States and municipalities	606,143,958
Public highways	184,514,030
River-and-harbor work	169,430,846
All other	576,648,572

Under a separate item of "Emergency housing" it notes an unexpended balance of $133,157,545. In another separate item of "Subsistence homesteads" it notes an unexpended balance of $45,373,317. In another separate item it lists as "Unallotted funds by the Public Works Administration" $16,717,276. The total of these several items, all of which have been appropriated for emergency relief work of one kind or another and all of which have been handled by the Public Works Administration, is $1,796,981,064. This is a little in excess of 50 percent of the original appropriation of $3,300,000,000 provided in the Public Works Act enacted June 16, 1933.

I referred a little while ago to the Public Works Act. I read now from section 203 (a) so far as it applies to the point I wish to make:

> With a view to increasing employment quickly (while reasonably securing any loans made by the United States) the President is authorized and empowered, through the Administrator or through such other agencies as he may designate or create, (1) to construct, finance, or aid in the construction or financing of any public-works project included in the program prepared pursuant to section 202.

Nineteen months have elapsed. Nearly $2,000,000,000 of the $3,300,000,000 still lies in the Treasury. It is true most of it is allotted. It is true most of it is obligated. It is true that in the course of 1 or 2 or 3 or 4 years it will be expended, but I repeat the statement I made a little while ago that the course taken by the President in the disbursement of this great fund of $3,300,000,000 shows the President was not very much concerned that the $3,300,000,000 be spent to increase employment quickly. Now he is asking from the Congress a larger fund and authority much less restrained, and asks that it be available until June 30, 1937.

What do we know, what can we even surmise as to the rate at which expenditure will be made or as to the use that will be made of this money or whether it will be employed to provide employment, or whether it may be employed ultimately in part for some other purpose?

I have here some figures of very considerable interest. There was a report made by the Public Works Administration on February 10, giving figures as of January 1, 1935, rather than as of February 10. I take the figures of expenditures from this report and calculate in percentage the amounts which have been expended, the amount under construction, and the amount not yet started.

We find that 14 percent of all construction projects have been completed, making the computation on the basis of total value of projects. We find on the same basis that 63 percent of all construction projects are presently under construction and on the same basis that 23 percent of all construction projects are not yet started.

We find moreover from a report made November 18, 1934, that of the non-Federal projects which have been undertaken pursuant to this mandate of the Congress, seven-tenths of 1 percent have been completed. Let me repeat that figure: Seven-tenths of 1 percent have been completed. Forty-four percent of these projects are under construction and 55 percent of the non-Federal projects are not yet started. All these computations were made on the basis of the value of the project. Does that record indicate a high capacity in carrying out the directions of the act? Does it suggest an organization capable of exercising a boundless discretion most wisely?

The fact is the rate of expenditure was so disappointingly slow that the President deemed it necessary to create the Civil Works Administration where employment might be readily attained. He accordingly set up a system of civil works which provided employment during the winter of 1933 and 1934 for a large number of workers. For approximately 4 months the number employed was in excess of 2,000,000 workers and attained a peak of 4,107,164.

It is particularly pertinent at this time to recall three statements made by President Roosevelt and the occasions upon which they were made. The first was in his special message to the Congress, May 17, 1933, in which he proposed the launching of a pretentious public-works program. In that message he said:

> A careful survey convinces me that approximately $3,300,000 can be invested in useful and necessary public construction, and at the same time put the largest possible number of people to work.

The second was upon the occasion of his signing the National Industrial Recovery Act of June 16, 1933, which authorized the creation of the Public Works Administration and carried an appropriation of $3,300,000,000 for the prosecution of a public-works program. In that statement the President said:

> The second part of the act gives employment by a vast program of public works. Our studies show that we should be able to hire many men at once and to step-up to about a million new jobs by October 1, and a much greater number later.

But by October 1 it was perfectly evident the program was a failure. Instead of 1,000,000 men having been put on the pay rolls, the records show less than a quarter of that number had been taken out of the ranks of the unemployed and placed on public-works construction. The bulk of these were on public-highway construction, which had become a routine matter with the Government for many years. It was an established governmental institution which was able to proceed promptly and incidentally was the only one that showed a fair degree of dispatch in meeting the mandate of the Congress.

The administration faced the necessity of making every effort to find employment for as many as possible before the winter set in. Out of this necessity was born the Civil Works Administration. In launching the Civil Works Administration, at a conference at the White House November 15, 1933, which was attended by governors, mayors, and Civil Works administrators, the President explained in the following language why the Public Works program had failed:

> We might as well be perfectly frank. It has been exceedingly difficult, honestly, to allot the entire sum of $3,300,000,000 to worth-while projects.

Mr. President, we might intrude there with the thought that under the existing situation it will be still more difficult, for the record shows that one-third of all the employment is in four States of the Union, and that the type of worker—that is to say, the experience and capability of the unemployed—is such that it is going to be very, very difficult, indeed, to find projects which will be suited to their needs.

The Civil Works system was criticized on the score of waste and extravagance, and finally was discontinued by the order of the President. It was administered by Mr. Hopkins. In its stead the President brought about the organization of the Federal Emergency Relief Administration. This resulted in a change of name and to some extent in a change in the character of projects, but the Administration was still under Mr. Hopkins. Evidently the President was far from satisfied with the work-relief program that left millions on direct relief. In his message to this Congress he said:

> I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in the

public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance, and courage and determination.

That was a declaration to which all may assent. This is heroic language, but it must be borne in mind that the system against which the President cries out to the Nation is one of his own making, established by an agency of his own creation, and through agents of his own selection. His statement indicates that he regards this particular expedient as subject to severe criticism. The President's statement is of great interest because the administrator of this agency claims that it has provided employment for 2,225,000 persons, and the highest estimate of unemployed to be furnished work-relief under the pending resolution is 3,500,000; so the proposition of the President to transfer the unemployed from the direct-relief roll to the work-relief roll involves the transfer of approximately 1,275,000 unemployed, and not 3,500,000. In the light of recent developments, it would seem that the President was actuated by further and undisclosed reasons in his plan to terminate the Federal Emergency Relief Administration and to substitute a new and coordinated agency. It seems that the administration regards the Federal participation in emergency relief as too generous, and desires that the ratio of Federal contribution to the contribution of the States and local governmental agencies be reduced.

Representative BUCHANAN, the chairman of the House committee having this resolution in charge, speaking the viewpoint of the administration, points out that in January 1933 the Federal Government furnished only 51 percent of the entire money for relief, whereas in January 1934 it furnished 53 percent, and in December 1934 it furnished 75 percent. For the purpose of this discussion, I make no quarrel with the administration upon its desire to withdraw in part from its cooperation in furnishing relief through the Emergency Relief Administration.

It must be remembered, however, that the Federal contribution was radically increased during the months preceding the election of November 1934, and that there were those who charged that the generous contribution of the Federal Government was influenced by political considerations. I do not make this charge. I should like to exonerate the administration in part from this charge. It cannot be exonerated, however, from the charge that it has violated its pledge to compel States and local communities to do their utmost before the Federal Government extended relief.

Upon signing the unemployment-relief bill May 12, 1933, the President stated:

> The principle which I have on many occasions explained is that the first obligation is on the locality. If it is absolutely clear that the locality has done its utmost, but that more must be done then the State must do its utmost. Only then can the Federal Government add its contribution to those of the locality and the State.

On June 14, 1933, in an address to the conference of relief administrators summoned to the White House, the President restated in clear and forcible terms the attitude of the Federal Government in the following language:

> It is essential that the States and local units of government do their fair share. They must not expect the Federal Government to finance more than a reasonable proportion of the total.
>
> On this $500,000,000 the Federal Government is putting up for relief I think I should make it perfectly clear again that it is only to be used where it is honestly shown that the localities have done everything they can possibly be asked to do, both through local and private charity and public appropriations, and that the State governments have also done everything they can possibly do.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. STEIWER. I yield to the Senator.

Mr. LONG. At that point, does the Senator know of any yardstick by which the Government officials gage what States are to put up money and what States are not to put up money?

I come from Louisiana. I read in the newspapers that Arkansas does not put up any money for this purpose, and that Mississippi does not put up any money for this purpose, and that Maryland does not put up a dime for this purpose, but they say that Louisiana has to put up money in order to get any of this money. Does the Senator know about that?

Mr. STEIWER. I do not know about the yardstick.

Mr. LONG. I know that to be a fact, so far as concerns Louisiana, because I went back to the Legislature of Louisiana, when it was being asked from the Washington office that we relinquish all control over the men who spent the money; and we relinquished and abdicated. In fact, we had already abdicated. Then, the next thing we knew, the officials here said they were not going to continue to put up any more Federal money unless Louisiana came through and did its share; and when they began to attack me personally, while I was here in the Senate, because the Legislature of the State of Louisiana was not contributing money, I went back and wrote and undertook to help them pass, and they did pass, legislation to receive some more of these funds to be spent by their own appointed men.

No sooner had I done that than I picked up the newspaper, and I read—it might not have been true—that the Governor of Arkansas appointed his own men, and did not put up a dime; that the Governor of Mississippi appointed his own men, and they did not put up a dime; and a few days ago I read that the Governor of Maryland appointed his own men, and that he did not put up a dime.

I do not mind being discriminated against, you understand. That is all right; that is in the business; but why not write in this joint resolution that any State represented by HUEY LONG shall put up so much, and any State represented by somebody else shall put up nothing? Let us know just where we stand. It is not fair to me not to know what I have to do during the coming year. I do not mind their doing it. They are going to do it; they have done it; but just let us be honest, and let me know where I stand, so that I can make preparations to do what is necessary. That is what the joint resolution ought to contain. Just let it be shown if that is to be the kind of dispensation and distribution that is to be made of the money.

I have yet to hear a man defend that system. I have yet to hear a man rise on this floor and say that we should make fish out of one and fowl out of another. As a matter of fact, they make us go up and get money to give to our political enemies to spend against us. That is what we have to do.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield if I am allowed to yield. The Senator from Oregon has the floor.

Mr. STEIWER. I yield to the Senator from Arkansas.

Mr. ROBINSON. I remember that it has not been long since the Senator from Louisiana, on the floor of the Senate, boasted that he had gotten for Louisiana more Federal moneys than had been received by Arkansas, Mississippi, and some three or four other States in that part of the world; and I assume that he was speaking by the card, because he is a "getter." There is no question about that.

Mr. LONG. The Senator is slightly mistaken. Wait a minute; I am going to give the Senator the facts.

The PRESIDING OFFICER. Does the Senator from Oregon further yield to the Senator from Louisiana?

Mr. STEIWER. Yes; I yield.

Mr. LONG. During the election in the city of New Orleans, when they were running an anti-Long ticket down there, I did submit a map to show that during that election period the State of Louisiana got more money than Missouri, Arkansas, Mississippi, and Florida combined; but when the election was over and the anti-Long man had been elected, they threw up their arms and said they had a deficit down there in that fund, and we had to go back and help them raise part of it.

It is true that there have been large sums spent there—larger sums, in some instances, than would have been spent had I voted with the administration, for obvious reasons. What boots it that they pay too much attention to the Senator from Arkansas [Mr. ROBINSON] when they have him anyway—that is, when he is going to vote for these things anyway—and it is generally accepted that the chances are

that he may not receive the encouragement that I will receive when I am on the other side?

The facts are there, however, that the State of the Senator from Arkansas gets the money, and they have not put up anything, unless I have been wrongly informed, and I have never been disputed about these funds. Unless we put up the money, we have on the front page of the newspapers the statement that "Huey Long and Oscar Allen are starving the poor people of Louisiana to death because they will not match the relief money of the Federal Government"; and yet right over to my left is the State of Mississippi. They do not put up a 50-cent piece. Right over to my north is the State of Arkansas. They do not put up two bits; and I read that over here in the State of Maryland they did not put up a thin dime.

As a result of it we have written here what? A policy that wherever I live we are not going to get any Federal money unless we put up some. Notwithstanding the fact that they have been telling you how deplorable a condition Louisiana is in as a result of my "misrule" down there for 4 years while I was Governor, notwithstanding the paralysis which is said to have afflicted that State, they have gone to the paralyzed institution and required a matching of Federal funds, while the States blessed with a more benevolent administration, to the north and to the east and immediately to our right, pay nothing!

Is there anything in this bill to stop that, or are we just going to say that this is not a real bill? This is a "boodle" bill. This is what I would call, not a relief measure, except as an incident, but as a main proposition it is a "boodle" bill. Boodle! That is all that can be made out of this bill.

Mr. STEIWER. Mr. President, it would take a bolder man than I am to inject myself into a controversy between the States of Louisiana and Arkansas, but possibly it will be permissible for me to throw such light on this matter as I am able to by referring to the records of the Federal Emergency Relief Administration.

These records will give my friend the Senator from Louisiana cause for both satisfaction and irritation. The records that have been furnished me are for the first 21 months of the existence of the agency. In my opinion they demonstrate that the agency has failed utterly to comply with the Presidential formula which I have already quoted. On the contrary, relief moneys have been distributed practically without system, without regard for any formula. Nobody has required localities to do everything possible.

According to the report—and I read the figures with some trepidation—Louisiana for the first 21 months had contributed 2 percent. That was before they exacted the new legislation to which the Senator just now referred. At the same time Alabama contributed 4 percent, Arkansas 3 percent, Georgia 5 percent, Mississippi and South Carolina 1 percent each, North Carolina 6 percent, and Tennessee 3 percent.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. ROBINSON. As I understand the Senator's figures, they disclose that during the first 21 months Arkansas has contributed one and one-half times as much as Louisiana has contributed.

Mr. STEIWER. Yes.

Mr. ROBINSON. That is illustrative of the accuracy and reliability of the statements of my good friend the Senator from Louisiana.

Mr. LONG. Oh, no——

Mr. STEIWER. The distinguished leader of the majority is damning his State with faint praise, because Louisiana contributed only 2 percent and Arkansas 3 percent.

Mr. ROBINSON. Yes.

Mr. STEIWER. It is nothing for either of them to boast about.

Mr. ROBINSON. The statement made by the Senator from Oregon in that connection is correct. The National Government, in its administration of destitution relief, has expended large sums in the State of Arkansas, and I dare say it has done the same thing in neighboring States. The difficulty in our State has been that all the political subdivisions of the State, including the counties and municipalities, as well as the State itself, have been and are in such a financial condition that they have been unable to make the contributions which I and others would like to see them make. It is a regrettable condition, but there has been a heavy burden of relief imposed by reason of the circumstances to which I refer.

Mr. LONG. Mr. President, will not the Senator from Oregon yield to me to correct those figures?

Mr. STEIWER. I yield.

Mr. LONG. Here are the facts about those figures. Those Government figures are just as accurate as are the remarks of the Senator from Arkansas.

Mr. ROBINSON. Certainly more accurate than the remarks of the Senator from Louisiana.

Mr. LONG. Just a moment; we will see about that.

The facts are that the State of Louisiana spent $100,000,000. Pursuant to the call of the President of the United States, the State of Louisiana raised $100,000,000 for relief work in the manner requested by President Hoover. We spent $100,000,000. The authorities here never considered that $100,000,000. We spent every dime we had—every dime we could raise—and during that period, when the Federal Government gave us about ten or fifteen or twenty million, we spent $100,000,000. We spent that money in connection with the Federal Government, and instead of putting up 2 percent, the fact is that we put up 85 percent. Those are the facts. The records will bear me out that we floated a bond issue and sold the bonds and spent $100,000,000. That is the amount.

We have never been able to get the statisticians here in the Government service to give us credit for that. There are three kinds of fakirs, and the statisticians come in the last class. We have never been able to get them to do anything but to say that the State of Louisiana was hopelessly involved, hopelessly in debt, notwithstanding the fact that we met the problem of relief, not only before other States met it, but we met it when called on.

Let me state something else they will not give us credit for. We went out and raised $500,000 in cash, or about that sum of money, and carried on a relief roll of our own, by a nonpartisan committee, over and above the hundred million dollars in bonds, and they have refused to list upon their statistics the $500,000, a deliberate, perjured piece of fakery, a deliberate piece of fraud, a skin game from top to bottom to keep it from being known that the State of Louisiana led the world. The State of Louisiana was the first State that ever raised a dollar for relief, publicly and privately, in this work. Still there are the statistics there to show that Arkansas put up 3 percent, and Louisiana put up 2 percent.

Why is that? Because today Arkansas puts up nothing, Mississippi puts up nothing, and in order to justify the fact that they do not make Arkansas and Mississippi put up a dime, they have to put up some kind of a fake statistic back there to make it appear that away back Louisiana contributed nothing, when, as a matter of fact, Louisiana put up 85 cents of every dollar that was spent, and constructed in Louisiana every public improvement we could think about where we had the money to construct it.

Mr. KING. Mr. President, while the Senator from Oregon is being interrupted, will he permit an inquiry?

Mr. STEIWER. Certainly.

Mr. KING. I wanted to ask whether or not there was any testimony adduced before the committee showing the extent to which, if this measure shall be enacted as it is now, with all of the authority given to the President, the agencies set up by the President will construct electric light and power plants in the various States, and also whether or not there was any evidence tending to show, or which indicated, that already communications had been made to some legislatures, as I know one has been sent to the legislature of North Carolina, asking them to enact legislation, or looking to the enactment of legislation, giving the Federal Government the right of eminent domain for the construction of power plants and electric-light activities.

Mr. STEIWER. Mr. President, that fact did not appear before the committee and, generally speaking, no projects were identified or listed; on the contrary, witnesses appearing in behalf of the bill stated merely the kinds of projects that made up what they call the great reservoir upon which to draw, and nothing precise was presented.

Mr. President, I have no way of testing the accuracy of the figures included in the report of the Federal Emergency Relief Administration. I merely read them as they are, with the assurance to the Senate that I am endeavoring to read them as they are written in the report. I do not know to what extent they correctly portray the situation in the State of Louisiana.

I read earlier in my remarks a summary of figures of contributions of certain States where the contributions had varied from 1 percent up to 6 percent. I want now to compare these contributions with others. I find from the report that contributions were made as follows:

	Percent
Massachusetts	67
Connecticut and Delaware	66
New York	51
California	47
New Jersey	45
Maryland and Pennsylvania	47
Iowa	45

The drought-stricken States of Kansas and Nebraska contributed over one-third of the total amount expended in their States for relief. South Dakota, which was probably the worse stricken of any of the States of the Union and where, according to the statement of the Relief Administration, 34 percent of the population was on relief rolls, nevertheless contributed over 11 percent of the relief money used in the State, and Oklahoma, another stricken State, contributed 15 percent.

In the expenditure of the P. W. A. funds the administration did not violate the legislative mandate of increasing employment quickly. It merely failed or neglected to live up to it. But in the expenditure of the F. E. R. A. funds the administration was not guilty merely of failure or neglect to live up to its own mandate of fair and impartial distribution of funds. By its own confession it actually violated its own formula, and after declaring to the country that relief would be extended only after local agencies had done their full share, it proceeded in the most flagrant manner to impose relief upon some areas in sums in excess of the requirements thought necessary by the local agencies, and in nearly all areas with utter disregard of the capacity of the local agencies to deal with their own problem. There is no other way to reconcile a local contribution of 66 or 67 percent in one State and a contribution of less than 1 percent in another State. Much less can you reconcile a contribution of 6 percent in the rich State of North Carolina as against a contribution of 15 percent in a State like Oklahoma which was a glaring example of a great community stricken with drought and depression.

In the Southern States, in the majority of which the Federal Government furnished more than 95 percent of the total relief funds, much of the distress, according to reliable authorities, was occasioned by the Government's own policy of crop reduction. Many magazine and newspaper articles have appeared over the signature of reliable observers, to the effect that much of the poverty in the Southern States was occasioned by the outlawing of the small cotton planter under the terms of the cotton-reduction program. These articles were based upon first-hand information obtained by the writers. A most competent authority, J. S. Wanamaker, of South Carolina, president of the American Cotton Growers Association, in a public statement carried by the press associations January 27, 1935, states that the cotton-reduction program was responsible for putting 40 percent of the cotton growers of the South on public charity.

I have no way, Mr. President, to attest to the accuracy of that statement, but I do assert that under the record as made by the Relief Administration and under the testimony adduced through the public prints there is here a situation which cannot be reconciled upon any theory of impartial administration of these funds or upon the theory that the Relief Administrator lives up to the formula which the President made.

We are traveling in a vicious circle when we set up emergency machinery and appropriate hundreds of millions of dollars to carry out a program purporting to improve the condition of our people and hasten the return of prosperity, and at the same time permit administrative acts which render public distress more acute and add great numbers to public relief rolls to be supported out of public taxes.

Whatever may have been the occasion for the vast increase in Federal contribution, it is obvious that the situation is neither supported nor defended by the administration which brought the Federal Relief Administration into being. Representative BUCHANAN, in his remarks upon January 23, 1935, made this statement:

> First, if your present system is continued, whereby the Federal Government furnishes 75 percent of the total amount for relief and local committees determine who shall be put on the relief roll and what amount shall be given them, God pity Uncle Sam and his Treasury.

This profane prayer was a cry for relief against the administration's own system by one of the administration's stalwarts occupying a most responsible position in the House of Representatives. The statement implies that the excessive expenditures had been occasioned by the fact that local committees determine who should be placed on the relief roll and what amount paid to them, but before the Senate Committee on Appropriations Mr. Hopkins made it abundantly clear that the Federal Emergency Relief Administration retained sufficient control of the funds so that the Federal Administration was in position to dominate the action of the local groups. He said in effect that he supervised the distribution; that he made rules and regulations governing it and required that the accounts be audited. Moreover, that he approved the personnel, and in at least one case, according to his own admission, for all practical purposes he selected the personnel. It would seem, therefore, that the Congressman must blame someone other than the local committees for the extravagance against which he complains. Where is there any assurance that in the expenditure of $5,000,000,000 there would be any improvement in this system of administration?

Is confidence in the aptitude and capacity of the President and his agencies to be increased merely because the Executive abandoned C. W. A. when it was under a Nation-wide criticism and because now he proposed to abandon the Federal Emergency Relief Administration when it is brought under criticism by the Chairman of the House Committee on Appropriations and when its processes are disowned and denounced by the President himself?

The Senate Committee on Appropriations endeavored to ascertain the identity of the person or agency to whom the expenditure of the $5,000,000,000 would be intrusted. That identity has not been established. It appears that we must cast our final votes upon this resolution without information concerning the spending agency. We only know that the resolution purports to clothe the President with authority to delegate in entirety the vast body of powers conferred upon him by this resolution, and we know that whatever the delegation may be the spending will be done at the discretion of the President and of those to whom the delegation is made without substantial restraint and with but little control by the Congress which is exercising its constitutional power to appropriate nearly $5,000,000,000 of the people's money.

We know, further, that the expenditure and the means to be employed in effectuating the objectives of the resolution will be determined by a President who, in the administration of relief, has heretofore departed radically from his publicly proclaimed purposes and who has denounced and repudiated two agencies to which he had previously given life, and that in one case he had discontinued an agency only to institute a new one under the same administrator. We also know that in spending the money provided by this resolution the President may continue the services of all of the existing personnel with its record of inefficiency and waste. These possibilities are alarming when it is remem-

bered that the only statement made by the President—and not to the Congress, but to the press—is to the effect that the spending would not be supervised by the Secretary of the Interior, whose administration, although lacking in dispatch, has up to this time been both orderly and honest.

It seems strange that the one who, above all others, has freed the administration from politics and has insisted upon the honorable distribution of the money voted by the Congress is the one and the only one concerning whom there is a declaration that he will not be consulted or at least he will not be placed in the charge of the expenditure of the proposed appropriation.

I have endeavored earlier in these remarks to make clear that the pending resolution is more than a mere appropriation of approximately $5,000,000,000. In addition to that appropriation it is essentially a plan to delegate enormous powers and to create in the President almost an unqualified and unrestricted discretion in expenditure of the appropriation. Congress should refuse to make this delegation. This body has already delegated to the Executive more power than any administrative officer can perform. The President is clothed with more responsibility than it is humanly possible for one man to discharge. To add to this authority and increase the responsibility will make the Executive branch of the Government less and not more efficient. The new authority includes power to select projects; to determine how much shall be expended in the national defense; to determine the policy of the Government with respect to the development of hydroelectric power; to experiment in a variety of schemes for social uplift; to determine the course of history with respect to concentration or distribution of population; to formulate a program of farm relief; and to determine the policy with respect to the disposal of exportable surpluses. It includes also the power of eminent domain which is one of the highest attributes of sovereignty. These and other like matters are highly legislative in character. A persuasive argument might be made that the delegation of these powers is violative of the fundamental law and that the legislation is therefore unconstitutional. I do not, however, at this time urge this objection. I say merely that the powers are too great to be administered by any executive; that the concentration of authority in one man's hands is inimicable to free institutions; that it takes away from the Congress the making of decisions which Congress must make or else subject itself to the charge of abdicating its traditional and constitutional function.

If we are to understand what it is that we are called upon to do in giving the Executive substantially a complete control of $5,000,000,000 of public funds, let us bear in mind that the Treasury of the United States contains nearly $2,000,000,000 of the unexpended balance from the $3,300,000,000 provided for public works under the act of June 16, 1933, and the act supplemental thereto, which I think carried $400,000,000 besides. The Executive also has in his complete charge another $2,000,000,000 which is a part of the so-called "profit" resulting from the nationalization of gold. Still other unexpended funds are under the control of the President. The daily statement of the United States Treasury for January 18, 1935, discloses unexpended balances of $5,724,254,139. Thus it is seen the President has in his charge in excess of $5,000,000,000, part of which is obligated but a substantial part of which is unobligated, and it is subject to the complete control of the President. So far as the two billion stabilization fund is concerned, neither the President nor the Secretary of the Treasury is under any obligation to report to the Congress or to the country. To this $5,000,000,000 it is now proposed to add nearly $5,000,000,000 more, and thus to place in the hands of the administrative government nearly $10,000,000,000. Of this huge sum nearly seven billion may be used at the discretion of the President and his administrative agencies. So great a power was never in history concentrated in the hands of one executive. But the unrestrained management of public funds is only a trifle compared to the economic and general governmental powers which have been delegated by Congress to the President since March 4, 1933. The willingness of the Congress to respond to the demands of the Executive will be recorded in the history of the Republic as the most marvelous phenomenon in the political life of this generation. Let me remind Senators that these concentrated powers include, among others:

Power to increase or decrease the wages of Government employees as provided in the so-called Economy Act of March 20, 1933.

Power to close any bank or all banks, State or National, and to keep them closed for any period of time which the President may direct, and to fix the terms upon which they may reopen.

To outlaw the possession by any citizen or any corporation of gold or gold certificates and to compel such property to be delivered to the Government in exchange for whatever kind of money the Government chooses to offer.

To fix, within certain broad limits, pensions and compensation to be paid to veterans of the wars and to their dependents. This power, I am glad to say, was materially modified by subsequent congressional action through which the Congress asserted its authority and performed its traditional function. The effort to wrest this authority from the President was resisted by him and attained success only by enactment over the veto of the President.

The concentrated Executive powers include also the power to raise and lower postal rates which gives the President punitive power over the public press.

Power to cancel or annul existing ocean and air mail contracts.

Power to make public the income-tax returns of individuals, in his discretion.

Power to regulate the value of money and to debase the dollar by reducing its gold content 50 percent at the time the power first became effective.

It includes also power to start the printing presses and to issue $3,000,000,000 in irredeemable greenbacks and to compel the Federal Reserve banks to purchase up to $3,000,000,000 in Government securities.

This is only a partial statement in the vast array of concentrated Executive powers. Delegated by Congress is the power to require industry, or groups of industries, to adopt codes of practice affecting wages, hours, working conditions, prices, and curtailment of output. These powers have been delegated to administrators and to deputy administrators and are being exercised by a multitude of subordinates and assistants who write codes and fix penalties for their violation. Congress also has clothed the President's Secretary of Agriculture with authority over agriculture by which he and his subordinates are permitted to levy and collect taxes and to curtail production and thus determine the destiny of the agricultural elements in this country.

His commissions and agencies control the stock exchanges and permit or deny a security market an opportunity for acquisition of capital for the rebuilding of American industry. They dominate the banks and monopolize the money market to insure the sale of Government issues. They make trade treaties without necessity of the advice and consent of the Senate, and, through the control of all the monetary powers, tariff duties, and the basis of production of industry and agriculture, artificially stimulate and to a large extent regulate prices of commodities, fix the cost of living, and determine the economic status of the men, women, and children who make up the population of the United States. So vast a power transcends the imagination. Its magnitude is so utterly beyond the grasp of the human intellect that the business leaders of the Nation, together with business executives everywhere, stand in dismay in its presence. Lack of a definite plan in the exercise of this power, as well as complete uncertainty concerning the dispositions which will be made before the end of today and in the course of tomorrow, leaves the country utterly without confidence, without spirit, and without initiative. Within the human heart there is not courage sufficient to bear up against the evil of so great an uncertainty. The result might have been foreseen. It was foreseen. But protests in the name of the welfare of the people of this country received but scant con-

sideration. The theorists, the experimenters, and "brain trusters" have prevailed. Delegation after delegation of power has been made until the concentration is now complete, and a bewildered Nation knows not which way to turn. It is not surprising that we have failed in our program of recovery and that in comparison with other nations, which have had no new deal, our position is most unfavorable and our recovery most seriously retarded. The appropriation of $5,000,000,000 in the form of a blank check, to be used at the discretion of the President, inevitably will make the situation worse, not only because of an unbalanced Budget and of increased debt but because it increases the uncertainty which already brings dismay to American business.

One of the objectives of the resolution is to provide relief from hardships attributable to wide-spread unemployment. Will the President add to forests and parks and thus remove land from the tax rolls in the burdened States of the West in order to implement a program to provide such relief, or will he instead, under the terms of the House resolution, acquire and nationalize the railroads? Congress does not know, but Congress will be held to the knowledge that in complete ignorance of fact it delegated to the President the power to do both of these things in order, in his discretion, to provide relief from the hardships attributable to unemployment.

Those who criticize this unprecedented and boundless concentration of power and those who question the wisdom of this appropriation in violation of the fundamental theories of our Government that the people, through their legislative body, should hold the purse strings, meet with but one answer of rather tiresome repetition. This answer was made in the House of Representatives by Congressman BUCHANAN, who, in defending the pending resolution, said:

> Can you not trust the President? The people of the United States trust him. Cannot this Congress trust him?

Perhaps the best commentary upon such an argument was made by the United States Supreme Court in its recent decision in the oil-code case. The argument was seriously advanced by the Government's attorneys that the code was defensible upon the ground that the President would not be guilty of maladministration of it. The Supreme Court commented upon that argument as follows:

> The question whether such a delegation of legislative power is permitted by the Constitution is not answered by the argument that it should be assumed that the President has acted, and will act, for what he believes to be the public good. The point is not one of motives but of constitutional authority, for which the best of motives is not a substitute.

Mr. President, I now conclude. I wish to reiterate, in substance, that which I said earlier in my remarks, namely, that there is no possible legislative difficulty involved in this situation. The Senate, with the concurrence of the House, can separate the direct-relief money from the work-relief money. We can, by appropriate legislation, provide relief money sufficient to enable the President to care for those who are in distress; we can then take under consideration, in a deliberative way, the question of considering the work-relief program, the appropriation of $4,000,000,000 and the safeguards which we ought, in all conscience, throw about that kind of an appropriation. If we will do that, we shall not be obliged to apologize hereafter for the abdication of the functions which the Constitution gives to us. If we will do that, we shall be able to answer every requirement in the emergency through which our country is passing at this time, and in the end we shall be able to enact a proper, reasonable, fair, and constitutional law which will place due restraints upon those who are to administer the appropriation and provide that justice shall be done to all concerned without partiality as between States and communities. We will know, moreover, that we have performed our mission and that we have taken a course which will not alarm the people of the country and further frighten the business elements of the Nation so that recovery will be still further retarded. I thank the Senate.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho;

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.;

H.R. 3018. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw, in Sequoyah and Le Flore Counties, at a point approximately 15 miles north of Keota, in the State of Oklahoma;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.;

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.; and

H. R. 4018. An act to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States.

ORDER OF BUSINESS

Mr. LONG. Mr. President——

Mr. CLARK. I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. I inquire what is before the Senate?

The PRESIDING OFFICER. There is no business before the Senate.

Mr. McCARRAN addressed the Chair.

Mr. LONG. Mr. President, am I recognized?

The PRESIDING OFFICER. There is nothing before the Senate.

Mr. LONG. Can I get recognition?

The PRESIDING OFFICER. The Senator can secure recognition to introduce some business before the Senate.

Mr. LONG. Very well; I move to call up the resolution which I submitted this morning. In support of that——

Mr. CLARK. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. The point of order is that, under the rule, a resolution has to lie over for 1 day if objection is made.

The PRESIDING OFFICER. The Chair is advised that the point of order is well taken, and it is sustained.

Mr. LONG. Mr. President, I desire to make a point of order. There is a possibility of the rules of the Senate being suspended, and I make the motion now that the rules of the Senate be suspended for the purpose of immediately proceeding to the consideration of the resolution which I submitted this morning.

Mr. CLARK. Mr. President——

Mr. LONG. I understand that parliamentary tactics are being used to keep the facts from coming out here today, and I want to talk on the motion to suspend the rules. I have moved to suspend the rules.

The PRESIDING OFFICER. Under rule XL a motion to suspend the rules must lie over for 1 day and must be in writing.

THE ADMITTED VIOLATIONS OF THE LAW BY POSTMASTER GENERAL FARLEY

Mr. LONG. Mr. President, I now move to proceed to the consideration of the first bill on the calendar. I shall ask the Senate to take cognizance of the following principles of law by which the Senate guides its conduct:

First, it is provided by the statutes of the United States that—

> No head of a department or other officer or clerk in the employ of the Government shall receive or agree to receive any compensation whatever, directly or indirectly, for any services rendered, or to be rendered, to any person, either by himself or another,

in relation to any proceeding, contract * * * or other matter or thing in which the United States is a party (sec. 1782, Rev. Stat. U. S. (1 U. S. Comp. Stat., p. 1212)).

Second, the law provides:

If two or more persons conspire either to commit any offense against the United States * * * each of the parties * * * shall be fined not more than $10,000 or imprisoned not more than 2 years, or both. (See Rev. Stat., sec. 5440.)

Third, the Criminal Code of the United State, section 35, as amended, title 18, section 83, of the United States Code Annotated, says:

Whoever shall enter into any agreement, combination, or conspiracy to defraud the Government of the United States, or any department or officer thereof, or any corporation in which the United States is a stockholder, by obtaining or aiding to obtain the payment or allowance of any false or fraudulent claim, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

Fourth, I direct this particularly to the attention of the Senator from Alabama [Mr. BLACK] and the Senator from Tennessee [Mr. MCKELLAR]—

Fifth, as has been interpreted by the Postmaster General and by this United States Senate, particularly in the matter of the contracts let for carrying the United States mail by airplane, where bidders are in collusion in making their bids on a contract for services to be rendered or supplies to be furnished in which the United States is interested, that such collusion is a civil and criminal offense against the United States.

I hope I shall not be required to argue either of these matters because I have merely quoted the law, except as to the fourth; and as to that, I have stated what we have accepted on the floor of the Senate as it came from the lips of the Senator from Alabama [Mr. BLACK] and the Senator from Tennessee [Mr. MCKELLAR].

Now, Mr. President and gentlemen of the Senate, I invite your ear and heart to consider a letter written and signed for and in defense of Mr. James A. Farley on the 19th day of October 1934, by one R. H. Hunter. I shall ask that, at the conclusion of my remarks, the whole letter and the answer thereto may be printed. But I am not concerned with the general colloquy or the campaign which it affected. I am only concerned that Senators should note certain things which the letter written in defense of Mr. Farley admits. They are as follows, as taken from Mr. Hunter's words, viz:

First. The United States Government promoted, financed, supervised, and acted as general overseer for the Hillside home development project in New York, advancing something less than six million dollars.

I make no point of the fact that this money was advanced for the work of slum removal out at a place where there were no slums. I pass that point by and ask the Senate to take knowledge of the facts that the Hillside home development project was a Government project promoted, advanced, supervised, and overseen by the United States Government and with its money.

Second. No contract could be let, nor could even a bid be opened, except under the immediate eyes and supervision of the Government aides placed in charge of the project to disburse the Government's money.

Third. James A. Farley, the Postmaster General of the United States, was interested in the sale of materials for the project through the General Builders Supply Co., in which he is heavily interested and "of which James A. Farley was the head."

I wish the Senate to take note that I am merely quoting from a letter officially issued in defense of and for Mr. Farley.

Fourth. In the awarding of the contract for brick—

I am reading now from the letter—the same—

was divided in equal thirds among three material supply companies, of which the General Builders Supply Co.—

Farley's company—

received one-third.

So that, in addition to the violation of the other laws quoted above, of necessity there must have been collusion among those bidding on the brick, openly consented to by the Government agents, to have had three equal bids and to have awarded same to equal thirds, one being the concern of James A. Farley.

I call the Senate's attention to the fact that our law goes so far as to prohibit the head of a department of the United States from participating—

directly or indirectly * * * either by himself or another * * * in relation to any contract in which the United States is a party.

For fear it may be thought by some that Mr. Farley may hide his personal and official identity behind the corporation of which he is a member, I call the Senate's attention to a long list of cases, one of which is the case of Magruder against Drury and Maddox, trustees, cited by my friend the Senator from Alabama [Mr. BLACK] in his discussion of the air mail matter here, decided by the Supreme Court of the United States in the Two hundred and thirty-fifth United States Reporter at page 106, wherein it is held that such laws forbid one in a fiduciary capacity to have an interest opposite to his principal or to make anything out of a contract executed with his principal in the transactions carried on with firms and corporations in which he is interested the same as to the transactions carried on by the individual in his own name.

In other words, in this case Mr. Drury's offense had been carried on in the name of a firm by the name of Drury & Ames, a corporation. The court said that does not make a bit of difference, that does not change the situation by one jot or tittle. The man interested in the corporation in a fiduciary capacity is the same whether he deals with it through a corporation or otherwise.

So, Mr. President and Members of the Senate, unless Mr. Farley's ally and defender has misstated the facts, in other words, unless the man writing this letter for Mr. Farley misstated the truth, or unless the newspapers purporting to publish this letter in defense of Mr. Farley have forged the same, none can doubt, under the law, where Farley stands in the transaction prohibited by law. He stands guilty of the violation of at least three and maybe four separate criminal statutes; that is, on the basis of the letter written for Mr. Farley.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield for a question.

Mr. CLARK. Who wrote the letter to which the Senator has been referring?

Mr. LONG. I have that here, and I am going to put it in the RECORD at the conclusion of my remarks. That letter was writen by Mr. R. H. Hunter, vice president of the Hillside home development project, I believe it is, and was written in reply to a letter written by Mr. Moses, a commissioner in the State of New York.

Mr. CLARK. Mr. President, will the Senator yield for a further question?

Mr. LONG. I yield.

Mr. CLARK. Does the Senator have any warrant whatever for the statement that this letter was written by authority of the Postmaster General?

Mr. LONG. Yes. It was a campaign document issued in the campaign in New York in which Mr. Farley was leading.

Mr. President, I ask that the Hunter letter may be printed at the conclusion of my remarks, together with the reply.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. LONG. Mr. President, I do not want to bring up other matters stated in these letters at all, because I am undertaking to have the Senate accept nothing except what is specified as a fact from Mr. Farley's side of the question. I do not want to have a colloquy over some of the other things that Mr. Moses said. For instance, Mr. Moses, I

understand, intimates that this was supposed to be a slum removal, when there was no slum. That is not material to my point.

Mr. Moses also said that while they took other people's property for relief purposes at the assessed value and could get more property at the assessed value, yet in this case they paid two times the assessed value. I do not want that noticed, because that is not my point.

Mr. Moses further said, Mr. President, that in selling this land to the Government at two times the assessed value, whereas they were getting everybody else's property for the assessed value, they exempted the property in front on the road so that after the Government had built up the back part, they would still have left the business part. But I do not want that noted, because that is not the point I am making now.

All that I want the Senate to consider is the fact that, according to their own letter, he showed three statutes had been violated, and more than likely, I think, a fourth, although I would prefer that the benefit of the doubt be given to the Postmaster General. All benefit of the doubt I want accorded Farley. There is a slight one-tenth of 1 percent possibility that the fourth statute has not been violated, which I think may entitle him to the benefit of the doubt, however slight it may be. But I have submitted these letters and I have sent them to the desk to be printed at the conclusion of my remarks. I do not intend to finish discussing the matter now, because I have something else to say.

I want the Senate to know that I have been very careful in what I have said. I said here the other day, may it please the Senate, that down in West Virginia they had an election on for United States Senator. I said that they telephoned down there to a man who was a leading factor in the B. & O. Railroad and called upon him to support Mr. Clem Shaver, who was at the time an employee and agent of the Reconstruction Finance Corporation. I said that at that time the B. & O. Railroad had pending an application to the Reconstruction Finance Corporation to borrow $50,000,000; and I said that Mr. Farley telephoned down there to get that man to switch over, or to go for Mr. Clem Shaver, at the time that application for a $50,000,000 loan was pending with the Reconstruction Finance Corporation.

I did not see it in the newspaper, but I was telephoned last night that throughout the country, or at least in West Virginia, it has been printed that this loan had been made to the B. & O. Railroad long before Clem Shaver was a candidate for the United States Senate and that he could not have had anything to do with it. I am very particular about my facts; so I telephoned down to West Virginia, and I got the date when Mr. Clem Shaver announced as a candidate for the United States Senate. He announced as a candidate for the United States Senate on July 7, 1934, the last day when he could file his candidacy, and the election occurred on August 6. He announced and filed on July 7.

I read the following from page 17 of the Baltimore Sun of July 14, 1934, 7 days after Clem Shaver announced as a candidate for the United States Senate, and 23 or 24 days before the election:

B. & O. will float $50,000,000 notes; R. F. C. agrees to take any part of loan unabsorbed by public. By J. F. Essary.

It says here, "Continued from page 20." I turn over to page 20, and I see this heading at the masthead of this article:

B. & O. to float 5-year notes of $50,000,000; R. F. C. agrees to take any part of loan unabsorbed by public; stock of Reading to be collateral; money to be used to meet maturities and clear bank obligations.

I ask that the entire article be printed at the conclusion of my remarks.

(See exhibit B.)

Mr. LONG. I will state to the Senate the further fact that this man, who was the head knocker down there in that railroad, who had that application for a loan of $50,000,000 pending with the Reconstruction Finance Corporation, by the name of Cornwell, championed the cause of Mr. Clem Shaver from that day until the election, and carried the only county in that whole territory in favor of Clem Shaver. The only county he carried was the one dominated by the man whose concern was borrowing the $50,000,000, who received that message to get in line for Clem Shaver before they made the loan.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Has the Senator read Governor Cornwell's statement, carried in the newspapers this morning?

Mr. LONG. No, sir.

Mr. CLARK. To the effect that he had been supporting Mr. Shaver from the time of his announcement, calling attention to the fact that Mr. Shaver had managed his own campaign when he was a candidate for governor of West Virginia, and had been chairman of the State committee during his candidacy for governor?

Mr. LONG. No, sir! I did not read Mr. Cornwell's statement, but I have some mighty good men prepared to take the witness stand under oath and tell about it. Don't worry about my proving anything here when I assert something—not a bit in the world. I expected Mr. Cornwell to say that. That is the only thing he could say. I will not summon Mr. Cornwell, but I will summon somebody else. Some of them are not very far from right where the Senator is sitting, right close. Do not ever worry about this thing.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. CLARK. Will the Senator be a little more explicit?

Mr. LONG. No; no more explicit right now.

Mr. CLARK. Will the Senator state whether he is referring to any Member of the Senate?

Mr. LONG. On the advice of counsel, I decline to answer the question. [Laughter.]

Mr. CLARK. That is very characteristic of the Senator from Louisiana.

Mr. LONG. Oh, no; oh, no. The Senator cannot say that. That is proper. I have not the authority to answer those questions. The Senator will not be disappointed about the proof.

Mr. President, I sent to the desk earlier in the day a resolution. I should like to state just what I have asked in this resolution. I have asked in it that the Department of the Interior of the United States Government furnish the Senate the reports and the data that have been assembled by its investigator, Louis Glavis, with regard to P. W. A. projects in which Mr. Farley has directly or indirectly participated, and also with regard to the Stewart concern which I mentioned some days ago on this floor.

Mr. President, this resolution will not come up until the following day when the Senate meets. I do not know whether we are going to adjourn until Friday morning, or until Saturday morning, or until Monday morning; and I am not going to make any point about any early adjournment or early reconvening of the Senate. That is not the point I am making; but I have laid before the Senate a resolution asking the Department of the Interior to send to us these data. That will not cost anything. The material can come here free. It can be in the custody of the Senate, surrounded by such safeguards as the Senate may see fit to clothe it in, and it ought to be in the possession of the Senate at the earliest possible moment.

I made a statement here, however, that someone has questioned in a news article that I have been told about. I do not take the time to read all these news articles. I rely upon the accuracy of my friends, because some of these are not matters that require investigation; but I am told that there was some kind of a pooh-pooh given by the United Press and the Scripps-Howard papers to my effort to have Mr. Farley investigated, and I am told that they flouted the idea that they had anything to do with any income-tax matter, or that any of their officers had anything to do with anything that might have been settled or adjusted, or fraud alleged concerning it that could affect

them. I do not want anything I have to say here to be left in doubt, if I can help it; so I have before me the Sunday Star of Sunday morning, March 11, 1934, reading from page 1, the first two columns on the right-hand side:

United States prepares to act against A. W. Mellon in tax-evasion drive—Jimmy Walker, Thomas S. Lamont, and others named in Cummings' announcement.

This was before they gave out the announcement that all these men had been called off Mellon and Lamont and sent down to Louisiana to get HUEY LONG. This was a little before that time.

Aluminum company scrutinized; 3-year limit to apply; Justice Department authorizes district attorneys to ask indictments by grand juries.

Who are the men they named? They say there that they are going to indict Thomas S. Lamont, Andrew W. Mellon, James J. Walker, and Thomas L. Sidlo, law partner of Newton D. Baker, of Cleveland, Ohio. Mr. Sidlo was the comptroller and the general counsel of the Scripps-Howard or United Press newspaper interests.

Mr. Sidlo was called on for a statement, or somebody was called on for a statement for Mr. Sidlo. I have not read this since March; but, as I remember, I read something from Sidlo there about this thing. Let us see.

Here is the compromise offer, on page 6, from Sidlo:

COMPROMISE OFFERED; SIDLO'S PARTNER SURPRISED BY APPARENT REFUSAL

CLEVELAND, March 10.—Commenting on the Department of Justice's projected criminal prosecution of Thomas L. Sidlo for alleged evasion of income taxes, Paul Patterson, one of his partners in a prominent Cleveland law firm, asserted tonight Sidlo had made to the Government what is technically known as an "offer in compromise."

Sidlo was reported by his associates to be at the home of Robert P. Scripps in southern California.

Asserting the Justice Department's intention to prosecute Sidlo is "a surprise to me", Patterson said, "while I knew the matter was being discussed in the Department of Justice, and although I knew the Department was considering what is technically known as an 'offer of compromise' by Mr. Sidlo, I had no inkling that the offer would be refused."

Mr. Sidlo's offer was to pay the entire amount alleged by the Government to be due and the 50 percent penalty plus interest. The question at issue is one of law surrounding the methods of claiming deductions—

And so forth.

Notwithstanding that he believed it his entire right to take deductions for these losses, he did make the offer to the Government which covers tax, penalty, and interest, the maximum amount the Government could possibly recover in any action.

In other words, Mr. Sidlo offered to pay the 50-percent penalty required in case of fraud, plus interest, all that the Government could recover at any time. That was Mr. Sidlo's offer. Notwithstanding that, says the Washington Star, the Solicitor General of the United States and the Attorney General of the United States saw fit to do the unusual thing of announcing the names of four prominent men against whom they would proceed by indictment and prosecution—something unheard of in the annals of criminal law prior to that time.

What happened? What happened? Did they prefer any indictment or prosecution against Mr. Sidlo, of the Scripps-Howard newspapers and the United Press? Not so that you can tell it; but about this time, Mr. President, the Scripps-Howard people moved in and began to horn in on the investigation of Mr. Farley, and lo and behold, there was a "Hush! Hush!", and they ran one edition of their newspaper carrying Exposure No. 1, and following that time no man has ever yet heard the Scripps-Howard newspapers say further of the conduct of Farley, and no man has heard the national administration say anything about indicting Sidlo, the comptroller and counsel of the Scripps-Howard newspapers.

O, my friends, misery loves company. We feel kindly toward our fellow man in similar situations. There you have it. There you have it, call it law, call it government, call it what you wish, backed up by the pages of the Washington newspapers, carrying full-fledged—and I have it here in my pocket—carrying full-fledged a letter, and I have in my hand a copy of the letter, sent through the United States mail to an employee of the United States Government in Washington, D. C., on a letterhead carrying the name of James A. Farley, and it says:

If you will notice from the attached appeal, we are making an effort to assist the National Democratic Committee in paying off its deficit. If you can help, won't you please let me hear from you as soon as convenient?

Enclosing him a blank to fill out with the amount that he will give.

That was sent out to employees of the United States Government, to send them $531,000, or as much of it as they can, and they say in this letter that "we have decided to limit the amount anyone can give to $1,000 in order to spread it around." That is a marvelous limit. Nobody could send them more than a thousand dollars. Of course, I am satisfied that if somebody asked for a suspension of that rule he might get it. [Laughter.] At any rate, if we forget everything else that has been said and everything else that has been done, we find that they go out to North Dakota and find a Governor out there by the name of Langer, who issued a letter in an effort to collect $170 from Government employees. He tried to get $170, but he collected only $83. They did not all come in.

Oh, what did they do? The majesty of the law had been flouted, and they haled into court the Governor, elected by the people. Farley is not elected by the people. He could not be elected justice of the peace in any ward in the United States of America tomorrow. But Farley's crowd, through the district attorney, haled the Governor of the State, "Come into court, ye demon. Come hither. You are accused of having done the monstrous act of accepting $83, and trying to get $83 more, from employees of the United States Government."

What did they do? They indicted him, convicted him, removed him from office, and he is today on his way to the Federal penitentiary, notwithstanding the fact that Farley, even after that, sits in the city of Washington sending hither and yon applications to people subject to his ipse dixit to send money in to the Democratic Party.

Mr. President, that is what we have come to. More than Cicero could say about Cataline, "Does he live? Does he live? Yea, more, he walks into the Senate." Ah, Mr. President, in the case of Farley, we may cry, Does he live? Yea, more, he supplants the United States Senate. He exercises the power which the United States Senate once, in the days of yore, was supposed to exercise.

Where is the Senate? More under the hat of the Postmaster General today than it ever was under the control of any man. The gentleman exercising that power, prescribing the rules and regulations, and enforcing them, appointing the district attorneys of the United States and removing the district attorneys of the United States, prosecuting those who are interested in Government contracts, prosecuting those who solicit Government funds, even to the little man Merrigan in Louisiana, who solicited, I think it was, a hundred dollars from some employees—prosecuting and indicting him, and threatening to put him off—that man violates the laws openly and without serious fear of conviction or prosecution.

It is all right. We sit here. Defend it on the ground of party? Oh, yes, defending the party! Defending the party! Defending the party!

He is the National Democratic chairman, he is the chairman of the Democratic State Central Committee of New York, he is the Postmaster General, he is the Democratic Party of the United States, the eyes, the ears, and, if it has a heart left, the heart. [Laughter.] Only one heart there is left in the Democratic Party—in the bosom of Farley. He is today regulating and running those affairs.

Mr. President, I see this in the Washington Daily News of today:

Democratic chiefs ponder safe course in Long-Farley row.

There is no row between me and Farley. That is a mistake. There is no row there. I have been stating, up to this time, the admitted things which have been published in Mr.

Farley's defense. I am only quoting the law that has been applied by his own appointees and others.

Democratic chiefs ponder safe course in Long-Farley row.

This is a Scripps-Howard paper.

Political potentialities of disputes may cause Senate to consider charges.

The feud between Huey Long and Jim Farley has the Capital by the ears, awaiting the next move.

It has all sorts of political potentialities, involving even the 1936 Presidential election.

Senator KENNETH MCKELLAR (Democrat, Tennessee), chairman of this committee and one of Farley's champions in the Senate—

Mr. President, that is what I resent, because the Senator from Tennessee thought I was making that kind of a statement the other day when he resented what I said, and I made haste to assure him I did not. This is what I resent:

Senator KENNETH MCKELLAR (Democrat, Tennessee), chairman of this committee and one of Farley's champions in the Senate.

They even refer to the Senator as the champion of Farley in the Senate. Imagine the insult that has been cast on him! [Laughter.] I move that we cite this newspaper for contempt. [Laughter.]

Senator KENNETH MCKELLAR * * * said today he would call his committee together in a day or two to consider LONG's resolution for an inquiry.

LONG will be invited before the committee to state the grounds for his charges. The committee then must report back to the Senate, either to recommend an investigation, or report there is no basis for one. The vote will come upon acceptance of this report, whatever it may be.

When the committee reports to the Senate there will be an opportunity to ascertain the truth of rumors that Republicans are secretly egging the Louisiana Senator along in his warfare on the administration.

They will find out whether it is Republicans or not. They are going to find out that the only Senators here who said anything to me about this are Democrats, on this side of the Chamber, and before this thing is through with, if they tell me about it, I will tell you about it. They will probably be telling you about it before it gets through.

Mr. President, there is honor left in the Democratic Party, whether you believe it or not. There is honor left in this party. Even considering me out of it, there is still honor left in the Democratic Party. [Laughter on the floor and in the galleries.]

This paper further says:

It is no secret that they are delighted at the embarrassment he causes from time to time.

On the contrary, the worst thing that can happen to the Republican Party today is for Farley to be kicked out. Just as certain as 2 times 2 make 4, let this man be kept in, and the Democratic Party, with five billion or ten billion or any other number of billion, will not have as much chance of getting in the next time as a snowball has of going through a fireplace. The worst thing the Republican Party could have done to it today would be to have the Democratic Party clear its skirts of this kind of infamous smell. They do not want it done. In my opinion, of course, they have to protect their record over there and claim to be more honest than we are. They will probably vote with me this time. If they had voted with me on silver, they would have been a lot better off, but they did not do it. The worst thing that can happen to them is for the Democratic Party to clear its skirts and put this man out.

It looks as if they are trying to make a pallet for him to fall on. They are going to give him a little easing out. This headline appears in an article written by one of his defenders, writing in the Washington Post, day before yesterday, February 12. Over the column written by Mr. Elliott Thurston is this headline:

Farleyism is raising issue of good faith; party independents grow increasingly uneasy over new-deal political methods.

Further down in the article it is stated that they ought to take Farley out of the Postmaster General's Office and leave him in charge of the Democratic Party, and that in that capacity he could still dispense the patronage and about run things anyway, in that capacity, by getting out of the Postmaster General's Office.

I ask that this article be printed at the conclusion of my remarks, also.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit C.)

Mr. LONG. Mr. President, I wish to sound this word of warning. Some of the gentlemen on this side of the Chamber propose that Mr. Farley get out of the Postmaster General's Office and stay in charge of the Democratic Party; but you cannot do that to us, not on your tintype. If he is not fit to be Postmaster General, he is not fit to be head of the Democratic Party. The Democratic Party, which to my country has been a pillar of fire by night and a pillar of cloud by day, through which we have rescued the country from every tragedy and from every scourge, will not be content to have its white banner, unsoiled and untarnished, carried in the smeared hands of James A. Farley. One would be as much an outrage performed against the common weal and welfare of this country as the other would be, and I sound the warning now, we will accept no such compromise as that. We have shown these facts here through admissions.

I send to the desk the article in the Scripps-Howard newspaper from which I have quoted, in order that it may be printed at the conclusion of my remarks, if there is no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit D.)

Mr. CLARK. Mr. President, as I understand, none of these requests for extensions of the Senator's remarks have been put to the question.

Mr. LONG. I will have them put now. I will ask that the articles which I have sent to the desk be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. I object.

Mr. LONG. I ask if it be the wish of the majority of the Senate, Mr. President, or if they have any objection to having these articles printed in the RECORD, at the conclusion of my remarks, instead of taking the time of the Senate to read them all now? I ask that the Senate be polled on that question viva voce, whether they would like me to read them, or let the short articles, they are not long, be printed in the RECORD without being read. Am I not entitled to a vote on that question, Mr. President? I am not familiar with the practice.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana to have the articles in question printed in the RECORD. [Putting the question.] The ayes have it, and it is so ordered.

Mr. CLARK. Mr. President, I ask for a division.

Mr. LONG. The Senator called for a division too late, Mr. President. He is a great parliamentarian, but he asked for it too late.

Mr. CLARK. I ask for a division, Mr. President.

The PRESIDING OFFICER. A division is asked for.

Mr. VANDENBERG. Mr. President, before the division is taken I wish to say, regarding one of these articles, that the Senator from Nebraska [Mr. NORRIS] handed it to me on yesterday and asked that it be inserted in the RECORD—I am referring to the Elliott Thurston article—because it does represent the independent thought of this country respecting Mr. Farley. I did not offer it, simply because I had not had an opportunity. I think the Senator from Louisiana is wholly entitled to have Mr. Thurston's article printed in the RECORD, and if the Senator from Nebraska were here I am certain that he would emphatically defend the demand, and request that the article be inserted in the RECORD.

Mr. CLARK. Mr. President, is this question debatable?

Mr. COUZENS. A parliamentary inquiry!

The PRESIDING OFFICER. The Senator from Missouri.

Mr. CLARK. Mr. President, is the question debatable?

Mr. LONG. Mr. President, I will yield to the Senator from Missouri if he wishes.

Mr. CLARK. The Senator from Michigan [Mr. VANDENBERG] made a speech apparently in his own right.

Mr. LONG. I will yield to the Senator from Missouri.

Mr. CLARK. I have no desire whatever to interfere with the right and courtesy customarily extended to any Senator to have documents printed in the RECORD at the conclusion of his remarks; but during the last 2 or 3 days the Senator from Louisiana has been pursuing a policy of making such unrestrained attacks of a most abusive character upon public officials, following it up at the last meeting of the Senate day before yesterday with an attempt to insert in the RECORD, by unanimous consent, a violent, abusive article about the same public officials, that I should like to know what the matter is which it is requested be printed in the RECORD.

Mr. LONG. I think the Senator is entitled to that explanation. I am only inserting the article from the Sunday Star of Sunday morning, March 11, 1934, containing an announcement of the Attorney General of the United States, and the reply issued to it by Mr. Sidlo's partner; the announcement in the Baltimore Sun on the 14th day of July 1934, of the loan by the R. F. C. to the B. & O. Railroad of $50,000,000; and the article in the Washington Post of the 12th day of this month, by Mr. Elliott Thurston, regarding the issue of Mr. Farley.

Mr. CLARK. Mr. President, I have no objection whatever to the insertion of those articles. What I had objection to was the practice of the Senator from Louisiana in saying that he would have articles inserted in the RECORD without disclosing what they were, and without the question being put to the United States Senate.

Mr. LONG. I beg the Senate's pardon.

The PRESIDING OFFICER. Does the Senator from Louisiana renew his request?

Mr. LONG. Yes; I do, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and the articles referred to will be printed in the RECORD.

(See exhibit B, article from Baltimore Sun; exhibit C, article by Mr. Elliott Thurston; exhibit E, article from Sunday Star.)

Mr. LONG. So now, Mr. President, there is in the RECORD what I ask every Senator to read. I ask Senators tomorrow morning, when they get their CONGRESSIONAL RECORD—because I wrote out the first three or four pages of my remarks today so that they might be quoted word for word and letter for letter of the law—I ask Senators, when they get their CONGRESSIONAL RECORD tomorrow morning, to open it up and peruse the quotations and the articles which I have inserted in the RECORD; and I say further to my friend from Tennessee [Mr. MCKELLAR] that I have offered this article from the Scripps-Howard newspaper without for a moment consenting to the appelation that he sits here as a champion of Mr. Farley. I do not intend to have this matter tried out before the Post Office Committee as to what facts we are going to prove. I do not understand that to be their function. I do not understand that we are going to have all the supposed evidence submitted to that committee now, because there never has been such a procedure as that followed in history that I know anything about. So, Mr. President, I say further to my friends of the Senate and to these publications we are trying to do what is necessary for honest government. I resent the statement that the Senator from Tennessee is a partisan or that I am a partisan. Perhaps I brought about that accusation by my suggestion that both the Senator from Tennessee and I ought to be eliminated from this committee. I now revoke any such insinuations or propositions; and I will ask that this committee be constructed along the regular lines, without eliminating either the Senator from Tennessee or myself, but with the usual regard that is given in appointments under resolutions of this kind.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WHEELER. When I introduced the resolution to investigate Harry Daugherty, who was at that time Attorney General of the United States, I asked and secured a special committee to investigate the charges, and I myself was a member of that committee. I saw nothing inappropriate in my acting in that capacity, and I conducted the investigation myself. There were 3 Republicans and, as I recall, 2 Democrats upon that committee. The investigation was not sent to the Judiciary Committee at all at that time. We asked first for a special committee of the Senate to be selected from the floor of the Senate.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MCKELLAR. That was prior to 1930, was it not?

Mr. WHEELER. Yes.

Mr. MCKELLAR. In 1930 the then Senator from Ohio, Mr. Fess, offered and secured the adoption of an amendment to the rule by which, whenever a resolution was introduced calling either for an investigation or for other substantive action which created a charge on the contingent fund of the Senate, either direct or indirect, such resolution must be sent to the committee having charge of it, and they must first pass on it. There has been a change in the rule since the Senator presented his resolution concerning Mr. Daugherty.

Mr. WHEELER. Yes; I understand that that change in the rules has taken place. What I meant to suggest, however, was that had that particular investigation—and I think the Senator will agree with me—gone to the Judiciary Committee there never would have been an investigation of the Department of Justice at that time. However, we insisted upon a special committee being appointed, and it was appointed by the Senate.

I think it is perfectly proper under the rules—and I have no fault at all to find with the procedure—that the resolution should go to the Committee on Post Offices and Post Roads; but there is nothing wrong, I submit to the Senate, in asking that a special committee of the Senate of the United States be designated in this particular instance.

So far as I am concerned, while it is inconceivable to me that the Postmaster General should do many of the things which have been charged to him in this instance, notwithstanding that fact, I submit that when charges of the character that have been made are made on the floor of the Senate, the Senate owes it to itself, and the Postmaster General owes it to himself, to want a fair and impartial investigation made; and if the Senator who makes those charges desires a special committee, I think a special committee should be appointed for that purpose.

Mr. MCKELLAR. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. MCKELLAR. I said that this resolution was passed in 1930. I am in error about that. It was passed on January 20, 1932, when the rules were changed as I have suggested.

Mr. LONG. Yes; I had understood that. The matter was called to my attention the other day. I say, though, Mr. President, as I said a moment ago, prior to yielding to the Senator from Montana [Mr. WHEELER], that my statement on the floor of the Senate as to changing the rule and the custom has been objected to by certain Senators; and as to that part I ask the Senate to consider that I entirely withdraw my suggestion as to the personnel and expect the customary rules to be followed in the selection of the committee. I hope, Mr. President, when this investigation is held, that that which I do not expect to happen will happen, and it will be found that there is not a word of truth in these statements, not even in those made in defense of Mr. Farley, which show a clear violation of the law. I hope that will be found to be the case. It will not hurt me. Go ahead.

I should like to see the people of the United States have some confidence restored in Government which they do not have now in certain quarters. I wish the people of the

United States, falling on their knees at night to pray to Almighty God, could believe there is purity, honesty, and righteousness in every part of the Government fabric and particularly at the top. But, ah, Mr. President, when we allow the tarnish of wreckage, when we allow the pollution of the souls of men to be inflicted upon these people from the very sunlight itself, when we allow it to be spewed among them that the crooked tactics condemned by law, for which all men should serve criminal terms, are none the less proper to be practiced by a man holding in one hand expenditures and in the other hand the dispensation of justice, what can we expect in the way, manner, or form of confidence in Government from the minds and souls of men, women, and children, 125,000,000 of them, scattered throughout the length and breadth of this land?

I did not admire Mr. Coolidge. I was not one of his admirers. I know he was probably a man of good motives; but he held Daugherty in the Cabinet just so long as he dared to hold him, until the fire got so close that he had to make him go. He held him there at the cost of many Senators' political lives, for many a man who served with distinction in the United States Senate had to go the way of the missing, owing to the defense he undertook to make of Harry Daugherty and the corruption that he fostered in the United States. So many a man was sacrificed.

The time, Mr. President, to defend a man is when he is in a position to have a defense made for him. I have been subjected to impeachment proceedings. I selected as my counsel in the trial of the impeachment my colleague [Mr. OVERTON], who sits in the Senate, subject to the understanding that when he was even remotely convinced that there was one slight taint of corruption about my official conduct as Governor of the State of Louisiana he would immediately withdraw as my counsel of record. I went through that, not once but twice; and today, if we are to have this kind of thing continue and the newspapers are to flaunt in their columns that there is a Farley bloc in the Senate bent upon keeping him from being exposed, that is almost like pleading guilty to an indictment; that is not only Farley's plea of guilty to the indictment but it puts the United States Senate itself on trial. It pleads the guilt of the Senate that the man who himself undertakes to prevent trial has in the Senate confederates conspiring to keep him from standing trial.

Those are charges reflecting upon the integrity and the honor of every man sitting in this body, that in these matters of such taint and rottenness and fraud and corruption and pollution partisans are undertaking to shield this investigation for fear of disclosures that must of necessity come to light.

God forbid the day that this honorable body, composed of honorable men, will consider that it must shield corruption, slime, and filth affecting 125,000,000 born and many yet to be born. God forbid that the Senate may ever justly be accused of having undertaken to thwart or to prevent the facts being brought out and the disclosures made concerning the character of public conduct of this man.

I thank the Senate.

EXHIBIT A

[From the New York Herald Tribune of Oct. 27, 1934]

TEXT OF MOSES-HUNTER LETTERS INVOLVING STRAUS CHARGE

The texts of Russell H. Hunter's letter to Robert Moses on the Hillside housing development and Mr. Moses' reply follow:

OCTOBER 19, 1934.

Hon. ROBERT MOSES,
State Office Building,
80 Centre Street, New York, N. Y.

DEAR SIR: I have been amazed at the statement carried in the afternoon's papers of October 17, 1934, attributed to you in connection with the Hillside housing development and the alleged patronage which resulted in the award of large contracts to the General Builders Supply Co., of which James A. Farley was the head and in which you allege he is still interested; and to the further fact that the employment of labor on this enterprise was controlled by Edward J. Flynn.

The fact that you refer to the enterprise as nearly $8,000,000 in value and that the loan was received from the Reconstruction Finance Corporation is as inaccurate as your information on the other two subjects.

This company in years past has done a large business with the General Builders Supply Co. for the obvious reason that a builder of large buildings is very likely to use the largest building supply organization on a large part of his work, but on this enterprise the amount of business placed with them was but one-fifth of the total.

PUTS COST AT $5,700,000

The building contracts on the Hillside housing development are but slightly over $4,000,000, and the entire project is but approximately $5,700,000, the loan on which was made, not by the Reconstruction Finance Corporation but by the Federal Emergency Administration of Public Works.

It is a requirement of the loan agreement that the subcontracts be awarded to the lowest bidder, with sealed bids opened in the presence of a representative of the Federal Emergency Administration of Public Works and the New York State Board of Housing and that all contracts shall be awarded to the lowest responsible bidders under the specific supervision of the Government authorities.

The largest material contract was for portland cement, and the General Builders Supply Corporation got no part of this order. The next largest contract was for brick, which was divided in equal thirds among three material supply companies, of which the General Builders Supply Co. received one-third.

Under the loan agreement with the Government, it is provided that employment be given, where they are qualified, to ex-service men with dependents, and then in the following manner: To citizens of the United States and aliens who have declared their intentions of becoming citizens who are bona fide residents of the State of New York and/or county of Bronx, State of New York.

The interpretation which has been placed upon these preferences is that veterans receive the bulk of the employment.

The building trades in New York have been working under agreements with unions for a great number of years, and under these agreements the employment is kept largely in the hands of the union organizations. Our loan contract with the Government provides "that organized labor, skilled and unskilled, shall not be required to register at local employment agencies, but shall be secured in the customary way through the recognized union locals." Since practically all labor in building trades is organized labor, the employment has been done on this job in the customary way through the recognized union locals.

ASSERTS FLYNN NEVER ASKED FOR HELP

We have never, directly or indirectly, received a request from Mr. Flynn to put a single man to work on this job.

We have never guaranteed the cost as part of the agreement with the Government for the loan, and have resisted the efforts of petty politicians to have their henchmen put to work, consistently and regularly, to such an extent that I can assure you there is not a single workman on the job who was placed there by political preference of any kind.

I am reluctant to believe you would make the statements attributed to you, unless you had been grossly misinformed by someone, and am therefore placing the facts before you in the hope that you will correct the erroneous position in which you have placed yourself, and I should be very glad to hear from you on the subject.

Very truly yours,

R. H. HUNTER, *Vice President.*

REPLY FROM MOSES

Mr. Moses made public the following reply to Mr. Hunter's letter:

OCTOBER 26, 1934.

RUSSELL H. HUNTER, Esq.,
Vice President Starrett Bros. & Eken,
Fifth Avenue and Thirty-fourth Street, New York City.

DEAR SIR: I have your letter of October 19 with reference to the Hillside housing development. There is not a word of truth in your reply.

I assume that you were writing a self-serving letter for the record to protect Senator Straus and your company, not to speak of the other people in the background.

I did not make the statements you referred to as to the source of your loan and as to the amount. I know perfectly well how your loan was obtained, and I have the general figures. You know that I was the chairman of the State emergency public works commission appointed by Governor Lehman, and that every application to the R. F. C. went through our hands until the R. F. C. was superseded by the P. W. A. You know perfectly well that Senator Straus originally made his application to us for this loan and that he did not obtain the loan through us, but later, after the R. F. C. records were turned over to the P. W. A. Why quibble about a lot of foolish, inconsequential details?

MOSES WANTS NO SPOOFING

I know all about the sealed bids and subcontracts. I did not say that the General Builders' Supply Co. received more than one-third of any particular order. I said that Mr. Farley was declared in on it, and that he controls a group of supply companies which monopolize the market. You know this is true, and that the N. R. A. code business has made this monopoly even stronger than it was before. What is the difference as to just how they divide it up among themselves on this or that occasion? You know how it is divided up. You are in the building business. Don't try to spoof me about it, or the public.

As to the matter of employment, I am fully aware of the rules about citizens, aliens, residents of the State, veterans, etc. The

fact still remains that the employment was largely done by Mr. Flynn through Mr. Flynn's man, Keegan, who was wished on you by Flynn. You know perfectly well who Mr. Keegan is and why he was put there, and you know that all kinds of political preference can be exercised within the Federal rules. Did you approve of the appointment of Mr. Keegan? Did it look good to you? When you say that you have never, directly or indirectly, received a request from Mr. Flynn to put a single man on the job, you know you are simply evading the whole question. Mr. Keegan is Mr. Flynn's man. Do you happen to know Mr. Fitzpatrick, who is Mr. Flynn's shadow, and will you have the effrontery to say that he had nothing to do with this job?

FINDS PRICE OF LAND EXCESSIVE

Let me ask you something else while we are on the subject. What do you think of the price for land paid to Senator Straus? When the senator originally talked to me about this project he told me that it was primarily philanthropic and that his heart just bled to provide cheap houses for the people in the Bronx. I had no time to go into the details of the matter then and no machinery to make a check on his figures. I thought it was worth while getting work under way even if the projects were a long way from perfect, and I assumed that he was not going to profiteer at anybody's expense.

Since then I have heard some very strange things about the price at which the land was put in. Is it not true that this land belonged to the Straus family for a long time; that, in fact, it is part of an estate; that the family was stuck with this land and could not dispose of it; that it brought in nothing; that it was sold to the limited dividend company at a price in excess of what it could possibly bring on the market; that the price paid was over twice the assessed valuation just fixed by the city for tax purposes for the following year? You know there was plenty of land to be obtained for the assessed valuation. I bought playground land for the city on this basis in every borough. The difference meant about $200,000 to Senator Straus.

Is it not true that Senator Straus held out all the valuable frontage on the Boston Post Road so as to cash in on it by building stores and other commercial developments to be patronized by the tenants when the housing development is completed, and that what he sold to the company was nothing but back land?

DISCUSSES OSTRICHES

The Straus corporation which sold this land was called the "Ostrich Realty Corporation." An ostrich is supposed to be a bird that sticks its head in the sand and doesn't know what is going on. Perhaps all of the people of the city are not ostriches.

If Senator Straus made no claim to be anything more than a very slick trader, and if he admitted that he bargained with the very political leaders he is opposing in the municipal election, I should have a good deal more respect for him. When, however, he pretends to be a philanthropist, civic champion, and uplifter, it becomes a little disgusting.

I trust that when Governor Lehman accepts the nomination of the Liberal Party at the hands of Senator Straus he will explain the Hillside land matter and the connection of Farley and Flynn with the patronage and building racket.

Very truly yours,

ROBERT MOSES.

UNLOADED FAMILY LAND FOR HILLSIDE HOUSING PROJECT AT DOUBLE ITS VALUE, CANDIDATE SAYS; GOVERNOR IS TOLD TO SHUN TAMMANY; INDEPENDENTS, DEMANDING SHOWDOWN, CHARGE HALL USES EXECUTIVE'S PRESTIGE FOR OWN ENDS

Robert Moses, Republican candidate for Governor, charged yesterday that Nathan Straus, leader of the anti-Tammany Liberal Party, supporting both Gov. Herbert H. Lehman and Comptroller Joseph D. McGoldrick, used the Hillside housing project in the Bronx for his personal profit to the extent of $200,000 and still had further profits in prospect. The project is financed by Federal loans.

Simultaneously, the Liberal Party warned Governor Lehman that Tammany Hall, in whose headquarters Governor Lehman opened his campaign, was undertaking to use him for its own purposes, and that the independent Democrats of the city do not want to hear him speak under Tammany auspices.

NO TRUTH IN LETTER, SAYS MOSES

Mr. Moses made his charges against Mr. Straus in an exchange of letters between himself and Russell H. Hunter, vice president of Starrett Bros. & Eken, contractors for the Hillside project. Mr. Hunter's letter protested against a previous attack of Mr. Moses charging that the General Builders Supply Co., in which Postmaster General James A. Farley, chairman of the Democratic National and State Committees, is interested, had received substantial awards for materials, and that Mr. Farley and Edward J. Flynn, Democratic leader of the Bronx and Governor Lehman's secretary of state, had used the project for patronage and political purposes.

Mr. Moses acknowledged receipt of Mr. Hunter's protest and said, "There is not a word of truth in your reply."

Mr. Moses reiterated his charges that the Hillside project was being used for political purposes. In addition, he charged flatly that Mr. Straus had sold his family property to the Hillside Holding Corporation for twice its assessed valuation and had withheld the frontage along the Boston Post Road.

FORESEES NEW PROFITS

The post-road frontage, according to Mr. Moses, will be highly valuable for business purposes when the housing project is completed and tenanted.

Mr. Moses said that, as Governor Lehman's chairman of the State Emergency Public Works Commission, he was told by Mr. Straus, applying for a loan, that the Hillside project was primarily philanthropic and that his heart just bled to provide cheap houses for the people in the Bronx. The loan was later obtained from the Federal Government.

"If Senator Straus made no claim to be anything more than a very slick trader, and if he had admitted that he bargained with the very political leaders he is opposing in the municipal election", Mr. Moses commented, "I should have a great deal more respect for him. When, however, he pretends to be a philanthropic, civic champion and uplifter, it becomes a little disgusting."

Mr. Straus' reply, when informed of the Moses letter, was to wish Mr. Moses luck in his campaign.

Answering the previous denial of Mr. Straus' associates that they had consulted or been influenced by the Flynn political machine in giving employment for political purposes, Mr. Moses named specifically Thomas F. Fitzpatrick, secretary of the Bronx County Democratic Committee, and Charles E. Keegan, who was secretary to Joseph V. McKee as president of the board of aldermen, as political contact men.

The "limited dividend company" referred to in Mr. Moses' letter was understood to be the Hillside Holding Corporation, which by law would be limited to a dividend of 6 percent. The price alleged to have been paid for the land was $412,090, in securities of the purchasing company. The assessed valuation of the property in 1933 was reported at $233,100, and in 1934 at $201,300.

If Governor Lehman continued to accept the support of the Liberal Party, Mr. Moses expressed the hope that he would explain the whole matter.

STRAUS COMMENT ON LETTERS

Mr. Straus made the following comment on the letters:

"Bob Moses will be in the limelight for another 10 days and is entitled to all the fun he can get out of it. As one of his oldest friends, and the man who sponsored his entire park program in the State senate, I wish him all the luck in the world."

The Liberal Party statement demanding a show-down between Governor Lehman and Tammany Hall as a result of the Governor's two speaking engagements in Queens was issued by Langdon W. Post, tenement house commissioner, an associate of Mr. Straus in the Liberal Party.

The statement follows:

"Tammany Hall is trying to make capital of Gov. Herbert H. Lehman, not to serve him. When its attempt at gag rule failed and Governor Lehman insisted he would speak at the Liberal Party rally in Flushing High School on Wednesday, October 31, Tammany today showed its disregard for his welfare by assigning him a speaking engagement on the same platform the night previous. Common-sense rules of campaign management dictate against any such waste of his time and indicate that he should reach as many population centers as possible. But Tammany is playing Tammany's game and not Mr. Lehman's. The move is typical of the stupid arrogance and cynical selfishness which the city got itself rid of last fall. Tammany out of office has learned no lesson and acts just as Tammany in office acted.

"If Tammany really has Governor Lehman's interests at heart, there is still time for it to arrange for a different auditorium on Tuesday night. It is impossible for us to do so Wednesday night, as no other auditorium of sufficient size is available. As things stand, Tammany seems to have brought on a show-down. After the two meetings Tammany will have evidence that there is a great element of independent Democrats in Queens who want to support Governor Lehman but would not support Tammany under any conditions. They want to hear him, but they do not want to hear him under Tammany auspices. The present public-be-damned and Lehman-be-damned attitude taken by Tammany about the Queens rally is in itself sufficient explanation of why this is so."

The statement was issued after a meeting of the steering committee, consisting of Mr. Post, City Chamberlain A. A. Berle, Jr., and Mr. Straus, with the Liberal Party leaders of Queens.

"I was present at two conferences with the Board when they dictated letters to Governor Lehman on this subject. I know exactly what was in these letters. I suggest that either the housing board or governor Lehman make public the letters written to the Governor about Mr. Flynn. Governor Lehman has no control over Mr. Flynn as secretary of state, and he doesn't even know where he is for weeks at a time.

"It is no answer to my statements to say that Jim Farley's firm only got a fraction of the building contracts. Everyone knows that the General Builders Supply people control most of the building materials in this community outside of gravel, sand, and trap rock, and that they have intimate relations with the people who control that branch. The General Builders Supply is a good deal of a racket. If you plan to build anything, you play with them or you don't build."

Earlier yesterday Commissioner Moses discussed, acrimoniously, Governor Lehman's appearance and address at the Tammany Hall rally of the night before.

"He attacked the old guard and promised to make the Tammany boys the lifeguards of the State", the Republican gubernatorial nominee commented. "While he is denouncing the old guard and appropriating the post of generalissimo of the Tammany forces, he should call the roll of some of his own staff.

"First, there would answer Gen. John Boyd Thacher, who made the notification speech on Monday and who for the last 8 years has been the mayor of the O'Connell brothers' conquered province

of Albany. He has a fine, progressive, independent, forward-looking organization without an old guardsman in it, and consisting entirely of enthusiastic young amateurs and idealists, bent on improving the slot-machine racket, the baseball pool, and the beer-running game.

"Next would answer General Farley, of the builders' supply corps. Then Gen. Eddie Flynn, an impractical young political dreamer, and Gen. Vincent Dailey, that alabaster box of precious political ointment. Then there is General Dooling, a raw recruit with only two generations of Tammany district leadership back of him, not to speak of Gen. Basil O'Connor (President Roosevelt's former law partner), another political idealist, absent last night on department business—a new dealer who deals them from the bottom of the pack.

"All of them, of course, Sir Galahads of the young guard. Give them a Tammany legislature and see what they will do to the State."

EXHIBIT B

[From the Baltimore Sun of Saturday morning, July 14, 1934]

B. & O. TO FLOAT 5-YEAR NOTES OF $50,000,000—R. F. C. AGREES TO TAKE ANY PART OF LOAN UNABSORBED BY PUBLIC—STOCK OF READING TO BE COLLATERAL—MONEY TO BE USED TO MEET MATURITIES AND CLEAR BANK OBLIGATIONS

By J. F. Essary

WASHINGTON, July 13.—Financial plans of the Baltimore & Ohio Railroad, involving a $50,000,000 5-year 4½-percent note issue, worked out in cooperation with the Reconstruction Finance Corporation, were announced here late today.

Under this plan the carrier is given a guaranty that the R. F. C. will loan any part of the sum which it is proposed to raise that the money market does not put up, but it is stipulated that the market must be felt out by the company before coming back to Washington.

This is the first piece of financing of the sort to be undertaken by a railroad, or to be participated in by the R. F. C. There have been other loans to railroads by this corporation, to be sure, but none on such terms as are laid down.

TO PUT UP READING STOCK

Another interesting fact is that the Baltimore & Ohio, in order to get this money, is virtually "hocking" control of the Reading Railway. It is putting up as collateral more than 1,000,000 shares—common and preferred—in the Reading Co., along with $38,000,000 of its own 6-percent bonds, to secure the new note issue.

The Baltimore & Ohio has heavy holdings in the Reading, holdings which it has been accumulating over a long period of years with the ultimate expectation of absorbing that property into the Baltimore & Ohio system. The par value of Reading stock given to secure the present loan is given as more than $56,000,000. No value is placed in today's statement upon the bonds offered as additional collateral.

JONES ANNOUNCES AGREEMENT

Negotiations for this loan have been in progress between the B. & O. and the R. F. C. for some time, and today their consummation was announced in a statement by Jesse H. Jones, chairman of the corporation. In this statement Mr. Jones said:

"The Baltimore & Ohio Railroad Co. authorized its bankers, Messrs. Kuhn, Loeb & Co. and Messrs. Speyer & Co., to sell, as agents for the road, a $50,000,000, 5-year, 4½-percent secured note issue at par and accrued interest. The present approximate market value of the collateral securing the issue is 170 percent of the loan and consists of 232,000 shares (par value $11,600,000) first preferred stock of the Reading Co.; 332,000 shares (par value $16,600,000) second preferred stock of the Reading Co. (each share being convertible, at option of the Reading Co., into one-half share first preferred stock and one-half share common stock); 566,000 shares (par value $28,300,000) common stock of the Reading Co.; and $38,000,000 principal amount, refunding and general mortgage 6-percent bonds, series E, due April 1, 2000, of the Baltimore & Ohio Railroad Co.

DIVIDENDS EXCEED INTEREST

"The dividends as presently being paid by the Reading Co. on the stock which in part secures this issue exceed the interest requirements on these notes.

"The bankers' charge, including their expenses incident to offering the issue, is to be 1 percent of the face value of the notes sold by them. The proceeds of the issue will be utilized to pay at maturity $17,500,000, 2-year, 6 percent notes held by the public due on August 10, and the balance is for payment of $25,500,000 due the Reconstruction Finance Corporation on August 10 and for other corporate purposes, including payment of temporary bank loans aggregating $4,275,000, the latter sum being the railroad company's entire indebtedness of this character.

R. F. C. AGREES TO EXTEND HELP

"The Reconstruction Finance Corporation has agreed, subject to approval of the Interstate Commerce Commission, to lend the Baltimore & Ohio Railroad Co. at the same rate and terms any part of the $50,000,000 issue that the banks do not sell; that is, 99 percent of the face value of the notes, or at a gross cost to the railroad company of 4.70-percent interest, including bankers' commissions and expenses.

"By handling these notes on this basis the bankers are cooperating with the administration in reducing interest rates.

"The negotiations, which have been under way for several weeks, were concluded in New York City by Chairman Jones, of the Reconstruction Finance Corporation, and Mr. G. M. Shriver, senior vice president, acting for the Baltimore & Ohio Railroad Co., and Mr. George W. Bovenizer, for the bankers."

EXHIBIT C

[From the Washington Post of Feb. 12, 1935]

FARLEYISM IS RAISING ISSUE OF GOOD FAITH—PARTY INDEPENDENTS GROW INCREASINGLY UNEASY OVER NEW-DEAL POLITICAL METHOD

By Elliott Thurston

Men in and out of public life who are independents in politics, who hoped the new deal would accomplish political as well as other reforms, who appreciate the difficulties and are therefore loath to criticize, find themselves unable to explain or defend President Roosevelt's tolerance of what has come to be branded in current political parlance as Farleyism.

Independents who have supported the President, who would like to continue to support him, find this issue constantly obtruding. It raises in their minds a vitally important question of good faith. They are not only unable to offer satisfactory explanation or excuse when the issue is brought up, as it is bound to be sooner or later in discussions of the new deal, but they are sincerely troubled about their future course. They do not see how they can consistently support an administration which continues to countenance political practices and methods incompatible with good government.

Rather they find it increasingly difficult to justify to themselves and to others their continued support of an administration that has so far failed in a reform upon which the success of all other reformation, and in fact the very survival of this Government, depends.

Not even the most ardent of party loyalists can make what is implied by Farleyism square with the urgent, undeniable need for the best procurable brains if the Government is to function successfully now that it has assumed vast new administrative responsibilities. The issue presents itself repeatedly. Currently the spoilsmen, openly encouraged by the disarmingly candid Mr. Farley, threaten to raid such of the relief, reform, and recovery agencies as have so far escaped their influence.

This is nothing new to be sure. It is only another manifestation of the familiar appetite for patronage. It is only another aspect of that political theory by which the new deal could appeal in 1932 for the support of independent voters and "nominal" but dissatisfied Republicans, and then by 1934 turn a cold shoulder toward some of the most prominent independents who accepted the appeal in all sincerity.

How can politically independent men and women in or out of office who wish the new deal well, who would like to be able to continue to have confidence in it, reconcile the President's protestations with the performance? Is the answer that Mr. Roosevelt wants to carry through the political reforms which he has so often urged, but that he dares not run the risk of disturbing the political machine until he is reelected? Is Mr. Farley's occupancy of dual political and official roles, denounced by the President and denied to others, a matter of expediency until after 1936?

Even that assumption, which is the most charitable explanation possible, offers scant assurance for those independents who would like to retain faith but find it fading in the face of what has happened and what is still happening. For the question of good faith reaches beyond the issue of patronage or political reform. Just as the credibility of a witness in court is impaired by an exhibition of duplicity, so the new deal's contradictions between words and deeds serve to undermine confidence in other promises and professed intentions.

Because Mr. Roosevelt has publicly espoused the merit system, because he has solicited support on the ground that the national interest transcends partisanship and party interest, because he has selected and supported in many cases appointees who have been chosen for competence, regardless of politics, he has led a large following among the independents to expect from him the same courage in effecting political reform, the same willingness to break with what in this case is a dishonored tradition, that he has displayed in dealing with other reforms. Failure on this score fills them with misgivings that will not and should not down.

Another Presidential race is not so far away. Whether there will be another conference of progressives remains to be seen. In any event, the question of credibility, of sincerity, raised by the political practices of which Mr. Farley is a symbol can hardly be ignored. Some of the independents feel, and cannot be blamed for feeling, disillusioned. Some no doubt are permanently embittered and estranged. Others, while disappointed in the political performance as measured against the promise, are probably prepared to make the best of a bad situation, if no greater hope of reform is offered.

Nevertheless, they are now disquieted and disturbed as they view the political horizons. They would prefer to be told frankly that the past performance is a matter of expediency, than to be led to wonder whether they have been misled; than to have no answer to an insistent, inescapable question. To such independents the continuance of Farleyism can only be a challenge to good government and to good faith.

EXHIBIT D

[From the Washington Daily News of Feb. 14, 1935]

DEMOCRATIC CHIEFS PONDER SAFE COURSE IN LONG-FARLEY ROW; POLITICAL POTENTIALITIES OF DISPUTE MAY CAUSE SENATE TO CONSIDER CHARGES

By Thomas L. Stokes

The feud between Huey Long and Jim Farley has the Capital by the ears, awaiting the next move.

It has all sorts of political potentialities, involving even the 1936 Presidential election.

Resenting the Louisiana Senator's vicious attacks on the Postmaster General, administration leaders have been jockeyed into a delicate position by the Kingfish's demand for an investigation of Farley activities, including the letting of contracts for the New York City post-office annex.

AWARE OF HIS PLANS

They are fully aware of the Senator's intention to carry on his war against the administration by striking at its chief politician, and thus to promote LONG's own campaign for the Presidency.

But they also know that to shield the Postmaster General from an inquiry would merely give LONG an excuse for further tirades.

The issue rests temporarily in the Senate Post Office Committee, which is padded with many of Farley's friends, but it must come back before the Senate for a decision sooner or later.

WILL CONSIDER DEMAND

Senator KENNETH MCKELLAR (Democrat, of Tennessee), chairman of this committee and one of Farley's champions in the Senate, said today he would call his committee together in a day or two to consider LONG's resolution for an inquiry.

LONG will be invited before the committee to state the grounds for his charges. The committee then must report back to the Senate, either to recommend an investigation or to report there is no basis for one. The vote will come upon acceptance of this report, whatever it may be.

When the committee reports to the Senate, there will be an opportunity to ascertain the truth of rumors that Republicans are secretly egging the Louisiana Senator along in his warfare on the administration. It is no secret that they are delighted at the embarrassment he causes from time to time.

Democrats say that behind the reported Republican encouragement of LONG is a hope that he will run as an independent for President in 1936 and wean away enough votes from Roosevelt to give the Republicans a chance.

EXHIBIT E

[From the Washington (D. C.) Sunday Star of Sunday morning, Mar. 11, 1934]

UNITED STATES PREPARES TO ACT AGAINST A. W. MELLON IN TAX-EVASION DRIVE; JIMMY WALKER, THOMAS S. LAMONT, AND OTHERS NAMED IN CUMMINGS' ANNOUNCEMENT; ALUMINUM CO. SCRUTINIZED; 3-YEAR LIMIT TO APPLY; JUSTICE DEPARTMENT AUTHORIZES DISTRICT ATTORNEYS TO ASK INDICTMENTS BY GRAND JURIES

By the Associated Press

Criminal proceedings for alleged tax evasion against Andrew W. Mellon, former Secretary of the Treasury, and James J. Walker, former mayor of New York City, are to be instituted soon by the Justice Department.

Attorney General Cummings made this announcement last night, adding that similar proceedings also would be brought against Thomas S. Lamont, member of a prominent New York banking firm, and Thomas L. Sidlo, law partner of Newton D. Baker, Woodrow Wilson's Secretary of War.

The cases, Mr. Cummings said, have been referred to the Federal attorneys at New York, Pittsburgh, and Cleveland "with authority for presentation to grand juries under the laws against tax evasion and avoidance."

In addition, the Attorney General announced the department was inquiring into the practices of the Aluminum Co. of America, a Mellon-controlled concern, which he has characterized as "a 100-percent monopoly in the producing field."

OTHERS FORECAST

Assistant Attorney General Frank J. Wideman, head of the newly created tax division of the Department, said other cases of a similar nature were pending for trial and still others in course of preparation.

The Justice Department said that possible penalties for filing a false income-tax return range up to $10,000 in fines or 5 years in prison or both.

The Department said the 3-year statute of limitations covers such cases, indicating that should indictments be returned they would have to be confined to acts committed within the past 3 years.

Martin J. Conboy, United States attorney for the southern district of New York, conferred with Attorney General Cummings this week and presumably the cases against Lamont and Walker were discussed at that time.

District Attorney Horatio S. Dumbauld, of the western Pennsylvania district, will take care of proceedings against Mellon and Emerich B. Freed, of the northern Ohio district, will present the case against Sidlo to the grand jury there.

ACCUSED BY M'FADDEN

Mellon, for years an outstanding figure in the world of business and finance, became with the return of the Republican Party to power in 1920 equally prominent in public life. He served under three Presidents until named by Hoover as Ambassador at London.

Mellon is one of the wealthiest men in the country. His interests, centering in the Mellon National Bank and Union Trust Co. of Pittsburgh, trace a course throughout the Nation's industrial structure.

The Aluminum Co. of America has long been the target of monopoly charges in its field. The Mellon interests also control Gulf Oil and have huge holdings in the steel mills and coal mines of Pennsylvania.

In May last year, Representative McFadden, Republican, Pennsylvania, in a statement placed in the CONGRESSIONAL RECORD, accused Mellon of "an apparent evasion" of personal income taxes while Secretary of the Treasury, which McFadden said in a single instance involved more than $1,000,000.

The private finances of former Mayor Walker of New York were conspicuous in the removal proceedings against him in 1932 before Franklin D. Roosevelt, then Governor of New York. Walker resigned at the height of the inquiry which grew out of a legislative investigation of the municipal government of New York City, directed by Samuel Seabury.

The crux of the financial transactions was the dealings of Walker and the mysterious Russell T. Sherwood, who was missing at the time of the removal proceedings. Sherwood dramatically reappeared in New Jersey in 1933 and was a witness before a Federal grand jury in New York City. Walker denied Sherwood was his business agent and handled hundreds of thousands of dollars for him, as charged by Seabury.

Sherwood's reappearance prompted grand jury questioning by George Z. Medalie, then United States attorney in New York City. There were reports that Walker's tax returns were scrutinized at that time.

Walker has been living in Europe for more than 18 months.

LAMONT MORGAN MEMBER

Thomas S. Lamont is a son of Thomas W. Lamont, and, like his father, is a member of the banking firm of J. P. Morgan & Co.

War on tax evaders officially was declared December 30 when Attorney General Cummings created the tax division in order to combine more effectively Federal agencies charged with enforcing the law.

This step was believed to have been taken in part as the result of the acquittal of Charles E. Mitchell, former head of the National City Bank of New York, on charges of income-tax evasion. That trial was one of the first of its kind to have been held since enactment of the income-tax law.

The Mellon case arose when a suit was brought against him in the District of Columbia, in which certain charges were made against the former Secretary. Later a resolution was introduced in the Senate asking the Department of Justice to investigate, and other requests came from the House. As a result of this, the Department undertook the investigation. Ordinarily the Department of Justice has not conducted such investigations, leaving them to the Treasury.

Under the present circumstances, as regards the Mellon case, the Department of Justice has moved with the knowledge and approval of the Treasury Department.

AMOUNTS KEPT SECRET

The Justice Department said the Treasury had full information about all four cases and was working in cooperation with the Department of Justice in getting material ready for presentation to the grand juries.

Justice officials would not say how much money was involved nor what years the alleged violations of the income-tax laws took place, explaining it was just such information which the Government wished kept secret for the purposes of prosecution.

Young Lamont told the Senate Banking Committee in June 1933 his wife purchased stock he sold at the end of 1930, the sale enabling him to deduct $114,807 from his 1930 taxable income. He said she had paid cash for the stock and borrowed an equal amount of money from him.

There was no understanding, he said, that he would repurchase the stock. But he acknowledged that he did buy back the shares at about the same price Mrs. Lamont had paid.

"I was advised", young Lamont testified, "that under these circumstances I was fully within my rights in deducting from my income returns for the year 1930 the amount of loss sustained."

At that time the 34-year-old banker also asserted the Internal Revenue Bureau had reviewed the transactions and made no complaint.

DRIVE LAUNCHED

At the conclusion of the Morgan hearings Guy T. Helvering, Commissioner of Internal Revenue, announced a drive to prevent loss-showing stock sales designed to "evade or reduce" income-tax payments.

Legislation to tighten the income-tax laws is pending in the present Congress.

MELLON AVOIDS COMMENT—FORMER STATEMENTS BLAMED POLITICAL PROPAGANDA

PITTSBURGH, March 10 (A. P.).—Andrew W. Mellon, former Secretary of the Treasury, received reporters tonight in his house slippers, commented on the cold weather and snowstorm, but refused to say anything about tax prosecutions which Attorney General Cummings announced will be undertaken against him.

"I have nothing to say—it just wouldn't suit me to say anything", said the 79-year-old financier.

He appeared in perfect health, remaining standing while he talked.

Asked if he had expected the suit, he asserted, "Oh, no; oh, no. I don't want to be quoted now."

RECENTLY BLAMED POLITICS

In a recent talk with the Associated Press, during which investigations of his income tax were known to be under way, Mellon said he considered the move as "pure political propaganda."

"Both the question of income taxes and the Aluminum Co. of America have been threshed out time and again in so-called 'investigations' and in the courts", the former Treasury Secretary said then.

"Election time is approaching. The Democrats are anxious to swing Pennsylvania into their column. They are straining to aid their cause.

FOLLOWED POLITICAL CAREER

"As a recognized figure in Republican circles, they are aiming propaganda at me, but really firing at my party.

"Remember, I was in business more than 50 years before I assumed a public office in 1921, and that all the attacks began after that date."

United States District Attorney H. S. Dumbault said he has not been advised of the papers in the Mellon prosecution being forwarded from Washington.

CONBOY IS SILENT—LAMONT REPORTED TO BE OUT OF CITY

NEW YORK, March 10.—Martin J. Conboy, United States attorney for the southern New York district, declined tonight to comment on charges of tax evasion by James J. Walker, former mayor, and Thomas S. Lamont, member of the J. P. Morgan Co.

Conboy said he had not received official notice of Attorney General Cummings' order to present the cases to the grand jury.

Lamont was reported to be out of the city and could not be reached for comment.

"COMPROMISE" OFFERED—SIDLO'S PARTNER SURPRISED BY APPARENT REFUSAL

CLEVELAND, March 10.—Commenting on the Department of Justice's projected criminal prosecution of Thomas L. Sidlo for alleged evasion of income taxes, Paul Patterson, one of his partners in a prominent Cleveland law firm, asserted tonight Sidlo had made to the Government what is technically known as an "offer in compromise."

Sidlo was reported by his associates to be at the home of Robert P. Scripps in southern California.

Asserting the Justice Department's intention to prosecute Sidlo is "a surprise to me", Patterson said, "while I knew the matter was being discussed in the Department of Justice, and, although I knew the Department was considering what is technically known as an "offer of compromise" by Mr. Sidlo, I had no inkling that the offer would be refused.

Mr. Sidlo's offer was to pay the entire amount alleged by the Government to be due and the 50-percent penalty plus interest. The question at issue is one of law surrounding the methods of claiming deductions from his gross income on account of losses which he, as a taxpayer, thought he was entitled to take.

"Notwithstanding that he believed it his entire right to take deductions for these losses, he did make the offer to the Government which covers tax, penalty, and interest, the maximum amount the Government could possibly recover in any action."

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Louisiana.

Mr. LONG. I withdraw the motion.

PROPOSED AMENDMENT OF RULES XXVI AND XXVII

Mr. McCARRAN. I submit a resolution and ask that it be read, with a view to having it immediately considered.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S. Res. 80), as follows:

Resolved, That rule XXVI of the Standing Rules of the Senate is amended by adding the following new paragraph:

"3. Every bill and joint resolution reported from a committee shall lie over 2 days for consideration, unless by unanimous consent the Senate shall otherwise direct."

Resolved further, That rule XXVII of the Standing Rules of the Senate is amended by adding the following new paragraph:

"3. It shall not be in order to consider the report of a committee of conference until such report shall have been printed in the RECORD, and such report shall lie over 2 days for consideration, except on either of the 6 days preceding the end of a session."

Mr. McKELLAR. Mr. President, manifestly the resolution involves a matter of importance, and should go over. I object to its present consideration.

Mr. ROBINSON. It should go to the Committee on Rules.

The VICE PRESIDENT. Does the Chair understand correctly that the Senator from Nevada desires the resolution referred to the Committee on Rules?

Mr. McCARRAN. Under the circumstances, I desire that it shall go over for 1 day.

The VICE PRESIDENT. The resolution will go over under the rule.

EXTENSION OF AIR MAIL CONTRACTS

Mr. O'MAHONEY. I ask the Chair to lay before the Senate the amendments of the House to Senate bill 932.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, which were, on page 1, to strike out lines 3 to 8, inclusive, and insert: "That section 15 of the act entitled 'An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy', approved June 12, 1934, as amended, is amended by striking out 'March 1, 1935', and inserting in lieu thereof 'April 1, 1936'"; and, on page 1, to strike out lines 9 to 11, inclusive.

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

ARTICLE FROM WASHINGTON SPECTATOR AND MIRROR

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Washington Spectator and Mirror.

The VICE PRESIDENT. Is there objection?

Mr. McKELLAR. Mr. President, I inquire what is the nature of the article presented by the Senator from Minnesota?

Mr. SCHALL. It has to do with a letter which I wrote to the President some time ago in response to a letter he addressed to me.

The VICE PRESIDENT. Is there objection?

Mr. McKELLAR. I should like to see the article before it is ordered printed. Will not the Senator postpone his request until tomorrow?

Mr. SCHALL. If there is objection, I will do so, or I will have it read tomorrow or have it read now.

Mr. McKELLAR. For the present, I object.

The VICE PRESIDENT. Objection is made.

EXECUTIVE SESSION

Mr. McKELLAR. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

The VICE PRESIDENT. Reports of committees are in order.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. TRAMMELL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Florida.

Mr. FLETCHER (for Mr. COPELAND), from the Committee on Commerce, reported favorably the following nominations:

Walter Herbert Bainbridge, of Texas (vice Charles Shaw, promoted), to be hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy by promotion from junior hydrographic and geodetic engineer, with relative rank of lieutenant (junior grade) in the Navy);

Edward Bunyan Brown, Jr., of South Carolina (vice Walter Herbert Bainbridge, promoted), to be junior hydrographic and geodetic engineer (with relative rank of lieutenant (junior grade) in the Navy) by promotion from aid (with relative rank of ensign in the Navy); and

William Noble Martin, of Oklahoma (vice Edward Bunyan Brown, Jr., promoted), to be aid (with relative rank of ensign in the Navy) by promotion from deck officer.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the calendar is in order. The legislative clerk will state the first nomination on the calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the post-office nominations are confirmed en bloc. That completes the calendar.

ADJOURNMENT

Mr. ROBINSON. As in legislative session, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 6 minutes p. m.) the Senate, in legislative session, adjourned until tomorrow, Friday, February 15, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 14, 1935

POSTMASTERS

ALABAMA

James D. McEachern, Brundige.
Levie C. Sirmon, Dozier.
Willie W. Whittaker, Flomaton.

GEORGIA

Howard Perry, Ellijay.
Jessie T. Freeman, Greenville.
Marion Lott, Hahira.

NEW HAMPSHIRE

Ray A. Hicks, Colebrook.
Harry W. Ladd, Plaistow.
James R. Kill Kelley, Wilton.

OKLAHOMA

Rosa B. Britton, Cyril.

TENNESSEE

Shelbin C. Malone, Henderson.

TEXAS

William D. Reed, Holland.
John W. Hardison, Whitney.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 14, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We lift our breath in prayer to Thee, O God. We thank Thee that the still, small voice speaks not in stormy haste. Thou dost arouse spiritual emotions in the patient, waiting soul. So, Heavenly Father, we look up to Thee, dreaming and doing, thinking and working, and we pray that the unity of these may exist in our thoughts, each keeping the other strong and pure. We beseech Thee to save us from the oppression that drowns and bewilders and to let fall Thy radiant beams upon our pathway. Inspire us with the love that honors law and with that power that lifts man upward. Heavenly Father, in the past Thou didst walk with our humanity "in the cool of the day amongst the trees in the garden." Be merciful to give us an abiding sense of Thy presence and let us hear Thy welcome footfall in the garden of our earthly lives. In our Redeemer's name. Amen.

The Journal of the proceedings of Tuesday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho;

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.;

H. R. 3018. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma;

H. R. 3465. An act permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.;

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.; and

H. R. 4018. An act to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 31. An act to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Chester C. Groff;

S. 250. An act authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W. Va.;

S. 266. An act to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery, Mont.;

S. 274. An act for the relief of Charles C. Floyd;

S. 347. An act for the relief of James J. Jordan;

S. 567. An act for the relief of Sarah Lloyd;

S. 633. An act for the relief of Isaac Pierce;

S. 634. An act to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes;

S. 651. An act for the relief of Harry Flanery;

S. 653. An act for the relief of James W. Carmichael, deceased;

S. 732. An act for the relief of Zinsser & Co.;

S. 733. An act for the relief of William Burke;

S. 735. An act for the relief of Wiener Bank Verein;

S. 737. An act to amend section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, as amended;

S. 746. An act for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell;

S. 812. An act authorizing the Arizona State Highway Commission to construct, maintain, and operate a toll or free bridge across the Colorado River at or near Parker, Ariz., within the Colorado River Indian Reservation;

S. 871. An act authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list;

S. 886. An act for the relief of Marino Ambrogi;

S. 887. An act for the relief of Edward T. Costello;

S. 888. An act for the relief of Joseph Gorman;

S. 889. An act for the relief of Albert A. Marquardt;

S. 890. An act for the relief of Michael J. Moran;

S. 891. An act for the relief of Hector H. Perry;

S. 893. An act for the relief of Patrick J. Sullivan;

S. 920. An act for the relief of Ruth J. Barnes;

S. 943. An act to amend section 21 of the Interstate Commerce Act;

S. 945. An act to amend sections 11 and 24 of the Interstate Commerce Act;

S. 999. An act for the relief of Judson B. Isbester;

S. 1009. An act for the relief of George W. Baker;

S. 1019. An act to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate

Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes;

S. 1076. An act relating to the Oregon-Washington Bridge Board of Trustees;

S. 1144. An act to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.;

S. 1176. An act for the relief of Thomas A. Coyne;

S. 1222. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 1300. An act to amend the War Department appropriation act relative to the operation of motor-propelled vehicles;

S. 1301. An act to provide further for the maintenance of United States Soldiers' Home;

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes;

S. 1304. An act to amend section 47c, National Defense Act, as amended, relating to military training required to entitled members of the Reserve Officers' Training Corps to receive commutation of subsistence;

S. 1308. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.;

S. 1309. An act to amend section 114 of the Judicial Code to provide for terms of District Court for the Western District of Wisconsin to be held at Wausau, Wis., and for other purposes;

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934;

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.;

S. 1348. An act for the relief of James Darcy;

S. 1519. An act permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia;

S. J. Res. 46. Joint resolution authorizing and directing the Federal Communications Commission to investigate and report on the American Telephone & Telegraph Co. and on all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all companies related to any of these companies through a holding-company structure or otherwise; and

S. J. Res. 49. Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia, and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington (D. C.) 1935 Shrine Committee, Inc., and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 932) entitled "An act authorizing the Postmaster General to extend certain air-mail contracts for a further period not exceeding 6 months."

LAW ENFORCEMENT AND THE CITIZEN

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein an address delivered by J. Edgar Hoover, Director of the Division of Investigation of the Department of Justice, before the Chamber of Commerce of the State of New York, in New York on February 7.

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman with what subject the speech deals?

Mr. CONNERY. Law enforcement and the citizen.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

I am here today to talk of matters vital to the peace and happiness of the law-abiding citizen. It is true that part of my discourse will concern the vast fingerprinting and identification activities of the Division of Investigation of the Department of Justice. However, in order to approach this subject, it is necessary to tell of the tremendous maze of criminal activities which are tangled with the fabric of our social order.

We look upon great industrial enterprises as big business. The biggest business in the United States is that of stealing, robbing, thieving, kidnaping, and murdering. The figures which have been compiled showing $15,000,000,000 as the cost of the criminal industry each year are not fanciful ones. They are absurd minimums based upon the belief that every criminal costs no more than $1,000 a year. When you look upon the records of such cases as the Urschel kidnaping, in which "Machine Gun" Kelly was chased 20,000 miles before he was captured; when you see the trial of Frank Nash, whose activities, with those of his associates, meant a trail of destruction, murder, kidnaping, suicide, and gangster killings, plus, of course, the countless banks which were robbed, you will find a cost running well into the millions, if pursuit, incarceration of prisoners, capture of hangers-on, and other items are to be considered. I could go on endlessly with examples of this type. It is only necessary, I believe, to you as intelligent citizens, to understand that it would be mere repetition.

This all sums up into one conclusion. This is your expense. This is the bill you must pay. The fate of robbery, kidnaping, or murder can come to any of you. Thus, there is no way of estimating the cost either in money or in sorrow. There is no means of determining or estimating the loss of happiness. There is no way of learning the mental agony of those who must protect themselves against the activities of gangs; against the shadow of the kidnapers which constantly creeps across the household of thousands upon thousands of American citizens. All these are items of expense which must be paid out of the hearts, the pocketbooks, and the minds of the good American people.

There is something which is even more deadly, even more insidious, even more viciously criminal than the activities of such persons as I have mentioned. It is the power, the influence, and the constant interference with the course of justice pursued by those persons who make crime possible—the criminally minded attorney and the criminally minded politician.

We have allowed to be built up in this country a system which runs from the cheap office-holding panderer and the vote-getting activities of a local ward heeler in a small country town to the controlling influence of vast cities where that power is a greater one in many instances than the power of the courts in which we impose our trust and faith. It is greater than that of many police forces. It is more powerful than prosecuting attorneys. It is a dishonest power which unless checked threatens to become greater than the honesty of our American citizenry. This is the influence which politics plays in the hampering, the hamstringing, and the garroting of the honest officer who would reach out and drag the criminal from his lair.

You may say that these are general terms. That is true. They are general terms, because this activity is a general activity. It is something which permeates the fabric of our daily life. A person who has no pull, no drag, no "in" as they call it, who is not wired in to the places of power, must stand craven and trembling and take his punishment. But the stronger and more influential a man is through his political affiliations, the greater crimes he can commit and laugh at the law. It is interesting to watch the progress of the politically protected criminal. I have in mind case after case where young men have started in reformatories and been released from them, gone to sentences in other reformatories or penitentiaries, and then suddenly became, on their release, persons of influence in their communities. They control districts. They deliver votes, and after this is done, you see a sudden change in the treatment accorded them by law-enforcement agencies.

You find arrest after arrest by honest police officers and you find acquittal after acquittal where cases have been dismissed or nolle-prossed or the indictment quashed. Who does this? The police who arrest this man? The officers who have risked their lives to take into custody some vicious criminal, who perhaps is carrying a gun and has a permit to do so, given him through political affiliations? Or is it some power which is greater than that of other law-enforcement agencies? I give you this to think over and, I hope, to act upon.

It is a habit of politicians to start the insinuation that because a city or a community has an excess of criminality, there must be something wrong with the police. This is a red herring drawn across the trail to lead good citizens astray. The hardest job that a law-enforcement officer faces is not that of chasing the criminal, but of keeping his job in the face of a tremendous political barrage of influence and propaganda. If some slight thing goes wrong in a police department, there is always someone, and often with an ulterior motive, to demand an investigation, thus throwing the police department into a perfect turmoil of explanations in an effort to survive.

After all, law-enforcement officers are human beings. They have their homes. They have loved ones. They have their debts. They have the burdens and the tribulations which beset any of us in the usual course of life. Therefore, like the human being, they must think of their job; they must fight and defend it; and when a law-enforcement officer must spend the greater part of his time defending himself from ulterior influences instead of

chasing criminals, then a situation is created which is dangerous to our country's peace, its security, and happiness.

It has been my good fortune to be placed in a position where the entanglements of politics are barred from the pursuit of the criminal. When in 1924 the Division of Investigation was formed under Justice Harlan F. Stone, then the Attorney General of the United States, one of the pillars supporting its structure was that there should be no interference from any and all political forces. This has been adhered to strictly, and under the Honorable Homer Cummings, present Attorney General of the United States, leader in the present determined drive against American crime, the policy of hands off has been pursued to the highest possible point.

It is the belief of the Department of Justice that there should be some organization to point a way out of the morass of crime which has in the past bogged down our country, menacing its safety and security, and impeding its material progress. This job has been given to the Division of Investigation headed by myself under the direction of the Attorney General, and through his fearless attitude in the promulgation of new laws, a relentless, sustained, and determined movement has been begun. The word "campaign" to describe this movement is an inadequate one, because it indicates a duration of time. There shall be no end to this crusade until the criminal element as concerns Federal crimes, has been made to know the power, the majesty, and the never-ending vigilance of the Government's ability to outlaw and punish offenses against its statutes.

May I direct your attention to the results of such cases as the Urschel kidnaping, in which 16 persons already have been sentenced to prison and fully half a score more await trial? Let us take the Dillinger case. This man was the flag bearer for the underworld. He had protection in more ways than one. He had friends, criminals though they were, and he possessed stolen machine guns sold to him by persons who had bought them under the guise of legitimate purchases. John Dillinger is dead, sent to his grave by the bullets of the Division of Investigation. His chief lieutenants are dead. There is not today one living major member of the Dillinger gang. More than 40 persons who harbored and aided and abetted him have been sentenced to the penitentiary or are awaiting trial. Special agents of the Division of Investigation are on the trail of others, and they will get them.

There is one more instance which I must mention in connection with this most reprehensible crew; it is of a man whose name, I hope, forever will stand disgraced—the cowardly slayer of Special Agent W. Carter Baum. And in contrast to this craven spirit of murder, I desire also to salute in reverent memory two sterling officers who gave their lives that American homes and American possessions might be made and kept safe. I am proud to say that in the face of death, with a cowardly killer spattering forth missiles from his machine gun, they did not falter but fired straight and got their man. "Baby Face" Nelson is dead. May the memory of him be a short one, except as it reminds us of the heroism of Inspector Samuel P. Cowley and Special Agent Herman E. Hollis, representatives of the Division of Investigation, whose sacrifice will be honored in the records of the Department of Justice.

Again, in the examples of fearless pursuit, may I cite the case of Clyde Barrow and his murderous woman, Bonnie Parker. After a trail of death and robbery extending through many States, they finally were killed in the State of Louisiana some 8 months ago. They deserved to be killed. Only a week ago, after the same painstaking inquiry by which the Division of Investigation wins 93.81 percent of all cases it takes to court, 23 persons were indicted in Texas for their share in the harboring and aiding of these outlaws. I hope it is not repetitious to say that the shrewdest, most desperate gang of outlaws within recent years, the Barker-Karpis kidnaping gang, has lost three of its members through death at the hands of special agents of the Division of Investigation.

The Barker-Karpis gang did not operate solely through its own efforts. It was necessary for them to have aid in a dozen different forms. The Division of Investigation is striking at that aid through 22 indictments returned by a Federal grand jury at St. Paul, and I can promise more. All of this has been brought about through the capability of new laws sponsored by Attorney General Cummings and enacted by the Seventy-third Congress. At last the Division of Investigation has the legal backing with which to proceed. It may amaze you to know that, until about a year ago, it was not a Federal offense to kill or assault a Division of Investigation officer. Nor was it even a Federal offense to rob a depository of United States funds as long as it was done with a machine gun or other deadly weapon; if a man merely embezzled, he could be sent to a Federal penitentiary, but if he endangered the lives of bank officers and bank customers and took their money by force, only State officers could pursue him. Those in fear of kidnaping were not sufficiently protected. Special agents did not have the power of arrest within the full meaning of the law. They did not even have the right to carry arms with which to protect themselves.

All that has now been changed. The Division of Investigation of the Department of Justice within 8 months of the date of the time of the passage of these laws became a militant law-enforcement agency. Every special agent is a crack shot with rifle, machine gun, pistol, shotgun, and tear-gas weapon. But because he knows how to use all these implements of legitimate warfare is no reason to believe that the Division of Investigation is an organization of killers running wild and shooting at random. In all instances we make every effort to bring about a peaceable arrest. As an example of that, residents of New York need only recall the arrest of one of the most desperate gangs known within recent years, the notorious tri-State gang, which included two men who had escaped from the death cell while awaiting execution, who were captured recently in New York City without the firing of a shot. However, I take this occasion to serve notice upon the criminal underworld that any resistance of arrest with recourse to firearms will be met with the high courage and coolness of intelligent officers who can face death and shoot straight.

May I say a word about these special agents? More than 83 percent of them are college graduates or certified public accountants. They have been trained diligently over a long course in all forms of scientific deduction, detection, and apprehension. They are masters of interrogation. They are experts in persistence and they are specialists in the belief that once upon the trail of an offender against Federal laws they must never cease until their man is captured and proved innocent or guilty. In this connection it would perhaps be desirable for me to compare the Division of Investigation with the far-famed Scotland Yard of London.

Such remarks as I may make must not be taken as derogatory to this fine old police organization. We have heard many times that a much desired object would be to transfer Scotland Yard to the United States. With all necessary obeisance to that great organization, I must say that we have something better than Scotland Yard in our own Division of Investigation. Our men are more highly educated. They are more highly trained. They are experts in trailing men and women of criminality from one end of the possessions of the United States to the other. Scotland Yard, when all is said and done, is merely the municipal police force of the city of London, with an area of 700 square miles. It has 19,769 officers. The Division of Investigation has a maximum of 598 field officers, less than one-thirtieth the force of Scotland Yard. Within the last year more desperate criminals have been caught, convicted, or killed while resisting arrest than in an entire decade of Scotland Yard's history, and this over a combined area of more than 3,000,000 square miles.

It is true that Scotland Yard gave to law-enforcement agencies the Henry system, by which fingerprinting became a tremendous force in the apprehension of criminals. Today Scotland Yard has 500,000 fingerprints in its criminal files. The Division of Investigation has 4,800,000 sets of fingerprints in its files, while every day there rolls in an additional 2,800, meaning that at least six times every minute during the working hours the fingerprint card of some arrested man goes into the permanent files, from which it never can escape. This is the biggest repository of criminal information in the world. Through its facilities of more than 7,300 contributing agencies it acts as a constant protector for the American people. Day by day the old alibi of mistaken identity is ending. It no longer assists the criminal to say that his name is John Jones, while the wanted man is known as "Henry Smith", because when the 10 prints of his fingers go into the identification unit of the Division of Investigation the infallible record is there in the marks of his digits which say that this is the wanted man, and there is no possible manner in which the identity can be denied. Upon many of these cards as they rest in the fingerprint files are pink slips with heavy black print which denotes that these men are wanted at some part of the country for anything from mere thievery to murder. Thirteen times or more every day, 365 times a month, and for the last fiscal year 4,356 times these cards were matched with the newly arrived prints from some law-enforcement agency perhaps 3,000 miles from the place of the crime, thus enabling fugitives to be apprehended and punished when otherwise they might have escaped.

However, the item which I am sure will interest all of you is the power which the science of fingerprinting possesses in civil life and about which, in particular, I have been asked to speak this afternoon. The entire purpose of fingerprinting is the protection of the honest citizen. It will be recalled that several years ago there were numerous mail robberies occurring in the post office at New York. During the investigation which followed 460 persons in the Registry Division were fingerprinted in an effort to afford leads helpful in the solution of the robberies. Of the persons fingerprinted 49, or more than 10 percent, were found to have previous criminal records. Of these 49, 7 admitted that they had obtained their positions in order to rob the mails.

There is no reason, to my mind, why every person who is an applicant for a position of public trust should not be willing to be fingerprinted. There are today vast numbers of public workers in cities, States, and counties about whom little is known. It should be compulsory that their fingerprints be taken before they be employed as servants of the people. To such a course there no doubt would be many objections. That is all the more reason it should be done. One crook can raise more noise against progress than a hundred honest men can make for it. Let me cite some figures.

About 6 years ago the United States Civil Service Commission began routing its fingerprints through the identification unit. During the fiscal year ending June 30, 1929, 1 person in every 13 was found to have a criminal record. The next year 1 in 14 was discovered to be a criminal, and these, as well as those of the previous years, had run the entire range of crime from disorderly conduct to bigamy, counterfeiting, arson, burglary, and murder.

After the publicity given to these searches, the word passed to some extent through the underworld that it was unsafe for persons with criminal records to take a civil-service examination. Thereupon, the ratio dropped to 1 out of every 22. It now has fallen to the extent where only 1 person out of every 42 who applies for a civil-service job has a criminal record. The same rooting out of criminal elements in public office could be promised for the various States if fingerprints of applicants could be routed through this unit.

The lawless element seems especially desirous of getting into positions of trust. In July 1929 the fingerprints of 81 applicants for positions in the Los Angeles, Calif., police department were searched and 7 were revealed as having previous records, including 1 manslaughter case, 1 hold-up and 1 grand theft.

Less than 3 years ago the police department at Mount Vernon, N. Y., referred the fingerprint cards of 299 applicants to the division. Seven of these were found to have criminal records. During December of 1933, 280 prints were received in the identification unit from the police department of Miami Beach, Fla., in the cases of persons who had applied for positions at the various resort hotels and establishments. Eighteen of these individuals had previous records; they included the passing of bad checks, contributing to the delinquency of a minor, breaking and entering, and assault to kill.

Thus, the work goes on endlessly, protecting a winter resort from persons of bad reputation, keeping a police force clean, establishing the past of a criminal who seeks to plead a previously unsullied record—these fingerprints are silent policemen, on guard 24 hours of the day. What they do to strike fear into the heart of a criminal they also can do to give peace of mind to the honest citizen.

A fingerprint is nothing more nor less than a signature which cannot be forged. When the stigma which criminal work has attached to the science has been removed, its potential uses in commercial, civil, and private life are enormous. If every important document bore the fingerprint of its signer there would be no long, expensive civil suits with forgery as the basis; the fingerprint would be there as an unchangeable seal to mark the authenticity of the document. It can be used in all matters which may be contested, and it should be used. It is my personal opinion that the time will come when every honest man will be glad to have his fingerprints on file in the noncriminal or citizens' section of the identification unit in Washington.

This civil section is becoming a matter of importance. Only a week ago a request was received from a large corporation dealing in explosives asking for 1,400 fingerprint cards, so that the prints of every employee might be placed on file in case of some catastrophe in which identification might be difficult. The fingerprints of hundreds of school children are being placed in this civil identification file for their protection. At intervals we read of train wrecks, casualties at sea, and other disasters where the list of known dead is followed by an even longer enumeration of the unidentified. Again were the fingerprints of these persons on file there would not be the long, horrible days of waiting on the part of relatives while the body of their loved one lay on a morgue slab unidentified. In hundreds of murder cases every year it is necessary to use fallible means of identification because the infallible one has not been provided.

The threat of kidnaping hangs over many families. The fingerprints of those who fear abduction should be on file in Washington. Wherever persons fear accident or death, or even illness which may strike away from home, their guardians should rest in the identification unit in Washington the fingerprints which can almost immediately establish identification. Persons of prominence suffer constantly through the activities of impersonators, who often run up bills, pass bad checks, and create difficulties. It is sometimes difficult for the real person to establish his true identity against that of the impersonator. But it could be done easily if fingerprints were on file. Thus the possibilities for use in civil, business, and private life extend endlessly. And there is even a more important angle—that of safety after death.

To illustrate, I first must cite a criminal case. Eleven years ago—August 21, 1924, to be exact—a murder was committed in Roanoke, Va. An individual known as "Andrew Hansbrough" was reported to be wanted for this crime, and a copy of the wanted circular, containing fingerprints, went forward to the identification unit to be filed for later reference. There it remained for 9 years.

On December 7, 1933, the police department at Columbia, Mo., was called to investigate a murder. A dead man had been found in an abandoned house in the southern part of Boone County, Mo. There was no evidence pointing to the slayer, nor was there anything by which the police could gain a clue as to the identity of the murdered man.

Some time passed between the time of the murder and that of finding of the slain man. By the time the police reached this out-of-the-way abandoned shack nearly 6 days had elapsed since the killing. Yet the lines and ridges and other marks which form the fingerprints of a human being are so tenacious that even at this late date it was possible to gain a set of impressions. These were taken and forwarded to the Division of Investigation. With their arrival the 9-year-old search for Hansbrough, wanted for the Roanoke murder, was ended. These fingerprints of a dead man, forwarded from Columbia, Mo., corresponded exactly.

It is to be assumed, of course, that Hansbrough had relatives and persons who cared sufficiently about him to send for his body and to see that he received burial. Even if this were not the fact in this particular case, the opportunity was provided, the man's identity was learned, the mystery of his disappearance cleared up, and a manner provided in which relatives or other interested persons could procure his body, knowing it to be the one they sought.

Now, let us change this into a hypothetical case, and one which, in some form or another, happens all too often. We will suppose, for instance, that Hansbrough, instead of being a murderer, was a highly beloved man. We will say that he had been a professor, kindly, thoughtful; a person who had guided countless young men and women from adolescence into manhood and womanhood. Thousands of persons in all parts of the country loved him—any of them would have been willing and eager to come to his aid in time of trouble.

We will say that excessive study and mental effort had caused an attack of amnesia and the kindly old man had wandered away, to be lost to his searchers. Years passed. The thousands of dollars which had been spent upon the search for him had been in vain. At last, ill, weakened, still stricken with the malady which had destroyed his memory, he was found and taken to some public institution. The officials there strove to learn his identity and failed. In a final effort before he died, they took his fingerprints and forwarded them to Washington. Back came the answer, "No record."

The criminal, because he was a criminal, had a record of identity on file in Washington. But the kindly professor had none; penniless, he was buried in the potter's field—because he was an honest man.

If that sort of thing means anything to you, it is only necessary to write the Division of Investigation, and a specially prepared, noncriminal, fingerprint card, plus necessary instructions, will be forwarded. The same facilities are available for all the angles of fingerprinting which I have outlined, whether for cities and States for the protection of their personnel, or for the private citizen wishing to guard himself against accident, abduction, or amnesia.

This is a service of the people and for the people. It is compulsory in only one aspect; the criminal must give his fingerprints; the honest citizen has the right to choose. There is no connection between the two—the Department of Justice holds fine distinctions between the honest persons it wants to protect and the dishonest ones it seeks to run down and properly punish.

So now we come to a summation of the citizen's place in this determination to end the defiance of the criminal world. I have said before that the Department of Justice feels its duty to be that of pointing the way. Once this way has been pointed, the only method by which crime can be eradicated is by the absolute cooperation of every law-enforcement officer plus the power of every good citizen in America. Law enforcement can only be as good in a community as the desire of that community's population demands that it be good. It is a matter which demands constant vigilance. It demands that the police be freed from the political fetters which hamper them.

It demands that when enforcement becomes lax, committees of forward-looking citizens be formed at once to learn why this laxity has been allowed to develop. It is foolish to say that a police department is failing to do its work—a law-enforcement agency only fails when there is some excellent reason for it. It stands to reason that men who must risk their lives to apprehend dangerous, murderous criminals are not going to fail when that failure means danger to themselves. Therefore, it is a citizen's duty to look behind these matters. It is the citizen's duty to see that criminal attorneys or "lawyers criminal", as the Attorney General calls them, are forced out of their alliances with the underworld and are properly punished. It is the citizen's duty to see to it that the prisoner is not coddled nor allowed to be freed through easy and sometimes, I regret to say, financially reachable persons with powers of clemency.

Parole today is becoming one of the major menaces of America. Through its misapplication, convicts are being freed with little or no supervision, and often with no sound reason for release. The records of certain States in this matter are a disgrace to America. To my mind, there can only be one reason why thousands upon thousands of men who have repeatedly committed crimes are set free to commit other and often more dangerous offenses against the law. This is the failure of public officials to faithfully carry out their public trust, placing paramount the welfare and interests of society.

It is your duty to see that something is done about this. It is your duty also to see that laws, apparently innocent upon the surface, are not passed which give the criminal an advantage over the honest citizen in the trial of his case. Certainly, there should be justice, and unfailing justice, for anyone who is brought face to face with a criminal charge. But, certainly also, the prosecution of an offender should not be reduced to an absurd travesty in which justice does not depend upon the facts of the case but upon the antics, the tricks, the unscrupulous methods of crooked attorneys, and the loopholes provided by loosely framed laws which permit the criminal element to laugh at our statutes.

A great part of the tremendous crime problem which exists today is due to the fact that otherwise upright persons condoned certain acts during recent years and allowed a condition of laxity to spread until it has infiltrated every portion of our Commonwealth. So I say to you now that the Division of Investigation hopes that it can point the way by the giving of its scientific training, of its tremendous crime laboratory, of its great fingerprint system, built up through years of arduous effort, and, plus all this, the courage and nobility of highly educated hard-working men whose offering in this cause includes even that of their lives. The Department of Justice hopes to enlist the interest and the active support of the American people in their respective communities in a sustained national movement to deal with the criminal menace. But a beacon light cannot shine in a fog. May you, as persons of standing, of reputation, of high-minded citizenship, assist us to clear this murky atmosphere and bring to the American people the peace, the freedom, and security to which they are so justly entitled.

PERMISSION TO ADDRESS THE HOUSE

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The Chair will state to the gentleman that there are several special orders already for today.

Mr. MORITZ. Then, Mr. Speaker, I ask unanimous consent to address the House for 10 minutes immediately after the disposition of the special orders.

Mr. SNELL. Mr. Speaker, reserving the right to object, and I do not intend to object provided there is no other business to come before the House this afternoon. Perhaps it would be well to have the majority leader tell us whether there have been plans made for special business today.

Mr. TAYLOR of Colorado. As I understand, there are two bills that are coming up, and if we have time, we expect to start on the Private Calendar.

Mr. SNELL. It is expected that the Private Calendar will be taken up this afternoon?

Mr. TAYLOR of Colorado. Yes; later in the afternoon. We have an hour and a half or 2 hours of speeches, then a couple of bills under special rules.

Mr. SNELL. What bills are to come up this afternoon?

Mr. TAYLOR of Colorado. One of them is in reference to the San Diego exposition.

Mr. BLOOM. There is another rule, but it will not take much time.

Mr. McREYNOLDS. Mr. Speaker, reserving the right to object, and I dislike to object, but there are rules for two bills to come up for consideration today. We are very anxious to get these bills disposed of. They have been pending for several days, and I understand it will not take long to dispose of them. If the gentleman will make his request after these two measures have been disposed of, I shall not object.

Mr. MORITZ. All right. I will modify my request to meet the gentleman's suggestion.

Mr. BLOOM. The request of the gentleman from Pennsylvania is that he be permitted to speak for 10 minutes immediately after the disposition of the special orders on the Speaker's table?

Mr. MORITZ. That is right.

Mr. SNELL. That will be before these bills to which the gentleman from Tennessee refers.

Mr. BLOOM. No. This is a special rule.

Mr. SNELL. It is not on the Speaker's table.

The SPEAKER. The Chair will state to the gentleman that the rules are not on the Speaker's table.

Mr. McREYNOLDS. The gentleman from Pennsylvania has consented to wait until after these bills have been disposed of.

The SPEAKER. Does the gentleman from Pennsylvania amend his request in that respect?

Mr. MORITZ. Yes, Mr. Speaker.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that he may have permission to address the House for 10 minutes at the conclusion of the special orders for today and disposition of the two measures referred to. Is there objection?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, at the conclusion of which I shall submit a unanimous-consent request which I think is very urgent.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, the Committee on Immigration and Naturalization have reported unanimously H. R. 3472, to amend section 23 of the Immigration Act of February 5, 1917 (39 Stat. 874), and House Joint Resolution 71, to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States or the Territories thereof, to authorize appropriations to accomplish that result, and for other purposes.

Both of these bills attempt to repatriate Filipinos in the United States to go back to the Philippine Islands. I believe they want to stay there provided we give them some method of getting over there. The bill (H. R. 3472), will repatriate 100,000 or more of these aliens who are stranded in the United States and who have indicated a desire to return to their native land.

Most of these cases we find are on the relief rolls today, and by advancing their transportation expense, which will be about 1½ months' relief which they would otherwise get from the relief rolls in the larger cities, we will dispose of thousands of these people who have indicated a desire to voluntarily depart to their native land. If you want to relieve the relief rolls in various communities you may do so by passing these constructive measures. This is a very urgent matter and I ask unanimous consent that I be permitted to have the two bills considered at the earliest possible time next week.

Mr. SHORT. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Missouri?

Mr. SHORT. How soon do these aliens intend to return to the United States?

Mr. DICKSTEIN. They cannot return, once they leave.

Mr. BOILEAU. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. The gentleman stated that the transportation cost was equivalent to 1½ months' relief?

Mr. DICKSTEIN. Or 2 months' relief.

Mr. BOILEAU. Why do not the various municipalities and cities that have this problem send them back without the necessity of the United States doing it?

Mr. DICKSTEIN. The States and municipalities did not bring them in here. They came in here under the immigration law.

Mr. BOILEAU. It would seem to me to be good business on the part of the various municipalities to get them off their hands.

Mr. DICKSTEIN. It would also be better business for the United States Government to enact laws that would permit these people, including about 30,000 Filipinos and perhaps over 100,000 aliens who are on the relief roll and are stranded today, to be removed to their own country. They have indicated to the various group directors within the different areas of the cities that if they had means of transportation they would be willing to return to their native land.

Mr. SHORT. And stay there?

Mr. DICKSTEIN. And stay there.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. BLANTON. There are estimated to be 20,000,000 aliens in the United States today and that 10,000,000 of them are here unlawfully. The gentleman has had before his committee for several years a bill to stop all immigration to this country, and it ought to be stopped, and that bill ought to be reported and passed. This method of paying Filipinos, way back home is a bad precedent to be established, and such a measure ought not to pass this House, for as many others will come in their places.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I should like to answer the gentleman's question very accurately and thoroughly.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DICKSTEIN. In answer to the gentleman, I wish the gentleman, in all fairness to the House and to himself and to me, would stop asking me a lot of nonsensical questions.

Mr. BLANTON. It is nonsensical to have 10,000,000 aliens unlawfully in the United States.

Mr. DICKSTEIN. Wait a minute. Give me a chance to answer the question. I want to be fair with the gentleman and give him information. If he does not want the information, all right.

Mr. BLANTON. I have asked no questions and have asked for no information. I think I have about as much

information on the subject as the gentleman has. I have been studying it just about as long as he has.

Mr. DICKSTEIN. Does the gentleman want an answer to his question?

Mr. BLANTON. I shall vote for any bill the gentleman will bring in here to stop immigration from coming into this country.

Mr. DICKSTEIN. Here are two bills by which we can relieve the country very materially with respect to the relief rolls of the various communities of the United States and they will remove to their native land hundreds and, perhaps, thousands of aliens who will go back to their own countries and stay there.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. SABATH. I have studied this question as long as my friend from Texas and I wish to say to him——

Mr. BLANTON. You have been studying it for 50 years then. That is the length of time I have been studying it.

Mr. SABATH. Yes; I have studied it that long.

Mr. DICKSTEIN. Do not take this out of my time, because I wish to submit a unanimous-consent request.

Mr. SABATH. I should like to answer the gentleman by stating that he is absolutely erroneous in his statement that we have 20,000,000 aliens illegally in the United States.

Mr. BLANTON. The gentleman has made a mistake of just 10,000,000 as to what I said. I said we had 20,000,000 aliens in the United States, and 10,000,000 were here unlawfully. We are going to attend to one of them, who got in here unlawfully, before long, a certain Mr. Bruno Hauptmann, by sending him to the electric chair. But there are hundreds of others just like him here in the United States, who ought not to have ever gotten across our borders.

Mr. SABATH. I am with the gentleman in desiring to send all of them who are criminals back where they belong.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the two measures, H. R. 3472 and House Joint Resolution 71——

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute to submit a unanimous-consent request.

Mr. McREYNOLDS. Mr. Speaker, I object.

Mr. DICKSTEIN. I want just 1 minute to submit a unanimous-consent request.

Mr. McREYNOLDS. I do not object to 1 minute.

Mr. MOTT. Reserving the right to object, Mr. Speaker, the gentleman from Texas asked a question which was a very pertinent one. It appears he did not want an answer to it, but I think the Speaker is in position to give an answer and I hope he will do so for the benefit of the rest of the Members.

Mr. DICKSTEIN. If I could be given the time, I should be pleased to answer any question you might propound to me that I would know about.

Mr. MOTT. If the gentleman will discuss that question, we shall all be very glad to hear him.

Mr. DICKSTEIN. I should like to dispose of this important question, and then at some time in the very near future I shall be pleased to discuss that.

Mr. BLANTON. I shall not object to the gentleman proceeding, but I shall object to the subsequent unanimous-consent request which he has in mind.

The SPEAKER. Is there objection to the gentleman from New York proceeding for 1 additional minute?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that House bill 3472 and House Joint Resolution 71, each providing an economical plan for the permanent removal from public and private relief rolls in the United States of certain unemployed and distressed persons who are aliens, may both be called up some day in the near future and given preferred status for consideration by the House.

Mr. Speaker, under leave granted me to revise and extend my remarks on these two measures, I wish to explain briefly to the House why I think passage of both of them immediately would be beneficial to this country.

House Joint Resolution 71 relates to Filipinos who are stranded in the United States and Territories. Citizens of the Philippine Islands are nationals of the United States, but Congress has not invested them with United States citizenship. Prior to the act of March 24, 1934, the Filipinos, although not citizens, were free to enter and reside in continental United States or any Territories of the United States to the same extent as citizens. The Filipino owes allegiance to the United States, but the immigration laws, which place restrictions on the admission of aliens, have no application to nationals who are not aliens. Up until the act of March 24, 1934, no effort was made to place any restriction on the movement of Filipinos.

As a consequence, therefore, many Filipinos proceeded to Hawaii and to continental United States, entering as passengers on vessels, as seamen, or possibly in other ways. Many of them who came were encouraged to come by advertisements emblazoned through the islands, and they came hoping to better their condition. Since they were not subject to inspection or examination and could enter without restriction, it is not surprising that many of them were incapable of being self-supporting, particularly so during unfavorable economic conditions here. It has been a natural result that a great many of these Filipinos have required, and are in need of, charitable assistance, either from public or private sources.

There certainly is less likelihood of these distressed Filipinos becoming restored to self-support here now than there would be if we could return them to their native surroundings. This House joint resolution proposes to afford legislative authority for sending them back to their homeland.

Any Filipino who wants to take advantage of this privilege will be required to make a voluntary application to the Secretary of Labor. It is not a compulsory law, but the acceptance of the benefits would carry certain penalties due to provisions of current law.

If any Filipino is removed to the Philippine Islands under this resolution, it would then be necessary to hold that his residence in the United States had been terminated and therefore, under the provisions of the act of March 24, 1934, he could reenter only under the same conditions applicable to all citizens of the Philippine Islands, that is, if coming for permanent residence he would have to secure and present an immigration visa and would be charged to the annual quota of 50 allotted to the Philippine Islands. He would then be in the same class as any other alien seeking admission, with one exception—he is not barred from entry because of the fact that he is ineligible to citizenship.

However, the two Resident Commissioners from the Philippine Islands, while appearing before our committee during public hearing on this resolution, stated quite emphatically that it was their opinion that none of the Filipinos who may be transported back to the islands under this resolution would seek to come back here, because most of them had come to the United States as adventurers, hoping to find good jobs and, having failed to do so and having fallen into distress here, they would be only too glad to get back home and would stay there.

The 1930 census of the United States indicated there were about 45,000 Filipinos in continental United States. During previous hearings on this bill witnesses estimated that about 20,000 to 30,000 Filipinos might apply for permission to return to the Philippine Islands if this resolution is enacted into law.

The movement of so many unemployed Filipinos from the public and private charity and relief rolls in the various communities of the United States would, without any doubt, be a distinct benefit to these communities and would prove helpful to many of our own citizens who also are without regular employment and who are seeking employment and who are now being supported by public relief.

The cost involved under this resolution is a mere trifle when compared to the need for continuous payment of

financial aid while these poor Filipinos are being supported here during their unemployment. The total cost for transportation would be somewhere between $30, if on Navy transports, to $95, if on commercial steamships, per head.

This House joint resolution has been unanimously reported to the House, with a recommendation that it pass, in the Seventy-second Congress, the Seventy-third Congress, and now in the Seventy-fourth Congress.

Under this present resolution, Filipinos must apply for its benefits before December 1, 1935, and none of the benefits are extended beyond December 31, 1935, except in cases when actual voyage has been initiated before the latter date, in which case the trip is to be completed to the Philippine Islands.

In order that final legislative action be completed early, I hope the House will have an opportunity to consider and pass it during the current month.

Now, Mr. Speaker, the other of these two measures in H. R. 3472, this bill is a companion measure to H. J. Res. 71, since the purpose is identical. Provision is made to return distressed aliens to their native country regardless of how long they may have been in the United States if they want to go back but cannot do so because of lack of funds to pay their passage.

A part of section 23 of the Immigration Act of 1917 now provides for the payment of passage, from the United States to former residences abroad, to aliens who have fallen in distress within 3 years after entry and who desire to go back home.

This bill simply removes from existing law the limitation of 3 years within which the alien may fall into distress and secure the privilege of removal, at Government expense, from the United States back to his homeland.

During the 3 years immediately preceding current date there has been practically no immigration from abroad, and every alien who did come has been under the necessity to establish as a fact that, if admitted to the United States, he or she would not be a person likely to become a public charge, even if employment should be unobtainable over an extended period of time after admission. The practical effect has been that the portion of section 23, which is amended by this bill, is of no value to the Government or to the several communities where distressed aliens are found to live.

During the period of economic depression it has been found that many aliens in the United States have fallen into distress and have been maintained by public or private charity and have greatly desired to return to the country of their former residence. A considerable number of these have been in the United States for a longer period than 3 years, and so the existing provisions of law afforded no opportunity to effect their removal. Under adverse condition it is frequently the case that aliens resident within the country could better provide for themselves if living in their native country; and many seek an opportunity to return there, but they cannot provide their own passage money.

This bill permits them to apply for removal at Government expense and affords an opportunity for the Secretary of Labor to contract for their passage abroad at economical figures and by doing so relieve the overburdened taxpayers of this country of the continued support of these aliens who are now on public and private relief rolls and on work-relief rolls to the detriment of our own citizens who also need all the relief the Government can afford to extend to them.

The Committee on Immigration and Naturalization feels that this bill, and also House Joint Resolution 71, are both economically and socially desirable at the present time and would be of tremendous benefit to everybody concerned, as well as to the several cities, towns, and communities where these unemployed and distressed aliens are now the subjects of private and public charity.

For the information of the House I will say that just this month, when our committee held public hearings on these two measures, the Commissioner of Immigration and Naturalization appeared before the committee and stated the views of the Immigration and Naturalization Service and the Department of Labor.

With regard to H. R. 3472, Hon. Daniel W. MacCormack, the Commissioner, said, "We heartily endorse the bill."

With regard to House Joint Resolution 71, he stated: "We are heartily in favor of the proposed legislation."

Mr. Speaker, I wish to renew my request for unanimous consent that H. R. 3472 and House Joint Resolution 71 may both be called up some day in the near future and given a preferred status for consideration by this House. I thank you.

Mr. BLANTON. Mr. Speaker, the proposal of the gentleman from New York would set a bad precedent; and would, in fact, accomplish nothing in reducing the number of aliens in this country, hence I am going to be forced to object to his request.

Paying the expenses of returning to their homes of these approximately 30,000 Filipinos would be a futile waste of public money. More than the number returned would immediately find their way here, and come across our borders regardless of laws and regulations.

I am reliably informed that large fishing vessels are now equipped, maintained, and operated to effect regular exchanges at sea; and it would, in my judgment, be ridiculous for us to return them home free of charge whenever they happen to get homesick.

I am reliably informed that if we could deport all of the aliens now in this country there would be a job for every American, and there would be no more suffering and shivering and hunger in our big cities, and there would be no need of our Government's granting relief or appropriating $4,800,000,000 to start public works.

American jobs in the United States should be and must be preserved for Americans, and we in this Congress must take decisive steps to redistribute these jobs, and take them away from foreigners and give them back to Americans.

No American has any chance whatever to get a job in any foreign country. Just try to find employment in one of them. When they learn that you are an American, you are given to understand that their jobs are for their own nationals.

As soon as the Seventy-third Congress met 2 years ago, I introduced a bill to stop all immigration for 10 years, so as to give us time to assimilate our foreign-born naturalized citizens here before we allowed any more to come, and so that we could preserve American jobs for Americans.

The bill went to the committee of which the gentleman from New York [Mr. DICKSTEIN] is chairman; and after I finally succeeded in getting hearings on it, the committee took a vote, and it was the vote of the chairman [Mr. DICKSTEIN] that kept the bill from being reported. If he had not cast his vote against reporting the bill, it would have been reported and passed by Congress. For I firmly believe that whenever this House gets an opportunity to vote on such a bill, it will pass it by a tremendous majority, for I believe that a large majority of the Members of Congress, both House and Senate, are in favor of stopping all immigration for 10 years, and preserving American jobs for Americans.

Is it not silly and nonsensical to have 12,000,000 Americans out of jobs, and cannot get jobs, and at the same time to have 20,000,000 aliens in the United States, and allow more of them each year to continue coming here, when Americans are in distress, and the Government is feeding and housing and supporting millions of them.

Regardless of claims continually made to the contrary, but made by persons not in favor of stopping immigration, I have reliable information and statistics to show that there are now over 20,000,000 aliens in the United States, and that of these 20,000,000, there are at least 10,000,000 of these aliens who are here unlawfully, just as Bruno Hauptmann came here unlawfully, and stayed here unlawfully, and was here unlawfully when he committed the foulest and most dastardly crime ever known to civilization, and just as this infamous Bruno Hauptmann has continued to stay here unlawfully all during these expensive weeks of trial that has cost over $600,000. There are thousands of aliens just like Bruno Hauptmann here in the United States now, unlawfully, and we must pass legislation to make them all register,

and find means of detecting them, and provide for their deportation.

On the first day of this present session of Congress I again introduced a bill to stop all immigration to the United States for 10 years. It went to the committee of which my friend from New York [Mr. DICKSTEIN] is chairman. Why does he not report that bill? Why does he not pass that bill? The Americans in the United States want it passed. The American Federation of Labor wants it passed. The Daughters of the American Revolution want it passed. The American Legion wants it passed. The Veterans of Foreign Wars want it passed. And a big majority of the Members of this Congress want it passed. Then why is it not reported and passed? It is because the chairman of that committee is not in favor of it. It is because the chairman of that committee does not want to report it. It is because the chairman of that committee does not want to pass this bill.

If my friend from New York were in favor of that bill, he could find means of reporting it this week. He could find means of having it promptly considered. He could pass it here in this House. If he wants to do something constructive and worth while, he should pass this bill to stop all immigration for 10 years, and should pass legislation to register and deport all aliens, and then he would make it possible for every American now out of a job to have a job that is now being filled by some alien.

I want all of my colleagues to know, and I want the people of the United States to know, that just as soon as 30 legislative days have expired since this Congress convened I am going to file on the Clerk's desk a petition to discharge the gentleman's committee from further consideration of this bill; and if we can get 217 of you colleagues to sign that petition, we will take this bill up and pass it in this Congress, and we will stop all immigration to the United States for 10 years, and we will preserve American jobs for American citizens. And then Americans will not have to be on Government charity any longer. And then American citizens would not have to be fed and housed and clothed by the Government. And then this Government will not have to tax Americans $4,800,000,000 to provide public works through Government jobs for Americans if we will deport 10,000,000 aliens now unlawfully here from foreign countries who now hold American jobs that ought to be held by Americans.

Mr. Speaker, for the above reasons I am constrained to object to the request of the gentleman from New York.

THE GREAT EMANCIPATOR

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including therein an address delivered by my colleague [Mr. KNUTSON].

The SPEAKER. Is there objection?

There was no objection.

Mr. CHRISTIANSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an eloquent tribute to Abraham Lincoln, the Great Emancipator, delivered by my colleague the Honorable HAROLD KNUTSON, of Minnesota, before the Sons of Union Veterans, at Philadelphia, on February 9, 1935.

It is to me a very great pleasure as well as a very great honor to be privileged to speak to this gathering of Sons of Union Veterans. There is an added element of pleasure in the presence of a small group of Civil War veterans, the first that I have had the honor to address for several years.

As I stand before you this evening my memory goes back to the fall of 1896 when, as a barefooted boy I stood upon the curbing of Nicollet Avenue, Minneapolis, and saw that mighty host of the Grand Army of the Republic pass in review in connection with their annual encampment. Then they were in their prime, clear-eyed and elastic of step. In a few months they were to elect one of their number, the martyred McKinley, President of the United States, the last of their number to be so honored. For 30 years theirs had been the guiding hand in our national affairs, and in the discharge of that duty they displayed the same patriotism and loftiness of purpose that animated and immortalized them in the unselfish service they rendered their country in 1861–65. Now, alas, their ranks have thinned until there is but a pitiful remnant of that soul-inspiring line of blue that answered the call of Father Abraham at an hour when the very future of the Republic hung in the balance. May I say without appearance of unseeming adulation that those were the golden years of the Republic.

I am honored to speak to you, their descendants, this evening. Through your veins courses the blood of that gallant body of men that helped Grant gain victory at Shiloh and Donelson; who achieved immortality at Gettysburg; who marched with Sherman to the sea in a campaign as notable and brilliant as the march of Hannibal and his legions over the snow-covered passes of the Alps; and who finally saw their sacred cause triumph at Appomattox and the glorious Union firmly established. Throughout that long and painful struggle, which was to decide for all time to come whether a union of States, conceived in the cause of human liberty and dedicated to the proposition that all men are created free and equal, should continue to endure and serve as a beacon, lighting the pathway toward freedom to the rest of the world, or whether it should go down to destruction on the rocks of dissension, thereby forging the stronger those shackles which bound three and one-half million human beings in servitude and bondage. Throughout that long and bitter struggle the mighty hosts in blue and the sacred cause for which they so freely shed their blood and laid down their lives were inspired by leadership given them by an all-wise and all-seeing Providence.

As the procession of mankind passes in review, we observe at long intervals, and only in time of some great crisis, a figure that towers high above his fellow man, who steps to the front and by common consent assumes leadership. In times gone by the human family has been served by a number of such leaders, and in the comparatively small number George Washington and Abraham Lincoln stand out as shining and illustrious lights. Each contributed his all to the country we call our own, and their places in history are so firmly established, so well known, and so generally conceded that there is little that we can say or do to add to the luster that is theirs.

As the unbelievers said of Christ, "Can there any good thing come out of Nazareth?" So there were those who undoubtedly asked of themselves and of others, "Can it be possible that a man born in a log cabin in Kentucky, rough and uncouth, without any of those qualities which we are accustomed to associate with greatness, can it be that such a man is fitted by tradition and training to occupy the greatest elective office in all the world, the Presidency of the United States?" And it was but natural that they should thus inquire of Christ and of Lincoln, for although one was born in a lowly manger in Bethlehem, the other in a log cabin, open on one side and without windows, doors, or floor, both stand out today as the two greatest individuals of all time, and their names are written in letters of burning light that the mutations of time can neither tarnish nor dim.

We have assembled this evening to commemorate the one hundred and twenty-sixth anniversary of Abraham Lincoln's birth. We are here not as partisans but as pilgrims to worship at the shrine of the man whom God gave to the American people as their deliverer in their darkest hour of despair, and in this gathering we will renew our devotion to that great man and our loyalty to the heritage that he has left us.

Many of you have been privileged to hear from the lips of your patriotic sires the story of Abraham Lincoln. Indeed, many of your fathers undoubtedly knew Lincoln, and you, therefore, have first-hand information as to the manner of man he was. His enemies caricatured him as a monster, but those who knew him could see in his sorrow-lined features the image of the Master—and that is the Lincoln his friends knew and loved and who lives and will live for all time to come.

The rugged pioneer stock from which Lincoln sprang was nurtured amidst privation and hardship such as are today unknown. They braved the lurking dangers of the forest wilderness with that assurance and confidence that has ever characterized your real American. With their onward march they constantly pushed back the frontiers, built roads, established homes, schools, and churches, carved out farms and cities in an untamed empire that was destined to become the bread-and-butter basket of the world.

The only music that he knew as a boy and young man was the singing of birds, the murmur of brooks, and the rustle of the trees. Truly, if any man grew up in close communion with his Maker it was Abraham Lincoln, the man of sorrows whose sympathetic heart embraced all humanity. His early reading was confined to six books: The Bible, Pilgrim's Progress, A History of the United States, Aesop's Fables, Weem's Life of Washington, and Robinson Crusoe. Holland has truly said: "The poverty of Lincoln's library was the wealth of his mind." With such a foundation for learning one could hardly expect the development of a mind that has given to posterity the oration at Gettysburg and the Second Inaugural Address, two of the most polished gems in all our literature. Let me read to you another of his literary gems, his letter to Mrs. Bixby:

"DEAR MADAM: I have been shown in the files of the War Department a statement of the adjutant general of Massachusetts that you are the mother of five sons who have died gloriously on the field of battle. I feel how weak and fruitless must be any words of mine which should attempt to beguile you from the grief of a loss so overwhelming. But I cannot refrain from tendering to you the consolation that may be found in the thanks of the Republic they died to save. I pray that our Heavenly Father may assuage the anguish of your bereavement, and leave you only the cherished memory of the loved and lost, and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom.

"Yours very sincerely and respectfully,

"ABRAHAM LINCOLN."

Early in life Lincoln was to know his first great sorrow with the passing of a wonderful mother whom he loved with all the pas-

sionate devotion of a young and trusting heart. She had been his guide and counsellor, and of her he afterward said: "All that I am or ever hope to be I owe to my angel mother."

Former Congressman Chipperfield, of Illinois, in a masterly eulogy on Lincoln, delivered before the House of Representatives several years ago, related that at the time of her interment it was impossible to give her Christian burial, and that Lincoln grieved deeply thereat and refused to be comforted. Months afterward he learned that a man of God was at a distant point, and he set out on the dangerous journey to secure this holy man to come and perform the last rites of Christian burial at her grave. It was only when this had been done that peace and comfort returned to his heart.

Later he was to know another great sorrow. The young girl to whom he had plighted his troth and given his heart, Anne Rutledge, died just as she was entering the full bloom of womanhood. Lincoln many times visited her grave and communed with her spirit.

Lincoln had the sensitive heart of an unspoiled child. He sought the love of his fellow men, and their good will and esteem encouraged and supported him. It was but natural that one with his lofty ideals, his grandeur of thought and stability of character, should early attract the attention of his neighbors. In 1832 he was proposed for a seat in the Illinois Legislature but was defeated. He was, however, elected in 1834 and served in the legislature until 1840 when he declined a nomination. In 1846 he was elected to Congress but was not a candidate for renomination 2 years later; in 1854 he was a candidate for the United States Senate but withdrew in favor of another candidate; in 1856 he aspired to the Vice Presidency but was not named by the convention. Two years later he was a candidate for the United States Senate and carried the popular vote of the State of Illinois by 4,000 although the legislature subsequently elected Mr. Douglas, but the debates that had been held between himself and Judge Douglas during that memorable campaign made him a national figure and in 1860, at the Republican National Convention in Chicago, he was nominated for the Presidency, and elected. In 1864 he was renominated and again elected.

In my humble opinion, Lincoln's election to the Presidency was providential. In the light of the stirring events that followed his elevation to the position of Chief Executive and the masterful genius displayed by him in meeting every great emergency, including intrigue and disloyalty on all sides, it becomes more and more apparent that Abraham Lincoln, and he alone, could have successfully prosecuted the great war for the preservation of the Union.

The war opened inauspiciously. The first battle resulted in the rout of the Union forces, and for more than 2 years the secessionists had the better of it. It was only when the grim and silent Grant carried the day at Shiloh and Pittsburgh Landing that the first rays of hope broke through the gloomy, war-clouded sky. Those were days that tried his soul, and his great heart was torn by the suffering and misery that grew out of that titanic struggle. Had he not possessed the love, confidence, and affection of the people of the North, and more especially of those who left their firesides to fight for the preservation of the Union, the cause could not have triumphed. To one and to all he was Father Abraham, the man whose heart encompassed all humanity, and it was to him that the down-trodden and the oppressed looked for succor and relief.

In passing upon a case of a lad condemned to death for falling asleep at his post, Lincoln said: "I could not think of going into eternity with the blood of that poor young man on my skirts. It is not to be wondered at that a boy raised on a farm, probably in the habit of going to bed at dark, should, when required to watch, fall asleep; I cannot consent to shoot him for any such act."

The impressive sequel of this act of mercy was brought to light when the dead body of this soldier boy was found on the battlefield of Fredericksburg and next to his heart a photograph of the President, across which he had written, "God bless Abraham Lincoln."

His untimely death, just as he had reached the pinnacle of usefulness and fame, was the greatest tragedy since the crucifixion, and, strange to say, by a peculiar coincidence the end came on Good Friday, the anniversary of the death of our Savior.

It was only when the great Lincoln lay cold in death that his real greatness and nobility of character were appreciated and understood. He left behind him a monument as enduring as the ages, a united country, firmly established on the eternal principles of justice, welded together in the strong bonds of fraternity, and sealed by the sacred blood of the countless thousands who died that liberty might live. Today, threescore years and ten after his death, Abraham Lincoln is yet a living, breathing inspiration to all the people of the world, and so he will continue to be in all the centuries yet to come. We—

"Talk of thy doom without a sigh;
For thou art Freedom's now, and Fame's:
One of the few, the immortal names
That were not born to die."

In these days of stress and strife it would be well if we were to take from the life of Lincoln some of the precepts with which it is so generously interspersed. Abraham Lincoln is frequently quoted by the demagogue as proponent of the dangerous panaceas that are being proposed as cures for the ills of our body politic. He is frequently quoted in support of doctrines that seek to array class against class and which ultimately would break down the very cornerstone upon which the Republic is reared. Fellow citizens, we have never had a President who gave more meticulous and scrupulous consideration to the rights of all men. We have never had a Chief Magistrate who observed the Federal Constitution with greater reverence and respect. Indeed, his great love for our country and its institutions was his outstanding characteristic. Abraham Lincoln believed in constitutional government of the people, by the people, and for the people. He stood for sound money, for the protection of the American wage earner and producer, for adequate preparedness, and for an economic program that would bring the greatest good to the greatest number. He believed in the common man, and it is plainly discernible that one of his motivating reasons for opposing the institution of slavery was that he did not subscribe to the doctrine that free labor should be compelled to compete with slave, or forced, labor. At any time during the war he could very easily have set up a dictatorship under the plea of an emergency, but I am sure that the idea never once entered his honest and guileless mind, because it was foreign to his philosophy of life.

From earliest boyhood to the tragic end he believed in and fought for those principles of government that are essentially American; and so, my friends, let us not be deceived by what theorists and sophists would have us believe regarding the things that Abraham Lincoln stood for in the way of government.

An impartial study of his inspiring life furnishes convincing proof that he was sound to the core, ever devoted to the best of American ideals and traditions, holding steadfast to the Constitution, veering neither to the right nor to the left, and always adhering to a course of action dictated by a conscience responsive to a deep and abiding sense of righteousness.

Let us then, on this anniversary of the birth of the savior of the Republic, dedicate ourselves anew to the immortal principles for which he lived and died. Let us at this time, when fascism and communism are rearing their ugly heads in our midst, drink deep and often at those wellsprings of human thought and action that inspired the founders of the Republic and that stimulated the undying faith in his fellow man of Abraham Lincoln, and of those heroic souls who stood with him shoulder to shoulder during the darkest hours of the Republic and made this glorious country of ours free, one and indivisible. Their memory will ever remain one of the brightest chapters in our history. My countrymen, let us cleave to those ideals for which they fought, suffered, and died, ever keeping before us those principles of government which have made our country the brightest star in the grand galaxy of nations.

REFINANCING OF FARM MORTGAGES

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent to extend in the RECORD my remarks on a resolution passed by the House of Representatives of the State of Nebraska urging the enactment of remedial legislation for refinancing farm mortgages.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. LUCKEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution passed by the House of Representatives of the State of Nebraska urging the enactment of remedial legislation for refinancing of farm mortgages:

Resolution memorializing the Congress of the United States of America to enact remedial legislation for refinancing of farm mortgages

Whereas the farmers of the agricultural regions of the United States are financially disabled; and

Whereas many farm lands are heavily mortgaged and the farmers are hopelessly in debt and many will eventually lose their farms unless relief is given; and

Whereas the prosperity of the United States and its people is dependent upon the well-being of the farmer and his ability to purchase; and

Whereas the gateway to prosperity is the gateway leading from the golden fields of the great agricultural region of the Middle West; and

Whereas the farmer and his dependents cannot and will not spend while attempting to carry a heavy load of indebtedness; and

Whereas the prosperity of the agricultural regions of this country means the prosperity of the whole country since the purchase of any machinery and any equipment as well as clothing and food will create such a demand that factories would reopen and employ more people; and

Whereas inflation would tend to enable the debtors to get out of debt and to make the whole country more prosperous, as it has done many times before in this country and is now doing in England and other countries; and

Whereas a mild inflation has helped the United States regain its prosperity on numerous occasions and is now helping England and other countries to regain prosperity: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth legislative session assembled,

1. That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such

remedial legislation as will provide for refinancing through the Federal farm-loan banks of the whole farm-mortgage debt at an annual interest rate of 1½ percent and an annual amortization charge of 1½ percent of the principal, with balance to be paid in not less than 10 nor more than 20 years; that the funds for this operation shall be obtained through issuance of some $3,500,000,000 in Federal Reserve notes.

2. That a copy of this resolution, properly authenticated and suitably engrossed, be transmitted to the President of the United States, the Clerk of the House of Representatives of the United States, the Secretary of the Senate of the United States, and to each of the Congressmen elected in the State of Nebraska, and that our Congressmen and Senators be urged to use their best offices to prosecute the enactment of such legislation as will accomplish the purposes of this resolution.

PRESENT-DAY NEED FOR THE REPUBLICAN PARTY

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by my colleague [Mr. MARSHALL].

The SPEAKER. Is there objection?

There was no objection.

Mr. HESS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Hon. L. T. MARSHALL at the Lincoln Day banquet at Asheville, N. C., on the evening of February 11, 1935:

The subject which it is my purpose to discuss tonight is the present need for the Republican Party. I think it an appropriate subject to discuss in connection with the celebration of the birth of Abraham Lincoln.

Never since the inception of the party has the country had a greater need for it and for an adherence to its fundamental principles than at this particular moment. In this period of confused thought the Republican Party must be a steadying influence. We find ourselves in the position of a minority party, a role to which we have not been accustomed. We have been, for the most part, the majority party, and it has been with a little difficulty that we have accommodated ourselves to this position. We have, however, in my opinion, filled this role better than the Democratic Party has performed its function as the majority party.

We are the party of opposition, and it becomes our duty to oppose the unsound, impractical, socialistic, and communistic legislation that is being foisted on the Nation. If we compromise with, rather than oppose, this program, there remains no real legitimate reason for our continuance as a party. We cease to be that great constructive force to which the people of this Nation have so often looked for real leadership in times of crisis. It is the duty of the Republican Party to continue to stand firm for sanctity of contracts, sound money, the protective tariff, national economy, and the rights and liberties of the individual.

The Republican Party is not dead nor is it dying, and it becomes more evident each day that a return to the sound principles of our party will be necessary to restore business confidence to the end that private industry will again employ the idle workmen of this Nation. No party is dead that receives the suffrage and approval of thirteen and one-half million voters as did our party in the election last fall. The shrinkage in the Republican vote, as compared with the 1932 election, was only one-half as great as was the shrinkage in the Democratic vote.

The result of the last election does not indicate a preference for the principles of the Democratic Party. That result was occasioned by Tammanyizing a distressed people with millions of dollars of taxpayers' money. I join with Senator BAILEY, of your own State, when he said just recently, "I have no respect for a public servant who will purchase public favor with public money." The result in the last election could not indicate approval of the principles of the Democratic Party because every principle set forth in its platform of 1932 has been repudiated by the administration now in power at Washington.

Do you think that if the platform of the Democratic Party in 1932 had declared in favor of the things that have been done by the administration at Washington that they could have been successful in that election? Most certainly not.

It is amusing indeed to compare the promises in their platform of 1932 with the action taken since March of 1933. Their performance has been the exact opposite of the promises made to the people.

One of the most serious problems confronting the Nation today is the unemployment problem. The number is estimated at between ten and twelve million—more than at any time in our history. Four million are in Government employment, and it is estimated the number receiving Federal aid this winter to be 20,000,000. This is the picture that confronts us after 21 months of the new deal. The time has come when we should no longer speak of the Hoover depression, but, in the words of Senator LONG, Democratic Senator from Louisiana, if he will permit us to speak any longer of him as a Democrat, we should call it the Roosevelt depression.

I want, for a few moments, to discuss this unemployment problem. In the last session of the Congress there was appropriated $3,300,000,000 to put people to work. We were told by the administration leaders on the floor of Congress that this would bring us out of the wilderness into the promised land. The results do not justify that prediction. There are more unemployed today than at the time this appropriation was voted. In the face, however, of the failure of the program, the lower House of Congress just the other day voted $4,880,000,000, four billion of which, we are again told, will solve the unemployment problem. No one objects to the appropriation of the $880,000,000 for relief, nor would we object to even a greater amount, if such is necessary, to provide for the needs of those who are unemployed without fault of their own. We do object to the four billion, for it will not bring the results, and it is my fear that next year an even larger amount may be asked.

Gen. Hugh Johnson just recently wrote on this subject. He said that when the ten million now unemployed were in gainful employment the volume of business per year in the United States was ninety billion, and that today the volume is only forty billion. This leaves a gap of fifty billion to be bridged. I will ask you how far $4,000,000,000 will go toward bridging this gap or taking up this slack? He says that it might employ three and a half million people, but this would be temporary employment, so we would still have six or seven million unemployed with the danger that after the expenditure of this money the employment would be just as great as now. You know, I know, and everybody knows that if these unemployed people are to be reemployed it must be done by private industry.

Congress cannot enact legislation to immediately employ these people, but I state in all sincerity that Congress should refrain from passing any more laws that will hinder private industry in their reemployment. I say further that the repeal of some of these laws passed under this administration would be a great help. Much of the legislation of the last two sessions of Congress has retarded recovery in private industry. Confidence is absolutely necessary to the operation of private industry, and the legislation to which I refer, instead of creating confidence has created uncertainty and fear for the future.

I refer to the financial legislation which I do not have time here to discuss other than to say that capital will not be invested in any long-time business undertakings until there is a settled policy in regard to the financial policies of our Government. The fear of uncontrolled inflation hovers like a cloud over every board of directors' meeting in the land.

I refer also to the reciprocal-tariff legislation under which law the President has authority to reduce tariffs as much as 50 percent practically without notice or without an opportunity on the part of affected industry to be fairly heard. This legislation is a constant threat to the business activity of this Nation.

Under this legislation our Secretary of State, an ardent and enthusiastic free trader, sits down around the council table with representatives of foreign governments and there lays down a tariff policy affecting the welfare of every workingman in the United States. In the enactment of this law Congress placed the tariff-making authority in the hands of the enemies of protection.

I refer to the National Recovery Act, which must be greatly modified or repealed or permitted to die a natural death in June of 1935. You cannot improve business by putting it in a straitjacket. Forty-one million dollars has been assessed and collected in the past year from industry to operate the offices of the various code administrators and subadministrators throughout the Nation. We have fly-swatter codes, toothpick codes, necktie codes, totaling in all about 600.

Another most serious problem is our great and ever-increasing national debt. Unfortunately the people have not taken this problem seriously enough, but they are rapidly awakening to a realization of the dangerous situation.

An individual with an income of $100 per month, whether it be from business or wages, can spend $300 a month so long as he can borrow. During this period he can have a fine time just so long as his credit lasts, then his condition is worse than before. He must live, pay the interest and the debt out of his $100 per month. You might borrow $10,000 and appear prosperous so long as it lasted. What then? The same is true of our Government.

I care not how worthy the motive of Government borrowing, when the debt reaches the point that it cannot be paid by taxation then confidence in the credit of our Government is gone. If we reach that point, and we are approaching it dangerously fast, how then shall we feed the hungry and needy? Only one way and that is the Government will be compelled to start the printing presses and turn out paper money.

It is not necessary to discuss the results to follow. History has recorded the same result wherever this program has been followed.

It has been a misconceived idea on the part of many that the Government creates wealth, whereas, in fact, the Government never created a bit of wealth and never will. It is a distributor of wealth collected from the taxpayers of this Nation. Our Government debt now is $28,000,000,000, and five billion more just authorized by the lower House of Congress. How much further can it go? This is problematical—possibly another year or two.

The great question is, Will we have the courage to stop borrowing before it is forever too late? It does require courage when not only the jobless and dependent but the business man, who has benefited temporarily, are all urging that we do not stop now. We cannot stop completely at this moment, but we cannot solve our difficulties by continued expenditure of borrowed money. If we

do not stop, we will suffer bankruptcy or uncontrolled inflation or both. Either means complete disaster.

Another disturbing element in our economic life is the steady encroachment of Government upon the field of private enterprise. One example of this is the post exchange. The original purpose of this establishment of post exchanges was for the accommodation of the soldier or Government employee in isolated locations. We find them now located near towns and cities in direct competition with private industry in those localities. The merchant in the nearby community cannot compete with these. No wages are paid to the operator of the exchange, no insurance is carried, no taxes are paid, no depreciation to be charged off, and no balance sheet kept. Profit or loss is not essential to its operation. This particular matter may be of small consequence, but it illustrates the unfair competition where the Government enters private industry. It is not fair for the Government to compete with the citizens who support it.

In this connection I want to call attention to the Tennessee Valley Authority which is located not so far away. In connection with their flood-control program they are generating electricity and establishing factories to make use of this power in direct competition with private industry throughout the country. This project, coupled with the threat to establish similar projects throughout the land, is preventing investment of millions of dollars in betterments and extensions by private industry and thus holding up the employment of thousands upon thousands of idle men.

You cannot tax industry to secure a fund with which to compete with that industry without drying up the industry itself. If this program is continued, we shall wake up one of these days to find the only business left is that supported directly or indirectly by the Government. We are fast approaching a system of state socialism.

By authority of legislation passed under this administration the Government has formed several corporations under the laws of the State of Delaware and through these corporations may engage directly in any kind of business it may desire anywhere in the United States or its Territories.

One of these is called the Electric Home and Farm Authority, another is the Federal Subsistence and Homestead Corporation, another Public Works and Emergency Housing Corporation, another Federal Surplus Relief Corporation.

If one would take the time to read the powers and authority granted under these articles of incorporation, it would be most startling to the people of this country. One paragraph of the articles of incorporation of the Public Works Emergency Housing Corporation grants this authority—to acquire improved or unimproved real estate and all buildings thereon and appurtenances thereto by purchase, exchange, exercise of the power of eminent domain or otherwise, whether or not in connection with the construction of any public-works project; to hold, maintain, and improve such real estate, buildings and appurtenances; and, subject to the approval of the Federal Emergency Administrator of Public Works or other duly designated representative of the United States of America, to sell, exchange or otherwise dispose of such real estate, buildings and appurtenances or to lease the same with or without the privilege of purchase.

Under the authority granted these corporations the United States Government, with taxpayers' money, may enter into any business in which the citizens of the United States are engaged. To what extent these corporations have been used up until now I am not advised, but in connection therewith let me say that you might as well hang a man as to keep him in suspense for 30 days.

Those advocating government in business urge same on social grounds. These folks fail to distinguish between society and government. A recent article in the Saturday Evening Post quotes Tom Paine as saying:

"Some writers have so confounded society with government as to leave little or no distinction between them, whereas they are not only different but have different origins. Society is produced by our wants and government by our wickedness; the former promotes our happiness positively by uniting our affections, the latter negatively by restraining our vices. Society in every state is a blessing, but government, even in its best state, is but a necessary evil; in its worst state an intolerable one; for when we suffer or are exposed to the same miseries by a government, which we might expect in a country without government, our calamity is heightened by the reflection that we furnish the means by which we suffer."

The Republican Party should oppose with all its vigor and determination any further delegation of authority to the executive department of our Government. Most of us thought that Congress had gone clear beyond the limit of safety along this line in the last two sessions of Congress; but if the four billion eight hundred million appropriation is enacted into law in the form it was forced through the lower House of Congress under the gag rule, all power, both real and imaginary, will have been conferred on the President of the United States. It will be most difficult to observe any authority that is denied him. It is my opinion that the people of the Nation are fast awakening to the danger of this action, and that the time has come when it is desirable—not only desirable but necessary—for the welfare of the country that Congress again function as the duly elected representatives of their constituents.

I am reminded of a story:

A man was walking down the street and was heard talking to himself, saying, "No! No! No!" Every few steps he would repeat the words "No! No! No!" His action was called to the attention of an officer, who approached him and, tapping him on the shoulder, said: "What is the matter? Are you crazy?" The reply was, "No! No! No!" Upon taking the man to headquarters and having an investigation made, it was discovered that he was a Democratic "Yes man" Congressman on vacation.

If I might be permitted to advise the Democratic administration as to what they might do during the remainder of this administration in the interest of the country, I would advise them that the one and all-important thing that they might do would be to change their attitude toward business or private industry in America.

There was introduced in the Congress just last week a bill of 178 printed pages, which I have not had the opportunity to read, and which I suppose will be brought in under the gag rule within a few days and passed by the Congress, which bill, I am informed, has among its provisions one to the effect that all holding utility companies be dissolved by the year 1940. I do not, at this moment, hold any brief on behalf of any utility company that needs regulation, but I do here and now say that this kind of legislation, rushed through Congress without time to study it, is just another act on the part of this administration that will tend to further prevent recovery of business activity.

In closing, permit me to say that we should all resolve, and it should be the outstanding purpose of the Republican Party that, in the words of Lincoln, a "government of the people, by the people, and for the people shall not perish from the earth."

WATERWAY ACROSS THE STATE OF FLORIDA

The SPEAKER. Under a special order the Chair recognizes the gentleman from Florida [Mr. GREEN] for 30 minutes.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein some brief statistical statements and a radio speech which I delivered on the 9th of February over station WJSV and the Columbia System.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I appreciate the courtesy of the House in extending unanimous consent to me for consideration of the subject which I am now about to discuss. I have introduced a bill (H. R. 2785) to provide for the construction of a canal across northern Florida, connecting the waters of the Atlantic Ocean and the Gulf of Mexico. This is the subject of my talk this morning. This subject, to the American people, is by no means a new one. As far back as the administration of President Andrew Jackson a communication was sent by him to Congress recommending the construction of a waterway across the peninsula of Florida to connect the waters of the Atlantic Ocean with the waters of the Gulf of Mexico. About 1880, a half century later, the matter was revived through surveys made by General Gilmore, who was then with the Board of Army Engineers. In General Gilmore's surveys it was found that feasible routes existed for the construction of this waterway. At that time the commerce of this country and the commerce of the world had not reached a development sufficient to warrant the construction of the canal. Also, American waterway development was then in its infancy, and funds for such purposes were not then as available as they are today, and not much more was said about the project until about 10 years ago.

Four years ago physical surveys of this canal were authorized by the Congress, following preliminary surveys which were made some 6 or 7 years ago. The preliminary surveys warranted the Board of Army Engineers in making the physical surveys and the Congress in passing an item in the river and harbor bill of 1930 for physical surveys. It was my pleasure to introduce both survey bills. About $300,000 or $350,000 has been spent by the Federal Government in making these surveys of a waterway to connect the waters of the Atlantic Ocean with those of the Gulf of Mexico through the southern part of Georgia and/or northern portion of Florida. A large number of routes were surveyed, and this chart or map shows several of those which were considered and upon which careful detailed physical surveys were made. Among these is one leading from the entrance of the St. Marys River across the southern part of Georgia, through the Okefenokee Swamp to the Suwannee River, and, by the way, the Suwannee River is a rather large stream, and thence down the Suwannee River to the Gulf of Mexico,

coming out at the mouth of the Suwannee River. Also, surveys were made branching off in the vicinity of White Springs, Fla., from the Suwannee River, going on out southwesterly to the Gulf of Mexico in the vicinity of Deadmans Bay and also westerly to the Gulf of Mexico south of Tallahassee, Fla. Another survey began at the Atlantic Ocean just east of the city of Jacksonville, Fla., and went northerly from the city of Jacksonville, on the southern part of the Okefenokee Swamp, through what is known as the south prong of the St. Marys River, and on in the vicinity of Jasper, Fla., and near the Suwannee River and thence south and on through the routes as indicated in the south Georgia survey.

Another entered from the Atlantic Ocean by way of Jacksonville and goes on down the St. Johns River to Black Creek, on in the vicinity of Middleburg, then across the Peninsula of Florida, just north of Starke and Lawtey, Fla., and High Springs, Fla., and thence on to the Suwannee River across to Deadmans Bay, at the mouth of the Steinhatchee River, and into the Gulf of Mexico. It also carried a survey through the Suwannee River in a southwesterly direction to the mouth of the river. This proposed route or survey extends only about 70 miles from tidewater of the St. Johns River to tidewater of the Gulf of Mexico.

Also, we have had commercial surveys of this route for a steamship canal across the Peninsula of Florida. This is the shortest possible route that could be utilized. It is less than 70 miles from tidewater to tidewater. It will also incur a low strip of land in the vicinity of High Springs and from there to the Suwannee River on to the Gulf of Mexico and, in the opinion of many engineers, is the most feasible possible route across south Georgia or northern Florida from the Atlantic to the Gulf waterway.

The Board of Engineers also carried their surveys from the Atlantic Ocean by Jacksonville, Palatka, and on down the St. Johns River to the Oklawaha River.

From the Oklawaha River across a low strip of country to the Withlacoochee River and on out to the Gulf of Mexico in the vicinity of Port English, Dunnellon, and Yankeetown. This survey also carries another route from the vicinity of Ocala, Fla., in a northeasterly direction, then in a westerly and a southwesterly direction to a point between Cedar Keys and Port English and Dunnellon. That also encounters a low strip of country which is easily dredgeable and through which a canal can be constructed with a minimum degree of cost. This St. Johns-Oklawaha-Withlacoochee Rivers route via Ocala is considered very feasible.

There is another route branching off also from the St. Johns River, going across Santa Fe Lake, down the Santa Fe River on to the Suwannee River and on out to Cedar Keys, Fla. By some of the most learned engineers in America that has been approved as one of the most feasible routes for a ship canal across the northern part of Florida and the southern part of Georgia.

Now, in the construction or dredging of this canal in the eastern portion of the State of Florida and south Georgia, for that matter, we find a sandy loam soil which is very easy to dredge and which can be dredged at a very low cost. Across the main ridge we encounter mostly a sand and clay formation, and in the low strips, in the vicinity of Silver Spring, Fla., and Paynes Prairie, Fla., all of that central portion, including also the Okefenokee Swamp section and the Suwannee Valley section, we have a soft, mucky soil, which is very easily dredged.

On the western side of the State of Florida and also the central portion of south Georgia we encounter there a soft-rock formation which can be dredged and removed with our modern dredges at a very reasonable price per cubic yard. I shall be glad to put the actual cost of construction per yard in my remarks.

This canal, as a steamship canal, will carry a bottom width of about 250 feet in the contracted rock sections and will be widened out to about 400 feet in the sandy or soil sections. It will be 35 feet deep. As for its being feasible, I do not believe that any of the engineers now in the Public Works Administration or with the Board of Army Engineers hold anything except that one or more of these routes are entirely feasible, and that they justify construction. That is, the cost of construction is fully justified as a river and harbor project and as an unemployment-relief project.

Mr. MANSFIELD. Will the gentleman yield?

Mr. GREEN. I am glad to yield to the Chairman of the Rivers and Harbors Committee.

Mr. MANSFIELD. Is it contemplated that ships will go through there under their own power?

Mr. GREEN. It is contemplated that ships can go through there, I understand, under their own power. There shall be no impediment to ships passing directly from the Atlantic Ocean on out through into the Gulf of Mexico.

Under the provisions of this bill the President is authorized to accept any route which has now been surveyed, or he may have surveyed additional routes, and determine which is the most feasible and logical route for the canal. He is given full latitude to employ such engineering facilities of the Government, such engineering facilities in civilian life, and such funds as may be now available or may in the future be available for river and harbor projects or for unemployment-relief projects, or any public-works projects, money which may now or in the future be available.

I yield to the gentleman from Missouri.

Mr. COCHRAN. Will the gentleman please tell us how much mileage will be saved if the canal is constructed?

Mr. GREEN. I shall be glad to do that. The various routes differ as to the length of the canal. The shortest route from tidewater to tidewater is less than 70 miles. The canal on that route would probably be, from the Atlantic to the Gulf, some 90 or 95 miles long. The route through the Santa Fe section probably will reach a little better than 100 miles in length. The route through the Oklawaha-St. Johns-Withlacoochee-Ogala section, which is the one shown on the map by the large marker, and which has been by many engineers considered very feasible, will be a little more than 150 miles in length.

Mr. COCHRAN. But what is the distance around now?

Mr. GREEN. Something like 1,000 miles from New Orleans to New York will be saved in distance, and more than 3 days' round-trip running time from New Orleans to New York will be saved.

Mr. COCHRAN. Then if this canal is constructed, ships from Germany, England, and other foreign nations, as well as our own ships, will be able to get to Houston, Galveston, New Orleans, and the other ports on the Gulf, at least 3 days sooner than they would if obliged to go around as they are now?

Mr. GREEN. There is no doubt about saving in time.

Mr. COCHRAN. Does not the gentleman feel that that is going to be very advantageous to foreign manufacturers, as well as eastern manufacturers, in lessening the cost of bringing their products to the Southern States, especially the Gulf States, and seriously injuring industries in the Mississippi Valley, which have had that trade territory for many years?

Mr. GREEN. Of course, any advantage which would be realized by foreign vessels in transporting their commerce to America will be doubly realized by American vessels transporting theirs in and out to foreign countries, and the American people will be materially benefited by this canal. The Mississippi Valley will receive primary benefits.

Mr. COCHRAN. In other words, you admit it will enable the foreign countries and New England States to ship their goods by way of the Gulf of Mexico and into the Gulf States 3 days sooner than they can now ship them by boat, and that it will be of great benefit to the American people. Now I say it will benefit one section at the expense of the Mississippi Valley.

Mr. GREEN. But it will save more than $36,000,000 annually to the producers and consumers of America in transportation costs. The producers and consumers in the Mississippi Valley will receive greater benefits than any section of the country.

Mr. COCHRAN. But look what it will do to industries in my section of the country, in the Mississippi Valley, that, as I say, did enjoy and now enjoys in part that trade, which will be taken away by New England manufacturers and foreign manufacturers?

Mr. GREEN. I am glad the gentleman mentioned that. I do not believe any advantage will be taken away from the Mississippi Valley section or the control of the Mississippi Valley. The river itself is more than 2,400 miles long; it has a basin of more than 1,250,000 square miles; and every industry in this great valley section will reap the benefits of this canal across Florida. Take, for instance, the iron industry in Pittsburgh. Why has it been possible for it to endure? Because Pittsburgh gets its raw material and its fuel over the Monongahela, the Allegheny, and the Ohio Rivers.

Mr. COCHRAN. Will the gentleman look at the map and note that Pittsburgh is not in the Mississippi River Valley?

Mr. GREEN. But it emphasizes the importance of inland waterways.

Mr. COCHRAN. Get a little farther west.

Mr. GREEN. I go next to Youngstown, Ohio. Why did Youngstown, Ohio, petition the Congress to improve the waterway leading up to Youngstown? Because they found it necessary for them to get water transportation in order to compete with the railroads in the delivery of their fuel to Youngstown.

Now, let us go to the gentleman's own section, Missouri. I believe—in fact, I know—the gentleman is always vigorously interested in the improvement of the Missouri River Valley. They have already spent $6,000,000 or $8,000,000 on the Missouri River alone.

Mr. COCHRAN. Make it $66,000,000 and it will come nearer the facts; and, even so, there is hardly a boat to be found on the river. It is said the river will be used next year. Personally I doubt it.

Mr. GREEN. Would the gentleman be willing to have the Missouri plugged up, let the flood waters go wild over Missouri, and let the rich bottomlands of his State be destroyed?

Mr. COCHRAN. If the gentleman will permit a further interruption, I may state that we have spent $66,000,000 on the Missouri River. The gentleman can go there today and he will have a hard job finding a boat operating on the river. But that is not the question. I am saying the Mississippi Valley has already suffered enough by construction of canals.

Mr. GREEN. Now, if the gentleman will yield to me, where do the people of the gentleman's State ship their corn, their hay, wheat, their cattle, their hogs, their dairy products, and other produce?

Mr. COCHRAN. We do not ship the products the gentleman mentioned by boat. The barges do handle some wheat.

Mr. GREEN. With the aid of this canal the gentleman will find opened up for the products of his State a far shorter route to European ports. With the improvement of the upper Mississippi Valley, they can load their cattle on boats on the Mississippi River and ship them up to Chicago and save $3 out of $4 for transportation to the Chicago stockyards.

Mr. COCHRAN. What I want the gentleman to do is to realize what the Panama Canal and the canals in Texas have done to the industries of my own city, St. Louis.

Mr. GREEN. In order to offset any disadvantage which may have occurred to the States immediately west of the Great Lakes and south, this canal across Florida will counteract any disadvantage they suffered through the construction of the Panama Canal?

Mr. COCHRAN. Why, if the gentleman from Florida will permit, I have seen with my own eyes 8,000-ton ships tied up at the docks in Houston, having come from Germany and New England by way of the Gulf and the canal in Texas. Great ships bring the finished products of the New England States and of Europe away up into the State of Texas by using canals. St. Louis formerly shipped those products to Texas.

Mr. GREEN. Does the gentleman favor railroad or water transportation?

Mr. COCHRAN. I favor both, but I am studying that question right now; it is very doubtful in my mind whether or not we should be so liberal in the future in spending our money upon rivers as we have been in the past, certainly not until we see that we can get some advantage from it. I want to see if the rivers are going to be put to work. I have always supported appropriations for river and harbor improvements, but I cannot say that I am entirely satisfied with the amount of tonnage carried on some of the rivers we have improved.

Mr. GREEN. I am particularly interested to know whether the gentleman favors railroad or water transportation. The Mississippi Valley Waterways Improvement Association, and practically all other interests in favor of cheaper transportation, have endorsed this project. Also many of our colleagues from the Mississippi Valley.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. CULKIN. The gentleman from Florida might state in reply to the gentleman from Missouri that Congress has surrendered all control over waterways, that it is now in the hands of the P. W. A. So the gentleman's statement that he would have something to say about it is rather a mistaken assumption.

Mr. GREEN. I am inclined to believe that 9 out of 10 Representatives in the Missouri Valley and the Mississippi Valley are able to see great benefits from waterway developments, and from a canal across Florida.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. GIFFORD. I want to reassure the gentleman from Missouri about foreign ships dumping a lot of foreign products in his territory. If this map before us is correct, they all go in that general direction, do they not?

Mr. GREEN. They return here.

Mr. GIFFORD. Few seem to return; many seem to go.

Mr. GREEN. The Mississippi Valley trade, the Gulf trade, the Atlantic coast trade, in fact all American trade will be stimulated, increased, and benefited by this canal.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield.

Mr. COX. What are the several estimates of cost made by the engineers involving the construction of these canals; and what do the engineers say in justification of such a large expenditure of public money?

Mr. GREEN. The engineers have given various estimates of the cost of construction according to the various routes and kinds of canal. The estimates run all the way from nearly $400,000,000 to as low as about $110,000,000.

It has now been concluded that one of these routes, the one here with the large marker, the St. Johns-Oklawaha-Withlacoochee, can be constructed for from $110,000,000 to $143,000,000. That is the estimate of the Board of Army Engineers. The Public Works' engineers estimate that it can be completed for $115,000,000. An engineer in private life, and a very good one, has estimated that it will cost less than $100,000,000 to build a sea-level canal from ocean to Gulf.

Mr. COX. How are the American people to be compensated for this expenditure of public money as given by the engineers?

Mr. GREEN. They are to be compensated in the reduction of transportation costs, strengthening our national defense, and in many other ways. The American shippers and consumers will save approximately $36,000,000 annually in transportation costs alone after this canal is constructed. It will carry one-third to one-half more tonnage every year than is now carried by the Panama Canal. The Panama Canal now handles from eighteen to twenty million tons per year and pays to the Federal Government some $14,000,000 to $18,000,000 a year in tolls alone. It carried during the peak years from 1928 to 1930 about 30,000,000 tons a year. This canal, when constructed across the State of Florida, according to conservative estimates, will carry from forty-two to sixty million tons of commerce annually.

Mr. COX. What did the engineers say with respect to whether or not this canal has any military value?

Mr. GREEN. It does have a military value. We all hope that wars may be outlawed forever, but according to the action in the other body recently on the World Court, it seems as if America must always provide in the future, as she has done in the past, for the adequate defense of our American Nation and our American people. I favor adequate national defense. One of the best methods to more adequately provide for our national defense will be the construction of this canal across the State of Florida. It will give the United States an unparalleled advantage and absolute supremacy in all of the Carribean Sea and the Gulf of Mexico. It will make quite impossible our attack by enemy from the south or by south Atlantic. It will make secure our position. During these times, when practically every nation of the world is in debt to America and defaulting and refusing to pay, America can very prudently look more to its national defense. I know of no project more important to our national defense and security than this ship canal.

STORM HAZARD LESSENED

With the opening of this canal practically all hazards of storm around the Florida Peninsula will be eliminated. This great benefit alone will almost justify construction.

Mr. COLDEN. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California, a member of the Rivers and Harbors Committee.

Mr. COLDEN. May I ask the gentleman whether he means this canal would save $36,000,000 annually in transportation costs?

Mr. GREEN. Yes; annually to the consumers, shippers, and producers of America. It is a huge amount, I may say to the gentleman from California.

In 4 years the American people will realize back in transportation-cost savings the full cost of construction of this great project. The American people are developing their natural resources and conserving them. We owe to the American people every possible advantage to be derived from reduced transportation costs.

Mr. CASTELLOW. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Georgia.

Mr. CASTELLOW. I should like to know if the gentleman has any information as to how many bales of cotton are shipped annually from the Gulf ports, say from Galveston, New Orleans, Mobile, and other Gulf ports, to Europe which would naturally go around the south part of Florida and across the Atlantic Ocean?

Mr. GREEN. I have not the actual figures. However, New Orleans is the greatest cotton-shipping port in the world. You gentlemen know the high percentage of American cotton that is shipped abroad. You may get some idea of that from this map, prepared by Mr. Henry Buckman, one of the most eminent engineers in America. He has prepared this map, and it shows here the ships as they were stationed in 1932 on the day and hour this map was made. From that an estimate was made of the ships which would pass through this canal annually, which is 1 ship every 42 minutes, day and night, throughout the year, over 40,000,000 tons per year.

Mr. CASTELLOW. Will the gentleman supply information as to how much freight would be saved on a bale of cotton from New Orleans to Liverpool via the route through the canal as suggested?

Mr. GREEN. I shall be glad to put that detail in the RECORD.

Mr. CARTER. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California, a member of the Rivers and Harbors Committee.

Mr. CARTER. I presume from the gentleman's remarks that this will be a canal through which tolls will be charged?

Mr. GREEN. I rather think it will not be a toll canal. I think it will be a straight river and harbor project of the Army engineers for the benefit of the American people without toll. However, if tolls were to be charged, and I think they should not be, then it will retire its indebtedness in the form of 2- or 3-percent bonds in about 30 years.

Mr. CARTER. That is the question I was coming to, as to whether or not the gentleman had estimated the amount of tolls in the event tolls were to be charged?

Mr. GREEN. The tolls will be sufficient to retire the bonds in less than 30 years, and with a sea-level canal, 35 feet deep, there will hardly be any upkeep. We do not think that it should be a toll canal.

[Here the gavel fell.]

Mr. GREEN. Mr. Speaker, I have been interrupted so much that I ask unanimous consent to proceed for another 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. COLDEN. Will the gentleman from Florida state how much is now being paid for the shipment of cotton from the Gulf ports by water to New England and by rail, and how much additional savings would be made by shipping through the proposed Florida canal?

Mr. GREEN. I shall be glad to incorporate that.

Mr. MOTT. Will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Oregon.

Mr. MOTT. What is the gentleman's idea as to a proper toll charge for that canal?

Mr. GREEN. The Panama Canal paid this past year between sixteen and eighteen million dollars, net. This canal will carry one-third to one-half more tonnage than the Panama Canal. I would say on the average there would be more than $20,000,000 in tolls, if tolls should be charged.

Mr. MOTT. The gentleman misunderstood me. What is the gentleman's idea of a proper toll for an average-sized freight-carrying ship passing through that canal?

Mr. GREEN. I have not estimated that; however, in justification for the project the Public Works engineers and the Army engineers considered the toll feature and in that regard, coupled with the unemployment feature, they all, I understand, practically agree it is justifiable and feasible.

Mr. MOTT. If a toll is charged, of course, the amount of the toll has to be taken into consideration in figuring the saving made in the freight.

Mr. GREEN. They have done that, and they found that the ships would pay the toll and use the canal rather than go around the Florida Peninsula. So it would be more economical even if they had to pay a toll. However, we are not building this, we hope, as a toll canal. It is to be a straight river and harbor project for the benefit of the American people.

Mr. MOTT. Will the gentleman tell me how long it will take a ship to go through this canal?

Mr. GREEN. I shall come to that later.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Texas.

Mr. MANSFIELD. The gentleman from California [Mr. COLDEN] asked with respect to the difference in rail and water rates on cotton from the Gulf to New England mills, we will say. The present rate on cotton by ship from Galveston is $1.75 a bale and by rail it is $7.70 a bale.

Mr. GREEN. That is quite a saving; about 75 percent, and represents the saving the people will realize generally after the canal is constructed.

Mr. MOTT. How long will it take a ship to go through that canal?

Mr. GREEN. It will save 3 days per round trip.

Mr. MOTT. But how long will it take to go through the canal itself?

Mr. GREEN. I have not the hours; but I shall be pleased to put that in the RECORD. Is the gentleman interested in the Columbia River Valley project?

Mr. MOTT. Yes; very much, indeed.

Mr. GREEN. So am I.

Mr. LEA of California. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. LEA of California. Referring to the income from the Panama Canal, did the gentleman refer to net or gross income?

Mr. GREEN. I understand it runs more than $16,000,000 net, or around $20,000,000 gross in 1933.

Mr. LEA of California. Yes; that is true, and this last year it was over $25,000,000.

Mr. GREEN. Nineteen hundred and thirty-three was a comparatively low year. During 1928 and 1929 it was much higher than in 1933 or 1934.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Georgia.

TONNAGE OF MERCHANT FLEETS

The gross tonnage of merchant fleets of the world has shown a marvelous growth over the past 20 years; for instance, tonnage of the chief nations were as follows:

1913:	
United States	7,886,551
Great Britain	18,696,237
Germany	5,082,061
France	2,201,164
Japan	1,500,014
Norway	2,457,890
Holland	1,309,849
Italy	1,521,942
Belgium	304,386
1923:	
United States	16,952,018
Great Britain	19,281,549
Germany	2,590,073
France	3,737,244
Japan	3,604,147
Norway	2,551,912
Holland	2,625,741
Italy	3,033,742
Belgium	605,050
1934:	
United States	13,045,037
Great Britain	20,841,218
Germany	3,690,990
France	3,293,053
Japan	4,072,707
Norway	3,981,354
Holland	2,618,016
Italy	2,928,396
Belgium	414,655

During the peak years from 1922 to 1930 the tonnage was greater than at the present time on account, of course, of the general depression conditions throughout the world.

UNITED STATES EXPORTS AND IMPORTS

In the year 1840 the value of exports sent out from the United States was $132,000,000 and our imports were $107,000,000.

In 1915 our exports had increased to $2,768,000,000, while our imports were valued at $1,674,000,000.

In 1920 we exported $8,228,000,000 worth and imported $5,279,000,000. Owing to adverse conditions throughout the commercial world, our exports and imports are not now as great as they were in 1920.

The value of imports and exports in the South Atlantic States and Gulf Coast States has shown a healthy increase.

Mr. RAMSPECK. I was called out of the Chamber a moment ago, and I do not know whether the gentleman has indicated the difference in elevation or lift on the different routes and the estimated cost of each one of them.

Mr. GREEN. I shall be pleased to put that in the RECORD. We brought out a portion of the cost of the different routes, and I shall be pleased to go into that further in my extension of remarks.

Mr. COLDEN. Are all these routes sea-level canals?

Mr. GREEN. In the surveys of practically all the routes the engineers have considered both a sea-level canal and a lock canal. They considered one of them, which is marked here in yellow, first as a lock canal with two locks of 610 feet by 1,000 feet and having 40-foot clearance over the sills, but my belief now is that practically all engineers have come to the sea-level canal in the interest of upkeep in the future and speed in passage through the canal, general economy and efficiency.

Mr. Speaker, I am pleased to see the keen interest in this project because we realize the great benefit that will accrue to the American shippers after this project is completed.

I firmly believe that the President is going to see fit to allocate sufficient funds for the construction of this canal and will do so in the near future. As an unemployment-relief measure alone, it is fully justified, especially when we think about the manner in which we have spent money, we might say, with nothing at all in view except to keep people from begging for something to eat, cutting grass and raking leaves and various minor projects in order that American citizens may earn something rather than beg for something to eat or accept a direct dole.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the Chairman of the Rivers and Harbors Committee.

Mr. MANSFIELD. In the colloquy a while ago between the gentleman from Missouri [Mr. COCHRAN] and the gentleman from Florida, reference was made to foreign ships using this canal. The major portion of the commerce that will pass through the canal will be coastwise trade, and foreign ships are prohibited by law from engaging in such trade.

Mr. GREEN. Yes; that is an excellent contribution and, I think, answers the gentleman from Missouri.

I believe it is time that our Government should embark upon public-work projects for the American people that will mean a permanent investment and provide returns to our people in future generations. A canal across the State of Florida will not be for this generation alone. It will not be built for today, but it will be for all time in the future, and when we compare it with raking leaves and cutting weeds and various small projects which we have had to resort to in the past, I believe, as an unemployment measure alone, this canal is fully justified and should be built at this time in the public interest.

Of all the waterway-improvement projects which have been suggested, this is the outstanding one which has been considered by river and harbor engineers and by Public Works engineers, and where others stand 1 to 1 this stands 2 to 1. This project offers an opportunity to do something for the American people for all time to come. This Congress cannot fail to approve it.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from New York.

Mr. REED of New York. For what distance does this proposed route follow the St. Johns River?

Mr. GREEN. One of the routes, the first one to Jacksonville, would follow it only some 20 miles. The one to Middleburg would be thirty-odd miles, and the one on down to Palatka and across to Ocala to the Withlacoochee and the Oklawaha and St. Johns, the route follows the river, 60 or 80 miles.

Mr. REED of New York. The depth in the St. Johns River now up as far as Jacksonville will take an ocean steamship?

Mr. GREEN. The river from Jacksonville to the Atlantic Ocean is adequate to carry most vessels that will use the canal.

Mr. REED of New York. Has the gentleman the geological survey of his State here?

Mr. GREEN. Not today.

Mr. REED of New York. The gentleman has undoubtedly examined it.

Mr. GREEN. Yes.

Mr. REED of New York. That shows that all of this proposed route is simply a sandy soil that can be handled easily. There is no blasting.

Mr. GREEN. It is easy to dredge. It is a muck soil, a sandy-loam soil; and such rock as is under the soil is a soft porous lime rock, easy to dredge.

Mr. REED of New York. The gentleman will find that his State geological survey some years ago brought out the very point that he has as to the character of the rock and soil.

Mr. GREEN. It is easy to dredge.

Mr. SEARS. Mr. Speaker, will the gentleman yield?

Mr. GREEN. Yes.

Mr. SEARS. In reply to my colleague from New York [Mr. REED], the gentleman will recall that the depth is 30 feet from the ocean to Jacksonville at present, and from Jacksonville to Palatka, 50 miles, it is about 18 feet all the

way, which will make a very short cut through. In reply to his other question, borings have been made by the War Department which show that this material does not require blasting. Also I remind my colleague that there was a greater fight put up against the Panama Canal than is made against this canal. It was contended at that time that the Panama Canal would be a failure. I am satisfied that the future will prove that this canal is just as meritorious and perhaps as well justified as was the Panama Canal.

Mr. GREEN. Some of the best engineering minds in the world, as has been said by my colleague from Florida, passed unfavorably upon the Panama Canal and said it was not feasible; that it was only a dream and was impossible of accomplishment. What Member of Congress or what shipping interest or what general American interest would say today, "Fill up the Panama Canal"? To the contrary, they are now advocating very seriously a canal across Mexico, many, many miles above the Panama Canal, to make a shorter route from the Lower California Gulf to the Gulf of Mexico and on to the cities of the East. That canal may sometime be realized.

Another reason why the Florida canal construction is imperative is this: The hope for American commerce, the hope for expansion of our trade, rests in Latin America. If you are going to expand, you must expand in a fertile field. Latin America is the most fertile field for trade and commerce, and the best market for manufactured products from the United States lies there. This canal will make accessible this Latin American trade, and we will find there an outlet for our manufactured products and for the products of the great Mississippi Valley, as has been suggested by the gentleman from Missouri.

My friends, you will remember something about the Monroe Doctrine. That was over a century ago, about 1823. The same thing that prompted the Monroe Doctrine prompted the action of the other body a few days ago—that is, America for Americans—and the American people, the people of the United States, owe to Latin American countries every possible bit of encouragement and every possible cooperation, and every possible benefit that can be carried to any foreign country should be carried to Latin America by the United States. There it will be reciprocated.

Mr. COLDEN. What is the proposed depth of these canals, and what vessels are they supposed to accommodate?

Mr. GREEN. The canal will be not less than 35 feet deep, 250 feet wide in the rock sections, and 400 feet wide in the soil sections.

Mr. MOTT. Has the Board of Army Engineers passed on this yet?

Mr. GREEN. The Board of Army Engineers' report has not been filed with the Congress. However, under the provisions of the bill the President is given full latitude to construct such canal and at such place as will take care of all vessels now afloat, using the waters of the Atlantic and the Gulf.

Mr. MOTT. What did the Board of Army Engineers say about it?

Mr. GREEN. Is the gentleman in favor of waterways and waterway development?

Mr. MOTT. I am; and I am very much interested in the gentleman's project, and that is one reason why I would like to know what the Board of Army Engineers thinks about it.

Mr. GREEN. Their report will be made in the near future.

The SPEAKER pro tempore (Mr. MARTIN of Colorado). The time of the gentleman from Florida [Mr. GREEN] has again expired.

Mr. GREEN. Mr. Speaker, I ask unanimous consent to speak for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SNYDER. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. SNYDER. May I just insert here in the RECORD one observation? The gentleman said that the tolls were $16,000,000, I believe?

Mr. GREEN. On the Panama Canal; net tolls between sixteen and eighteen millions in 1933, more in 1934.

Mr. SNYDER. The tolls were $24,660,000 for 1934, and the tonnage was 28,567,000 tons for 1934.

Mr. GREEN. There was a great increase. I am glad to have that contribution by the gentleman.

Mr. SNELL. Will the gentleman yield for a question?

Mr. GREEN. I yield to the gentleman.

Mr. SNELL. I do not quite see why all of the shipments going to Latin America would have to pass through that canal. I should think they would go down south of it.

Mr. GREEN. Such trade as is utilized by the Mississippi Valley naturally will have access out to Latin America, and vice versa.

Mr. SNELL. But why would they not go right on down south to get to Latin America?

Mr. GREEN. The gentleman evidently has not made a thorough study of the situation.

Mr. SNELL. I am asking for information.

Mr. GREEN. Latin America is now available to the Mississippi Valley, exports and imports, and will utilize the benefits that are brought about by this canal.

Mr. SNELL. They would have to go out of their way to go through that canal, would they not?

Mr. GREEN. Is the gentleman in favor of the St. Lawrence waterway?

Mr. SNELL. It does not make any difference. I am asking the gentleman a question, and if he does not want to answer it, it is all right. I am asking the gentleman why they should go through that Canal instead of going straight on down south?

Mr. GREEN. Is the gentleman in favor of this waterway?

Mr. SNELL. I do not know anything about it and I am trying to get some information and the gentleman cannot give it to me.

Mr. GREEN. I shall go further into the Latin American matter.

LATIN AMERICAN TRADE

Our Latin American trade is showing an increase compared with trade in other countries and considering general world conditions. Take, for instance, our trade with Argentina, Brazil, and Mexico. It has been as follows:

Exports

Argentina:	
1913	$52,895
1920	213,726
1929	210,288
1933	36,929
Brazil:	
1913	42,638
1920	156,740
1929	108,787
1933	29,725
Mexico:	
1913	54,383
1920	207,859
1929	133,863
1933	37,519

Imports

Argentina:	
1913	$26,864
1920	207,777
1929	117,581
1933	33,836
Brazil:	
1913	120,156
1920	227,588
1929	207,686
1933	82,618
Mexico:	
1913	77,544
1920	179,332
1929	117,738
1933	30,716

Our trade advantages in Latin America can, and should be, strengthened. There is no good reason why, with the proper development of our waterways and harbor facilities, and with proper trade agreements and negotiations, we

should not be able to obtain at least half of all Latin American trade.

The construction of this canal across north Florida will have a most wholesome effect upon our Latin American trade relations and will increase our tonnage, and in this connection this canal will enable our Mississippi Valley States to place their raw products on the European market at a far reduced transportation charge and thus enable us to compete with such Latin American raw products as are sent to Europe. It will make the products of the Mississippi Valley reach the European market from 1 to 2 days earlier than now and will reflect this saving in time in reduced transportation cost. Corn and corn products, livestock and meat products, cotton, wheat, and, in fact, all products of the Missouri and Mississippi Valley which are now sold abroad will be better enabled to compete on the European market with similar products from South America.

Now, Mr. Speaker, the American Government is expending huge sums for waterway development. Let us take the figures, for instance, from 1802 down to 1933. The American Government, on the Mississippi River system alone, spent $482,000,000; on intercoastal canals, $123,000,000; lake harbors and channels, $205,000,000; seacoast harbors and channels, $648,000,000; operation and tariff canals, $126,000,000; on all projects, $1,619,500,000.

How about the Boulder Dam project with more than $100,000,000. How about the Conowingo project with its huge amount? How about the project down at Muscle Shoals and the Tennessee Valley, $150,000,000? And the Norris Dam and the Wheeler Dam will require another sixty or eighty million dollars to complete. Mr. Speaker, this is hardly a drop in the bucket compared to the other great developments which have been accomplished by the United States Army engineers and by the American people.

The Muscle Shoals and Tennessee Valley development projects can reach their full benefits and usefulness only through the construction of this canal. The development of the Tennessee Valley project will bring production of millions of tons of commerce. In order for this tonnage to meet competition on the world market, it will be necessary for it to utilize cheap water transportation. This tonnage to and from the Muscle Shoals and Tennessee Valley development will pass through the Florida Canal. Fertilizer produced at Muscle Shoals will by water be distributed to practically all ports of our country and from there distributed to the farmers of our Nation. They will receive the benefits of cheaper water transportation caused by the time and distance saving brought about through the construction of the Florida Canal.

Muscle Shoals as now being developed will be one of the greatest industrial centers of the world. Practically all products there manufactured will need cheap water transportation. The initiation of the Tennessee Valley project was the dawn of industrialization of the South and Southeast. With the construction of this canal, factories of practically all kinds will increase in this great heretofore undeveloped section of our country. The streams, and there are many, will be harnessed and offer cheap power for every section of this great area. Textile mills are already increasing, in fact, nearly half of the spindles now operating in the country are in this great area.

The iron and steel industry of Alabama; the phosphate industry of Tennessee and Florida; the timber and naval stores industry of the entire South; the pulpwood and paper industry and, in fact, practically all industries will expand here by leaps and bounds. A greater demand will accrue for all farm products of the Mississippi Valley in the South. The large saving and transportation charges will be beneficial to every State in the Union.

The vast resources of my own State will likewise be fully developed.

Thousands of acres of land will be brought into cultivation and noncompetitive production. The products of Florida are almost noncompetitive as far as any other State in the Union is concerned. Our citrus products compete very little with the citrus products of other States of the lower Mississippi Valley and of California. Ours, in the main, find their way to the eastern market—those of Texas, Alabama, Mississippi, and Louisiana find their way to the upper Mississippi Valley markets, and California citrus products supply the great western section of our country and the central section.

Our vegetables are produced principally in mid-winter, when vegetables from no other State in the Union are in any quantity on the American market. Our competitors for winter vegetables are foreign countries—Mexico and the islands to the south of Florida—therefore the additional lands in Florida which are brought under cultivation will be principally for the growth of winter vegetables and will indeed be noncompetitive with any existing arable lands in America. Some of my colleagues may not realize the large percentage of these winter vegetables that are grown in Florida. Take, for instance, in the year 1926:

Florida produced 81 percent of the entire Nation's production of grapefruit; eggplants, 59 percent; table cucumbers, 41 percent; snap beans, 38½ percent; peppers, 61 percent; celery, 32 percent; tomatoes, 24 percent; early Irish potatoes, 10 percent. Florida produces almost all of the other common vegetables but in a lesser percentage.

The citrus fruit is one of Florida's greatest industries. In 1928 Florida had 274 car-lot packing houses. She had 70,000 acres planted to grapefruit trees, 50,000 of which were bearing. She had 160,000 acres planted to orange trees, 95,000 of which were bearing, different varieties producing grapefruit and oranges for the market at different times of the year. For example, the early varieties of oranges placed on the market from November to January are such as Parsons, Temples, and Enterprise; midseason varieties, from January to March, seedlings and pineapples; later varieties, from March to January, Valencias, Lue Gim Gongs, and others.

Another of Florida's most lucrative products is strawberries. It furnishes the entire country with early strawberries. Plant City and other places in its vicinity begin shipping as early as November or December. My own city of Starke begins shipping a little later, and sends to cities north of Florida millions of dollars worth of strawberries annually. Sanford, Fla., is a great producer of celery. I shall not undertake to enumerate the other products of Florida which would augment the great volume of commerce which would pass through this canal.

The American people have expended huge sums in the construction of canals, dams, and other great and beneficial improvements. The initial cost of the Panama Canal was almost $400,000,000, which is about three times the cost of the canal across Florida.

The Conowingo, Maryland, cost some fifty-two million; the Keokuk, in Iowa, twenty-four million; the Ashokan, New York, thirty million; the Boulder Dam project, more than one hundred million; the Cape Cod Canal, many millions; and scores of other great improvements which are redounding great benefits to the economic life of America.

ROADS

Our Government has also contributed huge amounts toward the building of roads in America. We have now more than 358,000 miles of improved roads; some 275,000 of them hard surfaced. These roads have cost almost countless millions. Their further usefulness can be had only through the construction of a canal across north Florida. Our railroads and highways will act as feeders for tonnage traversing this canal.

MILLIONS LOANED TO RAILROADS AND INDUSTRY

During the past 3 years the Federal Government has loaned millions and millions of dollars to railroad companies in order that they may continue to operate. In this way they have carried an unprecedented assistance to this great industry in our Nation, and it is only fair to expect that the Government may well contribute to the fuller development of our waterways.

Mr. FIESINGER. Will the gentleman yield?

Mr. GREEN. I yield.

Mr. FIESINGER. I wish to ask the gentleman if he will place in the RECORD how many foreign bottoms would pass through that canal. I take it it would be a seaway that would be open to the ships of all nations, except in time of war?

Mr. GREEN. It will be.

Mr. FIESINGER. I wanted to find out how many foreign bottoms, or what proportion of foreign bottoms, would pass through the canal.

Mr. GREEN. I shall be glad to supply that, if obtainable. It is estimated that 10,000 ships a year will pass through it.

Employment will be given to some 30,000 people over each year of construction. It is estimated that some 4 to 6 years will be required for completion. Seventy-five percent to eighty percent of the funds expended for construction will go direct to labor, and as an unemployment-relief project it is thoroughly justified. It has also been suggested that C. C. C. camp forces may well be utilized in many phases of construction and thus eliminate a large item of cost. It is far better to expend relief and public-works money in a worth-while project of permanent investment for the American people than to lavish it upon minor and nonprofitable projects. This project when completed will represent a permanent investment for all future generations of America. It has been pointed out by best authorities as the outstanding and most worth while of all possible relief or public-works projects.

I earnestly request the cooperation and support of all my colleagues in this worthy project.

So I call upon my colleagues to give careful study to this project. See what effect it has upon 38 or 39 States in the Union. Thirty-eight of them will be directly affected. Every one of them will have an indirect benefit. It will develop every great basic industry in our land. I speak to you gentlemen from the great industrial States, as Pennsylvania with your iron factories, and you Members from the West with your copper factories and with your steel mills and your electric equipment manufacturing concerns. Every basic industry in the United States will be stimulated by the construction of this canal. [Applause.]

REPRESENTATIVE R. A. (LEX) GREEN ADVOCATES CANAL ACROSS NORTH FLORIDA

Following is a copy of an address over the Columbia Broadcasting System by Representative R. A. (LEX) GREEN, Democrat, of Florida, Saturday, February 9, from 7:45 to 8 p. m., eastern standard time. He spoke from the studios of WJSV, Columbia's station for the Nation's Capital.

About a century ago a great President, Andrew Jackson, realizing the vast importance of such a waterway, sent a special message to Congress recommending construction of a canal across Florida. Now, another great President, Franklin D. Roosevelt, will, in my opinion, construct the canal. It has been enthusiastically advocated for the past 10 years.

It was my pleasure in 1925 to introduce a bill in the Congress for preliminary survey of proposed routes, and in 1930 for physical surveys. Surveys have been practically completed by the Board of United States Army Engineers and the Federal Public Works Engineers. In addition to these Boards, the President has appointed a special Commission, or Board, to go into this matter thoroughly and report to him, and I have reasons to believe that the findings of this Board fully justify the project. The results are that one or more feasible routes have been found for a steamship canal across northern Florida, connecting the waters of the Atlantic Ocean with those of the Gulf of Mexico. Some of the best engineering minds in the country have concluded that such a canal is not only feasible from an engineering point, but will pay for itself in the way of benefits to the American people within the course of 30 years. It has also been concluded that as a toll or self-liquidating proposition, it will retire the cost of construction within about 36 years. The cost of construction has been estimated at 110 to 143 million dollars.

The total benefits to commerce and the people of the United States from this project, as determined by the Army engineers and the Public Works engineers, are more than twice its cost, which is a higher ratio than can be borne for any project of comparable magnitude now being considered by the Government. These benefits would reduce the cost of operation of ships by more than $8,000,000 a year and will redound far greater benefits than this to the American public in the way of reduced cost in transportation. It is estimated that the producers and consumers of America would be saved $36,000,000 per year in transportation cost. This is a huge amount, and within 3 or 4 years the American public will receive in benefits the cost of construction.

With this in mind, I have introduced H. R. 2785, which is now before the House Rivers and Harbors Committee, and upon which hearings will be held. The bill gives the President full authority to acquire right-of-way and proceed with the construction of this waterway, which will be adequate to provide for substantially all vessels now using the Gulf of Mexico and the Atlantic Ocean. He is authorized to use all surveys and data of the Board of United States Army Engineers and to utilize their splendid services for future surveys, if necessary, and to carry out the construction of the project. The Federal Government, through its Board of Army Engineers, is thoroughly equipped to promptly begin the construction of the project. Under the provisions of the bill, the President may utilize any existing or future Federal rivers and harbors or other improvement funds or may issue bonds. It has been estimated by competent engineers that the project can be completed in from 4 to 6 years and will employ 25,000 men continuously over the period of construction.

As an unemployment-relief project alone, the project is justified. Between 75 and 80 percent of money expended on the project will go to labor and to the relief of the unemployed. It will stimulate the great interest of industries of the country—the manufacture of steel, copper, electrical equipment, excavation equipment, cement, lumber, and all manner of heavy machinery in the basic industries which are so sorely in need of stimulation at the present time. These products will be drawn from every section of the country and relieve unemployment in practically every State of the Union. Likewise, the benefits to be derived by the American people will be realized in every nook and corner of the Nation, and will be directly felt in at least 37 States. The American people are awake to these benefits, as is evidenced by the large number of officials and organizations who have whole-heartedly and enthusiastically endorsed the project. Among these are Governors of many States, twoscore of United States Senators, dozens of Members of Congress, boards of trade, and chambers of commerce of many States, and many large cities in the Union, including practically all great seaport cities. Also such representative waterways and transportation developments associations as the Atlantic Deeper Waterway Association, the Mississippi Valley Association, the National Rivers and Harbors Congress. This latter great national body, representing every section of the United States, has considered this project of such outstanding importance that it has recently endorsed it for prompt construction in the public interest. The Honorable Henry H. Buckman, who is vice chairman of the projects committee of that body, recently said:

"This project probably more truly deserves to be termed national in character than any other great public work now being contemplated by the Federal Government. Its commercial benefits to the Nation will be greater and more wide spread than those of the Panama Canal. Through it would pass more than 10,000 ships each year, representing the greatest flow of tonnage through any canal in the world, and carrying the water-borne commerce of all the territory between the Rockies and the Alleghanies to the Atlantic seaboard and overseas."

Mr. Buckman is an engineer of national reputation and authority. In comparison with the Panama Canal, the actual figures indicate that the tonnage available to the Florida Canal are more than one-third greater than that which passes through the Panama Canal and approximately double that which transits the Suez Canal. One ship every 45 minutes, night and day throughout the year, will pass through this canal. The actual cost of the Panama Canal was near $400,000,000, which is nearly three times the amount required to build the canal across Florida. The Florida Canal will increase the traffic through the Panama Canal and will have a stimulating effect upon the commerce of the Nation in general. Every possible effort should be now exercised by the American Government to increase our foreign and domestic trade. There are now in our harbors countless numbers of vessels which will find their place in trade and traffic as the result of the opening of a canal across northern Florida. This canal will save to shipping craft on the average of 3 days round trip from New Orleans to New York. It will eliminate storm hazards now incurred by vessels going around the Florida Peninsula and will be a great saving to American shippers. It will increase tonnage on every Atlantic and Gulf port of our Nation. The existing water-borne tonnage now available to this canal is upward of 90,000,000 dead-weight tons of ships per year.

It is imperative that America fully develop her natural arteries of commerce. The benefits derived from the full development of waterways was centuries ago realized by European countries. Europe, with some 3,584,000 square miles of land, has more than 28,000 miles of normally navigable waterways, while the United States, with some 3,028,000 square miles of land area, has probably less than 3,000 miles of developed waterways. Practically all these older nations have realized the general economic benefit of full development of their waterways and the result in economy and transportation. It is true that America has embarked upon many worthy public-improvement projects and has expended huge sums for improvements.

Take for instance the Cape Cod Canal, costing a huge sum; the Tennessee Valley project, $50,000,000; the Boulder Dam, about 150 million dollars; the Muscle Shoals project, $150,000,000; the Osage project, $30,000,000; the Conowingo project, $52,000,000; the Coolidge Dam project, $5,500,000; and a large number of other worth-while projects which are redounding great benefits to the citizens of one or more States of our Nation. The canal across northern Florida will greatly benefit the entire Mississippi Valley. The Mississippi River is more than 2,400 miles long and makes accessible one of the largest and most fertile regions in the world. The Congress is now considering the advisability of authorizing $130,000,000 for fuller development of the upper Mississippi waterway. The full development of the entire Mississippi Valley, and its resources, rests on the construction of a canal across Florida, which is the keystone in the arch of our waterways development program. With the proposed development of the upper Mississippi, and the construction of the canal across northern Florida,

every possible shipping advantage will be equally restored to all States of the valley. Any disadvantages heretofore existing to certain States on the account of the Panama Canal, will be fully offset by the construction of the canal across northern Florida. Vast natural resources in this great valley will be developed and realized. Millions of acres of available lands in the States of the lower Mississippi and the Southeast will be filled with people who are now living to a disadvantage in congested centers. The pulp and timber industries, the iron industry in Alabama and Tennessee, the oil industry in the entire Mississippi Valley, the naval stores, and cotton industries, the manufacturing industries of the East, in fact, 95 percent of the capital now invested in industries of America will redound great benefits from the construction of this waterway.

The SPEAKER pro tempore. The time of the gentleman from Florida [Mr. GREEN] has again expired.

EXTENSION OF REMARKS

The SPEAKER pro tempore (Mr. MARTIN of Colorado). Under the special order the gentleman from Ohio [Mr. HARLAN] is recognized for 30 minutes.

Mr. HARLAN. Mr. Speaker, it is evident, I believe, on both sides of this House that there is a large group of both political parties sincerely disturbed by the unprecedented expansion of Executive powers and the apparent willingness of the House of Representatives to obey the wishes of the Executive. In addition to this group there is a far larger and noisier conglomeration, which talks volubly on the same subject, but very manifestly for political purposes. They are unterrified dispensers of political hokum, it would seem, chemically pure and unadulterated. They are obviously trying to marshal all of those forces of Treasury raiders who fattened out of the Public Treasury during the glorious and hectic twenties. This group profited when there was little Executive leadership and when 500 lobbies held the House of Representatives almost in complete helplessness. They are hungry, disappointed, and rebellious.

In their anguish they cry out: Dictatorship! Bolshevistic! Save the Constitution! Rubber-stamp Congress! And so forth. Nevertheless, the basic problem of uncontrolled extension of Executive power in a free government is unquestionably upon us; and it is a problem which those who are sincerely interested in the welfare and the future of this country must solve.

Appearing in this morning's Post was this editorial, headed by a quotation from Abraham Lincoln. It reads as follows:

"A majority held in restraint by constitutional checks and limitations," Lincoln once said, "is the only true sovereign of a free people."

There is no question today that the administration is acting with the approval of the majority. Where cause for apprehension lies is in the weakening of constitutional restraints. In times of emergency there is always danger that a majority of the people will approve expedients which, if followed to their logical conclusions, would undermine the whole political system.

Checks and limitations frequently appear unnecessarily onerous. In a crisis they may prevent or obstruct the application of quick remedies. But when thoughtful restraints are thoughtlessly eliminated, the very foundations of government are affected. Representatives of the people, becoming reckless because of temporarily critical conditions, have often been known to act in haste and repent at leisure.

It is not a new problem. It first appeared in the early history of our country and has become increasingly important with our industrial development. Not only in this country but all over the world the passage of tariff laws, profit taxes, and police-power regulations have so intertwined governments with industry that any country lacking the executive power to function with equal facility with industry is bound to fail. During this post-war period of readjustments the extension of executive power has become so vital to the life of all governments that wherever the people have voluntarily failed to provide for that expansion the government has fallen and a dictatorship been created.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. EATON. Does not the gentleman think it impossible for the executive of a government to have the same freedom of action as the executive of a private industry, because the executive of a government must act by statute?

Mr. HARLAN. England is one outstanding proof of the fact that it is not impossible. Where free peoples have failed to provide adequate executive power, those governments have set up dictatorship executives. These officials have become obviously necessary in such countries. I shall discuss the manner in which this problem has been met by other governments in a few minutes.

Of all the great countries on the globe, England alone seems to have devised a system by which her executive power has been broad enough to perform its duties, while at all times it is under legislative control and supervision. In the United States we could not at this time adopt the English system of government without important constitutional amendments. It is even doubtful that the temperament of our people would welcome the complete British program. However, under our Constitution as it now exists, there appears to be adequate power in Congress to restore our Government to health.

To accomplish this purpose we must devise a system that will give us, first, adequate executive power; second, continuing legislative control over the use and abuse of that power; third, congressional leadership in the national interest.

It would hardly seem to be necessary to argue the need of a more powerful executive department, in view of the occurrences that are taking place all over the civilized world. When our Government was first established, the ox team stood for overland transportation. The family was the unit of production. The general store handled all distribution. It is a far cry from that situation to the condition of today; and with that growth our Government has become inseparably entangled with industry. There is hardly a manufacturing business that has not now become more vested with a public use than were the stage coaches, warehouses, and inns when our Constitution was written.

Those Members who are lawyers will recall the decision of the United States Supreme Court in the Oklahoma ice case, and will recall that it is within the power of a State now to declare almost any industry vested with a public use; and with that vesting of public use in industry, private office has become a public trust, and government cannot escape longer its responsibilities.

In looking back over our history it would seem that whenever a great crisis has come there has sprung up from the people a President with vision and with the power in his personality who could take substantially the same course as that taken by our present Executive. Such men were Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, and Woodrow Wilson. But a government which relies for its security on personalities and fortuitous circumstances is not on a firm foundation. It has also been most fortunate that when these great leaders have arisen they have found a patriotic Congress willing to sacrifice its prerogatives to save the life of the Republic.

But here again we are relying upon a government by individuals and not by law. It is the duty of the legislative body to legislate and it is not performing its functions by abdicating to any executive no matter how honest, how courageous, how able that executive may be. Our second requirement is to reestablish our legislative branch to a position of responsibility.

These remarks are not meant at all as critical of Congress. There has been no Member of this body more willing to vote for almost every grant of Executive power that has been required, and it is my intention to continue to do so, because I can see no other way out. It is practically impossible for a bulky legislative body to function with the facility that is necessary in times like these. But I do not feel that this attitude will produce a healthy government by which the legislative branch grants these powers and then releases itself of all responsibility.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MOTT. Then, what does the gentleman intend to do about it, and when does he intend to start?

Mr. HARLAN. If the gentleman will allow me to develop my thought, I think I can cover it satisfactorily to him.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. For a brief question.

Mr. HOEPPEL. I should like to ask the gentleman if he was guilty of voting for that iniquitous rule which changed the number of signatures necessary on a discharge petition from 145 to 218?

Mr. HARLAN. I was.

Mr. HOEPPEL. Then the gentleman has no argument.

Mr. HARLAN. All right; if that is your opinion, a great majority of us felt otherwise. My regret is that I voted originally for the 145 discharge rule.

Mr. BLANTON. But the gentleman from Ohio does not admit that it was iniquitous? It is the gentleman from California [Mr. HOEPPEL] who claims that making such salutary change was iniquitous. But a great majority of the House did not agree with him.

Mr. HARLAN. We have talked about the necessity for an extension of Executive power, the necessity for the extension of legislative power to cope with the growth of that Executive power. The third great need is the providing of legislative leadership in times of stress and practically all times.

The Seventy-second Congress of the United States, I believe, will stand out in history as an indication of the extent to which a legislative body composed of highly intelligent men may emulate a mob when there is no adequate leadership. History has given us similar examples, notably the Long Parliament just before Cromwell in England and the Constituent Assembly just before the French Revolution. During most of our history, however, great men have appeared in Congress commanding sufficient respect to afford leadership. Here, again, however, we are relying not upon law or a system of government, but upon the exigencies of politics.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. CULKIN. Can the gentleman cite to the House any time in the history of the English Parliament when they delegated the taxing power to the executive or delegated other legislative power to the executive?

Mr. HARLAN. I will discuss that in just a moment.

Mr. CULKIN. The gentleman is making a very interesting speech, and I want to compliment him on it.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MOTT. Do I understand the gentleman to be admitting that there is no leadership at the present time in the 3-to-1 Democratic majority in the House?

Mr. HARLAN. I am not discussing leadership now; unquestionably there is leadership now.

Mr. MOTT. I understood the gentleman to say there was not.

Mr. HARLAN. My point is that the leadership now is dependent upon fortuitous exigencies of politics and not upon a system. We had leadership when Andrew Jackson was President; we had leadership when Abraham Lincoln was President; we had leadership when Theodore Roosevelt was President; and when Woodrow Wilson was President. We would have had leadership many times if conditions had demanded, but it happened we were not in a crisis, so I am not limiting it to those men.

Mr. MOTT. Do you have leadership now?

Mr. TREADWAY. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. The gentleman referred to the Seventy-second Congress. Will the gentleman elaborate upon that statement just a little?

Mr. HARLAN. The Seventy-second Congress was composed of a group of men in which the political parties were evenly divided. We had a Speaker of the Democratic Party and a President of the Republican Party. We had a number of progressive Republicans and insurgent Democrats. We were unable, therefore, to get any place with a particular policy. The President of the United States, on the most critical issue that any President could act, the revenue bill, refused to lay down a policy to this House, and we went in about 435 different directions.

These weaknesses have been apparent to students of our Government for many years past. Woodrow Wilson discussed them fully in his book entitled "Congressional Government." Gamaliel Bradford, at the beginning of the present century, prophesied that unless the United States Government supplied a cure for the three evils above set forth, it would inevitably crash in the first half of this century.

During the forty-sixth session of the United States Congress a resolution was introduced into the Senate by Senator George H. Pendleton designed to strengthen our Government in the three respects just set forth. That resolution was referred to a committee consisting of Senator George H. Pendleton, at one time Democratic candidate for Vice President of the United States; Hon. James G. Blaine, at one time Speaker of the House of Representatives, twice Secretary of State, and later a Republican candidate for President; Hon. W. B. Allison, for 35 years a Member of the United States Senate, and a former adjutant general for the State of Iowa; Gen. M. C. Butler, a Confederate veteran and a major general of the Spanish-American War; Hon. James T. Earley; Hon. John G. Ingalls, four times President pro tempore of the Senate; and Hon. Orville H. Platt—3 Democrats and 4 Republicans—a group of men whom it would be difficult to surpass for ability and statesmanship in any legislative body.

The resolution introduced provided, first, that members of the President's Cabinet should be entitled at all times to seats in the House and Senate, and that each Cabinet member should be privileged to partake in the debates on any bill affecting his particular executive department; second, it was provided that on certain days the attendance of these Cabinet members would be required for the purpose of answering questions of general welfare under the rules of the House and Senate concerning their particular department.

This resolution received a very thorough consideration at the hands of this special committee, both as to its advisability and as to its constitutionality, and also a unanimously favorable report. Obviously it would immediately bring about many changes for which the times were not propitious. It was very far in advance of the ideals of the people of that day.

For example, we were at that time on the verge of a great civil-service reform that came in 4 years afterward. We were on the verge of a tariff program that subsequently appealed to all sectional interests in the United States. We were on the verge of these pension raids on the Treasury of the United States later temporarily halted by Grover Cleveland. A great many interests did not want to see unified government by the House and Senate. Also at that time it was not always the custom to select the most able men in the Cabinet. A great many Cabinet members were then selected on account of their political power rather than for their ability, and it might be embarrassing to require such men to be constantly in the spotlight. At any rate, the bill did not get more than a favorable report, but it was a very thorough report from this able committee.

Since that time we have passed through this present panic. We have seen the inevitable growth of Executive power. We have seen the absolute necessity of creating legislative power capable of controlling and working with that growth of Executive power. We now know the need of unifying legislative leadership. The conditions now are very much different than they were at that time.

Mr. DUFFEY of Ohio. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Ohio.

Mr. DUFFEY of Ohio. There is now pending before the Committee on the Judiciary H. R. 5493, which is entitled "A bill granting the members of the Cabinet the right of debate on the floor of Congress." Do I understand the gentleman to be in favor of this bill?

Mr. HARLAN. That is the bill I am discussing and advocating here. I hope to have a hearing before the Judiciary Committee on that problem.

Mr. DUFFEY of Ohio. There are some members of the Cabinet we would not want on the floor of the House.

Mr. HARLAN. I will say to the gentleman that if that is so—which I would not care to admit—then this bill is the very best measure we could possibly devise to meet that situation, for the reason that if a man were in the spotlight and subject to public questioning, he could not hold down the job unless he were equipped for the office. He would have to know his business or he would soon appear to be so incompetent that his removal would be necessary.

Mr. COX. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Georgia.

Mr. COX. Does the gentleman interpret the measure which he is proposing and advocating as a further extension of executive power?

Mr. HARLAN. I do not.

Mr. COX. Can it be construed as an encroachment of the executive branch upon the legislative branch? In theory, the legislative branch is the dominant branch of government, but in practice, is it? Is it to recapture some of the powers that the legislative branch has voted away, or will it mean a further encroachment upon the legislative branch by the executive branch? How is it going to work out?

Mr. HARLAN. I thank the gentleman for that question. Right at this point I shall read a brief part of the report of the committee on the former Senate bill, which gives the answer much clearer than anything I could say:

> It has been objected that the effect of this introduction of the heads of departments upon the floor would be largely to increase the influence of the Executive on legislation. Your committee does not share this apprehension. The information given to Congress would doubtless be more pertinent and exact; the recommendation would, perhaps, be presented with great effect; but on the other hand, the Members of Congress would also be put on the alert to see that the influence is in proportion only to the value of the information and the suggestions, and the public would be enabled to determine whether the influence is exerted by persuasion or by argument. No one who has occupied a seat on the floor of either House, no one of those who, year after year, so industriously and faithfully and correctly report the proceedings of the Houses, no frequenter of the lobby or the gallery, can have failed to discern the influence exerted upon legislation by the visits of the heads of departments to the floors of Congress and the visits of the Members of Congress to the offices in the departments. It is not necessary to say that the influence is dishonest or corrupt, but it is illegitimate; it is exercised in secret by means that are not public—by means which an honest public opinion cannot accurately discover and over which it can therefore exercise no just control. The open information and argument provided by the bill may not supplant these secret methods, but they will enable a discriminating public judgment to determine whether they are sufficient to exercise the influence which is actually exerted and thus disarm them.

Mr. HOEPPEL. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from California, but I will not yield hereafter until I finish my statement.

Mr. HOEPPEL. It has been my observation that it would be of interest to the public if Cabinet officers were muzzled and prevented from sending to the Members of Congress and to the public of the United States every day a large amount of propaganda. I throw handfuls of that sort of mail in the wastebasket, which is sent to me by these Cabinet officers.

Mr. HARLAN. I did not yield to the gentleman for a speech.

The Executive power has expanded with the needs of the time. It cannot and will not go any further than is necessary for Government, but it will expand that far. The purpose and intent of this bill is to put that power under the public spotlight and under public surveillance instead of, as suggested by the Senate committee, to keep it rather secret.

The adoption of the system which would have compelled the national administration at all times to assume leadership and to express disfavor on unmeritorious pension bills, logrolling tariffs, and harbor-improvement measures did not set well with Congress in that day. However, we have gone a long way since then. Our experiences from 1920 to 1932 have certainly prepared us for the need of honesty and efficiency in Government and especially in the Cabinet posts of the executive department. Our experiences from 1933 to 1935 have once more shown us that in times of stress, whether military or economic, executive leadership and expansion of executive powers are necessary to our salvation. We would need nothing more than our experiences with the Seventy-second Congress, which, by its utter futility, cast a pall of gloom and hopelessness over this country the like of which had never before existed, to convince us that leadership in legislation is a most important factor.

Mr. ALLEN. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Illinois.

Mr. ALLEN. The gentleman mentioned several times about an emergency now existing.

Mr. HARLAN. Yes; I have mentioned that in my talk.

Mr. ALLEN. Highly paid publicity agents tell us that everything is booming; that after spending and sloughing away $15,000,000 everything is booming and we are on our way. Now, is there an emergency, or are they lying? Are things booming?

Mr. HARLAN. That has nothing to do with the subject I am discussing.

Mr. ALLEN. What does the gentleman think about that proposition? Is the country booming, or are we under an emergency?

Mr. HARLAN. I will talk to the gentleman privately on that matter. The question of the gentleman is clearly out of order.

The thing I have in mind, and which the Senate of the United States had in mind, and everyone who has thought about this seriously has in mind, is to devise some system that will work, emergency or no emergency. This has to do with system of government and not a government by individuals.

Our constitutional forefathers never showed any hesitancy at all about the intermingling of the three functions of government in order to make that government effective. They did not hesitate to obliterate the line between the executive, legislative, and judicial departments when that was necessary to accomplish an end. They knew about the needs of war and they made the President Commander in Chief of the Army and Navy, with all necessary power. They could not foresee the needs of such a depression as the world is in at the present time, and therefore could not expressly grant the necessary power, but they have left it within the power of the legislature not only to grant that power but to control it if necessary. Under the powers granted to the legislature we have created administrative agencies, such as the Interstate Commerce Commission and the Federal Trade Commission, that combine within themselves legislative, executive, and judicial functions.

The judicial branch of the Government has full and complete power to legislate and pass its rules of practice and then to execute those rules by providing penalties for their infraction. Congress alone seems to have very little judicial power and practically no executive power except the right to institute impeachment. It is true that the caucus, the Speaker of the House, and the Rules Committee together perform a number of executive functions vested in the British Cabinet, but this has never furnished a real executive drive for our legislative body. For the most part, we have drifted through the years in the hands of committees. Macauley once said in effect that victories had often been won by poor generals, but that no battle had ever been won by a debating society.

The manner in which England has ridden out the storms of the last century because its Parliament has constantly assumed its proper function of making laws and faithfully watching over their execution ought to furnish an example worthy of our emulation.

Mr. CULKIN. Mr. Speaker, will the gentleman yield.

Mr. HARLAN. I yield to the gentleman from New York.

Mr. CULKIN. I simply wish to suggest to the gentleman at this point that he is proposing we adopt the English parliamentary system where the responsible Cabinet members are on the floor of the Parliament and subject to query by members of Parliament.

Mr. HARLAN. There are so many questions being asked me, may I at this time, Mr. Speaker, ask unanimous consent to proceed for 15 additional minutes?

Mr. HOEPPEL. Mr. Speaker, reserving the right to object, I will not object if the gentleman will yield for a question which I shall propound in a moment.

Mr. HARLAN. I will yield to the gentleman.

Mr. COX. I trust the gentleman will not yield to any such proposition as that. The gentleman has evidently spent a great deal of time in the collection of the data he is now using. The gentleman is making a very informative and very interesting statement. I think to the gentleman is due the unanimous consent of the House for 15 additional minutes without attaching to his request any such half-way insulting proposition as the one made by the gentleman from California.

Mr. HARLAN. I shall yield to the gentleman for a brief question.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CULKIN. I asked the gentleman if his suggestion is that we adopt the present parliamentary system in England where, at the present time, the Parliament retains all its powers.

Mr. HARLAN. I will answer that question "no." The present parliamentary system in England has these features. The Cabinet frames all the laws. It is appointed ostensibly by the Crown but actually by Parliament. It controls these laws on the floor of Parliament and Parliament has no power at all to amend these laws. They either vote them up or down. The gentlemen in the Congress of the United States who object to gag rule, if in Parliament, would "burn up", I imagine.

Mr. CULKIN. If they vote them down, they have to go to the people immediately.

Mr. HARLAN. If these bills are voted down, then they have the choice of a new Cabinet, a reformed Cabinet, or they go to the people.

This measure which I am advocating, H. R. 5493, does not vest in the Cabinet the right to frame bills. This right stays with the Congress as it is at the present time. It does not provide for going to the people, because in the United States we go to the people every 2 years. It does not give the Cabinet the right to control the rules of consideration on the floor. It does not give Congress the right to demand the resignation of a Cabinet member, and, therefore, it is materially different from the British system.

Mr. DUFFEY of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield to the gentleman.

Mr. DUFFEY of Ohio. Do I understand from the gentleman that this Congress has the inherent right to extend an invitation to a member of the Cabinet, or anyone else, to come here?

Mr. HARLAN. I may say that this Congress, under the Constitution, unquestionably has the right to pass such a bill. When our Government was organized in 1789 it was provided in a number of the bills with respect to Cabinet officers, especially the one establishing the office of Secretary of the Treasury, that he should appear before Congress and report on his office, and the same was true with respect to the Secretary of War. The fact of the matter is that in the early days of our Congress the members of the Cabinet did the very thing we are contemplating in this measure at the present time.

The early Journal of Congress shows that on Wednesday, July 22, 1789, the Secretary of Foreign Affairs, Mr. Jefferson, was attended agreeably to order and made the necessary explanations.

Saturday, August 22, 1789.—The Senate again entered on executive business. The President of the United States came into the Senate Chamber attended by General Knox, Secretary of War, and laid before the Senate the following statement of facts with the questions thereto annexed, for their advice and consent.

Friday, August 7, 1789.—The following message was received from the President of the United States by General Knox, the Secretary of War. * * *

Monday, August 10, 1789.—The following message was received from the President by General Knox, Secretary of War, who delivered in the same, together with statements of troops in the service of the United States.

The act of 1789, organizing the Treasury Department, provided—

That the Secretary of the Treasury shall from time to time digest and prepare plans for the improvement and management of the revenue and for the support of the public credit. * * * shall make report and give voice to every project of the Legislature in person or in writing as may be required.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. HOEPPEL. Does the gentleman believe that if we voted for this bill and put a crown on the heads of these tyrants in the Cabinet that they would condescend to see a mere Member of Congress when he endeavors to speak to them on public business.

Mr. COX. Mr. Speaker, if the gentleman will yield to me, the gentleman from Ohio is making a nonpolitical statement——

Mr. HOEPPEL. I am speaking in the interest of the taxpayer.

Mr. COX. And I do wish our friends would desist from undertaking to convert it into a partisan, political exposition.

Mr. HOEPPEL. That is all the Cabinet officers are doing now—playing politics.

Mr. HARLAN. I will answer the gentleman from California.

The Congress has absolute power to pass this bill. There is no question about that; and if Congress has the power to enact this law, the Congress that controls the appropriation of money could compel these Cabinet members to come here if that question should ever arise. I do not think it would be politic for such a question to be raised.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MOTT. Under present law, the committees which have more to do with framing legislation than any other body have the power to subpena and to call Cabinet members before them and discuss the pending bills and get their opinion upon them.

Mr. HARLAN. I may say that that is done in secret committee meetings in which there is very limited publicity and in which the Congress, as a whole, does not have a chance to function.

Mr. MOTT. Is there any reason why the interrogation of Cabinet members by committees should not be done in an open meeting where all the Members of Congress could attend, if they desired to do so?

Mr. HARLAN. There is no reason for that except that this, as a matter of system, would make for publicity, whereas our present system makes for secrecy.

Mr. MOTT. But here is the point——

Mr. HARLAN. Oh, I want to go ahead with my address, and I wish the gentleman would not take up so much time.

Mr. MOTT. I shall not ask the gentleman any more questions, but I did want to get his idea on this. If we can have a free and full discussion by Cabinet members on legislation before committees, what would be the particular virtue of having them here on the floor of the House as well? What would we gain by it?

Mr. HARLAN. Two things would be gained. In the first place, it would tend to keep off the floor purely sectional and bloc bills for the reason that every one of those bills would affect some administrative branch, and having a member of the Cabinet in the House at necessary times and in the Senate, the Executive viewpoint on all of these local bills would become a matter of necessity, not a matter of chance. They would be here for examination. They would have to answer or else remain silent and ridiculous. If we have an Executive opinion on all these bills and publicity, we will go a great step toward removing local bloc bills from Congress much better than we do now. I ask now to proceed until I have finished, and then I shall answer any additional questions.

England during the last century has ridden through storms that have been just as perilous as any that we have gone through. In 1832 she had a potential civil war on her hands. There were riots and massacres in Manchester. The French Government fell, but because of the operation of the British system, very largely because of that, a civil war was averted, and their Government continued to function.

A few years later the Government of the United States was met by an internal problem no more serious than that confronted by England 20 years before. Yet in our Congress, neither in the Senate nor the House, was there anyone to speak effectively and with power of the desire of the people for peace. Sectionalism was rampant. A lot of fanatics in the North combined with some hotheads in the South and the Civil War was upon us. With a National Cabinet to speak on the floors of Congress for the sane good sense of the whole country concessions could easily have been made to avoid that conflict.

After the World War England alone of the large countries in Europe has been able to ride out the storm. We have blundered through relying on the genius of the world's greatest leader, Franklin Roosevelt, but forsaking legislative responsibilities. In the early part of this century, with labor troubles all over England, she handled all those questions, particularly around about 1909, 1910, with a minimum of disturbance, as compared to other European countries.

In speaking of this English system, John Stuart Mill said:

> When a popular body knows what it is fit for and what it is unfit for, it will more and more understand that it is not its business to administer, but that it is its business to see that the administration is done by proper persons, and to keep them to their duties.

That is the purpose of this bill. It gives the legislative branch of our Government a control they have never had before over this expansion of powers that we cannot get away from, no matter what we do. We would not, I believe, adopt the English system, but this part of it, combined with the system that we do have, would give us all of the benefits and the strengthening effect, it seems to me, of the British system. Under this bill members of the Cabinet would be constantly in the limelight. Their conduct under discretionary powers granted by the Legislature would always be subject to legislative surveillance. Just the other day we voted in the House $4,800,000,000 to the executive department to distribute in the next 2 years, and we have nothing whatever to say about its distribution. With this bill, while Congress is in session, the members of the Cabinet supervising the distribution would be constantly under inquiry as to what they intended to do, and this Congress, instead of lazily passing this distribution, would have some control over it.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. HARLAN. Yes.

Mr. CULKIN. Can the gentleman conceive of the British Parliament voting the Executive $4,800,000,000?

Mr. HARLAN. I can, if the cabinet wishes it.

Mr. CULKIN. But the Executive has not said where this money is going to be spent.

Mr. HARLAN. I cannot argue that at this time. The very presence of members of the Cabinet in the Legislature would make the passage of bills presented to appease purely sectional or bloc interests very difficult, because the national viewpoint on these bills would be constantly asked for. At the same time Congress would grant any enlargement of the Executive power necessary to handle any situation, even as our constitutional fathers provided that the President in time of war should be the Commander in Chief of our Army and Navy.

Lord Bryce, in speaking of this power in the hands of Abraham Lincoln, said:

> President Lincoln wielded more power than any English-speaking ruler since Cromwell.

It is no less important in times of financial panic when our Government is fighting against forces of industrial destruction, that our President should also have full power to marshal our national strength.

Gladstone said:

> The office of Prime Minister as it is now exercised is a proof and a result of the necessity which now exists in our political system for the concentration of power and responsibility in the hands of one man in whom the sovereign and the nation can alike confide, and from whom they have a right to expect a definite policy and a vigorous administration.

That was many years ago in England when they were facing a crisis not as bad as we have now; but Gladstone, one of the greatest men of the English-speaking race, said that expansion of executive power to meet these problems is necessary.

In commenting on the absence of such power in the United States Government, Lord Bryce says:

> These observations may suffice to show why the fathers of the Constitution did not adopt the English parliamentary or cabinet system. They could not adopt it because they did not know of its existence. They did not know of it because it was still immature, because Englishmen themselves had not understood it, because the recognized authorities did not mention it.

I may say that the British system has been evolved since our system. The Federation of Switzerland has, of course, grown up since our Congress, and they have adopted almost everything else we had in our Constitution except the executive department. They provided an executive consisting of a cabinet of seven, but they provided exactly the thing that is provided here in H. R. 5493, namely, that those members of the executive cabinet shall sit in their legislative body, be subject to questioning, and privileged to debate. Switzerland did not provide for going to the people. If the cabinet is defeated, it is simply defeated and goes on with the next piece of business until the next election, just as we have to do in this country. But the Swiss people, having experience since the adoption of our Constitution, have seen the wisdom of a full legislative check.

I wish to introduce here some remarks of Hon. Hannis Taylor, at one time our Minister Plenipotentiary to Spain, who was later one of our representatives on the Alaska boundary dispute, and who was our legal adviser at the Spanish-American Treaty, and a very great man. After stating that the President of the United States is elected on a political platform and is responsible for carrying it out, he shows that there is no way whereby the President can express himself on legislation or in debate. I shall put his remarks in at this point:

> The difficulties arising out of this system of organized confusion reveal two weak spots in our system of Federal Government.
>
> The first difficulty consists of the want of power in the President and his Cabinet (a power universally conceded elsewhere) to sit as a political supreme court, and to interpret the party platform by reducing its general statements to the concrete forms of proposed acts of Congress. The second difficulty consists of the want of power in the Cabinet to offer such proposed acts in the Houses as the official expressions of the party which it represents, to insist under the rules upon their early consideration, and to take part in the debates upon them.
>
> Under every parliamentary system in the world except our own these two fundamental rights are secured to the executive as practical expedients absolutely necessary for the prompt and orderly consideration of great national measures, which have a natural precedence over all other business. All existing cabinet systems except our own are modeled after the English, and that, we should not fail to remember, has been developed since the making of our Federal Constitution, in order to enable the reorganized English democracy to transact the vast business of an empire upon business principles and in accordance with the will of the majority.
>
> The fathers therefore had no opportunity to see the workings of the English Constitution in its modern form; they had no knowledge of the advantages of cabinet government as now understood, and consequently it cannot be assumed that they rejected it as unsuitable to our conditions. For the want of something better they equipped the two houses with the legislative machinery known as the "committee system"; and in the early days, when the volume of legislative work was very small, that system was adequate. * * *

Mr. MOTT. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MOTT. It is true that the President is elected on a platform, but all of the legislative members of the different States and the national legislative body are also elected at the same time on the same platform.

Mr. HARLAN. But the people look to the Executive to carry out that responsibility.

Mr. HOEPPEL. Will the gentleman yield?

Mr. HARLAN. I cannot yield any further. I have yielded four times to the gentleman.

Now, I wish to read further from the committee report in this connection:

This bill will not change the Cabinet's legal relations either to the President or to the Congress. It will not make their tenure of office in anywise dependent on the favor of congressional majorities or on adverse votes of either or both of the Houses. They cannot assume undue leadership in Congress, because success will not prolong, as defeat will not terminate their tenure of office. They may be removed by the President at any moment, notwithstanding their success.

But here in the closing paragraph of that report is one of the most elementary reasons why that bill was not passed by the Congress. It says:

Your committee believes that the adoption of this bill and the effective execution of its provisions will be the first step toward sound civil-service reform, which will secure a larger wisdom in the adoption of policies, and a better system in their execution.

This system will require the selection of the strongest men to be heads of departments and will require them to be well equipped with the knowledge of their offices. It will also require the strongest men to be the leaders of Congress and participate in debate. It will bring those strong men in contact, perhaps into conflict, to advance the public weal, and thus stimulate their abilities and their efforts, and will thus assuredly result to the good of the country.

Now, for us to bewail the growth of Executive power is just like crying over the snows of last winter, or to bewail the happiness of yesteryear.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. COOPER of Ohio. A few moments ago I understood you to have said that the President-elect was the one man in whom the people of the United States placed confidence. Where does the minority come in? Where is their representation? It does not mean that because a man is elected President he meets with the approval of the entire population of the United States.

Mr. HARLAN. I am sorry if I said that the President was the only person in whom the people placed confidence.

Mr. COOPER of Ohio. I think the gentleman was quoting someone when he made that statement.

Mr. HARLAN. I am told by my colleagues sitting here in the front row that I did not make that statement.

Mr. COOPER of Ohio. The gentleman does believe there ought to be a place for the minority in any administration?

Mr. HARLAN. The minority now has its representation in the legislative body.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. HARLAN] has again expired.

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FIESINGER. My good friend the gentleman from Georgia [Mr. Cox] asked as to whether the gentleman was arguing for an expansion of executive power or a recapture of legislative power. I think the gentleman from Ohio, in a very able argument, has answered the question. There are, however, one or two thoughts in my mind. We have in this country, under our very complicated social relationships, executive departments of the Government preparing legislation and sending it down to the Congress and to the committees of Congress. Sometimes the committees do not even hear the legislation, or, if so, very briefly, and then the legislation comes before the House.

If it is an administration measure, or if it has the approval of the President, I have observed that it is passed here with little question. I think it might be well to have Cabinet officers come into the House that we could interrogate and find out where some of this legislation arises. As a matter of fact, I think in the last Congress we had several bills brought in under gag rules, bills that were of the utmost importance to the people of the United States and, in fact, to the entire world, yet we passed those bills and could never even find out who wrote them. I think it would be very interesting to have Cabinet members come before the House so we could interrogate them to find out if back of the legislation they sponsor there might not be sometimes sinister influences. Of course, in this statement I do not involve the President or his Cabinet officers; but it may be possible in their numerous and exacting duties that at times even they may have the wool pulled over their eyes. If the Congress could interrogate responsible Government officials upon the floor of the Senate or House, these situations might be detected. But, as I say, I think the gentleman has answered the question very well.

Mr. HARLAN. I mean to say that the expansion of Executive power, no matter what we do, is here. If the executive department now has the power to draft legislation, it would still have the power to draft legislation under this scheme; but the gentleman is quite right in saying that we in this body, as John Stuart Mills said, have the responsibility to legislate; but we have the additional responsibility of knowing first all about these bills, and this we cannot do now. [Applause.]

Mr. MOTT. Will the gentleman yield for one further question?

Mr. HARLAN. I yield.

Mr. MOTT. The gentleman says, does he not, that we do have the responsibility to legislate?

Mr. HARLAN. Yes.

[Here the gavel fell.]

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF FORMULATION OF THE CONSTITUTION

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Joint Resolution 148, providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States, and ask for its present consideration.

The Clerk read as follows:

Resolved, etc., That there is hereby established a commission, to be known as the "United States Constitution Sesquicentennial Commission" (hereinafter referred to as the "commission") for the celebration of the one hundred and fiftieth anniversary of the formulation of the Constitution, and to be composed of 18 commissioners, as follows: The President of the United States; the President of the Senate and the Speaker of the House of Representatives, ex officio; 5 persons to be appointed by the President of the United States; 5 Senators to be appointed by the President of the Senate; and 5 Representatives by the Speaker of the House of Representatives.

SEC. 2. The commissioners shall receive no compensation for their services but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties out of any moneys contributed.

SEC. 3. The Commission shall select a chairman and appoint a director, who shall appoint, with the approval of the Commission, such assistants and subordinates as he deems necessary.

SEC. 4. That it shall be the duty of the commissioners, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the adequate celebration of the sesquicentennial anniversary, and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by States' commissions, or by bodies created under appointment by the Governors of the respective States, and by representative civic bodies.

SEC. 5. That the Commission shall, on or before the 20th day of May 1935, make a report to the Congress, in order that enabling legislation may be enacted.

SEC. 6. That the Commission hereby created shall expire December 31, 1939.

SEC. 7. That the Commission may receive from any source contributions to aid in carrying out the general purpose of this resolution, but the same shall be expended and accounted for in the same manner as any appropriation which may be made under authority of this act.

Mr. SMITH of Virginia. Mr. Speaker, does the gentleman from Pennsylvania [Mr. RANSLEY] desire any time on the resolution?

Mr. RANSLEY. On this side of the aisle we ask for a division of the time, 30 minutes.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania; and yield such time as he may desire to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Mr. Speaker, this resolution is practically identical with a resolution presented to the last Congress by our former colleague from Pennsylvania, Mr. Beck.

This resolution merely calls for the appointment of a commission of 18 to formulate plans for the celebration of the one hundred and fiftieth anniversary of the formulation of the Constitution. The celebration will take place in 1937. The principal reason for bringing up this resolution at this time is to give this commission time to function. The membership of the commission will number 18. Three of the members will be the President of the United States, the Vice President of the United States, and the Speaker of the House of Representatives. Of the remaining 15 members, 5 are to be appointed by the President, 5 by the Senate, and 5 by the House of Representatives, the Speaker making the appointments for the House.

This commission is to report to the Congress on or before the 20th day of May 1935 with suggestions as to how best to celebrate the one hundred and fiftieth anniversary of the formulation of the Constitution.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. MARTIN of Massachusetts. Will the gentleman explain to the House what will be the initial cost to the Government of this undertaking?

Mr. BLOOM. The present purpose of the appointment of the commission is to find out how the celebration should take place. It is to be principally educational in character.

Mr. MARTIN of Massachusetts. That will come next, of course.

Mr. BLOOM. I call the gentleman's attention to section 2, which provides that other expenses incurred in the discharge of their duties shall be paid out of any moneys contributed.

I may say to the gentleman from Massachusetts that practically all the State bar associations, city bar associations, and other bar associations of the country have been circularized and are in favor of holding this celebration.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. CULKIN. Does the gentleman believe that the passage of this resolution and the appointment of this commission will give the Constitution a stronger vogue than it now has? Will it help in that direction?

Mr. BLOOM. I shall pass that right back to the gentleman's own mind. He can answer it either way he sees fit; and I think he will be satisfied.

Mr. CULKIN. I was interested in the gentleman's opinion, for I know him to be a great lover of the Constitution.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. O'CONNOR. In answer to the distinguished gentleman from New York, I may say that in the last Congress the chief proponent of this resolution was that distinguished constitutional lawyer, Mr. James M. Beck, of Pennsylvania. He introduced an independent resolution.

Mr. CULKIN. And I might add he was a distinguished coworker of the distinguished gentleman from New York.

I would further call attention to the historic fact that the distinguished gentleman, Mr. Beck, did not run for Congress this time because he did not wish to be one four-hundred-and-thirty-fifth part of a rubber stamp.

Mr. BLOOM. I will say for that and a great many other reasons.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. MEAD. The distinguished gentleman from Pennsylvania, while a Member of the House, in addition to sponsoring this particular resolution, was very anxious that the principle of personal liberty adopted by the founding fathers be restored. He took, therefore, a leading part in the repeal of the eighteenth amendment, which some of our friends who have quoted the gentleman from Pennsylvania, were in favor of leaving as it was, thus depriving the people of their personal liberties.

Mr. CHRISTIANSON. I may say to the gentleman, the fact that Mr. Beck favors this proposition would incline me to vote for the resolution, but before voting for it, I should like to know what sort of a party this is to be? Is this to be a birthday party or a funeral?

Mr. BLOOM. Mr. Speaker, I am very glad that the gentlemen on that side of the aisle are starting in to get some interest in this resolution. It looks forward to being a great celebration.

Mr. McFARLANE. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Texas.

Mr. McFARLANE. I notice that it states in section 2, "After all necessary traveling, hotel, and other expenses incurred in the discharge of their duties, to be paid out of any moneys contributed", and so forth. Is it the purpose to ask for an appropriation from the Congress to pay the necessary expenses involved in this bill?

Mr. BLOOM. At the present time, no.

Mr. McFARLANE. Later?

Mr. BLOOM. It depends upon what the commission decides to do. If the commission decides to hold a certain kind of celebration, why, they naturally will have to come back to Congress; and if they ask for an appropriation, that can be taken up at that time.

Mr. McFARLANE. Would this be an authorization for such an appropriation later?

Mr. BLOOM. No.

Mr. MEAD. May I say to the gentleman from Texas that his questions are answered in sections 5 and 7. Section 5 will later permit the commission to ask for an appropriation if they deem it expedient, and section 7 will authorize the commission to accept contributions which may eliminate the necessity of asking for an appropriation.

Mr. BLANTON. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Texas.

Mr. BLANTON. What is the use of taking up an hour on a resolution like this when virtually it is brought up by unanimous consent? If there had been anyone against it, he could have stopped it in a twinkling of an eye by making a point of order, because it is not privileged; and by not making a point of order, they let it come up by unanimous consent. So what is the use of wasting an hour over such a proposition?

Mr. MICHENER. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Michigan.

Mr. MICHENER. As a matter of fact, this is laying the cornerstone for a celebration which will equal, if not excel, the George Washington celebration through which we have just passed. As a matter of fact, there is no question but that this commission will return with a well thought-out plan of celebration, which I understand has already been partially agreed upon. The Congress will then be asked to provide the machinery and the money with which to carry out the report of the commission which we are setting up today. Those who were here and went through the George Washington proceedings understand exactly what this means. I am not criticizing the George Washington proceedings, because I believe that we commenced and we should finish; but yesterday or the day before we were asked again to authorize an appropriation of around $100,000 additional in order to complete that work, and I understand the $100,000 will not complete it, and we will be asked for still more money in addition to all the other sums which were expended in that behalf.

Mr. O'CONNOR. The gentleman realizes that in the conduct of the George Washington Bicentennial Commission, rather than it costing the Government one cent, the United States made a profit of from a half million to a million dollars in the conduct of it. That is a well-established fact, and has appeared before the committees, and, as a matter of fact, that has been one of the impelling factors which caused us to bring out this rule.

Mr. BLOOM. Mr. Speaker, I refuse to yield further.

I regret very much that the gentleman from Michigan compels me to answer his statement. The gentleman from Michigan called me up yesterday and said he had received a letter from a constituent of his who was very much concerned about the report that the Bicentennial Commission was not going to finish the publication of the definite writings. I told him that as far as the Commission was concerned, and as far as I am concerned, I had nothing at all to do with that. That was a special act of Congress asking for the publication of 25 volumes, more or less, of the definitive writings of Washington, which books are to be sold.

So the gentleman should not try to have the Congress believe that the money we asked for in that appropriation is going to be spent without return. Those books sold for from $50 to $75 a set, and the gentleman's constituent seemed to be more concerned over the fact that the publication of the books was not going to be continued, and I believe he stated it would be a disgrace if the Congress should at this time refuse to grant the appropriation for the publication of these books.

As far as the bicentennial celebration is concerned, the Government, according to reports from various departments, made a clear profit of 33⅓ percent on the celebration. However, if it did not make a cent, but really expended every dollar that it received, it would have cost each person in the United States about 1 cent for the celebration. So when the gentleman refers to the definitive writings, that is one thing. If he wants to refer to anything of which I have charge or that came up during the time I was honored with the position of director, that is another thing. As far as the Commission, of which I was director is concerned, I do not believe there is a Member of either branch of Congress, and I do not believe there is a person in the United States, who can utter one word of criticism against that Commission. We treated everyone fairly, irrespective of religion, politics, or anything else. [Applause.]

Mr. MICHENER. I did not mean to criticize the gentleman from New York [Mr. BLOOM]. I think the gentleman has done splendid work. But I was wondering if the gentleman from New York [Mr. BLOOM] should die, and there should be no one to carry on this new commission as capably as he carried on the George Washington Bicentennial Commission, what it might cost? I cannot compliment the gentleman from New York too highly for his handling of the George Washington celebration. His work should be completed.

Mr. BLOOM. The gentleman from Michigan flatters me too much.

I should like to read what my former colleague from Pennsylvania, Mr. Beck, said 1 year ago on the floor of this House with reference to this same bill. I quote:

> Mr. BECK. Mr. Speaker, this is a bill in which I have been interested from the time I first became a Member of Congress. When I entered the Congress 7 years ago I introduced a resolution substantially the same as that now before the House for its consideration. I introduced it in each successive Congress, but the time of the proposed celebration was then so far distant that it seemed inopportune to bring it up at that time, and therefore I have waited until the present Congress, when, in association with the gentleman from New York, Mr. BLOOM, we introduced the same resolution, but, naturally, under a different number because of a rule of this House that there cannot be two sponsors for any one resolution.

So this is nothing new. On the fiftieth anniversary of the formulation of the Constitution similar educational celebrations were had. I do not mean Ferris wheels or any such thing, but an educational celebration. This is going to be such a celebration, and I think the gentleman from Michigan [Mr. MICHENER] will agree with me that it is about time we started to educate the youth of this country not only in the Constitution but in the other fundamental principles of our Government, and this is the only way we can do it.

I do not believe the people generally realize what this means. There have been resolutions introduced in this Congress asking for the celebration of the one hundred and fiftieth anniversary of the adoption of the Constitution in 1837. It is about time we educated the people with respect to the difference between the formulation and the adoption of the Constitution.

I may say that in Los Angeles a short while ago they had a great performance with respect to the making of the Constitution, and even Will Rogers referred to it in his squib column, saying what a wonderful thing it was. So I thought I would write and find out what a wonderful thing it was. This is the booklet, The Making of the Constitution of the United States—An Historic Pageant. I thought I would go through this description of the pageant. I only found 62 errors—that is all. There were 62 mistakes in this wonderful pageant which the gentleman from California knows was a great success out there.

I know, and every Member of this House knows, that we should do practically the same thing with respect to research on the Constitution as we did on the history of our country on the occasion of the two hundredth anniversary of the birth of Washington; and let me say to the gentleman from Michigan that until this celebration of the two hundredth anniversary of the birth of Washington it was never recorded in any library that at one time in the history of our country 3 months were dropped from the calendar and at the time of Washington's birth February was the eleventh month and not the second month of the year. The facts were brought out in connection with our research work at that time, and the facts that will be brought out at this time with respect to the Constitution will well repay the Government of the United States in the education of our people on the Constitution. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. EATON] such time as he may desire to use.

Mr. EATON. Mr. Speaker, I think our distinguished and beloved colleague the gentleman from New York [Mr. BLOOM] has brought before us a most important issue. Under his genius he was able to rescue George Washington from the mists of forgetfulness and enshrine him afresh in the consciousness of his country.

I feel like supporting this resolution because, God knows, we need to rediscover our Constitution; but I would like to know whether this celebration is going to be in the form of a memorial service or a resurrection of the dead. I will be strong for the latter.

Mr. Speaker, I am not going to take very much time, but I want to call attention to a form of celebration that this House ought to be interested in, that we need tremendously, and that the country is waiting for us to begin, and that is to celebrate the Constitution of the United States by having this House assume the functions that are placed upon it by the Constitution, and begin once more to discharge our obligations to our country under the Constitution.

The fact is, we in this House have exhibited in the last few years the most amazing side-stepping of grave responsibilities that I believe can be found in the history of this country. I have grieved over it as a Member of this House, I have felt ashamed of my participation in it; but the fact is, Mr. Speaker, if this House will celebrate the Constitution of the United States and its origin by returning to its constitutional place and discharging its constitutional duties, with honor and with courage and with the complete intelligence we possess, then we will have a celebration that will be worth while.

What are the facts? The fact is that over and over again we have delegated to the Executive of this Nation powers that the Constitution placed upon us. We have side-stepped our obligations. Over and over again legislation is brought up here, written by some inexperienced youth, not yet dry behind the ears, of whom we have never heard, who could not do anything more about running a private business than a child could reconstruct a Swiss watch with a cross-cut saw and a sledge hammer. Such legislation is brought here, and our great committee system, which is the very foundation and expression of the intelligence and efficiency of this House, is laid aside without question or protest.

We have at this moment our Public Buildings Committee and the great Rivers and Harbors Committee cooling their heels with nothing to do. They have been denuded of their powers and responsibilities, because this House has been recreant to its sacred trust under the Constitution. The fact is, Mr. Speaker, that we as Members of this House are summoned by this resolution, although I have no doubt that our friend BLOOM did not have that in his mind, to a resurrection of our sense of duty to a courageous facing of our obligations, to a reassertion of our position in the machinery of this Government, as provided in the Constitution.

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. EATON. With pleasure.

Mr. WEARIN. Does the gentleman know that the average age of the members of the Constitutional Convention of the United States was approximately 40 years?

Mr. EATON. I do not lay that up against them. They died, just the same as if they had been 10 months old. Young or old, they did not side-step their responsibilities. But I do not see what that has to do with this proposal. I take off my hat to a wise man regardless of his age. I have known some fools with whiskers a yard long and I have known some wise men 18 years old. That has nothing to do with this case.

For instance, the Constitution lays it down that life, liberty, and the pursuit of happiness, as outlined by Jefferson's Declaration of Independence, are the right of the American people. The Constitution may not do that in exact terms, but that is the fact. I have on my desk two letters that reached me a day or two ago, one from a widow who has been knitting at home for a nearby industry. She is now informed that under this administration after the 1st of April she cannot be permitted to do that. She cannot longer enjoy life, liberty, and the pursuit of happiness. She is denied her constitutional right to make a living. I have in my district great roofing industries. A man used to sell seconds from these industries and made an honorable living for himself and his family. Over night they cut that man out of his business, an honorable, useful, lawful business, and he is now on relief with his family. I could go on ad infinitum, ad nauseam, describing these conditions, but, Mr. Speaker, every Member here is too familiar with them already.

Take a great fundamental proposition like the relief bill. It comes in here with a few minutes' discussion, grudgingly permitted under a drastic gag rule. We could have voted on it as intelligently as we did if every Member had been blind, deaf, and dumb. No one knows who wrote it, where it came from, and we pass it on to the body at the other end of the Capitol, expecting them to discharge the obligations that the Constitution and our oath of office place upon us.

I hope under this resolution we will have a great education in the Constitution. It is needed in this body. It is needed in the White House. It is needed among the people everywhere. I think I am going to vote for brother BLOOM's resolution. I am very fond of him. My only hope is that he is to take charge of the program, because, having resurrected George Washington, if he cannot resurrect the Constitution, nobody can do it. But while he is doing that, I beseech you all to pay some attention to the great responsibilities your people have placed upon you in sending you here as their Representatives. In New Jersey a man was running for Congress. And what was his platform? His platform was:

> I want to be a rubber stamp for Franklin D. Roosevelt, and I hope he stamps me plenty.

Would he not have been an ornament to this House? A man with that mentality and moral infirmity ought not to wear pants.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. EATON. Wait until I get through. I am paying my respects to one of the gentleman's new-deal colleagues. Such a man ought not to wear pants. He ought not to wear a petticoat. He ought to be put in rompers and furnished with a rattle and nipple. And certainly he ought not to be elected to this great body which was supposed, in days gone by, to be the greatest deliberative body on earth, although now, alas, it is neither great nor deliberative, since it has abandoned the honorable and responsible place assigned it under the Constitution.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. EATON. Yes.

Mr. MEAD. Deviating from any party discussion, I feel there is ample precedent for legislation of this kind to be found in the actions taken by the other great nations of the world. They are spending huge sums of money to instill a spirit of loyalty and nationalism into the citizenship of their countries. We recognize in this country that we are encountering the difficulties of these foreign "isms" and a restatement of the principles of the Constitution, as provided for by this legislation, would have a good effect on all political parties that are in conformity with the American form of Government. Does not the gentleman think that is so?

Mr. EATON. I certainly do; and if the gentleman will continue making my speech, I shall be glad to let him do it.

Mr. MEAD. And then we will both vote for SOL BLOOM.

Mr. EATON. Yes. I yield back the remainder of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, the distinguished proponent of this resolution, the gentleman from New York [Mr. BLOOM], was rather unwilling to yield to me when on the floor. Why, I do not understand.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. BLOOM. I yielded to the gentleman. I think the gentleman will admit that. There were other people standing and I yielded to them, but I do not believe the gentleman will say that I refused to yield to him, because I did yield to him.

Mr. CULKIN. The gentleman was somewhat cavalier in his expression if not in his words. What I rise to say is that I am heartily for the resolution. I think the achievements of Washington and his hold on the American people was enriched by the handling which the distinguished gentleman from New York [Mr. BLOOM] gave his memory in connection with the bicentennial celebration. I think it is a wholesome if belated propostion to arouse in the minds of the people of America a study of the Constitution. The necessity for this was signally instanced twice this afternoon. In a very scholarly address on a proposed change in our legislative procedure, the gentleman from Ohio [Mr. HARLAN] in a splendid speech lamented the passing of the prestige of Congress; that we had, without earmarking, delegated to the President the power to expend $4,800,000,000 without any information as to how the money was to be disbursed. The gentleman admitted on the floor that that was not conceivable in connection with the English Parliament or with the English scheme of government, where today the English Parliament is supreme and legislative government obtains. On the contrary, Mr. Speaker, in our country the American Congress is at its lowest ebb in power and prestige.

Immediately following the gentleman from Ohio, the learned and able gentleman from Ohio [Mr. FIESINGER] stated, and stated truly, that the responsible members of the Banking Committee in the last session of Congress brought legislation to this floor which was written by some anonymous individual, some erstwhile "brain truster"; legislation which they did not understand; they brought it in under gag rule and passed it. In view of the purpose of this resolution those are timely utterances coming from the other side of the aisle. So I think it is seemly in this day and age to give the gentleman from New York [Mr. BLOOM] full power to bring the Constitution, with its division of power, legislative, executive, and judicial, fully before the American people. This should be done before this Congress itself passes out of existence, by its own abject surrender of constitutional power. [Applause.]

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, this resolution is before the House by unanimous consent. While our friends on the Republican side demanded 30 minutes in which to oppose it——

Mr. MARTIN of Massachusetts. Well, will the gentleman yield right there?

Mr. BLANTON. Well, they demanded 30 minutes.

Mr. O'CONNOR. The gentleman has said that several times. I do not understand what the gentleman means by it.

Mr. BLANTON. It means this, that if there had been any Member of the House opposed to this resolution, he could have stopped it coming up by making a point of order against it.

Mr. O'CONNOR. I wish the great parliamentarian would tell us how.

Mr. BLANTON. Because the Rules Committee has no authority to report as a privileged resolution such a resolution as this.

Mr. O'CONNOR. I wish again the great parliamentarian would tell us why?

Mr. BLANTON. Because it provides for an appropriation, and deals with a subject that will call for an appropriation hereafter. I do not yield further. Of course, I know the gentleman from New York wants to protect action taken by his committee. It could have made in order such a resolution, but the Rules Committee does not have any authority to report such a resolution itself. It was subject to a point of order. I know if I had made the point of order, the Speaker would have sustained it.

I know the Parliamentarian would have held it out of order. Hence it is here by unanimous consent, so why waste a lot of time on it?

We all know what SOL BLOOM did with the George Washington Bicentennial Celebration. He did more than any 20 of us put together could have done. He put information about George Washington in the hands of every single individual in the United States, and they did not have some of that information before. I imagine that before SOL BLOOM gets through with this proposal he will have a copy of the Constitution in the hands of every school child in the United States. That is what we ought to have. If you want to get rid of communism and all the other "isms", put that Constitution in the hands of the school children of the country and let them understand it.

Mr. O'MALLEY. Will the gentleman yield?

Mr. BLANTON. Is the gentleman in favor of that?

Mr. O'MALLEY. Oh, yes.

Mr. BLANTON. The gentleman and I are together then. I yield to the gentleman.

Mr. O'MALLEY. I hope the gentleman from New York will put a copy of the Constitution in the hands of every Member of Congress before he gets through. [Applause.]

Mr. BLANTON. Oh, the Members of Congress have it. They swore here that they would support and defend it without any evasion, but sometimes some constituents in parts of the United States try to abolish it.

Mr. BOILEAU. Will the gentleman yield?

Mr. BLANTON. No; I do not want to take up the time.

I am in favor of this resolution because I think it is going to be productive of good. I think what little money the gentleman from New York [Mr. BLOOM] will spend on it will come back to us a hundredfold. [Applause.]

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALIFORNIA PACIFIC INTERNATIONAL EXPOSITION

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 101.

The Clerk read as follows:

House Resolution 101

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 94, a joint resolution providing for the participation of the United States in the California Pacific International Exposition, etc. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, this resolution comes from the Rules Committee and makes in order the consideration of House Joint Resolution No. 94, providing for the participation of the United States Government in an exposition at San Diego, Calif., which I understand is to open the latter part of May of this year.

Because of the urgency of the situation we are bringing in this resolution. The resolution reported from the Foreign Affairs Committee provides for a contribution by the Federal Government of $350,000 that it may join with other nations in the celebration of this event.

I do not believe there is any need to discuss the rule, because the resolution provides for 1 hour of general debate.

Does the gentleman from Pennsylvania desire any time on the rule?

Mr. RANSLEY. On this side of the aisle we will not ask for a division of time. Everyone to whom I have talked is in favor of the resolution.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I think the amount authorized by this resolution ought to be reduced by at least $100,000. Before year after next you are going to be called upon to appropriate a large sum of money for another celebration out in Los Angeles.

Mrs. KAHN. Los Angeles?

Mr. BLANTON. Yes; both for Los Angeles and San Francisco; both are to have one. I understand they are attempting to consolidate them. I hope they will; they ought to do it; but you are not likely going to get Los Angeles and San Francisco to agree to it.

Mr. KRAMER. They agree on everything.

Mr. BLANTON. But not on expositions. We will be called upon to appropriate money for them. I guess Congress will help them; it always does. Congress is very liberal about such things. But we ought to cut down the amount asked for in this resolution; it is too much; get the report and read it. There are just two persons who have said anything about this before the committee. One is the author of the bill, the gentleman who comes from San Diego, who told the committee how he wanted to spend the money—and he told it in a very eloquent manner to the gentleman from Tennessee [Mr. MCREYNOLDS]. Then they produced a statement from the Secretary of State, Mr. Hull. In his statement Mr. Hull says that he has nothing to do with the amount. He makes the recommendation that the amount should be fixed by Congress.

Now, I want to ask you Members of Congress who are called upon to vote for so many appropriations, why we should spend $350,000 for this celebration at San Diego. They had one there 20 years ago. Why should we spend $350,000 at this time for another exposition? They ought to agree now to cut down this amount by at least $100,000. At the proper time I shall offer an amendment to this effect. They have raised quite a lot of money by subscription. They are asking California to appropriate $250,000. You can give them $250,000 to match that given by the State of California, and that should be ample. That will give them $500,000 in addition to the subscriptions. Do you not think

that would be generous? You should reduce the amount by at least $100,000.

I am going to offer an amendment at the proper time to reduce this amount from $350,000 to $250,000, and I hope the Members of the House, in the interest of the taxpayers of the country, will support it, and help us to save $100,000. Mr. Speaker, this is all I have to say.

Mr. O'CONNOR. Mr. Speaker, answering the gentleman from Texas, of course, the House joint resolution does not appropriate any money; it only authorizes the appropriation of money not to exceed $350,000. The matter has to come before the Appropriations Committee and be approved.

Three hundred and fifty thousand dollars is a very modest sum compared to amounts we have authorized for other expositions.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MARTIN of Massachusetts. Does the gentleman remember that the record shows that the people of California, through private gifts, have actually subscribed $6,000,000 toward this exposition?

Mr. O'CONNOR. Yes.

Mr. MARTIN of Massachusetts. That is what the people of California have done already.

Mr. O'CONNOR. Yes; and this $350,000 is a very modest amount compared with other authorizations we have made for expositions.

Mr. CULKIN. Mr. Speaker, will the gentleman from New York yield me 3 minutes?

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I am somewhat loath to take the floor on this proposition, but I was at the exposition held in 1915 at San Diego. It was an exquisite exposition in an exquisite setting. It seems to me that in connection with the forthcoming exposition, which will represent all of the country and all of the world, the Federal Government should not be niggardly. The pending resolution is simply in the nature of an authorization. If the Appropriations Committee wishes to cut this authorization from $350,000 to $250,000 they may do so; but let us give the Representatives of the State of California an opportunity to present all their facts.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. I yield.

Mr. HARLAN. Is the gentleman aware of the fact that in the exposition held at San Diego 20 years ago the Federal Government did not contribute a dime; and that this is the first amount that has been asked?

Mr. CULKIN. It was all the more remarkable. I was at San Francisco in 1915, and went down to San Diego. It seems to me this great international exposition requires liberal treatment in the interests of the cultural growths and material development of the Nation. I am for the resolution and the rule. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself in the Committee of the Whole House on the state of the Union for the consideration of the bill (H. J. Res. 94) providing for the participation of the United States in the California-Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. J. Res. 94, with Mr. DUFFEY of Ohio in the chair.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

House Joint Resolution 94

Providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes

Whereas there is to be held at San Diego, Calif., beginning in May 1935, the California Pacific International Exposition for the purpose of inspiring national confidence and a higher appreciation of American institutions, stimulating business and industry, assisting the Government in bringing a more abundant life to its people, creating understanding among nations, and in commemoration of the four hundredth anniversary of the discovery of the Pacific Southwest by Francisco Vasquez de Coronado; and

Whereas said exposition is worthy and deserving of the support and encouragement of the Government of the United States of America: Therefore be it

Resolved, etc., That the President of the United States be, and he hereby is, authorized and respectfully requested by proclamation or in such manner as he may deem proper to invite all foreign countries and nations to such proposed exposition with a request that they participate therein.

SEC. 2. There is hereby established a commission to be known as "The California Pacific International Exposition Commission" and to be composed of the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce; which Commission shall serve without additional compensation and shall represent the United States in connection with the holding of an international exposition known as "The California Pacific International Exposition" in San Diego, Calif., in the year 1935, and continuing into the year 1936.

SEC. 3. There is hereby created a Federal commissioner for the California Pacific International Exposition, such commissioner to be appointed by the President upon the nomination of the Secretary of Agriculture, who shall select for this purpose an official of his Department who has had experience in, and is familiar with, the preparation and management of exhibitions, and who will serve in this capacity without additional salary. That the expenses of the Federal commissioner and such staff as he may require will be met out of the funds provided for the purposes of the Government participation in the exposition.

SEC. 4. The Commission shall prescribe the duties of the Federal commissioner and shall delegate such powers and functions to him as it shall deem advisable, in order that there may be exhibited at the California Pacific International Exposition by the Government of the United States, its executive departments, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government in the advancement of industry, the arts, and peace, demonstrating the nature of our institutions, particularly as regards their adaptation to the wants of the people.

SEC. 5. The commissioner may employ such clerks, stenographers, and other assistants as may be necessary and fix their reasonable compensation within the grades and rates of compensation fixed by the Classification Act of 1923, as amended; purchase such material, contract for such labor and other services, and exercise such powers as are delegated to him by the Commission as hereinbefore provided, and in order to facilitate the functioning of his office may subdelegate such powers (authorized or delegated) to officers and employees as may be deemed advisable by the Commission.

SEC. 6. The heads of the various executive departments and independent offices and establishments of the Government are authorized to cooperate with the commissioner in the procurement, installation, and display of exhibits; to lend to the California Pacific International Exposition, with the knowledge and consent of the commissioner, such articles, specimens, and exhibits which the commissioner shall deem to be in the interest of the United States to place with the science or other exhibits to be shown under the auspices of that corporation; to contract for such labor or other services as shall be deemed necessary, and to designate officials or employees of their departments or branches to assist the commissioner. At the close of the exposition, or when the connection of the Government of the United States therewith ceases, the commissioner shall cause all such property to be returned to the respective departments and branches from which taken, and any expenses incident to the restoration, modification, and revision of such property to a condition which will permit its use at subsequent expositions and fairs, and for the continued employment of personnel necessary to close out the fiscal and other records and prepare the required reports of the participating organizations, may be paid from the appropriation provided; and if the return of such property is not practicable, he may, with the consent of the department or branch from which it was taken, make such disposition thereof as he may deem advisable and account therefor.

SEC. 7. The sum of $350,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, of which sum not to exceed the sum of $125,000 may be expended for the erection of such building or group of buildings and/or for the rental of such space as the Commission may deem adequate to carry out effectively the provisions of this resolution; for the decoration of such structure or structures; for the proper maintenance of such buildings, site, and grounds during the period of the exposition. The Commission may contract with the California Pacific International Exposition for the designing and erection of such building or buildings and/or for the rental of such space as shall be deemed proper.

The remaining portion of the appropriation authorized under this resolution shall be available for the selection, purchase, preparation, assembling, transportation, installation, arrangement, safekeeping, exhibition, demonstration, and return of such articles and materials as the Commission may decide shall be included in such Government exhibit and in the exhibits of the California Pacific International Exposition; for the compensation of the employees of the Commission in the District of Columbia and elsewhere, for the payment of salaries of officers and employees of the Government, employed by or detailed for duty with the Commission, and for their actual traveling expenses and subsistence at not to exceed $6 per day: *Provided*, That no such official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department or branch where employed plus such reasonable allowance for subsistence expenses as may be deemed proper by the commissioner; for telephone service, purchase of furniture and equipment, stationery and supplies, typewriting, adding, duplicating, and computing machines, their accessories and repairs, books of reference and periodicals, uniforms, maps, reports, documents, plans, specifications, manuscripts, newspapers and all other publications, ice and drinking water for office purposes: *Provided*, That payment for telephone service, rents, subscriptions to newspapers and periodicals, and other similar purposes may be made in advance, for the hire of a passenger-carrying automobile, its maintenance, repair, and operation, for the official use of the commissioner, for printing and binding; for entertainment of distinguished visitors, and all other expenses as may be deemed necessary by the Commission to fulfill properly the purposes of this resolution. All purchases, expenditures, and disbursements, under any appropriations which may be provided by authority of this resolution, shall be made under the direction of the Commission: *Provided*, That the Commission, as hereinbefore stipulated, may delegate these powers and functions to the commissioner, and the commissioner, with the consent of the Commission, may subdelegate them: *And provided further*, That the Commission or its delegated representative may authorize the allotment of funds to any executive department, independent office, or establishment of the Government with the consent of the heads thereof for direct expenditure by said executive department, independent office, or establishment for the purpose of defraying any expenditure which may be incurred by said executive department, independent office, or establishment in executing the duties and functions delegated to said office by the Commission; and all accounts and vouchers covering expenditures under these appropriations shall be approved by the commissioner or such assistants as he may delegate, except for such allotments as may be made to the various executive departments and establishments for direct expenditure; but these provisions shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit or permit any obligations to be incurred in excess of the amount authorized to be appropriated: *Provided*, That in the construction of buildings or exhibits requiring skilled and unskilled labor, the prevailing rate of wages, as provided in the Act of March 3, 1931, shall be paid.

SEC. 8. The commissioner, with the approval of the Commission, may receive from any source contributions to aid in carrying out the general purposes of this resolution, but the same shall be expended and accounted for in the same manner as any appropriation which may be made under authority of this resolution. The commissioner is also authorized to receive contributions of material, or borrow material or exhibits, to aid in carrying out the general purposes of this resolution; and at the close of the exposition, or when the connection of the Government of the United States therewith ceases, shall dispose of any such portion of the material contributed as may be unused, and return such borrowed property; and, under the direction of the Commission, dispose of any buildings which may have been constructed and account therefor: *Provided*, That all disposition of materials, property, buildings, etc., shall be at public sale to the highest bidder and the proceeds thereof shall be covered into the Treasury of the United States.

SEC. 9. It shall be the duty of the Commission to transmit to Congress, within 6 months after the close of the exposition, a detailed statement of all expenditures and such other reports as may be deemed proper, which reports shall be prepared and arranged with a view to concise statement and convenient reference.

Mr. KEE. Mr. Chairman, this resolution provides merely for participation by the Government in the California-Pacific International Exposition, proposed to be held at San Diego, Calif., beginning on May 29 of the present year. The resolution was referred to the Committee on Foreign Affairs because of the international character of the exposition. It is expected that a number of foreign countries will participate and already 29 foreign countries have signified their intention of taking part in this exposition.

It was not necessary for the exposition that the preparation be made suddenly. In the year 1915 the people of southern California, and especially the citizens of San Diego, the great city of southern California, held an exposition at the same time that an exposition was being held in the city of San Francisco. At that time San Diego did not ask the Government of the United States for a single dollar to enable them to carry on the exposition. In the city of San Diego they raised, by popular subscription, in 1915, $1,000,000 to pay the expenses of the enterprise. They invested and built in a public park known as Balboa Park in the heart of the city, buildings and equipment at a cost of $5,000,000. These buildings are permanent structures. So that this exposition is practically ready and prepared.

When they undertook this plan or enterprise for an exposition during the present year, they started out in San Diego with the hope and expectation of raising by popular subscription the sum of $500,000 in that city alone for the purpose of paying the expenses of the exposition. Even in these times of depression and hardship those people were so earnest and so patriotic that they exceeded the amount they hoped to raise and succeeded in raising for this purpose by popular subscription, in the city of San Diego alone, $700,000. They now come to the Government of the United States and ask that this Government of ours participate in and join them in their plans. I think their request is extremely moderate when they ask for only $350,000.

Mr. YOUNG. Will the gentleman yield?

Mr. KEE. I yield to the gentleman from Ohio.

Mr. YOUNG. Granting that this exposition at San Diego will be a very exquisite affair and granting also that after $350,000 has been authorized for this one, within the near future the proponents and backers of the exposition at San Francisco will ask an authorization of taxpayers' money for a similar exposition, may I say to the gentleman that in my State of Ohio I represent a constituency more than a million of whom at the present time are on relief. Representing so many people on relief because of the dire circumstances of this depression, I cannot in good conscience vote for this appropriation.

Mr. KEE. I do not recognize a question in the gentleman's statement. It is merely an argument.

Mr. Chairman, as has been stated, these people in San Diego have invested this amount of money, and at the present time there is upon the exposition grounds at San Diego, either built or in contemplation of being built, an investment in buildings of over $13,000,000, and yet the request before us is for merely $350,000 for the Government exhibit, of which $125,000 will be invested in the construction of a building to house the exhibits of the United States Government. The residue will be used for taking care of the building and for the preparation and shipment of the exhibits to the exposition from Washington or from wherever they are gathered.

Mr. McFARLANE. Will the gentleman yield?

Mr. KEE. I yield to the gentleman from Texas.

Mr. McFARLANE. The gentleman is a member of the Foreign Affairs Committee?

Mr. KEE. Yes.

Mr. McFARLANE. Is there not a bill before that committee now for an authorization which will call for a similar appropriation for an exposition to be held in San Francisco in 1938?

Mr. KEE. Not that I know of.

Mr. McFARLANE. Is there not a bill to that effect?

Mr. KEE. Not that I know of. No bill of that character has been referred to our committee.

Mr. McREYNOLDS. There is a bill before our committee merely giving the President the right to invite foreign nations to participate in an exposition, not only in San Francisco in 1938, but in Los Angeles as well, and I understand there will soon be another bill coming in from the gentleman's State for the same purpose.

Mr. McFARLANE. I want to know where this thing is going to stop. They are not asking for $350,000.

Mr. McREYNOLDS. There is nothing in this bill asking for an appropriation.

Mr. McFARLANE. That will come up later.

Mr. McREYNOLDS. And the gentleman's State is coming in last.

Mr. McFARLANE. We are having an honest-to-goodness celebration down there in Texas, and we are entitled to it.

Mr. LEA of California. Will the gentleman yield?

Mr. KEE. I yield to the gentleman from California.

Mr. LEA of California. Referring to the statement with reference to unemployment, may I ask the gentleman if it is not a fact that 4,000 men are now employed in the preparation of this exposition?

Mr. KEE. Yes; and have been for many months.

Mr. LEA of California. Hundreds of them have been employed for over a year and many of them for a year and a half, and the new construction will amount to at least two and a half and probably over three million dollars.

Mr. KEE. In fact, more than that I am informed.

As to the benefits to be derived by the people of this country, it has been shown as a geographical fact that the international line between Mexico and the United States is only 16 miles from San Diego.

It is a matter of record and of fact that from four and a half to five and a half million people cross the international boundary line at San Diego into Mexico or from Mexico into the United States in 1 year. At the 1915 exposition at San Diego there was an attendance of five and a half million people. It is expected that this exposition will draw an attendance of over seven and a half million people.

By the participation of the Government of the United States in this exposition we are sending something out to the West for the education of the people out there, something that they otherwise would possibly never have the privilege or opportunity of seeing. We who are fortunate enough to live near the city of Washington are familiar with these historic objects that we expect the Government to send to the West for this exposition. There will be millions of people who will visit the exposition and will see and appreciate these interesting things about their own Government, and this will be an education to a large body of citizens who otherwise would not have such opportunity.

I hope it will be the pleasure of this House to adopt the resolution.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. LUDLOW. I notice the total authorization is $350,000. Does the gentleman think, in view of the history of these enterprises, this will be the total and final charge on the Federal Treasury?

Mr. KEE. I anticipate it will. I am advised that a great number of these exhibits that the Government is expected to send out have not yet been unpacked from the Chicago Exposition and can be sent out West with perfect ease.

Mr. LUDLOW. Let me make a prediction: If precedent is followed, San Diego can be depended on to come back here several times for further appropriations. I hope I am not a good prophet in this instance, but I would bet on that prediction. I greatly admire the loyalty of California's Congressmen to their State, but I cannot go along with them. In this period of unprecedented depression, with the country laboring beneath a burden of debt and taxation as never before, with millions on relief rolls and more millions not knowing where their next meal is coming from, I am not going to waste any of the taxpayers' money on expositions. Furthermore, I am going to predict that more appropriations will be sought later.

Mr. KEE. I think the gentleman is anticipating unduly. Let those questions be settled when they arise.

Mr. LUDLOW. The usual history of such matters is that the camel's nose gets into the Treasury, and the body of the camel generally follows.

Mr. KEE. I am hopeful this will be an exception to the gentleman's rule.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. BURNHAM].

Mr. BURNHAM. Mr. Chairman, the distinguished gentleman from West Virginia [Mr. KEE] has so completely and ably described and explained this resolution that there is very little left for me to say. I should, however, like to make a brief statement, having been one of the organizers of the exposition held in San Diego in 1915 and its active vice president.

Twenty years ago the city of San Diego, then a comparatively small community, held an international exposition to celebrate the completion of the Panama Canal. She did it without one dollar of Federal aid. She acted as host to the world—with credit to herself, the State, and the Nation.

That exposition was held in beautiful Balboa Park—a 1,400-acre tract in the very heart of the city. In consequence, that enterprising community was left a wonderful legacy, a glorious heritage of luxuriant trees and shrubs and palms, and tropical foliage—many rare specimens now grown to majestic proportions—a riot of exotic beauty. There is probably no setting in all the world quite so beautiful and adaptable for an international exposition.

Another feature of that legacy, of which the city is justly proud, is a group of internationally renowned buildings of Spanish colonial architecture designed by the late Bertram Goodhue—a magnificent nucleus, costing millions of dollars, around which is being built a second and far greater enterprise—the California-Pacific International Exposition.

The original buildings, many of which are of concrete construction, have been completely restored. More than a score of new buildings are now being erected, and the whole exposition ensemble is 75 percent complete. Some 2,000 men have been at work for nearly a year—many of them taken from the relief rolls. It has been a boon to the unemployed, a godsend to our citizens.

I mention this in connection with the statement made by our friend the gentleman from Ohio [Mr. YOUNG] that there is so much unemployment in the country and so much being spent on relief, we can ill afford to spend a dollar for exposition purposes. As I have said, we have had more than 2,000 men employed for nearly 1 year and many of them were taken off of the relief rolls. It has been a boon to the unemployed, a godsend to the citizens of not only California but of the entire Pacific coast.

Mr. BUCK. Mr. Chairman, will the gentleman yield for a question with reference to the statement made by the gentleman from Ohio?

Mr. BURNHAM. Yes; I will be pleased to yield to the gentleman.

Mr. BUCK. Is it not a fact that the purpose of this exposition is to develop additional trade, locally, nationally, and internationally, which will put people to work throughout the country?

Mr. BURNHAM. We are hopeful this will help to restore confidence not only on the Pacific coast but in the entire United States.

A pictorial story of men working on the exposition project was made in December by the major news-reel companies, which many of you no doubt have seen upon the screen.

An article appearing in the Los Angeles Examiner under date of January 28, 1935, stated in part as follows:

> The initial funds for the fair were raised by citizens of San Diego in the largest per capita subscription ever made for an exposition. Leading citizens of Los Angeles have cooperated in assuring the success of the inspiring project, which already has given employment to thousands and which is expected to attract a record number of visitors to southern California next summer.

In this connection I might state that the Government survey shows five and one-half million people cross the Mexican border at San Diego each year. I mention this to show the possibilities for attendance. From 11 Western States alone San Diego can bid for approximately 15,000,000 visitors to the forthcoming exposition, which will open on the 29th of May this year and continue for a period of 10 months.

Mr. LUDLOW. What is to be the admission charge?

Mr. BURNHAM. I cannot tell the gentleman what the admission charge is or will be, but I do hope and believe that the Members of Congress will be supplied with term passes. [Laughter.]

Mr. LUDLOW. If you have 15,000,000 visitors, with a very moderate admission charge, could not this project go on its own steam without a Federal appropriation?

Mr. BURNHAM. It is going on its own steam, and we are not asking for a Federal appropriation for the operation of this exposition.

Ponder this fact: Twenty years ago San Diego's exposition attendance was close to 5,000,000, with comparatively poor means of transportation and a much smaller population, not

more than one-fourth the present population; whereas today we have excellent paved highways, improved train service, overland motor coaches, airplanes, and steamship lines calling at San Diego, which is the first port of call on the Pacific coast of the United States north of the Panama Canal. Therefore I contend it requires no great stretch of the imagination to assume that the attendance will be sufficient to insure the success of the enterprise. Visitors will come not alone from the territory west of the Rockies but from all parts of the United States, Canada, and Mexico.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BURNHAM. I yield to the gentleman from Texas.

Mr. BLANTON. If this bill is passed by the House and the Senate and becomes law, the first section of it will authorize the President of the United States to invite foreign countries to participate. Our friend the gentleman from West Virginia [Mr. KEE] has stated that 29 countries have already signified their intention of coming here. Have they done this before they were invited?

Mr. BURNHAM. I may say to my friend that they have been invited unofficially, and they have signified their intention in the matter. I will show the gentleman letters and telegrams from Secretry Hull and from our good friend Josephus Daniels, at the city of Mexico, who is our Ambassador in that country.

Mr. BLANTON. Surely no official of the Government would invite them before they had been authorized by Congress to do so.

Mr. BURNHAM. Unofficially, yes; and our exposition officials have invited them, and many foreign countries have had their consuls there.

Mr. BLANTON. If the gentleman will permit one further observation, he will notice that Secretary Hull's statement in the report said that—

> Of course, only those countries nearby could be invited in the short length of time.

Mr. BURNHAM. I will be pleased to read his letter later.

I received a copy of the San Diego Union last evening, dated February 9, wherein it was mentioned that Mr. and Mrs. George H. Lorimer, Sam Blythe, and Harry Condon, associated with Mr. Lorimer on the Saturday Evening Post, were spending a week in San Diego. The article quoted Mr. Lorimer as follows:

> This morning we motored through Balboa Park to see what you are doing in building the coming exposition. It looks like real business out there, and I am sure that you are going to have a show that will attract world-wide interest. I have said many times that your first exposition was one of the world's finest. Don't try to make it too big. Your charming Balboa Park is in itself a thing of beauty, unexcelled anywhere.

It will interest you to know something of the financial structure of the California-Pacific International Exposition. The company was incorporated under the laws of the State of California, without capital stock and on a nonprofit basis. No bonds or stock have been nor will be issued. The funds necessary for operation were secured by popular subscription and were oversubscribed 40 percent. The new construction is being financed by commercial and industrial exhibitors, States, and foreign countries. The enterprise is fully financed, both as to promotion and operation, and will represent an investment of twelve and one-half million dollars.

The California-Pacific International Exposition is not designed to celebrate, or commemorate, some event of the dim and moldy past, but it is for the more practical purpose, as stated in the resolution now under consideration, of inspiring national confidence and a higher appreciation of American institutions, stimulating business and industry, assisting the Government in bringing a more abundant life to its people, creating understanding among nations, and, incidentally, commemorating the four hundredth anniversary of the discovery of the Pacific Southwest by Francisco Vasquez de Coronado.

It will depict the progress of mankind up through the four centuries since Cabrillo sailed into the Bay of San Diego in 1542. It will show the great progress achieved in the arts, sciences, culture, and education; it will stimulate recovery on the Pacific coast and encourage good will among the nations of the world.

From all parts of the globe will be assembled the strange and picturesque wonders of far-away scenes, peoples, homes, industries, quaint customs—all phases of life at home and abroad—from the Plaza of Pacific Relations will fly the flags of 29 nations.

Many of America's great industrial and commercial enterprises will be represented. For instance, the Ford Motor Co. is erecting a building to cost $300,000. Business of all kinds and character are contributing most liberally to this spectacle of man's versatility. Displays of art, science, commerce, industry, agriculture, horticulture, aviation, and the Navy—in fact, all phases of human endeavor will be presented in new life and motion. It will afford millions of persons an opportunity to observe, in a new, dramatic, vital, and understandable way, the marvels of 1935.

We are now asking the Federal Government—the United States of America—to participate. I refrained from introducing this resolution until I had had an opportunity to confer with the President and to ascertain whether it tied in to his recovery program. I know that I am betraying no confidence when I tell you that he said, "Fine; go ahead." He even voluntarily called the distinguished Chairman of the Foreign Affairs Committee and voiced his approval. He attended our exposition in 1915 and hopes to come out this summer.

This resolution provides for a commission of three, composed of the Secretaries of State, Agriculture, and Commerce, all of whom also have shown great interest and real enthusiasm. They are very desirous of cooperating.

The resolution also authorizes an appropriation of $350,000, of which amount not to exceed $125,000 may be expended for the erection of such a building as the commission may deem adequate and proper. The remainder of the $350,000 is to be used for the installation and maintenance of a governmental exhibit.

I urge you in the interest of recovery to support this resolution and help to make possible one of the most beautiful expositions that this country or the world has ever seen.

And we want you to come to San Diego during the period of the exposition. You will enjoy the beauty and charm of its surroundings. You will find much to interest you. And the good people of San Diego will exert every effort to make you feel that you are among friends. [Applause.]

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. BURNHAM. Yes.

Mr. EATON. To ask the gentleman to clear up one point for the benefit of the Members of the House. This appropriation asked for is to be used entirely by the Government of the United States in the preparation and exhibition of its own exhibit in its own building, is it not, and not a dollar of it is to be used to advance the institution itself?

Mr. BURNHAM. The gentleman is absolutely right. The exposition proper is fully financed.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr. BURNHAM. Yes.

Mr. KRAMER. How much of this money is going directly into this Government building to be constructed?

Mr. BURNHAM. The resolution provides not to exceed $125,000 is to be used in the construction of the building. The plans have been drawn. The building can be constructed for that. It will be a building of reinforced concrete.

Mr. KRAMER. Then, if it costs $100,000, the other $50,000 would revert to the Treasury, or will that be expended for some other purpose?

Mr. BURNHAM. That is up to the Commission, which is to be composed of the Secretary of State, the Secretary of Agriculture, and the Secretary of Commerce. Our exposition officials would have absolutely no control over that fund.

Mr. KRAMER. Who is going to have control of it?

Mr. BURNHAM. The Commission.

Mr. KRAMER. What is going to become of the other money being appropriated?

Mr. BURNHAM. What other money?

Mr. KRAMER. The other $150,000 or $125,000?

Mr. BURNHAM. The resolution authorizes an appropriation of $350,000, of which not to exceed $125,000 is to be used in the construction of a building, the balance to be used for the installation and maintenance of the exhibit.

Mr. KRAMER. I understand there is some language in the resolution which provides for some expenditure in the District of Columbia. To what does that refer?

Mr. BURNHAM. That is the customary phraseology in all resolutions pertaining to expositions, as I understand it.

Mr. KRAMER. It does not mean that any railroad fare is going to be paid for anyone, or the expenses of anyone while here?

Mr. BURNHAM. Positively it does not.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. KEE. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Chairman, I have been sitting here for several minutes listening to my colleagues and the proponents of House Joint Resolution No. 94 paint a beautiful picture of what a wonderful time we will have out in San Diego, Calif., at the California-Pacific International Exposition if we will only appropriate $350,000 of the taxpayers' money so that the United States may participate in such an exposition. We are reminded of the wonderful educational opportunities that will flow from this celebration. I, for one, am interested in all educational opportunities; but I am unable to see the wonderful opportunities that may be had from the expenditure of this sum of money on the part of our Government. We are reminded that 29 foreign countries have signified their willingness to attend this exposition and that it will mean much to us in bringing about good will among the foreign nations. The greatest good will that could possibly come to this country would be in the payment of the debts which the foreign countries now owe us. It seems that a great number of the foreign nations are already well acquainted with us and that we are so fond of them we tell them they can pay us when it is convenient, and that in the meantime if they need any more funds America will furnish it to them. I do not think they should be invited to come to this country until they realize their just obligations to us and make some effort to discharge them. It is urged by my good friends that $350,000 is a small sum of money, that the United States has made a practice in the past of appropriating money to expositions of this kind, and that no one should object to this authorization. It is true that this sum of money may seem small to the majority of the Members of this House, but to me it is a large sum. When we think about the number of unemployed people in America, the men, women, and children suffering because of hunger and the disabled veterans who have been denied their disability and pension allowance because of economy, and with the taxes so high until our citizens are unable to save their homes, I think it high time that the Congress put an end to appropriating the taxpayers' money for expositions. The sooner we stop this practice the better off we will be. I do not object just because the exposition will be held in the beautiful city of San Diego, because I know that they have beautiful cities in the State of California; but if we vote this appropriation it will not be long until we will be asked to appropriate a like or greater sum for another exposition in Texas, Illinois, and a great many other States, with the result that there will be no end to the spending of the taxpayers' money. My first thought is of America and her distressed citizens, and I must register my protest against the appropriation of this money, and the offer from the gentleman from California to furnish the Members of Congress with free tickets to the exposition does not change my position. Let us first provide employment to our people who are out of employment, care for the ones who are unable to work, provide a reasonable sum of money as a pension for the old people, pay the adjusted-service certificates of the veterans, provide compensation for the disabled veterans of our wars, and then we can appropriate money for an international exposition, provided we can find any money to appropriate for that purpose. If you are determined to authorize the expenditure of any money for this exposition, I do hope that you will agree to cut it down to the sum suggested by the gentleman from Texas. [Applause.]

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentlewoman from Massachusetts yields 10 minutes to the gentleman from West Virginia.

The Clerk read as follows:

SEC. 3. There is hereby created a Federal commissioner for the California-Pacific International Exposition, such commissioner to be appointed by the President upon the nomination of the Secretary of Agriculture, who shall select for this purpose an official of his Department who has had experience in, and is familiar with, the preparation and management of exhibitions, and who will serve in this capacity without additional salary. That the expenses of the Federal commissioner and such staff as he may require will be met out of the funds provided for the purposes of the Government participation in the exposition.

Mr. SHANNON. Mr. Chairman, I move to strike out the last word.

In view of the fact that we are on the subject of expenditures connected with this resolution. I should like to ask the chairman of the committee if it is not true that this exposition is being financed locally, that the money has been arranged for, that the exposition is international in aspect, and that foreign countries are to be invited; and would it not be a reflection if the United States should not participate in the exposition?

Mr. McREYNOLDS. I think the gentleman is entirely correct.

Mr. YOUNG. Will the gentleman yield for a question?

Mr. SHANNON. I yield.

Mr. YOUNG. Does the gentleman not think that at the present juncture in this country, in view of the fact that there are so many million people in America unemployed and on relief, that it would be far better for us to give attention to our own people than to worry about the feelings of the people of some 29 nations of the world? Does the gentleman not think that we should recess this Congress now unless we have something more important to take up than a $350,000 appropriation for this exposition?

Mr. SHANNON. Now the gentleman has made his second speech, by the interrogation method, in opposition to this resolution. I think an effort is being made by the administration to do everything mentioned by the gentleman; and I think the exposition would aid in furnishing the relief of which the gentleman speaks.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 6. The heads of the various executive departments and independent offices and establishments of the Government are authorized to cooperate with the commissioner in the procurement, installation, and display of exhibits; to lend to the California-Pacific International Exposition, with the knowledge and consent of the commissioner, such articles, specimens, and exhibits which the commissioner shall deem to be in the interest of the United States to place with the science or other exhibits to be shown under the auspices of that corporation; to contract for such labor or other services as shall be deemed necessary, and to designate officials or employees of their departments or branches to assist the commissioner. At the close of the exposition, or when the connection of the Government of the United States therewith ceases, the commissioner shall cause all such property to be returned to the respective departments and branches from which taken, and any expenses incident to the restoration, of such property to a condition which will permit its use at subsequent expositions and fairs, and for the continued employment of personnel necessary to close out the fiscal and other records and prepare the required reports of the participating organizations, may be paid from the appropriation provided; and if the return of such property is not practicable, he may, with the consent of the department or branch from which it was taken, make such disposition thereof as he may deem advisable and account therefor.

With the following committee amendment:

On page 4, line 18, after the word "restoration", insert the words "modification, and revision."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 7. The sum of $350,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, of which sum not to

exceed the sum of $125,000 may be expended for the erection of such building or group of buildings, and/or for the rental of such space, as the Commission may deem adequate to carry out effectively the provisions of this resolution; for the decoration of such structure or structures; for the proper maintenance of such buildings, site, and grounds during the period of the exposition. The Commission may contract with the California-Pacific International Exposition for the designing and erection of such building or buildings and/or for the rental of such space as shall be deemed proper. The remaining portion of the appropriation authorized under this resolution shall be available for the selection, purchase, preparation, assembling, transportation, installation, arrangement, safe-keeping, exhibition, demonstration, and return of such articles and materials as the Commission may decide shall be included in such Government exhibit and in the exhibits of the California-Pacific International Exposition; for the compensation of the employees of the Commission in the District of Columbia and elsewhere, for the payment of salaries of officers and employees of the Government, employed by or detailed for duty with the Commission, and for their actual traveling expenses and subsistence at not to exceed $6 per day: *Provided*, That no such official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department or branch where employed plus such reasonable allowance for subsistence expenses as may be deemed proper by the commissioner; for telephone service, purchase of furniture and equipment, stationery and supplies, typewriting, adding, duplicating, and computing machines, their accessories and repairs, books of reference and periodicals, uniforms, maps, reports, documents, plans, specifications, manuscripts, newspapers and all other publications, ice and drinking water for office purposes: *Provided*, That payment for telephone service, rents, subscriptions to newspapers and periodicals, and other similar purposes may be made in advance, for the hire of a passenger-carrying automobile, its maintenance, repair, and operation, for the official use of the commissioner, for printing and binding; for entertainment of distinguished visitors, and all other expenses as may be deemed necessary by the Commission to fulfill properly the purposes of this resolution. All purchases, expenditures, and disbursements, under any appropriations which may be provided by authority of this resolution, shall be made under the direction of the Commission: *Provided*, That the Commission, as hereinbefore stipulated, may delegate these powers and functions to the commissioner, and the commissioner, with the consent of the Commission, may subdelegate them: *And provided further*, That the Commission or its delegated representative may authorize the allotment of funds to any executive department, independent office, or establishment of the Government with the consent of the heads thereof for direct expenditure by said executive department, independent office, or establishment for the purpose of defraying any expenditure which may be incurred by said executive department, independent office, or establishment in executing the duties and functions delegated to said office by the Commission; and all accounts and vouchers covering expenditures under these appropriations shall be approved by the commissioner or such assistants as he may delegate, except for such allotments as may be made to the various executive departments and establishments for direct expenditure; but these provisions shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit or permit any obligations to be incurred in excess of the amount authorized to be appropriated: *Provided*, That in the construction of buildings or exhibits requiring skilled and unskilled labor, the prevailing rate of wages, as provided in the act of March 3, 1931, shall be paid.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 5, line 3, after the word "of", strike out "$350,000", and insert in lieu thereof "$250,000."

Mr. BLANTON. Mr. Chairman, the observation has been made that, after all, the Committee on Appropriations has control of the amount. You ought not put on that committee the duty to curtail improper expenditures. The Committee on Appropriations is nothing in the world but the servant of this House. If you authorize it to appropriate $350,000, it carries out your wishes, because you are directing what you want it to do.

Mr. LUDLOW. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. LUDLOW. Does the gentleman know of an instance when it has ever failed to do so?

Mr. BLANTON. Very seldom; only in very rare instances. If you want to appropriate only $250,000, now is the time to save $100,000 and to tell the committee that you want to save $100,000, because if you limit it the committee cannot appropriate more.

This $350,000 is going to come out of the Treasury. It is tax money that comes out of the pockets of our constituents back home. They are sorely distressed already. Notice what you are providing for in this resolution. I read from section 5:

The commissioner may employ such clerks, stenographers, and other assistants as may be necessary, and fix their reasonable compensation within the grades and rates of compensation fixed by the Classification Act of 1923.

That provides and authorizes salaries up to ten or twelve thousand dollars a year in certain instances because some such are paid under the Classification Act of 1923.

Then, further, I quote from this resolution:

Of this $350,000, of which sum not to exceed the sum of $125,000 "may" be expended for the erection of such building or group of buildings, and/or the rental of such space as the Commission may deem adequate.

That is, this $125,000 does not have to be spent for a building. They do not have to spend a single dollar of it for a building unless they want to. It says they "may" do it within their discretion. Then notice this further—and I read from the bottom of page 5:

For the compensation of the employees of the Commission in the District of Columbia and elsewhere, for the payment of salaries of officers and employees of the Government employed by or detailed for duty with the Commission, and for their actual traveling expenses and subsistence at not to exceed $6 per day.

Here, with people on relief, with people back home who have not had jobs for two and a half years, with their wives and little children hungry, you are providing for this $350,000 gala event out there and providing that these fellows who are sent from Washington shall draw, in addition to their pay, $6 a day for expenses. I wish all of the good people in my district back home could get $6 a day.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BLANTON. In just a moment.

Now, I know a great majority of you colleagues feel that these expositions have to be provided for, notwithstanding depressions and hard times. I know you are going to have this one at San Diego and give money for it. Why do they not do as they did 20 years ago, have their splendid exposition and not call on the Government? Why do they not do as the gentleman from California said Mr. Lorimer advised they should do: "It is fine, but don't make it too big." That is what Mr. Lorimer said: "Don't make it too big."

Now, they are asking for $250,000 from the State of California. Why is it not enough just to match it by the Federal Government? That is what I am asking you to do with this amendment. Let us keep that other $100,000 in the pockets of the taxpayers back home and save $100,000 for them.

Do you know where we are heading for? We are headed for national bankruptcy just as sure as you are listening to the sound of my voice, if we do not stop this eternal needless expenditure of public funds out of the Public Treasury. If we do not stop it, you are going into national bankruptcy.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. EATON. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. EATON. Under this administration only bankruptcy can follow.

Mr. BLANTON. Oh, it started way back yonder in the Harding administration, went through the Coolidge administration with some brakes on, but the brakes were taken off entirely during the Hoover administration, and if we do not stop it we are going right straight into bankruptcy.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I cannot yield; I am sorry. I cannot yield. Naturally we have to vote for needed funds that the administration asks for, and we do it because we have confidence in the President; I know that he has got to furnish some relief; I know that he must provide work if we are to get rid of this dole—and that is what he is trying to do. I vote for the necessary administration propositions, but this

is not an administration matter. The President has not asked us to appropriate this $350,000. Mr. Secretary Hull is the only man in the administration who has spoken, and he says as to the amount, "That is a matter for Congress to determine."

Why, they do not even have authority to invite a foreign country to participate until you pass this resolution. It is section 1 of this resolution which gives them authority to invite foreign countries, and Mr. Secretary Hull says that if you do pass it you can invite only those close by.

Now, we would be in a ridiculous situation to invite, for instance, France, to come over here, a nation which owes us money she will not pay, which owes us a solemn debt of honor but will not pay it. Think of inviting her to come here and have a good time. Or England who has not paid us what she owes. I do not want to invite them over here until they pay their honest debts. [Applause.] I want to see them pay this country. If they have not got the money, I want to see them come up like men and say, "We have not got it, but we owe it and we are going to pay it as soon as we can." Then I would feel like inviting them. I do not want to invite a single foreign country over here for anything until they acknowledge the lawful debts they owe.

I have done my duty; I have offered this amendment. I have tried to save $100,000. I realize full well that I am making a futile fight. There are in all about 16 such proposals to appropriate Federal money for different expositions. Every Member here interested in an exposition will feel that if he does not vote for all of them, he will not be able to get money for the one he is interested in, hence I am afraid there will be very few votes for my amendment. I believe that all of them should rest on their own merit. And I am going to vote accordingly. I am going to vote to save this $100,000.

Just when are we going to stop needless spending of public money? Just when are we going to begin to take care of the United States Treasury? We must make a start some time. I am in dead earnest about it. I feel that it is of such great importance that I am going to make a motion to recommit this bill, to reduce it $100,000, and have a record vote on it, and see just how many Members there are here who are willing to vote to save $100,000. The only way to get a record vote is on a motion to recommit.

Mr. LEA of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is in accordance with the usual practice for the Federal Government to be represented at expositions of this kind. Every citizen of the Republic should desire that when we participate in these enterprises a showing should be made worthy of the Federal Government.

I sympathize with the gentleman from Texas in suggesting that proper regard for economy should be manifested in authorizing appropriations, but I entirely disagree with him as to the wisdom of cutting down this authorization of $350,000.

What is the businesslike method of securing a proper representation of the Federal Government at this exposition? There is no proposal here that the Federal Government shall make any contribution for the general purposes of the fair. The only appropriation is for money to erect the building and provide for and maintain the exhibit of the Federal Government during the exposition. When this matter comes before the members of the Appropriations Committee they should, I think, apply to the Commission appointed to represent the Federal Government and listen to the advice of that Commission as to the amount that is required. That is the sane and businesslike method of deciding the question as to the proper amount to be provided.

In opposing the authorization of money for the participation of the Federal Government in this exposition one gentleman this afternoon referred to neglect or disregard of "suffering humanity." Let us think for a moment. We are just about to appropriate over $4,000,000,000 for the purpose of aiding suffering humanity. One of the general policies that has been followed by this administration is to provide grants of 30 percent of certain classes of large appropriations, to give that much as a free gift by the Government, to provide relief, encourage restoration, and provide employment. Here it is proposed the Federal Government shall appropriate only a fraction of that amount.

The appropriation of this money will contribute to the expenditure of between $5,000,000 and $6,000,000. All we ask is $350,000 that the Federal Government may provide and maintain its own exhibit. If we wanted, therefore, to measure the worth of this appropriation from the standpoint of relief alone it would be just as defensible as any relief measure that has been passed by this House in the last 2 years.

The gentleman from Texas, to whom I referred, I think, in a way, misled or misinterpreted this proposal to the House. There is no suggestion here of any $10,000 jobs. The $6-a-day expense allowance is only what men are paid every day for expenses, and no part thereof is to be paid in excess of their necessary and actual traveling expenses in any case. The commissioners are to be men who are already paid regular salaries by the Government and are to be allowed no additional salaries.

Now, as to the question of San Diego being back here for another appropriation. That will not occur. When San Diego gave the former exposition she received not one dollar for the exposition from the Federal Government. She did not come to the Federal Government asking for any contribution. That exposition paid its own way, outside of the contributions the local people made. Large contributions have already been made for this exposition by the San Diego people. The coming exposition is headed by the experienced and able gentleman who conducted the former exposition, which will insure its success. California is willing for it to be understood that there is no proposal to come back here for any additional appropriation.

This exposition will help the whole country. The gentleman from Texas represents, I should say, one of the States that will benefit most through the passage of this authorization. Why? Because there is a great paved highway that leads from the State of New York to San Diego through the South and the Southwest, and there will be thousands, and perhaps hundreds of thousands of people traveling by machines through the State of Texas which has a broader expanse of territory than any other State of the Union can boast. Outside of California no other State will profit to so marked a degree.

This exposition will prove to be a stimulus to the business of the country. This is a sensible measure to afford relief and recovery.

So whether we judge this bill as providing a proper participation of the Federal Government in a splendid exposition, or as a measure of relief and recovery, it is worthy of the support of every Member of this House.

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentleman from Texas wishes by his amendment to reduce the possible appropriation that would be given to this exposition from $350,000 to $250,000.

The city of San Diego has not in its conduct to the Government been at all niggardly with our Government. In years past the city of San Diego has given more than one-third of its water front to governmental establishments and has asked nothing in return. The city of San Diego has given to the Government a piece of property upon which they built its naval hospital in the same Balboa Park where this exposition will be erected. The city of San Diego has given one of its most valuable pieces of property on Broadway to the Government for a tremendous warehouse, and there are many other items of value that the city of San Diego has given to our Government and has asked not a dollar in return.

I do not understand the logic of the argument that because the State of California has been asked to contribute $250,000, this Nation should not contribute any more than an equal sum. Why, the State of California is nothing more than a one forty-eighth segment of this great Nation. Should not

this Federal Government contribute more than a State to an exposition of this character?

Mr. Chairman, if you deny this contribution on the part of the Federal Government to an international exposition to be held, we will create a precedent the like of which has never occurred in this House where our Government has refused to participate in an exposition of an international character.

It has been suggested that during a time of depression, of want and woe, we should not make expenditures of this character. Mr. Chairman, the Federal Government has gone the limit and will continue to go the limit to do everything possible for those needy souls who have been mentioned here on the floor of the House. Because we are in a depression, should we close up the Museum down here on the Avenue? Because we are in a depression, should we close up the great libraries and institutions of culture? Why, this is the very time that we need these places of mental rest and recreation. We have most need of them during the time of depression, and, if I understand the words of our great President in his several messages to the people of the United States, this is one of the very things that will carry out the purpose of our future plan for a great Nation. One of these purposes is that we shall have spots of recreation, because we expect to have more time of leisure.

So I beseech you not to cut down this appropriation by the adoption of this amendment, because I am reminded of the story of one of my friends, who tried to borrow a small sum of money from a bank. The bank said, "Yes, Mister; you can have all that you ask for except $1,000." The man said, "It does not do me any good to borrow anything, if I cannot borrow the sum I first requested." Of course not.

Do not be niggardly, because the city of San Diego has never been niggardly to this Government or to the State of California. We will never come back and ask for a further contribution, and I consider this one of the great cultural assets of our country.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The Clerk concluded the reading of the joint resolution.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DUFFEY of Ohio, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the resolution (H. J. Res. 94) providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936, authorizing an appropriation therefor, and for other purposes, under the rule, reported the same back to the House with an amendment.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

Mr. BLANTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BLANTON. I am not.

The SPEAKER. Is there any Member opposed to the bill who desires to offer a motion to recommit? If not, the Clerk will report the motion to recommit of the gentleman from Texas [Mr. BLANTON].

The Clerk read as follows:

Mr. BLANTON moves to recommit this resolution to the Committee on Foreign Affairs with instructions that said committee shall report the same back forthwith with the following amendment, to wit:

"On page 5, in line 3, after the word 'of', strike out '$350,000' and insert in lieu thereof '$250,000.'"

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 5, noes 102.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and twenty-eight Members present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 39, nays 307, not voting 86, as follows:

[Roll No. 18]

YEAS—39

Binderup	Fulmer	McFarlane	Terry
Blanton	Halleck	Mitchell, Tenn.	Thom
Carpenter	Hancock, N. C.	O'Malley	Truax
Colmer	Hoffman	Patterson	Turner
Crawford	Hull	Pearson	Vinson, Ky.
Doxey	Jenkins, Ohio	Peterson, Ga.	Whittington
Eagle	Lamneck	Polk	Wolcott
Eicher	Luckey	Sanders, Tex.	Woodruff
Fletcher	Ludlow	Secrest	Young
Ford, Miss.	McClellan	Tarver	

NAYS—307

Adair	Dockweiler	Kniffin	Rich
Allen	Dorsey	Kocialkowski	Richards
Amlie	Doughton	Kopplemann	Richardson
Andresen	Drewry	Kramer	Robertson
Andrew, Mass.	Driscoll	Kvale	Robinson, Utah
Andrews, N. Y.	Driver	Lambertson	Rogers, Mass.
Arends	Duffey, Ohio	Lambeth	Rogers, N. H.
Arnold	Duffy, N. Y.	Lanham	Romjue
Ashbrook	Duncan	Larrabee	Rudd
Ayers	Dunn, Miss.	Lea, Calif.	Russell
Bacharach	Dunn, Pa.	Lemke	Ryan
Bacon	Eaton	Lewis, Colo.	Sabath
Barden	Eckert	Lewis, Md.	Sadowski
Beiter	Edmiston	Lloyd	Sanders, La.
Bell	Ekwall	Lord	Sandlin
Blackney	Ellenbogen	Lucas	Schaefer
Bland	Engel	Lundeen	Schneider
Bloom	Englebright	McCormack	Schuetz
Boehne	Fenerty	McGehee	Schulte
Boileau	Fernandez	McGrath	Scott
Boland	Fiesinger	McGroarty	Sears
Bolton	Fitzpatrick	McKeough	Seger
Brennan	Flannagan	McLaughlin	Shanley
Brewster	Focht	McLean	Shannon
Brooks	Ford, Calif.	McMillan	Short
Brown, Ga.	Frey	McReynolds	Sirovich
Brunner	Fuller	McSwain	Sisson
Buchanan	Gavagan	Maas	Smith, Conn.
Buck	Gehrmann	Mahon	Smith, Va.
Buckbee	Gifford	Maloney	Smith, Wash.
Buckler, Minn.	Gilchrist	Mapes	Smith, W. Va.
Bulwinkle	Gildea	Marcantonio	Snyder
Burch	Gillette	Marshall	Somers, N. Y.
Burnham	Gingery	Martin, Colo.	South
Caldwell	Granfield	Martin, Mass.	Spence
Cannon, Mo.	Gray, Pa.	Maverick	Stack
Cannon, Wis.	Green	May	Starnes
Carden	Greenway	Mead	Steagall
Carlson	Greever	Meeks	Stefan
Carmichael	Gregory	Merritt, Conn.	Stewart
Carter	Griswold	Merritt, N. Y.	Stubbs
Cary	Guyer	Michener	Sullivan
Castellow	Gwynne	Mitchell, Ill.	Sutphin
Cavicchia	Hancock, N. Y.	Monaghan	Sweeney
Christianson	Harlan	Montet	Taber
Church	Hart	Moran	Taylor, Colo.
Citron	Harter	Moritz	Thomas
Clark, Idaho	Healey	Mott	Thomason
Clark, N. C.	Hennings	Murdock	Thompson
Cochran	Hess	Nelson	Thurston
Coffee	Hildebrandt	Nichols	Tinkham
Colden	Hill, Ala.	O'Brien	Tolan
Cole, Md.	Hill, Knute	O'Connell	Tonry
Cole, N. Y.	Hill, Samuel B.	O'Connor	Turpin
Collins	Hoeppel	O'Day	Umstead
Connery	Hollister	O'Leary	Underwood
Cooper, Ohio	Holmes	O'Neal	Utterback
Cooper, Tenn.	Hook	Owen	Vinson, Ga.
Corning	Hope	Palmisano	Wallgren
Costello	Houston	Parks	Walter
Cox	Huddleston	Parsons	Warren
Cravens	Igoe	Patman	Wearin
Crosby	Imhoff	Perkins	Weaver
Cross, Tex.	Jenckes, Ind.	Pfeifer	Welch
Crosser, Ohio	Johnson, Tex.	Pittenger	Werner
Crowe	Jones	Plumley	West
Crowther	Kahn	Powers	Wigglesworth
Culkin	Kee	Quinn	Williams
Cullen	Keller	Rabaut	Wilson, La.
Darden	Kennedy, Md.	Ramsay	Wilson, Pa.
Dear	Kennedy, N. Y.	Ramspeck	Withrow
Deen	Kenney	Randolph	Wolverton
Delaney	Kerr	Rankin	Wood
Dietrich	Kimball	Ransley	Woodrum
Dingell	Kinzer	Reed, Ill.	Zimmerman
Ditter	Kleberg	Reed, N. Y.	Zioncheck
Dobbins	Kloeb	Reilly	

NOT VOTING—86

Bankhead	Dirksen	Hobbs	Pettengill
Beam	Disney	Jacobsen	Peyser
Berlin	Dondero	Johnson, Okla.	Pierce
Biermann	Doutrich	Johnson, W. Va.	Rayburn
Boylan	Evans	Kelly	Reece
Brown, Mich.	Faddis	Knutson	Robsion, Ky.
Buckley, N. Y.	Farley	Lee, Okla.	Rogers, Okla.
Burdick	Ferguson	Lehlbach	Sauthoff
Cartwright	Fish	Lesinski	Scrugham
Casey	Gambrill	McAndrews	Snell
Celler	Gasque	McDuffie	Sumners, Tex.
Chandler	Gassaway	McLeod	Taylor, S. C.
Chapman	Gearhart	Mansfield	Taylor, Tenn.
Claiborne	Goldsborough	Mason	Tobey
Cooley	Goodwin	Massingale	Treadway
Cummings	Gray, Ind.	Millard	Wadsworth
Daly	Greenwood	Miller	Whelchel
Darrow	Haines	Montague	White
Dempsey	Hamlin	Norton	Wilcox
DeRouen	Hartley	Oliver	Wolfenden
Dickstein	Higgins, Conn.	Patton	
Dies	Higgins, Mass.	Peterson, Fla.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Higgins of Massachusetts with Mr. Gearhart.
Mr. Bankhead with Mr. Snell.
Mr. Biermann with Mr. Treadway.
Mr. McAndrews with Mr. Millard.
Mr. Boylan with Mr. Hartley.
Mr. Mansfield with Mr. Goodwin.
Mr. Celler with Mr. Burdick.
Mr. Montague with Mr. Dondero.
Mrs. Norton with Mr. Lehlbach.
Mr. Oliver with Mr. Taylor of Tennessee.
Mr. DeRouen with Mr. Wolfenden.
Mr. Disney with Mr. Reece.
Mr. Rayburn with Mr. McLeod.
Mr. Gasque with Mr. Higgins of Connecticut.
Mr. Sumners of Texas with Mr. Fish.
Mr. Haines with Mr. Knutson.
Mr. Kelly with Mr. Dirksen.
Mr. Greenwood with Mr. Robsion of Kentucky.
Mr. Gambrill with Mr. Tobey.
Mr. Miller with Mr. Sauthoff.
Mr. Cartwright with Mr. Wadsworth.
Mr. Beam with Mr. Patton.
Mr. Chapman with Mr. Evans.
Mr. Dickstein with Mr. Wilcox.
Mr. Taylor of South Carolina with Mr. Jacobsen.
Mr. Gray of Indiana with Mr. White.
Mr. Pierce with Mr. Cummings.
Mr. Scrugham with Mr. Pettengill.
Mr. Johnson of Oklahoma with Mr. Cooley.
Mr. Berlin with Mr. Lee of Oklahoma.
Mr. Buckley of New York with Mr. Mason.
Mr. Peterson of Florida with Mr. Dempsey.
Mr. Claiborne with Mr. Ferguson.
Mr. McDuffie with Mr. Brown of Michigan.
Mr. Faddis with Mr. Gassaway.
Mr. Peyser with Mr. Massingale.
Mr. Johnson of Oklahoma with Mr. Darrow.
Mr. Goldsborough with Mr. Doutrich.
Mr. Dies with Mr. Casey.
Mr. Lesinski with Mr. Chandler.
Mr. Rogers of Oklahoma with Mr. Whelchel.
Mr. Hamlin with Mr. Farley.
Mr. Daly with Mr. Hobbs.

Mr. BLAND changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. McREYNOLDS. Mr. Speaker, the gentleman from Pennsylvania [Mr. MORITZ] had unanimous consent to address the House for 10 minutes after the disposition of the measure just passed. I now desire to ask unanimous consent that instead of proceeding for 10 minutes at this time the gentleman may address the House for 10 minutes tomorrow after the reading of the Journal and the disposition of matters on the Speaker's desk.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the majority leader tell us what the program is to be for tomorrow?

Mr. TAYLOR of Colorado. My hope is we will take up the Private Calendar and finish its consideration tomorrow. There are 55 bills on the calendar, and there will probably be some other bills on the calendar by tomorrow. The rule requiring bills to be on the calendar for 3 days prior to their consideration does not apply to this calendar, and therefore any bill on the calendar tomorrow will be entitled to consideration. I hope all the Members who have bills on this calendar will be present tomorrow.

Mr. MARTIN of Massachusetts. Does not the gentleman think we should restrict the making of speeches until we finish the Private Calendar tomorrow?

Mr. TAYLOR of Colorado. I think that would be entirely proper.

Mr. BLOOM. The gentleman from Pennsylvania had permission to address the House for 10 minutes this afternoon.

Mr. MARTIN of Massachusetts. I shall not object to this particular request.

Mr. CONNERY. Mr. Speaker, reserving the right to object, I should like to ask the majority leader if there is any possibility of the Home Owners' Loan Corporation bill coming up tomorrow?

Mr. TAYLOR. I have heard no suggestion about that at all.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NATIONAL DEFENSE WEAKENS WITH UNEMPLOYMENT—UNEMPLOYMENT NEUROSIS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Speaker, for some weeks the other end of the Capitol has been debating the $4,800,000,000 work relief bill. It is only natural that there should be every safeguard thrown around the spending of this money. It is only natural that the Members of Congress should be interested in the wise expenditure of this apparent large sum of money.

However, it is so easy for all of us to get our attention centered on one item and overlook other items bearing on the same fundamental issues. The other item I have in mind at this time is the item of $12,000,000,000 spent in this Nation every 12 months in the ramification of crime.

In other words, Senator WAGNER reports that the Nation spent this huge sum in 1933 in dealing with crime. That means that every day in the year 1933 we spent $33,000,000 looking after the different avenues of crime. Another way of putting it is that every hour in every day in 1933 the taxpayers of the Nation spent $1,400,000 to care for crime activities.

Still another way of putting it is that the $4,800,000,000 we are going to use to put men back to work is only a little more than one-third of what we will spend the coming year in taking care of the Nation's crime bill. Is it possible that we will halt between these two opinions? Is there any question as to the advisability of using $1 to put men and boys back to work so as to save their health as against spending $3 to cuddle and care for crime activities?

We are spending these millions to control crime because those who have managed and manipulated our municipal, county, State, and National Government for the past 40 or 50 years failed to build a social and economic structure that functions. It is apparent on every side that we slowly drifted toward economic chaos, and in November 1929 we bumped into the Gibraltar that put our economic ship of state on the rocks.

We must admit that those who piloted the ship of state during the last 40 or 50 years failed to vision or see the rock of financial and economic destruction ahead of them. It is said that, like Shylock, the glitter of gold dimmed their vision, and where there is no vision the people perish.

It is easy for us to now see the bad workmanship and the flaws in the old machine that ran amuck in 1929. It is easy to look back and see where the defects were. It is easy to see that during the fat years from 1922 to 1929 how we failed to build our economic structure sufficiently strong to stand the storm. Like the *Macon*, when the cross winds beat upon her structure she crumbled and fell into the briny deep.

Our mission, my friends, is not to consume our energy in complaining about the past, but to build for the future, to build a social and economic fabric that will function in such a way that every man and woman will have an opportunity to work. That must be the mission of every State legislature, that must be the mission of the United States Congress, that must be the mission of all those entrusted with the reins of Government if we hope to perpetuate our sacred institutions.

To fulfill this mission we must enrich our citizenship-building institutions—the home, the church, and the school. We must ever remember that one of two things a nation must always do—pay small sums for the enrichment and upkeep of these institutions or pay large sums to battle crime and build prison walls.

The most alarming situation we have with us in the United States today has just been fully pictured by Dr. Majera, a noted physician. Dr. Majera finds that the unemployment has brought about a plague or a disease known as "neurosis." This disease has gripped millions of our population. He finds that the first phases of the illness resemble neurosenthia and include definite inorganic inferiority, and that treatment just strengthens the patients physically and that they remain mentally depressed and full of self worry. Also those suffering from unemployment neurosis become easy recruits of extremeness, communistic organizations, and gangster bands. Later on a certain percent of this group become murderers and robbers.

It has been observed that dole relief plunges hundreds of thousands of our people into the first stages of this dreadful disease, unemployment neurosis. It has further been found that the largest percent of those affected are young people. Friends, the only way we can keep this dreadful unemployment neurosis from destroying millions of our people physically and mentally is to create immediately a set-up that will put them back to work.

Mr. Speaker, Nero fiddled while Rome burned. We must not sit idly by and watch our fellow men be made victims of a malady that may permanently unfit them for life work. No one who is interested in the future generations wants to see dole relief continued. No one interested in our citizenship-building institutions wants to see dole relief extended to those who are physically able to do a day's work. The story of dole relief down through the ages in every nation, where it has been tried, teaches us that it always brings about disease, plagues, crime, and murder. I mean that those who are physically able to work should be given the opportunity to work, and those who are not physically able should be pensioned or put on charity. No red-blooded man is ready to admit that we cannot create an economic set-up that will give our people an opportunity to work.

If we had thought twice 2 years ago, we would have put 2,000,000 boys and men in the C. C. C. camps instead of 300,000. This dreadful disease of neurosis is not found among the C. C. C boys, neither is it found among those older who have daily work. If we had put 2,000,000 men and boys to work on expanded C. C. C projects, we would not only have saved the Nation billions of dollars in money during the past 2 years but we would have saved the next generation from being victims of the results of the aftermath of this unemployment disease.

Two million men and boys at work means 10,000,000 happy and contented people, because these men and boys come from unemployed homes and come from the ranks of the unemployed, and when they get the $30 a month and send $25 of it back home there is an independence and an attitude of mind present that makes for better citizenship and greater respect for law and order.

Mr. Speaker, I am convinced that the big task before the Congress this very hour is to create a worth-while work program in the Nation that will put our unemployed back to work. Again, I wish to say that I am not in favor of the Government taking over any of the avenues of private business, but rather that the Government should encourage private business, so as to be able to absorb the unemployed men and women in their respective fields of industrial activity. However, until such time it behooves the Government to create a work program, put these boys and men to work, and thus save the millions of unemployed from falling victims of this plague, unemployment neurosis.

OLD-AGE PENSION

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill I introduced today.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOUSTON. Mr. Speaker, let me first say that I do not wish to cast too great an unfavorable light upon the labors of the apparently well-qualified gentlemen who drafted the economic security bill now in committee. However, I feel that title I of this measure, providing for voluntary, noncontributory old-age pensions, is inadequate to meet the need for which it is designed. My reasons for so thinking are based largely upon the following data submitted by the President's Committee on Social and Economic Security:

First. There are about 700,000 people over 65 years of age on F. E. R. A. relief lists. In addition, there is an undetermined number in receipt of public charity, but not on F. E. R. A. lists. All told, the committee states, the number of old people in receipt of public charity is probably in excess of 1,000,000.

Second. Approximately 180,000 old people, most of them over 70 years of age, are now receiving pensions under State laws, the average pension last year being $19.74 per month—over $40,000,000 per year.

Third. Approximately 150,000 aged people are in receipt of industrial and trade-union pensions, the cost of which exceeds $100,000,000 per year—or a little over $60 per month.

Fourth. A conservative estimate is that at least one-half of the approximately 7,500,000 people over 65 years of age are dependent.

These four points have been the subject of much discussion, and it is with each of them in mind that I wish to explain my purpose in introducing H. R. 5700.

First, I believe that the prime object of voluntary, noncontributory old-age pensions should be the elimination insofar as possible of almshouses and the transfer of those aged on relief rolls to pension rolls. This would mean, according to the President's committee, a pension roll which would include over 1,000,000 persons.

In approaching this situation it might be wise to consider that in some sections of the country it may be found desirable to grant pensions as high as $50 per month while less than half of this figure would be considered adequate in other sections. If we strike an average between the present low average of approximately $20 per month paid by States and the maximum of $50 per month which I propose, we arrive at the figure of $35 per month. With 1,000,000 persons receiving such an amount per month the total cost would be $400,000,000 per year, or, on the proposed basis of equal sharing of the burden by State and Federal Governments, $200,000,000 annually for the latter.

Inasmuch as it is quite evident that many State legislatures are in favor of immediate action on old-age pensions, a large proportion of those now on F. E. R. A. relief lists will be transferred to pension rolls shortly following the enactment of Federal legislation, providing such legislation permits quick action. If this be true—and I am convinced that it is true—the immediate appropriation of $50,000,000 provided in title I of H. R. 4142, the administration bill—and the later authorized appropriation of $125,000 annually will be inadequate.

In suggesting the inadequacy of the proposed appropriations I have no desire to see the expenditure in this instance of more Federal funds than is necessary to provide decent housing and subsistence for the destitute aged. With the exception of the much-touted but economically impossible Townsend plan offered by my distinguished colleagues from the utopian land of California, I do not know of any

proposal which contemplates supporting old age in idle luxury. But let us, by all means, do what we can to eliminate the poorhouse and in its place provide a dependable and systematic method allowing those who cannot help themselves and who can turn to no other place but to a humane government, find moderate comfort and happiness in their declining years.

On the other hand, let us not provide pensions of this sort without also evolving means of paying for them without further borrowing on the public credit. A voluntary noncontributory-pension system should not and cannot depend for revenue upon a compulsory, contributary system which is based upon sound actuarial standards. No, we must make this thing pay its own way. Permanent revenues must be found to establish a permanent pension system.

It is natural that we all hesitate to suggest new taxation, but someone, at some time, must pay the bills—and I believe that if the burdens carried by present generations are lightened by social legislation, future generations should not be forced to carry additional burdens for which they will not be responsible and of which they cannot divest themselves.

Despite the objections with which my revenue-raising proposal will inevitably be greeted, I believe that the manufacturers' excise tax provided for in H. R. 5700 is also inevitable. Although I favor the use of nuisance taxes of diverse kinds in an emergency, favor equitable income taxes of all kinds, including income from the at present tax-exempt securities, and am in accord with increasing of inheritance and gift taxes, I could not conscientiously propose that an additional $200,000,000 per year be derived from increasing any of these.

The manufacturers' excise tax should be in addition to any other tax now imposed and should be levied against any and all manufactured articles of whatever shape, size, or description, with the industry classifications for the census of manufactures, 1933, as a guide for assessments.

It is impossible to accurately determine the ultimate dollar volume of sales of all manufactured products. The f. o. b. factory value of all such articles in 1933 was about $31,000,000,000. A 1-percent tax, therefore, could reasonably be expected to produce upward of $350,000,000 per year, allowing little more than a 4-percent increase in dollar volume between producer and ultimate consumer.

Under the provisions of H. R. 5700, the President may change the rate of taxation so as to secure revenue in as near as possible the exact amount needed to provide funds for pensions. The bill calls for a 1-percent tax, but this amount could be reduced immediately to one-half of 1 percent and graduated upward as the need arose. Provision is also made for the exemption of very low-priced articles.

The proposed means for collecting this tax is, I believe, the most simple and effective which could be devised. It would not require an army of inspectors and the amount of the tax is so low for the average unit sale that collusion between seller and purchaser is unlikely.

In short, Mr. Speaker, it is my earnest desire that adequate revenue be provided for whatever expenditures are to be made under a permanent plan of this character. This is not emergency legislation.

AMERICAN TRADITIONS

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a statement made by myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TINKHAM. Mr. Speaker, in 1917 the international bankers, alien interests, and alien-minded Americans forced the United States to enter the World War, thereby abandoning its tradition of neutrality, which was its fundamental protection and immunity from war. Since then the United States has lost the character of its political institutions and has become an impoverished Nation.

The roots of nearly all of the present troubles of the United States go back to this abandonment of the American traditions of neutrality and of nonparticipation in the political affairs of Europe.

During the last 19 months the United States more than the rest of the world has suffered catastrophic fluctuations and further protracted impoverishment.

Some idea of this further protracted impoverishment may be obtained from the following tabulation.

Country	Increase in national debt since 1929	August 1934 industrial activity compared with 1929 monthly averages
	Percent	*Percent*
Sweden	27.2	101.8
Great Britain	2.6	98.7
Germany	38.8	86.2
Canada	22.6	78.3
France	10.3	69.8
Belgium	11.6	68.7
Poland	3.8	62.2
United States	60.0	62.0

This tabulation shows that by comparison with other important countries the United States, since 1929, has shown the greatest increase in its Federal debt and has made the least progress toward recovery. The data on debt are obtained from official sources and the indices of industrial activity are those recently compiled by the League of Nations.

The discrepancy between the United States and other important nations is made more apparent by the following data of increase in industrial production from the low point in each country, as reported by the League of Nations:

Industrial production

Country:	*Percent increase*
Canada	63.8
Sweden	51.2
Germany	49.4
Belgium	37.8
Poland	33.3
Great Britain	26.4
United States	25.8
France	5.5

As additional evidence of the further impoverishment of the United States are the two following impressive facts recently reported by the Federal Emergency Relief Administration: (1) That there were approximately 17,000,000 persons "on relief" in September of 1934 as compared with 13,338,000 persons in September of 1933, an increase of 3,662,000 persons, and (2) that during September of 1934, $143,000,000 of public funds were spent to support those "on relief", as compared with $59,000,000 in September of 1933, an increase of $84,000,000.

Another evidence of this further impoverishment of the United States are the unemployment figures for October of 1934, as compared with the unemployment figures for October of 1933. According to a report of the American Federation of Labor, in October of 1933 there were 10,122,000 unemployed; in October of 1934, 10,671,000, an increase of 549,000 persons.

These figures would seem to indicate a distribution of poverty rather than a redistribution of wealth.

Thus, the United States, having abandoned its neutrality and mingled in the political affairs of Europe, is becoming, like the countries of Europe, a pauperized nation.

A MOMENTOUS DECISION OF THE INDIANA SUPREME COURT

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, as a newspaper man, consecrated to my profession through more than 40 years of service, jealous of all encroachments on its legitimate activities, I feel a genuine thrill of pride when I refer to a decision handed down recently by the Supreme Court of Indiana which in sum and substance is an epochal vindication of the freedom of the press.

Through the gracious kindness of my colleagues of the House of Representatives, I am conceded the privilege of inserting this decision in the CONGRESSIONAL RECORD, where posterity may behold it and time will not efface it.

Don M. Nixon, of Wabash, Ind., was a fighting Hoosier editor. He was a Republican in politics but when it came to the hard but dutiful task of exposing errors, misconduct, and corruption in the public service his spear knew no brother. He upheld what he believed to be right and condemned what he conceived to be wrong, always standing for what he thought was the public interest. He was aggressive, dynamic, militant, and absolutely fearless, a colorful crusader for righteousness.

A judge appointed a village garage mechanic as receiver for a million dollar trust company. Editor Nixon did not think it was a fit appointment. In trenchant language he criticized the judge's act. He was cited for contempt. On the morning he was sentenced a crowd of townspeople and farmers overflowed the courthouse and corridors, including many who had lost their savings in the trust company and who showed by mutterings and sullen silence that they were on the side of the editor. He was fined $100 and sentenced to 10 days in jail.

There was nothing malicious about Don Nixon, but he never quit fighting when convinced that his cause was righteous. He appealed his case to the Indiana Appellate Court. By this time the Nixon contempt case had become a casus celebre. The issue of freedom of the press had become identified with it in a big way. Metropolitan newspapers sent their correspondents to Indianapolis to report the proceedings before the appellate court. John Boettinger, who has since become the President's son-in-law, went down from Chicago to report the trial for the Tribune. The appellate court sustained the contempt decree of the lower court.

Don Nixon, still fighting, appealed his case to the Supreme Court of Indiana and carried to that highest of all tribunals in our State his plea for the liberty of the press that is the very bulwark of free government.

On January 9 last, James P. Hughes, the dignified, able chief justice, handed down the unanimous decision of the Indiana Supreme Court. That decision already has taken its place among the imperishable documents of a free people. In these times, when the newspapers are having their battles with N. R. A., and when administrative and judicial officials are none too mindful of the constitutional guaranty of free speech, the decision of the Indiana Supreme Court looms forth as a magna carta of the press. In clarity, force, and conciseness, the court's decree is without a parallel.

It says:

> The right to comment freely and criticize the action, opinions, and judgment of courts is of primary importance to the public generally. Not only is it good for the public but it has a salutary effect on courts and judges as well.
>
> Courts and judges are not, and should not be, above criticism, and as long as they are not impeded in the conduct of judicial business by publications having the effect of obstructing enforcement of their orders and judgments, or of impairing the justice and impartiality of verdicts, there is no right to enforce a contempt proceeding.

That decision has been praised from ocean to ocean by all the distinguished men of journalism, by the outstanding exponents of our ancient philosophy which we inherited from the founding fathers, and by the paladins of American ideals in every walk of life.

The tragedy of it all is that Editor Nixon did not live to witness the vindication that came to him so generously. Exactly 70 days before the court handed down its decision he died as the result of an auto-truck crash that fractured his skull.

Throughout the years to come every encroachment on the right of newspapers to criticize public officials will awaken reverberations of the gallant fight Don Nixon made in Indiana for freedom of the press, and the decision of the Indiana Supreme Court will be the restraining voice that will say to the courts:

> Thus far mayest thou go, but no farther.

There has been in modern times only one other piece of judicial literature that in any way resembles the decree of the Indiana Supreme Court in this case, and that was the dissenting opinion of Oliver Wendell Holmes, of the United States Supreme Court, in the case of Rosika Schwimmer, when the venerable jurist said:

> Some of her answers might excite public prejudice, but if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate.

LINCOLN-DAY TRIBUTE

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered by myself at a Lincoln Day banquet in Portland, Maine, on Lincoln's Birthday.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

> We are met here tonight to do honor to the first Republican President, and to revivify our belief in the principles of the Republican Party, a party conceived of liberty and freedom, and born of the principle that every man, regardless of race, color, or creed, is imbued with a God-given, inalienable right of freedom of thought and action in his lawful pursuits with freedom of the right to think, act, and live normally and without any more restraint by Government than is necessary to compel respect of the rights of others to live in like manner.
>
> The Republican Party was organized primarily as a protest against the oppression of a race of people who had been retained in subjugation by the policies adhered to by the forbears of the present Democratic Party. This was recognized to be against all moral law. Great reforms were necessary not only to free these people from enslavement, but to rid the Union of certain other correlated but no less pernicious institutions which if allowed to continue would have nullified the pure intent of the founders of the Nation " to form a more perfect union, to establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."
>
> Under the leadership of Abraham Lincoln the Republican Party saved the Union; it emancipated, not only the colored race from physical enslavement, but all of our people from the constant threat of disintegration of the Nation contained in the insidious policies of the Democratic Party.
>
> We are again called upon to safeguard the American people against similar pernicious policies of the present administration. American business, industry, agriculture, and finance must be freed from economic bondage, and it is only through a readoption by the people of the policies of the Republican Party that this can be brought about. After every Democratic administration the Republican Party has been called back into power to rebuild the Nation upon the ruins resulting from the devastating and destructive experiments of a party which has proven itself incapable, in at least three instances, of maintaining a Government " of the people, by the people, and for the people."
>
> It was intended by the framers of our Constitution that the Federal Government should be made up of three distinct but related branches—the executive, legislative, and judicial. Although it is always expected that the prerogatives of these departments will overlap in some respects, it was never intended that the definitely established constitutional functions of these departments should be delegated.
>
> We have seldom seen an attempt on the part of the judiciary to usurp the prerogatives of the legislative or executive branches of the Government. There has never been any attempt on the part of the legislative branch of the Government to usurp any of the prerogatives or powers of the judiciary or executive branches, but in the last 2 years we have been visited with the paradox of the executive branch of the country, although disclaiming any attempt at usurpation of power and prerogatives of the legislative branch, doing so with the utmost disregard of the rights of citizens to be secured in a representative form of government. Lincoln met the Nation's greatest emergency by holding fast to the Constitution; the present administration is attempting to meet an economic emergency by ignoring the Constitution and has suffered rebuke from the Supreme Court in doing so.
>
> How different the administrations of Abraham Lincoln and Franklin D. Roosevelt! During the Lincoln administration this great progenitor of the Republican Party sought the advice of his political enemies as well as his personal and political friends. He surrounded himself with men of divergent interests and opinions, in order that he might be apprised at all times of the cross currents of public opinion and thought. He felt it his duty as a Chief Executive to coordinate these opinions, and when he enunciated a policy or made a recommendation to Congress it was done after careful consideration had been given to the reaction on the public mind and whether in keeping with the Constitution.

In this manner he gave full credence to the debates in Congress, because he realized that to do otherwise would deprive our citizens of the right to true representative government. As a consequence, he enjoyed the respect of his political enemies as well as his political friends.

In order that a republican form of government may be maintained under a Constitution such as ours, it is essential that the Chief Executive always maintain himself in a position of neutrality until complete information on the subject is obtained, and when he once comes to a conclusion it must be so definite in character as to leave no doubt in the minds of the people as to what his policy will henceforth be on that particular question. Lincoln did this.

Unlike Lincoln, the present Chief Executive has insisted that he be surrounded by "brain trusters" and bureaucrats who would divest themselves of all personal initiative in the advocacy of policies and the expression of personal opinions. He has insisted that the Congress of the United States, instead of being useful to him in the promulgation of his policies, follow the letter of his personal unbalanced conclusions without regard to the integrity of the Constitution and without regard to the people of the Nation who can be heard, as a result, only through the voice of Congress. He has flexed the Constitution to bring it within the scope of his own endeavors instead of subserviating his personal will to the Constitution, as Lincoln and all his predecessors have done. When criticized for it, the answer of administration leaders has been, "We cannot eat the Constitution." The rebuttal of Republicans has been, "True, but we have eaten under the Constitution for 146 years." While on one hand he has preached the doctrine of relief for the forgotten man, for the small merchant, and the farmer, he has insisted that the Congress scuttle its right to give consideration to legislation in behalf of these same individuals whom he has been so vociferous in protecting, and, with autocracy as his watchword, has destroyed representative government. There has been set up in its stead an autocratic oligarchy of supermen not responsible to any constituency, but responsible only to the will of the Executive.

This administration has taken advantage of the plight in which the American people found themselves due to a world-wide depression to foist upon them the same pernicious policies from which the Republican Party has protected our people since its origin in 1854. Our fight has just started. In substantiation of the charges which I have made and the necessity for continuing the fight for a restoration of a Republican form of government, let us, as Al Smith would say, "Look at the record." During the last 2 years this has been a record of destruction of American tenets and principles; it has been a record of inconsistencies; it has been a record of paradoxes the like of which has been unknown in the history of any organized government. Let us review some of these paradoxes:

While we are spending millions to effect crop reduction, we are, at the same time, appropriating other millions to irrigate land and make it available for the production of new farm surpluses; while we are paying the farmer to produce less, we are encouraging larger production by the circulation of Government periodicals advising the farmer how he may grow two stalks of grain where only one grew before. While private employers were importuned to raise salaries to increase purchasing power, the Government was decreasing wages paid the large army of Government employees and was making slashing reductions in the amounts paid to veterans to compensate them for loss of earning power due to service-connected disabilities.

While attacking the Republican tariff policy, which was designed to maintain the American market for Americans, and while they contended that the reduction in our foreign trade resulted from the Smoot-Hawley Tariff Act, they have put tariffs on coal, copper, and oil, not included in that act, and they have adopted such an elastic foreign policy that much antagonism has arisen on the part of foreign countries, which has caused a steady decrease in the value and volume of our exports. While boasting that under the policies of the "new deal" millions have been put back to work, at the same time giving recognition to the fact that the need for relief is greater now than at any time during the 2 years of the Roosevelt depression, by the insistence that $4,800,000,000 be appropriated to carry this load. While the administration has been most vociferous in its advocacy of a sound currency to be preserved at all hazards, it cannot resist the temptation to follow its natural bent of constantly experimenting with monetary panaceas, even to the extent of adopting a sort of bimetallic base for our currency, without recognition of the fact that no major country in the world has had a bimetallic standard for the past 70 years.

While they have been dramatic in their insistence that the national credit be maintained by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, they have by the reckless expenditure of taxpayers' money built up the largest Government debt in the history of the United States, from a sum of about $21,000,000,000 when the administration took office, to a sum now exceeding $30,000,000,000, and with an anticipated increase of another $7,000,000,000 within the next 2 years.

While dealing with the subject of paradoxes, I charge, without any equivocation, that the Democratic Party has broken faith with the people of the Nation. If further proof of this is required, let us turn for a moment to the platform of the Democratic Party adopted at Chicago in 1932. It is interesting to read the platform of the party now in power, in the light of what has happened since the inauguration of 2 years ago. In that platform the Democratic Party solemnly state:

"We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe."

And then follows,

"We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government * * *."

In his acceptance speech at Chicago, following his nomination, President Roosevelt said that he stood four-square on the Democratic platform in this and all other respects. In further confirmation of his stand with respect to this particular part of the Democratic platform, President Roosevelt, at Topeka, Kans., on September 14, 1932, said, as follows:

"I propose to exert through the Presidency, as I have done through the governorship, every bit of influence I can in favor of a national movement to reorganize local government in the direction of eliminating a large part of the tax burden that now bears so heavily on the farmers of the Nation."

And again, in the same respect, he is quoted by the press as saying:

"By our example at Washington itself we shall have the opportunity of pointing the way of economy to local government * * *."

He then goes on to distribute tax dollars between the local, State, and Federal Governments, and concludes by saying:

"I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent, and that the example be set by the President of the United States and his Cabinet."

Instead of this, as I have pointed out, the costs of Government have arisen to the extent that we find ourselves in the position where there are only two alternatives, that of liquidation of our debt by pernicious and destructive inflation of the currency or by confiscatory taxation, which is equally destructive of business and property.

In his speeches before the election Mr. Roosevelt laments the fact that the tax burden is equivalent to $125 per year per person. The per capita burden of Federal taxes has increased during the 2 years of his administration from about $170 to about $250. Using Mr. Roosevelt's own words:

"This is an impossible economic condition. Quite apart from every man's own tax assessment, that burden is a brake on any return to normal business activity. Taxes are paid in the sweat of every man who labors, because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain."

And again:

"Let us have the courage to stop borrowing to meet continued deficits. Stop the deficits. And let us also have the courage to reverse the policies of Republican leaders and insist on a sound currency."

The inconsistency of the stand taken by the administration in reduction of governmental taxes is noted in the adoption of a 3-point program given by the administration to the press last Saturday, February 9, 1935, which includes among other things a high tax system, clothed in the garb of another experiment on the part of the administration to increase the velocity of money turned over in this manner. I presume this to be a concession to the "leftists" of the Democratic Party, who advocate a redistribution of the wealth of the country. If so, it is truly a wolf in sheep's clothing.

Let us turn again to the covenant of the Democratic Party, in which they contract with the American people further, as follows:

"We advocate a competitive tariff for revenue with a fact-finding Tariff Commission free from Executive interference."

It is a long way from this covenant to the Democratic tariff act passed at the last session of Congress, which enables the President of the United States to raise or lower the tariffs 50 percent without even a hearing before himself or any other fact-finding body. The Republican Party has always kept its covenant with the American people to protect its agriculture and industry by a tariff high enough to prevent foreign competition resulting in the destruction of our home markets. Mr. Roosevelt recognizes in a speech at Baltimore on October 25, 1932, the necessity for a protective tariff on agricultural commodities, wherein he says:

"Of course, it is absurd to talk of lowering tariff duties on farm products. I declared that all prosperity, in the broader sense, springs from the soil. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture, and raising the price of farm products. I know of no excessive duties on farm products. I do not intend that any duties necessary to protect the farmer shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

It was undoubtedly because of this covenant that many of the farmers of the United States voted for this administration in 1932.

What has happened since? By the contrary policies adopted by the administration in the Democratic-controlled Congress our foreign markets are being lost to the American farmer. The administration has not kept this covenant with the American farmer. With respect to tariffs, let us cite one example: The President,

by Executive order under the authority of the tariff act, has increased the preferential on sugar coming in from Cuba by 1.1 cents per pound. He has reduced the world tariff rate on sugar one-half cent per pound. This sugar comes in direct competition with a sugar industry worth many millions of dollars to the American farmer. It will enable the owners of the Cuban sugar industry to market their quota of sugar for the year 1935, $59,424,672 less than the year 1933. The action of the President was predicated upon a desire to increase the purchasing power of the Cuban people. The Cuban sugar industry is not owned by the Cuban people and has resulted in benefit to no one but those United States bankers who have large investments in Cuba, and it has increased by a like amount the money which the taxpayers of the Nation must raise to pay the operating expenses of the Federal Government.

And again the Democratic Party provides for "the removal of Government from all fields of private enterprise except where necessary to develop public works and natural resources in the common interest." It is not necessary to dwell at length upon the different activities of the present administration to bring the Government into direct competition with private enterprise. There has been such a socialization of American business as to make the followers of Marxism green with envy.

By again referring to the platform of the Democratic Party, we learn with amazement that they condemn the improper and excessive use of money in political activities. You Republicans here in Maine do not need to be reminded of the effective use made of the Federal Treasury in garnering votes at the last election for the Democratic Party. And in Washington today a movement is on foot to augment the resources of the Federal Treasury by the sum of $4,800,000,000 which may be used as a political war chest for the 1936 elections. These breaches of faith and demagogeries on the part of the Democratic Party may be justified by the advocates of socialism, facisism, Hitlerism, or communism. There is no place for them in Americanism. Let us take heed, and in revivifying our faith in Republican doctrines and policies, not lose sight of the fact that it is our duty to prevent the use of Federal funds for the destruction of an American form of government.

The present Democratic administration is indicted at the bar of popular opinion because it has not kept the covenant; because it has broken faith; because of its manipulation of the currency; because by a sectional attitude it has given to some sections of the country the advantages of cheap power not enjoyed by others; because it has launched upon a continuing program of experimentation and trial-and-error prescription for our economic ills; because it has not established a definite policy with respect to its attitude toward business and agriculture and maintained it long enough for business and agriculture to readjust itself to the new order of things; because of its failure to make an honest endeavor to approach a balancing of the Budget; because of its attempts at the centralization of governmental power and functions, reaching out, as it does, to control agriculture, business, industry, finance, and credit. It is charged with impairing the confidence of our people, not only in the policies of the administration, but in government itself. The Democrats cannot answer the charge that this lack of confidence is the result of difficulties except of their own making. "Lack of confidence is not the result of difficulties; difficulties come from lack of confidence." Shades of Lincoln! He is with us tonight and his spirit is telling us that as Republicans, ever solicitous of the Government for which he died, we must take up the torch of patriotism, of honesty, and intelligence, and warn the American people that unless we keep the faith, unless we again are put in a position where we can pilot the destinies of the Nation to a safe and sane port, the Union will disintegrate—in truth, crumble—its people will again return to a bondage and economic enslavement 10 times worse than physical servitude. This will result in another and even greater civil conflict, fought this time for the purpose of regaining the virtues of a republican form of government, of which we are fast becoming divested.

Is this an exaggeration? Then study the history of the French inflation preceding the French Revolution. Seek for the parallels of that era with those which we are now experiencing. First, deflation; next, unemployment; then charges of inadequate cash currency circulation; then artificial means of producing credit resulting in a topheavy credit structure controlled by the Government; then fear and panic; then further demands for more currency and the issuance of assignats; then seeming prosperity—everybody buying and buying—further flights from the franc, everybody turning their francs into commodities, shortage of labor, finally, saturation point, fear, unemployment in a high commodity market, and then revolution.

We do not need more cash currency to bring us out of this depression. The volume of cash currency does not control our economic life. It has little or no relationship to the price or turnover of commodities until it is issued in such huge quantities as to cause the people to become afraid of it, with a resultant desire to get rid of it, and then it is turned into commodities which usually causes the first reaction in the price index.

We do need in times like these an acceleration of the velocity of credit and credit currency. Agriculture and business improve only as our credit currency increases in velocity. Credit currency turns over only when there is a demand for expansion of business enterprise and farm commodities. There is a demand for expansion of business enterprise and farm commodities only when there is a market with the ability to buy. There is an expansion of all enterprise and attending market for the products of those enterprises only when there is confidence in the stability of the currency upon which the credit structure is built. A wheel within a wheel you say. True, no doubt; but an economic wheel which is at present on dead center and which can be put in motion only by overbalancing one side or the other; most effectively put in motion by creating a demand for credit which is now available. This demand depends chiefly upon the assurance which business and agriculture have that their profits will not be confiscated by the Government by wild monetary policies or by confiscatory taxation resulting from an unbalanced Budget and the charges attendant upon the carrying or retirement of a tremendously huge Government debt. There is little demand for loans against the more than $1,800,000,000 of excess reserves in the Federal Reserve System, due to lack of confidence; out of $300,000,000 made available as loans by the Reconstruction Finance Corporation a year ago (an act designed by Congress to increase the velocity of credit) less than $37,000,000 has been taken up by business because of the uncertainty which prevails as to the future economic policies of the administration.

Assure business and agriculture against these destructive forces, protect the American market against the importation of cheaply manufactured products and farm produce, a market which consumes more than 93 percent of the output of our plants and farms; assure the American merchant, manufacturer, and farmer that he will not have to meet the competition of government in business, and we will have a surprisingly rapid recovery. Allow business to meet business in open and fair competition, devoid of monopolies created by the Government, and business will create its own markets as it has always done with the help, but not in spite, of the Government. Remove from the President the power to put any business out of business by the reduction of the tariff on things which that business makes or grows, and we remove that fear of cheap foreign competition from business and agriculture and allow that business to normally expand. People are put back to work. They can buy the products of our farms. Our farmers can then buy the products of our factories, and shortly we find that by the application of sound, good, old-fashioned commonsense principles to business and agriculture the welfare load has been lifted, our people are no longer in want for the necessities and luxuries of life, and America is the place Lincoln would have it be.

A land of contented, well-educated, well-nourished, happy people. In summary, to bring this about we must insist with all the power at our command, as a party representing 46 percent of the voters of this Nation, that the administration remove the uncertainty and lack of confidence which now exists by enunciating and adhering to definite and honest-intentioned policies which will result in, first, the stabilization of our currency; second, the withdrawal by the Government from the competitive field of honestly conducted private business and industry; third, the reduction of its bureaucratic expenditures, and insistence upon an honestly balanced Budget; and lastly, that it safeguard, by adequate tariffs and embargoes, if necessary, our domestic market.

REFINANCING OF FARM MORTGAGES

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include a resolution passed by the Legislature of the State of Nebraska.

The SPEAKER. Is there objection?

There was no objection.

Mr. BINDERUP. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following resolution relating to remedial legislation for refinancing farm mortgages, passed by the Legislature of the State of Nebraska:

STATE OF NEBRASKA,
HOUSE OF REPRESENTATIVES,
Lincoln, February 9, 1935.

Hon. C. G. BINDERUP,
United States Congressman, Washington, D. C.

DEAR CONGRESSMAN: Find enclosed a copy of a resolution unanimously adopted by the Nebraska House of Representatives memorializing Congress to issue $3,500,000,000 in Federal Reserve notes to lift the mortgage on the old homestead. Nebraska has ever taken the lead during the past half century for currency reform in this Nation; nearly 5 decades has passed down through the corridors of time since William Jennings Bryan unfurled the banner of free silver.

Twenty-three years ago Senator Hitchcock led the fight in the United States Senate for the creation of the Federal Reserve bank, out of which we now ask the issuance of this currency to pay the mortgages on the farms of America. I believe that this program would be sound, for the reason that this currency is backed by the best security in the world, the food-producing farm lands of America.

Federal Reserve Bank System was used to finance the World War, billions of which has gone to Europe—never to return. It was used by the gamblers to drive the stock markets up in the days when we kept cool with "Cal"; and if the administration of Mr. Harding had not deflated this currency in 1921 to the detriment of the agricultural West, the farmer of today would not be in the predicament he is in. The real farmers of America want this Democratic administration now in power at Washington to forget about the N. R. A., A. A. A., and the rest of the alphabetical

bureaucracy now undermining the very foundation stones of our Government, and lead on for real currency reform. May we hope that Nebraska will again take this lead?

As a Democrat I represent Colfax County in the Nebraska House and trying to do my part to lead on for a good old Jefferson and Jacksonian democracy.

Yours very truly,

OTTO C. WEBER,
Forty-third District, Colfax County.

Resolution memorializing the Congress of the United States of America to enact remedial legislation for refinancing of farm mortgages

Whereas the farmers of the agricultural regions of the United States are financially disabled; and

Whereas many farm lands are heavily mortgaged and the farmers are hopelessly in debt and many will eventually lose their farms unless relief is given; and

Whereas the prosperity of the United States and its people are dependent upon the well-being of the farmer and his ability to purchase; and

Whereas the gateway to prosperity is the gateway leading from the golden fields of the great agricultural region of the Middle West; and

Whereas the farmer and his dependents cannot and will not spend while attempting to carry a heavy load of indebtedness; and

Whereas the prosperity of the agricultural regions of this country means the prosperity of the whole country, since the purchase of any machinery and any equipment as well as clothing and food will create such a demand that factories would reopen and employ more people; and

Whereas inflation would tend to enable the debtors to get out of debt and to make the whole country more prosperous, as it has done many times before in this country and is now doing in England and other countries; and

Whereas a mild inflation has helped the United States regain its properity on numerous occasions and is now helping England and other countries to regain prosperity: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth legislative session assembled—

1. That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such remedial legislation as will provide for refinancing through the Federal farm-loan banks of the whole farm-mortgage debt at an annual interest rate of 1½ percent and an annual amortization charge of 1½ percent of the principal, with balance to be paid in not less than 10 nor more than 20 years; that the funds for this operation shall be obtained through issuance of some $3,500,000,000 in Federal Reserve notes.

2. That a copy of this resolution, properly authenticated and suitably engrossed, be transmitted to the President of the United States, the Clerk of the House of Representatives of the United States, the Secretary of the Senate of the United States, and to each of the Congressmen elected in the State of Nebraska, and that our Congressmen and Senators be urged to use their best offices to prosecute the enactment of such legislation as will accomplish the purposes of this resolution.

THE NEW HOMESTEADER

Mr. RANDOLPH. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD, and to include therein a letter addressed to a constituent of mine.

Mr. MARTIN of Massachusetts. Who is the letter from?

Mr. RANDOLPH. It is a letter to a constituent of mine.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, on Monday afternoon of this week the first family moved into one of the recently constructed houses on the Tygart Valley subsistence homestead. This Federal project is located in my home county of Randolph.

Frank J. Swecker, with his wife and one daughter, occupied for the first time their new home on that date. Mr. Swecker formerly was a woodsman, being at one time employed by the West Virginia Pulp & Paper Co.

His case is typical of hundreds of timber workers who have been taken out of an industry which once flourished in the mountains of West Virginia, but is now almost finished. Throughout the hills there are scores upon scores of deserted lumber villages. Such stranded populations have become a serious economic problem, and I commend the attention of all Members of Congress to the possibilities for rehabilitation under the homestead movement.

At this project other families are preparing to move in their houses as speedily as possible. I believe that this administration should do everything possible to hasten the decentralization of industry and population.

Herewith is a copy of the letter written to Mr. Swecker upon the occasion of his moving in:

FEBRUARY 14, 1935.

Mr. FRANK J. SWECKER,
Tygart Valley Homestead, Elkins, W. Va.

MY DEAR MR. SWECKER: It has been brought to my attention today that you and your family are now occupying your new home at the Tygart Valley Homestead. I wish to congratulate you as the first of these new homesteaders who will become the residents of this project in Randolph County.

You and your fellow homesteaders have not only a splendid opportunity for a life of new usefulness, but as workers in a new movement you have a responsibility as well. As you till the soil, rear your family, and receive part-time work in industry, may rich blessings attend you. This entire homestead program, I hope, will be filled with far-reaching beneficial results.

Faithfully yours,

JENNINGS RANDOLPH.

CONSTITUTIONAL GOVERNMENT

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHORT. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech of Representative HAMILTON FISH, Jr., at the annual Lincoln Day banquet of the Republican organizations of the State of Missouri, Colonial Hotel, Springfield, Mo., Tuesday evening, February 12, 1935:

I know of no issue that is more appropriate to discuss on Lincoln's birthday than the betrayal of representative and constitutional government by the Congress at the arrogant demands of Franklin D. Roosevelt, President of the United States. It is the most important issue before the American people, and will probably be, together with unemployment and the destruction of business confidence, the main issue in the next Presidential campaign.

The House of Representatives voted practically to abdicate its legislative powers by granting the President $4,880,000,000 without qualification or limitation. The control of the purse strings is the main reason for the existence of the Congress, and when the Congress voted to strip itself naked of its legislative powers it left its Members with no more clothing than Ghandi. The President of the United States, the Democrats admit, was the author of this disgraceful bill, and it was only on his urgent request that the very lifeblood of Congress—the control of appropriations—was turned over to him, and the constitutional liberties of the people entrusted to Congress by the founders of the Republic, and representative government itself was smashed.

The autocrat in the White House sponsored this vicious and un-American action, backed by the "brain trust" and others who do not believe in our representative form of government. They cannot dodge the responsibility for forcing through Congress, under a gag rule and by whip and spur, this legislation—an abomination of desolation. The American people were mesmerized by the Hauptmann trial and do not yet know the facts. I call upon the Republican Party to fight this infamous and unconstitutional surrender of the legislative powers of Congress to an alleged superman in the White House. I call upon the Republicans not to cease in their efforts to restore representative and constitutional government to the American people. I call upon the Republicans to present a united front to oppose every attempt to weaken or destroy representative government and to establish a dictatorial government similar to fascism, Hitlerism, communism, and every other alien "ism" except Americanism.

The shades of the famous Americans who lived in or came from the great pioneer State of Missouri, Thomas H. Benton, Frank Blair, close friend of Lincoln, Edward Bates, Attorney General in Lincoln's Cabinet, General Grant, General Sherman, and Speaker Champ Clark. The voice of former Senator James Reed is still a clarion call on fundamental Americanism. The shades of men famous in history who fought for the principles of parliamentary control over the purse strings, of John Hampden in England, Mirabeau in France, and James Otis and Patrick Henry in our own country. Why the principle of taxation without representation was the cause of the Revolutionary War.

A representative government divided against itself cannot exist. The government of our Nation cannot endure half autocratic and dictatorial and half free and constitutional. I do not expect the Government of the United States to fall, but I do expect that government by Executive orders subversive of the Constitution will be ended and that representative government under the Constitution will be restored and that constitutional government will cease to be divided.

It was a dark and evil day when the Democrats, driven like a lot of sheep in Congress, voted to destroy the foundation stones of the separate powers of the Federal Government, and helped set up some new form of government, whether fascism or Hitlerism of the right, or socialism or communism of the left—whatever it is, it is not Americanism. It is the duty of the Congress to legislate and of the President to execute the laws.

Has the flame of liberty burned so low that Members of Congress will sacrifice and betray their own constitutional rights and those of their constituents at the bidding of the White House? The new dealers must assume the responsibility for deliberately changing our form of government and giving uncontrolled power into

the hands of a superman or a benevolent despot. We Republicans and followers of Abraham Lincoln do not believe that our free institutions have failed and that it is necessary to set up an autocratic and dictatorial government. The Democrats in Congress have by their votes acted like rubber stamps and shown an incapacity and incompetence to legislate intelligently and within the bounds of reason and moderation. Every Jeffersonian Democrat who voted for this legislative monstrosity, hamstringing Congress, should be opposed in his own primaries.

The people back home never gave their approval or consent to a change in our form of government. Senator COUZENS said that the man or men who wrote the bill as it reached the House ought to be shot. This is pretty harsh treatment, but I submit that at least they should be deported to Italy, Germany, or Soviet Russia, where free institutions and democratic governments have been abolished.

No administration in the history of our country has done more in the short space of 2 years to undermine our representative system of government, impair constitutional authority, and change our form of government without the consent of the governed. A subservient, cowardly, and partisan Congress has placed vast autocratic powers in the hands of President Roosevelt and his "brain trust."

No Republican has a better right than I to denounce the usurpation of legislative powers by the President, and the gradual creation of an autocratic and dictatorial form of government without the approval of the American people, but upon the advice and instigation of the "brain trust." In the early days of the administration I not only voted in Congress to give the President temporary emergency powers to help solve the unemployment situation but actually defended the President from the charge of wishing dictatorial authority. I voted for the N. R. A. as a temporary and voluntary measure. I had no idea that it would become permanent and compulsory, or that the Blue Eagle would become a Soviet vulture backed by coercion, spies, enforcement agents, and jail sentences. The N. R. A. has hampered and harassed industry by its drastic regulations and ukases and all but strangled the small business man. Business confidence has steadily evaporated.

The time has come to scrap the unworkable codes, if not the entire N. R. A., and retain only the minimum wages and maximum hours and the child-labor provisions.

Whom the gods would destroy, they first make mad. President Roosevelt is obsessed with the idea of power—no longer emergency or temporary power, but permanent, autocratic, and dictatorial. It is a tragic development in his character and imperils not only his administration but the well-being of the people and the stability of the country. He is apparently guided by the maxim that "He shall take who has the power, and he shall keep who can." Already overburdened with work and garbed with vast autocratic powers which he has to delegate to his favorites or radical appointees, often not even Democrats, he is ever grasping for more.

The party of Abraham Lincoln and Theodore Roosevelt, standing for popular government, however, cannot and will not be silent while fundamental American principles and the very framework of our representative system of government are being undermined and gradually destroyed by the President, the "brain trust", and other near socialists at Washington.

There has been a great deal of talk to the effect that the Republican Party should liberalize and humanize its policies. Some people have said that this should be done by the national committee. The record of the Republican Party will be formulated, shaped, and made by the votes of the Republican Members of the House of Representatives and the Republican Senators, and not by the Republican National Committee.

The Democratic Members of the House, at the opening day of the session, destroyed the rule to discharge committees of legislation which was the very essence and cornerstone of liberalism. Liberalism in Congress means the right to govern yourself, to think, to act, and to vote for yourself as an elected representative of the people back home. Liberalism is the extension of democracy, the right of the people to govern themselves, which was the fundamental political faith of Abraham Lincoln.

The Democrats' discharge rule is an utterly reactionary, fraudulent, unworkable gag rule and a political trick aimed to prevent consideration on the floor of legislation in the interest of the plain people, who Lincoln said God must have loved, because he made so many of them, which does not have the consent or blessing of the President and the "brain trust." All but a handful of Republicans voted against the obnoxious and reactionary gag rule.

Let us stop all the reactionary propaganda within the Republican Party about repealing direct primary laws, blocking child-labor measures, and opposing social-security legislation. The unmistakable mandate of the last election is that the Republican Party must humanize and liberalize its policies and leadership and make a direct appeal to the younger element by giving them real representation in our party councils.

The old guard, reactionary, ultra-conservative element of our party, met their Waterloo on November 6. A liberalized Republican Party is a political necessity forced by events, economic conditions, and the times, and not a meaningless death-bed repentance. The only chance for the Republican Party is to come out openly for progressive and liberal principles within the compass of the Federal Constitution, steering clear of socialism, communism, Government ownership, regimentation, collectivism, and a huge superbureaucracy at Washington. Our appeal must be made equally to Jeffersonian Democrats and Abraham Lincoln Republicans to uphold and defend popular government and the fundamental American principles of government advocated by both Jefferson and Lincoln.

There is no party today to speak for Jeffersonian principles except a liberalized Republican Party that will not compromise with the unsound, socialistic, and other destructive features of the new deal.

For well over a hundred years Jeffersonian Democrats have battled for their principles until the advent of this administration. Jeffersonian Democrats for all these years have boldly proclaimed their political creed, which stood for the rights and liberties of the individual citizen under the Constitution, for economy, for State rights, and against the concentration of powers in the Federal Government to interfere with either the rights of private business or the liberties of the individual. Abraham Lincoln once said he had obtained all of his political principles from Thomas Jefferson and the Declaration of Independence. The first two Republican platforms quote the Declaration of Independence.

Let us reaffirm our faith in the early principles of the Republican Party when it stood squarely for human rights as being superior to property rights and, as Lincoln said, "Labor is prior to capital." Let us build a bridge so that millions of deceived, disgruntled, and disgusted Jeffersonian Democrats may cross over to a liberalized Republican Party and help elect a Republican President in 1936 and restore representative government to the people.

The Republican Party was founded as a progressive party, and lip loyalty will be of no avail at the present time. What is needed is the loyalty of heart by application of the principles of Abraham Lincoln to the living issues of today. Lincoln was a progressive as compared to Buchanan but compared to John Brown and Wendell Phillips, a conservative.

The Republican Party today must be progressive as compared to the reactionary and ultra-conservative viewpoint of the recent past, but as compared to Franklin D. Roosevelt, the "brain trust", and Marxism it must be conservative, particularly on the fundamental principles of government and the Constitution.

The Republican Party must come out squarely for a parity for farm prices, which is impossible under the N. R. A., and insist on an equilibrium between the products of the farm, the factory, and the mines. We cannot have a prosperous America without fair prices for our agricultural products, and prosperous American farms depend on the cost of production plus a reasonable profit to the farmer.

There can be no prosperity for the farmer or wage earner until sound principles and common sense prevail in Government. The way the Democratic Party is proceeding to squander the resources of the Nation and trying to borrow its way out of the depression, there will be no return to prosperity until a Republican President is elected. And that will be in 1936, just as soon as the people wake up to the facts and have an opportunity to register their will regardless of relief work or the governmental pay rolls.

The Democratic administration has no policy except borrowing, more borrowing, and still more borrowing, leading straight to chaos, ruinous inflation, and bankruptcy. In another year the interest charges alone on the national debt will amount to well over a billion dollars and will consume over one-third of our revenue. The day of reckoning is inevitable, and approaching rapidly. The President, however, continues to smile, even if the ship of state is headed for the financial and economic rocks, and, like the French King, Louis XIV, says, "I am the state. After me the deluge."

That is small satisfaction for the American people and for the oncoming generations that must carry the burden of taxation and pay the bill for the devastating failures and experiments of the all-ambitious President and his "brain trust."

We have entered into an era of nostrums and cure-alls, enlivened by governmental day dreamers, economic magicians, business wand waivers, industrial snake charmers, agricultural rabbit producers, and free-trade crystal gazers. This new development is the natural consequence of an administration that has brought to Washington inexperienced and visionary professors and radicals of all kinds and description who care nothing for the experience and wisdom of the past that has made for the greatness of our country, but seek to perform new experiments and operations regardless of the cost to the Federal Treasury, the economic stability of the country, and the gigantic burden to the Federal taxpayers. This is what the "brain trust" has done to us. Now every quack doctor in the country, counting billions like millions, rushes in to outdo the "brain trust" to solve the depression by spending more money and lifting the American people up by their bootstraps.

There never was a time when the sound policies of the Republican Party were more needed in America than today before the "brain trust" and quack medicines have destroyed the economic lifeblood of the American people and caused a collapse of credit, ruinous inflation, governmental bankruptcy, and thrown millions more of industrious and loyal Americans out of work.

The tragedy of the present economic situation is that every day since last May unemployment has been increasing, so that today there are 12,000,000 unemployed, or more than 2,000,000 more unemployed, according to the American Federation of Labor, than there were a year ago. The fact is that after 2 years of socialistic experiments and unsound new-deal measures, business confidence has been destroyed and 12,000,000 American wage earners are walking the streets or depending on charity or doles.

I indict the Democratic administration on its record for the past year as the greatest failure in American history. I charge it with having destroyed business confidence, squandered American resources, and with impairment of the national credit. I accuse it

of having imposed unsound, unworkable, and socialistic measures upon the Nation that have increased the cost of living, impoverished the American people, and increased unemployment. I denounce it for undermining our free institutions, turning the Constitution into a scrap of paper, and changing our representative form of government, without the approval or consent of the American people, into an autocratic and dictatorial form of government.

I condemn it as having no economic policy except to pile debt upon debt by borrowing, more borrowing, and still more borrowing, without any thought of balancing the Budget or of the inevitable day of reckoning and collapse of credit and bankruptcy of the Government.

New-deal prosperity apparently means the country out of business and both the Democratic Party and the Government in business. It means debts, deficits, taxation, borrowing, unbalanced Budget, confidence destroyed, and American labor unemployed. The various departments of the new deal are honeycombed with radicals, Socialists, and near-Communists, and contributors to communism for the purpose of instigating strikes, riots, sabotage, industrial unrest, and to promote class hatred and teach hatred of the American flag.

Excessive taxation, Government competition, an unstable currency, and harrassing legislation has put a stop to industrial progress and private enterprise. Ask the man on the street, the worker in the shop, the mechanic, the clerk, or the physician if he has more money in the bank than he had 3 years ago. The hospitals, the public libraries, the art galleries, and educational institutions, most of which have been largely built by the generosity of private individuals, are becoming things of the past. The stream cannot rise higher than its source, so it is with the financial stream when the Government dries it up.

I believe in the American industrial system, based on private initiative and reasonable profit, which has made for the wealth and the greatness of our country and for the well-being of our wage earners, which are the freest on earth.

The Republican Party believes in the sanctity of private contracts and private property and is opposed to the extension of Government ownership. The attitude of the Republicans toward private property is the same today as it was in 1864, when Lincoln wrote the following words before the Workingman's Association in New York:

"Let not him who is houseless pull down the house of another but let him work diligently and build one for himself, and thus for example assure that his own shall be safe from violence when built."

The Democratic Party, President Roosevelt, and Secretary of State Cordell Hull, a free trader and an advocate of the League of Nations, are determined and obsessed with the idea of forcing the United States to become involved and entangled in foreign intrigues and controversies. The Republican Party believes that America should avoid all foreign entanglements, stop passing moral judgments on other nations, keep out of all foreign boundary disputes and ancient blood feuds, refuse to police the world and, above all, mind its own business.

We have plenty of problems to solve at home, which require our best efforts and undivided attention.

Secretary Hull has only one economic policy, and that is to break down the protective principle that has made our wage earners the best paid, the best housed, the best clothed, the best fed and most contented in the world. The American standard of wages and of living are of little consequence to this confirmed free trader, provided he can put into effect his visionary ideas to break down world economic barriers. All that he can possibly accomplish will be to permit competition from the underpaid labor of Europe and Japan, particularly the latter, paid less than 20 cents a day, to the detriment of free American labor.

The Democratic Party proposes, by Executive order, to enter into bargaining tariffs which will soon result in the destruction of the economic supremacy of the United States and in putting millions of more loyal Americans out of work for the benefit of European and Japanese labor. The protective-tariff system, since the days of Lincoln, has built up our industries in all our western cities, such as St. Louis, Chicago, and Kansas City. The attitude of the President imperils the welfare of our workingmen. American labor declines to compete with the poorly paid and cheap labor of Europe or Asia or the forced labor of Soviet Russia.

Senator NYE, a Republican Senator from North Dakota, is to be commended for his investigation of the traffic in munitions of war. The United States must not become the potential slaughterhouse of the world or the symbol for arms and munitions, backed by the dollar sign. I am in favor of taking the profit out of war by control of all munitions plants and through the drafting of wealth, industry, labor, and man power in event of war. If we must ever have another war, it must be in defense of America and not in defense of war profiteers and munitions makers.

Speaking in the great State of Missouri, I would be derelict if I did not refer to the Americans of German origin who are among our most industrious and loyal citizens and have done so much to build up our country. Under Sigel and Carl Schurz they supported Lincoln and fought for the preservation of the Union. The greatness and prosperity of St. Louis, Chicago, Milwaukee, and St. Paul is due in large measure to the thrift and honest industry of the German population. Americans of German descent all over the United States are forces for good citizenship and a bulwark against communism and those who would destroy our American institutions.

The Republican Party for 80 years has stood for equal opportunity and equal rights for all, and, with Lincoln, that no man should be discriminated against on account of race, color, or creed. It was Lincoln the Emancipator who, by a stroke of his pen, made effective that essential principle of the Declaration of Independence which reads: "All men are created equal and are endowed by their Creator with certain inalienable rights, namely, life, liberty, and the pursuit of happiness." He found the colored men and women chattels and he left them with human souls as free American citizens.

Having served as an officer in a colored volunteer regiment, from New York, on the battlefields of France, and as one who is proud of their valor, I call on the colored citizens of Missouri and the Middle West not to desert the party of Lincoln for a mess of pottage or doles to the Democratic Party that stood for slavery, the auction block, the chain gang, and that does nothing now to prevent lynching and disfranchisement in the South.

The Republicans must oppose all unsound legislation, wild experiments, and advocates of Marxism. I have an abiding faith in the future and destiny of America. I have an abiding faith in the intelligence, judgment, and patriotism of the American people. They may be temporarily led astray by false leaders, but they will never depart for long from the principles upon which our Government was established by Washington, preserved by Lincoln and the Republican Party, and under its leadership and such courageous Americans as Theodore Roosevelt has become the greatest Nation on earth.

I did not come out here to outline a party platform, but I suggest the return to responsible party government on a sound, liberal, constructive Republican platform, conservative on the fundamentals of government such as the Constitution, Bill of Rights, and legislative powers of Congress, and forward looking in its treatment of new economic conditions in the interest of both the American farmer and laborer. Both the farmer and laborer should receive a greater share in the profits of their labor under a modified system of capitalism.

The Republican Party can well afford, when in doubt, to go back to the plain people of Abraham Lincoln and learn from them. The common sense of the American people, who in peace create wealth and in war carry the muskets of the Republic, is an infallible guide. It was the source of Abraham Lincoln's wisdom. He said, "I have faith in the people. Let them know the truth and the country is safe."

Abraham Lincoln belongs to the Nation, and to the world, as one of its greatest characters, but we must not forget the indisputable fact that he was part and parcel of the Republican Party and the foremost expounder of its principles and doctrines. He was the undisputed leader of the party as he is the soul of the Republican Party today. The name of Lincoln signifies to every American schoolboy that the humblest in origin and wealth can rise to the heights of earthly power and renown through his own efforts.

The Republican Party today needs leadership of the type, character, and ideals of Abraham Lincoln. Let us infuse the spirit of Lincoln and Theodore Roosevelt into a liberalized and humanized Republican Party. Let us invoke the faith in the people that Lincoln loved and the faith of Theodore Roosevelt in popular government, and a square deal for the American people as the guide and cornerstone for the rebirth of a militant Republican Party. Let us refuse to compromise with false doctrines, unsound socialistic measures, or with any form of alien dictatorship, or the undermining of the Constitution of the United States, which Lincoln believed was the whole law and the prophet of free government.

Let the Republicans, in the words of Lincoln, have faith that right makes might, and in that faith let us dare to do our duty as we understand it and to highly resolve that a nation conceived in liberty and a government of the people, by the people, and for the people shall not perish from this earth. Let us neither ask for any quarter nor give any quarter, but go forward without fear or favor for the preservation of American institutions on a sound, liberal, and militant Republican platform to victory in 1936, and the election of a Republican Congress and a Republican President.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOBBS, at the request of Mr. HILL of Alabama, for 1 day, on account of important business.

To Mr. OLIVER, at the request of Mr. HILL of Alabama, for 1 day, on account of death of a friend.

To Mr. TAYLOR of Tennessee, for 5 days, on account of important business.

To Mr. JOHNSON of West Virginia, at the request of Mr. KEE, for an indefinite period, on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free high-

way bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho;

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.;

H. R. 3018. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.;

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.; and

H. R. 4018. An act to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States;

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 44 minutes p. m.), the House adjourned until tomorrow, Friday, February 15, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

217. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

218. A letter from the Federal Home Loan Bank Board, transmitting the second annual report of the Board covering operations for the year 1934, (a) of the Federal Home Loan banks, (b) the Home Owners' Loan Corporation, (c) the Federal Savings and Loan Division, and (d) the Federal Savings and Loan Insurance Corporation from organization to December 31, 1934 (H. Doc. No. 31); to the Committee on Banking and Currency and ordered to be printed, with illustration.

219. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1935, for the Department of Agriculture, for salaries and expenses (fighting and preventing forest fires), Forest Service, amounting to $2,348,000 (H. Doc. No. 98); to the Committee on Appropriations and ordered to be printed.

220. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, under the Architect of the Capitol, for the fiscal year 1936 in the sum of $121,940 (H. Doc. No. 99); to the Committee on Appropriations and ordered to be printed.

221. A letter from the Federal Power Commission, transmitting a preliminary report covering the charges for electricity to domestic and residential consumers in cities having a population of 50,000 or more; to the Committee on Interstate and Foreign Commerce.

222. A letter from the Secretary of Commerce, transmitting report of an accumulation of documents and files of papers in the Department of Commerce which are not needed nor useful in the transaction of current business; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. House Joint Resolution 135. Joint resolution authorizing and directing the Federal Communications Commission to investigate and report on the American Telephone & Telegraph Co. and on all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all companies related to any of these companies through a holding-company structure, or otherwise; without amendment (Rept. No. 144). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H. R. 5444. A bill to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; without amendment (Rept. No. 145). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 3982. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; with amendment (Rept. No. 146). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 4527. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.; with amendment (Rept. No. 147). Referred to the House Calendar.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. S. 1190. An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes; with amendment (Rept. No. 148). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 607. A bill for the relief of Florence Overly; with amendment (Rept. No. 123). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 760. A bill for the relief of John L. Hoffman; without amendment (Rept. No. 124). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 805. A bill for the relief of Luther M. Turpin and Amanda Turpin; without amendment (Rept. No. 125). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 918. A bill for the relief of Flensburger Dampfercompagnie; with amendment (Rept. No. 126). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 923. A bill for the relief of Theresa M. Shea; with amendment (Rept. No. 127). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 928. A bill to authorize the Comptroller General of the United States to settle and adjust the claim of the George A. Fuller Co.; with amendment (Rept. No. 128). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 967. A bill for the relief of General Warehousing Co.; with amendment (Rept. No. 129). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 968. A bill for the relief of James P. Spelman: with

amendment (Rept. No. 130). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1030. A bill for the relief of Arthur Smith; with amendment (Rept. No. 131). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1032. A bill for the relief of Joe G. Baker; with amendment (Rept. No. 132). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1291. A bill for the relief of the Muncy Valley Private Hospital; with amendment (Rept. No. 133). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1487. A bill for the relief of H. A. Taylor; with amendment (Rept. No. 134). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1488. A bill for the relief of Rose Burke; with amendment (Rept. No. 135). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1492. A bill for the relief of Harbor Springs, Mich.; without amendment (Rept. No. 136). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1550. A bill for the relief of Douglas B. Espy; with amendment (Rept. No. 137). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1609. A bill for the relief of R. A. Williams; with amendment (Rept. No. 138). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1771. A bill for the relief of Pauline Fornabaio; with amendment (Rept. No. 139). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1830. A bill for the relief of Julia Santiago; with amendment (Rept. No. 140). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1912. A bill for the relief of William J. Ryan, chaplain, United States Army; with amendment (Rept. No. 141). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1962. A bill for the relief of Albert H. Jacobson; without amendment (Rept. No. 142). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1965. A bill for the relief of William E. Fossett; with amendment (Rept. No. 143). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 4366) granting a pension to Estella May Duckworth and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 5693) to authorize the erection of a United States veterans' hospital in the State of Illinois; to the Committee on World War Veterans' Legislation.

By Mr. BURNHAM: A bill (H. R. 5694) adding a new section to the Reconstruction Finance Corporation Act approved January 22, 1932, as amended (Public, No. 2, 72d Cong.), to authorize loans and the purchase of bonds or other obligations to aid in the refunding, refinancing, or retiring of the outstanding indebtedness of unincorporated tax or special assessment districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. CLARK of Idaho (by request): A bill (H. R. 5695) to amend the act of March 1, 1879, chapter 125 (20 Stat. 351), as amended by the act of March 3, 1883, chapter 121, section 1 (22 Stat. 488), and for other purposes; to the Committee on Ways and Means.

By Mr. DEMPSEY: A bill (H. R. 5696) to authorize the Secretary of the Interior to provide, by agreement with Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for maintenance and operation on newly reclaimed Pueblo Indian lands in the Rio Grande Valley, N. Mex., reclaimed under previous act of Congress, and authorizing an annual appropriation to pay the cost thereof for a period of not to exceed 5 years; to the Committee on Indian Affairs.

By Mr. DOXEY: A bill (H. R. 5697) to amend the Emergency Farm Mortgage Act of 1933 and amendments thereto; to the Committee on Agriculture.

Also, a bill (H. R. 5698) for the erection of a public building at Charleston, Tallahatchie County, Miss.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5699) to add certain lands to the Pisgah National Forest in the State of North Carolina; to the Committee on Agriculture.

By Mr. HOUSTON: A bill (H. R. 5700) to eliminate the hazards of destitute old age, direct the creation of a systematic method of establishing old-age pensions, to raise revenue, and for other purposes; to the Committee on Ways and Means.

By Mrs. JENCKES of Indiana: A bill (H. R. 5701) granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near La Fayette, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES: A bill (H. R. 5702) to provide for research into basic laws and principles relating to agriculture; to the Committee on Agriculture.

By Mr. KELLER: A bill (H. R. 5703) to provide for the printing and distribution of Government publications to the National Archives Establishment; to the Committee on Printing.

By Mr. NICHOLS: A bill (H. R. 5704) providing for an additional judge for the eastern district of Oklahoma; to the Committee on the Judiciary.

By Mr. BLAND: A bill (H. R. 5705) to require certain documents of vessels not wholly owned by citizens of the United States and navigated in the territorial waters of the United States, its Territories or its possessions, to regulate vessels engaged in the fisheries, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CLAIBORNE: A bill (H. R. 5706) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 5707) to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs, and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding $100,000; to the Committee on the Territories.

Also, a bill (H. R. 5708) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes; to the Committee on Mines and Mining.

By Mr. DOXEY: A bill (H. R. 5709) for the erection of a public building at New Albany, Union County, Miss.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5710) for the erection of a public building at Ripley, Tippah County, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. ELLENBOGEN: A bill (H. R. 5711) to provide pensions for the needy blind persons of the District of Columbia, and authorizing appropriations therefor; to the Committee on the District of Columbia.

By Mr. FERGUSON: A bill (H. R. 5712) to provide for the prevention of soil erosion, for control of floods, for irrigation, for organizing and constructing hydroelectric plants, for building dams and reservoirs, for marketing electrical energy to States, counties, municipalities, corporations, and individuals, for the establishment of recreational centers and parks in all areas drained by the Arkansas River and its tributaries, which will include areas in the States of New Mexico, Colorado, Oklahoma, Texas, Arkansas, and Missouri, and for other beneficial purposes; to the Committee on Flood Control.

By Mr. GEHRMANN: A bill (H. R. 5713) to amend the postal laws relating to the appointment of acting postmasters; to the Committee on the Post Office and Post Roads.

By Mr. JENKINS of Ohio: A bill (H. R. 5714) to exempt pensions from Federal income taxation; to the Committee on Ways and Means.

By Mr. JOHNSON of Texas: A bill (H. R. 5715) to exempt a limited quantity of cotton produced by small producers from the cotton-ginning tax under the Cotton Act of 1934, to authorize transfers or assignments of exemption certificates under such act outside the county, to provide for the payment of compensation to operators of cotton gins who incur additional expenses by reason of the operation of such act, and for other purposes; to the Committee on Agriculture.

By Mr. LAMNECK: A bill (H. R. 5716) to amend subsection (d) of section 116 of an act entitled "An act to provide revenue, equalize taxation, and for other purposes", approved May 10, 1934, being the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. LARRABEE: A bill (H. R. 5717) to amend an act entitled "An act to provide for the fifteenth and subsequent decennial censuses, and to provide for apportionment of Representatives in Congress", approved June 18, 1929; to the Committee on the Census.

Also, a bill (H. R. 5718) to provide for a census of unemployment, employment, occupations, and population, and for other purposes; to the Committee on the Census.

By Mr. LEE of Oklahoma: A bill (H. R. 5719) to provide for the cooperation by the Federal Government with the several States and Territories in equalizing the benefits of public education; to the Committee on Education.

By Mr. McSWAIN (by request): A bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

Also (by request), a bill (H. R. 5721) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games; to the Committee on Military Affairs.

By Mr. MONTAGUE: A bill (H. R. 5722) to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia; to the Committee on the Public Lands.

By Mr. SWEENEY: A bill (H. R. 5723) to give certain railway postal clerks the same time credits for promotion purposes as were given others who were promoted on July 1 when automatic promotions were restored; to the Committee on the Post Office and Post Roads.

By Mr. THOMPSON: A bill (H. R. 5724) to authorize naval and Marine Corps service of Army officers to be included in computing dates of retirement; to the Committee on Military Affairs.

By Mr. TINKHAM: A bill (H. R. 5725) to provide for registration of persons employed to advocate or oppose legislative measures and to regulate the method of such advocacy or opposition; to the Committee on the Judiciary.

By Mr. ZIMMERMAN: A bill (H. R. 5726) to fix the staple length of exempt cotton at 1¼ inches and longer; to the Committee on Agriculture.

By Mrs. NORTON: A bill (H. R. 5727) to regulate the hours of employment of women employed in the District of Columbia; to the Committee on the District of Columbia.

By Mr. PIERCE: A bill (H. R. 5728) to prohibit the use of the mails for the taking of a straw vote; to the Committee on the Post Office and Post Roads.

By Mr. VINSON of Georgia: A bill (H. R. 5729) to amend the act entitled "An act to provide additional pay for personnel of the United States Navy assigned to duty on submarines and to diving duty" to include officers assigned to duty at submarine training tanks and diving units, and for other purposes"; to the Committee on Naval Affairs.

Also, a bill (H. R. 5730) to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington, February 6, 1922, and at London, April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels, and for other purposes", approved March 27, 1934; to the Committee on Naval Affairs.

Also, a bill (H. R. 5731) to amend in certain particulars the act approved February 28, 1925, entitled "An act to provide for the creation, organization, administration, and maintenance of a Naval Reserve and a Marine Corps Reserve", as amended, and for other purposes; to the Committee on Naval Affairs.

By Mr. KELLER: A bill (H. R. 5732) to authorize an increase in the annual appropriation for books for the adult blind; to the Committee on the Library.

By Mr. MITCHELL of Illinois: A bill (H. R. 5733) to create an industrial commission on Negro affairs; to the Committee on the Judiciary.

By Mr. MAVERICK: A bill (H. R. 5734) repealing section 701 of the Revenue Act of 1926, and remitting the special excise tax therein provided and all penalties and interest which may have been heretofore incurred by reason of the failure to pay said excise tax; to the Committee on Ways and Means.

By Mr. BIERMANN: A bill (H. R. 5735) providing for the labeling, marking, and tagging of all boots and shoes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 5736) for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States; to the Committee on the Civil Service.

By Mr. McMILLAN: A bill (H. R. 5737) to extend the benefits of the World War Adjusted Compensation Act to provisional officers whose commissions did not become permanent, and who are otherwise eligible under the act; to the Committee on Ways and Means.

By Mr. WEARIN: Resolution (H. Res. 110) for the appointment of a select committee of the House to investigate the *Macon* disaster and the advisability of constructing additional ships of similar type; to the Committee on Rules.

By Mr. COX: Resolution (H. Res. 111) requesting certain information from the Secretary of the Treasury pertaining to the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. WARREN: Resolution (H. Res. 112) to pay to Malvina Beckett, widow of William C. Beckett, 6 months' compensation, and not to exceed $250 funeral expenses; to the Committee on Accounts.

By Mr. DOXEY: Joint Resolution (H. J. Res. 165) to lower the tariff; to the Committee on Ways and Means.

By Mr. DIMOND: Joint Resolution (H. J. Res. 166) authorizing a preliminary examination or survey of Unalaska Harbor, Alaska; to the Committee on Rivers and Harbors.

By Mr. LUDLOW: Joint Resolution (H. J. Res. 167) proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use in time of war; to the Committee on the Judiciary.

By Mr. McSWAIN: Joint Resolution (H. J. Res. 168) to set up a national defense committee to study and report

on national defense generally; to the Committee on Military Affairs.

By Mr. WITHROW: Joint Resolution (H. J. Res. 169) directing the Federal Trade Commission to investigate and report to the Senate and to the House of Representatives the cause or causes for the high prices of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: Joint resolution (H. J. Res. 170) temporarily suspending tariff duties in certain cases; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, supporting the Lemke bill; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Georgia, regarding the construction of a road through the Okefenokee Swamp to the Florida line; to the Committee on Roads.

Also, memorial of the Legislature of the State of North Dakota, regarding the furnishing of aid to school districts; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 5738) granting an increase of pension to Mary R. Schreiber; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 5739) granting a pension to Agnes Metcalf; to the Committee on Invalid Pensions.

By Mr. AYERS: A bill (H. R. 5740) for the relief of May C. Jacobson; to the Committee on Claims.

By Mr. BEITER: A bill (H. R. 5741) for the relief of William F. Caplick; to the Committee on Military Affairs.

Also, a bill (H. R. 5742) for the relief of William T. Reese; to the Committee on Naval Affairs.

Also, a bill (H. R. 5743) for the relief of Robert D. Doherty; to the Committee on Naval Affairs.

By Mr. BROWN of Georgia: A bill (H. R. 5744) to authorize the award of the Congressional Medal of Honor to Tom Silver; to the Committee on Military Affairs.

By Mr. BRUNNER: A bill (H. R. 5745) for the relief of Antonnette Kara; to the Committee on War Claims.

By Mr. BUCHANAN: A bill (H. R. 5746) to authorize the removal of the bar of the statute of limitations with respect to certain taxes paid by Milton Kasch; to the Committee on Claims.

By Mr. CARMICHAEL: A bill (H. R. 5747) for the relief of Gordon McGee; to the Committee on Military Affairs.

Also, a bill (H. R. 5748) for the relief of J. S. Smith and J. W. Smith, a firm doing business under the name of J. G. Smith & Sons, of Mount Hope, Lawrence County, Ala.; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 5749) for the relief of Mrs. MacDermott Meggitt; to the Committee on Claims.

By Mr. COLE of Maryland: A bill (H. R. 5750) for the relief of Mary Brown Raley; to the Committee on Claims.

By Mr. COSTELLO: A bill (H. R. 5751) granting the Distinguished Service Cross to Col. John A. Lockwood, United States Army, retired; to the Committee on Military Affairs.

By Mr. DIMOND: A bill (H. R. 5752) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, as amended, to the dependent beneficiaries of Dr. Frank W. Lamb; to the Committee on Claims.

Also, a bill (H. R. 5753) for the relief of Edith H. Miller; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 5754) for the relief of Emma M. Pearson; to the Committee on Claims.

By Mr. DOUTRICH: A bill (H. R. 5755) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Joseph A. Rudy; to the Committee on Claims.

Also, a bill (H. R. 5756) granting an increase of pension to Margaret J. Rinehart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5757) for the relief of Charles C. Kerns; to the Committee on the Civil Service.

By Mr. FLETCHER: A bill (H. R. 5758) granting an increase of pension to Susan C. Palmer; to the Committee on Invalid Pensions.

By Mr. GAMBRILL: A bill (H. R. 5759) for the relief of Marie B. Neale; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 5760) granting an increase of pension to Barbara Weber; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 5761) granting an increase of pension to Drusilla Barnhart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5762) authorizing the President to present, in the name of Congress, a medal of honor to Dr. George E. Holtzapple; to the Committee on the Library.

By Mr. HOOK: A bill (H. R. 5763) for the relief of John Morris; to the Committee on Claims.

Also, a bill (H. R. 5764) to compensate the Grand View Hospital and Dr. A. J. O'Brien; to the Committee on Claims.

By Mr. KELLY: A bill (H. R. 5765) granting a pension to Anna C. Moore; to the Committee on Pensions.

By Mr. KENNEY: A bill (H. R. 5766) granting compensation to Raymond F. Smith; to the Committee on Claims.

By Mr. KNIFFIN: A bill (H. R. 5767) for the relief of Budd M. Clymer; to the Committee on World War Veterans' Legislation.

By Mr. LEA of California: A bill (H. R. 5768) for the relief of Peter Haan; to the Committee on Military Affairs.

By Mr. LEE of Oklahoma: A bill (H. R. 5769) granting an increase of pension to Alma H. Aultman; to the Committee on Pensions.

Also, a bill (H. R. 5770) for the relief of Samuel Marion Hann; to the Committee on Naval Affairs.

By Mr. MONTAGUE: A bill (H. R. 5771) for the relief of Flora Jacobs, administratrix of the estate of A. L. Jacobs, deceased; to the Committee on Claims.

Also, a bill (H. R. 5772) for the relief of Raphael Levy; to the Committee on Claims.

By Mr. MOTT: A bill (H. R. 5773) to authorize a preliminary examination of Coquille River and its tributaries in the State of Oregon with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 5774) to authorize a preliminary examination of Rogue River and its tributaries in the State of Oregon with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 5775) to authorize a preliminary examination of the Siuslaw River and its tributaries, in the State of Oregon, with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 5776) to authorize a preliminary examination of Yaquina River and its tributaries, in the State of Oregon, with a view to the control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 5777) to authorize a preliminary examination of Siletz River and its tributaries, in the State of Oregon, with a view to the control of its floods; to the Committee on Flood Control.

By Mrs. NORTON: A bill (H. R. 5778) to authorize the General Accounting Office to allow credit in the accounts of J. R. Lusby, disbursing officer of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. O'BRIEN: A bill (H. R. 5779) for the relief of Edward DeForest King; to the Committee on Naval Affairs.

By Mr. O'LEARY: A bill (H. R. 5780) for the relief of Edward C. Burke; to the Committee on Claims.

Also, a bill (H. R. 5781) for the relief of the widow and next of kin of James J. Curran; to the Committee on Claims.

By Mr. O'MALLEY: A bill (H. R. 5782) providing for the advancement in rank of Frederick L. Caudle on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. PETERSON of Georgia: A bill (H. R. 5783) for the relief of Homer H. Adams; to the Committee on Claims.

By Mr. RICHARDS: A bill (H. R. 5784) granting a pension to William L. Dickerson; to the Committee on Pensions.

By Mr. RICH: A bill (H. R. 5785) granting a pension to William Betts; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 5786) granting a pension to Cinda Forbes; to the Committee on Invalid Pensions.

By Mr. SECREST: A bill (H. R. 5787) granting a pension to Sarah R. Beggs; to the Committee on Invalid Pensions.

By Mr. SMITH of Connecticut: A bill (H. R. 5788) granting a pension to Helen M. Crowley; to the Committee on Pensions.

By Mr. SUTPHIN: A bill (H. R. 5789) for the relief of the city of Perth Amboy, N. J.; to the Committee on Claims.

By Mr. WALTER: A bill (H. R. 5790) for the relief of certain creditors of J. R. & J. A. Whelan, Inc.; to the Committee on Claims.

By Mr. WELCH: A bill (H. R. 5791) for the relief of the San Francisco Construction Co.; to the Committee on Claims.

By Mr. WHITE: A bill (H. R. 5792) for the relief of Alfred Burton; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 5793) for the relief of Lovaura Schmidt; to the Committee on Claims.

By Mr. WHITE: A bill (H. R. 5794) for the relief of Theodore Bedard, Jr.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1159. By Mr. ALLEN: Petition of interested citizens of Illinois, advocating the passage of a national old-age pension; to the Committee on Ways and Means.

1160. By Mr. BELL: Resolution of the Austrian Workingmen's Association, Inc., of St. Louis, Mo., favoring the enactment of the Lundeen bill; to the Committee on Labor.

1161. By Mr. BOYLAN: Letter from the municipal committee for the relief of home owners, New York City, urging the appropriating of additional funds for the Howe Owners' Loan Corporation, etc.; to the Committee on Appropriations.

1162. By Mr. BUCKLER of Minnesota: Petition of Art Dahling, commander, and L. J. Twedt, adjutant, and members of the Harold T. Swenson Post, No. 612, of the Veterans of Foreign Wars, mostly all citizens of Fergus Falls and vicinity in Minnesota, urging the immediate cash payment of the soldiers' adjusted-service certificates and the cancelation of accrued interest on existing loans on said certificates; to the Committee on Ways and Means.

1163. Also, petition of D. C. Goodsell, commander, and 70 members of Post No. 157 of the American Legion, Department of Minnesota, all citizens of East Grand Forks and vicinity in Minnesota, urging the immediate cash payment of the soldiers' adjusted-service certificates, together with cancelation and refundment of all interest; to the Committee on Ways and Means.

1164. By Mr. CARTER: Resolution adopted by the Board of Supervisors of the City and County of San Francisco, urging the Congress to remove the excessive taxation on wine made in this country; to the Committee on Ways and Means.

1165. Also, Senate Joint Resolution No. 1, State of California, memorializing Congress to provide compensation in lieu of taxes for certain lands of the United States within the borders of the several States; to the Committee on the Public Lands.

1166. By Mr. COLE of New York: Petition of the members of the Central New York Chapter, Knights of Columbus, Ithaca, N. Y., signed by T. J. McInerney, chairman, and Claude Baldwin, secretary; to the Committee on Foreign Affairs.

1167. Also, petition of members of the Holy Name Society of St. Patricks Church, Corning, N. Y., signed by M. A. Flynn, president, and others; to the Committee on Foreign Affairs.

1168. By Mr. CROWTHER: Petition of Gloversville Council, No. 265, Knights of Columbus, protesting against the persecution and oppression of the Mexican people by the National Revolutionary Party of Mexico; to the Committee on Foreign Affairs.

1169. Also, petition of group 614 of the Polish National Alliance of the United States, Amsterdam, N. Y., requesting the enactment of House Joint Resolution 81; to the Committee on the Judiciary.

1170. By Mr. CULKIN: Petition of 100 persons residing at or near Natural Bridge, N. Y., favoring the Townsend plan of old-age insurance; to the Committee on Ways and Means.

1171. Also, petition of 252 persons residing at or near Natural Bridge, N. Y., favoring the Townsend plan of old-age insurance; to the Committee on Ways and Means.

1172. By Mr. CULLEN: Petition of the Legislature of the State of New York, urging the Federal Government to undertake an engineering project for the purpose of taking steps to preserve the beauty of the Niagara Falls; to the Committee on Military Affairs.

1173. By Mr. DEEN: Petition of the Georgia State Legislature, memorializing the Members of Congress to enact proper legislation whereby funds will be available for building a road through the Okefenoke swamp in Georgia to the Florida line, with Lake City, Fla., as a terminus or objective; to the Committee on Roads.

1174. By Mr. DELANEY: Petition of the Atlantic Avenue Improvement Committee of Brooklyn, N. Y., urging that Public Works Administration funds be allocated to eliminate the grade crossings on Atlantic Avenue in Brooklyn and construct a boulevard on its surface; to the Committee on Appropriations.

1175. By Mr. DEROUEN: Petition of citizens of Evangeline Parish, La., urging passage of House bill 2856, an old-age-pension bill by Representative WILL ROGERS; to the Committee on Ways and Means.

1176. Also, petition of citizens of Hammond, La., urging support of House bill 100, restoring benefits to Spanish War veterans; to the Committee on Expenditures in the Executive Departments.

1177. By Mr. DOUGHTON: Memorial of the Legislature of North Carolina, memoralizing Congress to enact legislation to take the profit out of war; to the Committee on Ways and Means.

1178. By Mr. DUFFY of New York: Petition of the Rochester Parent-Teacher Council, urging the enactment of legislation to provide for supervision over the selection and treatment of subject material used in the production of motion pictures; to the Committee on Interstate and Foreign Commerce.

1179. By Mr. FOCHT: Petition of B. F. Wagner and numerous other residents of Woodbury, Bedford County, a part of the Eighteenth Congressional District of Pennsylvania, supporting House bill 3977, the Townsend bill, for the relief of the aged; to the Committee on Ways and Means.

1180. By Mr. FULMER: Resolution of the Municipal Association of South Carolina, favoring the appropriation of funds sufficient for the continuance of the Home Owners' Loan Corporation; to the Committee on Appropriations.

1181. By Mr. GOODWIN: Petition of the City Council, Tacoma, Wash., urging that Congress immediately change the Air Mail Act so that the present experienced operator, United Air Lines, can operate the Pacific coast route from Seattle to San Diego permanently, subject to all regulations governing air mail lines; to the Committee on the Post Office and Post Roads.

1182. Also, petition of the New York State Congress of Parents and Teachers, Inc., representing 90,000 members, urging the Office of Education in the United States Department of the Interior to establish a national film institute to encourage visual education by means of motion pictures, and otherwise stimulate the State departments of public instruction; to the Committee on Education.

1183. By Mr. HAINES: Resolution of the chamber of commerce, Gettysburg, Pa., pledging support to bills introduced for erection of memorial highway from Washington to Gettysburg and erection of statue of Abraham Lincoln in

Gettysburg National Cemetery; to the Committee on the Library.

1184. Also, petition signed by certain citizens of York, Pa., recognizing the contribution by Dr. George E. Holtzapple in the administration of oxygen gas to the first pneumonia patient, and also petitioning the Congress for due recognition by the awarding of a medal to Dr. Holtzapple; to the Committee on the Library.

1185. By Mr. JOHNSON of Texas: Petition of Hon. William McCraw, attorney general of Texas, Austin, Tex., favoring passage of the Connally oil bill; to the Committee on Interstate and Foreign Commerce.

1186. By Mr. KENNEDY of Maryland: Petition of 150,000 residents of the Fourth Congressional District of the State of Maryland, relative to pension legislation; to the Committee on Labor.

1187. By Mr. KENNEY: Resolution of the Journeymen Barbers' International Union of America, urging Federal and State legislation that will protect workers from unemployment; to the Committee on Labor.

1188. By Mr. KNUTSON: Resolution of Brainerd Division, No. 28, of the Order of Benefit Association of Railway Employees, endorsing the Pettengill bill (H. R. 8100, 73d Cong.); to the Committee on Interstate and Foreign Commerce.

1189. By Mr. LAMBERTSON: Petition of the Springer Post, No. 83, American Legion of Waterville, Kans., urging the immediate payment of the veterans' adjusted-service certificates; to the Committee on Ways and Means.

1190. By Mr. LAMNECK: Petition of Helen M. Peterson, of 2039 Collingswood Road, and other citizens of Columbus, Ohio, urging the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

1191. Also, petition of Elizabeth T. Sterner, of 1535 Menlo Park Place, and other citizens of Columbus, Ohio, urging the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

1192. By Mr. MARTIN of Colorado: Memorial of the House of Representatives of the Thirtieth General Assembly and Senate, Denver, Colo., in behalf of bills establishing a 6-hour day and 5-day week for labor in industry; to the Committee on Labor.

1193. Also, petitions of certain citizens of Saguache County, Colo., urging the enactment of House bill 2856, by Representative WILL ROGERS, for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1194. Also, petition of certain citizens of Alamosa County, Colo., urging enactment of House bill 2856, by Representative WILL ROGERS, for a direct Federal old-age pension of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1195. Also, petition of certain citizens of Las Animas County, Colo., urging the enactment of House bill 2856, by Representative WILL ROGERS, for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1196. Also, petition of certain citizens of Rio Grande County, Colo., urging the enactment of House bill 2856, by Representative WILL ROGERS, for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1197. By Mr. MEAD: Petition of group no. 194 of the Polish National Alliance, Buffalo, N. Y., memorializing the Congress of the United States to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Library.

1198. Also, petition of the Parent-Teachers' Association of New York, requesting the Education Office of the Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education and for suitable entertainment to meet the needs in rural and urban centers; and that Congress pass legislation which will provide for supervision over the selection and treatment of subject material used in the production of motion pictures during the process of making them; to the Committee on the Judiciary.

1199. Also, petition of the Senate of the State of New York, requesting that the Federal Government be memorialized to make available to the several drought-stricken counties of western and northern New York sufficient hay and other roughage so that the farmers may maintain their herds throughout the winter; to the Committee on Agriculture.

1200. Also, petition of the City Council of San Diego, Calif., requesting immediate and permanent repeal of national legislation which would remove the present operator, United Airlines, from the San Diego-Seattle route after March 1, 1935; to the Committee on the Post Office and Post Roads.

1201. Also, petition of the Senate of the State of New York, requesting that the Hamilton Avenue-Governors Island Battery vehicular tunnel project be included in the Federal public works; to the Committee on Appropriations.

1202. Also, petition of the Assembly of the State of New York, requesting the Congress of the United States to expedite the passage of House bill 6, authorizing the Postmaster General to construct underground pneumatic tubes for the transmission of mail between the general post office at Brooklyn and the Floyd Bennett Field, Barron Island, and the five postal stations lying between these two points—namely, stations Times Plaza, B, Flatbush, Kensington, and Vanderbilt; to the Committee on the Post Office and Post Roads.

1203. Also, petition of the Assembly of the State of New York, requesting Congress to adopt the unemployment and social security bills and recommendations as proposed by Senator WAGNER; to the Committee on Labor.

1204. Also, petition of the Young Ladies' Sodality of St. Gerard's Roman Catholic Church, Buffalo, N. Y., protesting against the treatment of the Catholic Church in Mexico and that the acts of Josephus Daniels, United States Ambassador to Mexico, were unwarranted and un-American, and that the President be hereby directed to reprimand the said Ambassador for his action and speech; to the Committee on Foreign Affairs.

1205. Also, petition of the City Council of the City of Tacoma, Wash., requesting Congress to change immediately the Air Mail Act so that the present United Airlines can operate the Pacific coast route from Seattle to San Diego permanently, subject to all regulations governing air mail lines; to the Committee on the Post Office and Post Roads.

1206. By Mr. MILLER: Petition of certain citizens of Cave City, Ark., urging enactment of House bill 2856, the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1207. Also, petition of certain citizens of Jackson County, Ark., urging passage of House bill 2856, by Representative WILL ROGERS, of Oklahoma, for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation, known as the "Pope plan"; to the Committee on Ways and Means.

1208. Also, petition of certain citizens of Smithville, Ark., urging enactment of House bill 2856, by Representative ROGERS of Oklahoma, known as the "Pope plan", for direct Federal old-age pensions to persons over 55, independent of State participation; to the Committee on Ways and Means.

1209. Also, petition of Ella Waugh and other citizens of Stone County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1210. By Mr. MONAGHAN: Petition of 20 citizens of Stevensville, Mont., favoring the old-age-pension bill (H. R. 2856); to the Committee on Ways and Means.

1211. Also, memorial no. 1 of the Senate of the State of Montana, protesting against the reduction of the duty on manganese; to the Committee on Ways and Means.

1212. By Mr. O'MALLEY: Petition of the Common Council of the City of Milwaukee, urging the Congress of the United States to conduct an investigation into the acts and practices of the natural-gas utilities, their subsidiaries, and financial interests, to determine whether or not Milwaukee or

other central western cities have been deprived of natural gas through the activities of monopolistic corporations; to the Committee on the Judiciary.

1213. Also, petition of the Common Council of the City of Oshkosh, Wis., urging the Congress of the United States to favor immediate and full payment of adjusted-compensation certificates, commonly called the "soldiers' bonus"; to the Committee on Ways and Means.

1214. By Mr. PATMAN: Petition of the Charles Wescott Post, No. 173, American Legion, Bath, N. Y., presented by E. M. Blakley, commander, whole-heartedly endorsing the provisions of House bill 1, with the belief that it complied with the mandate of the Miami convention, and disapproving the provisions of the Vinson bill as not having been in accord with the national mandate; to the Committee on Ways and Means.

1215. Also, petition of Frank Wood, Asle H. Clark, and 208 other citizens of the United States veterans' hospital, Fort Harrison, Mont., for enactment into law of House bill 1; to the Committee on Ways and Means.

1216. Also, resolution of Enid Chapter, No. 6, of the Disabled American Veterans, Enid, Okla., favoring the enactment of House bill 1; to the Committee on Ways and Means.

1217. By Mr. PFEIFER: Petition of the Chamber of Commerce of the State of New York, New York City, concerning the proposed silver legislation; to the Committee on Coinage, Weights, and Measures.

1218. Also, petition of Atlantic Avenue Improvement Committee of Brooklyn and Queens, Brooklyn, N. Y., urging Public Works Administration funds for the elimination of grade crossings and creation of a boulevard on Atlantic Avenue; to the Committee on Appropriations.

1219. By Mr. PLUMLEY: Petition of some 62 citizens of Lyndonville, Vt., and vicinity, endorsing the Townsend plan of old-age-pension legislation; to the Committee on Ways and Means.

1220. Also, petition from Ezekiel Simmons and some 30 others, of Orleans, Vt., requesting passage of House bill 2856 for Federal old-age pensions; to the Committee on Ways and Means.

1221. By Mr. REED of New York: Memorial of Kenmore (N. Y.) Philatelic Society, urging that the Post Office Department issue a set of imperforated stamps, similar to those now in the hands of certain dealers, as a square deal to all; to the Committee on the Post Office and Post Roads.

1222. By Mr. ROMJUE: Petition of the House of Representatives of the State of Missouri, through its chief clerk, favoring the enactment of legislation by Congress for the purpose of establishing and constructing all-weather post roads; to the Committee on Roads.

1223. By Mr. RUDD: Petition of the Central Civic Association, Hollis, Long Island, N. Y., concerning the continuation of the Home Owners' Loan Corporation and additional appropriations for same; to the Committee on Banking and Currency.

1224. Also, petition of La Salle Council, No. 454, Knights of Columbus, Brooklyn, N. Y., regarding conditions in Mexico; to the Committee on Foreign Affairs.

1225. Also, petition of the Western Union Cable Employees Association, New York, concerning the communications merger; to the Committee on Interstate and Foreign Commerce.

1226. Also, petition of National Council of Business Mail Users, Inc., New York City, regarding a 2-cent postal rate; to the Committee on the Post Office and Post Roads.

1227. Also, petition of the Assembly, Legislature of the State of New York, concerning the Wagner old-age pensions and benefits to needy dependent mothers and children; to the Committee on Ways and Means.

1228. Also, petition of the Senate, Legislature of the State of New York, urging that consideration be given amendments to the War Risk Insurance Act; to the Committee on World War Veterans' Legislation.

1229. Also, petition of the Senate, Legislature of the State of New York, memorializing the United States Department of Agriculture to make available to the several drought-stricken counties of western and northern New York sufficient hay and other roughage so that the farmers of such counties may maintain their herds for the rest of the winter; to the Committee on Agriculture.

1230. Also, petition of the Senate, Legislature of the State of New York, concerning a vehicular tunnel from Hamilton Avenue, Brooklyn, to lower Manhattan via Governors Island, such project to be included in the Federal public works; to the Committee on Appropriations.

1231. Also, petition of the Senate of the State of New York, regarding the enactment of such laws or to authorize the promulgation of such rules by the Department of Justice or the Interstate Commerce Commission to compel every manufacturer of firearms to mark such firearms manufactured with a serial number which will be plainly visible, such serial number to be registered with the Department of Justice as to its consignee at the time of its shipment by the said manufacturer, etc.; to the Committee on the Judiciary.

1232. By Mr. SADOWSKI: Petition of the Order of Benefit Association of Railway Employees, endorsing House bill 8100; to the Committee on Interstate and Foreign Commerce.

1233. Also, petition of the Common Council of the City of Hamtramck, Mich., endorsing unemployment insurance; to the Committee on Ways and Means.

1234. Also, petition of the Order of Sons of Italy in America, approving old-age pensions for noncitizens as well as citizens of the United States; to the Committee on Ways and Means.

1235. By Mr. SCHAEFER: Petition of citizens of Granite City, Ill., protesting religious persecutions in Mexico, and asking recall of Ambassador Josephus Daniels for misrepresenting sympathies of the American people; to the Committee on Foreign Affairs.

1236. Also, petition of the General Assembly of the State of Illinois, favoring enactment of the Costigan-Wagner anti-lynching bill; to the Committee on the Judiciary.

1237. Also, petition of the Farmers Equity Union, Greenville, Ill., recommending favorable consideration of the Frazier-Lemke bill, the Jones commodity-exchange bill, and other legislation favorable to farm interests; to the Committee on the Judiciary.

1238. Also, petition of citizens of Nashville, Washington County, Ill., supporting an old-age-pension plan, sponsored by Dr. J. E. Pope, president the National Old Age Pension Association, as embodied in House bill 2856; to the Committee on Ways and Means.

1239. Also, petition of the Chicago Fur Workers Union, Local No. 45, asking repeal of the 10-percent excise tax on furs; to the Committee on Ways and Means.

1240. Also, petition of citizens of Dupo, Ill., supporting an old-age-pension plan, sponsored by Dr. J. E. Pope, as embodied in House bill 2856; to the Committee on Ways and Means.

1241. Also, petition of citizens of Smithboro, Bond County, Ill., supporting an old-age-pension plan, sponsored by Dr. J. E. Pope, president the National Old Age Pension Association, as embodied in House bill 2856; to the Committee on Ways and Means.

1242. By Mr. SMITH of West Virginia: Resolution of the Charleston Chamber of Commerce, of Charleston, W. Va., opposing the passage of all legislation seeking to impose a Nation-wide maximum 30-hour-work week; to the Committee on Labor.

1243. By Mr. STEFAN: Petition of citizens of Spencer, Boyd County, Nebr., asking Congress to enact legislation affecting star routes that will eliminate competitive bidding as a means of securing contracts for the transportation of mail on star routes, also to provide adequate compensation for the services of star-route contract carriers; to the Committee on the Post Office and Post Roads.

1244. Also, petition of the Nebraska House of Representatives, memorializing the Congress of the United States of America to enact remedial legislation for refinancing of farm mortgages; to the Committee on Agriculture.

1245. By Mr. SUTPHIN: Petition of New Jersey Chapter, No. 1, Knights of Columbus, regarding the actions and utter-

ances of the Ambassador to Mexico; to the Committee on Foreign Affairs.

1246. By Mr. TARVER: Petition of citizens of Chattooga County, Ga., urging enactment of House bill 2856, by Representative WILL ROGERS, for direct Federal old-age pensions of $30 per month to persons over 55, independent of participation by the State; to the Committee on Ways and Means.

1247. Also, petitions of W. T. Travis and 45 other citizens of Walker County, Prof. S. O. Williams and 34 other citizens of Murray County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

1248. By Mr. TAYLOR of Colorado: Petition from citizens of Tiffany and other towns of La Plata County, Colo., urging the enactment of House bill 2856, providing for an old-age pension; to the Committee on Ways and Means.

1249. By Mr. TURNER: Petition of citizens of Humphreys and Lawrence Counties, Tenn., urging the enaction of the old-age-pension bill approved by Dr. J. E. Pope; to the Committee on Ways and Means.

1250. By Mr. TRUAX: Petition of Lithuanian Supreme Lodge, of Youngstown, Ohio, by their secretary, John Carpar, demanding the enactment of a Federal system of genuine unemployment insurance as contained in the Workers' Act (H. R. 2827) in order that their future and the future of all workers, farmers, professionals, and other unemployed and their dependents may be more secure; to the Committee on Labor.

1251. Also, petition of the Citizens' Wholesale Supply Co., by their treasurer, R. P. Thomas, Columbus, Ohio, expressing approval of House bill 33, covering a proposed reduction of the present $2 tax on industrial alcohol to $1.10 per proof gallon; to the Committee on Ways and Means.

1252. Also, petition of Rev. M. M. Brown, Cleveland, Ohio, and other citizens belonging to the Glenville Townsend Club, protesting the gag rule and requesting a hearing of the Townsend plan in Congress; to the Committee on Labor.

1253. Also, petition of the Citizens' Wholesale Supply Co., Columbus, Ohio, by their treasurer, R. P. Thomas, urging that no change be made in House bill 3981, feeling that it is almost equivalent to having barriers put up at the State lines, and that if this small break is permitted it will be but a short time until other breaks may be made until the law is practically ruined; to the Committee on Interstate and Foreign Commerce.

1254. Also, petition of the Lithuanian Workers Association, of Youngstown, Ohio, by their secretary, F. J. Madiron, demanding the enactment of a Federal system of genuine unemployment insurance as contained in the Workers' Act (H. R. 2827); to the Committee on Labor.

1255. Also, petition of Guy Boyer and other members of the Townsend Old Age Revolving Pension Club, of Napoleon, Ohio, urging support of the Townsend bill; to the Committee on Labor.

1256. By Mr. TREADWAY: Resolution of Group No. 1625 (Turner Falls, Mass.), Polish National Alliance of the United States of North America, for the designation of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

1257. By Mr. WADSWORTH: Petition of the Rochester Parent-Teacher Council, of Rochester, N. Y., urging the Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education, etc.; to the Committee on Interstate and Foreign Commerce.

1258. Also, petition of the Batavia, N. Y., branch of the New York State Congress of Parents and Teachers, Inc., urging the Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education, etc.; to the Committee on Interstate and Foreign Commerce.

1259. By Mr. WILLIAMS: Petition of various citizens of Missouri, praying Congress to enact old-age-pension legislation; to the Committee on Ways and Means.

1260. Also, petition of the House of Representatives, State of Missouri, Fifty-eighth General Assembly, memorializing the Congress of the United States of America to appropriate relief funds for the purpose of establishing and constructing all-weather post roads; to the Committee on the Post Office and Post Roads.

1261. By Mr. ZIMMERMAN: Petition of the House of Representatives of the State of Missouri, urging Congress to speedily pass legislation appropriating unemployment or relief funds for the purpose of establishing and constructing all-weather post roads; to the Committee on Appropriations.

1262. By the SPEAKER: Petition of the American Science Foundation, Kansas City, Mo., regarding the payment of the bonus; to the Committee on Ways and Means.

1263. Also, petition of the American Science Foundation, regarding the payment of the bonus; to the Committee on Ways and Means.

SENATE

FRIDAY, FEBRUARY 15, 1935

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Almighty God, in whom we live and move and have our being, at whose word man goeth forth to his work and to his labor until the evening: direct us in all our doing with Thy most gracious favor; make us ever mindful of the great responsibility of service in this realm of our high calling; and so lead us by Thy spirit's gentle voice along our tangled way that we take each advancing step only in obedience to high thoughts inspired of Thee, lest our day become a weary waste of hours, and Thy people be disappointed of their hope. Thus into Thy holy keeping we commit ourselves, our spirits, souls, and bodies, ever conscious of the love vouchsafed to us through Thy blessed Son, our Savior, Jesus Christ. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of Thursday, February 14, 1935, when, on request of Mr. ROBINSON, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the following joint resolutions, in which it requested the concurrence of the Senate:

H. J. Res. 94. Joint resolution providing for the participation of the United States in the California Pacific International Exposition, to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes; and

H. J. Res. 148. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Reynolds
Ashurst	Couzens	La Follette	Robinson
Austin	Cutting	Lewis	Russell
Bachman	Davis	Logan	Schall
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McCarran	Shipstead
Barkley	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gerry	Metcalf	Townsend
Bulkley	Gibson	Minton	Trammell
Bulow	Glass	Moore	Truman
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norbeck	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	
Coolidge	Keyes	Radcliffe	

Mr. LEWIS. I desire to announce that the junior Senator from Louisiana [Mr. OVERTON] is absent because of illness, and that the Senator from New York [Mr. COPELAND], the Senator from New Hampshire [Mr. BROWN], and the Senator from California [Mr. MCADOO] are unavoidably detained from the Senate.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting, pursuant to law, a list of documents and papers on the files of the Department of Commerce which are not needed in the conduct of business and have no historical interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. COPELAND and Mr. MCNARY members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New York, memorializing Congress to enact legislation to aid in preserving the scenic beauty of the Niagara Falls, which was referred to the Committee on Commerce.

(See resolution printed in full when presented today by Mr. WAGNER, p. 2055.)

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Missouri, which was ordered to lie on the table:

Concurrent resolution memorializing the Congress of the United States of America to appropriate relief funds for the purpose of establishing and constructing all-weather post roads

Whereas article 1, section 8, clause 7, of the Constitution of the United States provides that Congress shall have power to establish post roads; and

Whereas Congress has been asked by the President to appropriate approximately $4,000,000,000 to aid the unemployed; and

Whereas the establishment and construction of all-weather post roads would create wide-spread employment; and

Whereas a maximum amount of funds so used would be spent for wages and materials; and

Whereas such a program could be carried on as a part of the recovery program and would not require the levying of additional taxes; and

Whereas such a program would constitute a necessary and permanent improvement and could be carried out in a most efficient and economical manner in cooperation with various highway departments of the several States so as to benefit a maximum number of people: Now, therefore, be it

Resolved by the House of Representatives of the State of Missouri (the senate concurring therein), That the Congress of the United States be, and is hereby, respectfully memorialized to enact, with all convenient speed, legislation as may be necessary to appropriate unemployment or relief funds for the purpose of establishing and constructing all-weather post roads; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives thereof, the Secretary of Agriculture, and to each Member of Congress elected from the State of Missouri, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purposes of this resolution.

JOS. A. BAUER,
Chief Clerk House of Representatives,
Fifty-eighth General Assembly.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a petition from Reese M. Rhodes, of Martinsburg, Pa., praying for the passage of House bill 100, for the benefit of disabled war veterans, which was referred to the Committee on Finance.

He also laid before the Senate the petition of Interbay Local, U. C. L., of Seattle, Wash., praying for the prompt passage of House bill 2827, known as "The Workers' Unemployment, Old Age, and Social Insurance Act", which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Citizens' Educational League and the Unemployed League, both of Los Angeles, Calif., favoring the enactment of House bill 2827, known as "The Workers' Unemployment, Old Age, and Social Insurance Act", which was referred to the Committee on Finance.

Mr. KING presented a letter and telegrams in the nature of memorials from the Standard Coal Co., F. A. Sweet, president; the Auerbach Co.; Donald P. Lloyd, secretary-manager Utah Retail Grocers' Association; and W. J. O'Connor, manager American Smelting & Refining Co., all of Salt Lake City, Utah, remonstrating against enactment of the so-called "Black 30-hour-week bill", which were referred to the Committee on the Judiciary.

He also presented a letter and telegrams in the nature of petitions from the Chamber of Commerce of Logan; W. W. Ray; W. W. Clyde & Co., by W. W. Clyde; E. A. Culberton; Raymond J. Ashton; and Edward O. Anderson, president of the Utah Chapter, American Institute of Architects, all of Salt Lake City, Utah; Nathaniel Jackson, of Denver Colo.; and the Building Congress of Louisville, of Louisville, Ky., praying for the administration of appropriations proposed to be made under House Joint Resolution No. 117, making appropriations for relief purposes, through a contract system rather than by day labor, which were ordered to lie on the table.

Mr. MCGILL presented the following resolution of the House of Representatives of the State of Kansas, which was referred to the Committee on Military Affairs:

House Resolution 19

A resolution memorializing Congress to enact House Resolution 2024 of Congress providing for the payment of travel pay to certain Spanish-American War soldiers

Whereas during the Spanish-American War the troops who were serving in the Philippine Islands in 1899 were requested by the War Department to remain in service for an additional 6 months after the expiration of their enlistment period and until troops could be sent to replace them; and

Whereas these troops were promised by the officers in charge that if they would so remain during the period of such emergency then existing that they would be given regular travel pay of soldiers whose enlistment expired and reenlisted in the service of the United States, as was authorized by section 15 of the Army bill then in force; and

Whereas these troops were held in service for said 6-month period under such agreement and these troops were never paid such travel pay so promised; and

Whereas numerous citizens of the State of Kansas would be greatly benefited by such payment; and

Whereas House Resolution 2024 of the Federal Congress covering such payment has been recommended by the War Claims Committee for passage: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas, That the Congress of the United State be, and it is hereby, respectfully memorialized to enact with all convenient speed House Resolution 2024 of the Federal Congress; and be it further

Resolved, That certified copies of this resolution, duly certified, be transmitted to the President of the Senate and the Speaker of the House of Representatives in Congress and to the Senators and Representatives in Congress from the State of Kansas, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Adopted February 8, 1935.

S. C. BLOSS,
Speaker of the House.
W. T. BISHOP,
Chief Clerk of the House.

Mr. VAN NUYS presented the following concurrent resolution of the Legislature of the State of Indiana, which was referred to the Committee on the Judiciary:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union through legislative enactment designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the State of Indiana in session assembled—

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Indiana.

I hereby certify that Senate Concurrent Resolution 5 has this the 1st day of February 1935 passed the senate.

N. W. GORDON,
Secretary.

I hereby certify that Senate Concurrent Resolution 5 has this the 5th day of February 1935 passed the house.

EDW. BEGGS,
Principal Clerk of House.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Agriculture and Forestry:

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE SENATE.

Senate Joint Memorial 8

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas on the 29th day of March 1934 the Department of Agriculture of the United States propagated its orders nos. G20A and T8½T, by which the Department of Agriculture seeks to take to itself as against the rights of the State of Idaho and its State fish and game department the absolute and exclusive control of all fish and game lying within the boundaries of national forests; and

Whereas by such orders vast areas of land and a majority of the waters in this State containing game fish are affected; and

Whereas by the said orders the labors and expenses heretofore incurred by the State of Idaho and its fish and game department for the protection and propagation of fish and game are and will be largely nullified; and

Whereas the said orders have been held unlawful by the Attorney General of the United States and the Attorney General of the State of Idaho and are a manifest violation of the spirit of the admission bill by which the State of Idaho became a part of the Union: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the said orders G20A and T8½T, issued by the United States Department of Agriculture under date of March 29, 1934, be, and they are hereby, expressly disapproved and condemned; be it further

Resolved, That the Department of Agriculture of the United States be, and it is hereby, respectfully urged to withdraw the said orders; be it further

Resolved, That copies of this resolution be forthwith forwarded by the secretary of state to the United States Department of Agriculture, to the President of the United States, and to the Senators and Representatives in Congress from this State.

This senate joint memorial passed the senate on the 7th day of February 1935.

G. P. MIX,
President of the Senate.

This senate joint memorial passed the house of representatives on the 8th day of February 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial No. 8 originated in the senate during the Twenty-third Session of the Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

Mr. WAGNER presented the following concurrent resolution of the Legislature of the State of New York, which was referred to the Committee on Commerce:

STATE OF NEW YORK,
IN SENATE,
Albany, February 4, 1935.

Senate Concurrent Resolution 42

Whereas it is generally conceded that the Niagara Falls constitute the epitome of scenic beauty which is one of the wonders of the world; and

Whereas the forces of erosion in the past several years have caused several rock slides which have seriously damaged the Falls and brought to the attention of New York State and the Nation the need of taking steps to preserve the beauty of the Falls; and

Whereas eminent geologists and engineers have expressed the opinion that erosion of the Horseshoe Falls threatens not only to destroy the beauty of the Falls by gradually converting it into a cascade, but also to lead to destruction of the beauty of the American Falls by complete diversion of the flow of the Niagara River to the Horseshoe Falls; and

Whereas these authorities have stated that corrective measures could be taken by man which would not only allay the action of erosion but would insure more permanent existence of the Falls in their present beauty, and have declared plausible construction of weirs which would (1) control the flow of water to prevent concentration at the Horseshoe Falls, where erosive action has been speeded by the increasing volume of water, and (2) equalize the flow over the Horseshoe and the American Falls so that the latter would carry an increased volume of water and would not be left nearly dry at certain times of the year as at present; and

Whereas such measures would entail an engineering project which would require action of the Federal Government leading to an immediate survey and preparation of plans for the weirs: Now, therefore, be it

Resolved (if the assembly concur), That the Congress of the United States be, and the same hereby is, respectfully memorialized to enact legislation or take such other steps as would lead to correction of the present undesirable conditions recited herein to the great benefit of the Nation and of nature lovers in all parts of the world; and be it further

Resolved (if the assembly concur), That a copy of this resolution be transmitted to the Secretary of the United States Senate and the Clerk of the House of Representatives, and to each Senator and Member of the House of Representatives elected from the State of New York, and the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

By order of the Senate:

JAMES J. REILLY, *Clerk.*

In assembly February 5, 1935, concurred in without amendment.

By order of the assembly:

HOMER W. STOREY, *Clerk.*

REPORT OF THE FOREIGN RELATIONS COMMITTEE

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 1374) authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska, reported it with an amendment and submitted a report (No. 114) thereon.

EXECUTIVE H (69TH CONG., 1ST SESS.)

Mr. PITTMAN. From the Committee on Foreign Relations I report back favorably, without amendment, two resolutions, and, as matters of emergency are involved, and the resolutions will require no debate, I should like to have them considered at this time.

First, I report Senate Resolution 76.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 76), submitted by Mr. PITTMAN on the 12th instant, was considered and agreed to, as follows:

Resolved, That the Senate respectfully requests the President of the United States, in accordance with the suggestion of the Secretary of State, to return to the Senate for further action the treaty, Executive H (69th Cong., 1st sess.), being a Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, Switzerland, on June 17, 1925.

CONVENTIONS AND TREATIES NOT DEFINITELY ACTED UPON

Mr. PITTMAN. The second resolution, which I report and for which I ask present consideration, is Senate Resolution 77.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 77), submitted by Mr. PITTMAN on the 12th instant, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate be directed to transmit to the Secretary of State, to be deposited with the archives of the State Department, the following conventions and treaties, heretofore transmitted to the Senate by the President of the United States and not definitely acted upon:

Date	Country	Subject or title	Submitted
Feb. 7, 1905	Dominican Republic.	Collection of revenues.	Feb. 15, 1905, ex. V, 58 (3).
Aug. 23, 1906	Multilateral	Patents	Mar. 1, 1907, ex. I, 59 (2).
Oct. 18, 1907	do	Enemy ships	Feb. 27, 1908, ex. K, 60 (1).
Do	do	Merchant ships	Feb. 27, 1908, ex. L, 60 (1).
Jan. 10, 1911	Honduras	Loan	Jan. 26, 1911, ex. C, 61 (3).
June 6, 1911	Nicaragua	do	June 8, 1911, ex. B, 62 (1).
Sept. 20, 1913	Panama	Advancement of peace.	July 24, 1914, ex. M, 63 (2).
Nov. 19, 1913	Multilateral	Protection of nature.	June 27, 1914, ex. I, 63 (2).
Feb. 17, 1914	Dominican Republic.	Advancement of peace.	July 24, 1914, ex. V, 63 (2).
June 28, 1919	Multilateral	Protocol to Treaty of Versailles.	Aug. 1, 1919, ex. A, 66 (1).
Do	Great Britain and France.	Guarantey	July 29, 1919, ex. E, 66 (1).
Nov. 7, 1919	Paraguay	Gold clearance	Jan. 23, 1920, ex. L, 66 (2).
Dec. 4, 1919	Guatemala	do	Jan. 23, 1920, ex. M, 66 (2).
Jan. 10, 1920	Panama	do	Jan. 23, 1920, ex. N, 66 (2).
Jan. 14, 1920	Haiti	do	Jan. 23, 1920, ex. O, 66 (2).
May 25, 1920	Ecuador	do	June 2, 1920, ex. R, 66 (2).

INVESTIGATION RELATIVE TO RECEIVERSHIPS AND BANKRUPTCY PROCEEDINGS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 72 and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 72) submitted by Mr. McADOO on the 8th instant was read, considered, and agreed to, as follows:

Resolved, That Senate Resolution No. 78, agreed to June 13, 1933, authorizing a special committee to make an investigation of the administration of receivership and bankruptcy proceedings in the courts of the United States, in the more populous centers and elsewhere in the judgment of the committee, with particular reference to the appointment of receivers and trustees in bankruptcy in such proceedings, and the fees received in the course of such administration, and other matters concerning which information would be desirable in order to correct by legislation such abuses as may be found, be, and the same hereby is, continued in full force and effect during the Seventy-fourth Congress.

ROBERT Y. NEWELL, SR.

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment, Senate Resolution 73, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

There being no objection the resolution (S. Res. 73) submitted by Mr. McKELLAR on the 8th instant was read, considered, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1934, to Robert Y. Newell, Sr., father of Bessie Newell, late an assistant clerk to the Senate Committee on Post Offices and Post Roads, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MONOPOLISTIC PRACTICES AND THE ANTITRUST LAWS

Mr. KING. Mr. President, on the seventh day of January of the present session of the Congress a resolution was submitted by me, Senate Resolution 35, which was referred to the Committee on the Judiciary. It provides for an investigation of monopolies and combinations in restraint of trade, as well as an investigation as to whether or not the National Industrial Recovery Act has promoted or contributed to monopolies. The Judiciary Committee has approved the resolution and appointed a subcommittee composed of the Senator from Idaho [Mr. BORAH], the Senator from Kansas [Mr. McGILL], and myself to conduct the investigation under the resolution. I report back the resolution from the Committee on the Judiciary without amendment and ask that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, because it asks for a limited appropriation.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLARK:

A bill (S. 1854) giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.; to the Committee on Claims.

A bill (S. 1855) to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931; to the Committee on Commerce.

By Mr. VAN NUYS:

A bill (S. 1856) for the relief of Arthur Smith; and

A bill (S. 1857) for the relief of Earl M. Wilson (with an accompanying paper); to the Committee on Claims.

A bill (S. 1858) granting a pension to Mariah A. House; and

A bill (S. 1859) granting a pension to Effie Howard; to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 1860) for the relief of the Tampa Marine Co.; to the Committee on Claims.

By Mr. GUFFEY:

A bill (S. 1861) to incorporate the National Association of State Libraries; to the Committee on the Judiciary.

By Mr. CAPPER:

A bill (S. 1862) to prohibit the use of enlisted personnel to displace civilian employees on military reservations and in all governmental agencies; to the Committee on Civil Service.

By Mr. COUZENS:

A bill (S. 1863) for the relief of Trifune Korac; to the Committee on Claims.

By Mr. BURKE:

A bill (S. 1864) for the relief of the State of Nebraska; and

A bill (S. 1865) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of W. S. O'Brien against the United States; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 1866) for the relief of Claudia F. Banks and Edna B. Towner; to the Committee on Claims.

A bill (S. 1867) for the relief of Dr. Thomas J. W. Brown; to the Committee on Civil Service.

By Mr. GIBSON:

A bill (S. 1868) for the relief of Hugh F. Elliott; to the Commitee on Military Affairs.

By Mr. FRAZIER:

A bill (S. 1869) establishing the Bank of the United States, owned, operated, and controlled by the Government of the United States; defining the scope and manner of its operation; defining the powers and duties of the persons charged with its management; creating a board of directors; and for other purposes; to the Committee on Banking and Currency.

By Mr. FLETCHER:

A bill (S. 1870) authorizing and directing the Secretary of the Interior to convey all the right, title, and interest of the United States in and to certain portions of the National Park Service Reservation of Fort Marion in the city of St. Augustine, Fla.; to the Committee on Public Lands and Surveys.

By Mr. WHEELER:

A bill (S. 1871) granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School; to the Committee on Public Lands and Surveys.

A bill (S. 1872) for the relief of Guy Clatterbuck; to the Committee on Claims.

By Mr. BARBOUR:

A bill (S. 1873) for the relief of May C. Gustin; to the Committee on Claims.

A bill (S. 1874) to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount;* to the Committee on Commerce.

By Mr. McNARY:

A bill (S. 1875) granting a pension to Edwin C. Derrick; to the Committee on Pensions.

A bill (S. 1876) to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes"; to the Committee on Agriculture and Forestry.

By Mr. BONE:

A bill (S. 1877) granting a pension to Ida R. Haynes; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claim of the Mack Copper Co.; to the Committee on Claims.

A bill (S. 1879) for the relief of Jacob Kaufman; and

A bill (S. 1880) granting the Distinguished Service Cross to Col. John A. Lockwood, United States Army, retired; to the Committee on Military Affairs.

A bill (S. 1881) granting a pension to Mrs. Silas Hyndshaw;

A bill (S. 1882) granting an increase of pension to Marie Schneider; and

A bill (S. 1883) granting a pension to Clarence James Smith; to the Committee on Pensions.

By Mr. KING:

A bill (S. 1884) to authorize the General Accounting Office to allow credit in the accounts of J. R. Lusby, disbursing officer of the District of Columbia, and for other purposes; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

A bill (S. 1885) to authorize turning over to the Indian Service vehicles, vessels, and supplies seized and forfeited for violation of liquor laws; to the Committee on Indian Affairs.

By Mr. WAGNER:

A bill (S. 1886) to amend section 118 of the Judicial Code to provide for the appointment of law clerks to United States district court judges; to the Committee on the Judiciary.

By Mr. HATCH:

A bill (S. 1887) to amend subsection (a), as amended and supplemented, of section 5, of an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934; to the Committee on Agriculture and Forestry.

A bill (S. 1888) to amend the Home Owners' Loan Act; to the Committee on Banking and Currency.

By Mr. SHEPPARD:

A bill (S. 1889) relating to retirement of brigadier generals of the Army; to the Committee on Military Affairs.

A bill (S. 1890) granting an increase of pension to David N. Henderson; to the Committee on Pensions.

A joint resolution (S. J. Res. 60) to authorize and direct the Secretary of Agriculture to investigate the cost of maintaining the present system of future trading in agricultural products and to ascertain what classes of citizens bear such cost; to the Committee on Agriculture and Forestry.

A joint resolution (S. J. Res. 61) to repeal an act approved February 17, 1933, entitled "An act for the relief of Tampico Marine Iron Works", and to provide for the relief of William Saenger, chairman liquidating committee of the Beaumont Export & Import Co., of Beaumont, Tex.; to the Committee on Claims.

HOUSE JOINT RESOLUTIONS REFERRED

The following joint resolutions were each read twice by their titles and referred as indicated below:

H. J. Res. 94. Joint resolution providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes; to the Committee on Foreign Relations.

H. J. Res. 148. Joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; to the Committee on the Judiciary.

CHANGES OF REFERENCES

On motion of Mr. PITTMAN, the Committee on Claims was discharged from the further consideration of the bill (S. 1809) for the relief of Germaine M. Finley, and it was referred to the Committee on Foreign Relations.

On motion of Mr. WHEELER, the Committee on Pensions was discharged from the further consideration of the bill (S. 1792) granting a pension to Walter George Niskern, and it was referred to the Committee on Finance.

On motion of Mr. SHIPSTEAD, the Committee on the Library was discharged from the further consideration of the bill (S. 1116) authorizing the establishment of a filing and indexing service for useful Government publications, and it was referred to the Committee on Education and Labor.

WORK-RELIEF PROGRAM—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

At an appropriate place in the bill to insert to following as a new section:

On all building construction work or projects undertaken under and by virtue of the authority granted in this joint resolution, all mechanical sanitary work, which in the interest of public health is ordinarily regulated or controlled by law, shall be let separately and by contract, and awarded to the lowest qualified bidder.

CORRECTION IN THE ENROLLMENT OF A BILL

Mr. O'MAHONEY. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

Mr. McNARY. Mr. President, I believe this is a concurrent resolution to correct an error made in the House. Let the clerk read it so we may know just what it is.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The Chief Clerk read the concurrent resolution (S. Con. Res. 10), as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, to insert the following title to conform to the amendments of the House of Representatives, namely, "An act to postpone the effective date of certain restrictions respecting air mail contracts."

Mr. McKELLAR. Mr. President, I understand this does not involve the substance of the amendment or the amended act at all, but merely corrects the title.

Mr. O'MAHONEY. It is to correct the title to accord with the substance of the measure.

The VICE PRESIDENT. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

HEARINGS BEFORE THE JUDICIARY COMMITTEE

Mr. ASHURST. Mr. President, the members of the Committee on the Judiciary have called to the attention of the chairman the fact that he has failed to submit an appropriate resolution authorizing the committee or its subcommittees to hold hearings and take testimony. I certainly do not wish to be remiss in the performance of my duties, and I apologize to the members of my committee for the delay in submitting the resolution.

I now submit the resolution and ask that it be referred to the appropriate committee.

The resolution (S. Res. 81) was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Committee on the Judiciary, or any subcommittee thereof, is authorized, during the Seventy-fourth Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

TERMINATION OF CERTAIN TREATIES

Mr. CLARK submitted the following resolution (S. Res. 82), which was referred to the Committee on Foreign Relations:

Whereas the United States has from time to time desired to impose and has imposed embargoes on the shipment of arms and munitions from the territory of the United States; and

Whereas difficulties in the imposition of such embargoes have arisen, owing to provisions in treaties to which the United States is a party, relative to prohibitions on exports from the United States which are not equally extended to all nations; and

Whereas it is essential that such difficulties be removed in order that the United States may, as occasion demands, act in the interests of peace by forbidding the export of arms and munitions: Now, therefore, be it

Resolved, That the Senate advise the President of the United States to exercise the privilege of terminating all treaties of the United States containing provisions relative to exports from the United States which may deprive the United States of a free hand in the imposition of embargoes on shipments of arms and munitions from the territory of the United States, if this privilege of termination is conferred on the United States by the terms of such treaties; and if such privilege of termination is not thus conferred on the United States, to enter into negotiations with other States parties to such treaties with a view to deleting provisions relative to exports from the United States which may deprive the United States of a free hand in the imposition of embargoes on shipments of arms and munitions from the territory of the United States.

ADDITIONAL COPIES OF CERTAIN HEARINGS FOR COMMITTEE ON EDUCATION AND LABOR

Mr. WALSH submitted the following resolution (S. Res. 83), which was referred to the Committee on Printing:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Education and Labor be, and is hereby, empowered to have printed for its use 500 additional copies of the hearings held before a subcommittee of said committee relative to "Investigation of the relationship existing between certain contractors and their employees in the United States", Seventy-third Congress, second session.

REPORT ON WATERWAY BETWEEN THE ST. LAWRENCE AND HUDSON RIVERS

Mr. GIBSON submitted the following resolution (S. Res. 84), which was referred to the Committee on Commerce:

Resolved, That the Board of Engineers for Rivers and Harbors is hereby directed to review the report contained in House Document No. 149, Fifty-sixth Congress, second session, on deep waterway to connect Lake St. Francis on the St. Lawrence River with the Hudson River at Albany via Lake Champlain, with a view to determining the advisability and cost of such a connection between the St. Lawrence waterway as proposed by treaty and the sheltered waters of the Atlantic coast between Boston, Mass., and Norfolk, Va.

The said Board of Engineers is further directed to make an examination and report with respect to any feasible canal route from the harbor of Montreal, in the Province of Quebec, Dominion of Canada, south to Lake Champlain.

REPORTS OF PUBLIC WORKS ADMINISTRATION

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day which will be read.

The Chief Clerk read the resolution (S. Res. 78) submitted by Mr. LONG on the 14th instant, as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, requested to transmit to the United States Senate, as soon as possible, all reports, checks of reports, daily and temporary reports, work sheets, and any and all other material and data in the possession of the Department of the Interior which was assembled by or under the direction of or in association with Louis Glavis or any other person in the employ of said Department of the Interior, in connection with any investigation, inspection, review into the Public Works building program, or the building program commonly known and referred to as the "P. W. A."; be it further

Resolved, That there particularly be transmitted to the United States Senate by the Secretary of the Interior any and all reports, data assembled, or work sheets (including daily, temporary, or final reports, work sheets, and material collected), affecting any building project investigated or inquired into which affects the contracts let to or done by the firm of James Stewart Co., and particularly as may have affected the supplies furnished thereon by the General Builders' Supply Corporation; and be it further

Resolved, That the Secretary of the Interior further transmit to the United States Senate any and all information, data, reports, investigations, or inspections that have been assembled or conducted by the said Louis Glavis or those working under or in association with him, or by any other person or persons, which affect, mention, or report on James A. Farley or any concern with which said Farley has been or is now identified.

Mr. ROBINSON. Mr. President, there are three paragraphs in the pending resolution of the Senator from Louisiana. The first calls for voluminous records which in my judgment have little or no relation to the primary subject of the resolution. The first paragraph calls for—

All reports, checks of reports, daily and temporary reports, work sheets, and any and all other material and data in the possession of the Department of the Interior which was assembled by or under the direction of or in association with Louis Glavis, or any other person in the employ of said Department of the Interior, in connection with any investigation, inspection, review into the Public Works building program, or the building program commonly known and referred to as the "P. W. A."

The two subsequent paragraphs have reference to certain firms or corporations and to Mr. Farley. I believe the first paragraph should be stricken. If that is done, I know of no objection to the remainder of the resolution.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON. I yield.

Mr. LONG. For the present the Department of the Interior will understand what we want. I made the first paragraph so broad that there might be no evasion of it. If the proper interpretation is given to the two succeeding paragraphs, that will be sufficient. For the present I am disposed to eliminate paragraph 1 and to accept the suggestion of the Senator from Arkansas and let the resolution be adopted in that shape.

Mr. ROBINSON. I wish to say in reply to the Senator's statement that the suggestion is not made in any spirit of evasion, that the resolution in the paragraph to which I am referring, namely, the first paragraph, is so broad that it would probably require truck loads of records which have no relevancy and which the Senator himself would not regard as having relevancy. The other paragraphs necessarily will be amended in certain words to make them conform.

Mr. LONG. Just what does the Senator mean by stating that the other paragraphs should be amended?

Mr. ROBINSON. I assume that the word "particularly", in the second paragraph, should be eliminated.

Mr. LONG. Yes. I modify my resolution by striking out, on page 1, all of lines 1 to 12, inclusive, being the first paragraph; on page 2, in line 1, by striking out the word "particularly"; and on page 2, line 13, by striking out the words "the said."

The VICE PRESIDENT. The question is on agreeing to the resolution as modified.

The resolution, as modified, was agreed to, as follows:

Resolved, That there be transmitted to the United States Senate by the Secretary of the Interior any and all reports, data assembled, or work sheets (including daily, temporary, or final reports, work sheets, and material collected), affecting any building project investigated or inquired into which affects the contracts let to or done by the firm of James Stewart Co., and particularly as may have affected the supplies furnished thereon by the General Builders' Supply Corporation; and be it further

Resolved, That the Secretary of the Interior further transmit to the United States Senate any and all information, data, reports, investigations, or inspections that have been assembled or conducted by Louis Glavis or those working under or in association with him, or by any other person or persons, which affect, mention, or report on James A. Farley or any concern with which said Farley has been or is now identified.

PRINTING AND USE OF POSTAGE STAMPS

Mr. LONG. Mr. President, I have had prepared to send to the desk this morning and to have inserted in the RECORD

a copy of the statute of this country relating to the handling of postage stamps. I had a case of this kind once that brought it to my attention when I was called on to produce the particular statute.

The law does not allow the use of postage stamps or materials for the printing or the handling of postage stamps except in certain ways. It prescribes a very stiff penalty for anyone handling postage stamps except printing them for sale and selling them. In other words, if I am running a post office I cannot call in my friend the Senator from Nevada [Mr. PITTMAN] and say, "You take these three sheets of postage stamps, and I will tell my office that they are not going to be used"; or if I were the Postmaster General I could not ask the Printing Office to print for my friends some stamps for souvenir purposes. The law on that is very clear. The law says:

Whoever, being a postmaster or other person employed in any branch of the Postal Service and being intrusted with the sale or custody of postage stamps, stamped envelops, or postal cards, shall use or dispose of them in the payment of debts, or in the purchase of merchandise or other salable articles, or pledge or hypothecate the same, or sell or dispose of them except for cash; or sell or dispose of postage stamps or postal cards for any larger or less sum than the values indicated on their faces; or sell or dispose of stamped envelops for a larger or less sum than is charged therefor by the Post Office Department for like quantities; or sell or dispose of, or cause to be sold or disposed of, postage stamps, stamped envelops, or postal cards at any point or place outside of the delivery of the office where such postmaster or other person is employed; or induce or attempt to induce, for the purpose of increasing the emoluments or compensation of such postmaster, or the emoluments or compensation of any other person employed in such post office or any station thereof, or the allowances or facilities provided therefor—

I call the attention of the Senate specifically to this line:

Or the allowances or facilities provided therefor, any person to purchase at such post office or any station thereof, or from any employee of such post office, postage stamps, stamped envelops, or postal cards—

And now I ask the Senate to pay particular attention—

or sell or dispose of postage stamps, stamped envelops, or postal cards, otherwise than as provided by law or the regulations of the Post Office Department, shall be fined not more than $500, or imprisoned not more than 1 year, or both. (R. S. sec. 3920; June 17, 1878, c. 259, sec. 1, 20 Stat. 141; Mar. 4, 1909, c. 321, sec. 208, 35 Stat. 1128.)

In other words, Mr. President, the law is very explicit that no one is allowed to use the facilities of the Government for making postage stamps and no one is allowed to dispose of postage stamps in any way other than as prescribed by law.

Mr. President, the entire facts about these postage stamps are contained in a speech delivered by a gentleman by the name of MILLARD in the other House of Congress, on February 7, 1935, found at page 1698 of the CONGRESSIONAL RECORD, I understand that the postage stamps which were given out would amount in actual value to somewhere around $80,000 and, of course, the regular sale price of them was considerably less than that.

I once defended a man in the United States Court on a charge of handling postage stamps differently from the way in which he was authorized by law to handle them; and there was not any such allegation of favoritism or misuse of public facilities as is involved in this particular case. I am informed that the facts as stated by this Representative on February 7, at page 1698 of the CONGRESSIONAL RECORD, are practically admitted. Why be trying the little employees of the Government—the little postmasters and postmistresses all over the United States—on the ground that they have not been handling the money-order money as they ought to have handled it, or have not been handling the stamp money as they ought to have handled it, or have not been handling various other things as they ought to have handled them, when we have the Postmaster General, according to these provisions of the statutes—if the statements contained in the CONGRESSIONAL RECORD on this subject are anything like true—paying practically no attention whatever to the law, and violating it to the extent of thousands of dollars?

A JOB FOR EVERY HUMAN BEING

While I am on my feet, Mr. President, although it is not exactly under this heading, I should like to pay attention to another news item that appeared in the press this morning. On February 14, our First Lady said something which I think is worthy of note, and I shall ask that it be placed in the CONGRESSIONAL RECORD after reading this paragraph:

We have undertaken to say that individuals shall neither starve nor freeze. But all of us are doing a rather poor job of it. All over the country today, while people are not actually starving, there are people and children growing up improperly fed, improperly housed, and improperly clothed. Families are moving constantly because there is no stability or security in life. Children are struggling through these things and looking for work and there is no work.

While this article takes occasion to say that the speaker does not approve of any particular plan that I have offered, I send it to the desk and ask that it may be incorporated in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

[From the Washington (D. C.) Evening Star of Thursday, Feb. 14, 1935]

FIRST LADY DOUBTS TOWNSEND OR LONG CAN PUT ALL TO WORK

By the Associated Press

ITHACA, N. Y., February 14.—Whether you are "a Mr. Townsend, with an old-age plan, or a Senator Huey Long, with a share-the-wealth program", said Mrs. F. D. Roosevelt, in an address on the Cornell Farm and Home Week program today, "you are going to be stumped when it comes to outlining a program of how to give every human being a job who wants it."

"My generation has a responsibility for today's youth which it cannot escape", she said, addressing 3,000 persons in Bailey Hall, where a standing-room-only sign was hung out half an hour before the address was scheduled.

"We have undertaken to say that individuals shall neither starve or freeze. But all of us are doing a rather poor job of it. All over the country today, while people are not actually starving, there are people and children growing up improperly fed, improperly housed, and improperly clothed. Families are moving constantly because there is no stability or security in life. Children are struggling through these things and looking for work and there is no work.

"Now somewhere there is the explanation and the reason for this, and we have got to find it."

Mr. LONG. Further, Mr. President, I offer——

Mr. PITTMAN. Mr. President, has the morning business closed?

The VICE PRESIDENT. There is nothing before the Senate. The Chair asked if there were additional resolutions to be submitted, and the Senator from Louisiana said he had a few remarks to make.

Mr. LONG. It will not take more than about 3 minutes for me to complete what I have to say.

Mr. PITTMAN. The Senator can make his remarks at any time, of course, under the rules of the Senate; but it seems to me debate ought to be deferred until we finish the morning business.

Mr. LONG. I am not debating anything.

The VICE PRESIDENT. Does the Senator from Nevada make the point of order?

Mr. PITTMAN. I make the point of order.

The VICE PRESIDENT. The point of order is sustained.

Mr. LONG. Very well.

ADMINISTRATION OF CODES UNDER THE N. R. A.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The Chief Clerk read Senate Resolution 79, submitted jointly by Mr. NYE and Mr. MCCARRAN on the 14th instant, as follows:

(S. Res. 79, without the preamble thereto)

Resolved, That the subject matter of this resolution be referred to the Senate Committee on Commerce and that said committee be, and is hereby, authorized and directed to investigate and report upon the subject matter of this resolution.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The

expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. HARRISON. Mr. President, unless the Senator from North Dakota will agree to that course, I am about to move that the resolution be referred to the Committee on Finance. Before making that motion, however, I desire to make a statement.

It is known to everyone that within a short time the President of the United States will send to Congress a message with reference to the N. R. A. That message and the proposed legislation dealing with the N. R. A., its extension or whatever changes may be proposed, will be considered by the Finance Committee. That, I presume, is due to the fact that this original legislation on the subject was given into the charge of the Finance Committee. So it seems to me that the charges preferred in this resolution and the matters contained in it for investigation certainly ought to be investigated by the standing committee which has N. R. A. legislation in charge.

I had thought for a long time that whenever this suggestion came that committee ought to investigate certain matters and ascertain certain facts with reference to the past administration of the N. R. A. So I hope the Senator from North Dakota will not insist on the resolution going to some other jurisdiction, thereby tangling up the legislation, and possibly having a tendency to delay whatever legislation should be considered during the present session of Congress.

Mr. NYE. Mr. President, will the Senator yield?

Mr. HARRISON. Yes.

Mr. NYE. I am asking merely for information; but will the Senator explain why originally the N. R. A. program was submitted to the Finance Committee?

Mr. HARRISON. The Senator is asking me a question I cannot answer. It so happens that the Senate has referred several matters to the Finance Committee for consideration, and that is just one of them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GEORGE. Mr. President——

Mr. HARRISON. I hope the Finance Committee handled the matter very well. It certainly was not a matter that was sought either by the Chairman of the Finance Committee or by any member of the committee, because there was much work involved, and much work will be involved in the further consideration of the subject.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Missouri.

Mr. CLARK. I suggest to the Senator that the bill creating the N. R. A. was originally referred to the Finance Committee because it contained some taxing features and some features having to do with the tariff and therefore was well within the jurisdiction of the Finance Committee.

Mr. HARRISON. That is quite true. As the Senator from North Dakota will recall, a tax was involved, and a revenue feature was involved, which naturally sent the bill to the Finance Committee.

Mr. NYE. I should like to say to the Senator it occurs to me that the objections which are being raised to the operation of N. R. A. are in no degree related to what we understand to be the jurisdiction of the Finance Committee; and now that other studies have been undertaken in other committees, I am rather hoping that we can somehow center the effort that is being made to ascertain the facts, and enable the Senate to know precisely what justification there is for the great horde of complaints that keep descending upon us from those who are alleging oppression under the codes.

Mr. HARRISON. I may say to the Senator that if the resolution is referred to the Finance Committee, he will be invited to attend its sessions and sustain all the charges he makes, or offer any proof he desires as to the charges. We are not going unnecessarily to delay the proposed legislation on the subject.

Mr. NYE. I do not doubt the sincerity of purpose of the Senator from Mississippi or his committee. I was simply trying to ascertain if it be true that many of these problems are not related to the Finance Committee; and if so, is it too late to try to have these things referred to the committee which is considering such problems?

Mr. HARRISON. In view of the fact that the Finance Committee has given study to the subject, and considered it from the birth of the N. R. A. until now, I think it would be unfair and I think it would unnecessarily cause some delay to take the resolution away from the Finance Committee and lodge it in the hands of another committee.

Mr. NYE. Is the Senator aware of the fact that the Judiciary Committee has undertaken a study of one phase of this question?

Mr. HARRISON. I am aware of the fact that a resolution was offered calling for an interpretation of the antitrust laws, and so forth. It was very proper that that matter should have been considered by the Judiciary Committee, because it was a question of the interpretation of law; but many of the charges made in this resolution contain no such feature as that.

Mr. NYE. Does not the Senator concede that there might be reasonableness in a request that the Judiciary Committee, having undertaken this study, might better include all the items?

Mr. HARRISON. If the Senator desires to have the resolution go to the Judiciary Committee, or desires to have it go to his special committee, or desires to have it go to the Commerce Committee, that is all right; and if the judgment of the Senate is that the resolution ought to go to another committee in view of the fact that the President is about to ask for certain changes in the N. R. A., so that certain matters such as are included in this resolution necessarily must be investigated, then well and good; but I feel that it is my duty, as chairman of the committee which had this matter in charge, to suggest to the Senate that the Finance Committee is the proper committee to which the resolution should be referred.

Mr. BARKLEY and Mr. COUZENS addressed the chair.

The VICE PRESIDENT. Does the Senator from Mississippi yield, and, if so, to whom?

Mr. HARRISON. I yield to the Senator from Kentucky.

Mr. BARKLEY. In view of the fact that the Finance Committee in the very near future will consider the whole N. R. A. situation, and will necessarily consider the method of its administration and complaints regarding anything that has happened under it in determining what features of it will be preserved in any permanent or further temporary legislation, I desire to ask the Senator whether it is not true that that would involve investigation and hearing upon the very complaints that are made in this resolution?

Mr. HARRISON. The Senator is absolutely correct, and until we receive the message of the President, I am sure the committee is going to consider certain changes in the present law that may cure some of the things referred to in this resolution; so they are all tied into one.

Mr. BARKLEY. The Committee on Finance would be derelict in the performance of its duty if it did not take into consideration the whole history of the N. R. A. to date in determining how much of it is to be reenacted or preserved for the future; and a reference of the resolution to another committee certainly would bring about a duplication of investigations and an additional expense which it seems to me would be unjustified.

Mr. NYE. Mr. President, I will say to the Senator from Mississippi that I am not concerned about where such an inquiry is made, so long as it is made; and I also understand that the Senator from Mississippi has no intention of throwing himself in the way of any such inquiry.

Mr. HARRISON. Absolutely not.

Mr. NYE. It has occurred to me, however, that since there is a determination on the part of other committees of the Senate to delve into these things, we might somehow bring them all together today. For that reason I intend to move

that the resolution be referred to the Committee on the Judiciary, which already has authorized one phase of study in the matter.

Mr. HARRISON. Mr. President, I move that the resolution be referred to the Committee on Finance.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

PROPOSED AMENDMENT OF RULES XXVI AND XXVII

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a previous day, which will be stated.

The Chief Clerk read Senate Resolution 80, submitted by Mr. McCARRAN on the 14th instant, as follows:

Resolved, That rule XXVI of the Standing Rules of the Senate is amended by adding the following new paragraph:

"3. Every bill and joint resolution reported from a committee shall lie over 2 days for consideration, unless by unanimous consent the Senate shall otherwise direct."

Resolved further, That rule XXVII of the Standing Rules of the Senate is amended by adding the following new paragraph:

"3. It shall not be in order to consider the report of a committee of conference until such report shall have been printed in the RECORD, and such report shall lie over 2 days for consideration, except on either of the 6 days preceding the end of a session."

Mr. McCARRAN. I ask that the resolution be referred to the Committee on Rules.

The VICE PRESIDENT. Without objection, it is so ordered.

That completes the morning business.

UTILITY OF DIRIGIBLES

Mr. WAGNER. Mr. President, I ask to have printed in the RECORD a collection of editorials from a great metropolitan newspaper, the New York Sun—editorials which are both interesting and prophetic—on the question of dirigibles as an instrument of defense.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Sun]

AND NOW THE "MACON"—HAVE WE STOOD ENOUGH FOLLY?

[Thursday, Sept. 3, 1925]

THE "SHENANDOAH" DISASTER

The first feelings inspired by the wreck of the *Shenandoah* are naturally those of keen regret that so many brave men should have lost their lives. While the Nation anxiously awaited news of the Navy seaplane that is missing in mid-Pacific it was shocked by this crash at home, of the Navy's giant dirigible. The costly, handsome, and spectacular airship, that yesterday started so proudly on its visit to the West, lies now a broken thing in an Ohio cornfield.

But, after all, what else could have been expected? The history of the dirigible balloon has been a record of failure and death. Governments have spent fortunes on the development of the Zeppelin. They have never removed its inherent weaknesses, for these weaknesses are embedded in the very principle of the lighter-than-air machine. The dirigible, unlike the plane, is the easy victim of the elements in peace and of the airplane in combat. Most of the aviation experts of Europe realized this during the World War.

America should have learned then, but the temptation to experiment with the big, showy gas bags was too much for Washington. Since the war the Government has had many lessons but has not heeded them. It had the lesson in 1919 of the *C–5*, which was blown to sea and lost. It had the lesson in 1921 of the *ZR–2*, which the United States bought from Great Britain and which exploded at the mouth of the Humber, killing 62 Americans and Englishmen. It had the lesson in 1922 of the *Roma*, which we bought from Italy and which blew up at Hampton, Va., killing 38. It had the lesson in 1922 of the *C–2*, which exploded at San Antonio, Tex., injuring 7. It had the lesson in 1923 of the *TC–1*, which was destroyed by a storm at Dayton, Ohio.

And still the Government went on, spending millions on dirigibles and places to keep them. It was not content with getting the *ZR–3*, now the *Los Angeles*, from Germany. It must build a dirigible at home. The *Shenandoah* was the result. It was planned by the Navy Department and built entirely by Americans from American material. The very latest inventions in metals and fabrics were employed. Special engines, designed by a famous American maker, were installed. Helium, which is fireproof, was used as the supporting gas. Everything that money could buy or American ingenuity offer was put into the *Shenandoah*.

What could not be put into the *Shenandoah* was that element of safety which is denied balloons. The bag's hugeness, necessary to lifting power, makes the airship the prey of storm and lightning. In January 1924 the *Shenandoah* was torn from its mooring mast at Lakehurst and made the sport of the winds for 3 hours, returning to its hangar only when the storm abated. After that the *Shenandoah* seemed to atone for its display of weakness by making a flight to the Pacific coast and back—8,100 miles in 18 days. This, coupled with the almost coincident flight of the *ZR-3* from Germany to America, encouraged here and there the belief that the dirigible had become a dependable instrument.

That brief dream is over. Once more tragedy brings home to the American people and the American Government the hopelessness of expecting from a Zeppelin the reliability, in calm or storm, that the airplane gives. Once more is demonstrated the folly of the Army and the Navy putting into experiments with gas bags the millions of dollars that are sorely needed for the development of the airplane and the hydroplane.

It is a bitter thing that Commodore Lansdowne and his gallant men should have met this fate, the machine to which they trusted themselves broken like paper in the wind. But the lesson may come home to Washington at last.

[Thursday, Oct. 8, 1925]

THE ZEPPELIN COMPLEX

It is useless to try to convince men who have the Zeppelin complex. Last week Capt. Anton Heinen argued to the naval board investigating the collapse of the *Shenandoah* that the *Shenandoah* was all right, but that the dirigible was improperly handled. Yesterday Rear Admiral Moffett told the aircraft committee that the Government ought to build another Zeppelin with three times the gas capacity of the *Shenandoah*.

The history of Zeppelins has shown that they are weak by nature. To float in the air they must be huge in proportion to their weight. The bigger they are the easier targets they are for the fury of a storm. And the bigger they are the harder they fall. The *ZR–2*, the *Roma*, and the *Shenandoah* were all big, and all three ended in tragedy.

Yet Admiral Moffett, who is Chief of the Bureau of Aeronautics, wants the Government to construct the biggest Zeppelin ever—three times as many cubic feet of gas bags as the *Shenandoah* carried; perhaps three times as many men in the crew.

There is no reason why the United States Government should build or use any more Zeppelins at all. Certainly there is no reason why it should pay five or six million dollars for a super-Zeppelin which, because of its size, will be even more helpless in the wind than its predecessors have been.

Admiral Moffett wants the Government to be more liberal with its Air Service, yet he would waste in a dirigible millions of dollars that could be safely and profitably used in the purchase and development of planes—the really useful instrument of the air.

Admiral Moffett would like to see more airmen developed, yet he would send some of them up in Zeppelins, probably to die as our men died in the *ZR–2*, the *Roma*, and the *Shenandoah*.

The American people realize that it is folly to trust the Zeppelin. The men with the Zeppelin complex refuse to realize it. They are committed to a theory. Death and disaster will not move them.

[Saturday, Oct. 10, 1925]

THE FOLLY OF DIRIGIBILES

Elsewhere on this page is reprinted from the Nation and the Athenœum an article by a distinguished member of the Royal Navy, Lieutenant Commander Kenworthy, on the folly of dirigible balloons.

The author looks at the Zeppelin from the viewpoint of a Briton, but almost every charge that he makes against it is equally an argument against the use of dirigibles by the American Government.

Commenting on the loss of the *Shenandoah*, Commander Kenworthy upholds the contention of the Sun when he says that "the disaster" was "one inherent to airships themselves, however great the improvement made in them, and however skilled the navigators and crew."

The advocates of a super-Zeppelin, three times as big as the *Shenandoah*, might well heed Kenworthy's declaration that "the larger airships become, the more vulnerable they are, not only to opposing heavier-than-air craft in war, but to the elements."

Commander Kenworthy's article is added testimony that the Zeppelin is a dangerous, expensive, helpless, useless thing.

[Thursday, Oct. 15, 1925.]

ALL DIRIGIBLES FRAIL

The chief engineer of the naval aircraft factory at Philadelphia, Commander Weyerbacher, cannot be accused of prejudice against dirigible balloons. He supervised the construction of the *Shenandoah*. He told the naval court of inquiry the other day that the *Shenandoah* was built 10 percent stronger than the German *L–49*, after which the American Zeppelin was modeled.

But, said Commander Weyerbacher, "an airship caught in the center of a storm is doomed; no rigid airship could have survived the storm which wrecked the *Shenandoah*."

The more testimony is heard the more it becomes plain that the Zeppelin is frail of its very nature. As Lieutenant Commander Kenworthy, of the British Navy, wrote recently, the disaster

of the *Shenandoah* "was one inherent to airships themselves, however great the improvement made in them: the larger airships become the more vulnerable they are."

With this knowledge, buttressed as it is by the long record of Zeppelin tragedies, it would be shocking for the Government of the United States to invest more lives and money in aircraft that is at the mercy of the elements as well as of the enemy.

[Monday, Jan. 4, 1926]

NOT WORTH THE PRICE

The report of the naval court of inquiry, virtually exonerating everybody of blame for the *Shenandoah* disaster, was not unexpected. Some criticism, indeed, is leveled at the reduction of the dirigible's gas valves, which was characterized as inadvisable. Those responsible for that, however, are excused on the grounds it was due to an error of judgment, which did not involve negligence or culpability. The report then makes this statement: "The disaster is part of the price which must inevitably be paid in the development of any new and hazardous art."

It is one thing to be willing to pay a high price for a purpose that is worth accomplishing, but when a country is asked to pay with the lives of able and useful men for a thing of such doubtful value as the dirigible it is an altogether different matter. The dirigible is still undeveloped as a practical instrument either for war or for peace, and conceivably more lives will have to be sacrificed if it is to be improved.

Is the country willing to pay that price? The Sun believes it is not. It believes that enough experiments have already been paid for in precious blood to prove the dirigible nothing but an expensive plaything.

A machine so unwieldy and cumbersome as to be at the mercy of every gale is not to be depended on for the ordinary requirements of day-by-day commercial traffic. How much less is it to be depended on in time of war? Unless some understanding could be reached whereby an enemy would agree to suspend all operations during times of storm, when dirigibles would be incapable of attacking, its military usefulness must remain practically negligible.

Even if such an absurd agreement could be made and kept, the dirigible would be handicapped. Futile in bad weather, it would be a shining mark in fair weather for every antiaircraft gun and every hostile airplane. It can keep the air in war only as airplanes cooperating with it can maintain control of the air, and since the airplanes themselves can perform most of the services intended for the dirigible more quickly, more surely, and more safely than balloons can, its scope is limited rather than increased by its natural auxiliaries.

The *Shenandoah* was not worth the price represented by those brave men who perished on her last journey. Nor does the report of the naval court disclose any evidence that lessons to be learned from that disaster can be considered as compensation for them.

Technically the *Shenandoah* episode is closed. There may be those who will not be pleased with the findings. Whether the report represents the soundest possible judgment, in view of all the evidence, really matters very little. But there is one thing which does matter, and that is the question of how soon the country is going to quit squandering lives in the hopeless task of trying to make a useful thing out of a mechanism so repeatedly shown to lack the fundamentals of usefulness.

[Thursday, Jan. 14, 1926]

NO MORE "SHENANDOAHS"!

The chief argument advanced by Secretary Wilbur before the House Naval Committee at Washington in favor of building a $6,000,000 dirigible to replace the *Shenandoah* bears within itself its refutation.

The Secretary said the Navy General Board regards lighter-than-air craft as still in the experimental stage, doubts their military value, and opposes experiments which would curtail construction of needed types of war craft. The Board agrees, however, said Mr. Wilbur, that, for experimental purposes, the *Shenandoah* should be replaced.

If lighter-than-air craft are still in the experimental stage—and everybody knows they are—it is because there seems to be no reason to suppose they ever will get into any other stage. Over and over again, at heavy cost in money and shocking cost in lives, they have been proved untrustworthy, unsafe, unmanageable in stormy weather. Even the Navy General Board "doubts their military value." That is a doubt most Americans share.

What is the use, then, of spending $6,000,000 for a bigger *Shenandoah* which may prove no more successful than the original *Shenandoah* was, but which might carry more men to death than the *Shenandoah* did, if, like its predecessor, it ran afoul of a Midwest storm?

The House Appropriations Committee has recorded public sentiment correctly in its tentative plan to reduce the maintenance cost of the Lakehurst Naval Air Station from $1,716,000 to $128,000. The Navy Department opposes this on the ground that a separate arrangement will have to be made to take care of the *Los Angeles*. As to this, the country is sure of at least one thing: That is that as long as the *Los Angeles* remains in storage there is less chance of a new dirigible disaster which may be even worse than that which wrecked the *Shenandoah*. If the country can get that assurance and at the same time save more than $1,500,000, it should count itself doubly lucky.

[Saturday, May 16, 1931]

ALONE IN FOLLY

Abandonment of airship construction by the British leaves the United States alone among the great powers committed to the dirigible on a large and costly scale. The *Akron*, the Navy's $5,000,000 airship, will be ready for her first tests next month. Prime Minister MacDonald's announcement in the House of Commons put a period to the airship program entered upon in 1924, which has cost British taxpayers more than $11,000,000 to date. It will cost them between $580,000 and $680,000 a year in the next few years to follow the program of compromise outlined by the Prime Minister. No fresh construction will be started, but the *R–100*, sister ship of the lost *R–101*, will be maintained for short flights over the British Isles, and mooring masts in Egypt, Canada, and India will be kept in commission.

No such limited bill appears for American taxpayers. The contract price of the *Akron* was $5,375,000. Her sister ship, the *ZRS–5*, if built, will cost by contract $2,450,000. The proposed dirigible base in California would cost more than $1,000,000. What it will cost to keep the *Akron* in commission cannot be told, but it unquestionably will exceed the $500,000 a year that has been spent on the maintenance of the *Los Angeles*, for the new dirigible is nearly three times the size of the *Los Angeles*.

The current study of Government expenditures will reach the Navy Department in due course. It would be odd if the slight economies expected to arise from elimination of a score of obsolete Army posts were to be more than offset by the cost of our stubborn adherence to an extravagant dirigible program. The *Akron* is 1927's spilled milk, but it is not too late to save money by abandoning the plan to build her sister ship.

[Wednesday, Apr. 5, 1933]

DIRIGIBLES: THE LONG ROLL OF DISASTER

The loss of the *Akron* tragically crowns the folly of 1926, when Congress authorized the construction of two huge dirigibles, which were to be constructed on the theory dear to lighter-than-air advocates that to make these toys safer it is only necessary to build them larger.

Before Congress authorized the construction of the *Akron* and the *Macon* the world had witnessed several major disasters to dirigibles. On August 24, 1921, while cruising over the Humber River, the British-built *R–38*, constructed for the United States, and just about to be taken over by the Navy as the *ZR–2*, broke in two and was destroyed by flames. Sixty-two lives were lost; of these 17 were those of American naval officers and men.

On February 21, 1922, at Hampton Roads, Va., the *Roma*, Italian built for the United States, was destroyed when broken vertical controls sent the airship nose down into a high-power electric line. Thirty-four lives were lost in that disaster.

On October 17, 1922, the Army's largest blimp, the *C–2*, was destroyed at San Antonio by an explosion, which, fortunately, did not injure a single member of the crew.

The French dirigible *Dixmude*, like many another victim of disaster, the largest airship of the moment, was destroyed some time after December 21, 1923 (when she was last sighted), with the loss of her crew of 50 men.

In circumstances, if not in setting, the loss of the *Akron* was similar to the loss of the *Shenandoah*, taken into the air on her first flight on September 4, 1923, and destroyed over Caldwell, Ohio, on September 3, 1925. Fourteen lives were lost in that disaster. Only the skill and resourcefulness of members of the crew, who free-balloon-ed a portion of the ship to earth, prevented the loss of life from being greater.

Thus the record stood at the time that Congress authorized construction of two more dirigibles at a total cost of $7,825,000. The dirigible was not a novelty. Its history antedates that of the airplane. A Germany at war had spent countless sums of money and innumerable lives in a vain attempt to demonstrate the military usefulness of the dirigible. The British building program entered upon after the war was marked by the scrapping of one dirigible after another until the building of the *Los Angeles* by Germany for the United States and the *Shenandoah* of American build provided the impetus for a fresh British program which called for the expenditure of nearly $11,000,000 on the *R–100* and the *R–101*.

In 1926, then, there was no dearth of evidence to show the folly of building dirigibles. All the solid evidence of disaster after disaster was swept away by the specious plea that nobody had yet built dirigibles big enough and strong enough. It was accordingly proposed to build two airships 85 feet longer than the *ZR–2* and with cubic capacity more than twice as great. The same plea was made in Great Britain and was listened to there as here. The *R–100* and the *R–101* were to be made bigger, stronger, more powerful, with a higher safety factor than had ever been seen before.

The history of the working out of the theory of bigness is briefly told. The two big British dirigibles were completed in 1929. One of them, the *R–101*, was destroyed near Beauvais, France, on October 5, 1930, on the first leg of her maiden voyage, with the loss of 47 lives. Her sister ship, the *R–100*, was sold for scrap in 1931.

Construction of the *Akron* was begun on November 7, 1929. Destruction of the airship followed by only a year and a half her first flight. The theory of bigness so worked out here as to make our biggest dirigible the cause of our biggest disaster.

Representative VINSON, Chairman of the House Naval Affairs Committee, is reported as saying, "There won't be any more big airships built." It is to be hoped that he speaks with authority. The new deal that began on March 4 should include a casting out of a monumental folly of the past. Seven years ago the Sun said:

"Over and over again, at heavy cost in money and shocking cost in lives, they (dirigibles) have been proved untrustworthy, unsafe, unmanageable in stormy weather."

Not a word of that needs to be changed in 1933.

[Wednesday, Nov. 14, 1934]

DISASTROUS THEORY

Representative VINSON'S recommendation to the Federal Aviation Commission that the Navy build two giant dirigibles to replace the *Akron* and the *Los Angeles* is a pertinent illustration of the tenacity of the theory that the way to avoid the vulnerability characteristic of dirigibles is to make them larger. So far this policy has only resulted in bringing about greater disasters in proportion to the increase in the size of the airships.

Though it happened 4 years ago, the loss of the British dirigible *R–101* must still be remembered. That was constructed in accordance with the theory of making dirigibles bigger to make them safer. It crashed on its maiden voyage with the loss of 47 lives. The *R–101* was 85 feet longer than the *ZR–2* and had a cubic capacity twice as large, yet its fate was the same.

The *Akron*, whose destruction occurred only a year and a half ago, was designed to be bigger and safer than the *Shenandoah*. The *Shenandoah* broke in two in a Midwestern storm, with the loss of 14 lives, in 1923. Ten years later the *Akron* was destroyed with the loss of 73 lives in the major catastophe of the air. The theory of bigness thus led straight to the biggest disaster.

Untaught by the long roll of dirigible disasters, Representative VINSON again comes forward in support of the theory of bigness. Memories must be short, indeed, if Members of Congress do not remember the *ZR–2*, the *Roma*, the *Shenandoah*, and the *Akron* when they are asked to vote millions for two new airships.

[Friday, Feb. 1, 1935]

MILLIONS FOR DISASTER

The Federal Aviation Commission, created by the Air Mail Act of June 12, 1934, and required to report its recommendations respecting a broad policy covering all phases of aviation, would like to commit the United States Government to the expenditure of millions for dirigibles, some of them to be used by the Navy, some to be turned over to private operators for use in trans-atlantic commercial service.

This portion of the report is marked by understatement, as witness the subjoined paragraph:

"While the record of the airship has been marked by a number of disasters as a matter of common knowledge, each of them in turn has been the subject of detailed investigation, and each appears to have been shown, to the satisfaction of unprejudiced judges, to have been due either to errors in navigation or airmanship which were in no way inevitable or to a serious misapprehension of the capacities of the airship."

This is so cautiously worded a statement that it might have been written by that well-known Philadelphia lawyer, but the phrase "a number of disasters" is scarcely adequate as a description of the long roll of disasters, in the most recent of which, the loss of the *Akron*, 72 lives were lost. Zealots for the dirigible have often given the impression that they believe the answer to disaster to be more and bigger dirigibles. The Commission repeats this argument, in effect, when it says:

"We regard the arts of airship construction and operation as being still somewhat experimental. The only hope of making further progress is through the construction and operation of airships."

This is approximately the theory behind the construction of the *Macon* and the *Akron* in the United States and the building of the *R–100* and the *R–101* in Great Britain. In both countries it was argued that by building bigger, stronger, and more powerful dirigibles the disasters of the past could be avoided. Each country lost one of the dirigibles so built. The only result of the bigger-and-better theory was to make certain that more persons were killed when the bigger and better airships came to grief. Last spring Representative WEARIN calculated that the United States has spent $100,000,000 on the development, construction, and operation of airships. What has been learned or gained of military or commercial value that could not have been obtained by the expenditure of a quarter or a half of the money on airplanes? And why should not private capital be left to blaze the trail in trans-Atlantic dirigible service?

[Wednesday, Feb. 13, 1935]

AND NOW THE "MACON"

The dirigible-building program authorized by the Congress in 1926 has been brought to an end by the disaster to the *Macon*. It has been in the language of the Soviets, fully liquidated. A little less than 2 years ago the first unit in that program, the dirigible *Akron*, was destroyed in a storm over the Atlantic, carrying 73 men to their deaths. The loss of the *Macon* in the Pacific lacked being an equally costly disaster in human lives only because the ships of the Navy happened to be close at hand. For that providential arrangement and the fine discipline of Commander Wiley and his crew the Nation can be thankful.

After all its experimentation, its expenditures, its stubborn pursuit of a policy abandoned by all the great powers of the world, the United States is left with the decommissioned *Los Angeles*, a semirigid airship of the type of the *J–3*, destroyed in the attempt to find survivors of the *Akron* crash, and a small metal airship. This is a trifling remainder for all the investment of time and man power, for all the fancied gain in experience. The *ZR–2*, the *Roma*, the *Shenandoah*, the *Akron*, and the *Macon:* Call the roll of these great dirigibles and the answer must be "Lost!" as the British would answer for the *R–101* or the French for the *Dixmude* or the Italians for the *Italia*. Under varying weather conditions, in different parts of the world, under different commanding officers, these dirigibles have gone alike to destruction, testifying to the fragility of these vast toys.

Perhaps this latest disaster will arouse in Members of Congress a determination not to continue longer a plainly demonstrated folly. In its recent report the Federal Aviation Commission recommended that the United States spend more millions for dirigibles, partly for commercial services, partly for naval training. The collapse of the Macon comes as a devastating answer to those recommendations.

[Thursday, Feb. 14, 1935]

FOLLY'S OWN DISASTER

Official investigation of the loss of the dirigible *Macon* ought to be facilitated by survival of 81 of the 83 persons on board the airship when her stern crumpled and she fell to the surface of the Pacific. Yet it is possible that the whole 81 will be able to give no clearer explanation of the cause of the disaster than was contained in Commander Wiley's immediate report, in which he says that "a casualty occurred in stern", after which one gas cell was lost, the stern crumpled, another gas cell was lost and the ship landed stern first. The observations of the lighthouse keeper at Point Sur, who watched the *Macon* almost up to the moment she fell, indicate that there was a rain squall just before the ship fell, but they also indicate that the velocity of the wind on the surface was no more than 3 miles an hour and that there was not a heavy sea. Naval vessels picked up the survivors without difficulty, further evidence that there was little wind or sea.

The *Shenandoah* was destroyed by a Corn Belt thunderstorm and her great bulk was torn into three pieces. The *Akron* was crushed by a storm on the Atlantic. The French dirigible *Dixmude* was lost in a Mediterranean storm. The British dirigible *R–101* was driven to French earth by a fierce rainstorm and there destroyed. There were storm conditions prior to the *Macon's* destruction, but apparently not at the moment of the accident. The variety of the circumstances which accompanied these dirigible disasters suggests strongly that it is not merely one type of bad weather that is dangerous to dirigibles. No; the plain evidence is that they are fair-weather creatures, ever in danger when they attempt to run through bad weather of any description.

The loss of the *Macon* closes the chapter begun in 1926 when Congress authorized the construction of the *Akron* and the *Macon* at a cost of $7,825,000. The construction of the dirigible base at Sunnyvale, Calif., added more millions to the cost of the program undertaken in spite of the plain warning given by the loss of the *ZR–2*, the *Roma*, and the *Shenandoah*, and by the abandonment of the dirigible by all other great powers.

The *Akron* was destroyed on April 4, 1933, with the loss of 73 lives, less than a year after it had been pronounced by the House Naval Affairs Committee to be flawless. Before her destruction, the *Akron* suffered three minor accidents in 1932. The *Macon* survived her sister ship less than 2 years. But for the immediate presence of naval vessels the death list would have been as large as the *Akron's*.

The end of this disastrous chapter should not be accepted as an excuse by Congress to listen to another plea to build bigger, more costly dirigibles on the theory that mere size means safety. That theory has been well examined and has been found wanting.

The President has plainly indicated that he will not ask Congress for funds to build more dirigibles. Let Congress accept the facts as honestly.

NATIONAL PUBLIC HOUSING CONFERENCE REPORT

Mr. CLARK. Mr. President, I ask permission to have printed in the RECORD a very brief and enlightening report of the policy committee of the National Public Housing Conference, approved by its second Washington conference on slum clearance and rehousing, Washington, D. C., January 20, 1935.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The clear statement of purpose in the matter of slum clearance included in the President's recent message to Congress makes him the Nation's leader in this important field of social pioneering. To those assembled at the Second Washington Conference on Slum Clearance and Rehousing the President's espousal of public housing, for the promotion of which this organization exists, is welcome indeed. His recognition of the great social evil of the slum gives us cause to hope that the program now directed toward its abolition may be continued and enlarged until the sought-for goal is

attained. In a previous message to the National Public Housing Conference the President has stated that the beginnings made by the Housing Division of the Public Works Administration in slum clearance "may be regarded as no more than the first steps in a great and permanent campaign against those appalling slum conditions in which a third of our population is now forced to exist." To cope with a problem of such magnitude—involving, as it is estimated, 5,000,000 families—this conference recommends that the following steps be taken with the greatest possible dispatch:

First, that the $880,000,000 balance unexpended by the Public Works Administration and not otherwise allocated be made available immediately to the Housing Division to permit further construction of rehousing projects and for the imperatively necessary extension of the work of the Housing Division; also, that a major portion of the $4,000,000,000 fund for public works be appropriated for public housing and that current Government activity in the field of public housing be expanded as rapidly as is compatible with efficiency. We recommend this action to accelerate the reemployment both of men and materials.

Second, that the program of the Housing Division be decentralized as rapidly as possible to allow an increasing latitude to local authorities which shall be subject only to conformity with standards and methods established by the Housing Division. We believe that this local responsibility, coupled with the weight of Presidential and congressional approval, will act as a spur to those cities still without power to initiate their own programs, to secure such power from State legislative bodies.

Third, that Federal legislation be enacted to convert the housing division into a permanent and integral part of the Government structure. Recognizing the slum as a continuing problem overshadowing the future and deeply rooted in the past, we appeal for extension of the housing division so that (a) its work may no longer be limited by purposes of relief, recovery, or by other emergency factors; (b) its procedures may be more expeditious and more clearly defined; and (c) the present financial policy may be strengthened by providing loans at the same rate of interest the Government pays for its money; by the extension of the amortization period and by a guaranty that the present subsidy of 30 percent of the cost of labor and materials will be continued.

GOVERNMENTAL EXPENDITURES

Mr. HASTINGS, Mr. President, I ask unanimous consent to have printed in the RECORD two short editorials, one from the Washington Post and one from the Washington Herald.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Friday, Feb. 15, 1935]

SAUCE FOR THE GOOSE

Several weeks ago President Roosevelt advised Congress that any expenditures not contemplated in the Executive Budget should be financed by new taxes. The policy thus established is unquestionably sound. It has been enthusiastically endorsed from many sources. But the administration has so encroached upon the spirit, if not the letter, of its own dictum as to encourage legitimate wisecracking on Capitol Hill.

Obviously the President is not much concerned about the appropriation of $16,000,000 for the restoration of Federal salaries to their base rates on April 1. Instead of vetoing this bill, to uphold the principle he has enunciated, he merely asks Congress to consider "methods by which the Government revenues can be increased to meet this and any other new appropriations which tend to throw the regular Budget out of balance." What the President is properly eager to prevent is prepayment of the veterans' bonus and enlargement of the old-age-pension burden recommended in his economic-security program.

No one familiar with the status of the Treasury and the extravagant demands which are being made upon Congress can fail to approve the President's stand in these particular instances. Yet talk of unbalancing the Federal Budget by a $16,000,000 outlay takes on a sarcastic aspect when the President himself is asking Congress for a public-works fund of $4,800,000,000, nearly all of which would have to be raised by further borrowing. The President's attitude seems to boil down to this: No loose spending will be tolerated unless it originates in the White House.

The administration will find it difficult to arouse any enthusiasm for balancing the regular Budget so long as it maintains an emergency budget into which all sorts of spending projects can be dumped. Congress knows all too well that the so-called "emergency budget" is not restricted to nonrecurring expenditures. No logical basis for a division of outlays into separate budgets has been worked out by the administration.

The extraordinary budget is largely a camouflage behind which officials evade some of the embarrassment of deficit financing. Their anxiety in this regard is understandable when the promise to reduce Federal expenditures by 25 percent is compared with actual performance. Government expenditures this year will be nearly double those of 1932.

[From the Washington Herald, Feb. 13, 1935]

DEMOCRATIC PROMISES—ARE THEY MERELY TO GET INTO OFFICE OR TO STAY IN?

The Democratic platform of 1932 was carefully read by millions of our people. Its promises and pledges were accepted as sincere and honestly intended.

Not only was public reliance invited by the platform itself, but the leading candidates of the party gave their personal pledges that the promises of the platform would be scrupulously kept.

President Roosevelt declared "the platform is a promise binding on the party and its candidates", and later said:

"I have accepted the platform without equivocation and without reserve."

* * * * * * *

No feature of the platform did more to attract support to Mr. Roosevelt's candidacy and to instill confidence among thoughtful voters than its pledge of "an immediate and drastic reduction of governmental expenditure", and the elimination of "extravagance", with the definite promise "to accomplish the saving of not less than 25 percent in the cost of Federal Government."

We recall, in addition to this general pledge, the platform's specific condemnation of "the extravagance of the Farm Board."

In the President's appeal for support he omitted no opportunity to underwrite and emphasize these pledges.

"Let us have the courage", said he, "to stop borrowing to meet continuing deficits. Stop the deficits."

* * * * * * *

And that there could be no mistaking the sincerity and firmness of his purpose, he resorted to homely parallels, which reinforced his pledges and left his meaning in no doubt.

"Any government", said he, "like any family, can spend a little more than its earns. But you and I know that a continuation of that habit means the poorhouse."

Fair enough words! But were they words only?

Franklin Roosevelt's illustrious predecessor, Theodore Roosevelt, said:

"Words are good when backed by deeds, and only so."

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3465) permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia, and it was signed by the Vice President.

WORK-RELIEF PROGRAM

Mr. GLASS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 117, making appropriations for relief purposes, and that it be made and remain the unfinished business of the Senate until it shall have been acted upon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which had been reported from the Committee on Appropriations with amendments.

The VICE PRESIDENT. Does the Senator from Virginia desire that committee amendments be considered before other amendments are acted on?

Mr. GLASS. Committee amendments should be first considered. I take it that is the customary order.

Mr. COUZENS. Mr. President, it is quite customary to waive the reading of a bill and take it up for action on committee amendments, but I prefer to have this joint resolution read in accordance with the orderly procedure.

The VICE PRESIDENT. The general custom is for the Senator in charge of a bill to ask unanimous consent that committee amendments be first considered.

Mr. GLASS. That I do ask.

The VICE PRESIDENT. Is there objection?

Mr. COUZENS. The only difference between the Senator from Virginia and myself is that I should like to have the joint resolution read.

The VICE PRESIDENT. The joint resolution will be read. The Senator from Virginia merely asks that committee amendments be acted upon before action on other amendments.

Mr. COUZENS. Very well.

The VICE PRESIDENT. The clerk will read the joint resolution.

The joint resolution was read, as follows:

Joint resolution making appropriations for relief purposes

Resolved, etc., That in order to protect and to promote the general welfare, by (1) providing relief from the hardships attributable to wide-spread unemployment and conditions resulting therefrom, (2) relieving economic maladjustments, (3) alleviating distress, and/or (4) improving living and working conditions, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direc-

tion of the President in such manner, and for such purposes and/or such projects, Federal or non-Federal, as shall be adapted to the accomplishment of any one or more of the objectives specified in clause (1), (2), (3), or (4), to be immediately available and to remain available until June 30, 1937, the sum of $4,000,000,000, together with the separate funds established for particular areas by proclamation of the President pursuant to section 15 (f) of the Agricultural Adjustment Act (but any amounts thereof shall be available for use only for the area for which the fund was established); not exceeding $500,000,000 in the aggregate of any savings or unexpended balances in funds of the Reconstruction Finance Corporation; and not exceeding a total of $380,000,000 of such unexpended balances as the President may determine are not required for the purposes for which authorized, of the following appropriations, namely: The appropriation of $3,300,000,000 for national industrial recovery contained in the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 274); the appropriation of $950,000,000 for emergency relief and civil works contained in the act approved February 15, 1934 (48 Stat. 351); the appropriation of $899,675,000 for emergency relief and public works, and the appropriation of $525,000,000 to meet the emergency and necessity for relief in stricken agricultural areas, contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055); and any remainder of the unobligated moneys referred to in section 4 of the act approved March 31, 1933 (48 Stat. 22). The specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section.

SEC. 2. The appropriation made herein shall be available for use in the United States and its Territories and possessions, including the Philippine Islands. The provisions of the act of February 15, 1934 (48 Stat. 351), relating to disability or death compensation and benefits shall apply to those persons receiving from the appropriation made herein, for services rendered as employees of the United States, security payments in accordance with schedules established by the President: *Provided*, That so much of the sum herein appropriated as the United States Employees' Compensation Commission, with the approval of the President, estimates and certifies to the Secretary of the Treasury will be necessary for the payment of such compensation and administrative expenses shall be set aside in a special fund to be administered by the Commission for such purposes; and after June 30, 1936, such special fund shall be available for these purposes annually in such amounts as may be specified therefor in the annual appropriation acts. The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not apply to any purchase made or service procured in carrying out the provisions of this joint resolution when the aggregate amount involved is less than $300.

SEC. 3. In carrying out the provisions of this joint resolution the President may (a) authorize expenditures for contract stenographic reporting services; supplies and equipment; purchase and exchange of law books, books of reference, directories, periodicals, newspapers, and press clippings; travel expenses, including the expense of attendance at meetings when specifically authorized; rental at the seat of government and elsewhere; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; printing and binding; and such other expenses as he may determine necessary to the accomplishment of the objectives of this joint resolution; and (b) accept and utilize such voluntary and uncompensated services, appoint, without regard to the provisions of the civil-service laws, such officers and employees, and utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as may be necessary, prescribe their authorities, duties, responsibilities, and tenure, and, without regard to the Classification Act of 1923, as amended, fix the compensation of any officers and employees so appointed.

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized, to such extent and in such manner as he finds and prescribes as necessary to the efficient and coordinated administration of the powers exercisable under this joint resolution, to—

(a) Establish and prescribe the duties and functions of governmental agencies (including corporations with corporate authority only as approved by the President and within the scope of this joint resolution);

(b) Utilize and prescribe the duties and functions of any governmental agency (including a corporation);

(c) Consolidate, redistribute, abolish, or transfer the functions and/or duties of, and transfer the property and/or personnel of, any emergency governmental agency (including a corporation); and upon the transfer to another agency and/or the abolition of all the functions and duties of any agency, such agency shall cease to exist; and

(d) Delegate the powers conferred on him under this joint resolution to any governmental agency (including a corporation).

SEC. 5. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in section 1)—

(a) To guarantee loans to, or payments of, needy individuals;

(b) to make grants and/or loans and/or contracts; and

(c) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, maintain, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

SEC. 6. The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution, and any willful violation of any such rule or regulation shall be punishable by fine of not to exceed $5,000.

SEC. 7. A report of the operations under this joint resolution shall be submitted to Congress before the 10th day of January in each of the next three regular sessions of Congress, which report shall include a statement of the expenditures made and obligations incurred, by classes and amounts.

SEC. 8. This joint resolution may be cited as the "Emergency Relief Appropriation Act of 1935."

The VICE PRESIDENT. The Senator from Virginia asks unanimous consent that the joint resolution be now read for action on committee amendments. Is there objection? The Chair hears none, and the clerk will state the first amendment.

The first amendment of the Committee on Appropriations was, on page 1, line 6, after the word "from", to strike out "(2) relieving economic maladjustments, (3)" and to insert "(2)", so as to read:

That in order to protect and to promote the general welfare, by (1) providing relief from the hardships attributable to wide-spread unemployment and conditions resulting therefrom, (2) alleviating distress.

Mr. GLASS. Mr. President, the joint resolution as reported to the Senate from the Committee on Appropriations of the Senate requires no elaborate explanation. The amendments recommended may be readily understood by any Senator.

The first change is in section 1, line 6, on page 1, where the committee proposes to strike out the words "relieving economic maladjustments."

Mr. BORAH. Mr. President, will the Senator yield to me?

Mr. GLASS. I yield.

Mr. BORAH. Is it the Senator's view that that amendment really changes the effect of the joint resolution, or is it in the interest of getting rid of surplus language?

Mr. GLASS. It changes the literal authorization, to which the committee with practical unanimity objected.

Mr. BORAH. I have no objection to the amendment; but I was thinking of the effect the amendment really would have. I assume that whatever could have been done in relieving economic maladjustments could still be done under the joint resolution.

Mr. GLASS. Possibly so; but I am giving the reasons urged in the Senate committee for that literal alteration of the joint resolution.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. GLASS. I yield.

Mr. COUZENS. But the Senator did not give us the reasons for eliminating these words. The Senator said he was giving the Senate the benefit of the committee's discussion in eliminating those three words, but the Senator has not given it to us as yet.

Mr. GLASS. If Senators will just give me a little opportunity to speak, I shall do that.

Mr. COUZENS. I beg the Senator's pardon.

Mr. COSTIGAN. Mr. President, will the Senator yield to me?

Mr. GLASS. I yield.

Mr. COSTIGAN. Will the Senator state, in the course of his remarks, in due time, not necessarily now, whether in his judgment the words eliminated by the committee weaken in any sense and are not included in the opening clause, "in order to protect and to promote the general welfare"?

Mr. GLASS. I do not think the general welfare requires the authorization contained in the words eliminated. On the contrary, I proposed to eliminate the words, and voted to eliminate them, because I think they interfere with the general welfare of the country. In short, I think those words would authorize the President of the United States to do anything he pleased with existing industries.

As stated in the committee, in a town such as one I have in mind and had in mind in the committee, where there are published 5 daily newspapers—and I venture to say, as a practical newspaper publisher of 50 years' experience, that only 1 of those 5 newspapers is making money—under that language the President might go into the town which I have

in mind and put out of business 3 or 4 of those newspapers in order to enable the remainder to make money; and that would be, in the language of the joint resolution, "relieving economic maladjustment."

In another town which I have in mind there are in existence today three pipe foundries. To my personal knowledge not one of them, until the other day, had paid a dividend for 6 years. The President, under the language as it came from the House, might go into that town and abolish one or more of those pipe foundries in order to relieve what he might conceive to be economic maladjustment.

Those are merely illustrations of what might be done under that language of the joint resolution which the Senate committee almost unanimously resolved to strike out.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Idaho?

Mr. GLASS. I yield.

Mr. BORAH. Suppose the joint resolution read "That in order to protect and promote the general welfare and to relieve distress and promote recovery the President is hereby granted and given $4,880,000,000"; what would be the difference between such a resolution and the pending one?

Mr. GLASS. It might easily be argued that there is no difference, but, on the contrary, those of us who think there might be a difference hereafter were opposed to putting in literal words authorization to do certain things.

The Appropriations Committee authorized the chairman wherever the idiotic expression "and/or" occurred in the bill, to strike it out and to use the proper words.

In this connection I ask unanimous consent to have printed at this point in my remarks certain letters, one letter being from the appellate court justices of the State of Illinois, and another from former Attorney General Wickersham, endorsing the proposal to eliminate this idiotic and confusing expression from all bills which come before the Appropriations Committee at least. If there be no objection to the insertion of these letters, I will have them printed in the RECORD. I have a great many other letters of a similar nature. I also have scores of newspaper editorials, but am content to present but one for the RECORD. It is from the Baltimore Evening Sun and apparently was written by Mr. H. L. Mencken.

The PRESIDENT pro tempore. Without objection, the letters and editorial will be printed in the RECORD.

The letters and editorial are as follows:

ILLINOIS APPELLATE COURT,
CHAMBERS OF PRESIDING JUSTICE O'CONNOR,
Chicago, January 31, 1935.

Hon. CARTER GLASS,
United States Senator, Senate Office Building,
Washington, D. C.

MY DEAR SENATOR GLASS: This morning one of our daily papers has an item where it is said that you condemn the use of the freakish, confusing fad, "and/or." The news item quotes you as saying, "I think I'll introduce a bill to make it a penal offense for a lawyer to write an 'and/or'."

I want to congratulate you, as do the other judges of this court, on the stand you take. For the past 4 or 5 years this court has written a number of opinions condemning the use of this confusing fad, in one of which we quote from Hon. John W. Davis, Hon. George W. Wickersham, Mr. Frederick A. Scott, statute revision commissioner of Connecticut, and others, who take a position similar to the position you have taken. Commissioner Scott states that he has succeeded in preventing the use of "and/or" in any public act, although he has found it increasingly difficult to do so. The above opinion is reported in the case of *Tarjan* v. *National Surety Co.* (268 Ill. App. 332). A few opinions written by courts of review have quoted what we have said, with approval, in one of which the Supreme Court of Utah held that the use of "and/or" in a judgment rendered it so uncertain and indefinite that the judgment could not stand. (*Putnam* v. *Industrial Comm.* (80 Utah, 187).)

In the case above mentioned, decided by this court, we quote from what Hon. John W. Davis said, the following: "It is a bastard sired by indolence (he by ignorance) out of dubiety. Against such let all honest men protest."

The corporation counsel of Chicago advised me that upon reading one of our opinions he issued an order that this fad should not be used by anyone connected with his office, and the attorney general of this State has taken a similar stand.

I notice, however, that this confusing fad, "and/or", appears often in acts passed by the Congress of the United States. In "title 5, executive department of Government offices and employees", passed by the Seventy-third Congress, I find this fad used at least three times, and I feel certain that a man of your standing and ability in the Senate could prevent the use of this fad in acts of Congress. The stand you have taken is very encouraging.

Yours very truly,

JOHN M. O'CONNOR.

NEW YORK, *February 5, 1935.*

Hon. CARTER GLASS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Again I write to acknowledge a debt of gratitude to you for your services in having the barbarism "and/or" cut out of the bill to be enacted by the Congress. Until a very short time ago, so far as my experience goes, this particular form of locution never was seen outside of a marine insurance policy. But in the last few years, such is the effect of bad example, it has found its way into all forms of legal documents, acts of legislature, and even decrees of courts. I am delighted that you have taken up the removal of this inaccurate monstrosity of expression from laws passed by the Congress of the United States.

With high regard, believe me to be, as always,

Yours faithfully,

GEO. W. WICKERSHAM.

[From the Baltimore Evening Sun of Feb. 5, 1935]

GRAND "AND/OR" OLD CARTER

Senator CARTER GLASS has gone on a rampage again, this time not to protect his pet, the Federal Reserve System, nor in the interest of governmental economy, but to do something about legislative grammar. It seems that the big new public works and relief bill is peppered with the expression "and/or", and that Senator GLASS doesn't like "and/or" at all. He contends that the use of the expression "and/or" is an indication of sloppy thinking and/or a deliberate intention to befuddle and/or confuse. His announced determination is to amend the bill so that "and" appears where "and" is meant and/or "or" appears where "or" is meant.

How came the expression "and/or" to drag its bifurcated and ungainly form into our language? Our secret conviction is that it is the creation of lawyers and/or bankers. Lawyers notoriously write a graceless gibberish, lawyers notoriously love a cumbrous phrase. The notion of inserting a new sort of "and", which was not merely an "and" but was divisible by "or", is just the sort of thing that would occur to a lawyer.

On the other hand, some bankers, especially when they come to prepare debentures, or preferred stocks, or cumulative preferred stocks, or nonvoting common stocks, or class A common stocks without par value, not infrequently find pompous but confusing phrases useful in their work. Hence the promptness with which some of the bankers took up the use of this invention of the lawyers.

But there is something insidious and insistent about this phrase; it gets on the brain, like a popular tune, repeating itself over and over, pounding away, insinuating itself into dreams, until the most well-intentioned person finds himself using the phrase despite every effort of his will. The expression "and/or" has found its way now into books and magazines, newspapers, private correspondence. Only the formal wedding announcement, and a few other traditional and highly conventionalized forms, have successfully resisted the inroads of the expression.

The expression "and/or" is a split personality, a grammatical psychopath. If Senator CARTER GLASS can succeed in removing it at least from our Federal legislation, he will deserve the thanks of a confused and/or harassed populace.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. BORAH. What is the difference between "and/or" and what the committee has in the bill?

Mr. BARKLEY. Mr. President, one being a conjunctive and the other being disjunctive, they cancel each other, do they not, when used together?

Mr. BORAH. We often insert in our laws "and/or." How did the practice grow up, and what is the significance of it?

Mr. GLASS. It is denounced by the supreme court justices of Illinois as a miserable fad started by someone who imagined he was a lawyer, and largely acquiesced in. They insist that it is confusing, and that some courts have decided that the words are so confusing they could not reach a conclusion in the case before them.

Mr. BORAH. Has it ever been discovered who started it?

Mr. GLASS. I assume the Senator from Idaho never started it.

Mr. BARKLEY. Mr. President, as a matter of fact, if the Senator will yield——

Mr. GLASS. I yield.

Mr. BARKLEY. This device began in the Congress of the United States when we began to employ a legislative drafting service to draw our bills. I do not say that in

criticism, because the Legislative Drafting Service has been very valuable in practically all its activities, but my recollection is that the use of the words "and/or" originated with the Drafting Service.

Mr. GLASS. Wherever it originated and by whomsoever it was conceived, it is a very confusing mistake.

Mr. BYRNES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from South Carolina?

Mr. GLASS. I yield.

Mr. BYRNES. I only wish to say, Mr. President, in response to what the Senator from Kentucky has said, that I charged the gentlemen in control of the Legislative Drafting Service with the crime, and they begged that a general denial be entered for them, and declared that they did not do it.

Mr. GLASS. Well, I should think the author of it would want to enter a general denial if he could.

The next Senate amendment was offered in the supposition that it materially modified the authority of the President of the United States. Evidently there are Senators who do not believe that it does. On page 2, line 1, after the word "non-Federal", are inserted the words "of a type such as is or may be authorized by law."

In other words, he may spend any part or all of this fund on projects of a type such as is or may be authorized by law.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. COUZENS. Does that mean the law of any State or municipality, or the Federal law?

Mr. GLASS. That was discussed at some length yesterday by the Senator from Oregon [Mr. STEIWER], and he insisted that it meant any law of the United States, and on non-Federal projects any law of any State or municipality. The Senate can reach its own conclusion about that. I do not know.

Mr. BYRNES. Mr. President, will the Senator further yield?

Mr. GLASS. I yield.

Mr. BYRNES. I may say that the member of the committee who offered the amendment has no intention or thought that it would ever be construed by anyone as meaning anything other than the laws of the United States. That has been the construction placed upon that language, I am informed. The Senator from Wyoming [Mr. O'MAHONEY], who offered the amendment, had no other purpose, and at the proper time I am satisfied he will make that clear, in order to remove any discussion, by substituting "Congress" for "law", or saying "the laws of the United States."

Mr. GLASS. The chairman of the committee was unable to give that explanation because he did not seem to be in the full confidence of those who were conferring on the bill.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Florida?

Mr. GLASS. I yield.

Mr. FLETCHER. May I inquire of the Senator if that means that none of this money can be spent by the President on any project unless that project has been authorized by Congress or otherwise provided for by law? Cannot the President——

Mr. GLASS. Such projects of a type of those which have already been authorized or which may hereafter be authorized.

Mr. FLETCHER. Of a type, but not specific projects?

Mr. GLASS. By the Congress. The Senator from South Carolina [Mr. BYRNES] says that is the meaning of it.

Mr. FLETCHER. I should think that is a very considerable limitation on the authority given the President.

Mr. GLASS. There is a wide difference of opinion as to whether it is any limitation at all.

Mr. O'MAHONEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Wyoming?

Mr. GLASS. I yield.

Mr. O'MAHONEY. I was absent from the Chamber when the Senator was explaining this phase of the bill. I merely want to say that at the proper time it is my purpose to move a substitute for the committee amendment by striking out, in line 11 of page 1 and in lines 1 and 2 of page 2, the words "and/or such projects, Federal or non-Federal, of a type such as is or may be authorized by law" and substituting in lieu therefor this language: "and such type or types of projects, Federal or non-Federal, such as are or may be authorized by law of the United States." At the proper time I shall offer that amendment.

Mr. GLASS. Well, I had no knowledge of any such purpose on the part of the Senator from Wyoming; and therefore, when interrogated about it, I could not give the complete answer that seems now to have been given.

Mr. COUZENS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. I yield.

Mr. COUZENS. I was wondering under what law the work on non-Federal projects could be done. I just ask for an example.

Mr. O'MAHONEY. Under the Public Works law.

Mr. COUZENS. The work on non-Federal projects is done under that law, and this provision would cover such work?

Mr. O'MAHONEY. That is my understanding.

Mr. BORAH. Mr. President, will the Senator from Virginia permit me to interrupt him in order to ask the Senator from Wyoming a question?

Mr. GLASS. I yield.

Mr. BORAH. Why does the Senator use the words "type or types"? Would that permit the President, so long as he accepted the type and style and manner of the work, to select some other work?

Mr. O'MAHONEY. The purpose of using the word "type", I will say to the Senator from Idaho, was to avoid any difficulty of construction which might arise if we did not use the word, by the contention that no project could be undertaken unless it had been specifically authorized by law.

Mr. BORAH. That is as I supposed; that by using the word "type", so long as the President accepts the type of the work, he may choose any work he desires.

Mr. GLASS. Of the same type.

Mr. O'MAHONEY. Of the same classification already authorized by law.

Mr. GLASS. I would interpret it to mean that the President might do any work he might please of the same type that is now authorized by law or that may hereafter be authorized.

Mr. BORAH. If the type has been authorized, then the President may do any work he pleases that comes within the type?

Mr. GLASS. I should so interpret it.

Mr. O'MAHONEY. That is also my interpretation.

Mr. COUZENS. Mr. President, will the Senator from Virginia yield further to me in order that I may ask the Senator from Wyoming a question?

Mr. O'MAHONEY. I dislike to take the time of the chairman of the committee.

Mr. GLASS. Oh, the chairman has got all day.

Mr. COUZENS. I understand that the F. E. R. A., in certain localities, have taken over obsolete or dismantled or unoccupied plants and are making shoes; in other locations they are making bedding; in other locations they are making clothing; and so on down the line. It is the Senator's contention that these activities are authorized under the law of Congress?

Mr. O'MAHONEY. I have not read the law, I must confess to the Senator, which authorizes that sort of work. If it is specifically authorized by law, I think it would be included.

Mr. COUZENS. The work is being done, and, of course, it must be assumed that the administration is obeying the

law. If that be the Senator's interpretation, then this provides no limitation at all, because under this language there could be made any kind of clothing or foodstuffs that are now being made under the law. Is that the Senator's intention?

Mr. O'MAHONEY. My impression, if I may say so to the Senator, is that it is, indeed, the intention of the administration under this bill to abandon the type of work relief which is now being administered by the F. E. R. A. and to embark upon work more of the character which has been authorized under the Public Works Administration law.

Mr. COUZENS. Should not the Congress determine whether the making of bedding, shoes, and furniture, and so on, should come under this program?

Mr. O'MAHONEY. I think that is a proper matter for the consideration of Congress.

Mr. COUZENS. And we ought to determine that before we approve this amendment, because if this amendment shall be adopted, and these other activities are legal, we are just extending the legality of doing those things, are we not?

Mr. GLASS. May I ask the Senate to bear with me and let me explain the bill as I understand it, as we go along, and when the Senator from Wyoming shall offer his proposed amendment, which was not offered in the committee, however, then discussion in detail may proceed?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. I do.

Mr. COUZENS. If I fail to understand the Senator from Virginia, he will not object to my asking for a further explanation, will he?

Mr. GLASS. I never object to anything the Senator from Michigan does.

Mr. COUZENS. I thank the Senator.

Mr. GLASS. And very rarely do I object to anything he says.

The next amendment is on page 2, in which, necessarily, "(3) or (4)" are stricken out and " or (3)" put in.

If anybody can give an explanation of that amendment that I do not understand, he is welcome to try it.

The next amendment is on page 3, to insert:

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person (1) is in actual need, (2) has not within 60 days resigned from or left any position the wage for which was at a rate in excess of $50 a month, and (3) has bona fide endeavored to obtain employment and has been unable to do so.

The Senator from Maryland [Mr. TYDINGS], who proposed that amendment, and other Senators, held to the view and stated as a fact that a great many people were on the relief roll who have no proper right to be on that roll, and that a great many persons were refusing private employment or employment in private occupations in order to accept more advantageous employment from the Federal Government under its relief program. There are a great many people who are simple enough to think that what they call a Federal dollar is worth $2 of any other kind of money, and they get on the relief roll. There are others, one other of whom I have personal knowledge, who was on the relief-work roll of the Federal Government for 2 weeks in the month and declined to accept any employment for the remaining 2 weeks of the month because he said the first 2 weeks of Federal employment gave him all the money he wanted. That is the reason for that amendment. It makes the work-relief roll more genuine than it is now said to be.

Mr. ROBINSON. Mr. President, on the point the Senator is discussing, it occurs to me that the effect of the limitation of $50 a month will be to invite any person who may be working in private employment for less than $50 a month to abandon his employment and accept relief.

Mr. COUZENS. He could not do it for 60 days, though.

Mr. GLASS. Is not what the Senator from Arkansas suggests the effect of the general proposition to pay a Federal wage of $50 a month, anyway?

Mr. ROBINSON. Yes; but I understood the Senator to say that this applies to relief and not to work relief.

Mr. GLASS. It applies to work relief.

Mr. ROBINSON. Very well; I understand it fully now. The statement that was actually made was "relief", and I was confusing it, quite naturally, with destitution relief.

Mr. KING. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. KING. I am not sure that I understood the Senator. Suppose that persons are working at steady employment for $45 or $48 a month and they leave such employment; 60 days or 61 days thereafter if at any time they had sought for work at some other place at higher wages and did not get it, they could apply for relief under this bill and get $50 a month?

Mr. GLASS. Yes.

Mr. ADAMS. Mr. President, if I may interrupt, if the Senator from Utah will look at subsection 3 I think his question will be answered, because subsection 3 of this amendment provides that, in order to get $50 a month, such persons must have made a bona fide endeavor to obtain employment and been unable to do so, which adds an additional limitation.

Mr. KING. I stated that they had attempted to obtain work in some other field and failed.

Mr. TYDINGS. Mr. President, with the permission of the Senator from Virginia [Mr. GLASS], I should like to point out to the Senator from Utah [Mr. KING] that the very situation he suggests would prevail if this restriction were not written into the measure. Without this restriction, a man could quit a job paying $150 a month and be out of work for a week and get a job on the relief roll. The whole purpose of this restriction was to stop a man who was already able to take care of himself from getting on the relief roll. The reason $50 a month was selected is that the Government laid down that figure as the security wage, and obviously anybody making less than $50 a month, according to the Government's standard, has not a security wage. So, in order to bring in needed consistency, that figure was arbitrarily selected because the Government had selected it.

Mr. ROBINSON. Mr. President, if the Senator from Virginia will yield for just another brief statement, there is no doubt, in my mind, that there are many cases in which persons have discontinued employment in order to avail themselves of Federal relief; and there is no doubt, either, that there are many who are indifferent to securing private employment, for the reason that they hope to obtain Federal relief under conditions which require, perhaps, less exertion or less time of actual labor than would be necessary under private employment.

Mr. TYDINGS. I may say to the Senator from Arkansas that I think there is one imperfection in this amendment as it is written, among, perhaps, many others. Farm labor, as a general rule, does not receive $50 a month in money; it receives food and housing and what not, sufficient to make up $50 a month. I am considering, if somebody else does not offer it, putting in additional words, so that $50 a month would embrace the all-around return for a man's labor.

Mr. ROBINSON. The Senator has comprehended in his last statement the thought I had in mind when I interrupted the Senator from Virginia.

Mr. CUTTING. Mr. President, will the Senator mind my asking him a question before he leaves that subject?

Mr. GLASS. Not at all, if I can answer it.

Mr. CUTTING. In the Senator's judgment, would not clause 2 prevent anyone from getting relief who was on an industrial strike?

Mr. GLASS. Perhaps it would.

Mr. CUTTING. May I ask the Senator from Maryland his opinion on that subject?

Mr. TYDINGS. I should not like to answer the question offhand. As a matter of fact, I had not comprehended that situation. The thought of the joint resolution was that there were a great many people who wanted to work and could not get work. My concern primarily was to provide that those who were out of work and wanted to get work could get it if they had no income, and those who were working could not come under relief to the exclusion of those who had no work. I would still maintain the position

that anyone who is working would have no right to take a position from one who is not working and who has been trying to get work.

Mr. CUTTING. It would seem to me that anyone on strike could not get any work under any circumstances under that language.

Mr. GLASS. Not necessarily anyone. A person on strike might resume work in private industry.

Mr. FLETCHER. Mr. President, may I ask the Senator whether he believes the limitation of $50 a month would have the effect of reducing the wage scale generally in the community?

Mr. GLASS. A little later we are coming to a provision which affects that point.

The next committee amendment is to strike out, in lines 12 to 15, all after the words "do so", reading:

The specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section.

The reason for that was that it was thought it negatived every restriction practically that we had put in the bill.

The next amendment is easily understood and the purpose of it will be readily comprehended. It is proposed to insert the following:

Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be paid in equal annual installments, or in such other manner as the President may determine.

I am sure that needs no explanation. It may need votes, but it does not need any explanation. [Laughter.]

Mr. KING. Does not the Senator believe it needs some justification?

Mr. GLASS. That will be determined when it comes up for consideration when we proceed in the regular order.

Mr. FLETCHER. Mr. President, the only question is whether we have not already provided for all that by the act recently passed with reference to agricultural credits. I do not see any need of it. It has already been taken care of by the other act to which I have referred.

Mr. GLASS. When we come to that provision the Senator may venture to move to strike it out.

Mr. FLETCHER. I do not object to it.

Mr. GLASS. On page 4 the committee proposes to strike out the reference to the Philippine Islands because some Senators thought that the Philippine Islands are no longer a possession of the United States and that they are better off than we are. [Laughter.]

The next alteration was to correct the mistake in line 18, page 4. The word "not" should not have been used there. In line 20 the word "less" ought to be changed to "more."

Mr. BORAH. Mr. President, the word "less" would not have any place in this bill at all, would it? [Laughter.]

Mr. GLASS. I stated awhile ago that I should not discuss the merits of the various alterations until we should come to them.

On page 5, lines 15 and 16, we strike out the words "and, without regard to the Classification Act of 1923, as amended." It was conceived by members of the committee that the effect of those words, if not the intent of them, was either to modify or negative the authority of the Comptroller General to pass upon expenditures generally.

Mr. COUZENS. Mr. President, am I to understand from what the Senator has just said that it is intended to negative the authority of the Comptroller General over these funds?

Mr. GLASS. I stated it was the opinion of some members of the committee that the language as it came from the House would do that, and therefore we struck it out.

Mr. COUZENS. So it is the intention of the committee that the Comptroller General shall have jurisdiction over the expenditure of these funds?

Mr. GLASS. I so understood the intention of the committee. That certainly was my intention in voting to strike out those words.

We struck out sections 4 and 5 altogether, and I think I need make no further explanation of the reasons why than simply to read the sections themselves, as follows:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized, to such extent and in such manner as he finds and prescribes as necessary to the efficient and coordinated administration of the powers exercisable under this joint resolution, to—

(a) Establish and prescribe the duties and functions of governmental agencies (including corporations with corporate authority only as approved by the President and within the scope of this joint resolution);

(b) Utilize and prescribe the duties and functions of any governmental agency (including a corporation);

(c) Consolidate, redistribute, abolish, or transfer the functions and/or duties of, and transfer the property and/or personnel of, any emergency governmental agency (including a corporation); and upon the transfer to another agency and/or the abolition of all the functions and duties of any agency, such agency shall cease to exist; and

(d) Delegate the powers conferred on him under this joint resolution to any governmental agency (including a corporation).

SEC. 5. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in section 1)—

(a) To guarantee loans to, or payments of, needy individuals;

(b) to make grants and/or loans and/or contracts; and

(c) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, maintain, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

As a substitute for section 4 we adopted these words, appearing on page 7 at the top of the page:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in section 1) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

As I recall the explanation of reinserting subsection (c) in the modified form I have indicated, it was to enable the President to continue the purchase, I believe, of submarginal lands, and to reclaim certain lands, and so forth.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. GLASS. I yield.

Mr. COUZENS. I wonder why the committee inserted the words "any real property or any interest therein." Does not that language permit the President to go into partnership with anybody, if he is required only to secure an interest in the property, and not to buy it in fee?

Mr. GLASS. It would not permit the President to do it. It would permit the Government to do it.

Mr. COUZENS. I know; but the authority is delegated to the President, and is not he the Government?

Mr. GLASS. Frankly, I think—and if I am mistaken in the supposition I hope some member of the committee more familiar with these details than I was permitted to be will correct me—I think the Senator who offered that substitute for subsection (c) as section 4 of the joint resolution merely took the language of subsection (c), struck out the word "maintain", and adopted it bodily. Is not that so?

Mr. RUSSELL (and other Senators). That is correct.

Mr. GLASS. Whether or not he had a better understanding, a more accurate conception of what he meant, than I, I am not prepared to say.

Mr. COUZENS. May I ask the Senator's interpretation of whether the language "or any interest therein" is desirable, in view of the fact that prior to that the President is authorized to purchase the property?

Mr. GLASS. If the Senator asks me for my own judgment, I thought the thing ought to go out entirely, and stay out; but the committee did not agree with me.

The next alteration is that section 6 is made section 5, and the punishment for persons who willfully violate any rule or regulation the President may make to carry out the joint resolution is fixed at a fine not to exceed $1,000 rather than $5,000, as the joint resolution passed the House.

Section 6 is a substitute for what is known as the "McCarran amendment", which I assume Senators have on their desks, and with which I am sure all Senators are familiar. It was an amendment proposing that the prevailing rate of wages should obtain, and that the final determination in case of any dispute as to what might be the prevailing rate of wages should be vested with the Secretary of Labor, Miss Perkins.

Mr. McCARRAN. Mr. President, will the Senator yield for just a moment on that point?

Mr. GLASS. Yes; I yield.

Mr. McCARRAN. The amendment as offered by myself in the committee did not carry the last matter discussed by the learned Senator, the chairman of the committee. In other words, the matter of arbitration was taken away from the Secretary of Labor. It was not vested in the Secretary.

Mr. GLASS. I know; but the amendment did carry that, and the committee struck it out.

Mr. McCARRAN. No; I withdrew it myself.

Mr. GLASS. It may be that the Senator's recollection is better than mine. Nevertheless, my recollection is that a vote was taken and it was stricken out.

Mr. STEIWER. Mr. President, will the Senator yield for one observation in that connection?

Mr. GLASS. Yes.

Mr. STEIWER. I think the Senator from Nevada is technically correct. He withdrew the clause himself, but he did it after the committee expressed its opinion upon the subject by a vote.

Mr. GLASS. By a vote?

Mr. STEIWER. Yes.

Mr. GLASS. That is what I said.

Mr. COUZENS. Mr. President——

Mr. GLASS. I yield to the Senator from Michigan.

Mr. COUZENS. As I understand, prior to the insertion of section 6, or prior to the consideration of the so-called "McCarran amendment", the President, of his own discretion, could have established the prevailing wage, could he not?

Mr. GLASS. Oh, I rather think, under the terms of the joint resolution, the President could do almost anything which in his considered judgment he might desire to do; but the committee acted under the impression that the President would do what he said in his message to Congress it was his purpose to do, and that was to take as many persons as possible off the direct-relief roll and put them on the work-relief roll at a wage of not exceeding $50 a month.

Mr. COUZENS. I recall that the President said that a wage lower than the prevailing wage for these men on dole would be his objective.

Mr. GLASS. Yes; he said that.

Mr. COUZENS. But as the joint resolution was drawn he could have used substantially any wage, because he is not bound by any speech he made prior to the enactment of the joint resolution; is he?

Mr. GLASS. Oh, no. There was nothing in the joint resolution that related to $50, or to what the President said in his message. As the joint resolution came from the House, he could have done anything under the sun that he might care to do within the purview of the opening declaration of section 1:

> That in order to protect and to promote the general welfare, by (1) providing relief from the hardships attributable to widespread unemployment and conditions resulting therefrom, (2) relieving economic maladjustments, (3) alleviating distress, and/or (4) improving living and working conditions, there is hereby appropriated—

And so forth.

Mr. COUZENS. Yes. So as the joint resolution was written there was no reference to the President's message or any binding agreement with him?

Mr. GLASS. No; and as it is reported there is nothing of that kind in the joint resolution.

Mr. COUZENS. No. So that prior to the insertion of section 6, and prior to the consideration of the so-called "McCarran amendment", the President could have done anything he chose with the wage scale?

Mr. GLASS. Yes.

Section 6 of the joint resolution is as follows:

> The President is authorized to fix the rates of wages of all persons compensated out of the funds appropriated by this joint resolution and may fix different rates for various types of work, which rates need not be uniform throughout the United States.
>
> In the event the President, or such official or agency of Government as he may select, shall determine after an investigation that the rate of wages paid is affecting adversely or is likely to decrease the prevailing rates of wages paid for any work of a similar nature in any city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia, the President, or the official or agency designated by him, shall immediately fix the rate of wages at an amount not less than the prevailing rate of wages paid for work of a similar nature in such locality.
>
> Any and all contracts which may be entered into under the authority contained in this resolution shall contain stipulations which will provide for the accomplishment of the purposes of this section.

The purpose of the proponent of that amendment was to present in a modified form the McCarran amendment. Everybody seems to understand that, so I am not asked any questions about it.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. GLASS. I yield to the Senator from Michigan.

Mr. COUZENS. The amendment the Senator has just read refers to contracts. Do I understand that the Appropriations Committee had in mind that these projects would be undertaken by contract, or by so-called "day labor"?

Mr. GLASS. It did have the contract system in mind once, but it changed its mind.

Mr. COUZENS. How many times?

Mr. GLASS. Does not the Senator from Michigan understand that I have a lot of work to do, without transforming me into a statistician? [Laughter.]

Mr. COUZENS. If the Senator will yield further, I will modify my question and ask if the final conclusion of the Appropriations Committee was to the effect that this work was to be done under the contract system or by day labor?

Mr. GLASS. No; the expectation is that it shall be done under day labor, at the Federal wage of not exceeding $50 a month, in order to take persons off the relief roll and put them to work.

Mr. COUZENS. I asked the question because it will be observed that throughout the joint resolution the word "contract" is used quite frequently; and I was concerned about whether the intention of the measure was to have this work done through the contract system or through day labor, or "force labor", as it is called.

Mr. GLASS. The committee at one point of its proceedings adopted an amendment to the joint resolution requiring that all work let under this appropriation which involved the employment of as much as 10 percent of skilled labor should be done by contract; but upon reconsideration the committee eliminated that amendment.

Mr. COUZENS. So, under the joint resolution as it is reported, the President may either let all of the work by contract or it may be done by day labor. Is that correct?

Mr. GLASS. The Senator is entitled to his inference.

Mr. COUZENS. I was asking the chairman's inference, because I am concerned about it.

Mr. GLASS. I rather think it may be either, but I do not think the committee supposed, or that any of us do now think, that the President is going to let this work by contract, except that there is a provision in the joint resolution, the very next provision, to the effect that—

> Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

Mr. RUSSELL. Mr. President, if the Senator will yield, the amendment offered by the Senator from Oregon likewise provides that certain types of work shall be performed under existing agencies, and that would necessarily involve some contracts.

Mr. GLASS. Yes; I will come to that. Section 7 provides:

> Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

Section 8 is merely a penal section. It provides:

SEC. 8. Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any project, employment, or relief aid under the provisions of this joint resolution, or diverts, or attempts to divert, or assists in diverting for the benefit of any person or persons not entitled thereto, any moneys appropriated by this joint resolution, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott deprives any person of any of the benefits to which he may be entitled under the provisions of this joint resolution, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and shall be fined not more than $2,000 or imprisoned not more than 1 year, or both.

Section 9, the proponent of which was the Senator from Oregon [Mr. STEIWER], provides:

SEC. 9. Federal public roads projects, river and harbor projects, reclamation projects, and public buildings projects undertaken pursuant to the provisions of this joint resolution shall be carried out under the direction of the respective permanent Government departments or agencies having jurisdiction of such projects, and the performance of all contracts in connection with such projects shall be subject to the supervision and control of such departments or agencies.

To that extent, I will say to the Senator from Michigan, contracts are very likely to prevail. As I recall, the law requires the various departments to let their work by contract to the lowest responsible bidder.

Section 7 is made section 10, and is not altered in its text.

Section 8 is made section 11, and is not altered in its text.

Mr. President, that is the joint resolution, complete, as reported from the Committee on Appropriations of the Senate.

I may say, before taking my seat, that, as chairman of the committee, I favored most of the amendments, proposed a good many of them, and differed with some. It will be noted that the amount of money appropriated under the joint resolution has not been changed in any respect.

The joint resolution was ordered reported without dissent, the members of the committee, of course, reserving to themselves the right to offer amendments on the floor, or to vote for or against any amendment which is embodied in the joint resolution, or which might be proposed on the floor.

This, Mr. President, I think is as succinct a statement of the contents of the joint resolution as reported from the committee as I am able to make.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. GLASS. Certainly.

Mr. KING. I should like to ask the Senator where the $880,000,000 are to come from. Are they to be taken from allocations heretofore made or is any part of that sum to be taken from money we have loaned to the R. F. C., and which it intends to return to the Treasury?

Mr. GLASS. As I recall—and I do not pretend to speak with great accuracy about the matter—$500,000,000 of the amount is to be taken from the R. F. C., and the other $300,000,000 from other allocations.

Mr. COUZENS. That is all provided in section 2 of the measure.

Mr. KING. I understand.

Mr. GLASS. I yield the floor.

Mr. VANDENBERG. Mr. President, I desire to proceed to a general discussion of the whole problem presented by the pending legislation and of the report of the committee as made by the able Senator from Virginia [Mr. GLASS] with his usual candor, but with somewhat less than his usual clarity.

The joint resolution as passed by the House inevitably continues to be a part of the contemplation before the Senate until we finally conclude the ultimate conference between the two Houses. Therefore the House text is just as important as the Senate text, as it may be amended as the committee or the Senate itself may indicate.

I wish to say at the outset that I am driven to the conclusion inevitably that the changes made by the Senate committee, while commendable in purpose and laudable in objective, in no sense change the stratospheric realities of the measure itself. I think it may still be said with complete justification and truth, as was indicated ironically by a news writer 2 weeks ago, that the whole proposition could be simplified by merely striking out all the text and substituting two brief sections:

SECTION 1. Congress hereby appropriates $4,880,000,000 to the President of the United States to use as he pleases.

SEC. 2. Anybody who does not like it is fined $1,000.

[Laughter.]

That is approximately the net result of this proposed legislation.

Mr. President, there is nothing political or partisan in the approach which any of us make to this problem. I want to emphasize that fact as I initiate the discussion.

Senators upon both sides of the aisle have in the committee, without respect to partisan considerations, endeavored in some small degree to find some boundaries to insert into this proposal. Senators upon both sides of the aisle will join in the effort on the floor to create a more reasonable piece of legislation, if that be remotely possible, in respect to this formula.

There is nothing partisan in anything I have to say. I think my record in respect to all of the relief and reform and emergency legislation of the past 2 years absolves me from a partisan viewpoint in respect to it. I propose to speak this afternoon in terms of the welfare of the Nation as I conceive it to be wrapped up in this adventure; and lest it be said that there be some disinclination to permit the expenditure of public funds for relief purposes, I want to add also at the outset that I agree emphatically with the able junior Senator from Oregon [Mr. STEIWER] in the address he made upon yesterday, when he said that so far as we are concerned, if the administration forces want to separate out of this bill the $880,000,000 which is needed for relief between now and the end of the fiscal year, next June 30, they can have the $880,000,000 without a word of debate, without a moment's delay, and without a second of inconvenience.

The appropriate and proper course to pursue in the face of the contemplation which we face is to do that precise thing—provide the money for the essential and immediate relief and send this joint resolution back to the place whence it came—whatever unidentified place that may be—with the request—aye, with the demand—for a bill of particulars which will permit the elected and responsible representatives of the American people to have at least a minimum of information respecting what is to be done with $4,000,000,000 of their money.

The proper and appropriate course would be to recommit the joint resolution with instructions to report back a measure providing the $880,000,000 allowance for the purpose indicated, so that there could be no threat even of an interruption to the essential relief and welfare activities of the Government during the next 4 months.

We were told 2 weeks ago that unless this proposed legislation were passed by the 11th of February the Federal Emergency Relief Administration would be penniless, and that all the relief effort in behalf of our people would have to stop. Fortunately, that prospectus has been slightly amended. They found $50,000,000 more in a pigeonhole somewhere. Fifty million dollars is not very much these days, but they found $50,000,000, and so we are granted a few more weeks of time for consideration of the legislation before we shall be put under the duress of the argument that if we hesitate to give this spending power in respect of $4,000,000,000 we shall be keeping somebody from food and shelter in respect to the other $880,000,000.

I desire to repeat at the outset that the $880,000,000 ought to come in here on its own responsibility, and it would be granted in 10 minutes, so that there might be no remote possibility of lapse in respect of serving the American people during the next 4 months.

But, Mr. President, that is not the conception which we now confront. This is a totally different thing. The $880,000,000 are wrapped up and tied in with the $4,000,000,000. The $880,000,000 are not even specifically identified in the main grab bag which is presented to us. It is all one amaz-

ing, unlimited $4,880,000,000 upon which we are asked to pass without sufficient information to permit any man to make an intelligent prospectus as to what is contemplated in the name of the Government of the United States.

Mr. President, I address myself to the most amazing legislative proposal in the history of this or any other democracy. It represents four or five billion dollars' worth of lost liberty and the erection of a corresponding Presidential speculation. It was born in the mysterious dark; it has defied intelligent illumination; its only merit is a pious, puzzling hope; its program is a lottery; and its only justification is the counsel of desperation. I deny that we are sunk to these necessities. On the contrary, I think there is enough encouragement potentially in sight to argue for a totally different program.

I do not question the good faith of the Presidential clinic from where this strange statute comes. Its baffled authors, obviously at a loss for chart and compass, are moved by the same anxiety which possesses us to succor and to save the victims of this depression, and once more to put the country on its own. But I emphatically question, with great respect, the philosophy and trend of this instrumentality to serve the end.

Speaking of the Presidential message which introduced this potluck proposition to us, the New York Herald Tribune editorially said:

> It is admirably and encouragingly phrased in every item of generality; it is depressingly vague—

Mr. President, I emphasize those words, "it is depressingly vague in every detail of action and execution."

The lack of the latter robs the former of all substance. The pending measure personifies all these infirmities and brings perplexity to a climax. It requires the Congress to abdicate; it requires the country to lean on a dubious dream; it requires posterity to pay the bills. It creates more problems than it solves. This is not recovery's road.

I am opposed to the joint resolution in its present form, Mr. President, for a variety of reasons, which I shall undertake to enlarge. Probably opposition is futile—if there was any prophecy in the hard-driving tactics which made real consideration of the joint resolution a travesty in the other House. By this same token, it would be equally futile to suggest a substitute—although I shall undertake to make my own mind plain upon this score. But, in reality, I deny that a substitute is required of me ere I point out the danger and the hazard. If my friend is driving his motor car toward a bend in the road beyond which I know a yawning hole to exist, I am not required to build a new road before I warn him that if he keeps on he is destined to break his neck. There is an essential function in earnest criticism; and I propose to serve this function as best I may.

I am opposed to this measure in its present form, Mr. President, or in its amended form, so far as amendments thus far go, for reasons which may be put in this preliminary summary:

First. It is an unconscionable surrender of the legislature's functions, and a corresponding concentration of equally unconscionable power in a relatively irresponsible bureaucracy.

Second. It is a blind adventure which commits the country to a year of dubious uncertainty at a moment when the return of stability is vital to a restoration of normal commerce.

Third. It is a blank check for the biggest sum of money ever appropriated in a single transaction, and the use of the money is so unbounded that it can warp the lives and livelihoods of every man, woman, and child in the land, and even the character of American institutions.

Fourth. It is not calculated to produce adequate and essential relief, but it is calculated to retard recovery, if we guess correctly what the administration contemplates.

Since these are my convictions, I owe it to candor to file a bill of particulars, Mr. President, to sustain these conclusions. Let no one say that if I had my way the defeat of this joint resolution would defeat all relief. That is not what would happen.

The defeat of this joint resolution would not mean the defeat of relief. The defeat of this joint resolution would simply put the administration on notice and to the necessity of profiting from these debates and of bringing us back a more feasible, a more rational, a more reliable, and, above all, a more intelligent prospectus. There might be less speed now, but there would be less remorse later. It is one more of those situations in which haste makes waste.

In this spirit I beg the Senate's attention to some of the specific considerations which it seems to me must challenge this ambiguous legislation.

The joint resolution is void of any declaration of congressional policy respecting the expenditure of this enormous sum of money. The general purposes set up in the preliminary paragraph define nothing. On the contrary, they are so all-inclusive as to nullify any notion of definitions. There is nothing under the sun which could not be done by the Executive in the name of these omnibus objectives. Noah's ark itself was not more cosmopolitan.

Two words in the ambitious preamble—"alleviating distress"—can be made to cover any fantastic experiment upon which any of the administration's young philosophers may wish to launch our country. We become forthwith a Government of men and not of laws.

Three other words—"relieving economic maladjustments"—similarly span a horizon limited only by the human imagination, and there is no lack of imagination upon the part of many of these clinical experimenters on human guinea pigs. There is precious little difference, furthermore, in respect to these three particular words that have been eliminated by the Senate Appropriations Committee recommendation. The words have disappeared, but the powers have not disappeared. The mere elimination of these three words makes not one whit of difference in respect to the boundaries which surround these amazing powers which we are asked to give to the Executive of this Government.

These 5 words, taken together, or even the first 2 words taken alone by themselves—and those 2 words still stand in this bill despite the amendment proposed by the committee—can be made to license any kind of scheme to which the President and his administrative associates may wish to commit the Republic. The schemes can rip up the last remaining vestige of capitalism, if such be the desire, and substitute the collective state. The schemes can so entangle us in a new economic order that we never subsequently could extricate ourselves—just as you cannot recapture eggs after they have once entered an omelette. The schemes can create future obligations, through altered practice and habit in the lives of millions of our people, and could entail untold added billions to the ultimate unescapable prospectus.

I urge upon the Senate that if there are to be such revolutions, they should come through the usual legislative channels which permit representative government to function in its representative capacity. In other words, I urge that the people are entitled to decide for themselves—at least through the action of the Congress—ere their Government is bended to new ends which might be utterly repugnant to their views.

I urge upon the Senate that these five words in a 6-page appropriation resolution are a complete delegation not only of the appropriating power but also of the legislative power, since the billions may be spent upon projects which the Congress might not be willing specifically to authorize or which the Congress has specifically declined to authorize.

Are there not violent differences of opinion as to the wise means of alleviating distress? Are there not bitter and wide divisions of opinion as to what our economic maladjustments are and how they ought to be relieved?

Are not these great questions in economics and sociology at the base of practically all the debates which occur in this forum this year in respect to the major legislative problems here to be solved?

Why pretend piously to wrestle with these problems in the Congress if, at the outset, we propose to delegate to the Executive all the power necessary to solve them as he sees fit?

Mr. TYDINGS. Mr. President, would the Senator rather be interrupted now, or would he prefer that interruptions be deferred?

Mr. VANDENBERG. I shall be glad to attempt to answer the Senator at any time.

Mr. TYDINGS. I am very much impressed with what the Senator is saying. I am not altogether out of agreement with any of his observations. I simply rose to ask if the Senator intends to propose amendments which will eliminate such words from the measure and substitute others which, in the Senator's opinion, are better calculated to carry out the idea which he has expressed?

Mr. VANDENBERG. I am very happy to respond to the Senator's question. First, I want to say that I am sure he is in substantial agreement with much I am saying and much I shall say, because he is so sound-minded in his governmental attitudes.

Mr. TYDINGS. I thank the Senator.

Mr. VANDENBERG. Secondly, I should like to say to him that if he will permit me to develop this thesis I think he will find that I lay down, so far as I can, a complete response in terms to the problem which we confront.

Mr. TYDINGS. I hope the Senator will; because if the terms are as outlined by him, without seeing them I should be inclined to go along with him.

Mr. VANDENBERG. Mr. President, I was saying, when interrupted—and I was happy to be interrupted by my able friend from Maryland—that it is perfectly absurd for Congress to pretend to go through the form of legislating upon the great social reforms which now confront the United States if before we ever pass the first one of such laws we are going to give the President a power, via appropriation, practically to answer the problems themselves in spite of anything that Congress may think about them.

It is the most astounding contemplation, I venture to assert, in the history of Anglo-Saxon institutions.

I would readily agree, Mr. President, that in these critical hours none of us could justify a mere jurisdictional quarrel over relative prerogatives as between the Executive and the Legislature. But is it not plain that this rises far above and beyond any such academic contemplation; that it goes to the very heart of republican government even as it goes to the very heart of adequate relief for our distressed people?

I repeat that the bill is wholly devoid of any definition of Presidential purpose. We can revert to the President's message of January 4 and discover some of the things he has in mind, although there is nothing, of course, which ties that message and this bill together. We can find that he wants all of these new public works to be "useful"—"useful" is his word. Useful for what—whether for "alleviating distress" or for "relieving economic maladjustments"—he does not say. We can find that he thinks compensation on these emergency projects should be half-way between a dole and a wage, avoiding each of these identifications, yet partaking of some of the characteristics of both. But those among our millions who are keenly interested in this particular phase are left to guess whether the "dole" character or the "wage" character will predominate. Already they are commencing to complain upon this score. We can find that the President wants as little competition as possible with private enterprise; and one of the amendments which the Senate committee has written into the joint resolution expresses the same pious aspiration. Yet private enterprise in many a stricken field already suffers—sometimes suffers a threat of veritable extinction—from existing governmental competition, present and prospective, which the President evidently does not think inappropriate. How much more of this destructive competition lurks in the undisclosed prospectus of the unidentified administrators of this unintelligible program the country is left to guess.

Mr. McCARRAN. Mr. President——

Mr. VANDENBERG. I yield to my friend from Nevada.

Mr. McCARRAN. I wonder if, in keeping with the thought last expressed, the Senator fully understands that not only is the public left to guess but the Senate Appropriations Committee, after 3 weeks of consideration, is now in a state of "guess"?

Mr. VANDENBERG. I thank the Senator for his observation. I know that is the record from what I have seen printed in the newspapers and from what has been told me by other members of the committee. It is simply a confirmation of the grab-bag, pot-luck character of an utterly undefined adventure and speculation in the welfare of the people of the United States.

I was referring to the Presidential message from which I tried to find some of the landmarks that might guide us to some few conclusive opinions.

There are some specifications in the message, however vague; but even this small concession to the information of the Congress and the country is not vouchsafed in the appropriation bill itself. It is all just conversation, so far as the law itself is concerned. Anything may happen under it. Like an old-fashioned "Mother Hubbard", it covers everything and touches nothing. [Laughter.]

When and if we seek for information as to what is in the Presidential mind in respect to the spending program—groping for some fact upon which to hang a conclusion of our own as to its propriety or its sufficiency—we cannot go to the text of the bill, where ordinarily this information is available. The text, I repeat, is silent as the tomb. Collateral information, unfortunately, is useless. It makes no difference what, for example, distinguished members of the President's Cabinet may say to the Senate Committee on Appropriations. I do not mean to impugn their good faith. I simply mean that they cannot bind the President. They cannot know when the "quarter-back" will call a new and totally different play. They can neither detail nor delimit his power under this act of congressional abnegation. The President himself is the only authority after the joint resolution is passed. Therefore, he is the only authority before the fact; the only authority who can speak in contemplation of his $5,000,000,000 purpose.

Do we get a glimpse of one such purpose in his message of January 24, 1935, read—I wonder if it was significant?—read in the House in the midst of the five-billion debate? I do not know. But I do know that we find a fascinating discussion of what may contemplate the compulsory transfer of many of our people from their native self-chosen heath to some other habitat to be designated by higher power and greater wisdom. I linger with it only as a type. I quote:

> The throwing out of balance of the resources of nature throws out of balance also the lives of men. We find millions of our citizens stranded in village and on farm. We find other millions gravitated to centers of population so vast that the laws of natural economics have broken down.

Suppose one of the purposes ahead, under the proposed authority, is to order a correction of this particular maladjustment. Certainly it is amply authorized. Evidently it is in the Presidential mind. I do not argue its merits. I discuss the naked fact itself.

Suppose it is determined, by supergovernment, that 10,000 farmers should be moved from sand-soil lands in Michigan to the great open spaces of Wyoming. Under this joint resolution the order can issue; and if it be resisted by farmers who are attached to Michigan and do not wish to be transplanted, they could have been put in jail in the first instance. They could be fined $5,000 under the House program. They are let off for $1,000 under the amended joint resolution as reported by the Senate Appropriation Committee. As originally drawn, they could also have been jailed for resisting the Executive decree covering fundamental rights of the citizen whom Congress, if consulted, would never permit to be thus handled as a pawn in a game of economic chess.

Suppose it is determined, in a flash of superior wisdom which implements this philosophy of transmigration, that 10,000 workers in Detroit should be scattered among the villages of Arizona. Under this joint resolution the order can issue; and the victim who finds this moving order on the lintel of his door can choose between his newly ordered destination and a fine of $5,000, or he can be sent to jail for 2 years if the joint resolution should be restored to the

form in which it came to us from the other end of Pennsylvania Avenue.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. BONE in the chair). Does the Senator from Michigan yield to the Senator from Virginia?

Mr. VANDENBERG. Certainly.

Mr. GLASS. Under what provision is a transfer of population compulsory?

Mr. VANDENBERG. I did not say it was compulsory. I said that under the terms of the joint resolution, since the transfer of population would be of the type of thing which is done in respect to subsistence homesteads and in respect of transfers from submarginal lands, it would be possible for a transfer to be ordered under terms to be fixed and prescribed by the President, and then under the penalty clause a failure to observe the President's order might be rewarded as I have indicated.

Mr. GLASS. If the Senator will refer to the record, he will find the exact term "compulsory transfer."

Mr. VANDENBERG. It becomes a compulsory transfer unless the penalty is accepted. That is a mere discussion of words.

Are these violent assumptions? I hope so. But I do not know. I do not know the reason for this particular allusion in the message of January 24. I do not know how the allusion is to be served. But I do know that these things could happen under the terms of this joint resolution, and no less strange ideas have been floating through the "brain trust" corridors during the last 2 years. The point is, I repeat, that there is nothing in this measure to stop or limit such exercise of power. The point is that no such power—a power which could be exemplified by an infinity of equally startling examples—should ever be created in this democracy. It is not the way to meet the emergency. It is the equivalent of an unlimited dictatorship which is calculated to claim more victims than beneficiaries.

I shall revert later to other possibilities under these amazing latitudes of power. Suffice it at the moment to point out that the President is authorized, under the terms of the joint resolution as it passed the House, to make any grant—another word for gift—to any person, firm, or corporation he pleases, whether at home or abroad. He is authorized to make any loans he pleases, whether to citizen or alien, and regardless of consideration. He is authorized to pledge his Government and the resources of the Nation to any contract he pleases, covering anything he wishes to do, and in any way he wishes to do it. Even worse, he can sublet these Olympian prerogatives to any Pollyanna panacea peddler who may wish to try some new and noble experiment upon the fever-stricken body politic, and there are entirely too many of these earnest and well-meaning quacks loose in the Capitol to make such a contemplation comfortable. The grant of power, in a word, is infinite. With great respect, I assert that no one man ever was or ever will be wise enough to exercise such unbounded authority in a republic. The certain risk outweighs the uncertain advantage of the unknown benefits.

The money thus sublet to the White House to be expended in the unchecked discretion of the President—or any other gentleman, please note, whom he may wish to invite in to share this prodigious authority over the public purse—is $4,880,000,000, or perhaps more, because I cannot fully fathom all of the transferred balances which are permitted. Since these are utterly astronomical figures anyway, it would not seem to be any stretch of the facts, speaking generally, from now on to call it the "five-billion speculation." This is nearly 70 percent more money than all the Federal funds expended by all the Federal relief agencies from the commencement of their operations in May 1933 up to January 1, 1935. It is probably the largest single appropriation ever made in the history of the world. It far exceeds any previous total normal Budget of the whole Government of the United States. In other words, it is a grant of power to the Executive to spend more than the equivalent of an entire annual Budget. If it can be done with five billions, it can be done with ten billions. If it can be done with ten, it can be done with twenty. If it can be done at all, Mr. President, the rigid and vital constitutional theory of the control of the public purse by the Congress is at journey's end. This is the last round-up.

This constitutional theory is particularly jealous of the prerogatives of the House of Representatives, where all revenue legislation must originate; and where, by infallable custom, all appropriation bills are initiated. So contemptuous of the realities of this philosophy were the authors of this five-billion speculation that they actually proposed in the first instance to permit only a single hour of debate, and no amendments, when the freshly elected representatives of the people were permitted to go through the motions of pretending to deliberate upon this amazing grant. This is noted simply as an incidental phase of the new contempt of parliaments. Ultimately the gag rule was briefly relaxed in respect to certain relatively unimportant sections of the joint resolution. But the original scheme of things was amply preserved. There were a few hours of simulated deliberation. There were a few innocuous amendments. But the five-billion speculation—the greatest single appropriation in the history of the world—was jammed through in two afternoons, with all original dictatorial usurpations preserved. The only hearings were held briefly behind closed doors upon a single morning. No one even knew who wrote the joint resolution, and no one dares confess that he wrote it. The President himself told a press conference he had never read it. Yet it passed under whip and spur and came to us last Friday week. Here it confronts its last remaining hurdle in the most expensive race against time in all recorded history. Nearly $5,000,000,000 appropriated in a 6-page resolution. Usually an appropriation bill for a tenth such sum would cover 10 times as many pages. Nearly $5,000,000,000 without a single bill of particulars upon which Senators and Representatives may base their judgments in response to their unavoidable obligations to their constituents, whose children some day must pay these pyramiding bills!

I do not stress the size of the grant because I would hesitate to put so great a sum at the disposal of the needs of the people of the United States. On the contrary, I assert that any sum, required for our emergency and promising adequate relief and evolution out of this depression, must be put to work upon these tasks. I stress the size of the grant only to emphasize the size of the legislative crime when such a responsibility of spending and such a burden of ultimate taxation are covered by a blind grant, made in the dark, contrary to every rational legislative precaution, and in violation of every basic tenet of preserved representative government.

This measure relies, I repeat, entirely upon the discretion and direction of the President. There is great confidence in the President. But he cannot personally administer this gigantic system in addition to all the other burdensome duties which he has assumed, even if it were wise to let him make the herculean effort. He must rely upon others precisely as he frankly relied upon others to write the joint resolution in the first instance. This is not merely a grant of unprecedented power to the President. It is specifically a grant of authority to delegate the powers conferred upon him to any other governmental agency. Do you know what agencies, what administrators, will be chosen as the final legatees of this power? You do not. Are you willing to trust them? How can you answer when you are denied their identification? This is not merely a transfer of legislative responsibilities to the Executive. It is inevitably a surrender of these responsibilities to unknown and unnamed administrative subordinates who have never passed inspection at the ballot box and who have never been either selected or approved by the electorate. It will be a hapless paraphrase of carpetbagging government. It will bring a reign of petty despots.

We had one experience with blind legislation, and to our sorrow. Under stress of the original emergency, which we confronted when the President was inaugurated in 1933, we passed the economy bill. We trusted the President. But the President was a very busy man, and he had to trust somebody else. What happened? Somebody else wrote the rules and regulations which literally crucified many a vet-

eran from the front-line trenches—many a veteran with so plain a right to rely upon justice from his Government that no citizen in possession of the facts would have condoned the outrage. We were forced, in the name of decency and fair play, swiftly to retrace a substantial portion of our steps. Have we learned anything from that experience or have we not? If not, this joint resolution will pass as written, but not otherwise.

Who, I ask again, will administer this Midas fund? I speak not alone of the high command but of the balance of the staff as well. Civil service is specifically abandoned. The merit system wins no recognition. Even the limitations of the Classification Act of 1923 in respect to salary and wage scales are deliberately scuttled. Here, as elsewhere, there are to be no boundaries under the House measure, although the Senate committee has attempted a small rescue of this one morsel of good government.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. STEIWER. I merely wish to direct the Senator's attention to the last line of the section to which he now refers. The last line provides that the President may "fix the compensation of any officers and employees so appointed."

The chief effect of the Classification Act is to provide classifications within which stated salary schedules are paid. Inasmuch as there is here delegated to the President the power to fix the compensation of employees, it does not make much difference whether or not the Appropriations Committee succeeds in its laudable purpose of maintaining the Classification Act of 1923, because it will not mean anything. It will not mean anything except in the forms of classification. It will not mean anything in terms of compensation. So that the thing which the Committee did, which I personally approve, will, after all, bring very slight comfort to those who would like to see the maintenance of established standards of pay for Federal employees.

Mr. HASTINGS. Mr. President, before the Senator replies to the Senator from Oregon, so that I may not interrupt him again, may I inquire whether under the joint resolution there is no provision and no intention that the United States Senate shall pass upon the persons who are charged to carry out the provisions of the joint resolution?

Mr. VANDENBERG. Oh, certainly not, Mr. President. That would be an invasion of the Olympian authority upon which the country is asked blindly to rely in respect to this expenditure of the $5,000,000,000 somebody is going to collect some day from his grandchildren.

Mr. HASTINGS. There is no limitation upon the salaries that may be paid to the persons selected to carry out the measure?

Mr. VANDENBERG. No limitation.

Mr. HASTINGS. So far as the joint resolution is concerned, the President might select the president of Sears, Roebuck & Co., who is going to advise him, and might give him the same salary which he himself receives?

Mr. VANDENBERG. I think he could. It seems to me that the sky is the limit. It seems to me that here, as elsewhere, there are to be no boundaries. Things shall happen precisely as the administration managers desire.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Virginia?

Mr. VANDENBERG. I yield to the Senator.

Mr. GLASS. There is a limitation upon the amount of salaries which the President may fix.

Mr. VANDENBERG. Where is the limitation?

Mr. GLASS. The limitation is in striking out the words on page 5 to which I called attention, "without regard to the Classification Act of 1923, as amended."

Mr. VANDENBERG. Mr. President, I have tried to make it plain as I proceeded that I was discussing the House text, and endeavoring in each instance to indicate wherein the Senate Appropriations Committee had assisted the situation in any degree. When I had completed my discussion of the House text, and had referred to the Senate committee amendment, the able Senator from Oregon [Mr. STEIWER] made his interpretation of what the Senate committee amendment means.

Mr. GLASS. Does not the Senator think that the Senate committee amendment, in striking out those words in the House joint resolution, had any effect at all?

Mr. VANDENBERG. I am not clear that it had any effect. The Senator from Oregon, who has carefully surveyed the entire matter, is of the opinion that the net effect amounts to little or nothing. I leave the Senator from Virginia to the Senator from Oregon for a dissection of the language.

Mr. GLASS. May I ask what the Senator from Oregon thinks about his own amendment to the joint resolution—section 9—whether or not that is worthless also?

Mr. STEIWER. Mr. President, will the Senator from Michigan permit me to answer the inquiry?

Mr. VANDENBERG. Yes.

Mr. STEIWER. I regret to intrude upon the Senator's time; but section 9, to which the Senator from Virginia refers, is, after all, merely permissive. It relates, of course, to another subject. It provides that certain projects heretofore committed to established agencies of our Government shall be carried out under the direction of those agencies. I think that language will be effective to the extent of bringing about the result that if the President, in his discretion, shall elect to use any of the money appropriated by the joint resolution to build projects of the character there alluded to, they will be built by those agencies; but, of course, this language does not require the President to build any projects of the types referred to in the section.

Mr. GLASS. Of course, it does not.

Mr. STEIWER. So it places no restriction upon the President so far as the expenditure of the money is concerned.

Mr. GLASS. But the supposition is a pretty violent one that the President will not utilize some of the money in that way.

Mr. VANDENBERG. Mr. President, regardless of the argument over details, the fundamental contemplation remains irresistibly true that under this joint resolution the administration managers can do pretty nearly anything they want to do within the circumference of its boundaries.

It will be possible for one of these unnamed commissars to do again that which has been done before. I am thinking, for example, of the great city of New York which is ordered, under penalty of losing its Federal grants, to remove from the triborough bridge authority a distinguished citizen of unblemished character, who is guilty only of having been the Republican candidate for Governor of his Commonwealth. Despite this exhibit, it is my personal view that Secretary Ickes is by far the most courageous and dependable Presidential lieutenant to whom this gigantic responsibility could be entrusted. But I continue the indictment.

It will be possible for multiplied political contracts to be made, as recently disclosed by one of the candid Congressmen from Texas who testifies that Mr. Farley, who acts as Postmaster General whenever he can spare the time, signed up for his party a guarantee for the appropriate distribution of political spoils, not only in respect to offices that are considered fair game for patronage, but also offices that minister to human misery.

It will be possible for State authority and legitimate States' rights to be flouted as in the fairly recent experiences of the Governors of Massachusetts, Georgia, Oklahoma, and North Dakota.

And speaking of State rights, that slogan once dear to the Jeffersonian ideal, it fell sick 2 years ago. Slowly but surely pernicious anemia has been sapping its lingering vitality. Here it dies and is buried. This measure is its epitaph. Here we first shall bribe the States, then bend them to the Executive will. Washington will write the orders. At each State capitol local self-government will yield—or lose its subsidy.

We are told in the public prints that the same unnamed cabinet which wrote this joint resolution is now preparing

supplemental and complementary laws to be sent out for these State legislatures to pass. This is useful cooperation under the circumstances. It is really necessary to synchronize this vast mechanical authority which is to concentrate at mahogany desks in Washington, D. C.

There will be feverish anxiety to comply in many quarters. In the idiom of a contemporary song, Santa Claus is Coming to Town. Already there is wide variance in the treatment accorded various States. During the 21 months' period covering the existence of the F. E. R. A. up to September 30, 1934, for example, it contributed 96 percent of the money expended in the State of Alabama, as compared with 33 percent in Massachusetts; it contributed over 99 percent in Mississippi, as compared with 35 percent in Delaware. I do not mean to pick these particular States in an invidious sense. There are kindred comparative distortions up and down the land. Under this $5,000,000,000 bill the human urge will be upon all States to get all they can, and the inevitable fallibility of human—and especially political—judgments will curse the net result. The States will be sovereign States in name alone. They will be vassal States—and many of them, I fear, very unhappy States—in net result.

These things are more than possible. If history is any criterion, they will be probable. There are no warrants, no guaranties, in the pending measure. It is as wide open in respect to personnel and ethics as it is in respect to projects and punishments. It counts the Treasury of the United States among its potential spoils. The Treasury has been thus used before. It is not enough to hope that it will not be thus used again. There is no check on managers or men.

The people entrust certain powers to the Congress. We entrust these powers to the President. He entrusts them to his high colleagues. They entrust them to their captains and lieutenants. It is an attenuated process of diluted responsibility. One day we are called to account. Adequate explanation is impossible. All subsequent calamity traces back to the hour when we surrender to this bill. For one, I cannot thus surrender as it is at present formed.

I call attention, Mr. President, to the fact that this process of surrender is progressive. It started modestly 2 years ago. Gradually we become numbed to its implications. Occasionally the Supreme Court reminds us that there are certain congressional responsibilities which under the Constitution we cannot shift to the other end of Pennsylvania Avenue. But these warnings merely interrupt—they do not stop—the congressional renunciations.

I have adverted repeatedly to the amazing scope of these abandonments of orderly constitutional authority on the part of a subservient Congress. At the moment I specifically remind the Senate only of the progressive surrender here—the mounting monopoly of power elsewhere—in respect to the control of public money.

On May 15, 1934, the Public Works fund sought by Executive message was $1,500,000,000 out of a total appropriation of $3,166,000,000; and the Executive—unwittingly, I am sure—used a particularly frank but equally ominous phrase reminiscent of an historic French monarch who considered himself and the State to be synonymous, when he said—and I quote from the President's message: "It is my thought that this sum should be appropriated to me!" And it was to "me" the sum was appropriated. Then the Secretary of the Treasury asked for $2,000,000,000 to be used in some sort of a gigantic stabilization speculation; and, in our atrophy, we let him have it along with a statutory warrant that he should never account for it to Congress and that he should never be questioned about it at any time, in any way, or in any place. Now it is a minimum of $4,000,000,000 which is to be handed over, without strings, to the Executive discretion. It is, I repeat, a process of progressive surrender. What will be asked next year, if the progressive ratio persists? Where does this system end? Why preserve the fiction of checks and balances in a constitutional Congress? If we are to live by Executive discretion, why not frankly live by Executive decree? And if these be not the seeds of fascism, then I miss my guess. I am reminded of old Ben Franklin's sage observation:

> They that give up essential liberty to obtain a little safety, deserve neither liberty nor safety.

I am reminded also that Anglo-Saxon zeal for a thousand years has insisted that control of the purse spells ultimate control of governments and peoples and all destiny. Wherefore the specter rises from that message of May 15, 1934, and comes striding down the calendar to this critical hour:

> It is my thought that this sum should be appropriated to me.

The length of the step we are asked to take is bad enough. The direction is still worse. This is not liberalism. It is recrudescent feudalism.

Least of all is there any liberalism in the section of this joint resolution which makes it a crime, or did, in the original draft, for the citizen to disobey any rule or regulation which the President may prescribe to effectuate whatever plans may ultimately evolve from this limitless grant of power? He and his bureaucrats may launch whatever revolutionary economic schemes they please. When done, it is the law. They may write whatever rules and regulations may suit their flights of fancy. It is the law. The private citizen will be expected to obey. He will be presumed to know what all these rules and regulations are. Otherwise it costs him, the forgotten man, $5,000, under the wisdom of the House, or $1,000, under the wisdom of the Senate.

The Supreme Court recently suggested that, as a matter of fair play, there ought to be some central register where the poor, befuddled citizen may discover just what is the law under this new dispensation. But, no matter. Here is another, and final, and all-inclusive, and supreme warrant to the Executive to write more rules and regulations—and to penalize more citizens who disobey. It is unthinkably impossible among a people whose forbears dared to write the Declaration of Independence.

I have already spoken about the limitless scope of expenditures which is possible under the terminology of this proposal. They may or may not fall within the contemporary imagination of the Congress. They may or may not contemplate projects, implying much more than the mere relief of unemployment and distress, which the Congress would approve if permitted to speak in respect to them. The power of decision rests elsewhere. If we resign this power, we must be equally resigned to the consequences of its use. This is our only opportunity to speak. This is our only opportunity to vote.

That there may be amazing distortions of the use of this blanket spending power is no idle dream. It has already happened under previous grants of this anonymous nature. There is no reason to believe—there is no assurance—that the same sort of thing will not happen again and in magnified proportions. I feel duty bound to linger upon a few examples even at the risk of repetition.

The last grant which we made for the Public Works Administration was for the purpose, of course, of creating immediate employment as swiftly as possible. Yet the enormous sum of $238,000,000 was promptly detoured from the P. W. A. to the Navy Department for the construction of new ships. It was not primarily an employment program. It was primarily and predominantly a Navy building program. This has been frankly admitted by the Navy Department in recent testimony before our Munitions Committee. As a result, during the first year which this general relief appropriation was presumed to serve, only $47,000,000 of the $238,000,000 was expended at all; and probably not more than $34,000,000 went into labor. Up to the present hour only $87,000,000 has been expended out of the $238,000,000; and of this sum not more than $61,000,000 has been expended for labor. Meanwhile a subsequent P. W. A. allotment of $40,000,000 more has been secured; and we are creditably advised that another $100,000,000 is being pursued.

I do not quarrel with the essential upbuilding of the Navy. That is beside the point. The point is that the upbuilding

should be with naval funds appropriated for naval purposes. It should not be with P. W. A. funds appropriated for the creation of immediate work relief. The latter diversion is a usurpation of the appropriating power. It is a travesty upon the P. W. A. purposes. It defeats the pretended functions for which P. W. A. is created. It demonstrates what can happen when lump sums are put loosely at the disposal of relatively irresponsible administrators. Here, now, is another request for a larger lump sum than ever and looser power than ever, and we are permitted to understand that an admiral may be in large relationship thereto.

One other example: The Congress frowned upon the Reedsville subsistence homestead project. In one instance it specifically rejected one phase of the Reedsville project. Not so the P. W. A. It was a law unto itself. The public money was poured lavishly into this enterprise. It is as yet scarcely 1 year old. But already we are told that half a million dollars has been irretrievably lost to the Government—and without compensating work relief—in this Reedsville enterprise. Ready-cut houses were purchased, at the instance of Col. Louis M. Howe, Presidential secretary; and it was discovered too late that they had to be reinforced and supplied with basements. Speaking generally, the general manager of the Subsistence Homestead Corporation said the half million loss is due in part to experimentation and in part to errors in judgment.

Perhaps this is an isolated exhibit. Probably it is not. No one knows how much else we have lost in these vast administrative distributions which are made without respect to the Bureau of the Budget and with nothing more than a post-mortem check by the Comptroller General. No one knows what other losses, to be charged ultimately in taxes against our children, have flowed in part from experimentation and in part from errors of judgment. No one knows how many other projects have been blessed by P. W. A. when they would have been rejected, if not actually already rejected, by the Congress. No one can conjure the magnitude of the possibilities in these same unfortunate directions when four or five billions is the colossal latitude of these malignant opportunities. No one knows what Colonel Howe's next bright idea will be. He has now contributed collapsible houses and gold-plated toilet kits to our regime of recovery.

The Government can go into commercial competition with any private business it pleases under the terms and resources of this joint resolution. There is no limit. The Senate amendment makes little difference in this respect. We have heard, for example, before our own Senate committee, from one of the distinguished prospective subadministrators of this Gargantuan grab bag, that it might be a good scheme for the Federal Government to take over the business of retailing gasoline through its own stations, to the consternation and undoing of one of the biggest arms of our existing private merchandising traffic. Such a decision, or any other decision injecting the Federal Government into the business of competitive trade warfare with its own taxpaying citizens, is a decision for the Congress to make, out in the open light of day, fairly and squarely and with due notice. It is not a decision to be made by the indirect recourse of a welfare experiment, ordered by some philanthropic bureaucrat who plays with other people's money without specific warrant of law. The people themselves have a right to be heard before such things happen. If the National Industrial Conference Board is right about American public opinion, as tested by questionnaires submitted to 5,050 newspaper editors, 93.6 percent are opposed to any control of the management of private business enterprises by Government bureaus or officials; 87.4 percent are opposed to Government competition with transportation companies; 71.8 percent are opposed to Government competition with power companies; and 94.9 percent are opposed to Government competition with any other industry. Yet the existing Federal relief agencies do thus compete; and the pending measure is an unbridled license for the extension of this competition—contrary to the wishes of the American people—to a degree measured only by the ingenuity, indiscretion, and ineptitude of whatever petty tyrants the Chief Executive may choose to put over us in the distribution of his power.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. VANDENBERG. I am very happy to yield to my friend from Illinois.

Mr. LEWIS. If the Senator has heretofore asked not to be interrupted, I shall not interrupt him. I am informing the Senator from Michigan that I am very much attracted and greatly interested in the assertion by the Senator, unless I misunderstand him, that the Secretary to the President, Colonel Howe, whom I believe my friend has cited, has been responsible for inaugurating a procedure or an undertaking, and using the Government money to carry it out, at a place called "Reedsville". Am I correct in assuming that is what the Senator meant?

Mr. VANDENBERG. The Senator is approximately correct. I quoted the general manager of the Subsistence Homestead Corporation as stating that the gentleman who suggested the purchase of the collapsible houses, which involved a substantial loss to the Corporation, was Colonel Howe.

Mr. LEWIS. I thank the able Senator. However, the Senator did not mean to convey the impression that Colonel Howe, the Secretary to the President, who is described as secretary, has been responsible for creating a contract of liability on this Government, at his own instance as secretary to the President?

Mr. VANDENBERG. Not at all. What I am asserting is that under the terms of this joint resolution Colonel Howe may be the general manager of the entire $4,000,000,000 distribution so far as the Senator from Illinois knows.

Mr. LEWIS. And does the Senator from Michigan assume that in that event it would be administered differently than it would be by any other honest man?

Mr. VANDENBERG. In the light of our experience with gold toilet kits and collapsible houses, I should say, as a matter of judgment, yes. It might not be quite so advantageous as under some other auspices.

Mr. LEWIS. It was the opinion of the Senator I desired on that subject.

Mr. VANDENBERG. I trust I have furnished it.

Mr. LEWIS. The able Senator has, but I am compelled to say that it seems to be without any basis of fact. The allusion carrying with it a characterization of the Secretary to the President, in my opinion, is an unhappy one, because the President appoints him to the office, and it designates him as a rather unworthy man. If the conditions are such as the Senator says, then they ought not to be allowed in any government.

Mr. VANDENBERG. Mr. President, I assure the Senator that I intend no affront to anyone. The Senator was not here during the course of my earlier discussion. The one thing above all else that I should like to avoid—and perhaps I have trespassed upon my own specifications—is the injection of any political considerations into the discussion of this question which is so fundamentally important to the American people. I am asserting the exhibit in respect to Colonel Howe solely to show how the use of an unidentified power heretofore has resulted, according to the testimony of the chief administrator who was responsible for the experiment, and for the purpose of indicating what can happen again in the light of the complete failure of the text of this joint resolution to give us any promise or warrant of any nature whatsoever respecting either the personnel of the administrators of this $4,000,000,000, or the purposes to which the administrators shall dedicate themselves.

The point is, Mr. President, that anything can happen under such a grant of power and money as is here contemplated. Public expenditures, which ought to rest solely upon explicit congressional authorization, can be made in complete defiance of this authority. Public policy, which should be the product of legislation and not of Executive subsidy, can be molded in complete contempt of the normal and legitimate spokesmanship. In all such instances the Congress is

but an incidental victim. The real victims are the people themselves. The real sacrifice is that of the principle of popular government. Meanwhile, the net result is not calculated to be of service even to the cause of relief and employment.

I cite but a few examples. There are numerous others. They indicate what has happened in the laboratory test which we have already given this idea of lump-sum appropriation and lump-sum authority, this notion of concentrating cash and power in one economic dictator. Those who like the results of the laboratory test will undoubtedly be willing to enlarge the laboratory. Those who do not like the results will hesitate to fling four or five billion more to kindred jeopardy. Mr. President, I am among the latter group. So are many of the American people.

Some apologists for this bill declare that the alternative to a blank check is the congressional "pork barrel." I deny it. By all means let there be neither "pork" nor "politics" in administering to human misery. I would reject any such alternative as I now reject the pending measure in its pending form. The rational alternative is a rational plan—an understandable program—which indicates some definite purpose on the part of the Government to reach a definite goal.

Mr. LEWIS. Mr. President, may I ask the able Senator what would be his plan? What would the Senator now say would be his plan, coming within the definition of his last observation?

Mr. VANDENBERG. I shall be very happy to furnish the Senator with my opinion upon that point within 5 minutes, if he will permit me to reach it in due order.

Mr. LEWIS. I will not disturb the Senator further at this time.

Mr. VANDENBERG. The Senator does not disturb me; I am happy to be interrupted, but I prefer not to anticipate an answer to his question.

Mr. President, thus far I have been discussing one-half of the picture involved in this $5,000,000,000 contemplation. It seems to me that the other half is no less damning to this joint resolution. It is the half that comes close to the intimate needs of the individual victims of this continuing depression. They are the ones who have a right to demand effective action when this next experiment is tried. They are the ones for whom every solicitude is due. America must care for her own. There can be no half-way convictions upon this score. There can be no measuring of essential dollars against the relief of human misery. But there must be all possible certainty that nonessential dollars are not wasted, lest the reservoir of the public credit shall run dry, and thus one day preclude any relief whatever; and there must be all possible certainty that our recovery programs soon give reasonable promise of restoring normalcy before we have exhausted the resources upon which relief relies. Anything less is treason to the very persons whom we would profess to serve.

This phase of the challenge inevitably runs into violent differences of personal opinions. Men who are whole-heartedly committed to the same humanitarian objective—and this emphatically includes the President and his advisers—will disagree respecting the advisable formula to pursue. None of us is entitled to be dogmatic upon this score. Each of us can only assert the honest conviction which is his and seek to sustain it as best he may. All of us will pray that the wisest formula is chosen and that it achieves the swiftest possible result.

I have referred to the fact that the preamble of this bill is addressed not only to "relief from the hardships attributable to wide-spread unemployment" but also to "relieving economic maladjustments." I now refer to the House bill. The latter is just as important as the former, Mr. President; but, putting first things first, the former deserves all immediate priority, because the economic equilibrium must be restored before the corrected economic maladjustments can have any semblance of a chance to endow our people with their blessings. In other words, to subordinate recovery to reform may kill both.

Let not this observation be misunderstood. We owe mass America a larger measure of social responsibility in government. We owe mass America a wider distribution of the fruits of reclaimed prosperity. My point is that the fruits must be reclaimed before they can be distributed.

We can proceed with rational reforms. We can persist in practical corrections. We can combat renewed conquest by special privilege. But the first job is not reform but recovery. At least one bill—and this measure in particular—should concentrate itself upon unemployment relief leading to employment recovery.

The National Advisory Council of Consumers and Producers puts it in this way:

> Recognizing as they do that the most important question before all Americans today is the subject of economic recovery, this council believes that recovery measures and steps leading to recovery should be taken first; and that matters of reform, which a few confuse with recovery, should be studied most carefully with a view to making them gradual and evolutionary rather than sudden and drastic and thereby detrimental.

Another commentator sagely says:

> If we had recovery, we should have no serious problem of relief. If what the Government spends for relief had no bearing upon recovery, we could spend for relief whatever was humanly necessary and desirable. If to provide relief we spend too much or spend unwisely, we shall, by obstructing recovery, make it impossible to reduce the need for relief.

Thus recovery and relief are interlocked. Reform, too, is not unrelated to the equation. But the immediate problem in this bill is not the latter. It is the former—and recovery above and beyond all else, because recovery brings the happiest possible relief. Our people do not prefer artificial relief. They do not as yet prefer to be supported, in whole or in part, by their Government. They prefer to support themselves. The pending measure is supposed to be their measure for their benefit. Let us now examine it from this aspect.

At all times, Mr. President, in contemplation of this program, the basic question intrudes whether, as an abstract question, work relief is a feasible reliance in finally meeting the depression crisis. Time runs against us, and we cannot wait much longer to find the effective answer. We are now told, although the bill itself does not say so, that four billions of work relief, which is to say four billions of made jobs, will terminate our unemployment. But will it? Certainly that question demands candid answer. It seems unavoidable to me to answer in the negative. There are numerous reasons. I sketch them swiftly.

First. The first time we accepted the invitation to fight the depression with work relief there were about 5,000,000 unemployed. Now there are probably nearer 11,000,000. The prescription did not work. Perhaps other baneful forces prevented full fruition. Even so there is nothing in the experience to warrant larger hope for exclusive reliance upon the prescription's repetition.

Second. If work relief is now the magic formula, four billions is not enough. This bill but temporizes with its own theory and objective. At most we are told that only 3,500,000 are to be put at direct labor. A large additional quota is presumed to be absorbed by indirection. This latter factor is speculative. But not even the 3,500,000 out of 11,000,000 can be employed for $4,000,000,000 in all human probability.

Take the Bureau of Labor statistics for last October as a test. During that month Federal P. W. A. projects employed 349,000 men who were paid $19,654,000. The materials used in their work cost $32,618,000. On this basis, employment of 3,500,000 men for 1 year would cost about $2,500,000,000 in pay rolls and $4,000,000,000 in materials, or a total of $6,500,000,000 instead of $4,000,000,000.

Take the Federal Emergency Administration's report of December 31, 1934. It shows the expenditure of $1,250,000,000 in 18 months to produce 642,329,759 man-hours of direct labor. Four times this amount of indirect labor is claimed. But that is beside the point, because our four billion is supposed to provide 3,500,000 men with direct labor. At the foregoing rate, on the basis of a 40-hour week, it would

require the fantastic sum of about fourteen billions instead of four billions to employ directly 3,500,000 men.

Able Senators in this body, Senators who have made a searching study of work relief and who believe in it, insist upon amendments to increase the four billions to ten billions in order to do the job. There is no warrant for the belief, I assert, that four billions will suffice, even if we waive aside the argument whether work relief is a wise reliance at all.

Third. It takes time to get sensible work-relief projects ready, and there is no assurance that this can be done to the degree of magnitude required by this ambitious program upon which we speculate—and I want to repeat that all this is sheer speculation, because there is absolutely nothing in the joint resolution to tell us what is contemplated. Neither is there any assurance that these work-relief projects will all be sound projects rather than wasteful projects, rather than projects undertaken for the mere pretense of creating jobs. Insofar as it is possible to anticipate and move forward all the useful construction projects which normally might be handled during the next 10 or 20 years, we exhaust practically all possibility of useful public construction hereafter during this same period. In other words, we rob our children of their natural, normal opportunities for labor in this same type of construction during the next generation; yet we leave them all the bills to pay. Meanwhile we rob our own business men of these same contemporary opportunities by taking them over into Government control and direction. In other words, this work-relief thing has liabilities, many of them, as well as assets; and the final national balance in respect to it may fall heavily in red.

Fourth. This is no novel field. We are not pioneering in it. The Old World has been at it for years. They have built up a body of monitory experience. This is one thing—experience—which we can afford to import in large quantities. Its trend is summed in an Associated Press dispatch from Geneva as recently as last January 19, which specifically asserts that direct work-relief programs are being abandoned in the European sphere because they have been determined to be inadequate and unsatisfactory. I will not read the Associated Press report, but I ask that it be inserted at this point in my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

BRITAIN REJECTS WORKS PROGRAMS—HOLDS TRIAL HAS FOUND PLAN WANTING AS JOBLESS REMEDY

By the Associated Press

GENEVA, January 19.—Great Britain has tried the system of public works as a remedy for unemployment and found it wanting.

The experience is set forth in a 300-page volume, National Public Works, published by the League of Nations, on the basis of replies from 29 nations, including the United States.

Britain's reply was that "the experiment of large public works as a method of dealing with unemployment has been tried and has failed, and it is not intended to repeat it." It said the British view was that the ultimate test of each work must be its social or economic value.

The reply added that England's experience showed that the stimulation of public works selected primarily in respect to their employment-providing capacity had little effect on unemployment in proportion to the heavy expenditure incurred.

"The work when completed leaves burdens on national and local finance which impede the recovery of normal activity", Britain also said.

The report concluded that the expansion of normal activity "will most surely and rapidly be brought about by the creation of confidence, particularly by a balanced budget, the lowering of the rate of interest, and facilities for the removal of hindrances to trade."

Mr. VANDENBERG. Thus, Mr. President, a grim question rises—and demands an answer thus far lacking—whether, even according to the theory of those who can put their whole trust in work relief, this measure is in any degree physically sufficient; and a still grimmer question rises—and perhaps defies an answer—whether any such major reliance is not a broken reed. It seems to me that one theory or the other must be embraced. Yet either theory condemns the measure, condemns it, that is, if it is a work-relief measure. Textually it may be any kind of a measure. We discuss it as a work-relief measure only through reliance upon the earmarks given it by those who presume vaguely to speak of the contemplated intentions of its prospective overlords.

Relying upon similar authority, we have been conversationally advised that this joint resolution eliminates the so-called "dole." By dole, I take it we mean a direct relief grant as distinguished from work relief. The word has come to be malodorous, although the thing itself has saved millions of the people from starvation. We shun the word because of the American's typical self-reliant pride. Americans want—and are entitled to have—the jobs; normal jobs in normal commerce. Americans do not want doles except as a last resort.

Does this joint resolution produce the jobs? It does not, except in a limited and inadequate and counterfeit fashion, as I have undertaken to demonstrate.

Does it eliminate the doles? It does not, and for a variety of reasons.

Doles are just as possible as work relief under the broad permits of this legislation. There is not one word to eliminate the former in behalf of the latter. The elimination relies solely upon an assumption as to what the prospective overlords intend, in their infinite wisdom, to do with our money after it is committed to their unlimited authority.

Meanwhile, I assert that doles are inevitable under any such program, and that the conversational assurances given us in respect to the pending plans make doles unescapable.

Obviously, for example, there must be doles for all the unemployables who are to be frankly turned back to their local and often bankrupt communities to support, according to one of the few relatively specific bits of information we have received.

Obviously there must be doles for all the employables in excess of the 3,500,000 who are theoretically in prospect of direct employment via this four billions, and such other employables as indirectly benefit through the purchase of materials—an excess calculated to be substantially greater than the benefited group.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Does the Senator from Michigan yield to the Senator from Alabama?

Mr. VANDENBERG. I yield.

Mr. BLACK. I have listened carefully with reference to the Senator's argument that this is an adequate sum to put people to work. It may be the Senator stated in advance, and if so I beg his pardon for asking. Has the Senator from Michigan stated whether or not he is in favor of a larger appropriation for public works?

Mr. VANDENBERG. The Senator from Michigan has not. He is coming to a definite statement with respect to his own attitude.

Mr. BLACK. Does the Senator favor a larger appropriation for public works?

Mr. VANDENBERG. That question cannot be answered "yes" or "no." It requires specifications as to what our reliance is to be. If we are to rely upon public works to take up the enormous slack it certainly must be a larger sum. I shall attempt to state to the Senator in a few moments that I think there is a different approach to the problem, and I beg the Senator to let me come to it in my own time.

Mr. BLACK. Then, is the Senator opposed to the idea of trying to take care of the whole or any part of it by public works?

Mr. VANDENBERG. Not at all.

Mr. BLACK. Is the Senator in favor of the appropriation of $4,880,000,000?

Mr. VANDENBERG. Mr. President, I am unable to permit the Senator to force me into anticipation of the subject which I shall touch in specific terms in a very few moments. I ask the Senator to permit me to make the presentation in my own way and if I shall have failed when the time comes to give the Senator all the information he thinks I ought to give, I shall more than welcome his interruption.

Mr. BLACK. I was interested in the Senator's argument that the conclusion he reached is that the sum is not enough, and I wanted to know if he favors a larger appropriation.

Mr. VANDENBERG. Mr. President, I shall retrace some of my steps so as to resume the continuity of my argument.

Obviously there must be "doles" for all the unemployables who are to be frankly turned back to their local and often bankrupt communities to support, according to one of the few relatively specific bits of information we have received.

Obviously there must be "doles" for all the employables in excess of the 3,500,000 who are theoretically in prospect of direct employment via this $4,000,000,000 appropriation, and such other employables as indirectly benefit through the purchase of materials—an excess calculated to be substantially greater than the benefited group.

Meanwhile the 3,500,000 themselves, according to the message of the President (although, of course, nothing is actually written in the measure), are to be put to work on a subsistence basis at pay scales less than standard wages. Since these pay scales are less than standard, they themselves take on the color of a "dole", at least in part.

I am not arguing at the moment precisely what such work-relief pay scales should be, although I frankly welcome a revision of the absurd C. W. A. rule which often offered a snug bonus to a workman to leave his private job and attach himself to the higher paid relief rolls. I simply argue that we do not shake loose from the "dole" by merely creating a new name for something which is, in whole or in part, the same old institution; that we would do better to face the realities, to leave off fooling ourselves, to call things by their right names, and to make our plans in the presence of acknowledged facts.

We are told—not in the joint resolution, of course, but in the nonbinding conversation which accompanies the measure—that straight "doles" sap the morale of our people; and they do, although it is far less depleting than no adequate relief at all (which may be the lot of many of these unemployables now dumped back upon the States). But morale is equally attacked and undermined, Mr. President, by a system of made jobs which pay less than standard wages; because, such is human nature, when the dole wage notifies its recipient that he has something less than a real job, he is calculated to deliver something less than a real measure of performance—and if that becomes a habit, it is wholly fatal to normal economic performance hereafter. In other words, we shall get what we pay for—the same old "dole" morale at the added public expense of whatever excess is added in a transparent effort to run away from a repugnant word. Thus whatever vice attaches to the "dole" is in part preserved; and the unit cost of public improvements—the ultimate burden upon whatever taxpayer is finally elected to commence paying this bill—is proportionately increased. The National Industrial Conference Board reports, incidentally, that work relief has cost, on the national average, 50 percent more than direct relief.

Let me candidly concede that it is easier to be critical than to be correct. It is much simpler to tear the pending measure to pieces than it would be to write a new one. No man has a right to say conclusively of his views respecting these critical problems—"this is the way." This applies alike to proponent and opponent in the given instance. The most we can hope to do in this forum, particularly since we are pushed so far away from any intimate contact with authentic information that even the present Administrator General of the present P. W. A. had to tell the Senate's committee that he knows nothing of the prospectus—the most we can hope to do in this forum is to sustain or oppose general trends and general policies.

Thus it is that I have argued: First, against the general bureaucratic concentration of delegated—and perhaps unconstitutional—power contained in this joint resolution; and, secondly, against what we are vaguely given to understand is to be the work-relief theory of gaining final and complete conquest over this depression. Perhaps our shifting economic muddle defies specifications. That seems to be the argument. But if that be the mitigation for this blank check and its potluck aspiration, those who propose it will expect no specifications by way of a substitute.

But I would not be satisfied to leave the subject without substitute comment regarding actual and desirable relief for the men and women who are the victims of this depression through no fault of their own. We cannot much longer postpone the effective achievement of this relief. We must soon produce widely stimulated employment; and, meanwhile, we must provide adequate subsistence.

To this end—and I am now answering the Senators who have interrupted me—to this end I shall gladly support a reasonable and understandable public-works program which proves its own utility and which can be identified as a sound, productive investment of available public funds to be expended through the existing and normal instrumentalities of trade.

Beyond this, I shall gladly support further make-work stimulants through self-liquidating pay-roll loans to existing industries, which thus may be soundly aided to put men and women back to work in normal industrial channels with some hope of normal permanence. If the administration wants to know how such a system can operate, I refer it to the admirable and effective experiments along this line which were successfully conducted in the Upper Peninsula sector of Michigan with public funds—until the plans were choked off by typical Federal interference, which insisted that we must live by Federal rule or not at all.

Beyond this, I shall gladly support whatever appropriation may be necessary to provide direct relief on a reasonable subsistence basis for those who await the recurrent upsurge which must be the real and final reliance—and this at no distant day—for mass employment for all our employables.

The real and final reliance! That is the thing above all else which enlists my interest. Normal employment in established industry! That is the thing above all else which spells the true hopes of our people. In other words, the greatest unemployment relief program will be that program which encourages and facilitates the return of normal commerce and established business under traditional private auspices. We must beware lest our anxiety to try new palliatives shall cause us to ignore old cures; lest the palliatives actually upset the patient beyond all chance of cure.

My judgment leads me to reject the pending palliative—speaking now only of the economic phase—for the reasons indicated. It is one more long step away from that current Federal solvency which I believe to be prerequisite to recovery. It is another deliberate shift from private to public resources as the national reliance, when the final achievement requires a total shift the other way. It is one more stupendous stride, perhaps the greatest stride of all, into the realm of those uncertainties which chiefly retard recovery today.

Roger Babson, eminent economist, recently said:

> You can't prevent the tide from going out or coming in, and it's definitely coming in for America now. Hoover couldn't stop its going out and Roosevelt can't stop its coming in.

In whatever degree this fatalism is correct—and none can wholly deny the historical warrant for this philosophy—certainly none of us would want to stop the tide from "coming in for America now." Perhaps later we can harness the tide, as P. W. A. timidly contemplates in Passamaquoddy Bay. But first let it come in! Let it not be arrested! Give it a chance!

The paramount problem, I repeat, Mr. President, is to restore the normal process of employment. Finally, there is no other way; and if eventually, why not now? Yet this thing, I reassert, is seriously delayed so long as American business is in the grip of shifting uncertainty. In the face of this obstacle the tide hesitates on its way in.

The people want jobs, not Government allowances which are half dole and half work relief. They want real jobs. They would reclaim their place in natural commerce. The greatest of all our problems is to encourage this natural commerce to renew its natural employment. Each time we launch out upon some new and uncharted experiment—a definition of the pending measure—we subordinate natural commerce to deterrent jeopardies.

In his message of last January 24, the President spoke of what happens when "we violate nature's immutable laws" and how we must "repair such havoc as man has wrought." Let there be equal and analogous emphasis upon the violation of the immutable economic law. That, too, defies the mandate of mere man, no matter what his college degrees. Let there be equal zeal to repair such havoc as man has wrought in economic trial and error during the past 2 years through the pursuit of one patent theory after another. The tide is coming in! Give it a full chance!

Let there be a renewal of the too quickly forgotten warning which the President himself sounded to us in the first message of his regime:

> Too often in history, liberal governments have been wrecked on rocks of loose fiscal policy; we must avoid this danger.

Let these things be remembered ere we toss 125,000,000 people to the anonymous mercies of a four- or five-billion-dollar joy ride into still darker realms of the unknown.

At this point I quote a few sentences from a recent editorial in the New York Herald Tribune:

> So far as the attentive citizen can discover, his President, while intending the best, is still wavering between the demands for a balanced Budget and for the free play of business activity and the pleas of the socializers for a vast increase in Government activity and regulation. Until this wavering is ended it is difficult to see how the country can achieve that stage of confidence for which the President eloquently pleads and in which everyone is anxious to participate.

And then I quote a single sentence from Lewis W. Douglas, the President's recent Director of the Budget:

> Unbalanced Budgets destroy confidence, the very essence of, and fundamental condition precedent to, consumption and employment by capital.

This bill does not personify the so-called "planned economy" upon which our alphabetical academicians have told us we must rely. It personifies planless chaos. Not even can its opportunist authors define its detail or guarantee its goal. It is just one more speculation in expediency—sure only of two things—one that it costs four or five billion dollars to be charged up to our children; second, that it again magnifies the uncertainties which already choke the natural process of recovery.

I have no quarrel, Mr. President, with any desperate recourse which may be embraced in the midst of fatal emergency. But it is time now that we should know with some degree of assurance where we are attempting to go. Yet the authors of this joint resolution and its sponsors admit they do not know. It is just an optimistic "treasure hunt."

Pump priming, like any other artificial recourse, cannot be an interminable operation. Ultimately it should impress its futility upon even the most persistent of the primers. Hypodermics are good as stimulants; fatal as a prolonged reliance and a habit. An oxygen tent helps breathing in a crisis, but the lungs must speedily resume their function or the patient dies. These are mixed metaphors; but they point a common moral, pertinent to this occasion and to our need.

We are told that the Presidential quarterback cannot know the next play until he knows where the ball will be when the last play ends. But is it not equally true that the whole team must know the signals, and that all must play under standard rules or there will be no touch-downs? Can you imagine a triumphant football season—if I may linger on the simile the President best likes—for a pigskin coterie as ignorant of the captain's strategy, if any, as are Congress and the country in the presence of the pending measure?

Speaking to the American Bankers Association last fall, the President said:

> The time is ripe for an alliance of all forces intent upon the business of recovery.

That sounds quite like the coalition spirit which some of my Democratic friends ridiculed me for suggesting last November. But, continuing the quote:

> In such an alliance will be found business and banking, agriculture and industry, and labor and capital. What an all-American team!

Exactly! What an all-American team! And I beg that it may have a chance. But no team has a chance when the field is cluttered with obstacles and when the rule book is a blank sheet of paper.

The tide is coming in. The Nation's business, our natural commerce, is responding in spots to the tonic of Government spending; and we are all devoutly thankful for any flush that stimulates recovery. Signs upon every hand invite encouragement. But beneath the flush—whether we like to acknowledge it or not—are some ugly facts which cannot much longer be indefinitely dismissed by realists who love their country.

One of these cruel facts is that there is more net unemployment now than ever, despite the colossal expenditure of prodigal and unpaid billions. This bitter army of the unemployed has probably more than doubled in the last 2 years. It now numbers ten or eleven millions. A report from 141 cities showed an increase of 4 percent in unemployment last December alone. This is but casually discounted by the Federal Reserve Board's optimistic guesses regarding January.

Another cruel fact is that relief rolls are heavier today than at any other hour in the story of the Republic. It does no good to whistle through the woods and blink the facts. Administrator Hopkins, according to an interview in the Washington Post in January, estimated that 19,500,000 people are now on relief—an increase of 500,000 in 1 month.

A third cruel fact is that the Treasury will collect but 43 cents this year for every dollar it expends; that this cumulative deficit puts our debt to an all-time high; and that we are obviously in a desperate race between bankruptcy and recovery; between the restoration of normal trade and the exhaustion of the Government's capacity to borrow without paying. The public credit is not inexhaustible. It is folly to contemplate this axiom with shut eyes. The end of the public credit in the Nation, as already reached in some lesser divisions of government, would be the end of hope.

A fourth cruel fact is, as stated recently by Frank Kent, that the administration has changed so often the instrument with which it proposes to revive business and put men to work that it is not always easy to know upon which, at the moment, it relies. This means that "trial and error" contribute an utterly unsettling preponderance of "error" in the trials.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Michigan yield to the Senator from Wyoming?

Mr. VANDENBERG. I yield.

Mr. O'MAHONEY. May I inquire of the Senator whether he would be good enough to append at the end of his remarks the statistical authority for the several facts—"cruel facts", I think he called them—which he has just recited?

Mr. VANDENBERG. I shall be very happy to do so.

Early in 1933 it was the N. R. A.—good in much of its incidental reform, but now quite generally conceded to be a veritable Frankenstein, so far as recovery is concerned. It is chiefly notable today for the maintenance of some 7,000 bureaucrats receiving from $1,500 to $12,000 a year. Early in 1934 it was the P. W. A. Says the sympathetic Walter Lippmann on last December 27:

> P. W. A. as an instrument of recovery must be put down as worse than a failure.

This pending measure is simply more of the same. Later in 1934 it was the F. H. C., which, instead of being the $2,000,000,000 spearhead of recovery contemplated, last month showed a meager $23,000,000 of renovizing loans and practically no financing of building construction. Now the instrumentality is a new and sublimated P. W. A., under amended auspices, whatever they are to be, as treacherous as the colors of a chameleon and as sketchy as a dream.

I repeat that these are cruel facts. Yet the pain of contemplating them is no justification for declining to confront realities. They do not encourage another blind experiment of greater magnitude and thus of relatively greater hazard

than ever before. In my very humble opinion, Mr. President, they invite, rather, a prayerful inquiry whether it is not time to give standard, orthodox, time-tried economics a fair chance within the boundaries of such reformations as eliminate known exploitations of the common weal.

At risk of repetition, I would reassert that this is not an argument against reform, nor against enlarging social responsibility in government, nor against practical improvement in social security, nor against the broadest distribution of an enhanced national income. But the enhancement is prerequisite to the sharing; and reform is sterile except as recovery permits it a chance to function. It is no service to reform if we hamper recovery. Recovery is the root of the tree. This does not ask for the static restoration of rejected iniquities under the old license of laissez faire; quite the contrary. This is quite a different problem. It is the problem of stabilizing the national situation, of removing as much destructive uncertainty as possible, of quitting economic vivisection, of putting the national credit beyond hazard, of releasing the creative forces of the Nation, of giving the normal business process another chance—in a word, of not obstructing the tide that is struggling to come in.

Let me borrow the language of Mr. Mark Sullivan, eminent journalist:

> All the other elements for an immense industrial forward stride are present. Some 10,000,000 unemployed, eager to work. Such an accumulated demand for goods as the country has never known. Banks bulging with money and credit. Private investors willing to lend at rates of interest lower than have been known for 30 years. Among the people, a psychological longing for activity—like homesickness for remembered happiness.

That is but another way of saying that the tide is ready to come in! Sullivan continues:

> It can be stated thus—it has been put this way often, but it cannot be too much reiterated. If industry goes to work in large volume, that will take the unemployed off the hands of the Government, and thereby reduce the financial burden on the Treasury. By the same process, if business is profitable it will produce taxes, which taxes will enable the Government to pay its bills without borrowing. Business recovery is the only condition that will bring a balanced Budget and fulfill the other formulas of a restored Nation.

Now, parallel these quoted observations with another terse statement by Mr. Walter Lippmann who, let it be remembered, has been one of the "new deal's" most sympathetic and lauded tribunes. Says Mr. Lippmann:

> Since the balancing of the Budget is made dependent upon the revival of business—

And I interrupt, by way of corroboration, to quote the President's message, wherein he stated that the deficit—

> may be expected to decline as rapidly as private industry is able to reemploy those who are now without work.

Says Lippmann:

> Since the balancing of the Budget is made dependent upon the revival of business, it becomes the duty of the Government to reject policies which obstruct revival and to adopt policies which promote it.

That is precisely what I am trying to say. Then says Lippmann:

> It involves the abandonment of merely punitive and terroristic attacks on private business and banking in favor of direct regulation of specific evils.

I associate myself with that observation. I add, above all else, that it involves an end, so far as possible, to all these dread uncertainties which rob private business of any chance to make long-range plans for itself.

The wrong thing to do is eloquently typified by this pending blank check for four or five billion dollars—and perhaps for more. On the day after this joint resolution becomes a law no man is the wiser in respect to national policy than he was the day before. If anything, he is less wise and more perturbed. Certainly no man is surer of the ultimate outcome. Each of us is left to his imagination, to his hopes—and worse—to his fears. This is not the way to encourage the normal process of commerce to resume. It is not the way to hasten the coming of the tide.

Mr. Lippmann has something more to say directly on this subject. I beg of Senators to listen, and to bear in mind that I am quoting one of the most faithful supporters of the so-called "new deal" in many of its fundamental aspects. Says Lippmann:

> It is clear that what I have called "loose power"—that is to say, comprehensive but undefined authority to make laws—no longer gives the people courage, as undoubtedly it did in the panic of 1933. It robs them of courage. The grant of powers was necessary to break the panic; those same powers, insofar as they are still large and vague, now tend to prolong the emergency. So it is as necessary now to return to settled rules as it was necessary in 1933 to create overwhelming authority.
>
> The task before Mr. Roosevelt now is to substitute for his personal decisions and the administrative rulings of his subordinates clear rules, settled policies, and definite standards on which private initiative can rely. Insofar as he does not do that, he will paralyze that private initiative for which there is in the American scheme of things no substitute.

This is a blunt, undeniable indictment of the pending measure, although it was not originally written in this direct connection. But it fits like a glove. And it applies in the larger scope which I am pleading. It is time to return to settled rules, so far as possible. It is time to abandon loose power in the Executive. It is time for Congress to reclaim its prerogatives. It is time for definite policies. It is time to give private and honest business a fair chance.

All of these necessities are at war with this amazing grant of extraordinary power over an utterly extraordinary appropriation. This is the complete antithesis of all these essential objectives. It is, therefore, the complete antithesis of helpful recovery for the American people, no matter how nobly the pending program may be meditated. It is, furthermore, a perfect illustration of the general hazards which need to be cleared away.

You can have all the governmental "planned economy" for American business you please, Mr. President. In the final analysis, business must plan its own economy unless our traditional system is to be emasculated—and that system, let us never forget, has been able for a century and a half to lift America to the highest standard of living and of wage in all this earth. Government can and must control business against mass exploitation. That is another question. But business must be able to make its own long-range plans for its own future—unless we deliberately intend to substitute the socialistic or the collective State for traditional capitalism under the Republic.

How, I beg to inquire, can you expect private business to make any long-range plan for itself in the presence of the existing batteries of uncertainty which it constantly confronts?

It does not know what kind of money, or what value of money, it must use to meet its commitments even on day after tomorrow. It does not, and cannot, and will not, know until it reads the morning paper, which discloses the Presidential mind from day to day.

It does not know when or how the Government's own fiscal house will be set in order and stabilized—having already run the shivering gauntlet from a 1933 promise to reduce expenditures 25 percent, through a 1934 assurance that "a definitely balanced Budget" is the goal this year, to the present contemplation of another and anonymous $5,000,000,000 wrench to this prospectus.

It does not know what price index to figure on, in respect to its long-range plans, so long as artificial price fixing on all N. R. A. coded commodities depends more upon the transient and flexible whim of bureaucrats than upon natural laws of supply and demand.

It does not know what the taxing power will do to it—in the presence of a multitude of panacea schemes, any one of which might destroy all semblance of equilibrium—and particularly in the presence of a tax power sublet by Congress to the Secretary of Agriculture, who can use it pursuant to his fancy.

It does not know, if it relies upon tariff protection for its life, what moment its protection may be sacrificed by departmental tariff bargainers who, in their cloistered wisdom, may mark any American commodity for alien slaughter.

It does not know when or where or how its Government may conclude to become its ruinous business competitor pursuant to the well-known and enthusiastic inclinations of some of our contemporary commissars.

To cap the climax, Mr. President, it now does not know what these administrators intend to do for 1935 with four or five billions of the Public Treasury. It does not and cannot know, because the administrators do not know themselves.

It is my own humble opinion that the removal of some or all of these uncertainties will permit the straining tide to come in. It is my humble opinion that the tide, otherwise, may be stayed, if not stopped.

When the National Industrial Conference Board asked 5,050 editors of American newspapers, representing a total circulation of nearly 25,000,000, to define their views upon the country's needs a few weeks ago, let it be significantly noted that with reference to the choice of factors that would contribute most toward increasing business confidence, from 66 percent to 73 percent noted "decreasing Government control", "decreasing Government expenditure", "balancing budget", "stabilizing currency."

Mr. BYRNES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. VANDENBERG. I yield.

Mr. BYRNES. Did I correctly understand the Senator to criticize the legislation authorizing the President to revalue the dollar?

Mr. VANDENBERG. No, Mr. President. Criticize is scarcely the word. I am trying to analyze with perfect candor, and in no critical sense whatever, what I consider to be the existing factors which keep private business from making long-range commitments for itself; and I am asserting that, whatever the value of the dollar is to be, if that may be known and stabilized for a dependable period then the first step in respect to currency reliance has been taken.

Mr. BYRNES. The Senator from Michigan will say that he voted for that bill, will he not?

Mr. VANDENBERG. The Senator from Michigan will say he voted against striking the gold clause out of the bonds, and that he voted very gladly in favor of the step which was taken in the direction of restabilization a few months later.

Mr. BYRNES. The Senator voted for the passage of the bill, and likewise voted for the passage of the Federal Housing Act to which he referred a few minutes ago?

Mr. VANDENBERG. That is entirely correct, and the Senator has supported the administration time and time again——

Mr. BYRNES. Prior to the election?

Mr. VANDENBERG. And gladly he will continue to do so upon every conceivable occasion. I do not think a serious effort to analyze the economic jeopardy of this moment needs to be subordinated to a political discussion.

Mr. BLACK and Mr. CONNALLY rose.

Mr. VANDENBERG. Mr. President, I shall conclude in just a moment, at the end of which time I shall yield. I do not wish to be interrupted further until I shall have concluded.

Mr. CONNALLY. I merely desired to aid the Senator in answering the Senator from South Carolina.

Mr. VANDENBERG. Mathematics, Mr. President, is a somewhat exact science. General "Crack-down" Johnson recently resorted to mathematics to assert a conclusion. I refer to the general who was for 15 months the administration's chief adjutant in the war on the depression. I disagree with him profoundly in many instances. But I find the following analysis irresistible. Says Johnson:

> The threat of the Government employing 10,000,000 men is absurd. When these idle had work the American business turnover was about $90,000,000,000. It is now about $40,000,000,000. At the most that Government could do, it might employ 3,000,000 men by spending $3,000,000,000. But it is not a gap of $3,000,000,000 that is to be bridged. It is a gap of $50,000,000,000. And that gap must be bridged if we are to have recovery. That can happen only by creating justified confidence in the political economy of the United States.

I subscribe to this analysis. You cannot close a fifty-billion gap with a three- or four- or five-billion bridge. This joint resolution typifies policies which are, on the one hand, inadequate within themselves; and which, on the other hand, serve to defeat reliances which are adequate within themselves.

If the tide wants to come in, for heaven's sake let it come!

Mr. President, I thank the Senate for its consideration. I yield to the Senator from Alabama.

Mr. BLACK. Mr. President, about three-quarters of an hour ago I asked the Senator from Michigan certain questions about what he was for and what he was against, and he stated that he would say later in his speech.

Mr. VANDENBERG. Which the Senator from Michigan did. Unfortunately, the Senator from Alabama was engaged in conversation at the time, although I mentioned his name in order to attract his attention.

Mr. BLACK. The Senator from Alabama was here, and heard the statement; but I confess that not only did I not understand it but others did not. I desire to ask the Senator a question or two as to his attitude, if he will permit me to do so.

Mr. VANDENBERG. Gladly.

Mr. BLACK. I was engaged in conversation because I asked some other Senators if they had understood that the Senator had answered the question, and they did not understand it either. I am frank to confess that I am unable to ascertain from what the Senator has said whether he is for or against the public-works program.

Mr. VANDENBERG. Does the Senator wish me to repeat what I said?

Mr. BLACK. No; I do not like to ask the Senator to do that. I understood the Senator to say two or three things. I understood him to say that the amount provided in the joint resolution is not enough if we are to put the unemployed to work. Then I understood him to say that it is too much so far as the money is concerned. Then I understood him to say that men really could not be put back to work in that way. I further understood him to say that he wanted it distinctly understood—I think the Senator will find it in his speech—that he was not saying that it would not be wise to have a public-works program if it included the right kind of public works.

I understood the Senator to assert two things in his platform. One was that he favored the right kind of public works. The other one was that he favored getting private business to employ more people. All of us can agree with the Senator on that, I think. What I desire to ascertain is, if we can get the right kind of public works to suit the Senator, does he favor appropriating the $4,800,000,000 called for by the joint resolution, or does he favor appropriating the $10,000,000,000, which he says is necessary, or is he against it all, or is he for it all?

Mr. VANDENBERG. Has the Senator concluded his inquiry?

Mr. BLACK. I have concluded that part of it.

Mr. VANDENBERG. I suppose we can start over again upon this insufferably long discourse.

Mr. BYRNES. If the Senator from Michigan intends to go over his entire speech, I hope the Senator from Alabama will not insist on an answer. [Laughter.]

Mr. VANDENBERG. I hope so, too.

Mr. BLACK. I would prefer to have the Senator answer the question whether he is for it or against it.

Mr. VANDENBERG. The Senator from Michigan prefers to answer the questions in his own way without attempting a mere categorical reply.

If I have the floor I will start in again at the point where I discussed specifically the kind of appropriations I would gladly favor. Unfortunately the Senator was so busily engaged in discussing something else at the moment that he did not hear me, although I endeavored to attract his attention.

Mr. BLACK. I will say to the Senator that I heard him.

Mr. VANDENBERG. If he wants to read the RECORD, very well, or if he wants me to read it again, I will be glad to do so.

Mr. BLACK. I will state to the Senator that I heard him; and if the Senator reads it again I am perfectly willing to submit it to the Senate to see how many of them there are who can tell whether he is for or against a public-works program and, if so, how much he would be willing to spend for it. I am perfectly willing to leave it to the Senate if his remarks are not so ambiguous that they would lead some of his constituents to believe that he favored a public-works program and lead others to believe he is against a public-works program, and lead others to believe he would be for a public-works program if it were drawn as he desires, but he makes no suggestion as to the kind that he is for.

Mr. VANDENBERG. Has the Senator concluded?

Mr. BLACK. Temporarily; yes.

Mr. VANDENBERG. Mr. President, I am sorry that I cannot take the responsibility for the inability of the Senator from Alabama to understand plain language. [Laughter.] I am quite conscious of the purpose of the Senator from Alabama in rising. I do not intend upon reflection to repeat what I have already burdened the Senate with in detail. I should be very happy to have the Senator and his colleagues do me the honor of reading what I have said in the RECORD if they are in any degree really interested in any further observations I make or in my attitude. For the time being I say to the Senator from Alabama that if he finds himself badly confused by my observations upon this question, he certainly is going to find himself in a "blue funk" when he confronts the joint resolution itself. [Laughter.]

Mr. BLACK. I have read the joint resolution, and it is very clear. The joint resolution provides for $4,880,000,000 for public works. The Senator says that is not enough; that the amount ought to be ten billion. Then he said it is too much; that it is more than we can raise. He then says he is for good public works, but he does not tell us what public works he would favor. I wanted to find out whether he was willing to let his constituents in Michigan know that he is against a public-works program to put people to work. His speech does not disclose that. I should like to ask him one other question.

Mr. STEIWER. Mr. President, will my friend from Alabama yield to me upon that point?

Mr. BLACK. If the Senator from Oregon desires to explain what the Senator from Michigan meant, I shall be glad to yield.

Mr. STEIWER. I merely wanted to inquire of the Senator from Alabama whether he was insisting that this measure clearly provides for $4,880,000,000 for public works?

Mr. BLACK. Yes; I think it does.

Mr. STEIWER. The Senator says "yes"?

Mr. BLACK. I think it does.

Mr. STEIWER. Would the Senator, on reflection, admit that the joint resolution provides that sum for public works, or for direct relief, or for either of those objects, in the discretion of the President, to the extent that the President, in his discretion, might want to go?

Mr. BLACK. I am perfectly willing to assume that it could be used for relief, and I am perfectly willing——

Mr. STEIWER. If the Senator makes that admission, does he still insist——

Mr. BLACK. I am perfectly willing to go further and say that in any sound program any man who actually wants to help the unemployed is not going to try to tie the hands of the administration in providing for public works which we cannot know today whether they will be as valuable 6 months from now. It is simply a charge against the effort itself to take the position that we should declare now the exact type of public works which will be most useful for the people of this Nation 6 months from now.

Mr. STEIWER. Mr. President, will the Senator yield just once more?

Mr. BLACK. Certainly.

Mr. STEIWER. I am not quarreling with the Senator in his general thesis, not at this time, because I am not desirous of participating in the discussion at the moment, but it seems to me that when the Senator says that the joint resolution speaks with clarity and that it provides a certain fixed sum for public works and then admits, as he has candidly, that it equally provides a sum or another part of it for another purpose, he is confronted with the same situation that everybody is going to be who characterizes this measure as anything other than a blank check to be used substantially without restraint for all these purposes and many others besides.

Mr. BLACK. I may say to the Senator that I did not rise with any intention of discussing this bill at this time. I listened to the Senator from Michigan in the effort to find out whether he was for public works or against them, and I confess I could not find out. Perhaps somebody else here could, but I could not. I wanted to find out whether he was for a $4,000,000,000 appropriation or a $10,000,000,000 appropriation. I make the assertion that his constituents can read his speech and reach the conclusion from a certain part of it that he is against the joint resolution because it does not provide $10,000,000,000, and then that other constituents, equally interested, can read it and reach the conclusion that he is against the bill because the Government ought not to pay a dollar for public works. I listened with a great deal of interest——

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Arkansas.

Mr. ROBINSON. Comparable to the candidate for public office who, when asked how he stood on the tariff, said he was in favor of "raising them if they were too low and of reducing them if they were too high."

Mr. BLACK. It is comparable, except that the statement of the Senator from Arkansas is clearer. [Laughter.] I confess that one can understand what is meant by that.

The next statement was that we ought to put the unemployed to work in private industry. Naturally I expected a plan to be suggested that would put them back to work.

Mr. CONNALLY. Mr. President, as I understood, the main burden of the speech of the Senator from Michigan was about the tides; that the tide was just setting in and we ought not to disturb it but just let it come on in.

Mr. BLACK. Yes; that something was interfering with the tide; and I judge it was some of those bills the Senator said he voted for, but he did not say he was in favor of repealing them.

Mr. CONNALLY. The tide was coming in and we are going to stop it by building a sea wall out of public works.

Mr. HASTINGS. Mr. President, may I inquire of the Senator from Alabama whether he did not get the general impression that the Senator from Michigan was against this joint resolution in its present form?

Mr. BLACK. I received the general impression that the Senator from Michigan might not vote for this measure in its present form, although he wanted it distinctly understood that he wanted to take care of the unemployed. I got the impression that $10,000,000,000 ought to be used if we were to put people to work, but that $4,000,000,000 was more than we could raise. Then I got the impression that he believed in sound public works; but he did not say who should decide whether or not those public works were sound. I got the impression that he was opposed to having it determined in this particular measure.

I can thoroughly understand there is a decided difference in viewpoint between some who might believe in a public-works program; I prefer the kind of program that some others do not; but I want to submit that we ought to make it clear whether we are for a public-works program or against a public-works program. If we are in favor of letting private business employ the idle, then I submit we ought to suggest how private business will employ them. In other words, it looks to me as if the Senator from Michigan traveled in and traveled out, and one could not tell whether he was traveling in or traveling out at any particular point

or from what he said with reference to public works what he was for or how we should solve this problem.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. FLETCHER. I understood the Senator from Michigan to make reference to a gap of $50,000,000,000, and his argument was that a $4,000,000,000 bridge would not be sufficient to cover it.

Mr. BLACK. That a $4,000,000,000 bridge would not span the gap.

Mr. FLETCHER. I understood the Senator from Michigan wanted $50,000,000,000.

Mr. BLACK. Yes; he was waiting for the tide to come in. He said it had started, but that nobody could stop it; and immediately after that he said the figures showed that there was a good deal less unemployment now, and so the tide was coming in and going out at the same time. The tide travels in, and he is for public works; the tide travels out, and he is against public works. The tide travels in, and he is for $10,000,000,000; the tide travels out, and he said it would take $50,000,000,000; so that either way the tide travels we find ourselves in the same maze of uncertainty and doubt as to just where the Senator from Michigan stands on this proposal.

Mr. BARKLEY. Mr. President——

Mr. BLACK. I yield to the Senator.

Mr. BARKLEY. The Senator from Michigan has modified Shakespeare's remarks about there "being a tide in the affairs of men." There are many tides in the affairs of some of our senatorial colleagues.

Mr. BONE. Mr. President——

Mr. BLACK. I yield to the Senator from Washington.

Mr. BONE. The Senator from Michigan referred to this measure as being like a Mother Hubbard that covered everything and touched nothing. I am wondering, from the remarks of the Senator from Alabama, if he does not conclude that the remarks of the Senator from Michigan are something like the diaphanous skirt that touches everything and covers nothing. [Laughter.]

Mr. BLACK. I was very greatly interested in the plan the Senator from Michigan was going to propose, but I finally discovered that that plan was that we ought to put people to work while the tide was coming in, and that the tide might come in; but we had passed some laws here, and those laws made everybody uncertain whether we should spend $2,000,000,000 or $50,000,000,000, or just what kind of a plan should be adopted.

Then I thought certainly the Senator from Michigan, whom I admire very greatly, was going to suggest a plan to put the unemployed to work. I am saying this as one who favors a public-works program. I am saying it perhaps as one who does not believe that we can put all of the unemployed back to work immediately. I favor it. I favor putting them to work in some way. I prefer that it be done by private industry, as the Senator from Michigan said. While he said he was against the doctrine of laissez faire, yet he said we have to go back to the old orthodox principles of political economy. What are those orthodox principles of political economy? They do not involve belief in the idea of social security, which the Senator indicated by inference and in a measure he favors, but he did not say he favored it. He wanted it distinctly understood he is not against the idea of social security, but we have to be certain about where we stand. But orthodox political philosophy does not involve belief in the social security which we propose.

Mr. President, I beg the pardon of the Senate. I did not intend to make any remarks at all. I simply wanted to find out what the Senator from Michigan favors, but I could not find out; and since I do not believe anybody else knows except the Senator himself, and he will not tell us, I surrender the floor. [Laughter.]

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

COAST AND GEODETIC SURVEY

The Chief Clerk read the nomination of Walter Herbert Bainbridge to be hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy).

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edward Bunyan Brown, Jr., to be junior hydrographic and geodetic engineer (with relative rank of lieutenant (junior grade) in the Navy).

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Noble Martin to be aide (with relative rank of ensign in the Navy).

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, nominations of postmasters are confirmed en bloc. That completes the calendar.

RECESS TO MONDAY

Mr. GLASS. As in legislative session, I move that the Senate stand in recess until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate, in legislative session, took a recess until Monday, February 18, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 15, 1935

COAST AND GEODETIC SURVEY

Walter Herbert Bainbridge to be hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy).

Edward Bunyan Brown, Jr., to be junior hydrographic and geodetic engineer (with relative rank of lieutenant, junior grade, in the Navy).

William Noble Martin to be aide (with relative rank of ensign in the Navy).

POSTMASTERS

CALIFORNIA

Guy N. Southwick, Atascadero.
Raymond E. Ware, Fort Bragg.
Solomon H. W. C. Geer, Live Oak.
Elmer G. Youmans, San Ysidro.
Leo H. Strickland, Venice.

FLORIDA

Sue Barco, Clearwater.
William C. White, Live Oak.
James D. Beggs, Orlando.

ILLINOIS

Jay R. Cooper, Chapin.

MARYLAND

T. Raymond Burch, Berwyn.
Anna B. Bowie, Kensington.

MISSISSIPPI

Malcolm E. Wilson, Marks.
Henry W. Mangum, Mendenhall.
Singleton C. Tanner, Mize.
Olive Alexander, Rolling Fork.

MISSOURI

Giles K. Hunt, Arcadia.
Ezra W. Mott, Armstrong.
Samuel S. Harrison, Auxvasse.
Reece G. Allen, Benton.
Herman C. W. Strothmann, Berger.
John H. Essman, Bourbon.
Fred R. Morrow, Buffalo.
Angie B. Messbarger, Burlington Junction.
Frank F. Page, Canton.
George K. Spalding, Chesterfield.
Melville C. Shores, Clark.
Allen W. Sapp, Columbia.
Harold H. Cash, Curryville.
George W. Shelton, Dixon.
Charles Shumate, Edina.
Vernon D. Washington, Eldorado Springs.
Richard Pearce, Fairfax.
Fred G. Lane, Gerald.
Mary E. Woody, Golden City.
Ledrew E. Ryals, Greenfield.
Joseph V. Cassiedy, Herculaneum.
Clarence C. Wilkins, Hornersville.
Walter Morrow, Iberia.
Jesse M Hawkins, Ironton.
John R. Thompson, Jonesburg.
Leah B. Diggs, Laddonia.
Bryan B. Austin, Licking.
Harvey B. Lynch, Lincoln.
John E. Craig, Mansfield.
Fred J. Jacobi, Jr., Martinsburg.
William Arthur Girdner, Mercer.
Leslie C. Sheckelsworth, Meta.
Elsie L. Eskridge, Platte City.
Charles F. Heathman, Smithville.
Meredith B. Lanes, Sullivan.
John J. Henderson, Valley Park.
Brook Miller, Weston.

NEBRASKA

William E. Goodhard, Elkhorn.
Fred L. Orr, Lyons.
Irene E. Hines, St. Columbans.

NORTH CAROLINA

George Carroll Sales, Fletcher.
Wayne A. Mitchell, Kinston.

SOUTH CAROLINA

Eugene B. Mack, Elloree.
William M. Thornton, Enoree.
Capers N. Jones, Langley.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 15, 1935

The House met at 12 o'clock noon.

Rev. Dr. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

Almighty God, eternal in the heavens and on earth; the same yesterday, today, and forever. What a joy it is to know that we may come to Thee with all our problems and perplexities, our defeats and victories, and realize that like as a father pities and helps his children, so Thou, our Heavenly Father, dost manifest vital interest in every detail of our lives. This morning we bow before Thee in adoration and worship, acknowledging Thy goodness and mercy, and pleading that the shortcomings of our yesterdays may be met by the long goings of Thy love that there may be no break between our souls and Thyself. Give us of Thy divine wisdom in all our deliberations of this day. May we ever lean on Thy strong arm and keep so close to Thee that we shall feel the pulsations of Thy great heart of love. Bless our President, our beloved Speaker of this House of Representatives, and every Member thereof, and may our one great desire be to render Thee such service, in both national and private life, that when the great day of reckoning comes we may hear Thy Son say, "Come ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world." In Jesus' name we ask it. Amen.

The Journal of the proceedings of yesterday was read and approved.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at noon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

INTERSTATE AND FOREIGN COMMERCE IN PETROLEUM

Mr. DIES, from the Committee on Rules, submitted the following privileged report (Rept. No. 150) to accompany House Resolution 113:

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of S. 1190, a bill to regulate interstate and foreign commerce in petroleum, and so forth. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. KRAMER. Mr. Speaker, the Committee on Un-American Activities filed its report this morning. I offer a resolution, which I send to the desk, and I ask unanimous consent for its immediate consideration.

The Clerk read as follows:

Resolved, That the special committee to investigate un-American activities and other communistic propaganda is authorized to continue the investigation begun under authority of House Resolution 198 of the Seventy-third Congress and continue the said House Resolution 198 and report to the House as soon as practicable, but not later than January 3, 1937, the results of its further investigation. Any unexpended balance of the total amount authorized for the use of said special committee under House Resolution 199 of the Seventy-third Congress is hereby continued available until said date, and such further amount as may hereafter be authorized.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. KRAMER]?

Mr. PATMAN. Reserving the right to object, I wish to direct a parliamentary inquiry to the Speaker.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. If the resolution is considered, will we have an opportunity to discuss it or ask questions of the author of it, except by unanimous consent?

Mr. BLANTON. If he chooses to move the previous question, you would not have any opportunity to ask questions.

The SPEAKER. If the House gives consent for consideration of the resolution, the gentleman from California [Mr. KRAMER] will have 1 hour. Of course, as the gentleman from Texas [Mr. BLANTON] said, the gentleman from California may move the previous question at any time within that hour.

Mr. PATMAN. I should like to have an understanding with the gentleman that I have 20 minutes in which to ask him questions about this particular report.

Mr. BLANTON. Well, reserving the right to object, I want to ask some questions now.

Mr. KRAMER. Very well. I will answer any question the gentleman may desire.

Mr. CARTER. Mr. Speaker, regular order.

Mr. BLANTON. Well, then, I object. If we cannot have some understanding about this matter, I object.

The SPEAKER. Objection is heard.

PERMISSION TO ADDRESS THE HOUSE

Mr. GUYER. Mr. Speaker, I ask unanimous consent that after the special order for today I be allowed to proceed for 10 minutes, or such part of that time as I choose.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. TAYLOR of Colorado. Reserving the right to object, upon what subject?

Mr. GUYER. I have been requested to speak upon the birthday of Susan B. Anthony.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. Under the previous order of the House, the gentleman from Pennsylvania [Mr. MORITZ] is recognized for 10 minutes.

Mr. MORITZ. Mr. Speaker, I appreciate the time given to me to address this House. I rise in protest against the obnoxious practice of ripping a man elected by the people out of office by a legislative act, particularly so when the members of the legislature for the most part are not even voters in the district wherein the executive resides.

This, Mr. Speaker, is the present crisis in the legislature convened in Harrisburg. In all seriousness, it is most undemocratic, and the consequences of this act will have its adverse effect in Pennsylvania, which is truly the Keystone State of the Union, and is now the Keystone State for the Democratic Party.

If this bill, which was presented Monday in the lower house of legislature, is passed and signed by the present Democratic Governor, it will mean that the Democratic Party will have all its gains wiped away with one stroke of the pen.

The people of Pennsylvania, even though they refuse to again adhere to Republican leadership, will seek leadership in a new party. The people of Pennsylvania, as the late Senator La Follette, Sr., so well expressed it during his campaign for the Presidency, are aroused; they will not be coerced or huddled together like sheep and have a political party vote for them, no matter what the name of this party may be.

The Democratic legislators of Allegheny County met in a caucus, half of whom do not live in Pittsburgh, last Sunday. This meeting was presided over by the Democratic State chairman, and the members voted 26 to 2 to uphold the bill which would in effect rip the mayor out of office, with no chance of defense and no chance of a man having his day in court.

Mr. HOEPPEL. Will the gentleman yield?

Mr. MORITZ. I yield.

Mr. HOEPPEL. I recognize that an honest public official is under coercion from political groups, but I suggest that the State of Pennsylvania initiate the recall and referendum rather than to permit corrupt political leaders to hold a club over the head of an honest official.

Mr. MORITZ. The gentleman from California is correct, but Pennsylvania is not that far advanced.

Mr. RICH. Will the gentleman yield?

Mr. MORITZ. Not just now.

This, I submit to you, is not democracy but is autocracy. They would do this to a Democratic mayor, the first Pittsburgh has had in 30 years, and a man who has carried the banner for democracy for the last 25 years in Pittsburgh, sometimes the only person willing to be a candidate on the Democratic ticket in the hopeless battles against overwhelming Republican majorities. They would do this to this man, who was a candidate for United States Senator against ex-Senator Reed, and obtained more than a million votes. This was during the Presidential campaign of Alfred E. Smith. They would do this to this man, who consented to be campaign manager for the present State chairman when he was candidate for county commissioner. Oh, then, it was quite opportune for the present Democratic State chairman to capitalize and use to the party's interest this honest man's reputation.

The people of Pittsburgh will not stand for their Government being but the plaything for a political organization. The Democratic Party is in jeopardy and the leaders cannot do this even on the coat tails of such a beloved President of the United States as we have now. I do not believe, Mr. Speaker, nor can I convince myself, that it is the Democratic State chairman who in his heart desires this obnoxious litigation. I believe he is a subject of the lash of the press, and fears that in future campaigns, unless he complies with the press's wishes, he will not have the aid of the press.

Mr. Speaker, the press has arisen in the city of Pittsburgh as a new political boss and tyrant, a hidden dictator, who for the last 15 years has made it a point to crush every man in political office unless that officeholder bows to the withering lash of their editorials. It was the same Pittsburgh press that forced the present State chairman to take off the successful Democratic candidate for council and make room for the coldest reactionary Republican, who was also counsel for the traction board.

What is the traction board? It is a board composed of five members. The chairman receives $12,000 a year and the others $5,000. For doing what? For drawing their breath and nothing else. There is supposed to be an arbitration between the city of Pittsburgh and the street-car company. But they do nothing. This man who was made councilman was counsel for that traction board.

It was this act that caused the city council to be without a Democratic majority and so tie the hands of the Democratic mayor.

Pittsburgh is dominated by three capitalistic chain newspapers, namely, the Hearst, Scripps-Howard, and Paul Bloch, and has no local-owned newspaper.

Every public official in the last 15 years, such as the former district attorney and the present district attorney and the present county commissioners, had to go through severe and continuous denunciations, but these officials quieted the newspapers by putting on their pay rolls newspaper men. The present mayor would not do this, and the more they raged the more he made monkeys of them. This abominable practice of the editorial writers, who will not accept a challenge to debate in the open, but who persist in low-sharked snipe shooting from behind closed doors should cease. It is simply using power in a perverted manner, and racketeering in a new form.

Most all candidates are fearful of attacking these capitalistic monsters, who get bolder and bolder, and we underlings must bow our heads to seek dishonorable graves.

I realize, Mr. Speaker, that our Constitution, and rightfully so, gives all of us free speech, but there ought to be formulated by the United States a board of commissioners to hear complaints about the press, and to whom any citizen could appeal for fair play.

Our fathers, the founders of our Constitution, did not nor could they foresee that free speech would be monopolized by a syndicate of huge capitalistic papers.

If the Democratic leaders and ward heelers succeed in their nefarious schemes of ripping Mayor William N. McNair out of office, it will again prove the truth of the old adage that the misguided people stone their prophets. The newspapers of the Civil War era vilified and vituperated Lincoln in a manner that would shock even the yellow journalism of today. President Johnson was nearly impeached merely on newspaper lies and misrepresentations. The parallel between these two historic cases and that of McNair is striking indeed.

Mayor McNair has succeeded, from the beginning of his term, in giving the people of Pittsburgh a sincere, honest, and efficient municipal government, free from racketeer graft and political corruption. He has attempted to institute many important changes in local government, which, if carried out, would exert a marked tendency toward correcting social and economic abuses and ameliorating the worst aspects of the old system.

The mayor, who is college trained in law, economics, politics, and municipal administration, and an authority on matters pertaining to taxation, has brought about the following reforms since his election to office: (1) He has freed the pay roll from coercion of any sort; (2) he has assured the poor underdog of justice in the police courts; (3) he has granted independence to heads of departments; (4) he has devised a more efficient system of tax-delinquency collection, which will force large property owners to pay their share of real-estate taxes more promptly; (5) he has refused certain people, who believe that they had a jure divino, or divine right, to hog all the insurance and bond premiums, the right to collect these bonds and insurance premiums; (6) he interviews on equal terms every class of citizens who wish to interview him.

But most important of all are his tax reforms, which, if put into operation, would reduce the taxes of the small-home owners from 40 to 50 percent of the amount they are now forced to pay.

Mr. RICH. Will the gentleman yield?

Mr. MORITZ. I yield.

Mr. RICH. I do not quite understand why my colleagues should fear the Legislature of Pennsylvania when it is a Democratic legislature in the lower house, and the Governor is also a Democrat.

Mr. MORITZ. I want to say to my colleagues on that side of the House that if Mr. McNair is not shoved out, it will be due to the good sense of the Republican senators.

Mr. LEMKE. Mr. Speaker, will the gentleman yield?

Mr. MORITZ. I yield.

Mr. LEMKE. Is it not a fact that Mayor McNair is known throughout the Nation as one of the most public-spirited men in this Nation, and that his trouble comes because he has equalized the tax burdens in the city of Pittsburgh?

Mr. MORITZ. That is right. No better man exists; and, Mr. Speaker, referring to the charges of the terrible Pittsburgh newspapers, I never read an editorial denouncing the high public-utilities rates they have in Pittsburgh. We have in Pittsburgh a street-car company owned by 62 subsidiaries, and a person has to pay 8.3 cents for one fare. We have but one taxicab company in Pittsburgh, the Parmalee Cab, and one has to pay 65 cents to go only a mile. The telephone rates there are the same now as they were in 1929. The gas and light companies are all owned by big utility companies. Not once do these papers have anything to say in their editorials about these companies decreasing their rates.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield further?

Mr. MORITZ. I yield.

Mr. HOEPPEL. I may say to the gentleman from Pennsylvania that I think it is almost impossible to find a newspaper which will criticize any institution or business which rings the cash register for them. You will not find any editorials in newspapers criticizing chain stores, for the chain stores are their best advertisers; and, since the gentleman has mentioned chain stores in his speech, I should like to make the remark that our President has elected to spend $4,000,000,000 or $5,000,000,000 through the president of the largest chain-store organization in the United States.

Mr. MORITZ. Which one is that?

Mr. HOEPPEL. Mr. Wood, president of Sears, Roebuck & Co. He is going to spend all our money.

Mr. MORITZ. The gentleman is right; no newspaper will attack advertisers who pay big prices. They are just as much a big utility as any of them. Not once do they have anything to say in their editorials for the common person.

This, Mr. Speaker, concludes my speech. I am grateful for the opportunity that has been afforded me to talk on something of interest to every fair-minded man. [Applause.]

[Here the gavel fell.]

The SPEAKER. The Chair at this time recognizes the gentleman from Kansas [Mr. GUYER] for 10 minutes.

Mr. GUYER. Mr. Speaker, several days ago I was honored by a request to speak before the House on the one hundred and fifteenth anniversary of the birth of Susan B. Anthony which occurs today, the birthday of one of the most remarkable leaders among the women of the earth. By reason of many crowding duties and lack of adequate time it became an utter impossibility for me to attempt the preparation of such an address as the subject justified, so I compromised with those who invited me to utter a few faltering words of appreciation of this remarkable woman today and upon another occasion will attempt an adequate tribute to the life, character, and almost superhuman achievements of this great personality.

So today I shall only briefly express my admiration of and gratitude to this great benefactress not only of the members of her own sex but to the whole Nation. The mighty revolution which she above all others led can be visualized when I tell you that in my brief lifetime, Susan B. Anthony was arrested, tried, and found guilty of conspiring against the peace and dignity of the United States by merely attempting to vote under the authority of the fourteenth amendment. History has made a huge joke of that trial with its man-directed verdict. Since her death less than a third of a century has fallen back into the abyss of the past, yet at this time we men do not even arrest women for running for Congress, however much some of their rivals might wish to.

On another occasion I shall refer to the great influence her family exerted on the history of Kansas. One brother was Governor of Kansas and another an editor who made and unmade governors. The Anthonys were pioneers. Susan B. Anthony was one of the greatest pioneers of history. Her nephew for a score of years was a Member of this House, where he raveled out his life like a prodigal spendthrift in the service of his country, dying a young man, a victim of the exacting duties of this body. His gentle memory lingers with many who served with him.

Miss Anthony possessed so many unusual qualities that they crowd the mind when one thinks of her. A will as stubborn as twisted steel. A soul that was sensitive to every injustice and every tyranny either of mind or body. A determination that scorned denial. A self-confidence that acknowledged no defeat. A courage that counted no cost, no odds. A creed that acknowledged responsibility only to her conscience and her God.

With these qualities and characteristics and her indomitable will she marched triumphant—the Jeanne d'Arc of the New World and the nineteenth century. To such transcendent qualities the world rendered its tribute and her own country surrendered to her resistless and persistent power and forged her will into the Constitution of the United States. [Applause.]

PRIVATE CALENDER

The SPEAKER. Under the special order the Clerk will call the Private Calendar.

SOPHIE DE SOTA

The Clerk called the first bill on the Private Calendar, H. R. 330, for the relief of Sophie de Sota.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sophie de Sota, widow of Hernando de Sota, late American consul at Leipzig, Germany, the sum of $6,000, equal to 1 year's salary of her deceased husband.

With the following committee amendments:

Page 1, line 4, after the word "pay", strike out "out of any money in the Treasury not otherwise appropriated, to."

Page 1, line 8, after the word "husband", add the following: "who died of illness incurred while in the Consular Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEE ERICK TREAT

The Clerk called the next bill, H. R. 2569, for the relief of Dee Erick Treat.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Mr. Speaker, reserving the right to object, is it the policy of the Foreign Relations Committee to reimburse all foreign officers for personal losses? It has been my observation that sometimes these losses are taken care of and sometimes they are not, depending on the temper of the committee or the Members of the House who happen to examine these bills.

As I understand it, this claimant was serving for the State Department abroad. A fire took place and some of his personal belongings were destroyed. It seems to me we ought to have a general policy with reference to these matters. All of our foreign officers should be reimbursed for losses of this kind, or else none of them should be. May I ask the Chairman of the Foreign Relations Committee if a definite policy has been established?

Mr. McREYNOLDS. It has been a definite policy to pay all of them. The reason this claimant was not included in the omnibus bill is on account of a death and the amount had to be made payable to the estate. We had to find out to whom to make payment and in the meantime the other claimants had come in, as I remember, under the omnibus bill.

Mr. HANCOCK of New York. Is it the policy of the Foreign Relations Committee to reimburse foreign officers for all losses?

Mr. McREYNOLDS. It has been up to this time.

Mr. HANCOCK of New York. Regardless of the cause of the loss?

Mr. McREYNOLDS. It depends upon what is actually necessary for them to have in the service. We do not allow them any more.

Mr. HANCOCK of New York. There is no rule or regulation in the Department on the subject?

Mr. McREYNOLDS. No; except the custom has been established by the committee and approved by the House that he shall be reimbursed only for the actual things that he should have in serving that particular post.

Mr. HANCOCK of New York. Should there not be some legislation on the subject?

Mr. McREYNOLDS. I have had this matter up with the State Department heretofore, but the committee has reached no conclusion. I think the gentleman is right about that, and something ought to be determined on.

Mr. HANCOCK of New York. Mr. Speaker, I shall not object.

Mr. McREYNOLDS. The reason this claimant was not included in the omnibus bill was on account of a death.

Mr. KNIFFIN. Mr. Speaker, this bill grows out of a claim, as stated by the gentleman, on account of certain losses. The claim originally was for a much larger sum, but the Audit Bureau of the State Department reduced it to $876. In that connection may I say it was found that the personal property destroyed, and which was lost, was found to be reasonable for the claimant to have under the circumstances. The delay, as the gentleman from Tennessee, the distinguished chairman of the committee, stated, was occasioned because of the death of an administrator. The Department of State later recommended that the bill be amended in order to be made payable to the estate.

Mr. HANCOCK of New York. The gentleman is a member of the Naval Affairs Committee and doubtless recalls a number of cases where similar claims of officers of the Navy were rejected.

Mr. KNIFFIN. I concur with the view expressed by the gentleman that there should be a definite policy established.

Mr. HANCOCK of New York. This is a splendid example of the unsatisfactory system under which we are working so far as the Private Calendar is concerned.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dee Erick Treat the sum of $876. Such sum shall be in full settlement of all claims against the United States on account of the damages sustained by the late R. A. Wallace Treat, former American consul at Smyrna, and the brother of the said Dee Erick Treat, as a result of fire in the consulate of Smyrna on March 23, 1923.

With the following committee amendments:

Page 1, line 5, strike out "Dee Erick Treat" and insert in lieu thereof "the estate of R. A. Wallace Treat"; and in line 9, after the word "Smyrna", strike out "and the brother of the said Dee Erick Treat."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill for the relief of the estate of R. A. Wallace Treat."

ANNA S. CARRIGAN

The Clerk called the next bill, H. R. 3373, for the relief of Anna S. Carrigan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Anna S. Carrigan, widow of Clarence Carrigan, late American consul at Montevideo, Uruguay, the sum of $7,000, being 1 year's salary of her deceased husband, who died of illness incurred while in the Consular Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAKE B. MORRISON

The Clerk called the next bill, H. R. 617, to correct the military record of Lake B. Morrison.

Mr. TRUAX. Mr. Speaker, reserving the right to object, as I understand this bill it seeks to correct the military status of a Civil War veteran. May I ask the author of the bill whether the War Department submitted a favorable report?

Mr. LUDLOW. The War Department has done in this case as it has in all other similar cases. Of course, it cannot make recommendations. It is bound by fixed rules and regulations which prevent that. May I say that if there ever was a meritorious case where the record should be corrected this is the case. This bill has been reported by three successive committees unanimously and has passed the House of Representatives.

May I also say in reference to this matter that it is a very peculiar case and there is perhaps nothing like it in all of the annals of legislation. This individual was a boy 17 years old at the time he volunteered. He was so eager to serve his country that he falsified his age to enlist. He had such an ambition to serve that he took upon himself the task of licking the Confederacy single handed. He absolutely did not know the meaning of the word "fear." He went out into all sorts of exposures and dangers over the ramparts and so constantly jeopardized his own life that his commanding officer, believing that he certainly would be killed if he remained with the command, ordered him home under the penalty of being shot if he did not go home and stay home. This is all amazing, but true. This is all testified to in the affidavits set forth. It was not his fault he was not allowed to serve, because he was anxious and willing to serve.

Mr. TRUAX. Does not the gentleman think it is going back a long way, 73 years, to correct a military status? Does the gentleman know that the President during the last session of Congress vetoed practically all such bills that were taken up on the Private Calendar and passed?

Mr. LUDLOW. I may say to the gentleman I do not think the President ever vetoed a bill like this, because this measure has no analogy in history. Nothing like this ever happened

before, and the bill is of great interest to veterans not only in Indiana but all over the country because of its peculiar nature. The veterans, not only of Indiana but of the entire country, are watching this bill, and they are deeply interested in it. They want this bill passed as a measure of sheer justice.

Mr. TRUAX. The bill is a basis for securing a pension for dependents, is it not?

Mr. LUDLOW. The veteran is dead. He has a widow who is 67 years old, and if his record is corrected, as undoubtedly it should be, of course his widow will be in position at least to apply for a pension. The primary purpose of the bill, however, is to remove the stigma of desertion from a man who was not a slacker or a deserter, but a hero. Now that he is dead we owe it to his memory to pass this very just bill.

Mr. TRUAX. I would say to the gentleman that the Pensions Committee, of which I am a member, is now seeking to get up a number of bills that are meritorious and will meet the approval of the administration before they are recommended for passage. I believe some such procedure should be followed with respect to these bills which seek to correct the military status of Civil War veterans.

Mr. LUDLOW. I appreciate the vigilance of the gentleman in guarding these bills, and I am sure they ought to be guarded; but in view of the exceptional nature of the bill and the fact it has been passed upon unanimously by three committees——

Mr. TRUAX. What committees?

Mr. LUDLOW. Committees in three different Congresses; and the fact it passed this House at one time, I hope the gentleman will not object.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice until this committee can have more time to secure additional facts pertaining to the cost involved.

Mr. LUDLOW. The facts are very fully set forth, Mr. Speaker, and I wish the gentleman would let the bill go through.

Mr. TRUAX. Mr. Speaker, I ask that the bill be passed over without prejudice.

The SPEAKER. Without objection, the bill will be passed over without prejudice.

There was no objection.

DANIEL W. SEAL

The Clerk called the next bill, H. R. 1846, for the relief of Daniel W. Seal.

Mr. BLANTON. Mr. Speaker, this is a bill that would give pensionable status to this soldier who did not enter the military service until February 1865, and he did not actually get in his company until March 19, 1865, just about a month before the war closed, and soon thereafter he was charged with desertion. After waiting all these years this is an attempt to give him a pensionable status.

Surely this ought to stop, and I object, Mr. Speaker.

HOME OWNERS' LOAN CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tomorrow to file a report on the bill (H. R. 5531) extending the powers of the Home Owners' Loan Corporation.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, when does the gentleman intend to call up this measure?

Mr. STEAGALL. I have just a slight hope we may be able to report the bill tomorrow night. I am not asking permission to take it up, but only permission to have until midnight tomorrow to file a report.

Mr. MARTIN of Massachusetts. Is it the gentleman's purpose to take it up Tuesday or Wednesday?

Mr. STEAGALL. I should like to take it up as soon as we can, but I do not know that we shall be able to conclude consideration of the bill in committee by that time.

Mr. COCHRAN. Mr. Speaker, reserving the right to object, may I ask the gentleman if it is his purpose to call up this bill on Monday under suspension of the rules? Monday is suspension day, and I see no reason for reporting the bill before then if it is not to be called up on that date.

Mr. STEAGALL. Oh, no.

Mr. COCHRAN. Are we going to have an opportunity to consider this bill under the general rules of the House, and offer amendments to it?

Mr. STEAGALL. So far as I am concerned, the House will have that opportunity. I think the Members of the House should have that opportunity.

Mr. COCHRAN. I want to thank the gentleman, because I do not think his committee is going far enough in simply authorizing the issuance of $1,500,000,000 of additional bonds. That is not going to be sufficient, and I feel I can convince the House it is not.

Mr. STEAGALL. I can only speak for myself; but I will say to the gentleman that the bill is of such importance I think it should be considered in the House with full opportunity for discussion and amendment.

Mr. COCHRAN. The gentleman from Alabama has a great deal of influence, and I hope he will give us an opportunity to consider this bill under the general rules of the House and to offer amendments to it.

Mr. STEAGALL. That will be done so far as I am concerned.

Mr. COCHRAN. I am pleased to hear the gentleman make that statement.

Mr. BLANTON. Mr. Speaker, I reserve the right to object to ask a question. May I ask our friend from Alabama whether he is going to provide in this bill for a proper new board to take the place of Mr. Fahey and his bunch of arrogants down there who have been inefficiently mismanaging this business for so long? If he does this, I think we will all go along with him.

Mr. DUFFEY of Ohio. Mr. Speaker, reserving the right to object, and I shall not object, I would like to ask the chairman of the committee whether there will be any part of the bill with respect to the Home Owners' Loan Corporation involving the Federal Housing Administration?

Mr. STEAGALL. It is impossible for me to say just what will be in the bill, as the committee has not yet concluded its hearings on the bill and has not taken it up in executive session. Therefore I cannot answer.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the committee if there will be any provision in the bill making the basis for the granting of applications the real distress of the home owner?

Mr. STEAGALL. Of course, that is what was contemplated in the original act, and so far as I know, that rule has been followed.

Mr. TRUAX. By whom?

Mr. STEAGALL. By the Board, so far as I know.

Mr. TRUAX. By the H. O. L. C.?

Mr. STEAGALL. I have no doubt some mistakes have been made in both directions. I am not prepared to point them out, however. So far as I know, the Board has followed the law in good faith.

Mr. TRUAX. The maximum amount that can be lent under present regulations, as I understand it, is $14,000. Will there be any provision to reduce that amount in order to take care of a greater number of people?

Mr. STEAGALL. I am sorry, but the committee has not considered the bill in executive session and hearings are still being conducted. Of course, we shall be pleased to have the gentleman appear before the committee.

Mr. TRUAX. I hope the gentleman will consider this favorably. I withdraw my objection.

Mr. HEALEY. Mr. Speaker, reserving the right to object, may I ask the Chairman of the Committee on Banking and Currency if his committee is considering just the home owners' loan bill, or is his committee going to report a bill that will also bring in provisions affecting the Federal Housing Administration?

Mr. STEAGALL. I cannot say what the report will be, of course. The bill has not been considered, as I have stated, in executive session. There are amendments touch-

ing the Housing Act, the home-loan bank system, and the Home Owners' Loan Corporation.

Mr. HEALEY. May I say to the distinguished chairman of the committee that I hope his committee will take into consideration the urgency for the passage of the home owners' loan bill and an additional appropriation so they may continue to function?

Mr. STEAGALL. I may say to the gentleman that my request is predicated upon a desire to take care of that situation and to expedite the passage of this legislation at the earliest possible moment.

Mr. HARTER. May I ask the gentleman if they have given consideration to the many objections that have been raised in carrying out matters of appraisal and the refunding of mortgages?

Mr. STEAGALL. We have had a discussion of all those matters.

Mr. BLANTON. Reserving the right to object, I have one more question. The gentleman knows that under the rules of the House he will not be able to take this bill up next week or the next after. He is going to have a rule for it, or get unanimous consent. Has he made any preparation for obtaining this rule?

Mr. STEAGALL. I am not attempting to deal with that matter now. I am only asking consent to report the bill at any time up to midnight tomorrow in case consideration is concluded.

Mr. BLANTON. The gentleman will either have to have unanimous consent or get a rule. This is such an important matter that we ought to dismiss the present Board, create a new one, and pass the bill right away. If the gentleman will put out of that organization Mr. Fahey and his bunch of incompetents, and provide for an entirely new board, I think the gentleman might be able to get it up by unanimous consent.

Mr. MARTIN of Colorado. Reserving the right to object, I want to ask the gentleman from Alabama if this bill will provide for new applications?

Mr. STEAGALL. Yes; up to the time of the approval of the act, under the provisions of the bill as introduced.

Mr. PIERCE. Reserving the right to object, may I ask the gentleman if the bill will contain a provision that the applications now on file shall have preference?

Mr. STEAGALL. I cannot say. There are no such provisions in the original bill, and amendments to the bill have not yet been considered.

Mr. PIERCE. I am very anxious that applications now pending shall be passed upon before they consider new ones.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CORA A. SNYDER

The next bill on the Private Calendar was the bill, H. R. 2117, for the relief of Cora A. Snyder.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, this bill seeks to give pensionable status to the widow of a man who was tried under court martial back in 1900, was sentenced to be dishonorably discharged, and served out that sentence. Now, this bill seeks to give him a pensionable status and restore him to the rolls.

Mr. BURNHAM. Will the gentleman kindly withhold his objection for a moment?

Mr. BLANTON. Certainly.

Mr. BURNHAM. In order that I may explain this case. This young man, Bert Snyder, was a boy in his teens when he enlisted. Within a year he was court-martialed for being absent without leave. He served his sentence of 6 months. Since that time the evidence shows that he enlisted in the Navy on June 2, 1902, at Boston, Mass., served a creditable enlistment, and was issued an honorable discharge on June 1, 1906, as fireman, first class. He reenlisted June 2, 1906, the next day, and was honorably discharged on June 1, 1910, as an oiler. He again reenlisted June 2, 1910, the following day, and was again discharged November 27, 1912, as oiler by reason of physical disability. He reenlisted on October 27, 1913, and was honorably discharged on August 31, 1917, and again reenlisted on September 10, 1917, and was honorably discharged after very creditable service during the World War on August 5, 1919, as a water tender. He again reenlisted on August 6, 1919, and after several transfers to higher branches of the service, was placed on the retired list of enlisted men of the Navy on January 28, 1930. He was even awarded a good-conduct medal.

Mr. BLANTON. What is the purpose in passing this bill? It is to give a pensionable status, is it not?

Mr. BURNHAM. The man is dead now.

Mr. BLANTON. What is the purpose of the legislation?

Mr. BURNHAM. It is desired to give his widow a pensionable status. The widow is a worthy woman, in need. This is not retroactive in any way. The pensionable status would not be effective until after this legislation is passed. It seems to me a very small thing to do for that poor widow.

Mr. BLANTON. In what way would his widow be entitled to a pension, except relating back to this service in 1900? She does not get a pension by reason of any of the World War service. She does not get a pension by virtue of some of these other services. It is the service back in 1900 that would give her a pensionable status.

Mr. BURNHAM. The bill provides that no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of the act.

Mr. BLANTON. But she cannot get a pension on account of all these other services.

Mr. BURNHAM. No. It would be a widow's mite, so to speak.

Mr. BLANTON. Mr. Speaker, on account of the faithful service the man performed during the World War I shall not stand in the way of the widow's getting the benefits of this legislation.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I reserve the right to object, to ask the gentleman from California the meaning of the language beginning in line 10:

> And notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908.

That language, I think, is unnecessary, and I should like to know its particular significance.

Mr. BURNHAM. This bill is copied from one drawn by my predecessor, Mr. Swing. If that language is not proper, it can be stricken out, so far as I am concerned.

Mr. TAYLOR of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BURNHAM. Yes.

Mr. TAYLOR of Colorado. I happen to know this woman, and have known her from her childhood. I know of the splendid service that man rendered to his country, and I feel the widow is entitled to the benefits of this legislation.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection; and the Clerk read the bill, as follows:

> *Be it enacted, etc.*, That in the administration of any laws conferring rights, privileges, and benefits upon widows of honorably discharged soldiers, Bert Snyder, late husband of Cora A. Snyder, who was a member of Troop H, Second Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 7th day of May 1901, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. HOPE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

> Amendment offered by Mr. HOPE: Beginning on page 1, line 10, after the figures "1901", strike out the remainder of line 10, all of lines 11 and 12, and the words and figures "May 11, 1908," on page 2.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THADDEUS C. KNIGHT

The next business was the bill, H. R. 2294, for the relief of Thaddeus C. Knight.

There being no objection, the Clerk read the bill, as follows:

Whereas Thaddeus C. Knight, formerly a captain, Quartermaster Corps, United States Army, was convicted on April 28, 1926, by a general court martial for the violation of the ninety-third and ninety-sixth articles of war and sentenced to be discharged from the military service and to serve 5 years in prison. The said Thaddeus C. Knight was discharged from the Army in accordance with the findings of the court martial and served 2 years of the sentence imposed upon him, at which time he was paroled. Since the carrying into execution of the findings of the court martial it has been determined that the testimony upon which the said Thaddeus C. Knight was convicted was perjured and untrue, and that the conviction of the said Thaddeus C. Knight by general court martial was without foundation in law or in fact: Therefore

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, the said Thaddeus C. Knight, a captain in the Quartermaster Corps, United States Army, with the same rank on the promotion list as the said Thaddeus C. Knight would have attained had he not been separated from the service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SECOND LT. CHARLES E. UPSON

The next business was the bill, H. R. 3071, for the relief of Second Lt. Charles E. Upson.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I reserve the right to object. The report gives very sketchy information as to why this officer should receive a special act of Congress in his favor. All we know is that he was court-martialed and dismissed from the Army for violation of Article of War No. 95. Can the gentleman give some extenuating circumstances? First, what was the charge; second, why should this favor be done this young officer?

Mr. ASHBROOK. Mr. Speaker, this is a case where a snooping, peeping bellboy, who had probably been bribed or tipped by a jealous or unfriendly officer, looked through the keyhole of a door in a room in a hotel in Battle Creek, Mich., and discovered an Army officer with an unmarried woman. There is no evidence that there was any act of immorality committed, but the officer was reported by the landlord of the hotel to the military police, who came there and arrested the lieutenant and took him to headquarters.

He was later given a trial by court martial and found guilty, solely on the testimony of the snooping bellboy, the landlord, who no doubt was trying to redeem his own moral record, and the arresting officer. I have a transcript of the court-martial proceedings. The report of the military committee, which is favorable, shows that Lieutenant Upson enlisted in June 1916 at Mansfield, Ohio., for the Supply Company, Eighth Ohio Infantry, National Guard, and was mustered in for Federal service July 2, 1916, a private in Company L. He was honorably discharged from this service November 26, 1917, a sergeant, Company M, One hundred and forty-sixth Infantry, to accept a commission. His discharge shows his character marked "excellent." The next day he accepted an appointment as second lieutenant in the National Army and served until he was dismissed from the service, May 8, 1918, by court-martial proceedings. I was then a Member of Congress and remember well that Lieutenant Upson came direct from Camp Custer to Washington after his dismissal, yet wearing his uniform, to plead his case. He seemed then not to feel his disgrace as keenly as his disappointment that he could not go overseas. May I say here that it is at least a bit unusual that 17 years after that unfortunate May day that I am here today as his Representative seeking to undo the severity of that sentence?

I have carefully read the transcript. It does not warrant, in my judgment, dismissal. It does not show that this incident was to the scandal and disgrace of the military service. There was no loud talk, cursing, drinking, or boisterous conduct within the room where the bellboy peeped. All was as quiet as a ping-pong party. I do not believe article 95 was ever intended to include such a misdemeanor. I do not criticize the officers who conducted the court martial, but I wonder, if the Savior had appeared before those trial officers and said, "Let those of you without (like) sin cast the first stone", whether or not a conviction would have followed. I believe you gentlemen will agree with me that this case did not warrant court martial. We now have the opportunity to right this injustice, and I am sure you will not hesitate to do it.

There is no evidence at all that he was guilty of anything improper, except being found in a room at this hotel at 7:15 o'clock in the evening with an unmarried woman, which may have been indiscreet. I take it that if Lieutenant Upson was subject to court martial, there quite likely are many here who might be court-martialed. [Laughter.]

Mr. BLANTON. Was he tried by Army officers?

Mr. ASHBROOK. He was.

Mr. HANCOCK of New York. And that was regarded as an offense of such gravity as to warrant his discharge and separation from the military service?

Mr. ASHBROOK. It was. It was a very severe and unjust verdict in my humble opinion. A slap on the wrist might not have been out of order.

Mr. TRUAX. Will the gentleman yield?

Mr. ASHBROOK. I yield.

Mr. TRUAX. This officer was convicted of violation of the ninety-fifth article of war. Can the gentleman tell the House just what that article is?

Mr. ASHBROOK. I can and will.

Mr. BLANTON. Does the gentleman think it would be establishing an unwise precedent not to adopt this bill?

Mr. ASHBROOK. I am of the opinion that it would be unwise not to correct this injustice.

The only portion of article 95 that could possibly apply to this case is that he was guilty of "public association with notorious prostitutes." The evidence shows that this woman had a good reputation. There is no evidence to the contrary. She registered at this hotel as "Miss Milan." The officer and this woman did not register as husband and wife, but she registered at the hotel as "Miss Milan." There was no attempt to practice any deception upon the hotel or this pious landlord.

In the trial several officers were subpenaed. Col. John W. Craig of the Three Hundred and Thirty-ninth Infantry, commanding the regiment, was a witness. He was asked whether there had ever been reported to him anything reflecting in any way against Lieutenant Upson or whether he associated with prostitutes or had conducted himself other than as a gentleman, to which Colonel Craig replied in the negative. Capt. Clarence Delbridge, of the Three Hundred and Thirty-seventh Infantry, another officer, made a like report. Another officer, Lt. Donald McRea, Company E, Three Hundred and Thirty-eighth Infantry, made the same report. There is absolutely no evidence that Lieutenant Upson was ever guilty of any infraction of any Army regulations or rules or had ever been reprimanded. He had a good record as a soldier. He has a good reputation as a citizen today. He lives in my district; I know him well. He is of a good family. He has been endorsed to me by the American Legion, the Grand Army, and by many prominent business and professional men of his home city.

Mr. SHORT. Will the gentleman yield?

Mr. ASHBROOK. I yield.

Mr. SHORT. Does not the gentleman feel that under all the circumstances the bellboy is the one who should have been courtmartialed? [Laughter.]

Mr. BLANTON. My friend will admit that he was negligent in leaving that keyhole open. [Laughter.]

Mr. HANCOCK of New York. The gentleman's explanation is entirely satisfactory to me and I shall not object. The gentleman's explanation persuades me that an injustice was done.

Mr. ASHBROOK. I thank you, gentlemen.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Second Lt. Charles Upson, who was a member of the Three Hundred and Thirty-ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

BANKING HOUSE AT FORT LEWIS, WASH.

The Clerk called the next bill, H. R. 3266, authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.

There being no objection the Clerk read, as follows:

Be it enacted, etc., That the National Bank of Tacoma, a national-banking association organized and existing under the laws of the United States relative to national banks, and any successor or assignee national-banking association, be, and is hereby, authorized to maintain in and on the United States military reservation at Fort Lewis, Wash., for the conduct of a general banking business, the building heretofore erected on said reservation by the Army National Bank of Fort Lewis, Wash., pursuant to the authority contained in the act of June 17, 1930 (46 Stat. 774), and to occupy and use the same for and conduct therein a general banking business authorized under and by the charter of said bank and the laws of the United States relative to national banks, all under such regulations and conditions and for such term or terms as the Secretary of War has heretofore prescribed with respect to the Army National Bank of Fort Lewis, Wash., or as the Secretary of War may hereafter prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL KAUFMAN

The Clerk called the next bill, H. R. 3722, for the relief of Samuel Kaufman.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Reserving the right to object, Mr. Speaker, the report in this case by The Adjutant General indicates that this officer is in no percent disabled. Under that showing I doubt the wisdom of giving him a retired status on retired pay. For the present, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Without objection, the bill will be passed over without prejudice.

There was no objection.

JOHN COSTIGAN

The Clerk called the next bill, H. R. 972, for the relief of John Costigan.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill seeks to correct the military status of a man who shot and killed his sergeant. He claimed it was in self-defense. There is no proof, however, that he did act in self-defense.

Mr. COCHRAN. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. COCHRAN. Is not the fact that he was acquitted by a court sufficient proof that he is not guilty? I do not see how the gentleman could ask for more.

Mr. TRUAX. What court?

Mr. COCHRAN. A civil court. He was tried in a civil court and was acquitted. He did not return to his organization because there were hostile Indians between his organization and where he was located.

Mr. TRUAX. But he shot and killed his sergeant.

Mr. COCHRAN. But he did in self-defense. I repeat he was tried in a civil court and put in a plea of self-defense, and he was acquitted. This bill has been passed four times in the House, but it has never yet been reached in the Senate. Let me read from the committee report:

Considerable evidence has been filed, showing the applicant claims he was forced to defend himself during a quarrel with a sergeant in his organization and that he shot and killed the sergeant in self-defense. Costigan was arrested and turned over to the civil authorities. After being held for several months he was discharged by the court. The affidavits now on file with the House Committee on Military Affairs claim he sent word to his commanding officer by letter and remained at West Point for an indefinite period, but no reply was received. Costigan claims that the judge told him he was a free man and he understood this to mean he was released from his military service.

Costigan participated in the battle with Indians at Milk Creek, Colo., in 1879. It is shown that he volunteered with another soldier, who was killed, to carry water from a creek and that a Corporal Lynch, while engaged on the second trip with him, was shot in the face. Four affidavits, on file with the House Committee on Military Affairs, made by former Indian fighters are to the effect that the signers knew Costigan, regarded him as a brave soldier, and that he was well liked by all other members of his regiment.

There is merit to this bill, and I hope the gentleman from Ohio will not object. I can assure the gentleman that Mr. Costigan is a man with an excellent reputation and well liked by people in his community.

Mr. TRUAX. It seeks to restore a pensionable status to this man.

Mr. COCHRAN. He never had a pensionable status. Served his country with honor, but denied a pension because of a War Department record.

Mr. TRUAX. That is what the bill is for.

Mr. COCHRAN. Yes; to correct a record the War Department, under the law, cannot correct.

Mr. TRUAX. Mr. Speaker, I object.

ROSSETTA LAWS

The Clerk called the next bill, H. R. 2128, for the relief of Rossetta Laws.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William Laws, who was a member of Company F, Twentieth Regiment United States Colored Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 6th day of October 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARL L. BERNAU

The Clerk called the next bill, H. R. 2678, for the relief of Carl L. Bernau.

Mr. TRUAX. Mr. Speaker, I object.

Mr. KVALE. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX. Yes.

Mr. KVALE. The facts are set out in the report. The report might have been quite a bit more voluminous, but the gist of the argument is that the court martial and the proceedings during the court martial did not go into the matter completely enough to hear the testimony of witnesses who could have appeared for the defense but who did not. As a matter of fact, one important witness was reported dead at the time.

The committee has gone into this very carefully. The committee has consulted the records of the War Department. The report of the War Department is adverse, but the committee nevertheless unanimously felt that this was a miscarriage of justice. The bill asks only for a rehearing of the

facts of the case and, if passed, will permit this officer to submit his additional testimony. I hope the gentleman will not see fit to press his objection.

Mr. TRUAX. I call attention to the fact that the War Department went into this case quite exhaustively, and that they recommend that the bill be not passed. The Secretary of War stated:

I recommend that H. R. 6352 be not favorably considered by your committee and be not enacted into law.

There was a shortage of 78,000 pounds of beef. This, translated into terms of money, would amount to quite a sum.

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mrs. KAHN. When I was on the Committee on Military Affairs I was chairman of a subcommittee that had this bill under consideration. We heard testimony from everybody concerned, gave it very exhaustive study, and reported the bill out unanimously. We felt that Captain Bernau had really suffered an injustice.

Mr. TRUAX. But no favorable report was received from the War Department.

Mrs. KAHN. That is the regulation recommendation of the War Department. They never recommend anything of the nature of this bill.

Mr. KVALE. And, in addition, the committee had important testimony that the War Department did not have, as I tried to tell the gentleman a moment ago.

Mr. TRUAX. Has the gentleman endeavored to secure a favorable report from the War Department recently?

Mr. KVALE. No. The War Department decision is based upon its records, which did not include the testimony which the committee has gathered, and we ask that the case be reopened. I believe a further study of the records of the court martial alone would be enough to warrant a change in the recommendation of the War Department, but this man has additional testimony he wishes to offer.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. KVALE. Gladly.

Mr. BLANTON. Just to speak of the shortage of 78,000 pounds of beef probably does not convey the full meaning of just how much it involves. When you think of it in the light that this big Chamber in which we are now working is hardly large enough to hold the number of cattle that would weigh 78,000 pounds, then you can imagine just how many cattle he was short in the form of frozen beef.

Mr. KVALE. And I will add that it was over a 3-year period during which he handled many millions of pounds of beef, and the report of experts from the Department of Agriculture show that in the refrigeration of this vast quantity of meat there would be more than 78,000 pounds of shrinkage.

Mr. BLANTON. The thing that made me most skeptical about the man's claims was the fact that for a long time this man failed to have a check-up made when he could have had an inventory taken.

Mr. KVALE. On the contrary, the check-up was made at his own request.

Mr. BLANTON. I mean for a long time he would not have any.

Mr. KVALE. Well, he sought one, and it was made finally by disinterested officials, officers of the United States Army. An investigation actually conducted by his superior officers showed that during his service the conditions of stored supplies had undergone marked improvement.

Mr. BLANTON. All the gentleman is asking is to reopen and reinvestigate the case?

Mr. KVALE. That is right.

Mr. BLANTON. I have no objection to the man having another trial.

Mr. TRUAX. The man apparently receipted for a shortage of 55,000 pounds.

Mr. KVALE. That was the officer who succeeded him, and the amount was later shown to be incorrect.

Mr. TRUAX. Mr. Speaker, in view of the explanation of the gentleman from Minnesota and the gentlewoman from California, I withdraw my objection.

Mr. KVALE. Mr. Speaker, under leave to extend my remarks, I add the following:

In justice to the officer in question, it should perhaps be stated that Captain Bernau was the victim of his own sense of duty and his zeal in performing that duty. He has an enviably fine record of Army service extending over a 15-year period, upon which there is not a blemish of any sort except for the circumstances surrounding his court martial. This bill will permit the full offer and consideration of the testimony that was given your committee, and which your committee is unanimously convinced will easily correct the cruel injustice which has been done.

False reports as to the death of Captain Bernau's leading witness, also a commissioned officer who had factual knowledge which could not have failed to clear him, are of record in the committee files. That officer has given the committee the vital testimony which was not offered to the court and of which the War Department had no official knowledge. For that reason the adverse departmental report could have no persuasive influence with your committee.

Finally, it is surprising to note that he was convicted and dismissed from the service because of an act characterized as illegal, when as a matter of fact he was acting in strict accordance with Army regulations at the very time. Evidence to support that statement is also on file with the committee.

For those reasons, and for others which might be cited, the diligent colleagues who have withdrawn their objections to the consideration of the bill for Captain Bernau's relief are indeed to be thanked for assisting in bringing belated justice to a splendid officer who has smarted and suffered for 12 long years under a stigma he never should have borne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to convene a court of inquiry to conduct a reinvestigation of the facts and circumstances attending the trial and conviction by general court martial on or about November 14, 1923, of Capt. Carl L. Bernau, Quartermaster Corps, and that the said Bernau be afforded the same rights and privileges before said court of inquiry as if he were still in the military service.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELO J. GILLOTTI

The Clerk called the next bill, H. R. 3721, for the relief of Angelo J. Gillotti.

Mr. BLANTON. Mr. Speaker, the War Department report on this case made by The Adjutant General embraces the following:

He enlisted May 22, 1924, and was assigned to the Seventy-sixth Field Artillery. He was absent without leave from August 12 to 26, 1924; was tried by summary court martial, and was sentenced to confinement at hard labor for 30 days and forfeiture of $14 of his pay. On November 4, 1924, he deserted at the Presidio of Monterey, Calif., and did not return to military control. On October 6, 1931, he was discharged from the Army on account of desertion; trial barred by the statute of limitations.

I doubt the wisdom of restoring this man to a pensionable status on such a record as this.

Mr. MAY. Mr. Speaker, will the gentleman withhold his objection that I may make an explanation of this matter?

Mr. BLANTON. Certainly.

Mr. MAY. Mr. Speaker, the subcommittee, of which I am chairman, made a careful study of this case. As set forth in the report, this man was a volunteer enlisted man for four different periods of time. All of these were prior to 1924, and in each instance he was honorably discharged, with a notation of good character.

Mr. BLANTON. It is admitted that his first service was good, but his last service was bad.

Mr. MAY. I will get to that. This man was honorably discharged four different times, the last of which was in 1922. The record shows by affidavits filed that he was on the battle front in France in three of the major engagements; that on one occasion when one of the field pieces was com-

pletely demolished and every man that was around it killed except this veteran, Angello J. Gillotti, and that he went back into action in 30 seconds, and after that time he was out of the service for a period of 2 years. During all of that time he was in one hospital or another for diseases of a mental nature. When he deserted in California in 1924 the evidence before us in the form of affidavits, which were not contradicted, shows that he was so mentally deranged that he was found wandering around in the country, lost.

Mr. BLANTON. Now, that kind of a record appeals to me.

Mr. HANCOCK of New York. Does the gentleman know that this soldier was given the Distinguished Service Cross for heroism in action during the World War?

Mr. BLANTON. I accept the statement of the gentleman from Kentucky 100 percent, because I know he has given the case investigation. The gentleman is on this committee. On the facts stated by the gentleman from Kentucky and also by the gentleman from New York, I withdraw my objection.

Mr. MAY. I thank the gentleman from Texas, and as a further assurance, may I say that the soldier came to my office one day last week at the request of his Congressman, and he is yet a physical wreck. I have no personal interest whatever in the matter except to see that no injustice is done a deserving hero of the great World War, and out of the depth of my heart I say to you that it was the unanimous thought of all my committee that had we not reported the bill for passage we would have done a great injustice to a deserving veteran.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Angelo J. Gillotti, who was a member of Battery D, Seventy-sixth Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of November 1924: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY B. WALMSLEY

The Clerk called the next bill, H. R. 2192, for the relief of Harry B. Walmsley.

Mr. HOPE. Mr. Speaker, reserving the right to object, may I ask the author of the bill what reason there is for giving this soldier an honorable discharge? For all the report shows he was given a discharge, which was neither honorable nor dishonorable, by reason of the fact he pleaded guilty in a civil court to a charge of petty larceny and was sentenced to serve a term in jail and to pay a fine. I assume, if those facts are true, that the soldier did not deserve an honorable discharge. Will the gentleman tell us whether those facts are true, and, if they are true, whether there were any extenuating circumstances which should be taken into consideration?

Mr. GIFFORD. Mr. Speaker, in reading the report the gentleman will see that this matter was looked into very carefully, his reenlistment was allowed, and the soldier is now serving in the Army.

He was but 17 years of age when he first went into the Army, with the consent of his father. After being in a year and a half or 2 years he applied for a discharge that was to have cost him $100. The affidavits show that he went around collecting little sums of money he had loaned his associates. One man owed him $10 and he took a pistol in payment of that debt. He displayed this pistol and it was discovered that it had been stolen. He was arrested by the local sheriff, who advised him to plead guilty, because the other man denied the charge, and he would have had to lie in jail until the fall term of court. He said, "I was only a boy. I ought to have thought more about my reputation, but I found I could save $100 and get out." Afterward he stated that he felt very remorseful and applied for reenlistment. I know the family and they are of excellent character. The character witnesses are very favorable.

Mr. MAY. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Kentucky.

Mr. MAY. Was the fellow able to execute bond during the time he would have been kept in jail until the fall term?

Mr. GIFFORD. He says he took the advice of the sheriff.

Mr. MAY. But he was probably unable to execute bond.

Mr. GIFFORD. He took the advice of the sheriff, as they often do, as the easiest way out. Afterward he said he had made a great mistake. I vouch for the character of the family and for this young man. The Army has taken him back, and I think we ought to forgive a thing like this in a boy 17 years of age.

Mr. HOPE. If he had bought his way out of the Army, would he not still have been given the same type of discharge?

Mr. GIFFORD. If he had bought his way out, I do not know; but he was neither honorably nor dishonorably discharged, and he is in the Army now. This record is somewhat against him. The case was not very serious, and I am going to ask you to forgive the somewhat foolish thing which he did.

Mr. HOPE. The facts as related by the gentleman from Massachusetts do not appear in the committee report.

Mr. GIFFORD. I have the affidavits here.

Mr. HOPE. In view of the excellent statement by the gentleman from Massachusetts, I shall not object to the present consideration of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Harry B. Walmsley, formerly in the Medical Department, First Cavalry, United States Army, shall hereafter be held and considered to have received a full honorable discharge from the military service of the United States on July 9, 1926: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NELLIE OLIVER

The Clerk called the next bill, H. R. 5133, for the relief of Nellie Oliver.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this is another bill that seeks to restore the military status of a man who enlisted in 1864. I am opposed to the passage of such bills, especially on the evidence as submitted. Therefore I object.

Mr. ROGERS of New Hampshire. Will the gentleman withhold his objection?

Mr. TRUAX. I withhold my objection for an explanation.

Mr. ROGERS of New Hampshire. Mr. Speaker, this is a case of which I have personal knowledge. Although it does not appear too clearly in the report, it is a fact that this man enlisted in the United States Army on September 19, 1862, and served honorably until June 17, 1864. Because he stayed a few days longer on leave than he should have, through fear he enlisted under an assumed name in the United States Navy. He enlisted in the Navy under the name of John Lear on July 7, 1864, less than a month from the time he had been serving honorably in the Army. He then served for 3 years in the Navy and at the end of his enlistment was honorably discharged from the United States Navy. He served on the *Ohio, Potomac, Chocoma, Vermont*, and the *Portsmouth* until July 9, 1867, when he received an honorable discharge on account of expiration of enlistment.

Mr. Oliver then received his pension under the name of John Lear until his death in July 1929. This man has an infirm and aged widow, who needs this pension. This bill passed the House on February 2, 1933, but was not reached in the Senate. These are the facts, and I can vouch for them personally.

Mr. TRUAX. How does it come that this has not been corrected many years ago? Does the gentleman think, in the face of the Economy Act taking pensions away from World War veterans and Spanish-American War veterans and when their pensions are still less than they should receive, we should pass special legislation to place some widow on the pension roll who has never been on the rolls before and who has been unable to obtain such status up to this time?

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. MAY. I should like to ask the gentleman from Ohio if we are not putting through now a program to take care of all the old folks without any pension?

Mr. TRUAX. At $15 a month?

Mr. MAY. Yes; and her State will have to take care of the balance of it.

Mr. TRUAX. Does the gentleman think $15 a month will take care of anybody?

Mr. MAY. No; and I am not thinking about that, but about the principle involved. If we are going to take care of these old folks, why not take care of them in an honorable way, and why not give this woman her pension?

Mr. TRUAX. Let me ask the gentleman this question. How will we have the money to take care of all these people in view of the deficit we now have, which is getting larger all the time, with no tax on wealth and no proper tax on incomes, and without making any provision whatsoever to finance such a program?

Mr. MAY. I agree with the gentleman about all those things, but why not allow this pension to a person who has rendered service to the country, as well as allow pensions to a lot of people who never rendered any military service at all?

Mr. ROGERS of New Hampshire. Let me say that it is a fact this man has served 5 years honorably in the United States Army and Navy and drew his pension until the time of his death in July 1929. The reason for his enlisting in the Navy under an assumed name has been fully explained to the gentleman, and I may state to him that this bill has been under full discussion in this House, and was favorably reported in the Seventy-first Congress, passed the House on February 10, 1933, but was not reached in the Senate. From personal knowledge, I can vouch for the necessity of this aged woman, and I do hope, sir, the bill having once passed the House, the gentleman will not insist on his objection at this time.

Mr. TRUAX. I will say to the gentleman that we should give all of them the same consideration. They are all in the same predicament. The fact is we have cut the pensions of widows of Civil War veterans who are today nearly 90 years of age, and restoration has not been made. I am opposed to any special-privilege legislation for any of these dependents unless we take care of all of them at the same time.

Mr. MAY. This is simply to correct one of the errors of the economy bill that the gentleman and I voted against.

Mr. ROGERS of New Hampshire. Let me say to the gentleman that I understand this woman will not live very much longer. She has had a shock and is in desperate circumstances; and in view of the fact that she knows this measure has passed this House before, she is living in the hope and expectation that she may receive favorable consideration during this Congress in both House and Senate. The only reason it has not passed the Congress is that it was not reached in the Senate, and I ask my friend not to hold this up at this time, because it certainly would be an injustice to this widow.

Mr. TRUAX. I still maintain that if we take care of one we should take care of all of them. I do not think anyone will maintain that a $15 pension bill to a person over 65 years of age is in anywise adequate or sufficient.

Mr. MAY. This would provide $30 a month.

Mr. TRUAX. But it will not take care of all of them. I do not want to single one out here and one out there and take care of them unless, at the same time, we take care of all of them and take care of the great mass of people who are now in distress.

Mr. MAY. I am with the gentleman; but why not help this woman now?

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. O'MALLEY. While we are waiting for an opportunity, perhaps, under a gag rule, to take care of all of them, it would not seem fair to deprive this poor widow of her opportunity, which is right here and now to be taken care of. She may not live long enough for this Congress to get around to taking care of all of them.

Mr. TRUAX. I will say to the gentleman that if he took the same interest and exerted the same energy in behalf of the millions of people who are in acute distress today, just as much distress as this individual, and if all the gentlemen would take the same interest in their welfare and provide them with funds necessary for their existence, we might be better off in this country, economically speaking, than we are today.

I object, Mr. Speaker.

CARL LINDOW

The Clerk called the next bill, H. R. 5032, to correct and complete the military record of Carl Lindow, known also as "Carl Lindo."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon the widows, children, and/or dependent relatives of persons honorably discharged from the United States Army, Carl Lindow, known also as "Carl Lindo", shall be held and considered to have served without desertion and to have been honorably discharged on August 9, 1864, as a corporal, Company H, One Hundred and Fifty-first Regiment New York Volunteer Infantry: *Provided*, That no pension, bounty, pay, or other emoluments shall be held to have accrued prior to the passage of this act.

Mr. HANCOCK of New York. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 7, strike out the words "to have served without desertion."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended, and a motion to reconsider was laid on the table.

JOHN F. HATFIELD

The next business on the Private Calendar was the bill, H. R. 1073, for the relief of John F. Hatfield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John F. Hatfield, who was a member of Troop C, Sixth Regiment United States Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 14th day of September 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

WILLIAM H. STROUD

The next business on the Private Calendar was the bill, H. R. 3173, for the relief of William H. Stroud.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, this bill seeks to restore a pensionable status to a veteran who is not on the pension roll because of his own willful misconduct. There are thousands of old war veterans denied compensation because of that same thing. Therefore I object.

Mr. RANSLEY. Will the gentleman withhold his objection for a moment?

Mr. TRUAX. I will.

Mr. RANSLEY. I will state that this bill for the relief of Mr. Stroud passed the House in the sessions of the Seventy-first, Seventy-second, and Seventy-third Congresses. You

will notice there is an affidavit made by William Stroud denying the charge about his willful misconduct. He claims that he was injured on account of a long ride with the Cavalry. This accident frequently occurs to cavalrymen. The gentleman will also notice that this man is 78 years of age.

Mr. TRUAX. Has the gentleman read the report from the War Department, The Adjutant General?

Mr. RANSLEY. Oh, yes. In the first place, Mr. Stroud believed that originally he had an honorable discharge. In the city of Philadelphia one cannot obtain a permit to peddle unless he pays a fee, with the exception of those who have been honorably discharged from the Army. Mr. Stroud was a peddler for years, and he then lost his discharge, and in applying for a renewal discovered the record that appears in the report at the present time.

Mr. TRUAX. I will say that there is nothing in this report to contradict the evidence furnished by the War Department.

Mr. RANSLEY. Only the affidavit of Mr. Stroud.

Mr. TRUAX. I therefore feel forced to object.

CAPT. ALEXANDER C. DOYLE

The next business was the bill, H. R. 240, for the relief of Capt. Alexander C. Doyle.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. The committee report does not incorporate a report from either the Department or from the Comptroller General. Both departments should be heard from, I think. Therefore, I ask unanimous consent that the bill be passed over without prejudice.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FULMER. If we were to ask for a report, we would get the usual report—unfavorable. That is true of practically every bill passed upon by this Department. This Captain Doyle was appointed an assistant to the quartermaster, with various duties, having charge of millions of dollars of property. The pay roll was padded, but a higher authority made out the list of employees, made out the total amount to be paid to employees and certified to it, and Captain Doyle had no way on the face of the earth to know other than that the pay roll was correct. Payment was made by Captain Doyle. Then it was discovered that the pay roll was padded and it was taken out of Captain Doyle's pay. He insisted on his innocence and requested a court-martial trial and received one and was acquitted.

Mr. BLANTON. The charge against him was that he padded the pay roll, not that there was a shortage.

Mr. FULMER. But the record shows that he had nothing to do with the pay roll.

Mr. BLANTON. All I want to do is to see what the two departments say about it.

Mr. FULMER. I can assure the gentleman now that as usual we would get an unfavorable report, but we have the facts here in the report. He claimed that he was innocent and had nothing to do with the pay rolls, that the pay rolls were certified to by a higher authority and he insisted on his innocence and was found not guilty by a court-martial trial.

Mr. BLANTON. But respecting some of the other bills that have been brought here with an unfavorable report, we have permitted them to pass. I want to know what the departments say about it.

Mr. FULMER. I believe that if we asked for a report it would be unfavorable as stated. With the facts before the gentleman, would he want to deny an innocent man who was tried and found not guilty?

Mr. BLANTON. All I want to do is to see what the departments have to say about it.

Mr. FULMER. This Captain Doyle is from my home town. I know all of his people intimately. His brother, Jimmie Doyle, is one of the best friends that I have in my district—an outstanding citizen and a Jeffersonian Democrat. They are outstanding people and Captain Doyle has a record that is clear and equal to any official of the Government. Captain Doyle is today serving in the War Department in the Bureau of National Guard. The $1,600 taken from him absolutely belongs to him, as was indicated by the trial which found him not guilty. It was taken away from him not because of crookedness on his part, but because of the crookedness of those over him.

Mr. BLANTON. Is he now serving in the War Department?

Mr. FULMER. Yes; in the Bureau of the National Guard, War Department, here in Washington.

Mr. BLANTON. And he is on the Government pay roll at the present time?

Mr. FULMER. Yes.

Mr. BLANTON. If that is the case, I withdraw my objection.

Mr. FULMER. I thank my friend.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Capt. Alexander C. Doyle, Quartermaster Corps, United States Army, in the sum of $1,655 on account of stoppage of pay as the result of alleged neglect of duty while stationed at Schofield Barracks, Territory of Hawaii, during the year 1922, of which charge he was declared not guilty by court-martial decision, and to certify the same to Congress for an appropriation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR VAN GESTEL, ALIAS ARTHUR GOODSELL

The next business was the bill, H. R. 318, for the relief of Arthur Van Gestel, alias Arthur Goodsell.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. This bill seeks to correct the military status of a man of whose service the War Department has no record. For that reason they recommend the bill do not pass upon the ground that it would be discriminating against many other persons who claim similar service.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. HANCOCK of New York. The record discloses there are letters on file from Major General Wheeler and Col. Theodore Roosevelt certifying to the service of this man during the Spanish-American War. I am not the author of the bill. If the gentleman insists upon pressing his objection, I ask that it go over without prejudice, with the understanding that it may be called up next time the Private Calendar is called.

Mr. TRUAX. I should be glad to assent to that.

The SPEAKER. Without objection, the bill will be passed over without prejudice, to be taken up on the next call of the Private Calendar.

There was no objection.

JOSEPH W. HARLEY

The next business was the bill, H. R. 1119, for the relief of Joseph W. Harley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Joseph W. Harley, who was a member of the Sixty-ninth Company United States Coast Artillery Corps, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 10th day of November 1903, and notwithstanding any provisions to the contrary in the act relating to pensions approved April 26, 1898, as amended by the act approved May 11, 1908: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANK R. CARPENTER, ALIAS FRANK R. CARVIN

The next business was the bill, H. R. 1565, for the relief of Frank R. Carpenter, alias Frank R. Carvin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Frank R. Carpenter, alias Frank R. Carvin, who was a member of Company H, Sixteenth Regiment United States Infantry, honorably discharged, and an unassigned recruit at Columbus Barracks, Ohio, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private on the 20th day of June 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN S. CANNELL

The next business was the bill, H. R. 1575, to correct the military record of John S. Cannell, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, their widows, or dependent relatives, John S. Cannell, late of the Provisional Military Police Company, First Depot Division, American Expeditionary Forces, shall be held and considered to have been honorably discharged from the military service of the United States as a member of said organization on the 13th day of September 1918: *Provided*, That no back pay or allowance shall be held to have accrued prior to the passage of this act, except what may accrue by reason of the World War Adjusted Compensation Act.

Mr. HOPE. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HOPE: Page 1, strike out all of lines 11, 12, and 13, and insert in lieu thereof the following: "That no bounty, back pay, pension, or allowance shall accrue as a result of the passage of this act, except what may accrue by reason of the World War Adjusted Compensation Act."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to, and the bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM ESTES

The Clerk called the next bill, H. R. 2435, for the relief of William Estes.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers William Estes shall be held and considered to have been honorably discharged from the military service of the United States as a private in Company C, Seventh Regiment Enrolled Missouri Militia: *Provided*, That no bounty, pay, or allowance shall accrue prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT D. HUTCHINSON

The Clerk called the next bill, H. R. 3787, for the relief of Robert D. Hutchinson.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Reserving the right to object, this is a case where a general court martial imposed a 3-year sentence on a conviction of desertion and forgery. The bill seeks to restore his military status so that a pension can be drawn. In the face of this unfavorable report from the War Department, I am forced to object to the passage of the bill.

Mr. WHITTINGTON. Will the gentleman reserve his objection?

Mr. TRUAX. I will reserve the objection.

Mr. WHITTINGTON. With all deference, I call the gentleman's attention to the report of the War Department. I am unable to concur in his conclusion that it is unfavorable. The Department makes no recommendation.

Mr. TRUAX. Does the gentleman deny the guilt of the veteran of the charges upon which he was convicted?

Mr. WHITTINGTON. I certainly do not think he should have been convicted of forgery on the testimony; otherwise I would not be sponsoring the bill.

Mr. TRUAX. Does the gentleman think a court martial would have imposed a 3-year sentence if the evidence was not conclusive and convincing?

Mr. WHITTINGTON. Permit me to say, in answer to that question, that the facts in this case are these: The veteran was on furlough. His mother, whom he was visiting in Mississippi while he was on furlough, was injured very seriously in an accident, and it was thought she would die. He overstayed his furlough a few days. Thereupon, when he returned to his company in Virginia, he was charged with desertion. Before he went away on his furlough the veteran states that he mailed to the bank near where he lived cash in an envelop, upon which he drew a check for $25. That check was drawn upon this bank where he had reason to believe his money had gone for deposit. I may say that he was court-martialed for desertion and he was also court-martialed for forgery in connection with this check for $25. The facts are that he did overstay his leave. He does not deny it; but I believe he was excusable.

Now, with respect to the check. There were four specifications in the charge respecting the check and he was acquitted on two of those specifications. The two specifications on which he was acquitted were for forging the check and for obtaining money on the check. He was convicted on an alleged charge of forging a lieutenant's name to the check where he was acquitted for having received the money covering the $25 proceeds of the check in connection with the cashing of the check.

In reviewing this case the court held that there was not sufficient testimony to show the genuineness of the signature of Lieutenant Delaney, whose name was shown to have been forged, and virtually held that he should not have been convicted for forgery, because the court reduced the sentence from 3 years to 1 year. Finally he was relieved of the entire sentence by Executive order and given a discharge, which was neither honorable nor dishonorable. Moreover, the usual proviso obtains in this bill that no back pay shall attach.

Mr. TRUAX. Were not the members of the court martial in possession of all the evidence at the time the court martial was held and this man was convicted and sentenced to a 3-year term on the charge of forgery and desertion?

Mr. WHITTINGTON. I will answer the gentleman by saying that this veteran, who volunteered, stated that he asked for further time, asked for an opportunity to correspond with the bank where he had deposited his money, and that opportunity was denied him. He was kept in prison. He was tried without an opportunity of explaining the bank deposit, and I will say as a lawyer that he would not have been convicted of forgery. At most it was a case of giving a check, with no money to the credit of the veteran in the bank. I further state that the War Department, in the report, said that it was without authority to change the record.

Mr. TRUAX. Neither do they make any recommendation.

Mr. WHITTINGTON. No; there is no recommendation, but he states, as in practically all similar cases, that he is without authority to make any change in the man's record.

Mr. TRUAX. But we do often find a recommendation from the Secretary that the status be changed. There is no such recommendation in this case.

Mr. WHITTINGTON. No. We have no such recommendation.

Mr. TRUAX. I ask that the gentleman consent to passing this bill over without prejudice.

Mr. WHITTINGTON. Of course, I may be forced to do that, but I do want to say that I have the record of the trial, and it was presented to the committee, and that the reviewing court, on the only pertinent and material facts, made the statement that there was doubt as to the genuineness of the signature that was said to have been forged. In any court in the land a judge making that decision would have reversed the case or discharged the prisoner. I do

say in this connection that this bill has been favorably reported in previous Congresses. It was on the call last session and just missed being reached. Furthermore, according to the testimony—and I have reviewed the entire court-martial record, and I have it here, and it bears out the statements I have made—he was acquitted of all specifications in connection with the alleged forgery except the two with respect to which the reviewing court said there was grave doubt. I say that, in view of the fact that the sentence was reduced from 3 years to 1 year, the fact that he volunteered for service, the fact that he was in prison for months, and the further fact, as shown by the testimony and as disclosed by the hearings before the Military Affairs Committee, that he has borne a good reputation, both before and since his service in the Army, he is entitled to the small share of any relief, after the passing of 15 years, that may result from the passage of the bill.

Mr. TRUAX. I would say that this man was given the only kind of a discharge that the War Department could give him at the time; it was neither honorable nor dishonorable.

Mr. WHITTINGTON. That is very true.

Mr. TRUAX. It merely stated the facts as they existed in the case. There has been nothing introduced here to prove that the two charges were unfounded; he was convicted on those two charges.

Mr. WHITTINGTON. Will the gentleman from Ohio permit me to repeat that the entire record was before the Committee on Military Affairs, and I have a report here from The Adjutant General's Office giving the findings of the reviewing court on the question of forgery. In view of the findings of that court, the sentence was reduced from 3 years to 1 year. I submit again, and wish to emphasize, that when the reviewing court said that there was no testimony to support the charge of forgery this young man has been more than sufficiently punished, having been imprisoned for several months for overstaying his leave or furlough.

Mr. TRUAX. Mr. Speaker, if the gentleman will permit an interruption, the bill seeks to restore a pensionable status to this man, does it not?

Mr. WHITTINGTON. For any benefits that may hereafter accrue, not for any benefits before the passage of the bill.

Mr. TRUAX. Does the gentleman believe it is fair and just to the thousands of veterans who have been denied pensions, or whose pensions have been reduced, to make an exception in the case of an enlisted man who was convicted of desertion and forgery, giving him a privileged status? That is what we will be doing if we pass this bill.

Mr. WHITTINGTON. In reference to the desertion, I am reasonably certain there would never have been any charge with respect to desertion in the case of this young man—who remained over because his mother was almost fatally injured in a wreck, and remained only after he had wired his lieutenant twice, as shown by the hearings before the Committee on Military Affairs, for permission to overstay his leave. I think to permit that judgment to stand would be unconscionable; and for this reason I believe the committee was warranted in reporting out the bill to give this young man a chance from now on. The bill is not retroactive. In view of the record in this case, failure to pass this bill would work a very grave injustice. The veteran volunteered and the record of his discharge should not longer stand as either honorable or dishonorable.

Mr. TRUAX. Mr. Speaker, most of the bills on the Private Calendar today seek to restore the military status of men who have been dishonorably discharged.

Mr. Speaker, I ask that this bill be passed over without prejudice.

Mr. WHITTINGTON. Mr. Speaker, I may state to the gentleman from Ohio that I have the testimony which was presented to the committee. This bill has been reported out and passed at two sessions of Congress. I have taken it up with the committees handling the Private Calendar on both sides several times and they have said there was no objection. I shall be glad to leave with the gentleman the report of the reviewing court in which they said the testimony was incompetent. I would appreciate it if the gentleman would withdraw his objection and give this young man a chance, for this case has been pending some 3 years, and I would remind the gentleman of the fact that we have just passed a number of similar bills today.

Mr. HANCOCK of New York. Mr. Speaker, I demand the regular order.

Mr. TRUAX. Mr. Speaker, I ask that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOHN H. D. WHERLAND, ALIAS HENRY LOWELL

The Clerk called the next bill, H. R. 3830, for the relief of John H. D. Wherland, alias Henry Lowell.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I object.

HARRISON BRAINARD, ALIAS HARRY WHITE

The Clerk called the next bill, H. R. 1637, for the relief of Harrison Brainard, alias Harry White.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, there is no recommendation attached to the bill. Therefore, I object.

WALTER S. BRAMBLE

The Clerk called the next bill, H. R. 3558, for the relief of Capt. Walter S. Bramble.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Capt. Walter S. Bramble, Quartermaster Corps, United States Army, in the sum of $1,174.19, on account of stoppage of pay as the result of the loss of public funds due to financial irregularities and frauds against the Government, in the handling of public funds by a civilian employee of the Quartermaster Corps at Camp Custer, Mich., during the period from April 1924 to October 1927, for part of which Captain Bramble has been held responsible, and to certify the same to Congress for an appropriation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS ZAGATA

The Clerk called the next bill, H. R. 340, for the relief of Louis Zagata.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis Zagata the sum of $1,000, covering bond guaranteeing the departure from the United States of Stanislaw Babon, alien, who disappeared, causing forfeiture of the bond, and who was later apprehended and deported: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "appropriated", insert the following: "and in full settlement of all claims against the Government of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEX TERLIZZI

The Clerk called the next bill, H. R. 373, for the relief of Alex Terlizzi.

Mr. TRUAX. Mr. Speaker, as I understand this bill, it seeks to reimburse the American Surety Co., of New York,

in the sum of $2,000. As I understand the surety business, they must and are compelled to take losses at various times. I am opposed to the enactment of special legislation for the relief of the American Surety Co., or any other surety company. Therefore, Mr. Speaker, I object to the bill.

Mr. SABATH. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. TRUAX. I withhold my objection.

Mr. SABATH. I desire to take opportunity during the consideration of this bill to compliment the committee on the able reports it has made on a number of the bills that have been considered today. They have made very careful investigation of the facts in these cases.

Mr. MOTT. Mr. Speaker, this is a bill of the gentleman from New York [Mr. SNELL], and I know the gentleman from New York is very much interested in it. It is a bill which was considered at the last session. Would the gentleman have any objection to letting the bill go over to the next call of the calendar?

Mr. TRUAX. None at all.

Mr. MOTT. Then, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, to be called the next time the Private Calendar is called.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

GERALD MACKEY

The Clerk called the next bill, H. R. 378, for the relief of Gerald Mackey.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to examine, investigate, and pay the claim of Gerald Mackey in such amount as the Comptroller General may determine to be fair and proper compensation for actual damages to the person of Gerald Mackey, including medical and hospital expenses and actual loss of earnings proximately resulting from injuries sustained while assisting in extinguishing the fire at the Veterans' Administration facility, Sunmount, N. Y., January 25, 1933, while serving as a member of the volunteer fire department of Tupper Lake, N. Y. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sum as the Comptroller General may find necessary for payment of the said claim, and payment by the Comptroller General in accordance with this act shall be full and final settlement of the said claim of Gerald Mackey against the United States on account of such injuries: *Provided*, That in addition to the evidence otherwise required and as a condition to payment of the claim, the said Gerald Mackey shall be required to submit proof satisfactory to the Comptroller General that he has not obtained settlement of the claim from a person other than the United States and shall be required to surrender to the United States any and all claim on account of the injuries heretofore described as against any person other than the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA ENGINEERING CO., INC.

The Clerk called the next bill, H. R. 396, for the relief of the Virginia Engineering Co., Inc.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this bill involves a claim of $62,000, and I ask unanimous consent that it go over without prejudice. I want to make a further investigation.

Mr. BLAND. If it goes over without prejudice, will we have an opportunity to reach it again?

Mr. BLANTON. Surely, we shall have that opportunity in a short time.

Mr. BLAND. But we usually begin at the star.

Mr. BLANTON. I ask that the bill go over and retain its place on the calendar.

Mr. BLAND. It will retain its place on the calendar, but if we start at the star, it will not be reached.

Mr. BLANTON. There cannot be over 20 bills ahead of it.

Mr. BLAND. Would the gentleman couple that with a request that the bill may be taken up the next time?

Mr. BLANTON. That would follow, because there would not be over 20 bills ahead of it due to the fact it holds its place on the calendar.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, retaining its place on the calendar.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask the gentleman from Virginia [Mr. BLAND] a question about the bill? The $62,000 mentioned by the gentleman from Texas [Mr. BLANTON] includes $20,000 as I understand it for profits.

Mr. BLAND. That is true.

Mr. TRUAX. This to be paid to a war contractor of a job completed back in 1924. May I ask the gentleman if he would consider an amendment striking out and eliminating the $20,000 item?

Mr. BLANTON. This bill merely sends the matter to the Court of Claims.

Mr. BLAND. I do not believe that the bill as it is now drawn would permit profits to be included, because if the gentleman will read the bill, it says, "actual loss", and I have some question about that matter. If it is going over, I shall be very glad to consider that matter, and I hope the gentleman will consider also the question of profit and whether this bill would permit at all of the recovery of profit.

Mr. TRUAX. I would be forced to object to its consideration if profits were included in the bill.

Mr. BLAND. I seriously question if that feature is in this bill.

Mr. TRUAX. That is one of the hazards a contractor takes when he bids on a job.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that it go over without prejudice and that it retain its place on the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

RUTH RELYEA

The Clerk called the next bill, H. R. 419, for the relief of Ruth Relyea.

The SPEAKER. Is there objection?

Mr. HOPE. Mr. Speaker, while there may be some liability in this case, I believe that the amount carried in the bill is excessive. I prefer not to object to the bill at this time; therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

JACOB SANTAVY

The Clerk called the next bill, H. R. 426, for the relief of Jacob Santavy.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Jacob Santavy, of Toledo, Ohio, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 for personal injuries and property damage suffered as a result of being struck by a car driven by Charles Graham and William Appleman, two Federal prohibition officers, while in the performance of their duty, on August 18, 1927.

With the following committee amendments:

On page 1, line 6, strike out "$10,000" and insert in lieu thereof, "$5,000 in full settlement of all claims against the Government of the United States"; on page 11, after the figures "1927", insert a colon and the following:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE S. CONWAY, JR.

The Clerk called the next bill, H. R. 529, granting compensation to George S. Conway, Jr.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to George S. Conway, Jr., of Englewood, N. J., as compensation for injuries, resulting in the loss of his right leg, which he sustained when he was dropped or pushed, by a soldier of the United States, from the window of a train which ran over him at Englewood, N. J., August 27, 1918.

With the following committee amendments:

On page 1, line 7, strike out the words "as compensation" and insert in lieu thereof "in full settlement of all claims against the Government of the United States", and on page 2, line 1, after the figures "1918", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS PERAGLIA

The Clerk called the next bill, H. R. 530, granting compensation to the estate of Thomas Peraglia, deceased.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to the estate of Thomas Peraglia, deceased, late of Palisades Park, Bergen County, N. J., as compensation for the death of the said Thomas Peraglia, resulting from injuries he sustained when shot by a Federal prohibition officer at Palisades Park, Bergen County, N. J., February 12, 1927.

With the following committee amendments:

On page 1, line 5, strike out "$10,000" and insert in lieu thereof "$7,500"; and

Page 1, line 7, after the words "New Jersey", strike out "as compensation" and insert in lieu thereof "in full settlement of all claims against the Government of the United States"; and

Page 2, line 1, after the figures "1927", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER F. NORTHROP

The Clerk called the next bill, H. R. 531, granting compensation to Walter F. Northrop.

Mr. HOPE. Mr. Speaker, reserving the right to object, I should like to have the author of this bill explain the basis on which he thinks there is any liability against the United States under the circumstances that are shown in the report.

Mr. KENNEY. This case happened during the war days, when a United States soldier, or one wearing the uniform of the United States Army, according to the evidence, engaged a taxicab to go to the ferry at Edgewater, N. J., from Camp Merritt. On the way this soldier said he dropped his hat, and the claimant in this case undertook to get out and pick up the hat. As he did this, the soldier fired a gun and killed the taxicab driver and also hit Northrop in the spine, paralyzing him so that today he is absolutely crippled for life.

The War Department at first objected on the ground that this man was an imposter, because the culprit could not be located, but after additional proof of the facts and circumstances surrounding the case, the War Department, in its second report, withdrew its objection.

The evidence makes out a prima facie case that the assailant was a soldier of the United States. He was wearing the regulation uniform of a United States soldier and had engaged the taxicab at the camp, and it is a reasonable inference that if he were an imposter he certainly would not be plying his trade in the neighborhood of this camp where he would be apt and likely to be detected and apprehended by bona fide soldiers or the military police.

This is one of the cases which grew out of camp life at Camp Merritt, and I think it is just as meritorious as one of these cases that has just been passed where a little boy had his leg taken off by a train when he was lifted by a soldier to the window of the train and then dropped as it started, so that one of the wheels passed over his leg.

I believe in the circumstances of this case that the Government of the United States ought to respond for the action of one of its soldiers to a man who has been crippled for life, as this young man has been.

Mr. HOPE. If the gentleman will permit right there, of course, there is question as to whether or not this man was a soldier. He was never apprehended or identified as a soldier.

Mr. KENNEY. That is true.

Mr. HOPE. And assuming he was in the United States Army, he was not on duty at the time this shooting occurred.

Mr. KENNEY. No one can determine that fact, and I do not see how the gentleman can say that he was not. We have to accept the prima facie evidence that this man, on leaving the camp and engaging a taxicab to go to New York, wore the regulation uniform and was coming out of the camp, where we would not expect an impostor to be, and I think the Government ought to recompense the young man who has been crippled for life through the action of this man who came out of the camp, which was a United States reservation, wearing the uniform of the United States Army.

Mr. HOPE. Even assuming that to be true, still there is nothing in the report or in the record to show that this soldier was acting in the discharge of his duties as a soldier or was on duty at the time this deplorable event occurred. Here is simply a case where a soldier is riding around in a taxicab and for some reason draws a gun and shoots the driver and a passenger. Under these circumstances, does the gentleman think there is any liability upon the Government of the United States to pay damages?

Mr. KENNEY. The gentleman might take the case of a wagon going down the street with a name of a firm on that wagon. You might say you could not prove that that wagon belonged to anybody, but I do not think we would have to go that far if we would show the name of the concern that was on the wagon. This would be prima facie evidence which, if not rebutted, would show that it belonged to the one whose name appeared on the wagon at that time.

In this case if this man were an impostor, it is very unlikely he would have been at this camp, which had millions of soldiers there from time to time and as many as 45,000 at one time. The whole camp was policed by military police and it is very unlikely that an impostor would be within the gates there.

We have the right to presume that this soldier, wearing the regulation uniform, was a bona fide soldier of the United States, and in hiring this cab at the camp to go to Edgewater for New York we have the right to assume and, I believe, ought to assume that he was engaged in Government busi-

ness until the contrary is shown; and this is something, in the circumstances, you would not expect anybody to show, because it is a matter of defense on the part of the Government, and I do not think the Government wants to deprive this young man of this compensation which can scarcely recompense him for the injury he has suffered. He now hobbles around with his spine injured for life. He is maimed and crippled and will be the rest of his days.

I feel the Government ought to fulfill what I regard to be its obligation in the small way provided by this bill.

Mr. HOPE. I am willing to agree with the gentleman that if the soldier was engaged in his duties as a soldier when he committed this assault, the Government of the United States should be responsible; but there is nothing in the record to show this, and I do not agree with the gentleman that it is incumbent upon the Government to prove that he was not in the service, because all of the circumstances and the evidence indicate that he was not engaged in the performance of his duties as a soldier at that time. Let me ask the gentleman this question: If this were a case where the party who committed the crime was working for a private employer, would he consider the private employer liable for the action of the employee under circumstances similar to these?

Mr. KENNEY. I would. If any private employee wore a uniform of his employer with his name on it, I would say that the employer would have to respond in damages. I agree with the gentleman that if this happened in Pennsylvania or New York, away from a military camp, there might be some question about the standing of the culprit, but you have the added fact, the further evidence, that this man engaged the cab at a camp under military authority. It is very unlikely that an imposter would go into a camp or to the threshold of a camp and take all the chances of detection. Here we have established the fact that he engaged the cab in a regular way at a military camp and it seems to me that we have established a prima facie case that he was a soldier of the United States.

Mr. HOPE. It seems to me if there was any presumption at all, the presumption would be that he was not engaged in his duty as a soldier, that he hired a taxicab and started for his destination to have a good time.

Mr. KENNEY. This was a camp of embarkation. There were many going from this camp to New York, Hoboken, and other points continually. Let me say that the War Department at first took the view of this case that the gentleman has taken and later changed views as appears in the second report.

Mr. HOPE. I have read the report, and the War Department makes no recommendation either way.

Mr. KENNEY. At first it was against the bill. In the second report it withdrew its objection and left it to Congress to determine.

Mr. HOPE. Yes. And it seems to me that this is establishing a very unsound precedent, to say under the circumstances existing in this case that the Government of the United States is liable for any act that a soldier may commit. Even assuming, which you have to do, that the man was a soldier, there being no direct evidence to that effect.

Mr. KENNEY. Is there not some evidence when we establish the fact that this man wore a regulation uniform, that he was leaving a military camp; does not the gentleman think that is some evidence that the man was a United States soldier?

Mr. HOPE. It raises a presumption, but it does not go to the extent of establishing the fact that he was in the performance of his duty.

Mr. KENNEY. I think the presumption would continue. The man left the camp in a Federal uniform, engaged a cab to leave it, as was a usual custom, and it seems to me sufficient evidence is therefore presented to justify us to say that he was a soldier of the Army and was lawfully engaged in his duty as a soldier.

Mr. HOPE. Assuming that was the case, it was no part of his duty to assault the man, as is shown in this case. If the man had been a guard and someone had attempted rightfully to enter the camp, and the soldier under those circumstances should assault him, the Government undoubtedly would be liable. But here is a soldier traveling in a taxicab, he is leaving the camp, and for some unknown reason makes an unprovoked assault on this man. I cannot conceive how there can be any liability on the part of the United States under these circumstances.

Mr. KENNEY. Suppose the culprit was in the camp, accepted as a United States soldier, and for some reason or other became demented in the camp, and the officers of the United States Government did not detect that; let us assume that in the service he lost his mind, just as any shell-shocked soldier on the field of battle might lose it; and further that he, a soldier, left the camp and by reason of his activities there became insane while riding in the taxicab and shot these two people, killing one and maiming the other for life, does not the gentleman feel there would be some obligation upon the part of the United States Government, for certainly the gentleman does not believe that any soldier of the United States in his proper senses would, without provocation or motive, commit an act of this kind unless he was demented?

Mr. HOPE. The gentleman is indulging in a lot of suppositions, and if I agreed with all of the suppositions, perhaps I might agree with him.

Mr. TRUAX. Mr. Speaker, in view of the controversy here, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

FRED C. BLENKNER

The next business was the bill, H. R. 593, for the relief of Fred C. Blenkner.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York. Mr. Speaker, I reserve the right to object. From the meager information I can get from the report, it seems to me that the proper remedy of this claimant is against the Colt's Patent Fire Arms Manufacturing Co.

Mr. LAMNECK. Under contract made between the War Department and this man it was provided that the Government should pay 15 cents per sight for all sights they used on this particular gun. When the war broke out they had them on every machine gun and rifle in the service of the United States. The Government for 11 years never made an accounting to this man until after the war was practically over and he discovered his sights on the machine guns in California. The Government finally made an accounting and told him they had paid him for a few of the sights, but for 20,000 sights they did not pay at all.

Mr. HANCOCK of New York. That contract had special reference, did it not, to the guns made by the Government in its own arsenals? It was a royalty to be paid by the Government to the owners of this patent.

Mr. LAMNECK. He sold this patent to the Government, for which they were to pay him 15 cents per sight, and the contract provides no other person is allowed to use these sights. The Government permitted the Vickers Co. and some other arms company to use this sight without consent on the part of the patentee.

Mr. HANCOCK of New York. In this case the Government bought some guns from the Colt Co., and the Colt Co. used some of the sights for which this man claims a royalty.

Mr. LAMNECK. I do not know about that.

Mr. HANCOCK of New York. Are not those the facts in this case?

Mr. LAMNECK. I do not think so.

Mr. HANCOCK of New York. The contract the Government had with the Colt Co. was that the Colt Co. was to save the Government harmless.

Mr. LAMNECK. If he made a contract with the gentleman, and the gentleman agreed to pay him 15 cents a sight, does the gentleman not think that he ought to see to it that nobody made them unless he got more money for them? It seems to me that that was a plain business proposition.

Mr. HANCOCK of New York. Of course, I have not seen the contract, but my understanding is that it refers to the sights used on guns the Government itself makes.

Mr. LAMNECK. What right would the Government have, if he sold the exclusive right to the patent, to permit somebody else to use it unless the Government paid him?

Mr. HANCOCK of New York. I should think that would be a matter to be determined between the Colt Co. and the owner of the patent.

Mr. LAMNECK. The Government, in addition, was supposed to make an accounting to this man, and never made an accounting for 11 years. Here is a man who spent his life developing this sight, and no doubt saved many thousands of lives during the war.

Mr. HANCOCK of New York. Eventually there was an accounting; and a settlement was made, was it not?

Mr. LAMNECK. A settlement for part of them. Twenty thousand sights they agree they did not settle for. I think it is an outrage, the way the contract was handled. The Government made a contract with the man for $95,000 and agreed to make an accounting every 6 months, and they did not do it for 10 years, and the only way he ever found that these sights were used at all was discovering them on some of the machine guns in California.

Mr. HANCOCK of New York. Has not this claimant recourse against the Colt Arms Co. for using his patent without a license or the payment of a license fee?

Mr. LAMNECK. I do not know; he may have. I think the Government owes him this money at least, and I think they owe him a lot more.

Mr. HANCOCK of New York. Has not the Government paid the Colt Co. for these guns and sights?

Mr. LAMNECK. Perhaps it did. I do not know if they used any. Here is a man who is absolutely destitute. He has lost all of his property and spent all of the money he ever got out of this trying to get the case in the Court of Claims, and could not get it there.

Mr. HANCOCK of New York. Does the gentleman understand what the attitude of the War Department is on this matter?

Mr. LAMNECK. I have a letter here from Secretary of War Hurley in which he admits that they had manufactured these sights for which they had not paid a royalty, and, if the Congress saw fit to pay this man $3,000 or whatever the amount is under the claim, the War Department would have no objection.

Mr. HANCOCK of New York. How was that figure reached?

Mr. LAMNECK. Fifteen cents a sight on 20,475 sights.

Mr. HANCOCK of New York. The original claim put in the bill was $67,000.

Mr. LAMNECK. I think originally it was figured at 75 cents a sight. The bill was introduced before I came to Congress.

Mr. ANDREWS of New York. How much is figured on the sights now?

Mr. LAMNECK. Fifteen cents each.

Mr. ANDREWS of New York. Does the contract prescribe the price?

Mr. LAMNECK. Yes; 15 cents.

Mr. HANCOCK of New York. The gentleman says the Secretary of War interposes no objection to the payment of this claim?

Mr. LAMNECK. The difference between the number of sights manufactured by or for the Government of the United States for which Mr. Blenkner has not been paid is 20,475, at 15 cents per sight, which amounts to $3,071.25. Then he goes on to say that some of these sights were manufactured by the Colt Firearms Co., and some by Vickers Co., Ltd.

Mr. HANCOCK of New York. What recommendation is made?

Mr. LAMNECK. As far as the War Department record shows, the gun sights were assembled when delivered. At any rate, the records clearly show that the total number of sights similar to the Blenkner patents manufactured for the United States Government was 105,674. They only paid for 80,000.

Mr. HANCOCK of New York. But what is the conclusion?

Mr. LAMNECK. They say that he has no legal right of action for recovery of royalty, and the question of relief for Blenkner is wholly within the discretion of Congress. I cannot see that viewpoint, because it seems to me if ever a man ought to have a bill paid it is this man. In view of the circumstances that he contributed this great invention to the Federal Government and it was used in the prosecution of the war, it seems to me the least we can do is to pay it.

Mr. HANCOCK of New York. It boils down to this, that the Government bought some arms from the Colt Arms Co.?

Mr. LAMNECK. And they manufactured a lot of them themselves.

Mr. HANCOCK of New York. Under the contract it was provided that the Colt Arms Co. should hold and save harmless the United States Government against all liability for claims on account of patent rights granted by the United States.

Mr. LAMNECK. But what right did the Government have to give them that permission when the Government had a contract with this man? He was not doing any business with the Colt firearms people at all.

Mr. HANCOCK of New York. Is it the gentleman's contention that the Government specified these rights in a contract with the Colt Co. and authorized the company to put them on the guns without making any provision to pay Blenkner?

Mr. LAMNECK. That is exactly my contention. He never was paid for the privilege of using 20,000 of these. The bill is small and I think the least we could do is to pay it. I believe the man is justly entitled to it if there ever was a just claim. In view of the circumstances that he is destitute and has lost all of his property, I think we ought to pay the bill.

Mr. HANCOCK of New York. I accept the gentleman's explanation.

The SPEAKER. Is there objection?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Fred C. Blenkner the sum of $67,652.75 in full compensation for infringement of letters patent issued to said Fred C. Blenkner by the United States, to wit, Patents Nos. 870337 and 919525.

With the following committee amendments:

Page 1, line 6, strike out "$67,652.75" and insert in lieu thereof "$3,071.25"; at the end of the line, strike out the word "compensation" and insert in lieu thereof "settlement of all claims against the Government of the United States"; and on line 10, after the figures, insert "and for payments due as a royalty under a license agreement entered into by the United States Government with the said Fred C. Blenkner for manufacture or use of patents above referred to: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOGAN MULVANEY

The Clerk called the next bill, H. R. 816, for the relief of Logan Mulvaney.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any funds in the Treasury not otherwise appropriated, to Logan Mulvaney, the sum of $358.56 in full settlement of all claims against the United States for property destroyed by fire at Fort Oglethorpe, Ga., on February 18, 1922.

With the following committee amendment:

In line 6, strike out "$358.56" and insert in lieu thereof "$233.40."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HESTER HAMILTON

The Clerk called the next bill, H. R. 829, granting 6 months' pay to Hester Hamilton.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to pay, out of the appropriation "Pay of the Army, 1935", to Hester Hamilton, dependent mother of Milton Hamilton, deceased, late of Company K, Twenty-second Regiment United States Infantry, an amount equal to 6 months' pay at the rate said Milton Hamilton was receiving at the date of his death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARRIE M'INTYRE

The Clerk called the next bill, H. R. 1438, for the relief of Carrie McIntyre.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HANCOCK of New York. Reserving the right to object, will the author please give us some reason for the passage of a bill of this kind?

Mr. ANDREWS of New York. This is a very meritorious case. It was acted upon favorably by the Seventieth Congress. This is a case where a soldier enlisted in 1925 and failed to name a beneficiary. His mother and family are in very bad financial circumstances at the moment, and I am instructed that a number of people at Niagara Falls are very much interested in this case because of its worthiness. It is simply a case to clear a man's record and to insert his mother's name as beneficiary so that she may be entitled to 6 months' pay naturally due a soldier.

Mr. HANCOCK of New York. I thank the gentleman for his very clear statement.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That Carrie McIntyre, mother of Henry D. McIntyre, who served as a private in Service Company, Fourth Regiment, United States Infantry, shall be considered as the duly designated beneficiary of the late Henry D. McIntyre under the act approved May 11, 1908, as amended by the act approved March 3, 1909 (35 Stat. L. 108 and 735).

With the following committee amendments:

Page 1, line 6, after the word "beneficiary", insert the words "and dependent"; and in line 7, after the word "approved", strike out "May 11, 1908, as amended by the act approved March 3, 1909 (35 Stat. L. 108 and 735)" and insert in lieu thereof "December 17, 1919 (14 Stat. 367)."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLIFFORD N. RAYMOND

The Clerk called the next bill, H. R. 1442, for the relief of Clifford N. Raymond.

Mr. TRUAX. Mr. Speaker, there is an adverse report on this bill, from which I read the following:

Inasmuch as the form of discharge certificate furnished to this soldier was specifically ordered by the President to be issued to him, I am without authority to amend the records * * *.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman reserve his objection and allow the bill to be passed over without prejudice?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JOHN J. O'CONNOR

The Clerk called the next bill, H. R. 1951, for the relief of John J. O'Connor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John J. O'Connor, who was a member of Company K, Forty-third Regiment United States Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a corporal of that organization on the 15th day of November 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GUY CARLTON BAKER

The Clerk called the next bill, H. R. 2311, to correct the records of the War Department to show that Guy Carlton Baker and Calton C. Baker or Carlton C. Baker is one and the same person.

Mr. TRUAX. Mr. Speaker, this bill seeks to go back to 1812 to change the records of this veteran. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JAMES R. DAVIS, JR.

The Clerk called the next bill, H. R. 2431, for the relief of James R. Davis, Jr.

Mr. TRUAX. Mr. Speaker, there is no report from the War Department accompanying this bill. For this reason I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CHARLES DAVIS

The Clerk called the next bill, H. R. 2480, for the relief of Charles Davis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to pay out of the appropriation "Pay of the Army, 1928", to Charles Davis, father of the late Charles L. Davis, private, first class, Battery E, Fifty-second Coast Artillery, United States Army, who died on May 9, 1926, the sum of $279, the amount equal to 6 months' pay at the rate said Charles L. Davis was entitled to receive at the date of his death.

With the following committee amendment:

That Charles Davis, father of the late Charles L. Davis, private, first class, Battery E, Fifty-second Coast Artillery, United States Army, who died on May 9, 1926, shall be regarded as the duly designated beneficiary and dependent of the late Charles L. Davis, under the act approved December 17, 1919 (41 Stat. L. 367).

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL KAUFMAN

The Clerk called the next bill, H. R. 3105, for the relief of Samuel Kaufman.

Mr. HOPE. Mr. Speaker, reserving the right to object, I wish to ask the author of the bill a few questions. As I understand it, the beneficiary under this bill is drawing compensation at the present time, is he not?

Mr. DOCKWEILER. That is right. Dr. Kaufman has a permanent partial rating of 60 percent, or did have at the time of the enactment of the Economy Act. His compensation was reduced to $50 under the Economy Act. He was mustered out of the Army with what appeared to be only slight injuries, but he developed permanent injuries afterward due to a spinal fracture he received in the Philippines, coupled with malaria.

Mr. HOPE. Is he drawing compensation under the World War Act?

Mr. DOCKWEILER. Only just as a veteran; that is all.

Mr. HOPE. As a Regular Army man?

Mr. DOCKWEILER. As a Regular Army veteran; that is correct.

Mr. HOPE. What rate of compensation is he drawing?

Mr. DOCKWEILER. Fifty dollars. He was mustered from the Army apparently in good health. While he had a slight eczema and a few other things, he was mustered out with apparently no permanent disability. My colleague the gentlewoman from California [Mrs. KAHN] originally introduced this bill.

Mr. HOPE. Has this bill been submitted to the War Department and have they made any recommendation? I see no recommendation of the War Department here.

Mr. DOCKWEILER. No; the committee made the recommendation. There is no recommendation from the War Department; they just give a history of the case.

Mr. HOPE. Has the bill been submitted to the War Department?

Mr. DOCKWEILER. I assume so from the fact that it has been before the committee and that the committee has taken it up.

Mr. HOPE. This man was in the Regular Army and could have retired under the provisions applicable to that service.

Mr. DOCKWEILER. That is right.

Mr. HOPE. Can the gentleman tell us why he did not take advantage of those provisions?

Mr. DOCKWEILER. Because at the time he was mustered out of the Regular Army he had only a slight pruritus, a slight eczema of the left hand and both feet. He was mustered out apparently not permanently disabled, or not disabled in any great degree.

My colleague the gentlewoman from California [Mrs. KAHN] originally introduced this bill. She knows this man is permanently disabled. He cannot work. He was a dentist in the service. He is not able to attend to business. He has to lie down some of the time because of a fracture of the coccyx bone he received in the Philippines. He cannot stand and work.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any disability incurred in line of duty by Samuel Kaufman while serving as an officer of the Army of the United States during the World War from June 16, 1916, to December 15, 1922, inclusive, shall be deemed and considered to have been so incurred while serving as an officer of the Army of the United States other than as an officer of the Regular Army, so as to entitle said Kaufman to the benefits and privileges of the Emergency Officers' Retirement Act (Public, No. 506, 70th Cong.): *Provided*, That such disability rating is sufficient and said Kaufman is otherwise eligible for retirement under the terms and conditions of said act: *Provided further*, That said Kaufman shall not be entitled to any back pay or allowances by the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH J. M'MAHON

The Clerk called the next bill, H. R. 3533, for the relief of Joseph J. McMahon.

Mr. TRUAX. Mr. Speaker, there is no report attached to this bill. For this reason I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THOMAS LEE MITCHUM

The Clerk called the next bill, H. R. 3547, for the relief of Thomas Lee Mitchum.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, we do not have that bill before us, and I ask unanimous consent that it be passed over, without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MITCHELL of Illinois, indefinitely, on account of illness in family.

PERMISSION TO ADDRESS THE HOUSE

Mr. BURDICK. Mr. Speaker, if it will not interfere with the proper dispatch of business, I ask unanimous consent to address the House for 15 minutes on Monday next after disposition of the business on the Speaker's table, in reference to the emergency relief in the drought area.

Mr. TAYLOR of Colorado. Mr. Speaker, there will be time enough in general debate for these speeches, and therefore I must object to setting them in advance.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 250. An act authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W. Va.; to the Committee on Interstate and Foreign Commerce.

S. 266. An act to provide for the erection of a public historical museum in the Custer Battlefield National Cemetery, Mont., to the Committee on Military Affairs.

S. 274. An act for the relief of Charles C. Floyd; to the Committee on Military Affairs.

S. 347. An act for the relief of James J. Jordan; to the Committee on Military Affairs.

S. 567. An act for the relief of Sarah Lloyd; to the Committee on Military Affairs.

S. 633. An act for the relief of Isaac Pierce; to the Committee on Military Affairs.

S. 634. An act to authorize the sale of a portion of the Fort Smith National Cemetery Reservation, Ark., and for other purposes; to the Committee on Military Affairs.

S. 651. An act for the relief of Harry Flanery; to the Committee on Military Affairs.

S. 653. An act for the relief of James W. Carmichael, deceased; to the Committee on Military Affairs.

S. 733. An act for the relief of William Burke; to the Committee on Military Affairs.

S. 735. An act for the relief of Wiener Bank Verein; to the Committee on Claims.

S. 737. An act to amend section 4 of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, as amended; to the Committee on Interstate and Foreign Commerce.

S. 746. An act for the relief of Joseph M. Thomas, alias Joseph Thomas, alias Thomas O'Donnell; to the Committee on Military Affairs.

S. 812. An act authorizing the Arizona State Highway Commission to construct, maintain, and operate a toll or free bridge across the Colorado River at or near Parker, Ariz., within the Colorado River Indian Reservation; to the Committee on Interstate and Foreign Commerce.

S. 871. An act authorizing the President of the United States to appoint Sergt. Alvin C. York as a major in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

S. 886. An act for the relief of Marino Ambrogi; to the Committee on Military Affairs.

S. 887. An act for the relief of Edward T. Costello; to the Committee on Military Affairs.

S. 888. An act for the relief of Joseph Gorman; to the Committee on Military Affairs.

S. 889. An act for the relief of Albert A. Marquardt; to the Committee on Military Affairs.

S. 890. An act for the relief of Michael J. Moran; to the Committee on Military Affairs.

S. 891. An act for the relief of Hector H. Perry; to the Committee on Military Affairs.

S. 893. An act for the relief of Patrick J. Sullivan; to the Committee on Military Affairs.

S. 920. An act for the relief of Ruth J. Barnes; to the Committee on Claims.

S. 943. An act to amend section 21 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

S. 945. An act to amend sections 11 and 24 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

S. 999. An act for the relief of Judson B. Isbester; to the Committee on Military Affairs.

S. 1009. An act for the relief of George W. Baker; to the Committee on Military Affairs.

S. 1019. An act to define, regulate, and license real-estate brokers and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions, and for other purposes; to the Committee on the District of Columbia.

S. 1076. An act relating to the Oregon-Washington Bridge Board of Trustees; to the Committee on Interstate and Foreign Commerce.

S. 1144. An act to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.; to the Committee on Interstate and Foreign Commerce.

S. 1176. An act for the relief of Thomas A. Coyne; to the Committee on Military Affairs.

S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; to the Committee on Interstate and Foreign Commerce.

S. 1300. An act to amend the War Department Appropriation Act relative to the operation of motor-propelled vehicles; to the Committee on Military Affairs.

S. 1301. An act to provide further for the maintenance of United States Soldiers' Home; to the Committee on Military Affairs.

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes; to the Committee on Claims.

S. 1304. An act to amend section 47c, National Defense Act, as amended, relating to military training required to entitle members of the Reserve Officers' Training Corps to receive commutation of subsistence; to the Committee on Military Affairs.

S. 1308. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.; to the Committee on Interstate and Foreign Commerce.

S. 1309. An act to amend section 114 of the Judicial Code to provide for terms of District Court for the Western District of Wisconsin to be held at Wassau, Wis., and for other purposes; to the Committee on the Judiciary.

S. 1336. An act to amend paragraph (f) of section 4 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to board of county commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.; to the Committee on Interstate and Foreign Commerce.

S. 1348. An act for the relief of James Darcy, alias James Hurley; to the Committee on Military Affairs.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3465. An act permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on February 14, 1935, present to the President, for his approval, bills of the House of the following titles:

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho;

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on Route No. 42, Oregon County, Mo.;

H. R. 3018. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota, in the State of Oklahoma;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.;

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.; and

H. R. 4018. An act to provide for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 40 minutes p. m.), pursuant to the order heretofore made, the House adjourned until Monday, February 18, 1935, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. MILLER: Committee on the Judiciary. House Joint Resolution 134. Joint resolution to continue the commission for determining the boundary line between the District of Columbia and the State of Virginia for not to exceed 1 additional year, and to authorize not to exceed $10,000 additional funds for its expenses; with amendment (Rept. No. 149). Referred to the Committee of the Whole House on the state of the Union.

Mr. DIES: Committee on Rules. House Resolution 113. Resolution for the consideration of S. 1190; without amendment (Rept. No. 150). Referred to the House Calendar.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. H. R. 5701. A bill granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near La Fayette, Ind.; without amendment (Rept. No. 151). Referred to the House Calendar.

Mr. O'BRIEN: Committee on Interstate and Foreign Commerce. H. R. 5706. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.; without amendment (Rept. No. 152). Referred to the House Calendar.

Mr. McCORMACK: Special Committee to Investigate Nazi and Other Propaganda. House Report 153. A report pursuant to House Resolution 198 (73d Cong.) on the investigation of Nazi and other propaganda. Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on War Claims was discharged from the consideration of the bill (H. R. 4606) granting a pension to James H. Devlin, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTWRIGHT: A bill (H. R. 5795) providing for more equitable administration of the Cotton Control Act; to the Committee on Agriculture.

Also, a bill (H. R. 5796) to amend the Emergency Relief Appropriation Act of 1935 to provide for the allocation of

funds for highway construction; to the Committee on Appropriations.

By Mr. DEMPSEY: A bill (H. R. 5797), to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto; to the Committee on the Judiciary.

By Mr. DICKSTEIN: A bill (H. R. 5798) to provide for additional compensation to jurors in criminal cases; to the Committee on the Judiciary.

Also, a bill (H. R. 5799) to declare that a citizen of the United States who votes in a political election in a foreign state loses his citizenship; to the Committee on Immigration and Naturalization.

By Mr. FISH: A bill (H. R. 5800) to provide $250,000 for the national memorial construction program of the Veterans' Memorial Grove Association of Orange County, N. Y.; to the Committee on Military Affairs.

Also, a bill (H. R. 5801) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. LEA of California: A bill (H. R. 5802) to amend section 601 of the Revenue Act of 1932, as amended, to provide for an excise tax on eggs and egg products; to the Committee on Ways and Means.

By Mr. LUNDEEN: A bill (H. R. 5803) to provide compensation to veterans of the Spanish-American War (including the Philippine Insurrection and the China Relief Expedition), the Civil War, and the Indian wars for injuries or aggravations of injuries received as the result of hospitalization or medical or surgical examination or treatment; to the Committee on Pensions.

By Mr. SIROVICH: A bill (H. R. 5804) to exempt certain aliens from quota; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 5805) to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925; to the Committee on Patents.

Also, a bill (H. R. 5806) to effectuate certain provisions of the International Convention for the Protection of Industrial Property as revised at The Hague on November 6, 1925; to the Committee on Patents.

By Mr. WALLGREN: A bill (H. R. 5807) to promote the general welfare of the United States in a comprehensive plan to control the destructive floods on various rivers in the State of Washington, to conserve the soil from erosion, and to relieve unemployment among the people by the utilization of projects for the development of rivers and harbors; to the Committee on Flood Control.

By Mr. WILCOX: A bill (H. R. 5808) authorizing and directing the Secretary of the Department of the Interior to convey all the right, title, and interest of the United States in and to certain portions of the National Park Service Reservation of Fort Marion in the city of St. Augustine, Fla.; to the Committee on the Public Lands.

By Mr. DIRKSEN: A bill (H. R. 5809) to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GRANFIELD: A bill (H. R. 5810) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. DIES: Resolution (H. Res. 113) for the consideration of S. 1190; to the Committee on Rules.

By Mr. SIROVICH: Resolution (H. Res. 114) to investigate recent sea disasters to determine the responsibility therefor, to investigate limited-liability laws, and for other purposes connected with the complementing and operation of vessels engaged in merchant marine service; to the Committee on Rules.

By Mr. BINDERUP: Resolution (H. Res. 118) to honor John Philip Sousa by designating the Stars and Stripes Forever the national march; to the Committee on the Judiciary.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, petitioning Congress to enact legislation to prevent further erosion to Niagara Falls; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS: A bill (H. R. 5811) for the relief of Michael A. McHugh; to the Committee on Claims.

By Mr. BUCK: A bill (H. R. 5812) to authorize a preliminary examination and survey of Old River, Calif.; to the Committee on Rivers and Harbors.

By Mr. CALDWELL: A bill (H. R. 5813) to retire Walter L. Rosasco with the rank of second lieutenant, Air Corps, United States Army; to the Committee on Military Affairs.

By Mr. COLE of New York: A bill (H. R. 5814) to extend the benefits of the Federal Employees' Compensation Act, approved September 7, 1916, as amended, to LaVantia H. Simmons; to the Committee on the Civil Service.

By Mr. DUNCAN: A bill (H. R. 5815) for the relief of Bruce Bros. Grain Co.; to the Committee on Claims.

By Mr. EATON: A bill (H. R. 5816) to provide an appropriation for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosion at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 5817) for the relief of Francis G. Bishop; to the Committee on Military Affairs.

Also, a bill (H. R. 5818) granting a pension to Frank T. Douglas, alias Lewis Calhoun; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 5819) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel; to the Committee on Claims.

Also, a bill (H. R. 5820) granting a pension to Mary V. Gesner; to the Committee on Pensions.

By Mr. GINGERY: A bill (H. R. 5821) granting an increase of pension to Alice Paul; to the Committee on Invalid Pensions.

By Mr. GRANFIELD: A bill (H. R. 5822) to restore to the active list of the Marine Corps the name of Albert Hamilton; to the Committee on Naval Affairs.

By Mr. HOEPPEL: A bill (H. R. 5823) granting a pension to Eleanor A. Warren; to the Committee on Invalid Pensions.

By Mr. IMHOFF: A bill (H. R. 5824) for the relief of Charles C. Floyd; to the Committee on Military Affairs.

By Mrs. KAHN: A bill (H. R. 5825) for the relief of Charles B. de Crevecoeur; to the Committee on Military Affairs.

By Mr. KVALE: A bill (H. R. 5826) for the relief of the Mississippi Barge Corporation; to the Committee on Claims.

By Mr. McANDREWS: A bill (H. R. 5827) for the relief of Dorothy Wyhowski; to the Committee on Claims.

By Mr. ROGERS of New Hampshire: A bill (H. R. 5828) granting a pension to Joseph Dion; to the Committee on Pensions.

Also, a bill (H. R. 5829) for the relief of Daniel J. Hagerty; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 5830) granting a pension to Harry E. Duffield; to the Committee on Invalid Pensions.

By Mr. SANDLIN: A bill (H. R. 5831) for the relief of retired officers who have reached the grade of colonel; to the Committee on Military Affairs.

By Mr. STEFAN: A bill (H. R. 5832) granting a pension to Flavia F. Kile; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 5833) granting a pension to Carrie Stidham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5834) granting a pension to Mima Turner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5835) granting a pension to Dicey Terry; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 5836) granting a pension to Ella Presley; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 5837) granting a pension to Leona J. Strickland; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 5838) to place David J. Fitzgerald on the retired list of the United States Army as a first lieutenant; to the Committee on Military Affairs.

By Mr. COCHRAN: Joint resolution (H. J. Res. 171) to authorize the presentation of a Distinguished Flying Cross to each of the 12 Army Air Corps officer pilots of Army flight to San Juan, P. R., and return, and for other purposes; to the Committee on Military Affairs.

By Mr. DOCKWEILER: Joint resolution (H. J. Res. 172) authorizing a preliminary examination or survey of Redondo Beach Harbor, Calif.; to the Committee on Rivers and Harbors.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1264. By Mr. ROGERS of Oklahoma: Petitions of certain citizens resident of the State of Mississippi in the counties of Alcorn, Bolivar, Chickasaw, Clarke, Clay, Coahoma, De Soto, Franklin, Greene, Grenada, Hancock, Hinds, Jones, Kemper, Lauderdale, Lee, Leflore, Lowndes, Madison, Marion, Montgomery, Monroe, Neshoba, Newton, Panola, Pearl River, Pike, Pontotoc, Rankin, Scott, Simpson, Smith, Stone, Tallahatchie, Tippah, Tunica, Union, Wayne, and Yazoo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1265. Also, petitions of certain citizens resident of the State of South Carolina in the counties of Aiken, Cherokee, Dorchester, Edgefield, Greenville, Lexington, and Union, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1266. Also, petitions of certain citizens resident of the State of Indiana in the counties of Clarke, Jackson, Lake, and Marion, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1267. Also, petitions of certain citizens resident of the State of Iowa in the counties of Clinton and Polk, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1268. Also, petition of certain citizens resident of the State of Maryland in the county of Washington, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1269. Also, petition of certain citizens resident of the State of Minnesota in the county of Winona, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1270. Also, petition of certain citizens resident of the State of Arizona in the county of Coconino, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1271. Also, petition of certain citizens resident of the State of South Dakota in the county of Minnehaha, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1272. Also, petition of Ada Betts and 34 other citizens and residents of Chickasaw County, Miss., urging the enactment of House bill 2856 embracing a Federal system of old-age pension; to the Committee on Ways and Means.

1273. Also, petition of W. C. Leinart and 12 other citizens and residents of Anderson County, Tenn., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1274. Also, petition of J. H. Wadlow and 14 other citizens and residents of Payne County, Okla., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1275. Also, petitions of certain citizens resident of the State of Georgia in the counties of Clarke, Decatur, Emanuel, Franklin, Laurens, Madison, Muscogee, Richmond, Stephens, Tift, Talbot, Upson, Worth, and Walton, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1276. Also, petitions of certain citizens resident of the State of Louisiana in the counties of Bienville, Claiborne, Caddo, De Soto, Dodson, East Baton Rouge, Iberville, Lincoln, Madison, Natchitoches, Orleans, Ouachita, Red River, Richland, St. Tammany, St. John the Baptist, Vernon, Webster, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1277. Also, petitions of certain citizens resident of the State of Oklahoma in the counties of Atoka, Bryan, Haskell, Hughes, Le Flore, McCurtain, Muskogee, Ottawa, Osage, and Tulsa, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1278. Also, petitions of certain citizens resident of the State of Tennessee in the counties of Anderson, Bradley, Benton, Bedford, Chester, Cheatham, Carter, Crockett, Davidson, Dyer, De Kalb, Fayette, Franklin, Gibson, Giles, Haywood, Henderson, Hawkins, Knox, Lawrence, Lincoln, Lewis, Lauderdale, Morgan, Montgomery, Meigs, Madison, Marion, Obion, Rhone, Smith, Shelby, Tipton, Weakley, and White, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1279. Also, petitions of certain citizens resident of the State of Alabama in the counties of Autauga, Bibb, Calhoun, Cherokee, Chilton, Clarke, Colbert, Covington, Dallas, De Kalb, Escambia, Fayette, Franklin, Hale, Houston, Jackson, Jefferson, Lamar, Lawrence, Lauderdale, Lee, Limestone, Madison, Marion, Mobile, Morgan, Perry, Pickens, Pike, Randolph, Russell, Tuscaloosa, Walker, and Winston, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1280. Also, petitions of certain citizens resident of the State of Florida in the counties of Escambia, Jackson, Polk, Santa Rosa, Suwanee, and Sumter, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over

55, independent of State participation; to the Committee on Ways and Means.

1281. Also, petitions of certain citizens resident of the State of Texas in the counties of Bowie, Crosby, Dallas, Garza, Gregg, Grayson, Hunt, Hardeman, Jones, Lubbock, Morris, Robertson, Sabine, Shelby, Stephens, Travis, and Williamson, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1282. Also, petitions of certain citizens resident of the State of Virginia in the counties of Bedford, Brunswick, Floyd, Halifax, Scott, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1283. Also, petitions of certain citizens resident of the State of Kansas in the counties of Bourbon, Franklin, Montgomery, Morton, Wyandotte, and Wilson, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1284. Also, petitions of certain citizens resident of the State of Kentucky in the counties of Butler, Caldwell, Calloway, Christian, Fulton, Grant, Hopkins, Henderson, Jefferson, Logan, Lyon, Martin, and McCracken, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1285. Also, petitions of certain citizens resident of the State of West Virginia in the counties of Boone, Cabell, Grant, Harrison, Monongalia, Mercer, McDowell, Mingo, Raleigh, and Taylor, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1286. Also, petitions of certain citizens resident of the State of North Carolina in the counties of Chatham, Cabarrus, Gaston, Haywood, Lincoln, Mitchell, Rockingham, Robeson, and Wilkes, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1287. Also, petitions of certain citizens resident of the State of Illinois in the counties of Champaign, Cook, Gallatin, Hamilton, Madison, Marion, Massac, St. Clair, Stephenson, Warren, White, Williamson, and Zion, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1288. Also, petitions of certain citizens resident of the State of Arkansas in the counties of Arkansas, Clark, Clay, Calhoun, Crittenden, Craighead, Desha, Faulkner, Greene, Garland, Hempstead, Jefferson, Lincoln, Lee, Mississippi, Phillips, Pulaski, Pope, Poinsett, St. Francis, Sevier, Sebastian, and Wynne, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1289. Also, petitions of certain citizens resident of the State of Missouri in the counties of Cooper, Grundy, Jefferson, Pemiscot, Randolph, St. Louis, Scott, Stoddard, Ste. Genevieve, St. Charles, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1290. Also, petitions of certain citizens resident of the State of Georgia in the counties of Bartow, Cherokee, Chatham, Clark, Colquitt, Dodge, Early, Emanuel, Evans, Floyd, Fulton, Gilmer, Green, Hancock, Haralson, Harris, Muscogee, Richmond, Rabun, Sumter, Talbot, and Troup, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1291. Also, petitions of certain citizens resident of the State of Arkansas in the counties of Arkansas, Atkins, Baxter, Calhoun, Chicot, Clark, Clay, Cleburne, Cleveland, Columbia, Craighead, Crawford, Crittenden, Cross, Desha, Drew, Faulkner, Fulton, Garland, Grant, Greene, Hempstead, Izard, Jackson, Jefferson, Lawrence, Lee, Lincoln, Logan, Lonoke, Monroe, Nevada, Perry, Phillip, Poinsett, Polk, Pulaski, Randolph, Scott, Searcy, Sebastian, St. Francis, Union, Washington, White, and Woodruff, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1292. Also, petitions of certain citizens resident of the State of Illinois in the counties of Carr, Cook, Fayette, Franklin, Jackson, Jersey, La Salle, Marion, Macon, Madison, Perry, Pulaski, Saline, and Union, all numerously signed, urging enactment of House bill 2826, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1293. Also, petitions of certain citizens resident of the State of Kentucky in the counties of Breckinridge, Butler, Carlisle, Carrollton, Christian, Crittenden, Daviess, Fulton, Graves, Henderson, Hickman, Hopkins, Jefferson, Logan, Lyon, Muhlenberg, McCracken, Simpson, Trimble, Todd, Union, and Webster, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1294. Also, petitions of certain citizens resident of the State of Kansas in the counties of Cowley, Cherokee, Greenwood, Johnson, Labette, Mongra, Montgomery, Miami, Sumner, Woodson, and Wyandotte, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1295. Also, petitions of certain citizens resident of the State of North Carolina in the counties of Columbus, Davie, New Hanover, Robeson, and Watauga, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1296. Also, petitions of certain citizens resident of the State of Missouri in the counties of Butler, Callaway, Dunklin, Howard, Henry, Jackson, New Madrid, Pemiscot, Reynolds, Stoddard, St. Louis, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over

55, independent of State participation; to the Committee on Ways and Means.

1297. Also, petitions of certain citizens resident of the State of Louisiana in the parishes of Acadia, Ascension, Allen, Bienville, Bossier, Beauregard, Calcasieu, Claiborne, Caddo, Caldwell, De Soto, Franklin, Jefferson, Livingston, Morehouse, Madison, Natchitoches, Orleans, Pointe Coupee, Red River, Richland, Sabine, St. John, St. Tammany, St. Mary, Tangipahoa, Winn, Webster, Washington, and West Baton Rouge, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1298. Also, petitions of certain citizens resident of the State of Iowa in the counties of Dubuque, Polk, Webster, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1299. Also, petitions of certain citizens resident of the State of West Virginia in the counties of Harrison, Lincoln, Logan, Mercer, Mineral, Monongalia, Wayne, and Wetzel, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1300. Also, petitions of certain citizens resident of the State of Pennsylvania in the counties of Fayette, Lawrence, and Philadelphia, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1301. Also, petitions of certain citizens resident of the State of Florida in the counties of Calhoun, Escambia, Gadsden, Henry, Hillsborough, Jackson, Leon, Liberty, Levy, and Monroe, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1302. Also, petitions of certain citizens resident of the State of California in the counties of Fresno and Los Angeles, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1303. Also, petition of certain citizens resident of the State of Washington in the county of Clark, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1304. Also, petition of certain citizens resident of the State of Indiana, in the counties of Posey and Lake, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1305. Also, petition of certain citizens resident of the State of Vermont, in the county of Orleans, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1306. Also, petition of certain citizens resident of the State of New Jersey, in the county of Essex, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1307. Also, petition of certain citizens resident of the District of Columbia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1308. Also, petitions of certain citizens resident of the State of South Dakota in the county of Minnehaha, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1309. Also, petitions of certain citizens resident of the State of New Mexico in the counties of Colfax, Guadalupe, Grant, Mora, Rio Arriba, and Taos, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1310. Also, petitions of certain citizens resident of the State of Virginia in the counties of Amherst, Alleghany, Cumberland, and Pittsylvania, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1311. Also, petitions of certain citizens resident of the State of Minnesota in the counties of Fillmore, Itasca, and Ramsey, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1312. Also, petitions of certain citizens resident of the State of Tennessee in the counties of Anderson, Bledsoe, Blount, Coffee, Cheatham, Carroll, Crockett, Chester, Davidson, Dyer, Decatur, Fayette, Giles, Gibson, Howard, Hardeman, Henry, Hamilton, Henderson, Jefferson, Jackson, Knox, Lincoln, Lake, Loudon, Lawrence, Lauderdale, Montgomery, Maury, Madison, McNairy, Putnam, Polk, Roane, Rutherford, Shelby, Scott, Stewart, Tipton, Van Buren, Weakley, Wayne, Warren, and White, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1313. Also, petitions of certain citizens resident of the State of Alabama in the counties of Autauga, Barbour, Bibb, Blount, Butler, Calhoun, Chambers, Chilton, Choctaw, Cullman, Conecuh, Covington, Dale, Dallas, De Kalb, Elmore, Escambia, Etowah, Fayette, Franklin, Hale, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Lee, Limestone, Madison, Mobile, Macon, Marengo, Marion, Marshall, Morgan, Pickens, Pike, Randolph, Sumter, Tuscaloosa, Tallapoosa, Shelby, St. Clair, Walker, Wilcox, and Winston, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1314. Also, petitions of certain citizens resident of the State of Mississippi in the counties of Alcorn, Amite, Adams, Boliver, Choctaw, Clarke, Carroll, Claiborne, Chickasaw, Coahoma, Covington, Clay, Copiah, De Soto, Franklin, Grenada, Greene, George, Holmes, Humphreys, Itawamba, Jones, Jackson, Kemper, Lee, Leake, Lowndes, Lafayette, Lauderdale, Lawrence, Lincoln, Marion, Montgomery, Monroe,

Madison, Noxubee, Neshoba, Panola, Pontotoc, Pearl River, Pike, Perry, Rankin, Smith, Saltillo, Union, Walthall, Wayne, Washington, and Yazoo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1315. Also, petitions of certain citizens resident of the State of Texas in the counties of Anderson, Angelina, Bastrop, Bexar, Bowie, Brown, Caldwell, Cass, Cherokee, Cisco, Collin, Comanche, Crockett, Dallas, De Witt, Ellis, Erath, Falls, Fannin, Fayette, Freestone, Galveston, Grayson, Grimes, Harrison, Henderson, Hopkins, Houston, Hunt, Jasper, Jefferson, Johnson, Kerr, Lamar, Lee, Leon, Madison, Marion, Mitchell, Nacogdoches, Newton, Palo Pinto, Panola, Rockwall, Runnels, Sabine, San Jacinto, San Saba, Shelby, Sutton, Titus, Trinity, Troup, Walker, Washington, Wheeler, and Whorton, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1316. Also, petitions of certain citizens resident of the State of Oklahoma in the counties of Alfalfa, Boswell, Carter, Haskell, Lincoln, Le Flore, Marshall, McCurtain, McClain, Okfuskee, Okmulgee, Ottawa, Osage, Pottawatomie, Pawnee, Pontotoc, Pittsburg, Pushmataha, Rogers, Stephens, Tulsa, Washington, and Wagoner, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1317. Also, petitions from 13 citizens and residents of Choctaw County, Okla., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1318. Also, petitions of certain citizens resident of the State of Arkansas in the counties of Ashley, Benton, Clark, Columbia, Desha, Faulkner, Greene, Hempstead, Lonoke, Logan, Miller, Ouachita, Phillips, Pulaski, and Union, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1319. Also, petitions of certain citizens resident of the State of Mississippi in the counties of Alcorn, Bolivar, Clay, Coahoma, De Soto, Greene, Holmes, Hinds, Humphreys, Jefferson, Lauderdale, Lafayette, Monroe, Madison, Noxubee, Newton, Oktibbeha, Quitman, Simpson, Union, Wilkinson, Washington, Yalobusha, and Yazoo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1320. Also, petitions of certain citizens resident of the State of Kentucky in the counties of Ballard, Crittenden, Henry, Jefferson, Livingston, Lyon, McCracken, and Union, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1321. Also, petitions of certain citizens resident of the State of Illinois in the counties of Gallatin, St. Clair, and Will, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1322. Also, petitions of certain citizens resident of the State of South Carolina in the counties of Beaufort, Charleston, Greenville, Lancaster, Richland, and Sumter, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1323. Also, petitions of certain citizens resident of the State of Virginia in the counties of Buchanan, Culpeper, Charlotte, Halifax, and Roanoke, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1324. Also, petitions of certain citizens resident of the State of Oklahoma in the counties of Caddo, Canadian, McIntosh, McCurtain, Okmulgee, Okfuskee, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1325. Also, petitions of certain citizens resident of the State of North Carolina in the counties of Bladen, Columbus, Carteret, Guilford, Gaston, Harnett, and Wayne, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1326. Also, petitions of certain citizens resident of the State of Tennessee in the counties of Carroll, Davidson, Franklin, Gibson, Hickman, Henderson, Haywood, Henry, Madison, Shelby, Sullivan, and Tipton, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1327. Also, petitions of certain citizens resident of the State of Kansas in the counties of Hodgeman, Morton, Sumner, and Wyandotte, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1328. Also, petitions of certain citizens resident of the State of West Virginia in the counties of Brooke, Fayette, Mercer, and Marshall, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1329. Also, petition of certain citizens resident of the State of Iowa in the county of Polk, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1330. Also, petition of certain citizens resident of the State of Maryland in the county of Washington, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1331. Also, petition of certain citizens resident of the State of Georgia in the county of Muscogee, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1332. Also, petition of certain citizens resident of the State of New Jersey in the county of Passaic, numerously signed,

urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1333. Also, petitions of certain citizens resident of the State of Colorado in the counties of Chaffee and Saguache, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1334. Also, petition of certain citizens resident of the State of Pennsylvania in the county of Fayette, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1335. Also, petition of certain citizens resident of the State of Wisconsin in the county of Chippewa, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1336. Also, petition of certain citizens resident of the State of Florida in the county of Franklin, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1337. Also, petitions of certain citizens resident of the State of Missouri in the counties of Pemiscot and St. Louis, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1338. Also, petitions of certain citizens resident of the State of Texas in the counties of Anderson, Bowie, Camp, Cass, Childress, Erath, Fort Bend, Grimes, Gonzales, Houston, Hardin, Hutchinson, Jefferson, Liberty, Lubbock, Morris, Newton, Panola, Polk, Robertson, Rusk, San Augustine, Sabine, Smith, Shelby, Tarrant, Titus, Tyler, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1339. Also, petitions of certain citizens resident of the State of New Mexico in the counties of Grant, Mora, Rio Arriba, and Taos, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1340. Also, petitions of certain citizens resident of the State of Louisiana in the parishes of Allen, Caldwell, Caddo, De Soto, East Carroll, Grant, Iberville, La Salle, Morehouse, Natchitoches, Tangipahoa, Vernon, and West Feliciana, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1341. Also, petitions of certain citizens resident of the State of Alabama in the counties of Choctaw, Chambers, Covington, Chilton, Elmore, Franklin, Hale, Jefferson, Pickens, Pike, Perry, and Wilcox, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1342. By Mr. ANDREWS of New York: Memorial of the Senate of New York State, favoring enactment of social-securities bills introduced in the Senate of the United States by Senator WAGNER; to the Committee on Ways and Means.

1343. Also, memorial of the Senate of the State of New York, requesting that the Department of Agriculture make available to the several drought-stricken counties of western and northern New York sufficient hay and other roughage so that the farmers of such counties may maintain their herds through the winter; to the Committee on Agriculture.

1344. Also, memorial from the Senate of New York State, requesting Congress to enact legislation which would permit remedial work to be done to enhance and preserve the scenic beauty of Niagara Falls against further erosion; to the Committee on Rivers and Harbors.

1345. Also, resolution adopted by the Polish National Alliance, of North Tonawanda, N. Y., favoring enactment of legislation setting forth October 11 as a day to commemorate the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

1346. Also, resolution adopted by the Erie County League of Women Voters of New York State, urging favorable consideration of a Federal project to build a sewage-disposal system for the Niagara frontier; to the Committee on Appropriations.

1347. By Mr. BOEHNE: Resolution of Indiana General Assembly, memorializing the Congress of the United States to pass, and the President of the United States to approve if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

1348. By Mr. BROWN of Michigan: Petition of citizens of Menominee County, Mich., urging the Congress to enact into law the Frazier-Lemke farm-refinancing bill; to the Committee on Agriculture.

1349. By Mr. BRUNNER: Petition of the New York State Legislature, asking Congress to enact legislation that would provide for the preservation of the beauty of Niagara Falls; to the Committee on Rivers and Harbors.

1350. By Mr. BUCKBEE: Petition of Rockford (Ill.) Chamber of Commerce, calling upon Congress to take steps to curb the constant propaganda for communistic principles, and to place certain additional restrictions upon immigration; to the Committee on Immigration and Naturalization.

1351. Also, petition of the president and officers of Group 1494, Polish National Alliance, of Peru, Ill., asking Congress to enact House Joint Resolution 81 for the designation of October 11 as General Pulaski's Memorial Day; to the Committee on the Judiciary.

1352. By Mr. BUCKLER of Minnesota: Petition of W. E. Nelson, president, and Ross Clarno, secretary, of the Townsend Old Age Revolving Pension Club, of Parkers Prairie, Minn., praying for passage into law the Townsend old-age-pension plan; to the Committee on Ways and Means.

1353. Also, petition of Ruby DeVries, secretary of Pleasant Valley Parent-Teacher Association of Puposky, Minn., and vicinity, praying for passage of Federal legislation giving aid to common and consolidated schools on a basis of need; to the Committee on Ways and Means.

1354. By Mr. CRAVENS: Petition of members of Hartford Valley Post of the American Legion, Hartford, Ark., requesting passage of the Vinson bill providing for payment of adjusted-service certificates; to the Committee on Ways and Means.

1355. By Mr. CULKIN: Petition from the Senate of the State of New York, favoring legislation that will tend to preserve the scenic beauty of Niagara Falls; to the Committee on Ways and Means.

1356. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, relating to emergency-relief appropriations; to the Committee on Appropriations.

1357. By Mr. DOBBINS: Petition of the City Council of the City of Sacramento, Calif., asking Congress to remove restrictions that would prevent the present air-mail carrier

on the western coastwise line from continuing in that service while holding a transcontinental air-mail contract; to the Committee on the Post Office and Post Roads.

1358. Also, resolution of the Illinois House of Representatives, importuning Congress to enact the Wagner-Costigan antilynching bill or the bill offered by Representative ARTHUR MITCHELL, of Illinois, as a means for the abatement of the lynching evil; to the Committee on the Judiciary.

1359. By Mr. DELANEY: Petition of the Hospital of the Holy Family, of Brooklyn, N. Y., urging favorable legislation to continue the existing system of relief for the sick by voluntary and charitable hospitals; to the Committee on Appropriations.

1360. By Mr. GOODWIN: Petition of the New York State Legislature, urging Congress to enact legislation for the protection and conservation of Niagara Falls and other similar scenic wonders; to the Committee on Irrigation and Reclamation.

1361. By Mr. HALLECK: Petition of World War veterans of Monon and vicinity, in the State of Indiana, urging enactment of the legislative program proposed by the American Legion; to the Committee on Military Affairs.

1362. By Mr. HOLMES: Petition of the General Court of Massachusetts in behalf of the fishing industry of Massachusetts; to the Committee on Banking and Currency.

1363. By Mr. JOHNSON of Texas: Memorial of the American Society for the Prevention of Cruelty to Animals, New York City, favoring House bill 2798, restoring 2-cent postage on first-class mail; to the Committee on Ways and Means.

1364. Also, memorial of Herschel P. McCown, of Kerens, Tex., favoring Senate bill 564; to the Committee on the Civil Service.

1365. By Mr. KVALE: Resolution of the House of Representatives of the Legislature of the State of Minnesota, urging early development of the Great Lakes-St. Lawrence deep waterway; to the Committee on Rivers and Harbors.

1366. Also, resolution of the House of Representatives of the Legislature of the State of Minnesota, memorializing the Congress to enact legislation to protect American industry and the employees thereof against cheap foreign labor and products; to the Committee on Ways and Means.

1367. Also, resolution of the Northwest Shippers Advisory Board, Minneapolis, Minn., recommending Federal regulation of rates, service, and general conduct of business for all motor vehicles moving in interstate commerce; to the Committee on Interstate and Foreign Commerce.

1368. Also, resolution of the Northwest Shippers Advisory Board, Minneapolis, Minn., recommending the elimination of the long-and-short haul clause of the fourth section of the Interstate Commerce Act; also that the Interstate Commerce Commission be given the power to regulate and prescribe the rates through the Panama Canal; to the Committee on Interstate and Foreign Commerce.

1369. Also, resolution of the Northwest Shippers Advisory Board, Minneapolis, Minn., opposing Government ownership of railroads, the 6-hour day as applying to railroads and industries, the full-crew bill, and the limited-train-length bill; to the Committee on Interstate and Foreign Commerce.

1370. By Mr. LUCAS: Petition of Mary Hollycraft and 18 citizens of White Hall, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1371. Also, petition of Horatio Black and 19 citizens of Jacksonville, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1372. Also, petition of Ollie Lindsay and 15 citizens of Grafton, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1373. Also, petition of Mabel Pierce and 20 citizens of Pike County, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1374. Also, petition of Mary L. Heck and 129 citizens of Pike County, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1375. Also, petition of George Beer and eight citizens of Calhoun County, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1376. Also, petition of Fred Newinghaus and 54 citizens of Greene County, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1377. Also, petition of George Thisl and 21 citizens of Jersey County, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1378. Also, petition of Wm. W. Davenport and 45 citizens of Athens, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1379. Also, petition of Charles Livingston and 18 citizens of Macon County, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1380. Also, petition of James Andrews and eight citizens of Fieldon, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1381. Also, resolution of the Matheny Parent-Teacher Association, of the city of Springfield and State of Illinois, relating to the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

1382. Also, petition of Philip R. Glotfelty, Jr., and 37 citizens of Grafton, Ill., endorsing old-age-pension legislation; to the Committee on Ways and Means.

1383. Also, resolution of Harry H. Koch, W. E. Overton, and James Landes, Board of County Commissioners of Scott County, Ill., relating to method of administering relief; to the Committee on Ways and Means.

1384. By Mr. LUCKEY: Petition of the Nebraska State Senate, requesting the Federal Government to acquire, set aside, preserve, and maintain as a national park a tract of land in Knox County, Nebr., locally known as the "Devils Nest"; to the Committee on the Public Lands.

1385. By Mr. LUNDEEN: Petition of Common Council of the City of Duluth, Minn., urging Congress to pass the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

1386. Also, petition of the Minnesota State Legislature, urging the Congress of the United States to pass the General Pulaski Memorial Day resolution, now pending, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

1387. Also, petition of the Minnesota Farm Bureau Federation, St. Paul, Minn., urging that an import excise tax be placed on dried and frozen eggs for the protection of the American farmer; to the Committee on Ways and Means.

1388. Also, petition of Land O'Lakes Creameries, Minneapolis, Minn., urging that an import excise tax be placed on dried and frozen eggs for the protection of the American farmer; to the Committee on Ways and Means.

1389. Also, petition of Phoenix Junior Chamber of Commerce, Phoenix, Ariz., endorsed by the Stillwater Junior Chamber of Commerce, Stillwater, Minn., urging the reenactment of the present excise tax on copper; to the Committee on Ways and Means.

1390. By Mr. MOTT: Petition signed by 30 citizens of Lane County, Oreg., urging enactment of the Townsend old-age-pension plan; to the Committee on Ways and Means.

1391. Also, petition signed by 87 citizens of Douglas County, Oreg., urging enactment of the Townsend old-age-pension plan; to the Committee on Ways and Means.

1392. By Mr. McLAUGHLIN: Petition requesting the Federal Government to acquire, set aside, preserve, and maintain as a national park, a tract of land in Knox County, Nebr., locally known as the "Devil's Nest"; to the Committee on the Public Lands.

1393. Also, petition memorializing the Congress of the United States to pass, and the President of the United States to approve if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

1394. Also, petition memorializing the Congress of the United States to acquire the Daniel Freeman farm in Gage County, Nebr., for the purpose of establishing it as a national monument to mark the filing of homestead no. 1 of the United States, and to commemorate the development of the agricultural empire of the West; to the Committee on the Public Lands.

1395. Also, petition memorializing the Congress of the United States of America to enact remedial legislation for refinancing of farm mortgages; to the Committee on Banking and Currency.

1396. Also, petition memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, especially legislation on motor-vehicle fuels to contain grain alcohol; to the Committee on Agriculture.

1397. By Mr. PFEIFER: Petition of New York State Congress of Parents and Teachers, Inc., Batavia, N. Y., urging the Department of the Interior to establish a national film institute to encourage the production, distribution, and exhibition of motion pictures for visual education, suitable entertainment, etc.; to the Committee on Education.

1398. Also, Concurrent Resolution No. 42, Senate of the State of New York, Albany, concerning the preservation of Niagara Falls; to the Committee on Rivers and Harbors.

1399. By Mr. RUDD: Petition of the Senate of the Legislature of the State of New York, concerning the preservation of Niagara Falls; to the Committee on Rivers and Harbors.

1400. By Mr. SADOWSKI: Petition of Group 855 of the Polish National Alliance, memorializing Congress to enact a resolution directing the President of the United States to proclaim October 11 of each year General Pulaski Memorial Day; to the Committee on the Judiciary.

1401. By Mr. TARVER: Petitions of J. C. Payne and 28 citizens of Polk County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

1402. Also, petition of certain citizens resident of the county of Floyd in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1403. Also, petition of certain citizens resident of the county of Haralson in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1404. By Mr. TERRY: Petitions concerning old-age pensions; to the Committee on Ways and Means.

1405. By Mr. THOMASON: Petition of residents of Midland County, Tex., endorsing the Townsend plan of old-age-pension legislation; to the Committee on Ways and Means.

1406. Also, petition of residents of El Paso County, urging support of House bill 3263, amending the long and short haul clause of section 4 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1407. Also, petition of residents of El Paso County, Tex., endorsing the Townsend plan of old-age-pension legislation; to the Committee on Ways and Means.

1408. By Mr. TREADWAY: Resolution adopted by Group No. 2734, Polish National Alliance of the United States of North America, Westfield, Mass., urging the designation of October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

1409. By Mr. TRUAX: Petition of members of the Townsend Club of Steilacoom, Wash., by their secretary, Alice B. Campbell, urging the immediate enactment into law of the Townsend old-age-pension plan; to the Committee on Ways and Means.

1410. Also, petition of the Akron Junior Chamber of Commerce, by their president, Ralph C. Gross, Akron, Ohio, endorsing the present excise tax on copper and determining that it is urgently necessary for Congress to reenact this tax; to the Committee on Ways and Means.

1411. Also, petition of St. Joseph Society, by their president, Emanuel Hejia, Cleveland, Ohio, endorsing the workers' bill (H. R. 2827); to the Committee on Labor.

1412. Also, petition of Independent Merchants Association, Bohemian National Home, by their president, J. J. Vanecek, Cleveland, Ohio, endorsing the workers bill (H. R. 2827); to the Committee on Labor.

1413. Also, petition of Columbiana County Council of American Legion, East Liverpool, Ohio, by their adjutant, George C. Grafto, urging the enactment of legislation for the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

1414. Also, petition of the Unemployment Council, Cleveland, Ohio, by their secretary, A. Glick, demanding the enactment of a Federal system of genuine unemployment insurance as contained in the Workers' Act (H. R. 2827), in order that their future and the future of all workers, farmers, professionals, and other unemployed and their dependents may be more secure; to the Committee on Labor.

1415. By Mr. ROGERS of New Hampshire: Memorial of Group No. 874 of the Manchester (N. H.) Polish National Alliance of the United States of America, favoring the enactment of House Joint Resolution 81 relative to General Pulaski's Memorial Day; to the Committee on the Judiciary.

1416. By Mr. STEFAN: Resolution of the Nebraska State Senate, memorializing the Congress of the United States to acquire the Daniel Freeman farm in Gage County, Nebr., for the purpose of establishing it as a national monument to mark the filing of homestead no. 1 of the United States and to commemorate the development of the agricultural empire of the West; to the Committee on the Public Lands.

1417. Also, resolution of Nebraska House of Representatives, memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, and especially legislation on motor-vehicle fuels, to contain grain alcohol; to the Committee on Agriculture.

1418. By Mr. WEAVER: Petition of various citizens of the Eleventh Congressional District of North Carolina, asking for the enactment of House bill 2856; to the Committee on Ways and Means.

1419. By Mr. MARTIN of Massachusetts: Petition of Group No. 1054 of the Polish National Alliance of Taunton, Mass., urging the enactment of House Joint Resolution 81, for the observance of the anniversary of the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

SENATE

MONDAY, FEBRUARY 18, 1935

(Legislative day of Friday, Feb. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the Journal of the proceedings of the calendar day Friday, February 15, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 240. An act for the relief of Capt. Alexander C. Doyle;

H. R. 330. An act for the relief of Sophie de Sota;

H. R. 340. An act for the relief of Louis Zagata;

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 529. An act granting compensation to George S. Conway, Jr.;

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 593. An act for the relief of Fred C. Blenkner;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 1073. An act for the relief of John F. Hatfield;

H. R. 1119. An act for the relief of Joseph W. Harley;

H. R. 1438. An act for the relief of Carrie McIntyre;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 1575. An act to correct the military record of John S. Cannell, deceased;

H. R. 1951. An act for the relief of John J. O'Connor;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 3128. An act for the relief of Rossetta Laws;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 2480. An act for the relief of Charles Davis;

H. R. 2485. An act for the relief of William Estes;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States Military Reservation at Fort Lewis, Wash.;

H. R. 3373. An act for the relief of Anna S. Carrigan;

H. R. 3558. An act for the relief of Capt. Walter S. Bramble;

H. R. 3721. An act for the relief of Angelo J. Gillotti; and

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as "Carl Lindo".

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Costigan	King	Reynolds
Austin	Couzens	La Follette	Robinson
Bachman	Cutting	Lewis	Russell
Bailey	Davis	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norbeck	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	

Mr. ROBINSON. I announce that the junior Senator from Louisiana [Mr. OVERTON] is absent because of illness, that the Senator from New York [Mr. COPELAND] is absent because of illness in his family, and that the Senator from Connecticut [Mr. MALONEY] and the senior Senator from Louisiana [Mr. LONG] are unavoidably detained from the Senate.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

YELLOWSTONE RIVER COMPACT BETWEEN WYOMING AND MONTANA (S. DOC. NO. 20)

The VICE PRESIDENT laid before the Senate a letter from William A. Lamb, commissioner for the United States, Yellowstone River compact between the States of Wyoming and Montana, reporting, pursuant to law, that on the 6th day of February 1935, at Cheyenne, Wyo., the commissioners of the States of Montana and Wyoming and the commissioner representing the United States entered into a compact of agreement for the division of the waters of the Yellowstone River, which, with the accompanying copy of compact, was referred to the Committee on Irrigation and Reclamation and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the General Court of Massachusetts, memorializing Congress to enact legislation for the relief of the cotton and textile manufacturing industry from the burden imposed upon it by the cotton processing tax, which was referred to the Committee on Agriculture and Forestry.

(See resolutions printed in full when presented today by Mr. WALSH, p. 2063.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Idaho, favoring the prompt enactment of legislation remonetizing silver at the ratio of 16 to 1, which was referred to the Committee on Banking and Currency.

(See joint memorial printed in full when presented today by Mr. POPE, p. 2062.)

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, and especially legislation on motor-vehicle fuels to contain grain alcohol

Whereas agriculture is the basic industry of this country and the prosperity of the entire United States of America is dependent upon the prosperity of the agricultural regions; and

Whereas reduction programs limit the amount of work to be done and the amount of equipment needed and is thus disadvantageous to labor; and

Whereas the sounder bases to prosperity is to increase the demands for agricultural products by adoption of legislation carrying into effect such purposes: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled—

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to promote, initiate, and support any legislation that will increase the demand for agricultural products, and especially to promote, initiate, and support any legislation for the purpose of requiring all motor-vehicle fuels to contain grain alcohol in the percentage shown to produce a sufficient fuel. That the chief clerk of this house is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, to the Vice President as Presiding Officer of the United States Senate, to the Speaker of the House of Representatives of the United States, and to the United States Senators and Congressmen representing the State of Nebraska in the Congress, to the end that our Representatives in Washington may have our views upon this important subject.

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

House Resolution A–2

TWENTY-FOURTH LEGISLATIVE ASSEMBLY,
OF THE STATE OF NORTH DAKOTA,

Memorial to our President and Congress

Be it resolved by the House of Representatives of the State of North Dakota (the Senate concurring), That—

Whereas there are a number of so-called "farm-relief bills" pending in the present Congress, most of which bills are just make-believe farm relief, and mere gestures, and intended to deceive and mislead the farmers of this Nation; and

Whereas there is now pending and has been pending before the present Congress a real farm-relief bill known as the "Frazier-Lemke United States Senate bill 212", which provides that the United States Government shall refinance the existing farm indebtedness at 1½-percent interest and 1½-percent principal on the amortization plan, not by issuing bonds, but by issuing Federal Reserve notes, secured by first mortgages on farms—the best security on earth—better than foreign bonds, and far better than the security put up for Federal Reserve notes by the Federal Reserve Board; and

Whereas two or three billion dollars used as a revolving fund will be sufficient to refinance the nine and one-half billion dollars of farm indebtedness, and the Government will make $6,345,000,000, gross profit at 1½-percent interest, in 47 years; and

Whereas, if this bill is passed, it will put from two to three billion dollars new money in circulation among the people; it will loosen the frozen assets of the Nation; the unemployed will again be able to get work and eat; the price of agricultural products will go up; the starving of millions will end, and business will again be general; and

Whereas there is also pending before the present Congress a real cost-of-production bill, agreed to a year ago by three great farm organizations—the Farmers Union, the Farm Bureau, and the Grange—which bill is known as the "McNary bill", in the Senate, and which provides for the cost of production of that part of American agriculture consumed or used within the United States; and

Whereas this bill is far superior to the so-called "Jones bill" in that it is not loaded down with cumbersome and expensive machinery and limited to only part of the agricultural products;

Now, therefore, the Legislature of North Dakota respectfully petitions the Honorable Franklin D. Roosevelt, our President, in whose ability and wisdom we have unbounded faith, to carefully consider the Frazier-Lemke bill and the McNary bill, above referred to, which we believe are far superior to any measures so far introduced in Congress or discussed in public, and which we believe will put an end to this depression that has all but wrecked this Nation; and be it further

Resolved, That we respectfully request the next Congress to give careful consideration to these two bills and to pass them without further delay. This, we believe, was the mandate of the people of this Nation in the last election.

The Frazier-Lemke bill has the endorsement of 20 or more State legislatures, including Montana, North Dakota, South Dakota, Minnesota, Wisconsin, Illinois, and Nevada, and if passed, together with the McNary bill, will give sure and certain relief immediately to agriculture and the wheels of industry will start again, the depression will end, and the confidence of the people in this Nation will again be restored; and be it further

Resolved, That a copy of this resolution be forwarded to President Franklin D. Roosevelt, the President of the United States Senate, the Speaker of the United States House of Representatives, the Honorable Henry A. Wallace, Secretary of Agriculture, Congressmen WILLIAM LEMKE and USHER L. BURDICK, United States Senators LYNN J. FRAZIER and GERALD P. NYE.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNNELL,
Secretary of the Senate.

Dated February 7, 1935.
Filed February 13, 1935.

JAMES D. GRONNA,
Secretary of State.
CHARLES LEISSMAN,
Deputy.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution A–7

TWENTY-FOURTH LEGISLATIVE ASSEMBLY
OF THE STATE OF NORTH DAKOTA.

Federal feed supply

Whereas elaborate preparations were made by the United States Government to provide feed for stock in North Dakota, and to that end there has been concentrated in several of the cities of North Dakota a large supply of both hay and straw; and

Whereas it is now very apparent that a large amount of this hay and straw will be left to rot unless some provision is made for a more adequate and liberal system of distribution; and

Whereas owing to the severe cold weather a large amount of stock already has died from lack of feed and many thousand additional head are in such physicial condition that they will starve in the near future and result in a tremendous loss to the owners unless some immediate relief is furnished; and

Whereas it is certain that the Government is going to take a huge loss on the hay and straw piled up as above stated owing to the high price paid and the inability of our farmers to buy: Therefore be it

Resolved by the Legislative Assembly of the State of North Dakota, That this condition be brought to the attention of the President of the United States, the Congress of the United States, Federal, State, and local relief administrators, and they be urged to take immediate and definite steps to see that this situation is remedied; that the hay and straw now piled up be distributed to the farmers in need of it, and where it appears that the owners of stock are unable to purchase same it be distributed upon an equitable basis without charge; and be it further

Resolved, That the clerk is instructed to mail authenticated copies hereof to President Roosevelt, to the Vice President, to the Speaker of the House of Representatives, the Federal Relief Administrator in Washington, and the local Federal administrator.

WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.
A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNNELL,
Secretary of the Senate.

Filed in this office this 13th day of February 1935.

JAMES D. GRONNA,
Secretary of State.
By CHARLES LIESSMAN,
Deputy.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Banking and Currency:

A concurrent resolution memorializing Congress to enact a law whereby the States may use a part of the credit given to the United States in obtaining money to give employment to the unemployed and the carrying on of great public improvements without the high rate of interest being charged to obtain money

Whereas our country is in a very deplorable condition financially, and millions of our fellow citizens are unemployed and have not the opportunity to enter into employment in any gainful trade whereby they may obtain the mere means of existence; and

Whereas our Federal Government has unitized in it the credit of all the States, and under the Constitution is clothed with the power to coin money and issue currency; and

Whereas the great State of Texas, with a 6,000,000 population, is entitled to the enjoyment of a part of this credit, and has within her bounds tens of thousands of unemployed who are now suffering, and will continue to suffer, for the necessaries of life; and

Whereas the State of Texas has voted twenty million in bonds to give a measure of relief to these unemployed, and there is a great demand for more money, and the relief burden for these people is becoming too great for the State to continue to pay the high rate of interest on nontaxable bonds to the money lenders; and

Whereas the currency of this country has been monopolized by the national banks and the Federal Reserve bank under Federal law, and it is most difficult to obtain money without paying high interest and giving security of a kind that is hard to obtain; and

Whereas the State of Texas and all other sovereign States should enjoy the use of a part of the credit which they have delegated to the Federal Government in order that these States may have money for the erection of great necessary public improvements from which revenue may be obtained to repay the loans; and

Whereas there is still crying need for many public improvements to the end that the unemployed may be given work, and especially that the people may have the beneficial enjoyment of additional improvements of many kinds in the reclamation of lands, the building of highways, bridges, storing of flood waters, and many other things; and

Whereas the employment of the idle will place purchasing power in their hands, and there will then be a salutary demand for the products of stock raising, agriculture, and our industries; and

Whereas it is not necessary that the sovereign States should have to bear the burden of paying interest for money on their own credit by the issuance of bonds that bear high interest: Therefore be it

Resolved by the house of representatives (the senate concurring), That we do hereby memorialize the Congress of the United States of America to enact speedily a law whereby the different States may have the opportunity to borrow from the Federal Government and use money based on the bonds of each State, which bonds shall bear interest not exceeding 1 percent to pay for the accounting and printing of said currency, money for the building of roads and bridges, the reclamation of lands, conservation of soil, storing of flood waters, and various other necessary public improvements within their territory to the end that thousands of men may be given employment; and be it further

Resolved, That we petition the Congress of the United States to provide by law that such money may be paid back in from 30 to 40 years payable one-thirtieth to one-fortieth each year for the said period, to be paid out of the revenues of the public improvements to be erected. We further show the Congress of the United States that by this method we will have an enormous amount of interest, give employment to thousands of idle men, that is much needed, and obtain speedily these public improvements.

The chief clerk of the house of representatives, conferring with the secretary of the senate, are hereby directed to send certified copies of this memorial to each of the United States Senators and Congressmen from the State of Texas, one to the President of the United States, one to the Vice President, one to the Speaker of the United States House of Representatives.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Kansas, which was referred to the Committee on Claims:

House Resolution 19

A resolution memorializing Congress to enact House Resolution 2024 of Congress, providing for the payment of travel pay to certain Spanish-American War soldiers

Whereas during the Spanish-American War the troops who were serving in the Philippine Islands in 1899 were requested by the War Department to remain in service for an additional 6 months after the expiration of their enlistment period and until troops could be sent to replace them; and

Whereas these troops were promised by the officers in charge that if they would so remain during the period of such emergency then existing that they would be given regular travel pay of soldiers whose enlistment expired and reenlisted in the service of the United States as was authorized by section 15 of the Army bill then in force; and

Whereas these troops were held in service for said 6 months' period under such agreement and these troops were never paid such travel pay so promised; and

Whereas numerous citizens of the State of Kansas would be greatly benefited by such payment; and

Whereas House Resolution 2024 of the Federal Congress covering such payment has been recommended by the War Claims Committee for passage: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed House Resolution 2024 of the Federal Congress; and be it further

Resolved, That certified copies of this resolution, duly certified, be transmitted to the President of the Senate and the Speaker of the House of Representatives in Congress and to the Senators and Representatives in Congress from the State of Kansas, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Adopted February 8, 1935.

S. C. BLOSS,
Speaker of the House.
W. T. BISHOP,
Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Indiana, which was referred to the Committee on Commerce:

A concurrent resolution memorializing Congress to improve the Michigan City Harbor

Whereas a need and necessity exists for the improvement of the Michigan City Harbor and the improvement of the outer basin thereof as a harbor of refuge; and

Whereas such improvement would be of great benefit to the State of Indiana; and

Whereas the Michigan City harbor is in reality the only free port in the State of Indiana and has heretofore not received the attention and improvements to which it is entitled as Indiana's entrance to the sea: Be it

SECTION I. *Resolved by the House of Representatives of the General Assembly of the State of Indiana (the Senate concurring),* That the General Assembly of the State of Indiana hereby respectfully memorializes the Congress of the United States to enact suitable legislation to provide for the improvement of the Michigan City harbor and the outer basin;

SEC. II. That the General Assembly of the State of Indiana further hereby respectfully memorializes the War Department of the United States Government to improve the Michigan City Harbor and the outer basin thereof in accordance with plans and specifications now on file in the office of the said Board of Army Engineers and to cause said work to be done out of funds available for such purpose.

SEC. III. The clerk of the house is hereby instructed to send a copy of this resolution to the President of the United States, to the President of the Senate, and the Speaker of the House of Representatives of the Congress of the United States, to the Chairman of the Board of Army Engineers of the United States Government, and to each United States Senator and Member of Congress from Indiana.

M. T. KRUEGER, *Representative.*

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Finance:

Resolution

A joint resolution memorializing Congress to enact a law providing for the immediate cash payment of the adjusted-service certificates held by veterans of the World War

Whereas the Congress of the United States has heretofore enacted a law providing for the issuing of adjusted-service certificates to veterans of the World War, providing for payment of certain sums of money to each veteran, and pursuant to such law have issued such certificates, which are now held by millions of veterans of the World War; and

Whereas concerted effort is being made at this time, for ex-service men generally throughout the country, to urge the Congress of the United States to enact into law a bill providing for the immediate cash payment of such adjusted-service certificates; and

Whereas the immediate cash payment of the adjusted-service certificates will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation, and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions, and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government; and

Whereas, since the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis; and

Whereas the immediate cash payment at face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid, will be a most effective means to that end: Now, therefore, be it

Resolved by the Senate of the State of Minnesota and the House of Representatives of the State of Minnesota, That the Congress of the United States be, and it hereby most earnestly is, requested to enact into legislation a bill providing for the immediate cash payment of the full face value of the adjusted-service certificates, with cancelation of interest accrued and refund of interest paid; be it further

Resolved, That the secretary of the State of Minnesota be, and he hereby is, instructed to transmit certified copies of this resolution to the President of the United States, the President of the United States Senate, and to the Speaker of the House of Representatives at Washington, D. C.

HJALMAR PETERSEN,
President of the Senate.
GEORGE W. JOHNSON,
Speaker of the House of Representatives.

Passed the senate the 8th day of February 1935.

G. H. SPAETH,
Secretary of the Senate.

Passed the house of representatives the 9th day of February 1935.

JOHN I. LEVIN,
Chief Clerk House of Representatives.

Approved February 14, 1935:

FLOYD B. OLSON,
Governor of the State of Minnesota.

Filed February 14, 1935.

MIKE HOLM,
Secretary of State.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Finance:

House Joint Memorial 1

TWELFTH LEGISLATURE,
STATE OF NEW MEXICO.

A memorial memorializing the Congress of the United States for an extension of the time within which to return the livestock taken into the Republic of Mexico for temporary pasturage purposes

Be it enacted by the Twelfth Legislature of the State of New Mexico—

Whereas due to the unprecedented drought in many of the States affecting particularly the States of Texas, New Mexico, and Arizona, a large number of domestic animals have been temporarily removed from said States to the Republic of Mexico for feeding purposes; and

Whereas paragraph 1506 of section 201 of title II of An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purpores, approved September 21, 1922, commonly known as the "Tariff Act", limits the time within which such animals may be returned, free of duty, to the period of 8 months from the date of their removal; and

Whereas it will be impossible to return said animals to the States of Texas, New Mexico, and Arizona within said period of 8 months; and

Whereas the persons engaged in the livestock industry have suffered great financial loss on account of the extreme drought; and

Whereas said drought still continues, and the ranges of said States have become so impaired that it will take a period of 1 to 2 years under favorable moisture conditions before said ranges will be restored and be adequate to take care of the pasturage of the livestock so removed: Now, therefore, be it

Resolved, That the Twelfth Legislature of New Mexico does hereby request the Congress of the United States to amend said paragraph 1506 so as to extend the time within which such animals, with their offspring, may be returned, free of duty, to a period of 2 years from the date of their removal, or authorizing the Secretary of the Treasury of the United States to grant such extensions; and be it further

Resolved, That a copy of this joint memorial be forwarded to the Honorable BRONSON CUTTING, the Honorable CARL A. HATCH, Senators from New Mexico; Hon. J. J. DEMPSEY, Member of the House of Representatives; and to the Speaker of the House of Representatives and President of the Senate of the United States Congress.

ALVAN N. WHITE,
Speaker of the House of Representatives.

Attest:

J. R. T. HERRERA,
Chief Clerk of the House of Representatives.
LOUIS C. DE BACA,
President of the Senate.

Attest:

F. E. MCCULLOCH,
Chief Clerk of the Senate.

Approved by me this 14th day of February 1935.

CLYDE M. TINGLEY,
Governor of New Mexico.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State

of South Carolina, which was referred to the Committee on Finance:

A concurrent resolution to memorialize the Congress of the United States favorable to the immediate passage of the bonus bill

Whereas the Federal Government is now spending billions of dollars for national recovery; and

Whereas the amount due to veterans of the World War is an admitted obligation with the time payment alone in question; and

Whereas to make immediate payment it would in our opinion greatly stimulate industry and put in circulation funds needed to stimulate trade: Now, therefore, be it

Resolved by the House of Representatives of the State of South Carolina (the senate concurring), That the Congress of the United States should now pass what is known as the "bonus bill" by Mr. VINSON, of Kentucky, H. R. 3896, providing for the immediate payment of the soldiers of the World War of the amount admitted due.

Resolved further, That a copy of this resolution be forwarded to the proper officer of the United States Senate and the House of Representatives; and that a separate copy be forwarded to each Congressman from the State of South Carolina.

In the house of representatives, Columbia, S. C., February 14, 1935.

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the house of representatives and concurred in by the Senate of South Carolina.

[SEAL] JAMES E. HUNTER, Jr.,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Foreign Relations:

STATE OF WISCONSIN.

Joint resolution relating to ratification of the Great Lakes-St. Lawrence Seaway Treaty

Whereas there is absolute unanimity in this State, as often expressed by the legislature, that the Great Lakes-St. Lawrence seaway is a vital need not only to Wisconsin but to the entire Middle West, as it would result in a large reduction in freight rates upon agricultural and manufactured products, to the benefit of all farmers and industries of this section of the country; and

Whereas such seaway would permit of the development of power, especially in the Great Lakes region, with resulting electrical energy at cheaper rates for the farm, home, and smaller business and industry; and

Whereas this project would give employment to many thousands of the unemployed workmen of the country, and thereby aid very materially in economic recovery; and

Whereas this treaty will again be submitted to the United States Senate by President Roosevelt at this session of the Congress: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin memorializes the Congress of the United States, and especially the Wisconsin Senators and Members of Congress, to promptly ratify any treaty which may be so submitted for this purpose, and to enact the necessary legislation for the beginning of actual construction; be it further

Resolved, That properly attested copies of this resolution be transmitted to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on the Judiciary:

House Resolution No. 27

Whereas great numbers of persons have been lynched in the United States in the last 50 years with less than a dozen convictions resulting therefrom, and, moreover, that in each of these convictions only nominal prison terms were given the lynchers; and, furthermore, during the year 1934 there were a total of 18 lynchings, which is a travesty on justice in our country; and

Whereas further miscarriage of justice should be prevented: Therefore be it

Resolved by the House of Representatives of the Fifty-ninth General Assembly of Illinois, That Congress is respectfully importuned to enact either the Costigan-Wagner antilynching bill or the Arthur Mitchell bill, which are now before that legislative body; and be it further

Resolved, That copies of this preamble and resolution be forwarded to the President of the United States, the President of the Senate, and Speaker of the House of Representatives of the Seventy-fourth Congress, and to each Congressman and Senator from Illinois.

Adopted by the house of representatives February 12, 1935.

JOHN P. DEVINE,
Speaker of the House of Representatives,
HAROLD J. TAYLOR,
Clerk of the House of Representatives.

The VICE PRESIDENT also laid before the Senate a resolution adopted at a mass meeting held at St. Louis, Mo., under the auspices of the Central Trades and Labor Union, favoring an investigation of employer-organized company unions under the National Industrial Recovery Act and the activities of private detective agencies, and also favoring the enactment of further legislation to make the labor provisions of the act effective, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by William J. Murphy Chapter, No. 9, Disabled American Veterans of the World War, of Denver, Colo., favoring the immediate payment of adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by a committee of the St. Louis Archdiocesan Union of the Holy Name Society, of St. Louis, Mo., favoring an investigation looking to the correction of alleged religious persecutions and antireligious conditions in Mexico, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Philadelphia (Pa.) Textile District Council, United Textile Workers of America, protesting against the method of trial and certain court convictions growing out of labor disturbances in the textile industry at Lancaster, Pa., which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Common Council of Covington, Ky., and the City Council of Lansing, Mich., favoring the enactment of legislation providing that October 11 in each year be designated General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the Progressive Republican Club, of Corona, N. Y.; the Baptist Ministers' Conference, of Cleveland, Ohio, and the Inter-Racial Committee of the District of Columbia, favoring the passage of the so-called "Costigan-Wagner antilynching bill", which were referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Common Council of the City of Manitowoc, Wis., favoring the adoption of a Federal work-relief program that will maintain an adequate standard of living for workers, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the American League of Ex-Servicemen, of Los Angeles, Calif., favoring the immediate payment of adjusted-service certificates of World War veterans, the repeal of the Economy Act, and the enactment of unemployment insurance and old-age-pension legislation, which was ordered to lie on the table.

Mr. GUFFEY presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of pending legislation providing for old-age, unemployment, and health insurance, which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of legislation providing for a 30-hour work week, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented petitions of sundry citizens of Winfield and vicinity, in the State of Kansas, praying for the enactment of legislation embodying the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also presented a resolution adopted by members of the Building Craftsmen of Topeka, Kans., favoring the awarding of work by competitive bidding in the expenditure of all public funds in the State of Kansas, which was ordered to lie on the table.

Mr. KING presented a telegram in the nature of a petition from Herman Russell, president Rochester (N. Y.) Gas & Electric Corporation, praying that corporations and companies that have inaugurated adequate pension plans for employees may be permitted to continue to operate such plans, notwithstanding the proposed adoption of a Federal pension plan, which was referred to the Committee on Finance.

Mr. GEORGE presented the following resolution of the Senate of the State of Georgia, which was referred to the Committee on Agriculture and Forestry:

Whereas the term of the Bankhead bill made no provision for the payment for the collection of taxes imposed thereunder by cotton ginners; and

Whereas the Treasury Department required that the operators of cotton ginneries should collect such taxes and did not stipulate any compensation therefor; and

Whereas the collection of taxes at ginneries for account of the United States Government entailed an enormous amount of time and effort and necessitated the employment of additional salaried help in connection with the operation of ginneries, which, under no conception, could be construed as legitimate expense imposed upon the owners and/or operators of cotton ginneries: Be it resolved—

1. That the Congress of the United States is earnestly requested to enact such legislation as will fairly compensate the extra expense incurred in the collection of taxes imposed upon the ginneries, during the years 1934 and 1935.

2. That a copy of this resolution be transmitted to the Senators and Congressmen from the State of Georgia.

Mr. GEORGE also presented the following resolution of the Legislature of the State of Georgia, which was referred to the Committee on Post Offices and Post Roads:

Whereas the famous Okefenokee Swamp, one of nature's landmarks, located in the southern section of the State of Georgia, comprising a domain of about 700 square miles, in which the stately St. Marys River and renowned Suwanee of song and story take their source, and in which there is found an abundance of wildlife and much to attract and entrance the sportsman, its vast area teeming with wild animals and game of every description native to North America; with its lakes and creeks and rivers abounding in the finest fish and its forests and prairies ringing with the music of native bird life; and

Whereas in this wonderland of nature, nestling among the stately cypress and kingly pine, the beautiful magnolia and the lovely bay, live many birds of every variety indigent to North America; and

Whereas in this vast territory there remains much of America's wild life and game; where the bear and southern lynx can be found; and the only place in this section of the country where the black bear exists in any appreciable numbers; and

Whereas no section of our great State is so rich in its natural attraction to the student, where he can reap the satisfaction of seeing and observing many species of both bird and animal life in fairly abundant quantities, extremely rare if not almost extinct, and enjoy the beauties of nature untarnished by civilization's cruel hand; and

Whereas the Okefenokee is equally rich in material and possibilities for the careful study of fish life, here being found a great variety of fresh-water fish, its lucid waters containing more varieties than in any other similar area, and its long lagoons and placid lakes fairly teeming with those fish that are the delight of every sportsman; and

Whereas the State of Georgia has in its Okefenokee Swamp the possibilities of a most wonderful place of scenic beauty and intriguing interest for the tourists of the world, wholly unlike anything else in this part of the country, that should be developed and maintained for the betterment of our State and the welfare of its people: Therefore

The House of Representatives of Georgia (the senate concurring) do resolve—

(1) That our Senators and Representatives in the Congress of the United States be, and they are hereby, memorialized to have the Congress enact appropriate legislation whereby funds will be supplied to build a highway running south from Waycross, Ga., through the Okefenokee Swamp to the Florida line with Lake City, Fla., as its objective.

(2) Such road would greatly supplement existing highways from all points north, shortening distances between all Gulf and Atlantic ports, and would be of inestimable value to the Government as a military road in time of war.

(3) That duly certified copies of these preambles and resolutions be immediately transmitted by the secretary of state to each of the Senators and Members of the House of Representatives from this State in the Congress of the United States.

E. D. RIVERS,
Speaker of the House.
ANDREW J. KINGERY,
Clerk of the House.
CHARLES D. REDWINE,
President of the Senate.
JOHN W. HAMMOND,
Secretary of the Senate.

Mr. POPE presented the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Banking and Currency:

Senate Joint Memorial 6

LEGISLATURE OF THE STATE OF IDAHO,
TWENTY-THIRD SESSION,
IN THE SENATE.

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas from the dawn of recorded history until A. D. 1873 the commercial nations of the world used a bimetallic monetary system, the ratio of gold and silver being approximately 16 to 1; and

Whereas the experience of the past 60 years following the demonetization of silver in 1873 has demonstrated that the single gold standard is an unsatisfactory, unstable, and costly experiment, resulting in world-wide financial chaos and the final forced abandonment of the standard by practically all nations; and

Whereas the United States as the major world power is now in position to settle its own monetary policies without dictation from the international bankers or the governments of the Old World, and there is every reason to believe that the remonetization of silver by the United States would result within 1 year in similar action by every nation with which this country has commercial relations; and

Whereas the administration under the inspired leadership of President Franklin D. Roosevelt has already recognized the necessity and importance of taking some steps toward the remonetization of silver, but has not yet restored the money of the people to its ancient and stable status: Now, therefore, be it

Resolved, That the Senate of the State of Idaho, the House of Representatives concurring, most respectfully request the President and Congress of the United States to cast off the shackles of the international money changers and to restore to the American people the sound money of their forefathers by the immediate and unconditional remonetization of silver at its historic ratio of 16 to 1; and be it further

Resolved, That copies of this resolution be by the secretary of state sent to the President of the United States and to both Houses of Congress and to the Senators and Representatives in Congress from Idaho.

This senate joint memorial passed the senate on the 7th day of February 1935.

G. P. MIX,
President of the Senate.

This senate joint memorial passed the house of representatives on the 11th day of February 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial 6 originated in the senate during the twenty-third session of the Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Foreign Relations:

STATE OF WISCONSIN.

Joint resolution relating to ratification of the Great Lakes-St. Lawrence Seaway Treaty

Whereas there is absolute unanimity in this State, as often expressed by the legislature, that the Great Lakes-St. Lawrence seaway is a vital need not only to Wisconsin but to the entire Middle West, as it would result in a large reduction in freight rates upon agricultural and manufactured products, to the benefit of all farmers and industries of this section of the country; and

Whereas such seaway would permit of the development of power, especially in the Great Lakes region, with resulting electrical energy at cheaper rates for the farm, home, and smaller business and industry; and

Whereas this project would give employment to many thousands of the unemployed workmen of the country and thereby aid very materially in economic recovery; and

Whereas this treaty will again be submitted to the United States Senate by President Roosevelt at this session of the Congress: Therefore be it

Resolved by the assembly (the senate concurring), That the Legislature of Wisconsin memorializes the Congress of the United States, and especially the Wisconsin Senators and Members of Congress, to promptly ratify any treaty which may be so submitted for this purpose and to enact the necessary legislation for the beginning of actual construction; be it further

Resolved, That properly attested copies of this resolution be transmitted to the President of the United States, to both Houses of the Congress of the United States, and to each Wisconsin Member thereof.

J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.
THOMAS J. O'MALLEY,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

Mr. AUSTIN presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Public Buildings and Grounds:

Whereas the State of Vermont is possessed with an abundance of granite, marble, and slate deposits admirably suited for use in the construction of buildings and memorials; and

Whereas a large number of our citizens who ordinarily are employed in connection with these native industries are and have been for some time unemployed; and

Whereas such unemployment has been caused partially by reason of the fact that Government contracts for the construction of public buildings and memorials have failed to specify that same should contain certain granite, marble, or slate in their construction; and

Whereas the Federal Government is contemplating a public-works program in the carrying out of which many public buildings and memorials are planned to be erected; and

Whereas this general assembly believes every effort should be made to procure the use of granite, marble, and slate in the construction of a fair proportion of the public buildings and memorials to be erected under the said public-works program, and thus reduce the number of unemployed in our State connected with said industries and thereby alleviate the suffering caused by such unemployment: Therefore be it

Resolved by the senate and house of representatives, That the general assembly hereby expresses its approval of any means of remedying the unemployment situation in the aforementioned industries and the suffering of those affected thereby;

That the general assembly is in favor of instructing the Senators and Congressman representing our State in Washington to use every effort to procure the use of granite, marble, and slate in the construction of a just and fair proportion of the buildings and memorials erected by the Federal Government under its public-works program;

That it is further resolved that the secretary of state be, and hereby is, directed to send a copy of this resolution to the members of the Vermont delegation in the United States Senate and House of Representatives in Washington, and that a copy of this resolution also be sent to the Federal Administrator of Public Works in Washington.

ERNEST E. MOORE,
Speaker of the House of Representatives.
GEO. D. AIKEN,
President of the Senate.

Approved February 15, 1935.

CHARLES M. SMITH, *Governor.*

Mr. WALSH presented the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Agriculture and Forestry:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolutions memorializing the Congress of the United States in relating to the cotton-processing tax, so called, and for relief from the provisions thereof

Whereas the Congress of the United States, for the purpose of extending aid to growers of cotton, has levied a tax called the "cotton-processing tax" upon the manufacture of cotton and textile products; and

Whereas the imposition of such a tax upon the principal industry of this Commonwealth has proven an unbearable financial burden jeopardizing the continued successful existence of the textile industry; and

Whereas the majority of our cities and towns and a large proportion of our citizens and their families are dependent for the means of existence upon this industry: Therefore, be it

Resolved, That the General Court of Massachusetts hereby memorializes the Congress of the United States for relief from the oppressive burden of this tax, and requests the repeal of such tax or spreading of the tax over industry in general; and be it further

Resolved, That copies of these resolutions be forwarded by the secretary of the Commonwealth to the clerks of both Houses of Congress and to the Senators and Representatives in Congress from this Commonwealth.

In house of representatives, adopted February 1, 1935.
In senate, adopted, in concurrence, February 11, 1935.
A true copy.
Attest:
[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

Mr. WALSH also presented resolutions adopted by the General Court of Massachusetts, favoring the enactment of legislation providing that mortgages on vessels of smaller tonnage than 200 tons shall have the same priority over liens as vessels of 200 tons or upward, or such other legislation as may be deemed necessary, to the end that the fishing industry may be assisted and preserved, which were referred to the Committee on Commerce.

(See resolutions printed in full when laid before the Senate by the Vice President on the 8th instant, pp. 1706–1707, CONGRESSIONAL RECORD.)

Mr. WALSH also presented resolutions adopted by the agricultural committee of the New England Council (Economic Development and Research), Boston, Mass., favoring adequate support and appropriation by the Federal Government to maintain control of the white-pine blister rust, gypsy moth, and the Dutch elm disease, which were referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a petition from Mrs. Henry Randolph Brigham, president of the Massachusetts League of Women Voters, on behalf of that league, praying for a reorganization of local, State, and National tax systems, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the American Legion Auxiliary to Bridgewater Post, No. 203, of Bridgewater, Mass., praying for adoption of the American Legion legislative program, which was referred to the Committee on Finance.

He also presented a petition of citizens of Fall River, Mass., praying for the enactment of legislation known as the "Workers' Unemployment, Old Age, and Social Insurance Act", which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Elias B. Farslind, president Everett Townsend Club No. 1, of Everett, Mass., praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Dorchester, Roxbury, and Jamaica Plains, in the State of Massachusetts, praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented resolutions adopted by Lodge Italian American, No. 1235, of Norwood, and Loggia Giosue' Carducci, No. 242, Ordine Figli D'Italia in America, of East Boston, in the State of Massachusetts, favoring inclusion in proposed Federal old-age-pension legislation of a provision making noncitizens who have been bona fide residents of the United States for 10 years or more eligible for pensioning, which were referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from A. H. Ferguson, chairman executive committee, New England Traffic League, New Bedford, Mass. (which letter stated that it is concurred in by the New Bedford Board of Commerce and the New Bedford Cotton Manufacturers' Association), opposing the passage of the following resolutions and bills: Senate Concurrent Resolution 1, directing the Federal Trade Commission to investigate the question of freight rates prescribed by freight associations and railroads jointly; Senate Concurrent Resolution 6, favoring a uniform scale of transportation rates on a mileage basis by interstate carriers; Senate Resolution 5, providing for an investigation of railroad freight rates; Senate Resolution 6, requesting the Interstate Commerce Commission to investigate the relationship of freight rates in different parts of the United States; and H. R. 3042, providing that the freight rates between different sections of the United States be so adjusted as to be no higher than the destination territory rates for the same or like classes of traffic, distance considered; which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by about 3,000 members of the Boston (Mass.) Young Women's Christian Association, favoring the enactment of the so-called "Costigan-Wagner antilynching bill", which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from members of the interracial committee, Massachusetts Branch of the Women's International League for Peace and Freedom, Boston, Mass., on behalf of that organization, praying for the enactment of the so-called "Costigan-Wagner antilynching bill", which was referred to the Committee on the Judiciary.

He also presented letters in the nature of petitions from Sergeant John P. Balch Auxiliary, No. 57, of Newburyport; Sergeant Fred Thomas Camp, No. 48, of Haverhill, and Major M. J. O'Connor Auxiliary, No. 58, of South Boston, all of the United Spanish War Veterans, in the State of Massachusetts,

praying for the passage of House bill 100, to reenact provisions of law relating to pensions for Spanish-American War veterans, and for other purposes, which were referred to the Committee on Pensions.

He also presented a letter in the nature of a petition from E. H. Johnson, secretary-treasurer Building Trades Council of Boston and Vicinity, Boston, Mass., on behalf of that organization, praying for amendment of the joint resolution (H. J. Res. 117) making appropriations for relief purposes so as to provide for maintenance of the prevailing rates of wages on all construction work to be performed under the joint resolution, which was ordered to lie on the table.

REPORT OF THE COMMITTEE ON MILITARY AFFAIRS

Mr. COOLIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 1404) to promote the efficiency of national defense, reported it with amendments and submitted a report (No. 115) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRD:

A bill (S. 1891) to amend section 602 and paragraph (a) of section 602½ of the Revenue Act of 1934, entitled "An act to provide revenue, equalize taxation, and for other purposes"; to the Committee on Finance.

By Mr. ASHURST (by request):

A bill (S. 1892) to amend the act authorizing the Attorney General to compromise suits on certain contracts of insurance; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

A bill (S. 1893) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 1894) granting an increase of pension to Emma J. Bratton (with accompanying papers); to the Committee on Pensions.

By Mr. AUSTIN:

A bill (S. 1895) granting an increase of pension to Florence E. Southwick; to the Committee on Pensions.

By Mr. PITTMAN:

A bill (S. 1896) to provide for interest payments on American Embassy drafts; to the Committee on Foreign Relations.

By Mr. GEORGE:

A bill (S. 1897) to amend the Interstate Commerce Act relative to loss and damage claims; to the Committee on Interstate Commerce.

By Mr. JOHNSON:

A bill (S. 1898) for the relief of Andrew M. Dunlop; and

A bill (S. 1899) for the relief of B. M. Elliott; to the Committee on Claims.

A bill (S. 1900) for the relief of Harry Francis Zeller; to the Committee on Naval Affairs.

A bill (S. 1901) granting a pension to Carlos J. Anderson;

A bill (S. 1902) granting a pension to Don E. Bartell;

A bill (S. 1903) granting a pension to John William Boland;

A bill (S. 1904) granting a pension to Wiley E. Bolt;

A bill (S. 1905) granting a pension to Laura F. Collins;

A bill (S. 1906) granting a pension to Ollie A. De Selm;

A bill (S. 1907) granting a pension to Charles Foye;

A bill (S. 1908) granting a pension to Mary D. Howard;

A bill (S. 1909) granting a pension to Josephine Johnson;

A bill (S. 1910) granting a pension to Ulysses Samuel Main;

A bill (S. 1911) granting a pension to Kitty A. Miller;

A bill (S. 1912) granting a pension to David Poula;

A bill (S. 1913) granting a pension to Martha L. Stonerock;

A bill (S. 1914) granting a pension to Jesse Thomas;

A bill (S. 1915) granting a pension to Kate Thompson;

A bill (S. 1916) granting a pension to Michael L. Walsh;

A bill (S. 1917) granting an increase of pension to Madison M. Burnett;

A bill (S. 1918) granting an increase of pension to Joseph W. Hicks;

A bill (S. 1919) granting an increase of pension to Mary E. Jasper;

A bill (S. 1920) granting an increase of pension to Harry A. Smith; and

A bill (S. 1921) granting an increase of pension to Alzina M. Wilson; to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 1922) to regulate interstate and foreign commerce in coal; stabilize the coal-mining industry; provide for cooperative marketing; secure prices just to operators and consumers and fair living and working conditions for the miners concerned; to create a court of coal conservation; levy taxes on coal to provide for the general welfare and to provide for a drawback under certain conditions; to conserve the coal resources of the United States and to establish a national coal reserve; and for other purposes; to the Committee on Interstate Commerce.

By Mr. KING:

A bill (S. 1923) to amend section 5 of the Federal Trade Commission Act; to the Committee on Interstate Commerce.

By Mr. ADAMS:

A bill (S. 1924) to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SHEPPARD:

A bill (S. 1925) for the relief of E. S. de Bessieres; to the Committee on Military Affairs.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 340. An act for the relief of Louis Zagata;

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 426. An act for the relief of Jacob Santavy;

H. R. 529. An act granting compensation to George S. Conway, Jr.;

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased; and

H. R. 593. An act for the relief of Fred C. Blenkner; to the Committee on Claims.

H. R. 330. An act for the relief of Sophie de Sota; and

H. R. 3373. An act for the relief of Anna S. Carrigan; to the Committee on Foreign Relations.

H. R. 240. An act for the relief of Capt. Alexander C. Doyle;

H. R. 816. An act for the relief of Logan Mulvaney;

H. R. 829. An act granting 6 months' pay to Hester Hamilton;

H. R. 1073. An act for the relief of John F. Hatfield;

H. R. 1119. An act for the relief of Joseph W. Harley;

H. R. 1438. An act for the relief of Carrie McIntyre;

H. R. 1565. An act for the relief of Frank R. Carpenter, alias Frank R. Carvin;

H. R. 1575. An act to correct the military record of John S. Cannell, deceased;

H. R. 1951. An act for the relief of John J. O'Connor;

H. R. 2117. An act for the relief of Cora A. Snyder;

H. R. 2128. An act for the relief of Rosetta Laws;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 2480. An act for the relief of Charles Davis;

H. R. 2485. An act for the relief of William Estes;

H. R. 2569. An act for the relief of the estate of R. A. Wallace Treat;

H. R. 2678. An act for the relief of Carl L. Bernau;

H. R. 3071. An act for the relief of Second Lt. Charles E. Upson;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 3266. An act authorizing the maintenance and use of a banking house upon the United States military reservation at Fort Lewis, Wash.;

H. R. 3558. An act for the relief of Capt. Walter S. Bramble;

H. R. 3721. An act for the relief of Angelo J. Gillotti; and

H. R. 5032. An act for the relief of the dependents of Carl Lindow, known also as "Carl Lindo"; to the Committee on Military Affairs.

WORK-RELIEF PROGRAM—AMENDMENTS

Mr. METCALF submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 5, after line 17, add the following new proviso: "*Provided*, That in the employment of all officials and employees paid from funds appropriated by this resolution preference shall be given, where they are qualified, to ex-service men."

Mr. CAPPER submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 3, line 4, after the second parenthesis to insert a colon and the following: *Provided*, That not less than 25 percent of any amounts allocated from the appropriation made herein for the construction of public highways and related projects shall be applied to secondary or feeder roads, including farm to market roads, rural free delivery mail roads, and public school bus routes.

Mr. McCARRAN submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 7, line 13, strike out all of section 6 of the committee amendment and insert in lieu thereof the following:

"SEC. 6. The President is authorized to prescribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however*, That (a) such rules and regulations shall stipulate that the rates of wages paid to all laborers and mechanics employed by any contractor or subcontractor or by the public officer in charge for the United States or for the District of Columbia, for work done under this joint resolution, whether by contract or otherwise, involving the expenditure of any money appropriated by the resolution, need not be uniform throughout the United States but shall not be less than the prevailing rates of wages paid for work of a similar nature in the city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia; (b) rules and regulations prescribed under this section shall not abrogate any existing law."

Mr. BAILEY submitted two amendments intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which were ordered to lie on the table and to be printed, as follows:

Amend by striking out the following words in lines 3 and 4 on page 1:

"That in order to protect and to promote the general welfare, by (1) providing."

And insert in lieu thereof the following:

"That in order to provide."

Amend by inserting a new section numbered 4½, between sections 4 and 5, as follows:

"(1) All work undertaken shall be useful—not just for a day, or a year, but useful in the sense that it affords permanent improvement in living conditions or that it creates future new wealth for the Nation.

"(2) Compensation on emergency public projects shall be in the form of security payments which should be larger than the amount now received as a relief dole, but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in Government work.

"(3) Projects should be undertaken on which a large percentage of direct labor can be used.

"(4) Preference should be given to those projects which will be self-liquidating in the sense that there is a reasonable expectation that the Government will get its money back at some future time.

"(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises.

"(6) The planning of projects shall seek to assure work during the coming fiscal year to the individuals now on relief, or until such time as private employment is available. In order to make adjustment to increasing private employment, work shall be planned with a view to tapering it off in proportion to the speed with which the emergency workers are offered positions with private employers.

"(7) Effort should be made to locate projects where they will serve the greatest unemployment needs as shown by relief rolls."

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 9, after line 17, to insert:

"Part II. Financing: Providing a plan for placing money in circulation, thereby making it possible for the people to secure funds for payment of taxes necessary to balance the Budget and to meet the interest and principal of the bonds made necessary by the appropriation made in section 1 of this act

"SEC. 12. The Congress, in the exercise of its power under section 8 of article 1 of the Constitution—to coin money and to regulate the value thereof—hereby declares it to be in the public interest that:

"(a) A sufficient amount of money must be coined, introduced into, and maintained in constant circulation to enable the people to have ample opportunity to secure such money with which to meet tax, interest, and debt burdens.

"(b) There is not at this time a sufficient amount of money in circulation to serve the best interests and general welfare of the people.

"(c) It is hereby declared immediately necessary that an additional amount of money should be coined, introduced into, and maintained in circulation to serve the public interest and general welfare.

"SEC. 13. To carry out the declaration of policy set forth in section 12 hereof, the Secretary of the Treasury is hereby authorized and directed:

"1. To issue silver certificates against all silver bullion now held or hereafter acquired at its monetary value, and such silver certification shall be placed in circulation immediately through the payment of maturing obligations.

"2. All silver certificates issued and outside the Treasury, and all silver certificates which may be hereafter issued, shall, upon receipt by the Secretary of the Treasury, be reissued and paid out again and kept in circulation as provided for legal-tender notes in chapter 146 of the United States Statutes at Large, Forty-fifth Congress, and approved May 31, 1878.

"SEC. 14. The Secretary of the Treasury is hereby authorized and directed to purchase silver bullion at the rate of not less than 50,000,000 ounces per month wherever silver shall be procurable at a price to be fixed by him from time to time, and the silver so purchased shall be paid for, held, and deposited as provided by law: *Provided*, That such purchases of silver shall continue until the proportion of silver to gold in the monetary stocks of the United States shall equal one-fourth of the monetary value of such stocks, or until the price of silver in the world markets, based upon international exchange, shall reach the value of $1.29 per fine ounce, whereupon such purchases shall cease: *Provided further*, That at any time the price of silver in such world markets reaches the value of $1.29 per fine ounce, the mint is hereby opened to the free acceptance of silver upon the basis of 371¼ grains of fine silver to the dollar, as provided in section 9 of chapter 16, of the First Statutes of 1792: *Provided:*

"(a) That the Secretary of the Treasury shall deduct from all silver tendered for coinage a quantity as seigniorage sufficient to cover the cost of assaying and coinage.

"(b) That the Secretary of the Treasury may suspend coinage of bullion into dollars at any time and thereafter shall convert silver received into bars of suitable shape and weight;

"(c) That payment for all silver accepted, as provided herein, shall be made in standard silver dollars or in silver certificates at the option of the person, firm, association, or corporation tendering silver for coinage.

"(d) That to the end that the necessary proportion of silver may be acquired for our metallic monetary stocks, the Secretary of the Treasury may, in his discretion, exchange gold for silver on a fair and equitable basis of price and silver certificates shall be issued immediately against all silver thus acquired by such exchange as provided in paragraph I of section 13 hereof.

"(e) That the Secretary of the Treasury is hereby authorized, in his discretion, to accept silver at an agreed price in settlement and adjustment of any balance due the United States.

"(f) That the Secretary of the Treasury shall make all needful rules and regulations for carrying into effect the provisions of this title."

NELLIE SNYDER

Mr. SCHWELLENBACH submitted the following resolution (S. Res. 85), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Nellie Snyder, widow of Nevin Snyder, late an assistant clerk to the Senate Committee on Interstate Commerce, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. WAGNER. Mr. President, I give notice that tomorrow when the Senate convenes, or as soon thereafter as I

can get the floor, I shall address the Senate upon the pending unfinished business.

Mr. GLASS. Mr. President, I think there are several amendments to the bill to which I imagine there will be no objection, and if the Senate might pass upon those before proceeding to general debate it would relieve the situation somewhat. For instance, in section 1, on page 1, in line 6, the committee unanimously struck out "(2) relieving economic maladjustments, (3)" and inserted "(2)." I move that that amendment be adopted.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. MCNARY. Mr. President, on account of confusion in the Chamber, I am at a loss to know what the proposal is that has been submitted by the Senator from Virginia.

The VICE PRESIDENT. The request of the Senator is to consider some committee amendments.

Mr. MCNARY. Some of them. But what are the specific amendments?

Mr. GLASS. I suggested that there were several committee amendments to which I imagined there would be no objection at all, and I suggested that we act on those amendments.

Mr. MCNARY. I appreciate that, but what are the specific amendments the Senator has in mind?

Mr. BORAH. The amendment which has been stated is on page 1, in line 6.

The VICE PRESIDENT. The clerk will again state the amendment.

The CHIEF CLERK. On page 1, line 6, after the word "from", it is proposed to strike out "(2) relieving economic maladjustments, (3)" and insert "(2)."

The VICE PRESIDENT. Is there objection to agreeing to the amendment?

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. On page 1, line 7, after the word "distress", it is proposed to strike out "and/or (4)" and insert "and (3)."

The amendment was agreed to.

The next amendment was, on page 1, line 11, after the word "purposes", to strike out "and/or" and insert "and."

The amendment was agreed to.

The next amendment was, on page 2, line 1, after the word "non-Federal" to insert "of a type such as is or may be authorized by law."

Mr. O'MAHONEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Wyoming?

Mr. GLASS. I yield.

Mr. O'MAHONEY. Mr. President, I desire to move a substitute for the committee amendment. In lieu of the words in line 11 on page 1, and lines 1 and 2, on page 2, reading "and/or and such projects, Federal or non-Federal of a type such as is or may be authorized by law", I move to insert the words which I send to the desk.

The VICE PRESIDENT. Let the Chair call the attention of the Senator from Wyoming to the unanimous-consent agreement that committee amendments shall first be considered before considering other amendments changing the House text. If the Senator's amendment is an amendment to the committee amendment it is in order; otherwise it is not in order.

Mr. O'MAHONEY. I am offering a substitute for the committee amendment.

Mr. GLASS. It is an amendment to the committee amendment.

The VICE PRESIDENT. Then, the clerk will state the amendment.

The CHIEF CLERK. On page 1, line 11, it is proposed to strike out the words "and/or and such projects, Federal or non-Federal, of a type such as is or may be authorized by law" and in lieu thereof to insert the following: "and such type or types of projects, Federal or non-Federal, as are or may be authorized by law of the United States."

Mr. GLASS. So far as I am concerned, I am willing to accept the amendment.

The VICE PRESIDENT. Unless it can be done by unanimous consent the parliamentary method would be to adopt the committee amendments which strike out or insert as the case may be, and then subsequently to strike out certain portions of the text of the House provisions, which would be in order. The Chair wants simply to call attention to it, because a unanimous-consent agreement has been entered into that the committee amendments shall be first considered. As the Senator from Wyoming proposes his amendment, it seeks to strike out some of the House text, and the amendment, therefore, does not come within the rule. By unanimous consent, of course, the amendment could be considered. Is there objection to considering the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY]?

Mr. GLASS. I ask unanimous consent that it may be considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY].

Mr. BORAH. Mr. President, if I may have the attention of the Senator from Wyoming and the Senator from Virginia, I understand the effect of the amendment is to limit "authorized by law" to the laws of the United States?

Mr. O'MAHONEY. It is.

Mr. BORAH. That is the only effect of the amendment?

Mr. O'MAHONEY. That is the only effect of the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Wyoming.

Mr. WHEELER. Mr. President, I should like to have a statement from the Senator from Wyoming explanatory of the amendment before we vote upon it.

Mr. O'MAHONEY. Mr. President, in response to the Senator from Montana, let me say that when the committee amendment was discussed upon the floor last Friday, some question was raised as to whether the language would not authorize the expenditure of the appropriation provided in the joint resolution for projects or purposes that were authorized by some law other than a law of the United States. It was the belief of the committee, and it was my own belief as the author of the committee amendment, that it referred solely to the laws of the United States.

There was also a question as to whether the language in lines 1 and 2, page 2, "of a type such as is or may be authorized by law" modified the word "projects" only, and not the word "purposes" also as was intended. The substitute amendment is designed for the purpose of making it clear that the limitation applies both to "purposes" and to "projects", and authorizes expenditures only for purposes and projects which have been approved by Federal laws.

Mr. WHEELER. I think we ought to get a correct interpretation so that it may be clearly understood that the only projects which could be built under this joint resolution would be those authorized by the Congress of the United States.

Mr. O'MAHONEY. That is, types of projects. The National Industrial Recovery Act, which contains in title II the law which authorized the Public Works Administration to function, authorized the executive department to engage in certain broad functions and to carry out certain broad programs. The purpose of the amendment and the effect of the amendment are merely to provide that unless Congress has specifically authorized a certain type of project or a certain purpose, then the funds appropriated here could not be used for any such project or purpose not within the classification authorized already or to be hereafter authorized by the Congress.

Mr. ADAMS. Mr. President, if I may submit an inquiry to the Senator from Wyoming as to the interpretation of the amendment, he is proposing to restrict, as I understand, the expenditure of this money to projects authorized. Does that mean that the project itself must be authorized or the character of the expenditure might have been authorized?

Mr. O'MAHONEY. As the language clearly states, it is the type and not the specific project that must have been authorized by the Congress.

Mr. ADAMS. I believe I failed to make myself clear. For instance, under the Public Works Administration as it has been administered heretofore money has been appropriated or allocated for schoolhouses which were authorized by State law. Funds have been allocated for the construction within a State of waterwoks, electric plants, and streets. Those projects were not authorized by Federal law. However, the expenditure of money for those purposes was authorized under the Public Works Act.

Mr. O'MAHONEY. My understanding is that such projects were specifically authorized by Federal law; in other words, title II of the N. R. A. Act authorized the Public Works Administration to make loans to cities for projects of that kind.

Mr. ADAMS. That is an authorization for the expenditure and not for the project itself. I am taking the authorization for construction as distinguished from authorizations for such projects.

Mr. O'MAHONEY. I think the language covers the authorization the Senator has in mind.

Mr. KING. Mr. President, may I inquire of the Senator from Wyoming whether or not under this omnibus authority all the projects which were enumerated by the Senator from Oregon [Mr. STEIWER] a few days ago and many others, provision for which is scattered through hundreds of laws, some of them 10, 15, or 20 years old, might be completed or inaugurated under this measure?

Mr. O'MAHONEY. Whatever Congress has authorized to be carried out may be provided for out of this appropriation. The purpose of the amendment is to make certain that nothing which Congress has not authorized may be attempted under this appropriation.

Mr. KING. Congress authorized some time ago large appropriations for naval craft, a portion of which has been expended. As I am advised, a considerable portion has not been appropriated, though heretofore authorized. Under this omnibus measure would not the President or whoever is charged with the enforcement of this proposed law be permitted to dip into the fund carried in the bill to complete the construction of ships so authorized?

Mr. GLASS. Mr. President, I may answer the specific question of the Senator from Utah by the statement that it was authoritatively asserted to the committee that the President himself had said that he had no idea of expending a dollar of this money on the Navy shipbuilding projects.

Mr. KING. I am glad to obtain that information. I inquire, though, if, under the interpretation placed upon the joint resolution by the Senator having it in charge [Mr. GLASS] or by the Senator from Wyoming [Mr. O'MAHONEY], notwithstanding the statement made, the President or somebody else who might be charged with the execution of the law might not dip into the Treasury and take money for the purpose of constructing naval craft?

Mr. O'MAHONEY. I may say that the Senator is arguing against the joint resolution and not against the amendment. The amendment constitutes a limitation upon the joint resolution. Of course, the President may expend this appropriation for any purpose or for any type of project which is now authorized by law. Without this amendment, the authority of the Executive would be much broader.

Mr. KING. As I am advised, the primary object of the joint resolution is to furnish employment to a large number of unemployed, including many of those who are upon the relief rolls of the country. With that purpose I am in accord. The measure before us, however, contains some provisions that do not meet my views, and for that reason I should be glad to see some amendments offered to the resolution. It is ambiguous as to the projects which may be undertaken and is too all-inclusive as to their character and nature.

Under the terms of the resolution as I interpret it, authorizations of projects and undertakings provided in laws enacted many, many years ago, could be undertaken. The measure is too all-inclusive, and I shall be glad to see it restricted in a number of particulars. I should be opposed to any part of the funds to be provided under this resolution being devoted to the inauguration of projects or undertakings of Federal activities which may have been authorized years ago. I am sure that neither the President or any person or persons designated to execute the resolution would desire the all-inclusive and almost unlimited authority which, under the provisions of the resolution, are sought to be conferred.

By way of illustration of the point I am trying to make, I call attention to a measure enacted under the administration of President Coolidge. It authorized an expenditure of nearly $900,000,000, as I recall, for flood control and to acquire lands in States where the waters of the Mississippi and Missouri Rivers had caused serious damage. That law has not been repealed, but a small portion of the authorized appropriations have been expended. That measure, as well as many others to which reference might be made, authorizes, as I have stated, numerous projects and undertakings, the cost of which would amount to hundreds of millions and perhaps several billions of dollars. In my opinion, the resolution should not be so all-inclusive but should indicate more specifically the projects or undertakings for which the large sum provided in the resolution is desired.

Mr. GLASS. I call the attention of the Senator from Utah to the fact that unless this qualifying amendment be adopted the President can do anything he pleases, whether it has been authorized by Congress or not.

Mr. KING. I am not objecting to this amendment. The only question in my mind is whether the amendment goes far enough. I prefer that the resolution should limit and indicate the projects which may be inaugurated and completed under the appropriation which is made. As I understand the situation now, there are hundreds of authorizations of appropriations for expenditures for many, many projects; and notwithstanding the fact that those authorizations may have been made 1, 2, 3, 4, 5, 10, or 20 years ago, there would be in the resolution power for whoever may execute it to take from this fund sufficient for the purpose of carrying out all such authorizations.

Mr. President, while this amendment is an important one, in my opinion it does not go far enough; and I should dislike to vote for it if it would preclude the offering later on of an amendment which would point out specifically the projects which may be carried forward. I desire to ask, as a parliamentary inquiry, whether or not that would be the case.

The VICE PRESIDENT. The parliamentarian suggests that when this amendment and other Senate committee amendments shall have been disposed of any amendment may be offered by a Senator to the House text or to portions of the House text as amended.

Mr. KING. An amendment, then, recurring to this amendment and limiting it, would be in order?

The VICE PRESIDENT. It would be if it embraced House text along with the amendment of the Senator from Wyoming; but not if it applied only to the language contained therein.

Mr. NORRIS. Mr. President, I am seeking only information here, and I am seeking it as one who is in favor of the proposed legislation, speaking in a general way. I am afraid the amendment goes too far, although the Senator from Utah [Mr. KING] thinks it does not go far enough; and yet I am in sympathy with the statement of the Senator from Utah that it is well to have these things outlined; and perhaps it would be dangerous if the money were used, as he says, for some project which was authorized several years ago and approved by Congress and something done on it. At the same time I am worried when the Senator from Wyoming [Mr. O'MAHONEY], who offers the amendment, says the object is to preclude the use of the money for any projects that have not been specifically approved by Congress. I think that is going too far.

Mr. O'MAHONEY. Mr. President, I think the Senator misunderstands me.

Mr. NORRIS. I hope so.

Mr. O'MAHONEY. If the Senator will read the amendment as it is now proposed——

Mr. NORRIS. I have not the Senator's amendment before me.

Mr. O'MAHONEY. I intend to read it for the Senator.

Mr. NORRIS. I shall be glad if the Senator will do so.

Mr. O'MAHONEY. The fund not otherwise appropriated is to be used—

In the discretion and under the direction of the President in such manner and for such purposes—

And now comes the amendment—

and such type or types of projects, Federal or non-Federal, as are or may be authorized by law of the United States.

It will be observed, if I may say so to the Senator——

Mr. NORRIS. Let me interrupt the Senator right there. The Senator has thrown some light on the matter. I supposed his amendment struck out the words he has just read.

Mr. O'MAHONEY. Oh, no. It was just a rearrangement of the language; and the words "such type or types" are used to make it perfectly plain that it is not necessary to approve specific projects. Any general classification of projects which has been heretofore authorized or approved by law or which may hereafter be so authorized may be carried out by the President within the terms of the amendment.

Mr. NORRIS. I was fearful lest the Senator's amendment would take away from the President discretion to do that very thing.

Mr. O'MAHONEY. Not at all.

Mr. NORRIS. Because we shall have to have in mind, if we favor this kind of legislation and pass it, that the President must be given a large discretion. Otherwise, if he were confined strictly to something that Congress had passed on or might pass on, he would be unable to produce the results that we all hope may be produced by this legislation, such as the improvement of the unemployment situation, for instance.

Mr. O'MAHONEY. The purpose of the amendment is merely to meet the criticism that under the joint resolution as it originally stood the Executive might expend moneys out of this appropriation for purposes and for projects of which Congress had never dreamed.

Mr. WAGNER. Mr. President, I should like to ask a question of whoever has charge of this particular amendment. I am somewhat puzzled by the meaning of the amendment, as to whether or not it is a further limitation upon the power of the President to expend this money. When the expression "by law of the United States" is used, does that mean the laws passed by the Congress of the United States?

Mr. O'MAHONEY. Exactly.

Mr. WAGNER. Suppose a municipality has some kind of a project which would put people to work, which is a worthy, desirable project, and that particular municipality should desire to apply to the Federal Government for a loan: Under the amendment, would the President of the United States be able to extend that loan?

Mr. O'MAHONEY. If he has the authority now to make the loan, he would be able to extend the loan. The amendment does not place any limitation whatsoever upon present law.

Mr. WAGNER. All right; but suppose the present law under which that authority is exercised should expire, as the National Recovery Act will expire on June 16. It seems to me that the powers will go with the expiration of that particular act, so I wanted to ascertain the Senator's interpretation.

Mr. O'MAHONEY. My interpretation would be that any power or function which is now authorized would be covered by this measure, and a future expiration of the National Industrial Recovery Act would not of itself repeal the authority given by this amendment.

Mr. WAGNER. In other words, what the Senator understands this amendment to do is to extend the powers to deal with the public-works fund that are now conferred upon the President in the National Recovery Act?

Mr. O'MAHONEY. So far as concerns the expenditure of moneys for the purpose of recovery and for types of projects already authorized, the amendment would make that extension.

Mr. WHEELER and Mr. HASTINGS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Virginia yield; and if so, to whom?

Mr. GLASS. I yield to the Senator from Montana.

Mr. WHEELER. Mr. President, I am inclined to agree with the Senator from New York that if the National Recovery Act should expire, the President could not go ahead with these projects; and it seems to me we ought to examine the original law to find out what are the types of projects that are mentioned in it before we adopt this amendment.

Mr. O'MAHONEY. Mr. President, I may say that the committee made that examination. We consulted lawyers in the Treasury Department with respect to the interpretation of the language concerning which I myself had no doubt at any time; and I may say to the Senator that the legal adviser whose views we sought concurs in that opinion.

Mr. WAGNER. Mr. President, the apprehension under which I was laboring perhaps is this: Take the case of the construction of a power plant in New York, which is contemplated by the Federal Government to supply electricity to the Federal public buildings situated in New York. I take it that the power to construct that particular plant now exists under the National Recovery Act; but if the President should not, until some time subsequent to the expiration of that act, decide to allocate funds for the construction of that particular plant, the question arose in my mind, since there is not any other Federal law authorizing such an expenditure, whether his power is continued by this amendment or whether the President will be powerless to make such an expenditure.

I hope the Members of the Senate who are lawyers will consider very seriously the effect of this particular amendment. "Types of projects" is a very indefinite term.

Mr. GLASS. It is a very general term, a very comprehensive term; is it not?

Mr. WAGNER. Frankly, I do not know exactly what it means.

Mr. GLASS. It is the opinion of the chairman of the committee that there are few things of which the human mind may conceive that the President may not do under the terms of the joint resolution.

Mr. KING. Very few.

Mr. GLASS. And if the Senator listened to the speech of the Senator from Oregon [Mr. STEIWER] a few days ago, he will recall that there was—if the Senator will not object to the term—an almost interminable recitation of what might be done under the joint resolution. If, however, every Senator has in mind a pet project and proposes to amend the joint resolution by putting his particular project within its terms, we shall be here until next January.

Mr. FLETCHER. Mr. President——

Mr. WAGNER. Mr. President, in connection with my inquiry I desire to emphasize the fact that I am not in favor of limiting the power of the President at all. I am quite willing to give him the powers that were granted to him under the National Recovery Act. I am not sure but that we would be limiting those powers very much under this amendment.

Mr. O'MAHONEY. Mr. President, if the chairman of the committee will permit me, I shall modify the amendment in a way which I think will meet the possibility of criticism suggested by the Senator from New York.

Mr. GLASS. Meanwhile, I will yield the floor to the Senator from South Carolina [Mr. BYRNES].

Mr. O'MAHONEY. Just one word further, with the Senator's permission.

Mr. BYRNES. Certainly.

Mr. O'MAHONEY. I desire to modify the amendment so as to make the new language read as follows:

and such type or types of projects, Federal or non-Federal, as are now or may be hereafter authorized by law of the United States.

I have just inserted the words "now" and "hereafter."

Mr. BYRNES obtained the floor.

Mr. FLETCHER. Mr. President, may I ask the Senator to yield just a moment so that I may ask a question?

Mr. BYRNES. I yield.

Mr. FLETCHER. I should like to ask whether this amendment would exclude from the power and authority given the President in the expenditure of this fund any enterprise or undertaking or project which he may determine to be in the public interest, but which has not heretofore been authorized by Congress? For instance, as the Senator from New York suggested, the President may find new things, new projects, new undertakings, which ought to be instituted in order to give employment to people and to make the best possible use of this fund, undertakings which have never been dealt with by Congress at all. Does the Senator want to exclude them? I do not think that would be quite fair to the President.

Mr. GLASS. The amendment does exclude them, of course. That was the intention of the committee.

Mr. FLETCHER. I object to the amendment on that ground, because I can see very well how something new might develop which would give employment and which would provide important public works of great benefit to the country, but the President would be precluded from utilizing any of this money to effectuate them.

Mr. GLASS. Mr. President, let us have a vote on the amendment.

The VICE PRESIDENT. Without objection——

Mr. FLETCHER. I object. Let us have a vote on it.

Mr. HASTINGS. Mr. President, I understood the Senator from Virginia desired to yield to the Senator from South Carolina. I desire to make some inquiries before the amendment shall be adopted.

Mr. BYRNES. I should much prefer to have this amendment voted upon, and be recognized afterward.

Mr. HASTINGS. I desire to inquire of the Senator from Wyoming whether his amendment does anything more than to describe the type of non-Federal projects for which this money may be used. Does it do anything more than that?

Mr. O'MAHONEY. Perhaps it does not exactly do that. It restricts the expenditure of the fund to such purposes and such type or types of projects as may now or hereafter be authorized.

Mr. HASTINGS. That is, if the President may anywhere find now in the law——

Mr. O'MAHONEY. In the law of the United States.

Mr. HASTINGS. In the law of the United States that any Federal project has been authorized, then he can take some non-Federal project of a like type and spend the money for that purpose?

Mr. O'MAHONEY. I think not. The distributive is used, "Federal or non-Federal."

Mr. HASTINGS. Does it not include the provision that he shall have authority to spend this money for non-Federal projects?

Mr. O'MAHONEY. Such as have been authorized by law. In other words, let me say to the Senator, returning to the Public Works authorization, that law, title II of the N. I. R. A., gives the Executive the authority to lend funds from the Public Works Administration appropriation for non-Federal projects.

Mr. HASTINGS. Yes.

Mr. O'MAHONEY. He may continue to do that under this amendment, but only for projects of the type authorized by that law.

Mr. HASTINGS. He may do that only for such types of projects as have been approved by the Congress. Is not that correct?

Mr. O'MAHONEY. To carry out such authorizations as have been made by the Congress.

Mr. HASTINGS. It does not seem to me that the Senator's amendment does anything. That is the point I make.. It does not help at all.

Mr. O'MAHONEY. That may be the Senator's opinion. It is not mine.

Mr. COUZENS. Mr. President, I desire to draw the attention of both the Senator from Wyoming and the Senator from Delaware to section 202 of the N. I. R. A. There it is provided—and I doubt whether there is any limitation even in that act—

The Administrator—

Referring to the Administrator of the P. W. A.—

The Administrator, under the direction of the President, shall prepare a comprehensive program of public works, which shall include, among other things, the following: (a) Construction, repair, and improvement of public highways and park ways, public buildings, and any publicly owned instrumentalities and facilities; (b) conservation and development of natural resources, including control, utilization, and purification of waters, prevention of soil or coastal erosion, development of water power, transmission of electrical energy, and construction of river and harbor improvements and flood control and also the construction of any river or drainage improvement required to perform or satisfy any obligation incurred by the United States through a treaty—

And so forth. These activities can be expanded to include the doing of anything, except that I do not believe that an interpretation of that language would permit the authorities to engage in the establishment of retail oil stations, for example, as was suggested before the Committee on Appropriations by one of the witnesses. I doubt whether that could be done under this provision. I doubt whether the Government could engage in the operation of a department store, or the operation of a furniture factory, or in any other such activity, with the exception, perhaps, of the utilization of power. It could put in power stations all over the United States, under this law. It could put in anything that had to do with power, and the other things enumerated previously in the law, but I doubt whether the Government could go into activities which some fear it might enter, so as to interfere with private enterprise. I should like to know whether that is the idea of the Senator from Wyoming.

Mr. O'MAHONEY. It was not my intention to put any limitation on the authority contained in the act from which the Senator is reading. I concur in his opinion. Anything the President may now do under that act he could do under this amendment.

Mr. COUZENS. So I take it the enactment of the joint resolution containing this amendment would in no sense extend his authority beyond the authority he already has?

Mr. O'MAHONEY. Absolutely not.

Mr. COUZENS. In the way of construction expenditures?

Mr. O'MAHONEY. That is my understanding.

Mr. GLASS. Mr. President, if I may satisfy the minds of doubting Thomases, I will state further that some gentlemen imagine that there is some restriction contained in the amendment proposed by the Senator from Wyoming, but there is no restriction. Let us vote.

Mr. KING. Mr. President, of course I know the impatience of some Senators to push this legislation through; but I should like to ask the chairman of the committee whether or not under this joint resolution the 30-percent grant contained in the law, to which reference has been made, will be continued.

Mr. GLASS. Any grant that is now contained in any act of Congress may be utilized in the expenditure of this money.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY], as modified.

The amendment, as modified, was agreed to.

Mr. BYRNES. Mr. President, because of questions which have been asked this morning, and particularly because of the debate last week, I desire for a short time to discuss the purpose of the pending joint resolution.

The Senator from Virginia [Mr. GLASS] stated a few moments ago that on Thursday of last week the Senator from Oregon [Mr. STEIWER] made what the Senator from Virginia apologetically said was an interminable recital of what could be done under the pending measure. On the following afternoon the Senate was entertained by the Senator from Michigan [Mr. VANDENBERG], who, for about 3 hours exhausted his imaginative powers in telling us what might be done or could be done under the proposed law.

Seemingly the Senators deliberately forget that the President of the United States came to the Congress only a few weeks ago and stated to the Congress the purpose and the object sought by the proposed legislation. He said then:

I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution, but also their self-respect, their self-reliance, and courage and determination.

He then set forth a program having for its object the giving of jobs instead of cash and grocery orders to three and one-half million people now on the relief rolls.

To listen to the Senator from Oregon and the junior Senator from Michigan one would never dream that such purpose was ever in the mind of the President or in the minds of the Members of the House of Representatives, which passed the joint resolution. They spoke of the possible opening of factories, the establishment of businesses, and of every other imaginable thing. They did not refer to the purpose as declared by the President. Why? Was it because they disbelieved the President of the United States in his statement that the proposed legislation had for its object only this one thing—to give jobs to three and one-half million people, unfortunately out of work, but anxious to work, so that they could give something in exchange for that which they received from their neighbors? That is the purpose of the pending measure.

The President set forth, first, that all work undertaken should be useful, not just for a day or a year, but useful in the sense that it afforded permanent improvement in living conditions. The Senator from Michigan in discussing the matter said "Useful to whom?" and "What does he mean by 'useful'?"

It is astonishing that the Senator from Michigan does not even know the common-sense definition of the word "useful."

The President said, further:

Compensation on emergency public projects should be in the form of security payments, which should be larger than the amount now received as a relief dole but at the same time not so large as to encourage the rejection of opportunities for private employment or the leaving of private employment to engage in Government work.

(3) Projects should be undertaken on which a large percentage of direct labor can be used.

(4) Preference should be given to those projects which will be self-liquidating in the sense that there is a reasonable expectation that the Government will get its money back at some future time.

(5) The projects undertaken should be selected and planned so as to compete as little as possible with private enterprises. This suggests—

Said the President—

that if it were not for the necessity of giving useful work to the unemployed now on relief, these projects in most instances would not now be undertaken.

In an effort to put into legislative form the program set forth by the President a bill was drawn. As to the drafting of that bill from the other side of this Chamber we learn that it was a mystery—born in the dark, said the Senator from Michigan, as only he in his eloquent way could say—born in the dark, sacrificing $4,000,000,000—$4,000,000,000 of lost liberty. A distinguished Representative from the State of Texas, the Chairman of the Committee on Appropriations in the House, introduced this bill. I knew nothing of its drafting. I do not believe that any Member of the Senate did. But when criticism was expressed upon this floor I took the trouble to inquire as to the drafting.

Before the Senate committee the Director of the Budget said that under his direction and supervision, with the assistance of Mr. Hester, one of the attorneys in the Treasury Department, a draft was prepared. It was taken to Congressman BUCHANAN, who called in the legislative assistants on the House side, Mr. Beaman and Mr. O'Brien, just as every Senator on this floor has called in the assistance of the Legislative Drafting Counsel time after time.

The Comptroller General was consulted by the Chairman of the Committee on Appropriations, who assumed the sole responsibility for the bill as drafted, and introduced it into the House. It was passed by the House, and of the 435 Members all but 78 voted for its passage in the House. It was voted for by Republicans and Democrats.

Now when it comes to this side of the Capitol it is received in an entirely different way. Two days after it was received in this Chamber the old guard, or what is left of the old guard, called a conference to make a partisan issue on an appropriation bill, certainly for the first time since I have served on the Appropriations Committee of the Senate. On Saturday before the bill was to be submitted to the committee the press carried the announcement, and it was a correct announcement, that a conference of Republican Senators was called to consider the bill. When the ranking member of the Appropriations Committee on the Republican side came into the committee room 2 days thereafter he made a statement, prefacing his statement by the announcement, "by direction of the conference." It was only additional evidence of the intention to inject political partisanship into the consideration of this bill.

The Senator from Alabama [Mr. BLACK] said the other afternoon that it was rather difficult to have the Senator from Michigan say just exactly whether he was in favor of $4,000,000,000 or whether he was in favor of a larger amount or a smaller amount, and I must agree that the Senator was correct. I have read the speech in the RECORD. I find that the Senator from Michigan was exceedingly explicit in his stand upon it. He said:

I do not stress the size of the grant because I would hesitate to put so great a sum at the disposal of the needs of the people of the United States.

You see he is not against the amount—

On the contrary, I assert that any sum, required for our emergency and promising adequate relief and evolution out of this depression, must be put to work upon these tasks.

The Senator from Alabama was right. If in Michigan there is any gentleman who is in favor of a higher appropriation, he can cite that language and say, "Regardless of what others may do, our junior Senator is in favor of any sum—the sky, and the sky alone is the limit." The Senator further stated:

Able Senators in this body, Senators who have made a searching study of work relief and who believe in it, insist upon amendments to increase the four billions to ten billions in order to do the job. There is no warrant for the belief, I assert, that four billions will suffice, even if we waive aside the argument whether work relief is a wise reliance at all.

So I answer the question of the Senator from Alabama that was not answered by the Senator from Michigan. Four billion dollars will not suffice, and he would be in favor of any sum. But the Senator devoted his time, most of it, to a statement that it was too great a power to give to the President. That the power would be abused. He said:

The last grant which we made for the Public Works Administration was for the purpose, of course, of creating immediate employment as swiftly as possible. Yet the enormous sum of $238,000,000 was promptly detoured from the P. W. A. to the Navy Department for the construction of new ships. It was not primarily an employment program.

Any man reading that, any man hearing it, would come to the conclusion that in some improper way funds which were appropriated for a specific purpose were detoured into the building of a naval program; and yet the Industrial Recovery Act in its public-works section specifically provided that the money appropriated, the $3,300,000,000, could be used—

If in the opinion of the President it seems desirable, for the construction of naval vessels within the terms and the limits established by the London Naval Treaty of 1930.

The specific authority was given to the President to use the money for that purpose. The Senator from Michigan was in the Senate at the time. If it was an improper use—if he deemed it even an unwise use, he could have raised his voice; he could have cast his vote against that specific provision, and he did neither.

Now he leads the people to believe that it was an improper use by the President of funds that were appropriated. He says further that—

The President is authorized under this bill to make any loan he pleases, whether to a citizen or an alien.

The bill specifically provides that the moneys herein appropriated—

Shall be available for use only in the United States and its Territories and possessions, including the Philippine Islands.

The Philippine Islands being stricken from the bill by the committee.

I could go through this platform of the Senator from Michigan and call attention to many things which he stated for which there was no foundation in fact, but I think there is one that is sufficient to explain the mental attitude of the Senator from Michigan. He says that the President in a message to the House made a statement as follows:

The throwing out of balance of the resources of nature throws out of balance also the lives of men. We find millions of our citizens stranded in village and on farm. We find other millions gravitated to centers of population so vast that the laws of natural economics have broken down.

And the Senator says:

Suppose one of the purposes ahead, under the proposed authority, is to order a correction of this particular maladjustment. Certainly it is amply authorized. Evidently it is in the Presidential mind. I do not argue its merits. I discuss the naked fact itself.

Now let us see what the Senator tells the people of this country and of Michigan is in the Presidential mind.

Suppose it is determined—

He said—

by supergovernment, that 10,000 farmers should be moved from sand-soil lands in Michigan to the great open spaces of Wyoming. Under this joint resolution the order can issue; and if it be resisted by farmers who are attached to Michigan and do not wish to be transplanted, they could have been put in jail in the first instance. They could be fined $5,000 under the House program. They are let off for $1,000 under the amended joint resolution as reported by the Senate Appropriation Committee. As originally drawn, they could also have been jailed for resisting the Executive decree covering fundamental rights of the citizen whom Congress, if consulted, would never permit to be thus handled as a pawn in a game of economic chess.

Suppose it is determined, in a flash of superior wisdom which implements this philosophy of transmigration, that 10,000 workers in Detroit should be scattered among the villages of Arizona. Under this joint resolution the order can issue; and the victim who finds this moving order on the lintel of his door can choose between his newly ordered destination and a fine of $5,000, or he can be sent to jail for 2 years if the joint resolution should be restored to the form in which it came to us from the other end of Pennsylvania Avenue.

And when the Senator from Virginia [Mr. GLASS] asked the Senator from Michigan [Mr. VANDENBERG] if he did not know that within the limits of this bill there was no authority anywhere for a compulsory transfer the Senator said:

It becomes a compulsory transfer unless the penalty is excepted.

The Senator continued:

Are these violent assumptions?

He would not say they were.

I hope so—

He said—

but I do not know.

He would have the farmers in Michigan believe that the President of the United States was seeking authority to drive people from their homes, and he could not even give them the comfort that it would not be used. He wanted a man to believe that some night there would be placed on his door an order to move to Wyoming, to Arizona, and that if he did not leave with the sun that he would be put in jail for 2 years. He would have the people of Michigan believe that the splendid gentlemen who represent that State in the House, men like CARL MAPES, of Michigan, and MCLEOD, of Michigan, who voted for this bill, would vote for a measure authorizing the President or any other man to drive out of the homes of Michigan the people who are attached to their State and to their soil. He could not tell them that it would not be done. He only hoped that it would not be done, and perchance, upon his return when they still find themselves at home they can say, "Those Democrats would have done it; Roosevelt would have driven us to Wyoming, but, thank God, our junior Senator saved us and enabled us to stay at home." That will be a comforting thought.

Mr. O'MAHONEY. Mr. President——

Mr. BYRNES. I yield to the Senator from Wyoming, anticipating what he will probably say.

Mr. O'MAHONEY. I merely desire to observe that the Executive would probably confer a benefit upon anybody whom he caused to be sent to Wyoming.

Mr. BYRNES. The people of Wyoming may remember that when the Senator from Michigan sought to frighten the people of Michigan to death, he could think of nothing worse to hold up before their eyes, than the threat of being sent to Arizona or Wyoming. [Laughter.]

That any man studying the pending joint resolution, having for its purpose nothing but to give jobs to three and a half million poor unfortunates who are out of work and who want to work, can distort its meaning and purpose into a grant of authority under which men may be driven from their homes, under which they may wake up and find a notice on their doors to remove to some other section of the country, shows the extent to which my friend from Michigan would go, and the poverty of his cause at this time.

But it was not always thus. Lest someone may think so, I desire to advise the Senate that it was only a short time ago when the Senator from Michigan had an entirely different idea about this situation. When he went before the people of the State of Michigan to announce his candidacy for reelection, recalling that the State of Michigan had voted for Franklin D. Roosevelt at the previous election, the junior Senator from Michigan stated:

One dominating move must underlie this contemporary service. We are in another war.

Can you not hear him?—

We never yet have lost a war. War requires unified command and unified allegiance. Under our system we could not at the moment change command if we would. Thus the patriotic challenge stands clear. As patriots, long before we are partisans, we owe all possible support to Franklin D. Roosevelt—

The gentleman in front of me looked around. I imagine he was startled. I will read it again:

We owe all possible support to Franklin D. Roosevelt, President of the United States, in what we all unitedly hope and pray may be the permanent upsurge of American affairs. He has given our people new hope. Encouragement is in the air. The country moves ahead. It is our Republican function to aid this trend in every compatible way. We are not required to surrender our fundamental convictions, but we are required to cooperate in the last possible degree, pending the appropriate time when we can take our cause to the electorate. The alternative would be chaos.

That was the candidate speaking, the junior Senator from Michigan, asking for reelection. And, Mr. President, it is rather generally believed that had the Senator not so addressed the people of Michigan there would have been a little more room for the miniature golf course that could be built on the other side of the Chamber at this time. [Laughter.]

But the Senator was wiser than others. He said we must stand by the President of the United States; we are at war; we owe him allegiance; and because he did it he has returned, to our great pleasure, while some other gentlemen did not. It is a pity that last week he did not remember the next paragraph of his Grand Rapids speech:

In such a situation I undertake to make it plain that I have no use whatever for petty political sniping and for what some who often are themselves guilty of the precise practice which they blatantly condemn, call "carping criticism."

I leave it to the junior Senator from Michigan to say whether it is political sniping or carping criticism for him to say that he could not even assure the people of Michigan that the President of the United States would not overnight drive out of Michigan and into the far West the farmers and the God-fearing people who live today in the State of Michigan.

Carping criticism! What else is there to the speech the Senator has made about the joint resolution? The Sena-

tor did speak about the tide; the tide was coming in at various times or the tide was going out. We knew that he was all wet without such continued references to the tide. The sum and substance of his speech was that he thought now that the election was over, the joint resolution proposed to give too great power to the President, but he never raised his voice against the expenditure of $3,300,000,000 under the National Industrial Recovery Act; he never objected to the original relief act. He referred to the Federal Housing Act, but the Senator from Michigan voted for it. He says the economy act was terrible, but he voted for it. If after each paragraph of his speech in which he referred to laws passed under the Roosevelt administration the Senator had said, "I voted for it", those who read the speech would have a clearer understanding of the position of the Senator as to the various measures which he discussed.

But after all, Mr. President, the question is not who drafted this measure; the question is what is in the measure.

Mr. COUZENS. Will the Senator yield at that point?

Mr. BYRNES. I yield.

Mr. COUZENS. The Senator perhaps should not be so harsh on my colleague, because he is a candidate for the Presidency. I hope the Senator from South Carolina will not put me in the same category, because I was not born within the limits of the United States, and I cannot be a candidate. So I want to ask the Senator if he, in all good faith, approved the joint resolution as it was introduced in the House of Representatives.

Mr. BYRNES. I will answer the Senator, but, first, I want to say that while the senior Senator from Michigan [Mr. COUZENS] was not in the Chamber the other afternoon, all of us who were here listening to the junior Senator from Michigan [Mr. VANDENBERG] knew he was a candidate without the senior Senator from Michigan telling us so.

Mr. COUZENS. I heard a great part of the speech, but I still want to ask the question of the Senator from South Carolina.

Mr. BYRNES. I will answer the Senator's question. As to the program of the President as set forth in this joint resolution, I voted for the amendment adopted only a few moments ago on the motion of the Senator from Wyoming [Mr. O'MAHONEY]. Other amendments I have voted for. I objected, as I know my friend the senior Senator from Michigan objected, when I first read the joint resolution to the provision guaranteeing loans, but I want now, in justice to the House of Representatives, to say a few words with reference to that. When I read in the measure the power to guarantee the payment of loans, I was immediately opposed to it. I found it to be the fact that the power was placed in the joint resolution by the Representative who introduced it in the other body because of the statement by the relief administration that in some instances when men who were on the relief rolls had secured jobs they had no money with which to pay for groceries.

They could stay on the relief roll because they had no money, and the relief administration would still have to furnish them groceries. The administrators conceived the idea some few months ago that if they could guarantee the amount, as the man was working they would make him pay it when he got his pay 2 weeks hence, instead of the relief administration advancing the money or the groceries. With the idea of saving money in that instance, they asked for the power. They said that, in all, it would amount to between five and ten thousand dollars. Because I knew that five or ten thousand dollars' worth of time would be lost in the discussion of it, it mattered not how worthy it was, I moved to strike it from the joint resolution.

As to other provisions of the measure, an amendment was agreed to striking out the words "relieving economic maladjustments", which I certainly did not object to having stricken from the bill. But again, in justice to the other House and to the Representative in Congress and those associated with him who drafted the joint resolution, I will state that the purpose was to care for the situation in rural rehabilitation work and subsistence homesteads. There was a question as to whether the Comptroller General would hold that they were authorized under the first clause "providing relief resulting from wide-spread unemployment", because it was a rural situation, and whether or not farmers had been "employed" in the sense of the word as it would be interpreted by the Comptroller General. My own judgment is that the situation is fully covered by clause 3 and by the words "alleviating distress", and that under those clauses any situation of that kind could be cared for. Because of the possibilities which have been suggested and because of the belief that the language is unnecessary, I think it is well that it be stricken out.

Now, as to the power to establish agencies. I believe the President should have the power to establish an agency. The President has said that he wanted to close the Relief Administration in order that the relief problem, as a relief problem for the unemployed or the unemployable or for the disabled, should revert to the States, and that the United States Government should assume the burden as a work problem and not as a relief problem. Having that in mind, as it became possible that the Relief Administration—certainly in name—could be closed, an organization should be established by him for the purpose of carrying out this proposed act.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. BYRNES. Yes.

Mr. COUZENS. Does the Senator see any objection to the Congress itself saying that the Federal Emergency Relief Administration shall be abolished?

Mr. BYRNES. Not at all, except that I would not want to say it as to time, because I know that the problem is such that no man can tell exactly when it will be possible to entirely remove the United States Government from the extending of relief. It must depend upon the rapidity with which men can get jobs under the program that is now to be undertaken. I have no reason except as to the time element; that is all.

Mr. COUZENS. Am I to understand the Senator in a previous comment to have made the statement that he did not agree with the committee in striking out section 4 as it came from the House?

Mr. BYRNES. That is incorrect. I could write section 4, I am satisfied, in fewer words, giving the President power to do what he wants to, according to a statement made before the committee, to consolidate organizations now administering various relief activities, as well as other governmental organizations. I think the Senator will agree that the matter of soil erosion is scattered in at least two departments, rural housing in two or three bureaus; and certainly, for effective administration, there ought to be a coordination of such activities. If it could be done, it would be in the interest of good administration and economy, and he should have the power to consolidate such agencies.

Mr. COUZENS. Can the Senator see any reason why Congress should not know about these things and pass upon them?

Mr. BYRNES. Congress does know about them.

Mr. COUZENS. There is nothing in the joint resolution about consolidating the specific units the Senator has mentioned. I am not finding any fault with the program the President has in mind, if I may know what it is, but there is nothing here to show what his program is.

Mr. BYRNES. I think the Senator will agree that insofar as the executive department goes we were not unwise when in the closing days of the last administration we authorized the President to coordinate executive bureaus whenever it was possible. As the result of it the Shipping Board and other organizations were reorganized. Some progress was made toward unification. I think the Executive can do it much better than the Congress can.

Mr. COUZENS. I have no objection if the Congress were consulted and advised, as was provided in the act to which the Senator refers which was passed in the closing days of the last administration. But as section 4 of the pending

measure was drafted the authority and power granted thereunder were unconscionable, and I could not agree to it.

Mr. BYRNES. I have said to the Senator that I think I could take the language of the joint resolution and the language of the act to which I have referred, the legislative appropriation act and similar acts, and could accomplish everything that would be necessary and wise under those acts, and would do it much better than it is done by the language in the pending joint resolution; but that act about which he and I are talking expires sometime in the near future, and the Executive would have no power to consolidate unless we confer that power upon him anew.

Mr. President, with reference to the statement so often made as to the powers of the Executive, I ask permission to place in the RECORD a summary of some acts of Congress giving to the President the power to spend lump sums that have been enacted throughout the history of the Government.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

REFERENCE TO APPROPRIATIONS WHERE THE LAW PROVIDES THAT THE EXPENDITURES ARE TO BE MADE AT THE DISCRETION OF THE PRESIDENT

Act March 20, 1794 (1 Stat. 345): That a sum of $1,000,000, in addition to the provisions heretofore made, be appropriated to defray any expenses which may be incurred, in relation to the intercourse between the United States and foreign nations, to be paid out of any moneys, which may be in the Treasury, not otherwise appropriated, and to be applied, under the direction of the President of the United States, who, if necessary, is hereby authorized to borrow the whole or any part of the said sum of $1,000,000; an account of the expenditure whereof, as soon as may be, shall be laid before Congress. * * *

Act October 31, 1803 (2 Stat. 345): An act to enable the President of the United States to take possession of the territories ceded by France to the United States by the treaty concluded at Paris, on the 30th of April last; and for the temporary government thereof.

The above-cited act provided as follows: "* * * and so much of the sum appropriated by the said act as may be necessary is hereby appropriated for the purpose of carrying this act into effect; to be applied under the direction of the President of the United States."

Act January 15, 1811 (3 Stat. 471): An act to enable the President of the United States, under certain contingencies, to take possession of the country lying east of the River Perdido, and south of the State of Georgia and the Mississippi territory, and for other purposes.

Section 2 appropriates $100,000 for defraying such expenses as the President may deem necessary for obtaining possession as aforesaid, and the security of said territory, to be applied under the direction of the President, out of any moneys in the Treasury not otherwise appropriated.

Act March 3, 1839 (5 Stat. 355): An act giving the President of the United States additional powers for the defense of the United States; authorized to resist any attempt on the part of Great Britain to enforce by arms her claim to jurisdiction over that part of State of Maine which is in dispute.

Section 5 appropriates the sum of $10,000,000, which is placed at the disposal of the President for the purpose of executing the provisions of said act, etc.

Act June 29, 1854 (10 Stat. 391): An act to enable the President of the United States to fulfill the third article of the treaty between the United States and Mexico of December 30, 1853, provides: "That the sum of $10,000,000 be, and the same is hereby, appropriated out of any money in the Treasury not otherwise appropriated, to enable the President of the United States to fulfill the stipulation in the third article of the treaty between the United States and the Mexican Republic, of the 30th of December 1853 * * *."

Act July 31, 1861 (12 Stat. 283): Appropriated the sum of $2,000,000 "to be expended, under the direction of the President of the United States, in supplying and defraying the expenses of transporting and delivering such arms and munitions of war as in his judgment may be expedient and proper to place in the hands of any of the loyal citizens residing in any of the States in which the inhabitants are in rebellion against the Government, * * *."

Act July 31, 1861 (12 Stat. 283): Appropriates $10,000,000 "to be expended under the direction of the President of the United States for the purchase of arms for the use of the regular troops of the United States."

Joint resolution October 12, 1888 (25 Stat. 631): Aid to sufferers from yellow fever. "That the sum of $100,000, or so much thereof as may be necessary, be and the same is hereby appropriated out of any money in the Treasury not otherwise appropriated to be expended under the direction of the President of the United States whenever in his opinion such expenditure will tend to the eradication of the epidemic of yellow fever now prevailing in the United States or its spread from State to State."

Act June 28, 1902 (32 Stat. 481): Panama (Isthmian) Canal: An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans, authorizes the President to acquire all necessary rights, privileges, franchises, property, etc., and to construct the Canal and works appurtenant thereto. For this purpose there was created the Isthmian Canal Commission. "Said Commission shall in all matters be subject to the direction and control of the President."

Various appropriation acts were passed by Congress for the purposes of the above-cited act carrying the clause "to be expended under the direction of the President in accordance with the said act."

For relief, protection, and transportation of American citizens in Europe: Public Resolution No. 41, August 3, 1914 (38 Stat., p. 776), $250,000; Public Resolution No. 42, August 5, 1914 (38 Stat., p. 776), $2,500,000.

(There resolutions provide that the funds in question are "to be expended at the discretion of the President.")

Deficiency Act, March 9, 1898: National defense: For the national defense, and for each and every purpose connected therewith, to be expended at the discretion of the President, and to remain available until January 1, 1899, $50,000,000.

Deficiency Act, April 17, 1917 (40 Stat., p. 28): National security and defense: "For the national security and defense, and for each and every purpose connected therewith, to be expended at the discretion of the President, and to be immediately available and to remain available until December 31, 1917, $100,000,000.

Sundry Civil Act, July 1, 1918 (40 Stat., p. 635): National security and defense: For the national security and defense, and for each and every purpose connected therewith, to be expended at the discretion of the President, $50,000,000.

Act of February 25, 1919 (40 Stat., 1161): European food relief: An act providing for the relief of such populations in Europe, and other countries contiguous thereto, outside of Germany, German-Austria, Hungary, Bulgaria, and Turkey, as may be determined upon by the President as necessary.

Provides for the participation of this Government in furnishing foodstuffs and other urgent supplies to certain European countries.

The above cited act provides as follows: "* * * as may be determined upon by the President from time to time as necessary, and for each and every purpose connected therewith, in the discretion of the President, there is appropriated out of any money in the Treasury not otherwise appropriated $100,000,000, which may be used as a revolving fund * * *."

Mr. BYRNES. I may invite attention to the fact that as early as 1794 the sum of $1,000,000, a great sum at that time, was appropriated to the President to be applied under his supervision without any specific direction as to how it was to be spent, other than that it was to be used in relation to intercourse between the United States and foreign nations. The President was authorized even to borrow the whole or any part of the million dollars which he was authorized to spend. From that day down to this, in Congresses controlled by the Republican Party and in Congresses controlled by the Democratic Party, lump sums have been appropriated for the use of the Executive to be spent in his discretion. The language "in his discretion" and "under his direction" occurs in acts of Congress from 1794 to 1934, so it is really nothing new. Certainly that is true as to the more recent legislation.

Considerable discussion has been had with reference to the penalty clause. It is said that is a terrible thing. The Senator from Michigan [Mr. VANDENBERG] spoke about it the other day. Only 2 weeks ago we passed what is known as the "Connally oil bill", authorizing the President to draft regulations and providing that for their violation a man may be either fined or imprisoned. Not one word was said by anyone I can recall except the Senator from Idaho [Mr. BORAH]. He did question it. He did not demand a vote upon it. The Senator from Oregon [Mr. STEIWER] did not question it. The Senator from Michigan [Mr. VANDENBERG] did not question it. They were here and they voted to send a man to jail if he should violate a regulation under the oil bill; but if there is any penalty under the joint resolution now before us it immediately becomes a terrible crime and a gross abuse and usurpation of power by the President.

The N. I. R. A. had the same provision. If it is bad now, it was bad then. Here is what was provided in that act:

The President is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this title, and any violation of any such rule or regulation shall be punishable by fine not to exceed $500 and imprisonment not to exceed 6 months, or both.

Not one question was raised about that provision. It was all right. Only when such a provision is found in the pending joint resolution is it said to be wrong. Because of that I ask to submit for the RECORD a list of some 43 acts of Con-

gress in which it is provided that for a violation of regulations punishment by fine or imprisonment, or both, may be inflicted.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The following are some of the laws containing provisions making it a crime to violate regulations made by the President, a member of the Cabinet, or some other executive officer:

1. An act authorizing the citizens of Colorado, Nevada, and the Territories to fell and remove timber on the public domain for mining and domestic purposes. June 3, 1878. Section 3 (20 Stat. 89).

2. An act to prevent the introduction of contagious diseases from one State to another and for punishment of certain offenses. March 27, 1890. Section 2 (26 Stat. 31).

3. An act to amend section 3354 of the Revised Statutes. June 18, 1890. (26 Stat. 161.) (Liquor regulation.)

4. An act to adopt special rules for the navigation of harbors, rivers, and inland waters of the United States, etc. February 19, 1895. Section 3 (28 Stat. 672).

5. An act to adopt regulations for preventing collision upon certain harbors, rivers, and inland waters of the United States. June 7, 1897. Section 3 (30 Stat. 102).

6. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1898, and for other purposes. June 9, 1897. (30 Stat. 35.) (Regulations for fire prevention.)

7. An act concerning the boarding of vessels. March 31, 1900. (31 Stat. 58.)

8. An act authorizing Secretary of War to make regulations governing the running of loose logs, steamboats, and rafts on certain rivers and streams. May 9, 1900. (31 Stat. 172.)

9. An act to regulate the construction of bridges over navigable waters. March 23, 1906. Section 5 (34 Stat. 85).

10. An act to amend an act entitled "An act to regulate the construction of dams across navigable waters", approved June 21, 1906. June 23, 1910. Section 5 (36 Stat. 595).

11. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. March 4, 1915. Section 7 (38 Stat. 1053). (Regulations establishing anchorage grounds, etc.)

12. Agriculture appropriation bill of 1917. August 11, 1916. (39 Stat. 476.) (Regulations of game preserves.)

13. Naval appropriations bill of 1918. March 4, 1917. Section 44 (39 Stat. 1194). (Regulations within limits of established sea areas.)

14. An act authorizing the President to make rules and regulations affecting health, etc., in the Canal Zone. August 21, 1916. (39 Stat. 527.)

15. Revenue Act of 1918. February 24, 1919. Section 627 (40 Stat. 1115). (Liquor regulation.)

16. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1919. July 9, 1918. Chapter XIX (40 Stat. 893). (Regulations for protection of life and property in target practice.)

17. An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. August 8, 1917. Section 7 (40 Stat. 266). (Regulations for the use, administration, and navigation of the navigable waters.)

18. An act to provide for the national security and defense by encouraging production, etc., of minerals. October 5, 1918. Section 4 (40 Stat. 1010).

19. Joint resolution authorizing the President to establish zones in which liquor may not be sold, etc. September 12, 1918. (40 Stat. 958.)

20. Act to confer on the President power to prescribe charter rates and freight rates and to requisition vessels, and for other purposes, etc. July 18, 1918. Section 16 (40 Stat. 916).

21. Migratory Bird Treaty Act. July 3, 1918. Section 6 (40 Stat. 756).

22. An act to prevent in time of war departure from or entry into the United States contrary to the public safety. May 22, 1918. Section 3 (40 Stat. 559).

23. Trading with the Enemy Act. October 6, 1917. Section 16 (40 Stat. 425).

24. An act to provide further for the national security and defense by encouraging the production of food products, etc. August 10, 1917. Section 5 (40 Stat. 277).

25. An act to prohibit manufacture, etc., in time of war of explosives. October 6, 1917. Section 19 (40 Stat. 388).

26. Act to enable the President to carry out the price guarantees made to producers of wheat, etc. March 4, 1919. Section 5 (40 Stat. 1350).

27. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1921. May 31, 1920. (41 Stat. 727.) (Regulations on entry of plants.)

28. An act to accept the cession by State of California of lands embraced within Yosemite National Park, etc., June 2, 1920. (41 Stat. 732.) (Regulation for the management, etc., of the park.)

29. An act to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909. March 4, 1921. Section 235 (41 Stat. 1445). (Regulations governing shipment of explosives.)

30. Packers and Stockyards Act of 1921. August 15, 1921. Section 306 (G) (42 Stat. 165).

31. An act for the protection of fisheries in Alaska, and for other purposes. June 6, 1924. Section 6 (43 Stat. 466).

32. An act to protect navigation from obstruction and injury by preventing the discharge of oil into the coastal navigable waters of the United States. June 7, 1924. Section 4 (43 Stat. 605).

33. An act to provide for the protection of forest lands, for their reforestation of denuded areas, etc. June 7, 1924. Section 9 (43 Stat. 655).

34. An act to regulate the importation of milk and cream into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health. February 15, 1927. Section 4 (44 Stat. 1103).

35. An act to amend the act entitled "An act to regulate interstate transportation of black bass, and for other purposes. July 2, 1930. Section 5 (46 Stat. 846).

36. Emergency Railroad Transportation Act. June 16, 1933. Section 12 (48 Stat. 215).

37. Cotton Control Act. April 21, 1934. Section 14 (E) (48 Stat. 605).

38. Securities Act of 1933. May 27, 1933. Section 24 (48 Stat. 87).

39. Emergency Banking Act of 1933. March 9, 1933. Section 4 (48 Stat. 2); section 211 (48 Stat. 5).

40. National Industrial Recovery Act. June 16, 1933. Section 10 (48 Stat. 200).

41. An act to stop injury to the public grazing land by preventing overgrazing and soil deterioration, etc. June 28, 1934. Section 2 (48 Stat. 1270).

42. Communications Act of 1934. June 19, 1934. Section 502 (48 Stat. 1100).

43. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits. June 18, 1934. (48 Stat. 1020.)

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Delaware?

Mr. BYRNES. Certainly.

Mr. HASTINGS. I wish the Senator would be a little more specific as to the purpose of this section. I realize that what the Senator has said is true, that in many acts there is some similar provision; but I cannot quite understand how effective this section may be, and I do not know what the person who drafted it had in his mind when he spoke about "rules and regulations."

I followed the remarks of the Senator from Michigan [Mr. VANDENBERG], and it seemed to me at the time he discussed this particular part of the measure that it could not have had as its object that the President might by Executive order direct that certain people be transferred from one place to another and for any violation of that order he might impose this penalty. I do not know whether under this joint resolution he could do it or not. I am asking the Senator from South Carolina about it.

Mr. BYRNES. The language is taken exactly from the N. R. A. Act, which I hold in my hand, with one exception, that as the House framed the pending joint resolution it provided that it must be a "willful" violation, but in all the other acts it is simply provided that the President is authorized to—

prescribe such rules and regulations as may be necessary to carry out the purpose of this title, and that a violation of such rule or regulation shall be punishable—

And so forth; but the joint resolution now before us was modified at least to the extent of using the expression "willful" violation. It means only what has been meant in every act of Congress up to this time. The Senator knows how stock language is placed in our measures by the draftsmen.

I will tell the purpose behind it, because the Senator has asked about it. In the handling of this amount of money the Federal Relief Administration has sought to prevent that which inevitably would occur throughout the Nation—the efforts on the part of some people to get money or commodities to which they are not entitled. It was found in some places that when the regulations were adopted the pay roll would be padded. In one or two instances, when they undertook to prosecute, the United States district attorneys declared when the case went to court that, as only one individual was involved and there was no conspiracy charged, therefore in the absence of any specific authority on their particular job it would be impossible to secure a conviction. They were told in some cases that they might go to the State courts, and they knew that was impossible. In order to prevent men from doing the things that are set

forth in section 8—because afterward I offered that amendment myself with that fact in mind—it was necessary to make punishable those things, because manifestly it would be useless to prescribe a fine of $5,000 or $1,000 for a man who had no money and who was violating the law by doing the things set forth in section 8. I will say that by section 8 we seek to provide punishment by way of imprisonment for doing the things which have given the most trouble to the Federal Emergency Relief Administration.

Mr. HASTINGS. Mr. President, of course I think section 5, or some language similar to that, is necessary so far as the Government employees are concerned who are carrying out the Executive order. That is what is done by the penalty clauses in most of the acts to which the Senator refers. If the President, who is given authority to execute this measure, issues an Executive order of some kind and the employees of the Government whose duty it is to carry out that Executive order violate it, they ought to be held guilty; but I think no act can be found in which the President is given any such authority as is given under this measure, so that a penalty like this at least requires some explanation.

Mr. BYRNES. I will say to the Senator that the reason why an act exactly like this cannot be found is because every other act provides imprisonment as a punishment; but if the Senator will take this joint resolution and compare it with the N. R. A. Act, against which he did not raise one question, and which I have in my hand, he will see that the penalty clauses of the two are identical, except that the N. R. A. Act and these other acts do not even provide that the violation must be willful. This joint resolution does. In the N. R. A. Act it is provided that if anyone violates it he shall go to jail. This measure does not so provide, as it is now reported. Therefore, the modified proposal is not so severe upon the person who violates the regulation as in the other case.

Mr. HASTINGS. If the Senator will bear with me a moment, I should like to call his attention to the fact that the N. R. A. Act was almost ineffective except by Executive order. These codes, and everything else, were approved by the Executive.

It was necessary to have a multitude of Executive orders to carry out the provisions of the act, but we had some idea of what was to be done under the act. We knew something about what was to be done, and therefore we could get some idea of the necessity of a penalty clause.

I concede that a penalty clause in some form is necessary in this measure, but I am anxious to find out to what extent it goes. I am anxious to find out, as an illustration, whether it is possible for the Executive—I am not intimating that he would do it, but I am talking about what might be done under this measure—whether the Executive can do what has been intimated by the Senator from Michigan under this penalty clause.

Mr. BYRNES. The Senator, as a good lawyer, knows that no matter what else may be conjured up in the mind of any critic of the joint resolution, certainly by no order of the President in this country can any man be ordered from his home to any other State.

Mr. HASTINGS. I think that is true.

Mr. BYRNES. I did not think the Senator from Delaware would go to the extent of approving the statement of the Senator from Michigan that a notice could be put on a man's door telling him to go to Wyoming; and if he should not go, under the Constitution or any law he would go to jail. The Senator from Delaware does not say that.

Mr. HASTINGS. No; I agree with that. I think that is an extreme case; but this joint resolution is, under its terms, designed—

> To promote the general welfare, by providing relief from the hardships attributable to wide-spread unemployment and conditions resulting therefrom, alleviating distress, improving living and working conditions—

And so forth. I do not know to what extent the President might go in an Executive order affecting the private citizen under this measure.

Mr. BYRNES. I will say, because I do not want to spend any more time on this subject, that this langauge is not as strong as the language of other penal clauses. It does provide that the President is authorized to prescribe rules and regulations necessary to carry out the joint resolution. Therefore it is limited in that respect; but in no one of the acts has there been anything to justify the fears that are expressed.

Mr. President, because I desire to conclude my remarks, I only wish to add this statement:

I repeat that the purpose of the joint resolution is to give jobs to three and a half million people. It is to be enacted, if at all, in order to help people, and not projects. Public works are involved only because public works furnish an opportunity to carry out the primary purpose of the joint resolution, to give jobs. Whenever that is done, of course, when we have in mind legislation having for its purpose nothing but to give jobs instead of doles to three and a half million people, we arouse the cupidity of people throughout the Nation who are interested in projects more than in people, of organizations that are interested in their own welfare; and when that is done we ought to remember that there is one class that is not organized, the three and a half million unfortunates who are out of jobs. It is for those three and a half million people that the President appealed for this legislation. They cannot hope for any aid unless the Congress of the United States gives it to them. I appeal to the Senate not to forget that this is a measure to relieve human beings, and not to provide public projects.

Mr. COUZENS. Mr. President, the Senator from South Carolina [Mr. BYRNES], at the inception of his speech, referred to the origin of the joint resolution, and the inference was that that was unimportant.

When this measure was first printed and introduced in the House of Representatives, and before that body had taken any action on it, I made a statement, rather facetiously, to the effect that the man who drafted the joint resolution ought to be hanged in reality, and not in effigy. Now, the Senator from South Carolina says that it is unimportant who was the author of the joint resolution. I disagree, because the President himself said that he had not read the joint resolution.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. COUZENS. Not just yet.

I desire to point out that if the joint resolution had been drafted by the Third Internationale at Moscow, and sent over here for introduction, there would be considerable importance attached to its authorship. I want to know who conceived a thing of this sort. It is important to know who in the United States drafted such a measure as was originally presented in the House of Representatives, because in view of the form in which the joint resolution was drafted and in part passed by the House, and the way in which it has been materially amended by the Senate Committee on Appropriations, it is perfectly obvious that neither body of Congress approved of the joint resolution as it was introduced.

I am not ordinarily so much concerned about who introduces a bill; but if there is in this country a movement to encourage fascism, we are going directly to that end by the introduction in Congress of measures which propose to confer on one individual the authority which was originally included in this joint resolution.

The President did not draft the joint resolution. I am making no reflection upon him. I do not know who did draft it. The President made a public statement to the press that he had never read the joint resolution.

Mr. HAYDEN. Mr. President, will the Senator yield right on that point?

Mr. COUZENS. I yield to the Senator from Arizona.

Mr. HAYDEN. If the Senator is really concerned as to who are the authors of the joint resolution, I should like to refer him to the hearings before the Senate Committee on Appropriations.

Mr. COUZENS. Oh, I heard all about that. I will say to the Senator from Arizona that that has all been printed in

the press; but the point is, no one has said where the author of the joint resolution got the idea of writing it. I can hire a lawyer anywhere, I can hire a Communist, to draft a bill. I can have our own drafting bureaus in both Houses of Congress draft any kind of measure that I ask them to draft.

Mr. HAYDEN. But the hearings before the Senate Committee on Appropriations do show that the Acting Director of the Budget, Mr. D. W. Bell, Admiral C. J. Peoples, Director of the Procurement Division of the Treasury Department, Mr. C. M. Hester, an attorney for the Budget Bureau, and Mr. Corrington Gill, the Deputy Administrator of the Federal Emergency Relief Administration, assisted by Judge N. A. Townsend, of the Department of Justice, were the original authors of the joint resolution. The record further shows that Mr. Bell brought the draft of the joint resolution to Mr. BUCHANAN, the Chairman of the House Committee on Appropriations, and that with the assistance of the legislative counsel of the House the joint resolution was prepared. Those are the men who drafted the joint resolution.

Mr. COUZENS. That really does not answer the question, except in a technical way, because, as I said previously, we can get the drafting bureaus of both Houses of Congress to draft any measure we suggest. What I have been trying to arrive at is, who in the devil suggested that kind of a measure? It did not originate with the lawyers around here. The idea of conferring all this power did not originate in their minds. Somebody was told to draft the measure in that way, just as the Senator from Arizona can tell the drafting bureau what he wants and other Senators can tell the drafting bureau what they want. The idea of the legislation does not originate in the minds of the drafters of the bill. It originates in the mind of somebody else; and I want to find out whether that kind of a measure originated in the Third Internationale at Moscow or whether it originated in America.

Mr. HAYDEN. The basic idea behind the joint resolution is to give employment to three and a half million men.

Mr. COUZENS. The Senator cannot confuse me or involve me in a lack of desire to put three and a half million men to work. The Senator cannot charge me with lack of interest in the underprivileged and the distressed citizens of America, because long before the Senator from Arizona was here I stood by every kind of activity that would promote the welfare of the less privileged of our countrymen. I do not propose, therefore, to be diverted to the thought that I am not interested in these people. I am so much interested in them that I am ashamed of the Appropriations Committee for reporting out a measure which provides that three and a half million persons who are unorganized, as the Senator from South Carolina [Mr. BYRNES] says, shall take what is handed to them.

They are required to take whatever the administration says they must take. They are unorganized; they are unprotected. And after 2 weeks of consideration by the Committee on Appropriations, not a word was put into the joint resolution to regulate the profits on nearly half of the money which will go to private industry.

Mr. HAYDEN. Mr. President, I would be the last man in the Senate to imply for one second that the Senator from Michigan was not thoughtful always of the underprivileged and the unemployed. His record here is perfectly clear upon that point.

What I desire to say is that we have a basic idea here which I think the country conceives as coming from the President of the United States. There were three and a half million men on relief in the United States drawing, on an average, $24 a month, some as little as $4 or $5, some as high as $50 or $60 or $70, if they were heads of large families. The President's proposal is to put them to work, and pay them generally about twice that average, to give them continuous employment for a year, the average rate of pay to be $50 a month, or $600 a year. So those who prepared this joint resolution multiplied three and a half millions by six hundred, which produced the figure of $2,100,000,000 to be paid as wages.

Then there remains, out of the $4,000,000,000, $1,900,000,000 for material. I cannot understand why the Senator should complain that if the Government shall buy the lumber, or cement, or reinforcing steel, or whatever may be used to put these men to work, Congress should regulate the profits of everyone who sells some cement or some lumber or some steel. Is that what the Senator desires to have put into the pending measure?

Mr. COUZENS. The Senator from Michigan never suggested any such thing. What I said was that the proposal is to take the unorganized, the most distressed group of our citizenry, and say, "You shall work for a security wage. You will take what is handed you. You will perform labor that is worth twice as much as what we are going to pay you for it." In other words, the industry that supplies the lumber has no limitations on its prices at all, but the most defenseless group of our citizens is told, "You will take what you are given, and you will perform a day's work for half what any other citizen gets for performing a day's work."

Mr. HAYDEN. But the Senator did criticize the Committee on Appropriations for not in some manner limiting the profits of those who may furnish the materials used.

Mr. COUZENS. Yes; because they undertook to limit the returns which three and a half million men would receive. As the measure was drafted and as it went to the committee, no reference whatsoever was made to the scale of wages to be paid these men. As happens right along, some statement comes from some administration official that, "This is the program", and immediately Congress is concerned. If the President and some of his staff had not said something about $50 a month, there would have been found in the bill no reference to wage scales at all, would there?

Mr. HAYDEN. I doubt that. The statement was made by the President in a message to Congress that he proposed to pay less than the prevailing scale of wages to persons employed with this money. Where the $50-a-month statement originally came from I do not recollect at the moment, but when it was made, immediately there came before our committee those urging that, in the light of the statement made in the President's message, there should be legislation included in this measure directing him to pay the prevailing wage. That is how it came before our committee.

Mr. COUZENS. I understand all that, but there was not a word in the joint resolution as it came from the House of Representatives about wages, was there?

Mr. HAYDEN. No; that was left entirely to the President's discretion; that is correct.

Mr. COUZENS. So the whole controversy was based on the discussion of $50 a month, or some other discussion indulged in by somebody other than the President. The same thing occurred with respect to the Government engaging in private industry. Some minor official of the Government said in the hearings, as I recall it, that the Government was to engage in the establishment of a string of oil stations. Is not that correct?

Mr. HAYDEN. There was a statement in the RECORD to that effect, with respect to highways.

Mr. COUZENS. So, in effect, the whole Congress is to get its instructions, it is to legislate, on the statements offered by unimportant officials of the Government, who come here and tell us what the policy of this great United States is to be. We get all stirred up and excited because witnesses come before the Committee on Appropriations and say that the Federal Government is going into private business by the establishment of oil stations. Another one comes along and says the Government is going to do something else, and another one comes along and says we are going to pay $50 a month. So, in that sort of chaos, the Congress of the United States is expected to legislate.

As the joint resolution was introduced in the House of Representatives, it was an insult, a gross insult, to 531 Members of Congress, to ask them to delegate their power to any one individual, no matter who he is. I venture to say that history will so conclude, no matter how much excitement we

may have now, no matter what the strain and pressure of the situation may be, with which I am familiar, and about which I know. We could not excuse ourselves for granting the power that was proposed in the original joint resolution.

I am not stating that the committee has not greatly improved the joint resolution. I think it has. It has put many limitations into the measure, and greatly improved it. I am still concerned, however, with my wonder at who had the idea in the first place of asking 531 Members of Congress to sign on the dotted line, as was proposed in the first measure.

Mr. President, this is my explanation of why I made such a vigorous condemnation of the joint resolution when it was first introduced.

The PRESIDENT pro tempore. The clerk will state the pending amendment.

The LEGISLATIVE CLERK. On page 2, line 4, the Committee on Appropriations proposes to strike out "(3), or (4)" and to insert in lieu thereof " or (3)."

Mr. HALE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Costigan	King	Reynolds
Austin	Couzens	La Follette	Robinson
Bachman	Cutting	Lewis	Russell
Bailey	Davis	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norbeck	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	

Mr. ROBINSON. I desire to announce that the Senator from Louisiana [Mr. OVERTON] is detained by illness.

I also wish to announce that the Senator from New York [Mr. COPELAND] is absent on account of illness in his family.

The Senator from Louisiana [Mr. LONG] and the Senator from Connecticut [Mr. MALONEY] are necessarily detained.

The PRESIDENT pro tempore. Ninety-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Committee on Appropriations on page 2, line 4.

The amendment was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The LEGISLATIVE CLERK. It is proposed on page 3, line 4, after the colon, to insert:

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person (1) is in actual need, (2) has not within 60 days resigned from or left any position the wage for which was at a rate in excess of $50 a month, and (3) has bona fide endeavored to obtain employment and has been unable to do so.

Mr. McNARY. Mr. President, this is probably one of the most controversial amendments in the bill. I do not assume that the Senator from Virginia desires to take it up at this time.

Mr. GLASS. Mr. President, I did not know it was controversial.

Mr. McNARY. I think the Senator from Virginia recalls that before his committee it was one of the most discussed of all the amendments.

Mr. GLASS. The Senator from Maryland on Friday made a very clear explanation in the Senate of the proposal which was made by him.

Mr. McNARY. May I ask the Senator—this does not apply, then, to the prevailing-wage amendment?

Mr. GLASS. Oh, no. It was to prevent fraud upon the fund to be used for relief purposes.

Mr. McNARY. I think I was, perhaps, mistaken. I had in mind another amendment, the prevailing-wage amendment.

Mr. GLASS. No; I do not think this amendment was in controversy.

Mr. WALSH. Mr. President, did the amendment have the practical unanimity of the committee?

Mr. GLASS. Yes.

Mr. WALSH. So I understood.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. CUTTING. Mr. President, is it in order to move to modify this amendment before it is voted on?

The PRESIDENT pro tempore. A move to modify the amendment is in order.

Mr. CUTTING. If so, I send to the desk a modification of the amendment.

The PRESIDENT pro tempore. The modification will be stated.

The CHIEF CLERK. It is proposed, on page 3, line 8, to strike out "(1)" after the word " person ", and in line 9, after the word " need ", to strike out down to and including the word " so " in line 12.

Mr. CUTTING. The object of this suggestion, Mr. President, is to limit the amendment by striking out clauses 2 and 3 and having the amendment simply read—

That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person is in actual need.

Mr. President, I am not at all sure that even that is necessary, or that it will serve any useful purpose in this bill, but I feel quite certain that clauses 2 and 3 of this paragraph will effectively prevent anyone from receiving relief of any kind from the Government if he is engaged in any industrial strike. I cannot read either one of these clauses in any other way. That, of course, may not have been the purpose of the Senator from Maryland [Mr. TYDINGS] or the committee in introducing them, but the effect they will have, in my judgment, will be an almost insuperable obstacle to any strike.

I inquired the other day of the Senator from Virginia and the Senator from Maryland whether that was not the practical effect of this amendment and both Senators, as I recall, said that that might easily be the effect.

Mr. GLASS. Yes; I think so. Does the Senator think that the money of the taxpayers of this country should be used to sustain people who may work but who refuse to work and are on strike?

Mr. CUTTING. Why, Mr. President, I do not think any distinction whatever ought to be made between men on strike and men in any other position. If that distinction is made, then it is obviously impossible for the strike weapon, which has been for so many years the only effective weapon which labor has had, to be used at all.

Mr. GLASS. Oh, I fully recognize the right of everybody to strike, but I should not think that the people of the country should be taxed to sustain them while they are on strike.

Mr. CUTTING. Does not the Senator think that the right to strike would be very seriously jeopardized if the threat were held over the men's heads that if they struck, their families would starve?

Mr. GLASS. Oh, no; I do not think—in fact, I am quite sure that no such purpose as that which the Senator has in mind was in the mind of the proponent of this resolution. We were not dealing with people on strike, who almost invariably are receiving the prevailing rate of wages or approximately the prevailing rate of wages. We were having in mind, simply, persons who were on the relief roll and who were perpetrating frauds upon the fund proposed for the relief of such persons.

Mr. CUTTING. Mr. President, of course, I accept the statement of the Senator from Virginia, and I said just now that I did not believe that that had been the purpose of the members of the committee; but if, in effect, that is what is going to happen if we adopt this amendment, I think it is comparatively unimportant what the members of the committee had in mind.

Mr. GLASS. I would not say that, in effect, that is going to happen. The Senator asked me the other day if it might not in some cases happen, and I said I thought so. I think it will happen in comparatively few, if any, cases. I think it might happen. But if the proposal of the Senator prevailed, we might as well strike out that whole section.

Mr. CUTTING. I think so myself. I think the first clause is innocuous, but I have no brief for the section as a whole. I do not believe it is necessary. But I have no objection to it if it were limited to the first clause.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Montana if I have the floor.

Mr. WHEELER. There is no question at all but what the wording of the section would affect the people, for instance, who went on a strike. If they went on a strike in some place for higher wages, or something like that, this provision undoubtedly would prevent them from getting any relief. If the Congress of the United States wants to adopt that policy that is one thing, but that has not been the policy of this administration, permit me to say, under the former bill.

Mr. GLASS. Of course, if Congress wants to adopt the policy of undertaking to feed people who go on strike, why it can do that.

Mr. WHEELER. Well, it is not a question of whether Congress wants to do it. It is the policy of the administration——

Mr. GLASS. That is the inevitable attitude of the Senator from Montana and the Senator from New Mexico, as I understand it. The committee had not that in mind at all. And, frankly, I do not think that will ever occur. I was asked if it might not occur, and I said, "Yes; it might occur." A good many inconceivable things might occur under this bill.

Mr. WHEELER. Let me say that I agree with what the Senator says with reference to it, but I happen to know of actual cases where if this provision were in the bill they could not get any relief. That took place in my home city of Butte, for instance, during the past year. It took place in other places throughout the country.

Mr. GLASS. If the only objection to this provision is that the Senators think the taxpayers of the United States should take care of people who are on strike that otherwise could obtain employment, why, strike it out.

Mr. WHEELER. So far as I am concerned, I will say quite frankly that I think it ought to be stricken out, and it ought to be left up to the Administrator and the President, under certain rules and regulations which they would adopt as administrative officers, to determine as to when and how the relief should be administered.

Mr. GLASS. If I were President and that were stricken out I should feel perfectly at liberty to furnish the taxpayers' money to strikers at any time and in any sum within the limitations of this bill.

Mr. CUTTING. Well, but, Mr. President, has not that been the policy of the administration up to now?

Mr. GLASS. Has it been?

Mr. CUTTING. I understand that no distinction whatever has been made between strikers and anyone else.

Mr. WHEELER. That has been the exact policy of the administration. The exact policy of the administration has been and is at the present time that in the event people are on strike they shall be furnished relief regardless of the causes of their destitution.

Mr. GLASS. As I recall the facts, Mr. Hopkins made that announcement in the newspapers one day and the next day he rescinded his own announcement.

Mr. WHEELER. Permit me to say to the Senator from Virginia that I happen to know that it was not rescinded by Mr. Hopkins, because it was carried into effect actually——

Mr. GLASS. But it was rescinded by Mr. Hopkins, because I read his statement.

Mr. WHEELER. I do not care whether the Senator saw his statement in the newspapers as to whether it was rescinded or not, but I am saying to the Senator that as an actual fact it was carried on last summer and last spring for a long period of time. So if Mr. Hopkins made a statement one day and rescinded it the next, nevertheless, the practice was carried on for a long period of time. That is true of my home city of Butte.

Mr. GLASS. If it be the conception of the Congress that the people of this country should be taxed in order to maintain individuals on strike, let us have it so determined. That is the inevitable implication of this proposed modification of the provision.

Mr. WHEELER. I do not think that is necessarily the conclusion that should be arrived at. I simply say that I think it ought to be left up to the administrative officers to say whether or not a person should be entitled to relief, under proper rules and regulations laid by the department, and that the Congress of the United States should not limit such officers in determining who is entitled to relief and who is not under the circumstances of each case.

Mr. GLASS. Very well. Mr. President, I ask for a vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING].

Mr. CUTTING and Mr. BYRNES addressed the Chair.

Mr. CUTTING. If the Senator from South Carolina desires to speak, I yield to him.

Mr. BYRNES. Mr. President, I simply wish to say that in the committee there was no roll call on this amendment at all. The question that has been raised here was not discussed, as the Senator from Virginia has said, and I am satisfied it was not considered at all. There was a discussion simply as to a feature of clause 2. For instance, where a man working, say in Washington, should be forced by illness in his family or for some other reason to go to another city to earn his living, if he found it impossible to secure employment and 30 days passed and he was in need and applied for relief, the burden under clause 2 would be upon him to show that he had not resigned from a job within 60 days.

The Senator from Maryland [Mr. TYDINGS], the member of the committee who offered the amendment, is now on the floor. At the time there was a discussion as to clause 2 and clause 3. In my opinion, clause 2 and clause 3 should not be retained, but the Senator from Maryland thought otherwise, and I know he will give his reasons for desiring to have those provisions retained. The question the Senator has discussed was not raised at all in the committee, and there was no vote taken upon it.

Mr. GLASS. Mr. President, the amendment of the Senator from Maryland [Mr. TYDINGS] was adopted by the committee with practical unanimity; no member of the committee objected to it and nobody raised this issue. It was not in the mind of any member of the committee; and, so far as I am individually concerned, I do not concede that that question will ever, in a practical way, arise. But it has been brought up now; and if the Congress shall adopt the amendment proposed by the Senator from New Mexico [Mr. CUTTING], the plain implication will be that what none of us had in mind may be done and very likely will be done by the administration.

Mr. BONE. Mr. President, I was out of the Chamber at the time the Senator from New Mexico made the motion. I do not understand the exact nature of his motion.

Mr. CUTTING. For the benefit of the Senator from Washington, I will state that I have moved to strike out clauses 2 and 3 on page 3, lines 9 to 12. In my opinion, if these clauses shall be retained they will prevent any relief from being given to anyone on strike under any conceivable circumstances. Of course, by striking these clauses out we do

not necessarily imply that the Government, under any particular circumstances, should extend relief to men on strike, but we leave that question to the discretion of those who are agents of the Government in this matter. If we retain those clauses, it is my contention—I cannot see any other way in which the amendment could be read—that the Government is left no option at all; that men who are on strike will get no relief; and that this will be a most powerful weapon in preventing strikes in the future, no matter what may be the provocation.

Mr. BONE. Mr. President, I think it very obvious to anyone who has ever had experience in labor difficulties that if an employer or group of employers should elect to reduce wages to $51 a month it would simply clamp handcuffs on labor in that particular industry. There can be no doubt about that. If a large employer in an industry said to the men in the industry, "We are going to reduce wages to $51 a month and you must either work at that rate or starve", so far as this measure is concerned, they would starve if the employer elected to starve them. I think most who have had some experience in these matters know that to be true. When I saw that the joint resolution was drawn in this shape, it had been my purpose to offer an amendment. I think most of us, however, will be in agreement on this, that when the Government cut wages under the Economy Act, many private employers all over the country immediately reduced wages. Many did so out in my section of the country. The Government set the pace. If we are going to make it possible for an employer who is selfish to reduce wages to $51 a month, then the starvation I suggested does not seem impossible. I know there are employers who will simply say, "Either work for me for that price or go hungry"; and under this measure, if it shall become a law in this form, they would go hungry if they went on strike.

Mr. GLASS. I am glad we have no such employers in Virginia.

Mr. BONE. Then I can assure the Senator from Virginia that he comes from a very fortunate State.

Mr. GLASS. I think the Senator from Virginia does.

Mr. TYDINGS. Mr. President, as has been pointed out on the floor, the matter of strikes never entered my mind when I offered the amendment. I had heard on many sides the protest that relief funds were in some cases being expended for persons not actually in need, and I knew it was the wish of the people and of the Congress that such funds should go to the people who have to have them in order to exist. My effort, therefore, was directed to throwing such safeguards around the expenditure of the funds as to take care of those who are unemployed rather than those who are employed and who might want to give up their employment in order to obtain Government relief.

How are we going to protect the man who is unemployed as against the man who is employed without writing definitely some safeguarding language into the joint resolution?

Mr. BORAH. Mr. President——

Mr. TYDINGS. Will the Senator let me finish a brief statement, and then I will be delighted to yield to him.

Mr. BORAH. Certainly.

Mr. TYDINGS. I have heard on many occasions protests of farmers that they have lost their laborers because the laborers on the farms have left the farms and gone to work on Government projects. I know that to be the case in my community where about $3,000,000 was spent on modernizing the Aberdeen Proving Grounds, in a county which has never received to this date a dollar of relief from anybody. So much farm labor was drawn away from the farms that the farmers were practically unable to secure labor, in the first place; and when they did secure it, it was at such a high figure, having to compete with the Federal Government, that their crops were not profitable.

This measure is designed primarily to take care of people out of employment. The Federal Government has determined that $50 is what is called a security income. I did not determine it; the experts of the Government determined it and submitted that fact to the committee.

I therefore took that fact—the $50-a-month income—and provided that no man should be entitled to relief who was making more than $50 a month. In other words, a man making $60 a month, or $55 a month, or any figure in excess of $50, had no right to surrender a job which was paying him that return and to take relief money which was not appropriated for him; but the right course for him was to keep on with his work and not involve the Federal Government in greater expense than necessary to deal with this problem. I take the position that men working in times like these ought not to be provided for in this relief measure; that its very philosophy is to take care of men who are unemployed, and that in emergent times such as these not a dollar ought to be given to a man who has an income sufficient to provide for himself and his family.

If we are going to enter upon the policy of enticing men from work and putting them on the Government pay roll, $4,800,000,000 a year will not be sufficient to pay the bill. It will create a dangerous precedent, and I predict it will come back to mock the Congress. What we had rather do, there being no substantial prospect of an increase in employment in the future as we can now see it, is to spend no more money than we actually have to spend in order humanely to take care of the unemployed, so that we may have sufficient money to take care of them so long as we can.

This joint resolution in itself appropriating $4,880,000,000 is certainly generous, to say the least, in an attempt on the part of Congress to deal with the suffering that is now existing in the United States. I think when we are expending huge sums like that, as representatives of the American people, both the employed and the unemployed, we should throw all the safeguards around the measure which we possibly can in order to make sure that those who need it get the money, and not those who may be employed in some other line of activity.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WAGNER. Has the Senator considered that the effect of his amendment might be to deprive of relief one who for a perfectly justifiable cause left his employment, say, as a result of a strike?

Mr. TYDINGS. He would be until 60 days had elapsed.

Mr. WAGNER. In other words, if he joins his fellow workers in their efforts to better conditions he must starve; he cannot get any relief at all under this legislation.

Mr. TYDINGS. Of course I would not want to be so hardhearted as to say I should want to say to the man who was striking for what seemed to him to be a righteous cause that he must starve. Let me ask the Senator a question. Suppose the whole railroad personnel tomorrow should go on strike, would he be in favor of using this relief money to pay those men $50 a month while they were on strike?

Mr. WAGNER. Oh, now, Mr. President!

Mr. TYDINGS. I answered the Senator's question and I am certainly entitled to an answer to my question.

Mr. WAGNER. That all depends on the cause of the strike. I am taking the ordinary case of men who are perhaps receiving only $50 a month in private industry, which I do not consider a fair wage. Because of this situation, the workers are compelled to protest by means of a perfectly justifiable strike, a strike which the Senator and I would agree was righteous. In a case of that kind, under the Senator's amendment, men, if they were without means, would have to continue to submit to any conditions imposed by their employers or they would have to starve. The Senator would not give them any employment and he would not give them any relief.

Mr. TYDINGS. Of course, the answer to the Senator's observation is that every man in the United States could go on strike, and every man in the United States who went on strike could get $50 a month.

Mr. WAGNER. Oh, no!

Mr. TYDINGS. I do not say that will happen. I do not say my amendment perhaps may not work some injustice indeed. What the Senator is doing in times of wide-spread

unemployment, when a measure is brought on the floor of the Senate dealing with unemployment, is to say to people who are employed, "If you voluntarily stop work for any reason whatsoever you can rely on the Government's paying you $50 a month as long as you stay out of work." I think in times like these that is rather a dangerous principle.

Mr. WAGNER. I think the Government ought to be the last in the world to permit, or to indulge in the exploitation of the worker. That, by implication, is what the Senator suggests, though I know he does not mean to. I really protest against an approach to this question that assumes that our working people are unpatriotic citizens who would take advantage——

Mr. TYDINGS. Oh, Mr. President, I did not say, by direction or indirection, that our working people are unpatriotic. I decline to yield further to the Senator. It is not a question he is propounding. It is a speech in my own time.

Mr. WAGNER. Very well.

Mr. TYDINGS. I shall be very glad to answer any questions I can.

Mr. BONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. I yield.

Mr. BONE. The Senator from Maryland will observe that the provision is that before the man may receive aid he must show that he is in actual need. Manifestly if a man went out on strike to better his conditions or against a wage cut and at the time he was in actual need, it would be obvious to the Senator from Maryland, I believe, that the man was entitled to something by way of relief. He would have to prove he was in actual need. If he had been working at a wage that put him below the level of common decency in his livelihood, he would be entitled to relief. I do not think we ought to protect the wage cutters of this country by enabling or authorizing them to put men on a wage level which would compel these men to live below a decent standard. If we strike out the two provisions under the motion of the Senator from New Mexico, the worker would still have to show he was in actual need. If he had been working for a private employer who put him on such a wage level that he could not live decently, then we ought not to be lily-fingered and withhold help from him.

Mr. TYDINGS. There is no question of fundamental sympathy involved here in the matter of those who are unemployed or who are in need. Everybody wants to take care of the unemployed, everybody wants to take care of those in misery and want, and even if the striking man is in misery we do not want him to starve to death.

I join in that sentiment. I do not want to be unduly pessimistic either. Relief expenditures in this country are mounting, and inside of a year, unless conditions improve, there will not be any $4,000,000,000 to appropriate at all. We cannot go on forever spending $4,000,000,000 or $5,000,000,000 more than we are receiving. We are sitting here in 1935 and we can get the $4,000,000,000 or $5,000,000,000. Can we get it again next year? Can we get it again the following year?

I am not one of those Democrats or Republicans who believe that we can spend $4,000,000,000 or $5,000,000,000 or $10,000,000,000 in a single year and cure the depression and have no unemployed left over. My prediction, for whatever it is worth, is that recovery in these times, like all recovery, has to be gradual and slow. Simply by giving the patient overdoses of medicine is not going to make him well any more quickly.

Mr. COUZENS rose.

Mr. TYDINGS. There are economic forces responsible for the depression and the cure of those forces in one form or another will be the means by which we will get out of the depression. Therefore in the interim, so far as I am concerned, I conceive it to be my duty to take care of the victims at this time, of those who want work and who cannot get work and who are in need. I am not willing to go to the extent of providing for a man who has work, who may surrender his job and come over and use some of this money which sooner or later we will need in the years to come for our permanent army of unemployed as society is now set up.

Mr. COSTIGAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield; and, if so, to whom?

Mr. TYDINGS. I yield first to the Senator from Michigan, who rose first, and then I shall be glad to yield to the Senator from Colorado.

Mr. COUZENS. May I ask the Senator if there is any such limitation based on the workers in industry or in private employment? The Senator is defending the amendment?

Mr. TYDINGS. I am.

Mr. COUZENS. The amendment inserted by the committee places a limitation on the most direly distressed citizens we have.

Mr. TYDINGS. That is right.

Mr. COUZENS. Is there any limitation on the $2,000,000,000 which goes to private industry? Is there any limitation placed on the use of that by industry for their employees?

Mr. TYDINGS. A part of this fund goes for public works, to illustrate the question the Senator raises. It is not contemplated in the construction of public works that the existing wage scale shall be reduced. This program is what is termed, for want of a better name, "work relief", and is differentiated from the normal building activities of the Government. As I understand, its authors claim that they want to get away from just the mere doling out of money without a return, and therefore work relief has been set up instead of direct relief to accomplish that result. It is estimated that, with 3,500,000 people in the country getting work relief at a basic wage of $50 a month, they will soon exhaust the sum of money set aside for that purpose.

Therefore, if we were to make it $60 a month, by way of illustration, we would exhaust the sum of money that much more quickly or we would have to appropriate more.

I only take the $50-a-month figure because the experts who came before the committee called that the "security income." It was the lowest possible income which would enable a man possibly to exist in comfort. I did not set that figure myself. I assumed the relief authorities knew what they were talking about in presenting that figure to the committee.

Mr. COUZENS. I am trying to get an answer from the Senator as to how much out of this $4,880,000,000 is set aside or is expected to be expended for material.

Mr. TYDINGS. I had the figures, but I do not now have them with me. My recollection is that about 45 percent is to be expended in the way of materials and about 55 percent for labor. That figure may not be correct.

Mr. COUZENS. That is the general understanding I had. If we put a limitation upon what these distressed citizens may secure, why not put a limitation on what capital may secure for the use of their plants in producing the material for which they shall receive 45 percent of the amount appropriated?

Mr. TYDINGS. Off hand the suggestion of the Senator from Michigan does not look to me to be unreasonable, and if he is going to offer an amendment in a humane enterprise like this, I shall probably vote for it.

Mr. COUZENS. The Senator would approve of making the industries that furnish the material to the extent of about $2,000,000,000 work at considerably less than a profit, so they would then be working on a security-income basis?

Mr. TYDINGS. I would not want to make them work at a loss, of course, because if the industry had to cut its price it would probably have to cut the wages of the men who are fabricating the materials to be used. I quite agree with the Senator that we would not be in favor of that.

Mr. COUZENS. Certainly not.

Mr. TYDINGS. If we should compel industry to accept a lower rate, I am afraid, under the Senator's suggestion, that we would come to the point where the working man would get less money and there would be no bids.

Mr. COUZENS. What I want to point out is that the men who work on the streets for the Government, doing the same class of work, are required to work for not more than $50 a month. The man across the street, who is doing the same class of labor in furnishing the material for the man out on the street, may get twice the amount.

Mr. TYDINGS. That is true.

Mr. COUZENS. Does the Senator justify that?

Mr. TYDINGS. Of course I had that problem, and we all had that problem before us; and we had two alternatives. One was to pay the men who are on work relief the same amount of money that men would receive in private employment, and we realized that $4,500,000,000 would not be enough money to do that. Then we asked the Government how we could take care of the maximum number of unemployed and at the same time, by employing them, pay them sufficient money to live. The Government then came back with the $50-a-month security wage. Then we asked, "Would the man work every day for that much money?" The Government said, "No; we would work him so many days a week at about the existing wage scale for the kind of work he is doing, so that at the end of the month he would have $50 for his work with the Government." If, during the time he was unemployed, he could make extra money, he would have that in addition; so that the man on work relief in effect receives the same pay as the man who is working for private enterprise, but the man who is working for private enterprise is steadily employed, while the man on work relief works only sufficient time to make $50 a month from the Government.

Have I answered the Senator's question?

Mr. COUZENS. The Senator used a phrase which interests me and intrigues me. He said that the Government sent back word that they were going to maintain about the prevailing wage.

Mr. TYDINGS. That is what they stated.

Mr. COUZENS. That is intriguing, because if that is true, and they are going to pay about the prevailing wage, we may not be so much concerned.

Mr. TYDINGS. The Senator may have misunderstood me. As I understood the Government's position, it was that they would pay the man the rate per hour that was paid to other men working in private industry, but they would not employ him steadily like the man who was employed in private industry. As a matter of fact Mr. Gill, who came before the committee, told us that there were 3,000 wage boards in the United States, and that he had had these 3,000 wage boards make a survey as to the prevailing wage for ordinary labor all over the United States, as well as in other categories; and, as I recall, Mr. Gill said the average for the whole country was 45 cents an hour. If I am wrong about that I hope the Senator from Virginia will correct me. Then, we asked him, "If you are going to pay at the rate of 45 cents an hour, $50 a month will not be enough"; but he said, "We will pay only about $50 a month, because we will not work the man steadily. We will work him only sufficient time to make $50 a month, but for his work he will get substantially the prevailing wage scale in that community."

Mr. COUZENS. Then, we do not need the McCarran amendment, do we?

Mr. TYDINGS. I do not think so.

Mr. GLASS. Mr. President, I think the Senator from Maryland somewhat confused what Mr. Green, the president of the American Federation of Labor, said, and what any Government witness—if any witness may be so termed—said. Mr. Green said that if the joint resolution would textually limit the hours of labor, he would forego the textual provision for the prevailing rate of wages, because by the limitation of hours of labor the same thing would be accomplished; but so far as I can recall we have no word from any Government official of any description.

Mr. COUZENS. That was my impression. I thought the Senator from Maryland was wrong.

Mr. TYDINGS. I think I am wrong. I have just conferred with two members of the committee, and I am in error to the extent that Mr. Gill did say they would use this unemployment-relief money so far as possible, as to wages and conditions and the general set-up, as not to injure employed labor in the communities where the money would be expended; but he did say—and I think I am not wrong about this—that they would try so to arrange the plan that persons on work relief would make approximately $50 a month, which was the minimum the Government felt a man would have to have to get along in reasonable comfort. Is that correct?

Mr. BYRNES. No; the witness did not say the minimum would be $50; he said the average would be $50.

Mr. TYDINGS. Perhaps the word "average" was used; but, as I understood it——

Mr. BYRNES. Common labor would be paid less, and skilled labor more. The wage would be slightly less than the prevailing wage and more than the wage the individual is now receiving on the relief roll.

Mr. TYDINGS. But it would average about $50 a month. That is what I understood.

Mr. COUZENS. That makes it all the worse. If it is to be the average, one man might be given $25 a month, and another man $75 a month.

Mr. TYDINGS. The Senator is misinterpreting, I think, the remarks of the Senator from South Carolina [Mr. BYRNES]. What the Senator from South Carolina meant to say, I think—if I am wrong I know he will correct me—was not that one man would receive $40 a month and another $60, and that they would all make an average of $50, but that the Government had found that the average security wage was $50 a month, and they had set that arbitrary figure for all people to make—that is my understanding of it—as the income upon which a man could reasonably hope to get along.

Mr. COUZENS. May I ask the Senator from South Carolina if $50 is to be the minimum?

Mr. BYRNES. I will say to the Senator that I came into the Chamber as I understood the Senator to state——

Mr. TYDINGS. Mr. President, I do not wish to be abrupt, but I have the floor.

Mr. BYRNES. I do not care to interrupt the Senator. I will say to the Senator that the amendment will be reached in a short time, and then we can discuss it.

Mr. TYDINGS. I will answer the question of the Senator from Michigan briefly before going on by saying that there are some men who have an income of $20 a month now, but they cannot live on that. In that case they would get only $30 from the Government. Where people have a partial income, that, of course, would be subtracted from the $50 a month; but where they have no partial income and are in need, my distinct understanding is that Mr. Gill said $50 a month ought to be paid to each unemployed person.

Mr. COUZENS and Mr. BORAH addressed the Chair.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I think we are getting far off from the amendment. We are discussing the merits of the joint resolution.

Mr. COUZENS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Michigan?

Mr. TYDINGS. I yield to the Senator.

Mr. COUZENS. But are we not discussing the amendment on page 3?

Mr. TYDINGS. Yes, sir.

Mr. COUZENS. The Senator said that if a man had an income of $20 a month he could get only $30 from the Government.

Mr. TYDINGS. As a general thing; yes.

Mr. COUZENS. Now, I ask the Senator if he interprets this amendment in that way?—

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established to the satisfaction of the official charged with furnishing such relief that such unemployed person (1) is in actual need, (2) has not within 60 days resigned from or left any position the wage for which was at a rate in excess of $50 a month—

Does the Senator interpret that to mean that he can have an income of $20?

Mr. TYDINGS. No; because I have an amendment which I will offer shortly which says "$50 a month or its equivalent, or both."

Mr. COUZENS. I beg the Senator's pardon.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Colorado?

Mr. TYDINGS. I will yield to the Senator, because he has asked me several times to yield, and I have not had an opportunity to do so.

Mr. COSTIGAN. I thank the Senator.

Has the Senator from Maryland considered the fact that the amendment offered by him is, in effect, the imposition of involuntary servitude by economic pressure on an individual who, however justifiably, may feel himself under compulsion to strike?

I venture to suggest to the able Senator that this is, in effect, antistrike legislation and should be recognized and openly dealt with as such. In other words, the amendment of the Senator from Maryland stigmatizes the man who feels himself called upon to strike as being less entitled to relief, however great his need, than his fellow citizens. It puts a ban upon him and upon his conduct and to that extent denies him the equal protection of the laws.

I desire to say that I am heartily in favor of the amendment of the Senator from New Mexico [Mr. CUTTING].

Mr. TYDINGS. I appreciate that the Senator from Colorado takes his position from humane reasons, and I certainly do not want to put anybody in any kind of servitude if I can possibly prevent it. I can well see where there might be an honest difference of opinion between the amendment as I have written it and the amendment as proposed by the Senator from Colorado, the Senator from New York, and others. I am not trying to put the man who is out on strike, and in need, in a house where he will starve to death. I certainly had not conceived that situation when I offered the amendment. However, I do not believe there will be a great opportunity to employ that, although it is a possibility. It might work out that way, that men on strike might be hurt by the strict language employed here; and if that happens, I certainly shall be sorry, because that is not the intention of the author. I do think, on the other hand, that where there is a large army of unemployed everybody ought to be willing to stand aside and let those who have no means of income, who have no savings, who have no work, who have no support, who have been without employment for years and years, have the first call on that fund as against every man who can go out and earn a living.

I am opposed to taking one dollar of that fund and giving it to anybody who can make a living while this country is going through a veritable Garden of Gethsemane, and nobody can see when we are going to get out of the depression.

Who knows what next year will bring forth? Who knows but that the situation may be even worse, forsooth, or may remain the same, and that it may go on in this way for 4 or 5 years? What man will stand in this body and say we can wring $20,000,000,000 or $25,000,000,000 more from the investors of this country without tearing down the very financial integrity of the Government itself, and finding it necessary to get this money only by means of the printing press?

If I knew that next year was to be a sunny and a bright and a prosperous year, then I would not be so much concerned as to who got this relief money and who did not get it. But no man is prophet enough to tell what next year will produce, and I, for one, think we have gone far enough with these large expenditures, and that the wise man will begin to make his money go as far as he can, because he is faced with the prospect that we may not have enough to carry the country through until better times are actually reached, and we can do away with appropriations of this kind.

Mr. President, I can sympathize with the amendment offered by the Senator from New Mexico. I should not want, any more than he would, to have men who are out of employment, whatever the cause may be, to be in want. But I question very seriously whether or not the amendment of the Senator from New Mexico is a wise one for our Government to embrace at a time like this.

Let us look back just a few years. In 1929 the depression started. It was followed by a national bank holiday in 1933. At that time there were about 14,000,000 people out of employment. Government revenues dropped. All sorts of novel programs were put through the Congress in an effort to improve the situation, measures for which in normal times most of the sponsors of the measures would not have voted.

I supported many of those measures, not because I liked them, but because I realized that, with all the unemployment reaching over a long period of time, the orthodox methods of government were not good enough to deal with the situation.

I have not opposed relief appropriations. I believe they are necessary. I do not see how we could have gone on without them. I may not have voted for some of the larger ones, but, in the main, I think it was the right thing to make those appropriations, and I should not be opposed to appropriating a larger sum now, if I knew that next year the depression would be over, that the army of unemployed would cease to exist, that the financial institutions would be back on a sound basis, and that trade and commerce would pick up and go on as of yore.

I do not want to be unduly pessimistic. I may be wholly wrong; but looking around at the world under dictatorships and supernationalism, looking at Russia under a dictator, Poland with Pilsudski, at least a quasi dictator; Germany under Hitler, a dictator; Italy under Mussolini, a dictator; and so on all over the whole world; with world commerce stagnated; with the inability of governments to stabilize currency or to settle their debts, both private and public; with trade absolutely being driven from the seas by the policy of national economic sufficiency, and with a country whose policies are predicated on its producing more than it consumes and selling its balance to the world, a country which formerly was a debtor nation and is now a creditor nation and in position to sell without either losing its investments, on the one hand, or taking its investments back and losing its trade, on the other—is it not time, while this readjustment is being made, that we take stock of our assets and take stock of the future and spend this money with care, so that we may make it go as far as we possibly can into the future, while we can make an orderly readjustment here of the fundamental structure of the country so that appropriations of this kind will not be necessary?

It was my purpose in offering this amendment to have this fund kept for the unemployed, not have it used for the employed. I do not know what the Senate may do. My own vote will be for the amendment, because I believe the time has come for us to make the dollar go as far as we can make it go, particularly for those out of employment first of all as against those who may be employed.

OPINIONS OF THE SUPREME COURT IN GOLD-CLAUSE CASES (S. DOC. NO. 21)

Mr. THOMAS of Oklahoma obtained the floor.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I rose to offer for the RECORD what I think the Senator from Texas is about to present; but I yield to him.

Mr. CONNALLY. I thank the Senator. The Supreme Court of the United States, in an epochal decision, has just handed down a very interesting series of opinions in the so-called "gold-clause cases." They are quite significant, because the Court divided on all of the important aspects of the matter 5 to 4. Therefore, I think it is highly important that these opinions be printed in the CONGRESSIONAL RECORD, and as a public document, and I ask unanimous consent that they be printed as a public document, and in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The order for printing the opinions as a Senate document was reduced to writing, as follows:

Ordered, That the opinion of the Supreme Court of the United States, together with the dissenting opinions, delivered February 18, 1935, in the cases questioning the validity of the joint resolution of Congress of June 5, 1933, with respect to the "gold clauses" in obligations, be printed as a Senate document.

The opinion of the Supreme Court of the United States in the so-called "gold-clause cases" is as follows:

Supreme Court of the United States

Nos. 270, 471, and 472. October term, 1934. 270, *Norman C. Norman, petitioner*, v. *The Baltimore & Ohio Railroad Co.* On writ of certiorari to the Supreme Court of the State of New York. 471, *The United States of America, Reconstruction Finance Corporation, et al., petitioners*, v. *Bankers Trust Co. and William H. Bixby, trustees.* 472, *The United States of America, Reconstruction Finance Corporation, et al., petitioners*, v. *Bankers Trust Co. and William H. Bixby, trustees.* On writs of certiorari to the United States Circuit Court of Appeals for the Eighth Circuit

Mr. Chief Justice Hughes delivered the opinion of the Court.

These cases present the question of the validity of the joint resolution of the Congress of June 5, 1933, with respect to the "gold clauses" of private contracts for the payment of money (48 Stat. 112).

This resolution, the text of which is set forth in the margin,[1] declares that "every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby" is "against public policy." Such provisions in obligations thereafter incurred are prohibited. The resolution provides that "every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts."

In no. 270, the suit was brought upon a coupon of a bond made by the Baltimore & Ohio Railroad Co. under date of February 1, 1930, for the payment of $1,000 on February 1, 1960, and interest from date at the rate of 4½ percent per annum, payable semi-annually. The bond provided that the payment of principal and interest "will be made * * * in gold coin of the United States of America of or equal to the standard of weight and fineness existing on February 1, 1930." The coupon in suit, for $22.50, was payable on February 1, 1934. The complaint alleged that on February 1, 1930, the standard weight and fineness of a gold dollar of the United States as a unit of value "was fixed to consist of 25⅘ grains of gold 0.9 fine", pursuant to the act of Congress of March 14, 1900 (31 Stat. 45); and that by the act of Congress known as the "Gold Reserve Act of 1934" (Jan. 30, 1934, 48 Stat. 337), and by the order of the President under that act, the standard unit of value of a gold dollar of the United States "was fixed to consist of 15 5/21 grains of gold, 0.9 fine", from and after January 31, 1934. On presentation of the coupon, defendant refused to pay the amount in gold, or the equivalent of gold in legal tender of the United States which was alleged to be, on February 1, 1934, according to the standard of weight and fineness existing on February 1, 1930, the sum of $38.10, and plaintiff demanded judgment for that amount.

Defendant answered that by acts of Congress, and, in particular, by the joint resolution of June 5, 1933, defendant had been prevented from making payment in gold coin "or otherwise than dollar for dollar, in coin or currency of the United States (other than gold coin and gold certificates)" which at the time of payment constituted legal tender. Plaintiff, challenging the validity of the joint resolution under the fifth and tenth amendments, and article I, section 1, of the Constitution of the United States, moved to strike the defense. The motion was denied. Judgment was entered for plaintiff for $22.50, the face of the coupon, and was affirmed upon appeal. The court of appeals of the State considered the Federal question and decided that the joint resolution was valid (265 N. Y. 37). This court granted a writ of certiorari October 8, 1934.

In nos. 471 and 472, the question arose with respect to an issue of bonds, dated May 1, 1903, of the St. Louis, Iron Mountain & Southern Railway Co., payable May 1, 1933. The bonds severally provided for the payment of "one thousand dollars gold coin of the United States of the present standard of weight and fineness", with interest from date at the rate of 4 percent per annum, payable "in like gold coin semiannually." In 1917, Missouri Pacific Railroad Co. acquired the property of the obligor subject to the mortgage securing the bonds. In March 1933 the United States District Court, Eastern District of Missouri, approved a petition filed by the latter company under section 77 of the Bankruptcy Act. In the following December, the trustees under the mortgage asked leave to intervene, seeking to have the income of the property applied against the mortgage debt and alleging that the debt was payable "in gold coin of the United States of the standard of weight and fineness prevailing on May 1, 1903." Later, the Reconstruction Finance Corporation and the United States, as creditors of the debtor, filed a joint petition for leave to intervene, in which they denied the validity of the gold clause contained in the mortgage and bonds. Leave to intervene specially was granted to each applicant on April 5, 1934, and answers were filed. On the hearing, the district court decided that the joint resolution of June 5, 1933, was constitutional and that the trustees were entitled, in payment of the principal of each bond, to $1,000 in money, constituting legal tender. Decree was entered accordingly and the trustees (respondents here) took two appeals to the United States Circuit Court of Appeals.[2] While these appeals were pending, this court granted writs of certiorari, November 5, 1934.

The joint resolution of June 5, 1933, was one of a series of measures relating to the currency. These measures disclose not only the purposes of the Congress but also the situations which existed at the time the joint resolution was adopted and when the payments under the "gold clauses" were sought. On March 6, 1933, the President, stating that there had been "heavy and unwarranted withdrawals of gold and currency from our banking institutions for the purpose of hoarding" and "extensive speculative activity abroad in foreign exchange" which had resulted "in severe drains on the Nation's stocks of gold", and reciting the authority conferred by section 5 (b) of the act of October 6, 1917 (40 Stat. 411), declared "a bank holiday" until March 9, 1933. On the same date, the Secretary of the Treasury, with the President's approval, issued instructions to the Treasurer of the United States to make payments in gold in any form only under license issued by the Secretary.

On March 9, 1933, the Congress passed the Emergency Banking Act (48 Stat. 1). All orders issued by the President or the Secretary of the Treasury since March 4, 1933, under the authority conferred by section 5 (b) of the act of October 6, 1917, were confirmed. That section was amended so as to provide that during any period of national emergency declared by the President he might "investigate, regulate, or prohibit", by means of licenses or otherwise, "any transactions in foreign exchange, transfers of credit between or payments by banking institutions as defined by the President, and export, hoarding, melting, or earmarking of gold or silver coin or bullion or currency, by any person within the United States or any place subject to the jurisdiction thereof." The act also amended section 11 of the Federal Reserve Act (39 Stat. 752) so as to authorize the Secretary of the Treasury to re-

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[1] Joint resolution to assure uniform value to the coins and currencies of the United States

Whereas the holding of or dealing in gold affect the public interest, and are therefore subject to proper regulation and restriction; and

Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts: Now, therefore, be it

Resolved, etc., That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold, or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in, or made with respect to any obligation hereafter incurred. Every obligation, heretofore, or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin, or currency, which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by, or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision, or authority contained in such law.

(b) As used in this resolution, the term "obligation" means an obligation (including every obligation of and to the United States, excepting currency), payable in money of the United States; and the term "coin or currency" means coin or currency of the United States, including Federal Reserve notes, and circulating notes of Federal Reserve banks and national banking associations.

SEC. 2. The last sentence of paragraph (1) of subsection (b) of section 43 of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

"All coins and currencies of the United States (including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations) heretofore, or hereafter coined, or issued, shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight."

Approved June 5, 1933, 4:40 p. m.

[2] One appeal was allowed by the district judge and the other by the circuit court of appeals.

quire all persons to deliver to the Treasurer of the United States "any or all gold coin, gold bullion, and gold certificates" owned by them, and that the Secretary should pay therefor "an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States." By Executive order of March 10, 1933, the President authorized banks to be reopened, as stated, but prohibited the removal from the United States, or any place subject to its jurisdiction, of "any gold coin, gold bullion, or gold certificates, except in accordance with regulations prescribed by or under license issued by the Secretary of the Treasury." By further Executive order of April 5, 1933, forbidding hoarding, all persons were required to deliver, on or before May 1, 1933, to stated banks "all gold coin, gold bullion, and gold certificates", with certain exceptions, the holder to receive "an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States." Another order of April 20, 1933, contained further requirements with respect to the acquisition and export of gold and to transactions in foreign exchange.

By section 43 of the Agricultural Adjustment Act of May 12, 1933 (48 Stat. 51), it was provided that the President should have authority, upon the making of prescribed findings and in the circumstances stated, "to fix the weight of the gold dollar in grains 0.9 fine and also to fix the weight of the silver dollar in grains 0.9 fine at a definite fixed ratio in relation to the gold dollar at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies", and it was further provided that the "gold dollar, the weight of which is so fixed, shall be the standard unit of value", and that "all forms of money shall be maintained at a parity with this standard", but that "in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent."

Then followed the joint resolution of June 5, 1933. There were further Executive orders of August 28 and 29, 1933, October 25, 1933, and January 11 and 15, 1934, relating to the hoarding and export of gold coin, gold bullion, and gold certificates, to the sale and export of gold recovered from natural deposits, and to transactions in foreign exchange, and orders of the Secretary of the Treasury, approved by the President, on December 28, 1933, and January 15, 1934, for the delivery of gold coin, gold bullion, and gold certificates to the United States Treasury.

On January 30, 1934, the Congress passed the Gold Reserve Act of 1934 (48 Stat. 337), which, by section 13, ratified and confirmed all the actions, regulations, and orders taken or made by the President and the Secretary of the Treasury under the act of March 9, 1933, or under section 43 of the act of May 12, 1933, and by section 12, with respect to the authority of the President to fix the weight of the gold dollar, provided that it should not be fixed "in any event at more than 60 percent of its present weight." On January 31, 1934, the President issued his proclamation declaring that he fixed "the weight of the gold dollar to be 15 5/21 grains 0.9 fine", from and after that date.

We have not attempted to summarize all the provisions of these measures. We are not concerned with their wisdom. The question before the Court is one of power, not of policy. And that question touches the validity of these measures at but a single point, that is, in relation to the joint resolution denying effect to "gold clauses" in existing contracts. The resolution must, however, be considered in its legislative setting and in the light of other measures in pari materia.

First. The interpretation of the gold clauses in suit. In the case of the Baltimore & Ohio Railroad Co., the obligor considers the obligation to be one "for the payment of money and not for the delivery of a specified number of grains or ounces of gold"; that it is an obligation payable in money of the United States and not less so because payment is to be made "in a particular kind of money"; that it is not a "commodity contract" which could be discharged by "tender of bullion." At the same time, the obligor contends that, while the joint resolution is constitutional in either event, the clause is a "gold coin" and not a "gold value" clause; that is, it does not imply "a payment in the 'equivalent' of gold in case performance by payment in gold coin is impossible." The parties, runs the argument, intended that the instrument should be negotiable and hence it should not be regarded as one "for the payment of an indeterminate sum ascertainable only at date of payment." And in the reference to the standard of weight and fineness, the words "equal to" are said to be synonymous with "of."

In the case of the bonds of the St. Louis, Iron Mountain & Southern Railway Co. the Government urges that by providing for payment in gold coin the parties showed an intention "to protect against depreciation of one kind of money as compared with another, as, for example, paper money compared with gold, or silver compared with gold"; and, by providing that the gold coin should be of a particular standard, they attempted "to assure against payment in coin of lesser gold content." The clause, it is said, "does not reveal an intention to protect against a situation where gold coin no longer circulates and all forms of money are maintained in the United States at a parity with each other"; apparently "the parties did not anticipate the existence of conditions making it impossible and illegal to procure gold coin with which to meet the obligations." In view of that impossibility, asserted to exist both in fact and in law, the Government contends that "the present debtor would be excused, in an action on the bonds, from the obligation to pay in gold coin", but, "as only one term of the promise in the gold clause is impossible to perform and illegal", the remainder of the obligation should stand and thus the obligation "becomes one to pay the stated number of dollars."

The bondholder in the first case, and the trustees of the mortgage in the second case, oppose such an interpretation of the gold clauses as inadequate and unreasonable. Against the contention that the agreement was to pay in gold coin if that were possible, and not otherwise, they insist that it is beyond dispute that the gold clauses were used for the very purpose of guarding against a depreciated currency. It is pointed out that the words "gold coin of the present standard" show that the parties contemplated that when the time came to pay there might be gold dollars of a new standard, and if so that "gold coin of the present standard" would pass from circulation; and it is taken to be admitted, by the Government's argument, that if gold coins of a lesser standard were tendered they would not have to be accepted unless they were tendered in sufficient amount to make up the "gold value" for which, it is said, the contract called. It is insisted that the words of the gold clause clearly show an intent "to establish a measure or standard of value of the money to be paid if the particular kind of money specified in the clause should not be in circulation at the time of payment." To deny the right of the bondholders to the equivalent of the gold coin promised is said to be not a construction of the gold clause but its nullification.[3]

The decisions of this Court relating to clauses for payment in gold did not deal with situations corresponding to those now presented. *Bronson* v. *Rodes* (7 Wall. 229), *Butler* v. *Horwitz* (7 Wall. 258), *Dewing* v. *Sears* (11 Wall. 379), *Trebilcock* v. *Wilson* (12 Wall. 687), *Thompson* v. *Butler* (95 U. S. 694), *Gregory* v. *Morris* (96 U. S. 619). See, also, *The Vaughan and Telegraph* (14 Wall. 258); *The Emily Souder* (17 Wall. 666). The rulings, upholding gold clauses and determining their effect, were made when gold was still in circulation and no act of the Congress prohibiting the enforcement of such clauses had been passed. *In Bronson* v. *Rodes*, supra, page 251, the Court held that the legal tender acts of 1862 and 1863, apart from any question of their constitutionality, had not repealed or modified the laws for the coinage of gold and silver or the statutory provisions which made those coins a legal tender in all payments. It followed, said the Court, that "there were two descriptions of money in use at the time the tender under consideration was made, both authorized by law, and both made legal tender in payments. The statute denomination of both descriptions was dollars; but they were essentially unlike in nature." Accordingly, the contract of the parties for payment in one sort of dollars, which was still in lawful circulation, was sustained. The case of *Trebilcock* v. *Wilson*, supra, was decided shortly after the legal-tender acts had been held valid. The Court again concluded (pp. 695, 696) that those acts applied only to debts which were payable in money generally, and that there were "according to that decision, two kinds of money, essentially different in their nature, but equally lawful." In that view, said the Court, "contracts payable in either, or for the possession of either, must be equally lawful, and, if lawful, must be equally capable of enforcement."

With respect to the interpretation of the clauses then under consideration, the Court observed (in *Bronson* v. *Rodes*, supra, p. 250) that a contract to pay a certain number of dollars in gold or silver coins was, in legal import, nothing else than an agreement to deliver a certain weight of standard gold, to be ascertained by a count of coins, each of which is certified to contain a definite proportion of that weight." The Court thought that it was not distinguishable, in principle, "from a contract to deliver an equal weight of bullion of equal fineness." That observation was not necessary to the final conclusion. The decision went upon the assumption "that engagements to pay coined dollars may be regarded as ordinary contracts to pay money rather than as contracts to deliver certain weights of standard gold." (*Id.*, p. 251.)

In *Trebilcock* v. *Wilson*, supra, where a note was payable "in specie", the Court said (pp. 694, 695) that the provision did not "assimulate the note to an instrument in which the amount stated is payable in chattels; as, for example, to a contract to pay a specified sum in lumber, or in fruit, or grain"; that the terms "in specie" were "merely descriptive of the kind of dollars in which the note is payable, there being different kinds in circulation, recognized by law"; that they meant "that the designated number of dollars in the note shall be paid in so many gold or silver dollars of the coinage of the United States." And (in *Thompson* v. *Butler*, supra, pp. 696, 697) the Court adverted to the statement made in *Bronson* v. *Rodes*, and concluded that "notwithstanding this, it is a contract to pay money, and none the less so because it designates for payment one of the two kinds of money which the law has made a legal tender in discharge of money obligations." Compare *Gregory* v. *Morris*, supra.

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[3] As illustrating the use of such clauses as affording a standard or measure of value, counsel refer to art. 262 of the Treaty of Versailles with respect to the monetary obligations of Germany which were made payable in gold coins of several countries, with the stated purpose that the gold coins mentioned "shall be defined as being of the weight and fineness of gold as enacted by law on Jan. 1, 1914." Reference is also made to the construction of the gold clause in the bonds before the House of Lords in *Feist, appellant, and Société Intercommunale Belge d'Electricité, respondents* (L. R. (1934) A. C. 161, 173) and to the decisions of the Permanent Court of International Justice in the cases of the Serbian and Brazilian loans (Publications of the Permanent Court of International Justice, series A, nos. 20/21) where the bonds provided for payment in gold francs.

We are of the opinion that the gold clauses now before us were not contracts for payment in gold coin as a commodity, or in bullion, but were contracts for the payment of money. The bonds were severally for the payment of $1,000. We also think that, fairly construed, these clauses were intended to afford a definite standard or measure of value, and thus to protect against a depreciation of the currency and against the discharge of the obligation by a payment of lesser value than that prescribed. When these contracts were made they were not repugnant to any action of the Congress. In order to determine whether effect may now be given to the intention of the parties in the face of the action taken by the Congress, or the contracts may be satisfied by the payment dollar for dollar, in legal tender, as the Congress has now prescribed, it is necessary to consider (1) the power of the Congress to establish a monetary system and the necessary implications of that power; (2) the power of the Congress to invalidate the provisions of existing contracts which interfere with the exercise of its constitutional authority; and (3) whether the clauses in question do constitute such an interference as to bring them within the range of that power.

Second. The power of the Congress to establish a monetary system: It is unnecessary to review the historic controversy as to the extent of this power, or again to go over the ground traversed by the Court in reaching the conclusion that the Congress may make Treasury notes legal tender in payment of debts previously contracted, as well as of those subsequently contracted, whether that authority be exercised in course of war or in time of peace. *Knox* v. *Lee* (12 Wall. 457); *Juilliard* v. *Greenman* (110 U. S. 421). We need only consider certain postulates upon which that conclusion rested.

The Constitution grants to the Congress power "to coin money, regulate the value thereof, and of foreign coin." Article I, section 8, paragraph 5. But the Court in the *Legal Tender cases* did not derive from that express grant alone the full authority of the Congress in relation to the currency. The Court found the source of that authority in all the related powers conferred upon the Congress and appropriate to achieve "the great objects for which the Government was framed",—"a national government, with sovereign powers." *McCulloch* v. *Maryland* (4 Wheat. 316, 404–407); *Knox* v. *Lee* (supra, pp. 532, 536); *Juilliard* v. *Greenman* (supra, p. 438). The broad and comprehensive national authority over the subjects of revenue, finance, and currency is derived from the aggregate of the powers granted to the Congress, embracing the powers to lay and collect taxes, to borrow money, to regulate commerce with foreign nations and among the several States, to coin money, regulate the value thereof, and of foreign coin, and to fix the standards of weights and measures, and the added express power "to make all laws which shall be necessary and proper for carrying into execution" the other enumerated powers. *Juilliard* v. *Greenman* (supra, pp. 439, 440).

The Constitution "was designed to provide the same currency, having a uniform legal value in all the States." It was for that reason that the power to regulate the value of money was conferred upon the Federal Government, while the same power, as well as the power to emit bills of credit, was withdrawn from the States. The States cannot declare what shall be money, or regulate its value. Whatever power there is over the currency is vested in the Congress. *Knox* v. *Lee* (supra, p. 545). Another postulate of the decision in that case is that the Congress has power "to enact that the Government's promises to pay money shall be, for the time being, equivalent in value to the representative of value determined by the coinage acts, or to multiples thereof." (Id., p. 553.) Or, as was stated in the *Juilliard* case (supra, p. 447), the Congress is empowered "to issue the obligations of the United States in such form, and to impress upon them such qualities as currency for the purchase of merchandise and the payment of debts, as accord with the usage of sovereign governments." The authority to impose requirements of uniformity and parity is an essential feature of this control of the currency. The Congress is authorized to provide "a sound and uniform currency for the country", and to "secure the benefit of it to the people by appropriate legislation." *Veazie Bank* v. *Fenno* (8 Wall. 533, 549).

Moreover, by virtue of this national power, there attaches to the ownership of gold and silver those limitations which public policy may require by reason of their quality as legal tender and as a medium of exchange. *Ling Su Fan* v. *United States* (218 U. S. 302, 310). Those limitations arise from the fact that the law "gives to such coinage a value which does not attach as a mere consequence of intrinsic value." Their quality as legal tender is attributed by the law, aside from their bullion value. Hence the power to coin money includes the power to forbid mutilation, melting, and exportation of gold and silver coin—"to prevent its outflow from the country of its origin." (Id., p. 311.)

Dealing with the specific question as to the effect of the legal-tender acts upon contracts made before their passage, that is, those for the payment of money generally, the Court in the *Legal Tender cases*, recognized the possible consequences of such enactments in frustrating the expected performance of contracts—in rendering them "fruitless or partially fruitless." The Court pointed out that the exercise of the powers of Congress may affect "apparent obligations" of contracts in many ways. The Congress may pass bankruptcy acts. The Congress may declare war, or, even in peace, pass nonintercourse acts, or direct an embargo, which may operate seriously upon existing contracts. And the Court reasoned that if the legal-tender acts "were justly chargeable with impairing contract obligations, they would not, for that reason, be forbidden, unless a different rule is to be applied to them from that which has hitherto prevailed in the construction of other powers granted by the fundamental law." The conclusion was that contracts must be understood as having been made in reference to the possible exercise of the rightful authority and of the Government, and that no obligation of a contract "can extend to the defeat" of that authority. *Knox* v. *Lee*, supra (pp. 549–551).

On similar grounds, the Court dismissed the contention under the fifth amendment forbidding the taking of private property for public use without just compensation or the deprivation of it without due process of law. That provision, said the Court, referred only to a direct appropriation. A new tariff, an embargo, or a war, might bring upon individuals great losses; might, indeed, render valuable property almost valueless, might destroy the worth of contracts. "But whoever supposed" asked the Court, "that, because of this, a tariff could not be changed or a nonintercourse act, or embargo be enacted, or a war be declared." The Court referred to the act of June 28, 1834, by which a new regulation of the weight and value of gold coin was adopted, and about 6 percent was taken from the weight of each dollar. The effect of the measure was that all creditors were subjected to a corresponding loss, as the debts then due "became solvable with 6 percent less gold than was required to pay them before." But it had never been imagined that there was a taking of private property without compensation or without due process of law. The harshness of such legislation, or the hardship it may cause, afforded no reason for considering it to be unconstitutional. Id., pp. 551, 552.

The question of the validity of the joint resolution of June 5, 1933, must be determined in the light of these settled principles.

Third. The power of the Congress to invalidate the provisions of existing contracts which interfere with the exercise of its constitutional authority. The instant cases involve contracts between private parties, but the question necessarily relates as well to the contracts or obligations of States and municipalities, or of their political subdivisions, that is, to such engagements as are within the reach of the applicable national power. The Government's own contracts—the obligations of the United States—are in a distinct category and demand separate consideration. See *Perry* v. *United States*, decided this day.

The contention is that the power of the Congress, broadly sustained by the decisions we have cited in relation to private contracts for the payment of money generally, does not extend to the striking down of express contracts for gold payments. The acts before the Court in the *Legal Tender cases*, as we have seen, were not deemed to go so far. Those acts left in circulation two kinds of money, both lawful and available, and contracts for payments in gold, one of these kinds, were not disturbed. The Court did not decide that the Congress did not have the constitutional power to invalidate existing contracts of that sort, if they stood in the way of the execution of the policy of the Congress in relation to the currency. Mr. Justice Bradley, in his concurring opinion, expressed the view that the Congress had that power and had exercised it. *Knox* v. *Lee* (supra, pp. 566, 567). And upon that ground he dissented from the opinion of the Court in *Trebilcock* v. *Wilson* (supra, p. 699), as to the validity of contracts for payment "in specie."[4] It is significant that Mr. Justice Bradley, referring to this difference of opinion in the *Legal Tender cases*, remarked (in his concurring opinion) that "of course" the difference arose "from the different construction given to the legal-tender acts." "I do not understand", he said, "the majority of the Court to decide that an act so drawn as to embrace, in terms, contracts payable in specie, would not be constitutional. Such a decision would completely nullify the power claimed for the Government. For it would be very easy, by the use of one or two additional words, to make all contracts payable in specie."

Here, the Congress has enacted an express interdiction. The argument against it does not rest upon the mere fact that the legislation may cause hardship or loss. Creditors who have not stipulated for gold payments may suffer equal hardship or loss with creditors who have so stipulated. The former, admittedly, have no constitutional grievance. And, while the latter may not suffer more, the point is pressed that their express stipulations for gold payments constitute property, and that creditors who have not such stipulations are without that property right. And the contestants urge that the Congress is seeking not to regulate the currency, but to regulate contracts, and thus has stepped beyond the power conferred.

This argument is in the teeth of another established principle. Contracts, however express, cannot fetter the constitutional authority of the Congress. Contracts may create rights of property, but when contracts deal with a subject matter which lies within the control of the Congress, they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them. See *Hudson Water Co.* v. *McCarter* (209 U. S. 349, 357).

This principle has familiar illustration in the exercise of the power to regulate commerce. If shippers and carriers stipulate

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[4] Mr. Justice Miller also dissented in *Trebilcock* v. *Wilson* (12 Wall., pp. 699, 700), upon the ground "that a contract for gold dollars, in terms, was in no respect different, in legal effect, from a contract for dollars without the qualifying words, 'specie' or 'gold', and that the legal-tender statutes had, therefore, the same effect in both cases."

for specified rates, although the rates may be lawful when the contracts are made, if Congress through the Interstate Commerce Commission exercises its authority and prescribes different rates, the latter control and override inconsistent stipulations in contracts previously made. This is so, even if the contract be a charter granted by a State and limiting rates, or a contract between municipalities and carriers. (*New York* v. *United States*, 257 U. S. 591, 600, 601; *United States* v. *Village of Hubbard*, 266 U. S. 474, 477, note. See, also, *Armour Packing Co.* v. *United States*, 209 U. S. 56, 80–82; *Union Dry Goods Co.* v. *Georgia Public Service Corporation*, 248 U. S. 372, 375.)

In *Addyston Pipe & Steel Co.* v. *United States* (175 U. S. 211, 229, 230) the Court raised the pertinent question, If certain kinds of private contracts directly limit or restrain, and hence regulate interstate commerce, why should not the power of Congress reach such contracts equally with legislation of a State to the same effect? "What sound reason", said the Court, "can be given why Congress should have the power to interfere in the case of the State, and yet have none in the case of the individual? Commerce is the important subject of consideration, and anything which directly obstructs and thus regulates that commerce which is carried on among the States, whether it is State legislation or private contracts between individuals or corporations, should be subject to the power of Congress in the regulation of that commerce."

Applying that principle, the Court held that a contract, valid when made (in 1871), for the giving of a free pass by an interstate carrier, in consideration of a release of a claim for damages, could not be enforced after the Congress had passed the act of June 29, 1906 (38 Stat. 584) (*Louisville & Nashville Railroad Co.* v. *Mottley*, 219 U. S. 467[5]). Quoting the statement of the general principle in the *Legal Tender cases*, the Court decided that the agreement must necessarily be regarded as having been made subject to the possibility that at some future time the Congress "might so exert its whole constitutional power in regulating interstate commerce as to render that agreement unenforceable or to impair its value." The Court considered it inconceivable that the exercise of such power "may be hampered or restricted to any extent by contracts previously made between individuals or corporations." "The framers of the Constitution never intended any such state of things to exist" (id., p. 482). Accordingly, it has been "authoritatively settled" by decisions of this Court that no previous contracts or combinations can prevent the application of the antitrust acts to compel the discontinuance of combinations declared to be illegal. (*Addyston Pipe & Steel Co.* v. *United States*, supra; *United States* v. *Southern Pacific Co.*, 259 U. S. 214, 234, 235. See also *Calhoun* v. *Massie*, 253 U. S. 170, 176; *Omnia Commercial Co.* v. *United States*, 261 U. S. 502, 509; *Stephenson* v. *Binford*, 287 U. S. 251. 276.)

The principle is not limited to the incidental effect of the exercise by the Congress of its constitutional authority. There is no constitutional ground for denying to the Congress the power expressly to prohibit and invalidate contracts although previously made, and valid when made, when they interfere with the carrying out of the policy it is free to adopt. The exercise of this power is illustrated by the provision of section 5 of the Employers Liability Act of 1908 (35 Stat. 65, 66), relating to any contract the purpose of which was to enable a common carrier to exempt itself from the liability which the act created. Such a stipulation the act explicitly declared to be void. In the *Second Employers' Liability Cases* (223 U. S. 1, 52), the Court decided that the Congress possessed the power to impose the liability, it also possessed the power "to insure its efficacy by prohibiting any contract, rule, regulation, or device in evasion of it." And this prohibition the Court has held to be applicable to contracts made before the act was passed. *Philadelphia, Baltimore & Washington R. R. Co.* v. *Schubert* (224 U. S. 603). In that case, the employee, suing under the act, was a member of the "relief fund" of the railroad company under a contract of membership, made in 1905, for the purpose of securing certain benefits. The contract provided that an acceptance of those benefits should operate as a release of claims, and the company pleaded that acceptance as a bar to the action. The Court held that the Employers' Liability Act supplied the governing rule and that the defense could not be sustained. The power of the Congress in regulating interstate commerce was not fettered by the necessity of maintaining existing arrangements and stipulations which would conflict with the execution of its policy. The reason is manifest. To subordinate the exercise of the Federal authority to the continuing operation of previous contracts would be to place to this extent the regulation of interstate commerce in the hands of private individuals and to withdraw from the control of the Congress so much of the field as they might choose by "prophetic discernment" to bring within the range of their agreements. The Constitution recognizes no such limitation. *Id.*, pp. 613, 614. See, also, *United States* v. *Southern Pacific Co.*, supra; *Sproles* v. *Binford* (286 U. S. 374, 390, 391); *Radio Commission* v. *Nelson Brothers Co.* (289 U. S. 266, 282).

The same reasoning applies to the constitutional authority of the Congress to regulate the currency and to establish the monetary system of the country. If the gold clauses now before us interfere with the policy of the Congress in the exercise of that authority, they cannot stand.

Fourth. The effect of the gold clauses in suit in relation to the monetary policy adopted by the Congress: Despite the wide range of the discussion at the bar and the earnestness with which the arguments against the validity of the joint resolution have been pressed, these contentions necessarily are brought, under the dominant principles to which we have referred, to a single and narrow point. That point is whether the gold clauses do constitute an actual interference with the monetary policy of the Congress in the light of its broad power to determine that policy. Whether they may be deemed to be such an interference depends upon an appraisement of economic conditions and upon determinations of questions of fact. With respect to those conditions and determinations, the Congress is entitled to its own judgment. We may inquire whether its action is arbitrary or capricious; that is, whether it has reasonable relation to a legitimate end. If it is an appropriate means to such an end, the decisions of the Congress as to the degree of the necessity for the adoption of that means, is final. (*McCulloch* v. *Maryland*, supra, pp. 421, 423; *Juilliard* v. *Greenman*, supra, p. 450; *Stafford* v. *Wallace*, 258 U. S. 495, 521; *Everard's Breweries* v. *Day*, 265 U. S. 545, 559, 562.)

The Committee on Banking and Currency of the House of Representatives stated in its report recommending favorable action upon the joint resolution (H. Rept. No. 169, 73d Cong., 1st sess.):

"The occasion for the declaration in the resolution that the gold clauses are contrary to public policy arises out of the experiences of the present emergency. These gold clauses render ineffective the power of the Government to create a currency and determine the value thereof. If the gold clause applied to a very limited number of contracts and security issues, it would be a matter of no particular consequence, but in this country virtually all obligations, almost as a matter of routine, contain the gold clause. In the light of this situation two phenomena which have developed during the present emergency make the enforcement of the gold clauses incompatible with the public interest. The first is the tendency which has developed internally to hoard gold; the second is the tendency for capital to leave the country. Under these circumstances no currency system, whether based upon gold or upon any other foundation, can meet the requirements of a situation in which many billions of dollars of securities are expressed in a particular form of the circulating medium, particularly when it is the medium upon which the entire credit and currency structure rests."

And the joint resolution itself recites the determination of the Congress in these words.[6]

"Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount in money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar, coined or issued by the United States, in the markets and in the payment of debts."

Can we say that this determination is so destitute of basis that the interdiction of the gold clauses must be deemed to be without any reasonable relation to the monetary policy adopted by the Congress?

The Congress in the exercise of its discretion was entitled to consider the volume of obligations with gold clauses, as that fact, as the report of the House committee observed, obviously had a bearing upon the question whether their existence constituted a substantial obstruction to the congressional policy. The estimates submitted at the bar indicate that when the joint resolution was adopted there were outstanding $75,000,000,000 or more of such obligations, the annual interest charges on which probably amounted to between three and four billion dollars. It is apparent that if these promises were to be taken literally, as calling for actual payment in gold coin, they would be directly opposed to the policy of Congress, as they would be calculated to increase the demand for gold, to encourage hoarding, and to stimulate attempts at exportation of gold coin. If there were no outstanding obligations with gold clauses, we suppose that no one would question the power of the Congress, in its control of the monetary system, to endeavor to conserve the gold resources of the Treasury, to insure its command of gold in order to protect and increase its reserves, and to prohibit the exportation of gold coin or its use for any purpose inconsistent with the needs of the Treasury. See *Ling Su Fan* v. *United States, supra*. And if the Congress would have that power in the absence of gold clauses, principles beyond dispute compel the conclusion that private parties or States or municipalities, by making such contracts could not prevent or embarrass its exercise. In that view of the import of the gold clauses, their obstructive character is clear.

But if the clauses are treated as "gold value" clauses, that is, as intended to set up a measure or standard of value if gold coin is not available, we think they are still hostile to the policy of the Congress and hence subject to prohibition. It is true that when the joint resolution was adopted on June 5, 1933, while gold coin had largely been withdrawn from circulation and the Treasury had declared that "gold is not now paid, nor is it available for payment upon public or private debts",[7] the dollar had not yet been devalued. But devaluation was in prospect, and a uniform cur-

[5] Compare *New York Central & Hudson R. R. Co.* v. *Gray* (239 U. S. 583; *Calhoun* v. *Massie* (253 U. S. 170, 176).

[6] See note 1.

[7] Treasury Statement of May 26, 1933.

rency was intended.[8] Section 43 of the act of May 12, 1933 (48 Stat. 51), provided that the President should have authority, on certain conditions, to fix the weight of the gold dollar as stated, and that its weight as so fixed should be "the standard unit of value" with which all forms of money should be maintained "at a parity." The weight of the gold dollar was not to be reduced by more than 50 percent. The Gold Reserve Act of 1934 (Jan. 30, 1934, 48 Stat. 337) provided that the President should not fix the weight of the gold dollar at more than 60 percent of its present weight. The order of the President of January 31, 1934, fixed the weight of the gold dollar at 15 5/21 grains 0.9 fine as against the former standard of 25 8/10 grains 0.9 fine. If the gold clauses interfered with the congressional policy and hence could be invalidated, there appears to be no constitutional objection to that action by the Congress in anticipation of the determination of the value of the currency. And the questions now before us must be determined in the light of that action.

The devaluation of the dollar placed the domestic economy upon a new basis. In the currency as thus provided, States and municipalities must receive their taxes; railroads, their rates and fares; public utilities, their charges for services. The income out of which they must meet their obligations is determined by the new standard. Yet, according to the contentions before us, while that income is thus controlled by law, their indebtedness on their "gold bonds" must be met by an amount of currency determined by the former gold standard. Their receipts, in this view, would be fixed on one basis; their interest charges, and the principal of their obligations, on another. It is common knowledge that the bonds issued by these obligors have generally contained gold clauses, and presumably they account for a large part of the outstanding obligations of that sort. It is also common knowledge that a similar situation exists with respect to numerous industrial corporations that have issued their "gold bonds" and must now receive payments for their products in the existing currency. It requires no acute analysis or profound economic inquiry to disclose the dislocation of the domestic economy which would be caused by such a disparity of conditions in which, it is insisted, those debtors under gold clauses should be required to pay $1.69 in currency while respectively receiving their taxes, rates, charges, and prices on the basis of $1 of that currency.

We are not concerned with consequences, in the sense that consequences, however serious, may excuse an invasion of constitutional right. We are concerned with the constitutional power of the Congress over the monetary system of the country and its attempted frustration. Exercising that power, the Congress has undertaken to establish a uniform currency, and parity between kinds of currency, and to make that currency, dollar for dollar, legal tender for the payment of debts. In the light of abundant experience, the Congress was entitled to choose such a uniform monetary system, and to reject a dual system, with respect to all obligations within the range of the exercise of its constitutional authority. The contention that these gold clauses are valid contracts and cannot be struck down proceeds upon the assumption that private parties, and States and municipalities, may make and enforce contracts which may limit that authority. Dismissing that untenable assumption, the facts must be faced. We think that it is clearly shown that these clauses interfere with the exertion of the power granted to the Congress and certainly it is not established that the Congress arbitrarily or capriciously decided that such an interference existed.

The judgment and decree, severally under review, are affirmed.

No. 270. Judgment affirmed.

Nos. 471 and 472. Decree affirmed.

Supreme Court of the United States

No. 531. October term, 1934. *F. Eugene Nortz* v. *The United States*. On certificate from the Court of Claims

Mr. Chief Justice Hughes delivered the opinion of the Court:

The facts certified by the Court of Claims may be thus summarized: Plaintiff brought suit as owner of gold certificates of the Treasury of the United States of the nominal amount of $106,300. He alleged that defendant, by these gold certificates and under the applicable acts of Congress, had certified that there had been deposited in the Treasury of the United States $106,300 in gold coin which would be paid to the claimant, as holder, upon demand; that at the time of the issue of these certificates, and to and including January 17, 1934, a dollar in gold consisted of 25.8 grains of gold, 0.9 fine; that claimant was entitled to receive from defendant 1 ounce of gold for each $20.67 of the gold certificates; that on January 17, 1934, he duly presented the certificates and demanded their redemption by the payment of gold coin to the extent above mentioned; that on that date, and for some time prior and subsequent thereto, an ounce of gold was of the value of at least $33.43, and that claimant was accordingly entitled to receive in redemption 5104.22 ounces of gold of the value of $170,634.70; that the demand was refused; that in view of the penalties imposed under the order of the Secretary of the Treasury, approved by the President, on January 15, 1934, supplementing the order of December 28, 1933, and the laws and regulations under which those orders were issued, which the claimant alleged were unconstitutional as constituting a deprivation of property without due process of law, claimant delivered the gold certificates to defendant under protest and received in exchange currency of the United States in the sum of $106,300 which was not redeemable in gold; and that in consequence claimant was damaged in the sum of $64,334.07, for which, with interest, judgment was demanded.

Defendant demurred to the petition upon the ground that it did not state a cause of action against the United States.

The questions certified by the Court are as follows:

"1. Is an owner of gold certificates of the United States, series of 1928, not holding a Federal license to acquire or hold gold coins or gold certificates, who, on January 17, 1934, had surrendered his certificates to the Secretary of the Treasury of the United States under protest and had received therefor legal-tender currency of equivalent face amount, entitled to receive from the United States a further sum, inasmuch as the weight of a gold dollar was 25.8 grains, 0.9 fine, and the market price thereof on January 17, 1934, was in excess of the currency so received?

"2. Is a gold certificate, series of 1928, under the facts stated in question 1 an express contract of the United States in its corporate or proprietary capacity which will enable its owner and holder to bring suit thereon in the Court of Claims?

"3. Do the provisions of the Emergency Banking Act of March 9, 1933, and the order of the Secretary of the Treasury dated December 28, 1933, requiring the plaintiff, as owner of gold certificates as stated in question 1, to deliver the same to the Treasury of the United States in exchange for currency of an equivalent amount not redeemable in gold, amount to a taking of property within the meaning of the fifth amendment to the Constitution of the United States?"

Defendant's demurrer, which admitted the facts well pleaded in the petition, did not admit allegations which amounted to conclusions of law in relation to the nature of the gold certificates or the legal effect of the legislation under which they were issued, held, or to be redeemed. *Dillon* v. *Barnard* (21 Wall. 430, 437); *United States* v. *Ames* (99 U. S. 35, 45); *Interstate Land Co.* v. *Maxwell Land Co.* (139 U. S. 569, 577, 578); *Equitable Life Assurance Society* v. *Brown* (213 U. S. 25, 43).

Gold certificates were authorized by section 5 of the act of March 3, 1863 (12 Stat. 709, 711), which provided that the Secretary of the Treasury might receive "deposits of gold coin and bullion" and issue certificates therefor "in denominations of not less than $20 each, corresponding with the denominations of the United States notes." The coin and bullion so deposited were to be retained in the Treasury for the payment of the certificates on demand. It was further provided that "certificates representing coin in the Treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed 20 percent beyond the amount of coin and bullion in the Treasury." (See R. S., sec. 254; 31 U. S. C. 428.) Section 12 of the act of July 12, 1882 (22 Stat. 165) contained a further provision authorizing the Secretary of the Treasury "to receive deposits of gold coin" and to issue certificates therefor, also in denominations of dollars as stated. The act of March 14, 1900 (31 Stat. 45), prescribed that the dollar "consisting of 25.8 grains of gold 0.9 fine, * * * shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity." Section 6 of that act also authorized the Secretary of the Treasury to receive deposits of gold coin and to issue gold certificates therefor, and provided that the coin so deposited should be held by the Treasury for the payment of such certificates on demand and should be "used for no other purpose." And the latter clause appears in the amending acts of March 4, 1907 (34 Stat. 1289), and of March 2, 1911 (36 Stat. 965). (See 31 U. S. C. 429.)

The act of December 24, 1919 (41 Stat. 370), made gold certificates payable to bearer on demand "legal tender in payment of all debts and dues, public and private." And section 2 of the joint resolution of June 5, 1933 (48 Stat. 113), amending the act of May 12, 1933 (48 Stat. 52), provided that "all coins and currencies of the United States * * * heretofore or hereafter coined or issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues."

Gold certificates under this legislation were required to be issued in denominations of dollars and called for the payment of dollars.[9] These gold certificates were currency. They were not less so because the specified number of dollars were payable in gold coin of

[8] The Senate Committee on Banking and Currency, in its report of May 27, 1933, stated: "By the Emergency Banking Act and the existing Executive orders gold is not now paid, or obtainable for payment, on obligations public or private. By the Thomas amendment currency was intended to be made legal tender for all debts. However, due to the language used doubt has arisen whether it has been made legal tender for payments on gold-clause obligations, public and private. This doubt should be removed. These gold clauses interfere with the power of Congress to regulate the value of the money of the United States and the enforcement of them would be inconsistent with existing legislative policy." (S. Rept. No. 99, 73d Cong., 1st sess.)

[9] The form of gold certificates here in question is stated to be as follows:

"This certifies that there have been deposited in the Treasury of the United States of America $1,000 in gold coin payable to the bearer on demand.

"This certificate is a legal tender in the amount thereof in payment of all debts and dues, public and private."

On the reverse side appear the following words: "The United States of America, one thousand dollars."

the coinage of the United States. Being currency and constituting legal tender, it is entirely inadmissible to regard the gold certificates as warehouse receipts.[10] They were not contracts for a certain quantity of gold as a commodity. They called for dollars, not bullion.

We may lay on one side the question whether the issue of currency of this description created an express contract upon which the United States has consented to be sued under the provisions of section 145 of the Judicial Code, 28 U. S. C. 250. Compare *Horowitz* v. *United States*, 267 U. S. 458, 461.[11] We may assume that plaintiff's petition permits an alternative view. Plaintiff urges as the gist of his contention that, by the acts of Congress, and the orders thereunder, requiring the delivery of his gold certificates to the Treasury in exchange for currency not redeemable in gold, he has been deprived of his property, and that he is entitled to maintain this action to recover the just compensation secured to him by the fifth amendment. But, even in that view, the Court of Claims has no authority to entertain the action, if the claim is at best one for nominal damages. The Court of Claims "was not instituted to try such a case." *Grant* v. *United States* (7 Wall. 331, 338); *Marion & Rye Railway Co.* v. *United States* (270 U. S. 280, 282). Accordingly, we inquire whether the case which the plaintiff presents is one which would justify the recovery of actual damages.

By section 3 of the Emergency Banking Act of March 9, 1933 (48 Stat. 2), amending section 11 of the Federal Reserve Act (39 Stat. 752), the Secretary of the Treasury was authorized, whenever in this judgment it was necessary "to protect the currency system of the United States", to require all persons "to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates" owned by them. Upon such delivery, the Secretary was to pay therefor "an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States." Under that statute, orders requiring such delivery, except as otherwise expressly provided, were issued by the Secretary on December 28, 1933, and January 15, 1934. By the latter, gold coin, gold bullion, and gold certificates were required to be delivered to the Treasurer of the United States on or before January 17, 1934. It was on that date that plaintiff made his demand for gold coin in redemption of his certificates and delivered the certificates under protest. That compulsory delivery, he insists, constituted the "taking of the contract" for which he demands compensation.

Plaintiff explicitly states his concurrence in the Government's contention that the Congress has complete authority to regulate the currency system of the country. He does not deny that, in exercising that authority, the Congress had power "to appropriate unto the Government outstanding gold bullion, gold coin, and gold certificates." Nor does he deny that the Congress had authority "to compel all residents of this country to deliver unto the Government all gold bullion, gold coins, and gold certificates in their possession." These powers could not be successfully challenged. *Knox* v. *Lee* (12 Wall. 457); *Juilliard* v. *Greenman* (110 U. S. 421); *Ling Su Fan* v. *United States* (218 U. S. 302); *Norman* v. *Baltimore & Ohio R. R. Co.*, decided this day. The question plaintiff presents is thus simply one of "just compensation."

The asserted basis of plaintiff's claim for actual damages is that, by the terms of the gold certificates, he was entitled, on January 17, 1934, to receive gold coin. It is plain that he cannot claim any better position than that in which he would have been placed had the gold coin then been paid to him. But, in that event, he would have been required, under the applicable legislation and orders, forthwith to deliver the gold coin to the Treasury. Plaintiff does not bring himself within any of the stated exceptions. He did not allege in his petition that he held a Federal license to hold gold coin, and the first question submitted to us by the Court of Claims negatives the assumption of such a license. Had plaintiff received gold coin for his certificates, he would not have been able, in view of the legislative inhibition, to export it or deal in it. Moreover, it is sufficient in the instant case to point out that on January 17, 1934, the dollar had not been devalued. Or, as plaintiff puts it, "at the time of the presentation of the certificates by petitioner, the gold content of the United States dollar had not been deflated" and the provision of the act of March 14, 1900, supra, fixing that content at 25.8 grains, nine-tenths fine, as the standard unit of money with which "all forms of money issued or coined by the United States" were to be maintained at a parity, was "still in effect." The currency paid to the plaintiff for his gold certificates was then on a parity with that standard of value. It cannot be said that, in receiving the currency on that basis, he sustained any actual loss.

To support his claim, plaintiff says that on January 17, 1934, "an ounce of gold was of the value at least of $33.43." His petition so alleged and he contends that the allegation was admitted by the demurrer. By the assertion of that value of gold in relation to gold coin in this country, in view of the applicable legislative requirements, necessarily involved a conclusion of law. Under those requirements there was not on January 17, 1934, a free market for gold in the United States or any market available to the plaintiff for the gold coin to which he claims to have been entitled. Plaintiff insists that gold had an intrinsic value and was bought and sold in the world markets. But plaintiff had no right to resort to such markets. By reason of the quality of gold coin, "as a legal tender and as a medium of exchange", limitations attached to its ownership, and the Congress could prohibit its exportation and regulate its use. *Ling Su Fan* v. *United States*, supra.

The first question submitted by the Court of Claims is answered in the negative. It is unnecessary to answer the second question. And in the circumstances shown, the third question is academic and also need not be answered.

Question no. 1 is answered "no."

Supreme Court of the United States

No. 532. October term, 1934. *John M. Perry* v. *The United States.* On certificate from the Court of Claims

Mr. Chief Justice Hughes delivered the opinion of the Court:

The certificate from the Court of Claims shows the following facts:

Plaintiff brought suit as the owner of an obligation of the United States for $10,000 known as "Fourth Liberty Loan 4¼-percent gold bond of 1933–38." This bond was issued pursuant to the act of September 24, 1917 (40 Stat. 288), as amended, and Treasury Department Circular No. 121, dated September 28, 1918. The bond provided: "The principal and interest hereof are payable in United States gold coin of the present standard of value."

Plaintiff alleged in his petition that "at the time the bond was issued, and when he acquired it, a dollar in gold consisted of 25.8 grains of gold 0.9 fine"; that the bond was called for redemption on April 15, 1934, and on May 24, 1934, was presented for payment; that plaintiff demanded its redemption "by the payment of 10,000 gold dollars each containing 25.8 grains of gold 0.9 fine"; that defendant refused to comply with that demand, and that plaintiff then demanded "258,000 grains of gold 0.9 fine, or gold of equivalent value of any fineness, or 16,931.25 gold dollars each containing 15 5/21 grains of gold 0.9 fine, or $16,931.25 in legal-tender currency"; that defendant refused to redeem the bond "except by the payment of $10,000 in legal-tender currency"; that these refusals were based on the joint resolution of the Congress of June 5, 1933 (48 Stat. 113), but that this enactment was unconstitutional as it operated to deprive plaintiff of his property without due process of law; and that by this action of defendant he was damaged "in the sum of $16,931.25, the value of defendant's obligation", for which, with interest, plaintiff demanded judgment.

Defendant demurred upon the ground that the petition did not state a cause of action against the United States.

The court of claims has certified the following questions:

"1. Is the claimant, being the holder and owner of a Fourth Liberty Loan 4¼-percent bond of the United States, of the principal amount of $10,000, issued in 1918, which was payable on and after April 15, 1934, and which bond contained a clause that the principal is 'payable in United States gold coin of the present standard of value', entitled to receive from the United States an amount in legal-tender currency in excess of the face amount of the bond?

"2. Is the United States, as obligor in a Fourth Liberty Loan 4¼-percent gold bond, Series of 1933–38, as stated in question 1, liable to respond in damages in a suit in the Court of Claims on such bond as an express contract, by reason of the change in or impossibility of performance in accordance with the tenor thereof, due to the provisions of Public Resolution No. 10, Seventy-third Congress, abrogating the gold clause in all obligations?"

First. The import of the obligation: The bond in suit differs from an obligation of private parties, or of States or municipalities, whose contracts are necessarily made in subjection to the dominant power of the Congress. *Norman* v. *Baltimore & Ohio R. R. Co.*, decided this day. The bond now before us is an obligation of the United States. The terms of the bond are explicit. They were not only expressed in the bond itself, but they were definitely prescribed by the Congress. The act of September 24, 1917, both in its original and amended form, authorized the moneys to be borrowed, and the bonds to be issued, "on the credit of the United States" in order to meet expenditures needed "for the national security and defense and other public purposes authorized by law." (40 Stat. 288, 503.) The circular of the Treasury Department of September 28, 1918, to which the bond refers "for a statement of the further rights of the holders of bonds of said series" also provided that the principal and interest "are payable in United States gold coin of the present standard of value."

This obligation must be fairly construed. The "present standard of value" stood in contradistinction to a lower standard of value. The promise obviously was intended to afford protection against loss. That protection was sought to be secured by setting up a standard or measure of the Government's obligation. We think that the reasonable import of the promise is that it was intended to assure one who lent his money to the Government and took its bond that he would not suffer loss through depreciation in the medium of payment.

The Government states in its brief that the total unmatured interest-bearing obligations of the United States outstanding on

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[10] The description of gold certificates in the reports of the Secretary of the Treasury, to which allusion was made in the argument at bar, could in no way alter their true legal characteristics. (Reports for 1926, p. 80; 1930, pp. 29, 604, 607; 1933, p. 375.)

[11] The point was not determined in *United States* v. *State Bank*, 96 U. S. 30, upon which plaintiff relies. The Court there decided that "where the money or property of an innocent person has gone into the coffers of the Nation by means of a fraud to which its agent was a party, such money or property cannot be held by the United States against the claim of the wronged and injured party." The Court said that the basis of the liability was "an implied contract" by which the United States might well become bound in virtue of its corporate character. Its sovereignty was "in no wise involved."

May 31, 1933 (which it is understood contained a "gold clause" substantially the same as that of the bond in suit), amounted to about $21,000,000,000. From statements at the bar, it appears that this amount has been reduced to approximately twelve billions at the present time, and that during the intervening period the public debt of the United States has risen some seven billions (making a total of approximately twenty-eight billions five hundred millions) by the issue of some $16,500,000,000 of "non-gold-clause obligations."

Second. The binding quality of the obligation: The question is necessarily presented whether the joint resolution of June 5, 1933 (48 Stat. 113), is a valid enactment so far as it applies to the obligations of the United States. The resolution declared that provisions requiring "payment in gold or a particular kind of coin or currency" were "against public policy" and provided that "every obligation heretofore or hereafter incurred, whether or not any such provision is contained therein", shall be discharged "upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts." This enactment was expressly extended to obligations of the United States and provisions for payment in gold, "contained in any law authorizing obligations to be issued by or under authority of the United States", were repealed.[12]

There is no question as to the power of the Congress to regulate the value of money; that is, to establish a monetary system and thus to determine the currency of the country. The question is whether the Congress can use that power so as to invalidate the terms of the obligations which the Government has theretofore issued in the exercise of the power to borrow money on the credit of the United States. In attempted justification of the joint resolution in relation to the outstanding bonds of the United States the Government argues that "earlier Congresses could not validly restrict the Seventy-third Congress from exercising its constitutional powers to regulate the value of money, borrow money, or regulate foreign and interstate commerce"; and, from this premise, the Government seems to deduce the proposition that when, with adequate authority, the Government borrows money and pledges the credit of the United States, it is free to ignore that pledge and alter the terms of its obligations in case a later Congress finds their fulfillment inconvenient. The Government's contention thus raises a question of far greater importance than the particular claim of the plaintiff. On that reasoning, if the terms of the Government's bond as to the standard of payment can be repudiated, it inevitably follows that the obligation as to the amount to be paid may also be repudiated. The contention necessarily imports that the Congress can disregard the obligations of the Government at its discretion and that when the Government borrows money the credit of the United States is an illusory pledge.

We do not so read the Constitution. There is a clear distinction between the power of the Congress to control or interdict the contracts of private parties when they interfere with the exercise of its constitutional authority, and the power of the Congress to alter or repudiate the substance of its own engagements when it has borrowed money under the authority which the Constitution confers. In authorizing the Congress to borrow money the Constitution empowers the Congress to fix the amount to be borrowed and the terms of payment. By virtue of the power to borrow money "on the credit of the United States", the Congress is authorized to pledge that credit as an assurance of payment as stipulated—as the highest assurance the Government can give, its plighted faith. To say that the Congress may withdraw or ignore that pledge is to assume that the Constitution contemplates a vain promise, a pledge having no other sanction than the pleasure and convenience of the pledgor. This Court has given no sanction to such a conception of the obligations of our Government.

The binding quality of the obligations of the Government was considered in the *Sinking-Fund cases* (99 U. S. 700, 718, 719). The question before the Court in those cases was whether certain action was warranted by a reservation to the Congress of the right to amend the charter of a railroad company. While the particular action was sustained under this right of amendment, the Court took occasion to state emphatically the obligatory character of the contracts of the United States. The Court said: "The United States are as much bound by their contracts as are individuals. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State or a municipality or a citizen.[13]

When the United States, with constitutional authority, makes contracts, it has rights and incurs responsibilities similar to those of individuals who are parties to such instruments. There is no difference, said the Court in *United States* v. *Bank of Metropolis* (15 Pet. 377, 392), except that the United States cannot be sued without its consent. See also *The Floyd Acceptance* (7 Wall. 666, 675), *Cooke* v. *United States* (91 U. S. 389, 396). In *Lynch* v. *United States* (292 U. S. 571, 580), with respect to an attempted abrogation by the act of March 20, 1893 (48 Stat. 8, 11), of certain outstanding war-risk insurance policies, which were contracts of the United States, the Court quoted with approval the statement in the Sinking-Fund cases (supra), and said: "Punctilious fulfillment of contractual obligations is essential to the maintenance of the credit of public as well as private debtors. No doubt there was in March 1933 great need of economy. In the administration of all Government business economy had become urgent because of lessened revenues and the heavy obligations to be issued in the hope of relieving wide-spread distress. Congress was free to reduce gratuities deemed excessive. But Congress was without power to reduce expenditures by abrogating contractual obligations of the United States. To abrogate contracts in the attempt to lessen Government expenditure would be not the practice of economy but an act of repudiation."

The argument in favor of the joint resolution, as applied to Government bonds, is in substance that the Government cannot by contract restrict the exercise of a sovereign power. But the right to make binding obligations is a competence attaching to sovereignty.[14] In the United States, sovereignty resides in the people who act through the organs established by the Constitution. *Chisholm* v. *Georgia* (2 Dall. 419, 471); *Penhallow* v. *Doane's Administrators* (3 Dall. 54, 93); *McCulloch* v. *Maryland* (4 Wheat. 316, 404, 405); *Yick Wo* v. *Hopkins* (118 U. S. 356, 370). The Congress as the instrumentality of sovereignty is endowed with certain powers to be exerted on behalf of the people in the manner and with the effect the Constitution ordains. The Congress cannot invoke the sovereign power of the people to override their will as thus declared. The powers conferred upon the Congress are harmonious. The Constitution gives to the Congress the power to borrow money on the credit of the United States, an unqualified power, a power vital to the Government—upon which in an extremity its very life may depend. The binding quality of the promise of the United States is of the essence of the credit which is so pledged. Having this power to authorize the issue of definite obligations for the payment of money borrowed, the Congress has not been vested with authority to alter or destroy those obligations. The fact that the United States may not be sued without its consent is a matter of procedure which does not affect the legal and binding character of its contracts. While the Congress is under no duty to provide remedies through the courts, the contractual obligation still exists, and despite infirmities of procedure, remains binding upon the conscience of the sovereign. *Lynch* v. *United States*, supra (pp. 580, 582).

The fourteenth amendment, in its fourth section, explicitly declares: "The validity of the public debt of the United States, authorized by law * * * shall not be questioned." While this provision was undoubtedly inspired by the desire to put beyond question the obligations of the Government issued during the Civil War, its language indicates a broader connotation. We regard it as confirmatory of a fundamental principle which applies as well to the Government bonds in question, and to others duly authorized by the Congress, as to those issued before the amendment was adopted. Nor can we perceive any reason for not considering the expression "the validity of the public debt" as embracing whatever concerns the integrity of the public obligations.

We conclude that the joint resolution of June 5, 1933, insofar as it attempted to override the obligation created by the bond in suit, went beyond the congressional power.

Third. The question of damages: In this view of the binding quality of the Government's obligations, we come to the question as to the plaintiff's right to recover damages. That is a distinct question. Because the Government is not at liberty to alter or repudiate its obligations, it does not follow that the claim advanced by the plaintiff should be sustained. The action is for breach of contract. As a remedy for breach, plaintiff can recover no more than the loss he has suffered and of which he may rightfully complain. He is not entitled to be enriched. Plaintiff seeks

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[12] And subdivision (b) of sec. 1 of the joint resolution of June 5, 1933, provided: "As used in this resolution, the term 'obligation' means an obligation (including every obligation of and to the United States, excepting currency) payable in money of the United States; and the term 'coin or currency' means coin or currency of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations."

[13] Mr. Justice Strong, who had written the opinion of the majority of the Court in the *Legal Tender cases* (*Knox* v. *Lee*, 12 Wall. 457), dissented in the *Sinking-Fund cases* (99 U. S. p. 731), because he thought that the action of the Congress was not consistent with the Government's engagement and hence was a transgression of legislative power. And with respect to the sanctity of the contracts of the Government, he quoted, with approval, the opinion of Mr. Hamilton in his communication to the Senate of January 20, 1795 (citing 3 Hamilton's Works, 518, 519), that "when a government enters into a contract with an individual, it deposes, as to the matter of the contract, its constitutional authority, and exchanges the character of legislator for that of a moral agent, with the same rights and obligations as an individual. Its promises may be justly considered as excepted out of its power to legislate unless in aid of them. It is in theory impossible to reconcile the idea of a promise which obliges, with the power to make a law which can vary the effect of it."

[14] Oppenheim, International Law, 4th ed., vol. 1, secs. 493, 494. This is recognized in the field of international engagements. Although there may be no judicial procedure by which such contracts may be enforced in the absence of the consent of the sovereign to be sued, the engagement validly made by a sovereign state is not without legal force, as readily appears if the jurisdiction to entertain a controversy with respect to the performance of the engagement is conferred upon an international tribunal. Hall, International Law, 8th ed., sec. 107; Oppenheim, loc. cit.; Hyde, International Law, vol. 2, sec. 489.

judgment for $16,931.25, in present legal-tender currency, on his bond for $10,000. The question is whether he has shown damage to that extent, or any actual damage, as the Court of Claims has no authority to entertain an action for nominal damages. *Grant* v. *United States* (7 Wall. 331, 338); *Marion & Rye Railway Co.* v. *United States* (270 U. S. 280, 282); *Nortz* v. *United States*, decided this day.

Plaintiff computes his claim for $16,931.25 by taking the weight of the gold dollar as fixed by the President's proclamation of January 31, 1934, under the act of May 12, 1933 (48 Stat. 52, 53), as amended by act of January 30, 1934 (48 Stat. 342), that is, at 15 5/21 grains 0.9 fine, as compared with the weight fixed by the act of March 14, 1900 (31 Stat. 45), or 25.8 grains 0.9 fine. But the change in the weight of the gold dollar did not necessarily cause loss to the plaintiff of the amount claimed. The question of actual loss cannot fairly be determined without considering the economic situation at the time the Government offered to pay him the $10,000, the face of his bond, in legal-tender currency. The case is not the same as if gold coin had remained in circulation. That was the situation at the time of the decisions under the Legal Tender Acts of 1862 and 1863 (*Bronson* v. *Rodes*, 7 Wall. 229, 251; *Trebilcock* v. *Wilson*, 12 Wall. 687, 695; *Thompson* v. *Butler*, 95 U. S. 694, 696, 697). Before the change in the weight of the gold dollar in 1934, gold coin had been withdrawn from circulation.[15] The Congress had authorized the prohibition of the exportation of gold coin and the placing of restrictions upon transactions in foreign exchange (acts of Mar. 9, 1933, 48 Stat. 1; Jan. 30, 1934, 48 Stat. 337). Such dealings could be had only for limited purposes and under license (Executive orders of Apr. 20, 1933, Aug. 28, 1933, and Jan. 15, 1934; Regulations of the Secretary of the Treasury, Jan. 30 and 31, 1934). That action the Congress was entitled to take by virtue of its authority to deal with gold coin as a medium of exchange. And the restraint thus imposed upon holders of gold coin was incident to the limitations which inhered in their ownership of that coin and gave them no right of action (*Ling Su Fan* v. *United States*, 218 U. S. 302, 310, 311). The Court said in that case: "Conceding the title of the owner of such coins, yet there is attached to such ownership those limitations which public policy may require by reason of their quality as a legal tender and as a medium of exchange. These limitations are due to the fact that public law gives to such coinage a value which does not attach as a mere consequence of intrinsic value. Their quality as a legal tender is an attribute of law aside from their bullion value. They bear, therefore, the impress of sovereign power which fixes value and authorizes their use and exchange. * * * However unwise a law may be, aimed at the exportation of such coins, in the face of the axioms against obstructing the free flow of commerce, there can be no serious doubt that the power to coin money includes the power to prevent its outflow from the country of its origin." The same reasoning is applicable to the imposition of restraints upon transactions in foreign exchange. We cannot say, in view of the conditions that existed, that the Congress having this power exercised it arbitrarily or capriciously. And the holder of an obligation, or bond, of the United States, payable in gold coin of the former standard, so far as the restraint upon the right to export gold coin or to engage in transactions in foreign exchange is concerned, was in no better case than the holder of gold coin itself.

In considering what damages, if any, the plaintiff has sustained by the alleged breach of his bond, it is hence inadmissible to assume that he was entitled to obtain gold coin for recourse to foreign markets or for dealings in foreign exchange or for other purposes contrary to the control over gold coin which the Congress had the power to exert, and had exerted, in its monetary regulation. Plaintiff's damages could not be assessed without regard to the internal economy of the country at the time the alleged breach occurred. The discontinuance of gold payments and the establishment of legal tender currency on a standard unit of value with which "all forms of money" of the United States were to be "maintained at a parity" had a controlling influence upon the domestic economy. It was adjusted to the new basis. A free domestic market for gold was nonexistent.

Plaintiff demands the "equivalent" in currency of the gold coin promised. But "equivalent" cannot mean more than the amount of money which the promised gold coin would be worth to the bondholder for the purposes for which it could legally be used. That equivalence or worth could not properly be ascertained save in the light of the domestic and restricted market which the Congress had lawfully established. In the domestic transactions to which the plaintiff was limited, in the absence of special license, determination of the value of the gold coin would necessarily have regard to its use as legal tender and as a medium of exchange under a single monetary system with an established parity of all currency and coins. And, in view of the control of export and foreign exchange, and the restricted domestic use, the question of value, in relation to transactions legally available to the plaintiff, would require a consideration of the purchasing power of the dollars which the plaintiff could have received. Plaintiff has not shown, or attempted to show, that in relation to buying power he has sustained any loss whatever. On the contrary, in view of the adjustment of the internal economy to the single measure of value as established by the legislation of the Congress, and the universal availability and use throughout the country of the legal-tender currency in meeting all engagements, the payment to the plaintiff of the amount which he demands would appear to constitute not a recoupment of loss in any proper sense but an unjustified enrichment.

Plaintiff seeks to make his case solely upon the theory that by reason of the change in the weight of the dollar he is entitled to $1.69 in the present currency for every dollar promised by the bond, regardless of any actual loss he has suffered with respect to any transaction in which his dollars may be used. We think that position is untenable.

In the view that the facts alleged by the petition fail to show a cause of action for actual damages, the first question submitted by the Court of Claims is answered in the negative. It is not necessary to answer the second question.

Question no. 1 is answered "no."

Supreme Court of the United States

No. 532. October term, 1934. *John M. Perry* v. *The United States*. On certificate from the Court of Claims (Feb. 18, 1935)

Mr. Justice Stone:

I agree that the answer to the first question is "No", but I think our opinion should be confined to answering that question and that it should essay an answer to no other.

I do not doubt that the gold clause in the Government bonds, like that in the private contracts just considered, calls for the payment of value in money, measured by a stated number of gold dollars of the standard defined in the clause. *Feist* v. *Société Intercommunale Belge d'Electricité* [1934] (A. C. 161, 170–173), *Serbian and Brazilian Bond Cases* (P. C. I. J., series A, nos. 20–21, pp. 32–34, 109–119). In the absence of any further exertion of governmental power, that obligation plainly could not be satisfied by payment of the same number of dollars, either specie or paper, measured by a gold dollar of lesser weight.

I do not understand the Government to contend that it is any the less bound by the obligation than a private individual would be, or that it is free to disregard it except in the exercise of the constitutional power "to coin money" and "regulate the value thereof." In any case, there is before us no question of default apart from the regulation by Congress of the use of gold as currency.

While the Government's refusal to make the stipulated payment is a measure taken in the exercise of that power, this does not disguise the fact that its action is to that extent a repudiation of its undertaking. As much as I deplore this refusal to fulfill the solemn promise of bonds of the United States, I cannot escape the conclusion, announced for the Court, that in the situation now presented, the Government, through the exercise of its sovereign power to regulate the value of money, has rendered itself immune from liability for its action. To that extent it has relieved itself of the obligation of its domestic bonds, precisely as it has relieved the obligors of private bonds in no. 270, *Norman* v. *Baltimore & Ohio R. R. Co.*, decided this day.

In this posture of the case it is unnecessary, and I think undesirable, for the Court to undertake to say that the obligation of the gold clause in Government bonds is greater than in the bonds of private individuals, or that in some situation not described, and in some manner and in some measure undefined, it has imposed restrictions upon the future exercise of the power to regulate the currency. I am not persuaded that we should needlessly intimate any opinion which implies that the obligation may so operate, for example, as to interpose a serious obstacle to the adoption of measures for stabilization of the dollar, should Congress think it wise to accomplish that purpose by resumption of gold payments, in dollars of the present or any other gold content less than that specified in the gold clause, and by the reestablishment of a free market for gold and its free exportation.

There is no occasion now to resolve doubts, which I entertain, with respect to these questions. At present they are academic. Concededly they may be transferred wholly to the realm of speculation by the exercise of the undoubted power of the Government to withdraw the privilege of suit upon its gold-clause obligations. We have just held that the Court of Claims was without power to entertain the suit in no. 531, *Nortz* v. *United States*, because, regardless of the nature of the obligations of the gold certificates, there was no damage. Here it is declared that there is no damage because Congress, by the exercise of its power to regulate the currency, has made it impossible for the plaintiff to enjoy the benefits of gold payments promised by the Government. It would seem that this would suffice to dispose of the present case, without attempting to prejudge the rights of other bondholders and of the Government under other conditions which may never occur. It will not benefit this plaintiff, to whom we deny any remedy, to be assured that he has an inviolable right to performance of the gold clause.

Moreover, if the gold clause be viewed as a gold-value contract, as it is in *Norman* v. *Baltimore & Ohio R. R. Co.*, supra, it is to be noted that the Government has not prohibited the free use by the bondholder of the paper money equivalent of the gold-clause obligation; it is the prohibition, by the joint resolution of Congress, of payment of the increased number of depreciated dollars required to make up the full equivalent, which alone bars recovery. In that case it would seem to be implicit in our decision that the prohibition, at least in the present situation, is itself a constitutional exercise of the power to regulate the value of money.

[15] In its report of May 27, 1933, it was stated by the Senate Committee on Banking and Currency: "By the Emergency Banking Act and the existing Executive orders gold is not now paid, or obtainable for payment, on obligations, public or private" (S. Rept. No. 99, 73d Cong., 1st sess.).

I therefore do not join in so much of the opinion as may be taken to suggest that the exercise of the sovereign power to borrow money on credit, which does not override the sovereign immunity from suit, may nevertheless preclude or impede the exercise of another sovereign power, to regulate the value of money; or to suggest that although there is and can be no present cause of action upon the repudiated gold clause, its obligation is nevertheless, in some manner and to some extent, not stated, superior to the power to regulate the currency which we now hold to be superior to the obligation of the bonds.

Supreme Court of the United States

Nos. 270, 471, 472, 531, and 532—October term, 1934. 270, Norman C. Norman, petitioner, *v.* The Baltimore & Ohio Railroad Co.; on writ of certiorari to the Supreme Court of the State of New York. 471, The United States of America, Reconstruction Finance Corporation, et al., petitioners, *v.* Bankers Trust Co. and William H. Bixby, trustees; and 472, The United States of America, Reconstruction Finance Corporation, et al., petitioners, *v.* Bankers Trust Co. and William H. Bixby, trustees; on writs of certiorari to the United States Circuit Court of Appeals for the Eighth Circuit. 531, F. Eugene Nortz *v.* The United States; on certificate from the Court of Claims. 532, John M. Perry *v.* The United States; on certificate from the Court of Claims.

[Feb. 18, 1935]

Mr. Justice McReynolds, dissenting.

Mr. Justice Van Devanter, Mr. Justice Sutherland, Mr. Justice Butler, and I conclude that, if given effect, the enactments here challenged will bring about confiscation of property rights and reputation of national obligations. Acquiescence in the decisions just announced is impossible; the circumstances demand statement of our views. "To let one's self slide down the easy slope offered by the course of events and to dull one's mind against the extent of the danger, * * * that is precisely to fail in one's obligation of responsibility."

Just men regard repudiation and spoliation of citizens by their sovereign with abhorrence; but we are asked to affirm that the Constitution has granted power to accomplish both. No definite delegation of such a power exists; and we cannot believe the far-seeing framers, who labored with hope of establishing justice and securing the blessings of liberty, intended that the expected government should have authority to annihilate its own obligations and destroy the very rights which they were endeavoring to protect. Not only is there no permission for such actions; they are inhibited. And no plenitude of words can conform them to our charter.

The Federal Government is one of delegated and limited powers which derive from the Constitution. "It can exercise only the powers granted to it." Powers claimed must be denied unless granted; and, as with other writings, the whole of the Constitution is for consideration when one seeks to ascertain the meaning of any part.

By the so-called gold clause—promise to pay in "United States gold coin of the present standard of value", or "of or equal to the present standard of weight and fineness"—found in very many private and public obligations, the creditor agrees to accept and the debtor undertakes to return the thing loaned or its equivalent. Thereby each secures protection, one against decrease in value of the currency, the other against an increase.

The clause is not new or obscure or discolored by any sinister purpose. For more than 100 years our citizens have employed a like agreement. During the War between the States, its equivalent "payable in coin" aided in surmounting financial difficulties. From the housetop men proclaimed its merits while bonds for billions were sold to support the World War. The Treaty of Versailles recognized it as appropriate and just. It appears in the obligations which have rendered possible our great undertakings—public works, railroads, buildings.

Under the interpretation accepted here for many years, this clause expresses a definite enforceable contract. Both by statute and long use the United States have approved it. Over and over again they have enjoyed the added value which it gave to their obligations. So late as May 2, 1933, they issued to the public more than $550,000,000 of their notes each of which carried a solemn promise to pay in standard gold coin. (Before that day this coin had in fact been withdrawn from circulation, but statutory measure of value remained the gold dollar of 25.8 grains.)

The Permanent Court of International Justice interpreted the clause as this Court had done and upheld it. Cases of Serbian and Brazilian Loans, Publications P. C. I. J., series A, nos. 20–21 (1929). It was there declared: "The gold clause merely prevents the borrower from availing itself of a possibility of discharge of the debt in depreciated currency", and "The treatment of the gold clause as indicating a mere modality of payment, without reference to a gold standard of value, would be, not to construe but to destroy it."

In *Feist* v. *Société Intercommunale Belge d'Electricité* (1934), A. C. 161, the House of Lords expressed like views.

Gregory v. *Morris* (1878), 96 U. S. 619, 624, 625—last of similar causes—construed and sanctioned this stipulation. In behalf of all Chief Justice Waite there said:

"The obligation secured by the mortgage, or lien under which Morris held was for the payment of gold coin", or, as was said in *Bronson* v. *Rodes*, 7 Wall. (1869) 229, "an agreement to deliver a certain weight of standard gold, to be ascertained by a count of coins, each of which is certified to contain a definite proportion of that weight" and is not distinguishable "from a contract to deliver an equal weight of bullion of equal fineness." . . . We think it clear that, under such circumstances, it was within the power of the Court, so far as Gregory was concerned, to treat the contract as one for the delivery of so much gold bullion; and, if Morris was willing to accept a judgment which might be discharged in currency, to have his damages estimated according to the currency value of bullion."

Earlier cases—*Bronson* v. *Rodes*, 7 Wall. 229; *Butler* v. *Horwitz*, 7 Wall. 258; *Dewing* v. *Sears*, 11 Wall. 379; *Trebilcock* v. *Wilson*, 12 Wall. 687; *Thompson* v. *Butler*, 95 U. S. 694—while important, need not be dissected. *Gregory* v. *Morris* is in harmony with them and the opinion there definitely and finally stated the doctrine which we should apply.

It is true to say that the gold clauses "were intended to afford a definite standard or measure of value, and thus to protect against a depreciation of the currency and against the discharge of the obligation by payment of less than that prescribed." Furthermore, they furnish means for computing the sum payable in currency, if gold should become unobtainable. The borrower agrees to repay in gold coin containing 25.8 grains to the dollar; and, if this cannot be secured, the promise is to discharge the obligation by paying for each dollar loaned the currency value of that number of grains. Thus the purpose of the parties will be carried out. Irrespective of any change in currency, the thing loaned or an equivalent will be returned—nothing more, nothing less. The present currency consists of promises to pay dollars of $15\frac{5}{21}$ grains; the Government procures gold bullion on that basis. The calculation to determine the damages for failure to pay in gold would not be difficult. *Gregory* v. *Morris* points the way.

Under appropriate statutes the United States for many years issued gold certificates in the following form: "This certifies that there have been deposited in the Treasury of the United States of America $1,000 in gold coin payable to the bearer on demand. This certificate is a legal tender in the amount thereof in payment of all debts and dues, public and private."

The certificates here involved—series 1928—were issued under section 6, act March 14, 1900 (31 Stat. 47), as amended. (See U. S. C. A., title 31, sec. 429.)[16]

In view of the statutory direction that gold coin for which certificates are issued shall be held for their payment on demand "and used for no other purpose", it seems idle to argue (as counsel for the United States did) that other uses is permissible under the ancient act of March 3, 1863.

By various orders of the President and the Treasury from April 5 to December 28, 1933, persons holding gold certificates were required to deliver them and accept "an equivalent amount of any form of coin or currency coined or issued under the laws of the United States designated by the Secretary of the Treasury." Heavy penalties were provided for failure to comply.

That the holder of one of these certificates was owner of an express promise by the United States to deliver gold coin of the weight and fineness established by statute when the certificate issued, or if such demand was not honored to pay the holder the value in the currency then in use, seems clear enough. This was the obvious design of the contract.

The act of March 14, 1900 (31 Stat., c. 41, 45, 47), as amended, in effect until January 31, 1934, provided: "That the dollar consisting of 25.8 grains of gold nine-tenths fine, * * * shall be the standard unit of value and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard", and also "the Secretary of the Treasury is authorized and directed to receive deposits of gold coin with the Treasurer * * * in sums of not less than $20, and to issue gold certificates therefor in denominations of not less than $10, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand and used for no other purpose." See U. S. C. A., title 31, section 34, 429.

The act of February 4, 1910 (36 Stat., c. 25, p. 192), directed "that any bonds and certificates of indebtedness of the United States hereafter issued shall be payable, principal and interest, in United States gold coin of the present standard of value."

By Executive orders, April 5 and April 20, 1933, the President undertook to require owners of gold coin, gold bullion, and gold certificates, to deliver them on or before May 1 to a Federal Reserve bank, and to prohibit the exportation of gold coin, gold bullion, or gold certificates. As a consequence the United States were off the gold standard, and their paper money began a rapid decline in the markets of the world. Gold coin, gold certificates, and gold bullion were no longer obtainable. "Gold is not now paid nor is it available for payment upon public or private debts", was declared in Treasury statement of May 27, 1933; and this is still true. All gold coins have been melted into bars.

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[16] In his annual report, 1926, 80, 81, the Secretary of the Treasury said: "Gold and silver certificates are, in fact, mere 'warehouse receipts' issued by the Government in exchange for gold coin or bullion deposited in the one case, or standard silver dollars deposited in the other case, or against gold or standard silver dollars, respectively, withdrawn from the general fund of the Treasury. * * * Gold certificates, United States notes, Treasury notes of 1890, and Federal Reserve notes are directly redeemable in gold." In his letter with the annual report for 1933, 375, he showed that on June 30, 1933, $1,230,717,109 was held in trust against gold certificates and Treasury notes of 1890. The Treasury notes of 1890 then outstanding did not exceed about $1,350,000. (Tr. Rept., 1926, 80.)

The Agricultural Adjustment Act of May 12, 1933 (48 Stat., c. 25, pp. 31, 52, 53), entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", by section 43 provides that "Such notes [United States notes] and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts, public and private." Also, that the President by proclamation may "fix the weight of the gold dollar * * * as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies." And further, "such gold dollar, the weight of which is so fixed, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent."

The Gold Reserve Act of January 30, 1934 (48 Stat., c. 6, pp. 337, 342), undertook to ratify preceding Presidential orders and proclamations requiring surrender of gold but prohibited him from establishing the weight of the gold dollar "at more than 60 percent of its present weight." By proclamation, January 31, 1934, he directed that thereafter the standard should contain $15^{5}/_{21}$ grains of gold, nine-tenths fine. (The weight had been 25.8 grains since 1837.) No such dollar has been coined at any time.

On June 5, 1933, Congress passed a "joint resolution to assure uniform value to the coins and currencies of the United States" (48 Stat., c. 48, p. 112). This recited that holding and dealing in gold affects the public interest and are therefore subject to regulation; that the provisions of obligations which purport to give the obligee the right to require payment in gold coin or in any amount of money of the United States measured thereby obstruct the power of Congress to regulate the value of money and are inconsistent with the policy to maintain the equal value of every dollar coined or issued. It then declared that every provision in any obligation purporting to give the obligee a right to require payment in gold is against public policy and directed that "every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts."

Four causes are here for decision. Two of them arise out of corporate obligations containing gold clauses—railroad bonds. One is based on a United States Fourth Liberty Loan bond of 1918, called for payment April 15, 1934, containing a promise to pay "in United States gold coin of the present standard of value" with interest in like gold coin. Another involves gold certificates, series 1928, amounting to $106,300.

As to the corporate bonds the defense is that the gold clause was destroyed by the resolution of June 5, 1933; and this view is sustained by the majority of the court.

It is insisted that the agreement, in the Liberty bond, to pay in gold also was destroyed by the act of June 5, 1933. This view is rejected by the majority; but they seem to conclude that because of the action of Congress in declaring the holding of gold unlawful, no appreciable damage resulted when payment therein or the equivalent was denied.

Concerning the gold certificates it is ruled that if upon presentation for redemption gold coin had been paid to the holder, as promised, he would have been required to return this to the Treasury. He could not have exported it or dealt with it. Consequently he sustained no actual damage.

There is no challenge here of the power of Congress to adopt such proper monetary policy as it may deem necessary in order to provide for national obligations and furnish an adequate medium of exchange for public use. The plan under review in the *Legal Tender* cases was declared within the limits of the Constitution, but not without a strong dissent. The conclusions there announced are not now questioned; and any abstract discussion of congressional power over money would only tend to befog the real issue.

The fundamental problem now presented is whether recent statutes passed by Congress in respect of money and credits were designed to attain a legitimate end. Or whether, under the guise of pursuing a monetary policy, Congress really has inaugurated a plan primarily designed to destroy private obligations, repudiate national debts, and drive into the Treasury all gold within the country in exchange for inconvertible promises to pay, of much less value.

Considering all the circumstances, we must conclude they show that the plan disclosed is of the latter description and its enforcement would deprive the parties before us of their rights under the Constitution. Consequently the Court should do what it can to afford adequate relief.

What has been already said will suffice to indicate the nature of these causes and something of our general views concerning the intricate problems presented. A detailed consideration of them would require much time and elaboration; would greatly extend this opinion. Considering also the importance of the result to legitimate commerce, it seems desirable that the Court's decision should be announced at this time. Accordingly, we will only undertake in what follows to outline with brevity our replies to the conclusions reached by the majority and to suggest some of the reasons which lend support to our position.

The authority exercised by the President and the Treasury in demanding all gold coin, bullion, and certificates is not now challenged; neither is the right of the former to prescribe weight for the standard dollar. These things we have not considered. Plainly, however, to coin money and regulate the value thereof calls for legislative action.

Intelligent discussion respecting dollars requires recognition of the fact that the word may refer to very different things. Formerly the standard gold dollar weighed 25.8 grains; the weight now prescribed as 15 5/21 grains. Evidently promises to pay one or the other of these differ greatly in value, and this must be kept in mind.

From 1792 to 1873 both the gold and silver dollar were standard and legal tender, coinage was free and unlimited. Persistent efforts were made to keep both in circulation. Because the prescribed relation between them got out of harmony with exchange values, the gold coin disappeared and did not in fact freely circulate in this country for 30 years prior to 1834. During that time business transactions were based on silver. In 1834, desiring to restore parity and bring gold back into circulation, Congress reduced somewhat (6 percent) the weight of the gold coin and thus equalized the coinage and the exchange values. The silver dollar was not changed. The purpose was to restore the use of gold as currency—not to force up prices or destroy obligations. There was no apparent profit for the books of the Treasury. No injury was done to creditors; none was intended. The legislation is without special significance here. (See Hepburn on Currency.)

The money under consideration in the *Legal Tender cases*, decided May 1, 1871 (12 Wall. 457, and 110 U. S. 421), were promises to pay dollars, "bills of credit." They were "a pledge of the national credit", promises "by the Government to pay dollars" "the standard of value is not changed." The expectation, ultimately realized, was that in due time they would be redeemed in standard coin. The Court was careful to show that they were issued to meet a great emergency in time of war, when the overthrow of the Government was threatened and specie payments had been suspended. Both the end in view and the means employed, the Court held, were lawful. The thing actually done was the issuance of bills endowed with the quality of legal tender in order to carry on until the United States could find it possible to meet their obligations in standard coin. This they accomplished in 1879. The purpose was to meet honorable obligations—not to repudiate them.

The opinion there rendered declares—"The legal tender acts do not attempt to make a paper a standard of value. We do not rest their validity upon the assertion that their emission is coinage, or any regulation of the value of money; nor do we assert that Congress may make anything which has no value money. What we do assert is that Congress has power to enact that the Government's promises to pay money shall be, for the time being, equivalent in value to the representative of value determined by the coinage acts or to multiples thereof." What was said in those causes, of course, must be read in the light of all the circumstances. The opinion gives no support to what has been attempted here.

This Court has not heretofore ruled that Congress may require the holder of an obligation to accept payment in subsequently devalued coins, or promises by the Government to pay in such coins. The legislation before us attempts this very thing. If this is permissible, then a gold dollar containing 1 grain of gold may become the standard, all contract rights fall, and huge profits appear on the Treasury books. Instead of $2,800,000,000 as recently reported, perhaps $20,000,000,000, maybe, enough to cancel the public debt, maybe more!

The power to issue bills and "regulate values" of coin cannot be so enlarged as to authorize arbitrary action, whose immediate purpose and necessary effect is destruction of individual rights.[17] As this Court has said, "a power to regulate is not a power to destroy" (154 U. S. 362, 398). The fifth amendment limits all governmental powers. We are dealing here with a debased standard, adopted with the definite purpose to destroy obligations. Such arbitrary and oppressive action is not within any congressional power heretofore recognized.

The authority of Congress to create legal-tender obligations in times of peace is derived from the power to borrow money; this cannot be extended to embrace the destruction of all credits.

There was no coin—specie—in general circulation in the United States between 1862 and 1879. Both gold and silver were treated in business as commodities. The *Legal Tender cases* arose during that period.

CORPORATE BONDS

The gold clauses in these bonds were valid and in entire harmony with public policy when executed. They are property (*Lynch* v. *United States*, 292 U. S. 571, 579). To destroy a validly acquired right is the taking of property (*Osborn* v. *Nicholson*, 13 Wall. 646, 662). They established a measure of value and supply a basis for recovery if broken. Their policy and purpose were stamped with affirmative approval by the Government when inserted in its bonds.

[17] "It may well be doubted whether the nature of society and of government does not prescribe some limits to the legislative power; and if any be prescribed where are they to be found if the property of an individual fairly and honestly acquired may be seized without compensation." Chief Justice Marshall in *Fletcher* v. *Peck* (6 Cr. 87, 135).

The clear intent of the parties was that in case the standard of 1900 should be withdrawn, and a new and less valuable one set up, the debtor could be required to pay the value of the contents of the old standard in terms of the new currency, whether coin or paper. If gold measured by prevailing currency had declined the debtor would have received the benefit. The Agricultural Adjustment Act of May 12 discloses a fixed purpose to raise the nominal value of farm products by depleting the standard dollar. It authorized the President to reduce the gold in the standard, and further provided that all forms of currency shall be legal tender. The result expected to follow was increase in nominal values of commodities and depreciation of contractual obligations. The purpose of section 43 incorporated by the Senate as an amendment to the House bill was clearly stated by the Senator who presented it.[18] It was the destruction of lawfully acquired rights.

In the circumstances existing just after the act of May 12, depreciation of the standard dollar by the Presidential proclamation would not have decreased the amount required to meet obligations containing gold clauses. As to them the depreciation of the standard would have caused an increase in the number of dollars of depreciated currency. General reduction of all debts could only be secured by first destroying the contracts evidenced by the gold clauses; and this the resolution of June 5 undertook to accomplish. It was aimed directly at those contracts and had no definite relation to the power to issue bills or to coin or regulate the value of money.

To carry out the plan indicated as above shown in the Senate, the Gold Reserve Act followed—January 30, 1934. This inhibited the President from fixing the weight of the standard gold dollar above 60 percent of its then existing weight. (Authority had been given for 50-percent reduction by the act of May 12.) On January 31 he directed that the standard should contain $15^5/_{21}$ grains of gold. If this reduction of 40 percent of all debts was within the power of Congress, and if, as a necessary means to accomplish that end, Congress had power by resolution to destroy the gold clauses, the holders of these corporate bonds are without remedy. But we must not forget that if this power exists Congress may readily destroy other obligations which present obstruction to the desired effect of further depletion. The destruction of all obligations by reducing the standard gold dollar to 1 grain of gold, or brass or nickel or copper or lead, will become an easy possibility. Thus we reach the fundamental question which must control the result of the controversy in respect of corporate bonds. Apparently in the opinion of the majority the gold clause in the Liberty bond withstood the June 5 resolution notwithstanding the definite purpose to destroy them. We think that in the circumstances Congress had no power to destroy the obligations of the gold clauses in private obligations. The attempt to do this was plain usurpation, arbitrary, and oppressive.

The oft-repeated rule by which the validity of statutes must be tested is this: "Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate which are plainly adapted to that end which are not prohibited but consistent with the letter and spirit of the Constitution are constitutional."

The end or objective of the joint resolution was not "legitimate." The real purpose was not "to assure uniform value to the coins and currencies of the United States", but to destroy certain valuable contract rights. The recitals do not harmonize with circumstances then existing. The act of 1900, which prescribed a standard dollar of 25.8 grains, remained in force; but its command that "all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard" was not being obeyed. Our currency was passing at a material discount; all gold had been sequestrated; none was attainable. The resolution made no provision for restoring parity with the old standard; it established no new one.

This resolution was not appropriate for carrying into effect any power intrusted to Congress. The gold clauses in no substantial way interfered with the power of coining money or regulating its value or providing a uniform currency. Their existence, as with many other circumstances, might have circumscribed the effect of the intended depreciation and disclosed the unwisdom of it. But they did not prevent the exercise of any granted power. They were not inconsistent with any policy theretofore declared. To assert the contrary is not enough. The Court must be able to see the appropriateness of the thing done before it can be permitted to destroy lawful agreements. The purpose of a statute is not determined by mere recitals—certainly they are not conclusive evidence of the facts stated.

Again, if effective, the direct, primary, and intended result of the resolution will be the destruction of valid rights lawfully acquired. There is no question here of the indirect effect of lawful exercise of power. And citations of opinions which upheld such indirect effects are beside the mark. This statute does not "work harm and loss to individuals indirectly", it destroys directly. Such interference violates the fifth amendment; there is no provision for compensation. If the destruction is said to be for the public benefit proper compensation is essential; if for private benefit the due process clause bars the way.

Congress has power to coin money but this cannot be exercised without the possession of metal. Can Congress authorize appropriation without compensation of the necessary gold? Congress has power to regulate commerce, to establish post roads, etc. Some approved plan may involve the use or destruction of A's land or a private way. May Congress authorize the appropriation or destruction of these things without adequate payment? Of course not. The limitations prescribed by the Constitution restrict the exercise of all power.

Ling Su Fan v. *United States* (218 U. S. 302) supports the power of the legislature to prevent exportation of coins without compensation. But this is far from saying that the legislature might have ordered destruction of the coins without compensating the owners or that they could have been required to deliver them up and accept whatever was offered. In *United States* v. *Lynah* (188 U. S. 445, 471) this Court said: "If any one proposition can be considered as settled by the decisions of this Court it is that although in the discharge of its duties the Government may appropriate property, it cannot do so without being liable to the obligation cast by the fifth amendment of paying just compensation."

GOVERNMENT BONDS

Congress may coin money; also it may borrow money. Neither power may be exercised so as to destroy the other; the two clauses must be so construed as to give effect to each. Valid contracts to repay money borrowed cannot be destroyed by exercising power under the coinage provision. The majority seem to hold that the resolution of June 5 did not affect the gold clauses in bonds of the United States. Nevertheless we are told that no damage resulted to the holder now before us through the refusal to pay one of them in gold coin of the kind designated or its equivalent. This amounts to a declaration that the Government may give with one hand and take away with the other. Default is thus made both easy and safe.

Congress brought about the conditions in respect of gold which existed when the obligation matured. Having made payment in this metal impossible, the Government cannot defend by saying that if the obligation had been met, the creditor could not have retained the gold; consequently he suffered no damage because of the nondelivery. Obligations cannot be legally avoided by prohibiting the creditor from receiving the thing promised. The promise was to pay in gold, standard of 1900, otherwise to discharge the debt by paying the value of the thing promised in currency. One of these things was not prohibited. The Government may not escape the obligation of making good the loss incident to repudiation by prohibiting the holding of gold. Payment by fiat of any kind is beyond its recognized power. There would be no serious difficulty in estimating the value of 25.8 grains of gold in the currency now in circulation.

These bonds are held by men and women in many parts of the world; they have relied upon our honor. Thousands of our own citizens of every degree, not doubting the good faith of their sovereign, have purchased them. It will not be easy for this multitude to appraise the form of words which establishes that they have suffered no appreciable damage; but perhaps no more difficult for them than for us. And their difficulty will not be assuaged when they reflect that ready calculation of the exact loss suffered by the Philippine government moved Congress to satisfy it by appropriating, in June 1934, $23,862,750.78 to be paid out of the Treasury of the United States.[19] And see act May 30, 1934 (48 Stat. 817), appropriating $7,438,000 to meet losses sustained by officers and employees in foreign countries due to appreciation of foreign currencies in their relation to the American dollar.

GOLD CERTIFICATES

These were contracts to return gold left on deposit; otherwise to pay its value in the currency. Here the gold was not returned; there arose the obligation of the Government to pay its value. The Court of Claims has jurisdiction over such contracts. Congress made it impossible for the holder to receive and retain the gold promised him; the statute prohibited delivery to him. The contract being broken, the obligation was to pay in currency the value

[18] He said: "This amendment has for its purpose the bringing down or cheapening of the dollar, that being necessary in order to raise agricultural and commodity prices. * * * The first part of the amendment has to do with conditions precedent to action being taken later.

"It will be my task to show that if the amendment shall prevail it has potentialities as follows: It may transfer from one class to another class in these United States value to the extent of almost $200,000,000,000. This value will be transferred; first, from those who own the bank deposits; secondly, this value will be transferred from those who own bonds and fixed investments" (CONGRESSIONAL RECORD, April 1933, pp. 2004, 2216, 2217, 2219).

[19] An act relating to Philippine currency reserves on deposit in the United States

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on Jan. 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest received by it on such balances.

SEC. 2. There is hereby authorized to be appropriated, out of the receipts covered into the Treasury under sec. 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on Jan. 31, 1934, the amount necessary to establish the credit provided for in sec. 1 of this act. Approved June 19, 1934.

of 25.8 grains of gold for each dollar called for by the certificate. For the Government to say we have violated our contract, but have escaped the consequences through our own statute, would be monstrous. In matters of contractual obligation the Government cannot legislate so as to excuse itself.

These words of Alexander Hamilton ought not to be forgotten—

"When a government enters into a contract with an individual, it deposes, as to the matter of the contract, its constitutional authority, and exchanges the character of legislator for that of a moral agent, with the same rights and obligations as an individual. Its promises may be justly considered as excepted out of its power to legislate, unless in aid of them. It is in theory impossible to reconcile the idea of a promise which obliges, with a power to make a law which can vary the effect of it" (3 Hamilton's Works, 518, 519).

These views have not heretofore been questioned here. In the *Sinking Fund cases* (99 U. S. 700, 719) Chief Justice Waite, speaking for the majority, declared: "The United States are as much bound by their contracts as are individuals. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State or a municipality or a citizen. No change can be made in the title created by the grant of the lands, or in the contract for the subsidy bonds, without the consent of the corporation. All this is indisputable."

And in the same cause (731, 732), Mr. Justice Strong, speaking for himself, affirmed: "It is as much beyond the power of a legislature, under any pretense, to alter a contract into which the Government has entered with a private individual, as it is for any other party to a contract to change its terms without the consent of the person contracting with him. As to its contract the Government in all its departments has laid aside its sovereignty, and it stands on the same footing with private contractors."

Can the Government, obliged as though a private person to observe the terms of its contracts, destroy them by legislative changes in the currency and by statutes forbidding one to hold the thing which it has agreed to deliver? If an individual should undertake to annul or lessen his obligation by secreting or manipulating his assets with the intent to place them beyond the reach of creditors, the attempt would be denounced as fraudulent, wholly ineffective.

Counsel for the Government and railway companies asserted with emphasis that incalculable financial disaster would follow refusal to uphold, as authorized by the Constitution, impairment and repudiation of private obligations and public debts. Their forecast is discredited by manifest exaggeration. But, whatever may be the situation now confronting us, it is the outcome of attempts to destroy lawful undertakings by legislative action; and this we think the Court should disapprove in no uncertain terms.

Under the challenged statutes it is said the United States have realized profits amounting to $2,800,000,000.[20] But this assumes that gain may be generated by legislative fiat. To such counterfeit profits there would be no limit; with each new debasement of the dollar they would expand. Two billions might be ballooned indefinitely—to twenty, thirty, or what you will.

Loss of reputation for honorable dealing will bring us unending humiliation; the impending legal and moral chaos is appalling.

Mr. THOMAS of Oklahoma. Mr. President, I rose to make the request just preferred, but the distinguished Senator from Texas has done so much better than I could have done that I have been glad to yield to him for this purpose.

Mr. President, I understand that under the order, the opinions of the Supreme Court will be made a part of the CONGRESSIONAL RECORD. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. THOMAS of Oklahoma. Mr. President, in the decisions the Supreme Court sustained the position of the Government 100 percent. There were three important cases decided; that is, the cases were placed in three different divisions. One of these decisions decided two or three cases, known as the "private gold bond cases", and the Supreme Court held that a gold clause in a private bond is against public policy, and therefore cannot be sustained.

The second case was a case where an individual had apparently deposited some gold in the Treasury and received gold certificates for it. When this individual was required to surrender his gold certificates, he demanded either gold for those certificates or currency in what he termed the "depreciated dollar", which under his calculation would have entitled him to receive $169 for each $100 certificate surrendered.

The Supreme Court held that such gold certificates were not warehouse receipts and denied the plaintiff the right to receive either gold or more dollars than a hundred dollars for a hundred dollars of certificates. So his contention was entirely denied.

In the third group were cases where the United States Government itself had authorized the issuance of gold bonds. In these particular cases the Supreme Court held that, if the Government authorized the issuance of bonds and placed in the bonds a gold clause, the gold clause was valid per se, but that the Government, in making it unlawful for the individual to have gold, made it impossible for the holder of Government bonds to receive gold.

The Court held, second, that the holder of a Government bond, being unable to get gold, before he could demand currency in a greater amount than dollar for dollar, would have to show that he had been damaged in value, and they held that no such showing had been made.

Therefore the holders of Government bonds, as a practical proposition, have been denied by this decision the right to receive more than $1 in legal-tender currency for every dollar of bonds. I think I have stated accurately, though very briefly, the three holdings. The opinions are very comprehensive; they cover the history of money from the beginning of the Government until the present; they contain a complete review of all of the monetary legislation that has been enacted during the past 2 years; and I think that in the future we will not have any further trouble, so far as constitutionality is concerned, in the enactment of monetary legislation.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The question is on the amendment offered by the Senator from New Mexico to the committee amendment.

Mr. CUTTING. Mr. President, it has been quite clear from the discussion exactly what the committee amendment means so far as its effect is concerned. There is no difference of opinion about that. It will effectively prevent any kind of an industrial strike, no matter how laudable the purpose of the strikers may be.

As the Senator from Washington said, any company which cares to reduce the wages of its men to $51 per month provides them with the alternative of accepting the reduction, or having their families starve.

I cannot conceive that a proposition of this kind can come under the heading of humanity, as the Senator from Maryland has attempted to prove. I do not believe that a wage scale of $50 a month is a humane proposition in the first place. When the proper time comes I intend to vote for the amendment of the amendment of the Senator from Nevada [Mr. MCCARRAN].

In the meanwhile, however, if we adopt the committee amendment, whether or not we adopt the prevailing wage scale proposed by the Senator from Nevada, we are still holding this club over the heads of all the workers in the country. And, of course, Mr. President, it does not merely apply to strikers. It applies to every man who for some good reason may be unable to continue in his occupation. He may have the most honorable reason in the world for getting out, but under this provision he cannot avail himself of the benefit of this act.

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[20] In radio address concerning the plans of the Treasury, Aug. 28, 1934, the Secretary of Treasury, as reported by the Commercial and Financial Chronicle of Sept. 1, 1934, stated:

"But we have another cash drawer in the Treasury, in addition to the drawer which carries our working balance. This second drawer I will call the 'gold' drawer. In it is the very large sum of $2,800,000,000, representing 'profit' resulting from the change in the gold content of the dollar. Practically all of this 'profit' the Treasury holds in the form of gold and silver. The rest is in other assets.

"I do not propose here to subtract this $2,800,000,000 from the net increase of $4,400,000,000 in the national debt—thereby reducing the figure to $1,600,000,000. And the reason why I do not subtract it is this: For the present this $2,800,000,000 is under lock and key. Most of it, by authority of Congress, is segregated in the so-called 'stabilization fund', and for the present we propose to keep it there. But I call your attention to the fact that ultimately we expect this 'profit' to flow back into the stream of our other revenues and thereby reduce the national debt."

Mr. President, I do not believe there has ever been a piece of legislation proposed in which we placed so few limits on the power of the Executive. Throughout the bill from beginning to end there is practically no check on what he can do. Here, for practically the only time, we tell him "Here is something you cannot do. You cannot under any circumstances take care of men who are on strike, no matter how justifiable the strike may be. You cannot use your own discretion in that matter. Those men have got to be off the relief rolls."

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from New York.

Mr. WAGNER. Will it not also include a case where a worker is surrounded by very insanitary, very unhealthful conditions, which make it impossible for him to continue? If he is getting $50 a month, nevertheless, and he leaves that employment because his health is threatened, he will not be able to secure any kind of relief under this proposed amendment?

Mr. CUTTING. Of course; the Senator from New York is entirely correct.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. CUTTING. I yield.

Mr. WHITE. What will be the status of a man under clause (2) who had to leave a job because of illness? Would he be eligible in those circumstances to the same pay, or would he not?

Mr. CUTTING. I should think not. I cannot see any way that he could, under this provision, be placed on the rolls. It seems to me that if we are going to have any confidence in the President at all—and obviously if we pass this bill we have an almost unlimited confidence in him—then he can be trusted through his agencies to see that money is not spent in the kind of unjustifiable way which the committee no doubt had in mind when they placed this limitation on his power. And I do not think he ought to be limited to the extent of saying that in no case of this kind can a man get any relief.

Mr. KING. Mr. President, will the Senator yield?

Mr. CUTTING. I yield to the Senator from Utah.

Mr. KING. Is not the Senator in sympathy with the thought, which I understand has animated some who are back of this bill, that we ought to get away from the theory of relief and furnish work, and with the thought of furnishing work to so many of unemployed we could not pay as high wages as we would desire to pay, and therefore it would be better, to illustrate the point, to furnish work to 3,000,000 men at rather reduced wages than to furnish work to 1,000,000 or 1,500,000 at higher wages? In other words is not the Senator in sympathy with the thought, which I think is behind this legislation, that we ought to spread the work to as many persons who are in distress as possible, so as to take them off the relief rolls?

Mr. CUTTING. If I accepted the Senator's premises, Mr. President, I might perhaps accept his conclusion. But what is the situation? This is not a poverty-stricken country; this is a country wealthier in all that constitutes real wealth than any country that ever existed in the world. We have the men, we have the resources, we have the raw materials, we have the factories, just as we have always had them. We have so many men that we are obliged to keep a great many of them out of employment. We have so large a plant that a very small proportion of it is able to be kept in operation. We have so much raw material that we have to destroy it—plow it under or throw it over cliffs into the Pacific Ocean.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me for a short observation?

Mr. CUTTING. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. If it is desirable to spread work by reducing the wages, it might be under the same logic desirable to spread business by reducing profits. If you are going to reduce wages in order to spread labor, why not reduce profits in order to increase business?

Mr. CUTTING. The Senator knows that probably no such provision as he is proposing would have any chance of passage, whether attached to this legislation or any other. The only kind of limitation we are ever asked to pass is a limitation of the particular character suggested in the committee amendment. That is what seems to me preposterous.

You may say that four and one-half billion dollars is a large sum of money. Of course it is if you look at it in the abstract. But I am interested in seeing that the actual wealth of the country, the potential wealth which this country can have, be distributed as far as possible to take care of those who are in need. And whether you talk of four and one-half billion dollars or $10,000,000,000 or any other sum, money does not constitute the real wealth of the country. It is that real wealth that we are trying to distribute in a more equitable manner.

To my mind—and perhaps I am getting a little off the subject, but I am trying to answer the suggestion made by the Senator from Utah [Mr. KING]—to my mind, the greatest asset that this country has had throughout its history has been its high standard of living. And if we have got to reduce that standard in order to save expenditures which the country is perfectly able to make, then I think we are defeating the ends which the administration has set before it—of improving the condition of the common man in the United States.

I believe that any such provision as the committee now proposes is in contradiction to the fundamental reasons for passing legislation of this kind at all. And I think that the Senate understands exactly the issue involved in this particular amendment.

Mr. NORRIS. Mr. President, it seems to me that this discussion—which I think has been very enlightening—illustrates what I believe is one of the fundamentals involved in legislation of this kind. I find myself unable to disagree with the Senator from Maryland [Mr. TYDINGS] in much that he has said, and yet I think it my duty to vote—and I believe the Senate ought to vote—for the amendment of the Senator from New Mexico [Mr. CUTTING]. It illustrates, it seems to me, what is necessary in this kind of legislation, that, whether we like it or not, we must trust somebody with almost unlimited discretion.

Probably some things would be performed under the provisions of this joint resolution in a better way if the amendment of the Senator from New Mexico were defeated and the amendment of the Senator from Maryland left intact; but I think I can see how, if that were done, we would get into other difficulties without any possibility of avoiding them.

If the amendment offered by the Senator from New Mexico shall be agreed to, it will widen the discretion of the President, or whoever is to enforce this proposed law. The amendment of the Senator from Maryland, which the pending amendment seeks to change, will narrow the discretion of the President. It says, "Here are some things you cannot do." The amendment of the Senator from New Mexico undertakes to remove that obstruction. If we said nothing about it, the President would have discretion, in the enforcement of this measure, to use his judgment in case of a strike.

It may be that a person who has resigned a position, for instance, where he was getting $50 a month, ought not to be employed by the Government under the contemplated program. The President would not have to employ him if the amendment of the Senator from Maryland should be stricken out of the bill; he would have a discretion. Suppose, for instance, that a man who is an engineer, capable of having charge of one of the great projects the Government, under this bill, may engage upon, is getting $60 a month. He may be working for $60 a month as a janitor or at some other kind of labor because his family is starving. There are many men so situated. The Government may want his services in connection with some particular project; it may have an exact place for him. The ordinary salary of an engineer of such standing would be much above $50 a month, that is conceded by all, and the Government wants to employ him. It could not do so; it could not take him on. He was working at $60 a month, we will say, or

$51 a month, in order to prevent hunger and starvation. He would not dare resign that position, and the Government would be prohibited from employing him at once in the other place. Suppose, as the Senator from Maine said a while ago, a man resigned a position on account of illness.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. NORRIS. I yield.

Mr. CONNALLY. In answer to the Senator's suggestion that the Government could not employ such a man, is it not true that the committee amendment is really a limitation on the individual and not on the Government, because it reads:

Provided, That no person shall be eligible to receive any money from the appropriation made herein as relief on account of unemployment unless it is established—

And so forth.

Mr. NORRIS. Very well. Let us see what clause (2) which the Senator from New Mexico seeks to strike out, does. It reads, "has not within 60 days resigned from or left any position the wage of which was at a rate in excess of $50 a month."

Does not that strike at the man I have been talking about?

Mr. CONNALLY. I do not agree with the Senator. I think if the Government ever employed a man because it needed him and wanted him, there would be no inhibition; but if it simply employed him for the sake of giving him a job, then the inhibition would apply.

Mr. NORRIS. The Government would not have any right to give him a job if any of these conditions applied.

Mr. CONNALLY. If he was a skilled worker and the Government was employing him because of that fact, the inhibition would not apply.

Mr. NORRIS. If the Senator has even a doubt about it, why not strike clause (2) out? What use is it? That is what the amendment seeks to strike out.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. NORRIS. I yield.

Mr. GORE. I was wondering if the Senator would not insert the word "voluntarily" before the word "resigned"? That would take care of those who surrender their jobs on account of sickness.

Mr. NORRIS. Very well; whenever by this kind of legislation we undertake to limit the discretion that is necessary properly to carry it out, we get into difficulties somewhere. We have to make the correction to suit this case; and we will have to make another correction to suit another case. Why have the clause there at all? The President, under the proposed law, if the amendment of the Senator from Maryland should be left out entirely, would have authority to give employment. If a body of men had struck he might find, on investigation, that the strike was unjustified. He might find, on the other hand, that it was a question almost of life and death, and was justified, as the reports of the committee here are full of accounts of men being compelled to work even against their own will. I think there is something in the suggestion of the Senator from Colorado [Mr. COSTIGAN] that it might even mean servitude, against which we would all protest.

Let me take up the suggestion made by the Senator from Maine [Mr. WHITE]. Suppose a man had a position and resigned it on account of some disease he had; perhaps asthma. The work is in a locality where a man suffering with asthma perhaps cannot live.

Mr. STEIWER. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Yes; I yield.

Mr. STEIWER. Not only would the Senator's suggestion apply if the employee resigned but also, under the language of the provision, if he had left a position.

Mr. NORRIS. Yes.

Mr. STEIWER. So he would not need to resign.

Mr. NORRIS. No; just so he had given up the job or in some way had been separated from it. Suppose he had some disease that required him to live in a high altitude and he is employed on the seashore; he has taken a job at $60 a month, or $51 a month perhaps, in order to save his family from starvation, in the effort to try to do something to keep soul and body together and to support his wife and children, but it is dangerous to his life every day he stays there. Suppose the Government has a project in New Mexico or Arizona where such a man ought to live, where the altitude is high; he could not go there and take a Government job; the Government could not give it to him. Why put anything in this measure that in any way would interfere with the discretion that is going to be necessary?

I have only made suggestions which happen to occur to me, but there will be thousands of others which will occur to all of us. If we shall pass this measure, even after it becomes a law, we shall then be called upon to amend it, probably, or it will not work at some place as it ought to work.

If we do not have confidence in the President, then we ought not to pass this measure under any circumstances. It is because we have confidence in him that we are yielding to his discretion, and here comes a case where it seems almost necessary to do so. It is impossible for us to foresee what difficulties may be presented in a thousand and one cases in carrying out this joint resolution when it shall become a law.

Therefore it seems to me we ought to agree to the amendment proposed by the Senator from New Mexico—to strike out a part of the amendment of the Senator from Maryland. We will not be reposing any greater confidence in the President in this particular matter than we will repose in him in a great many others under the joint resolution, and, to my mind, unless we give the President that discretion we are going, to a greater or less extent, to handicap him when he comes to carry out this proposed legislation.

Mr. GLASS. Mr. President, as I have previously stated, this particular amendment to the joint resolution is not a child of mine, and no question arose in the committee as to giving or restricting the discretion of the President in this particular point. The whole thing arose out of the enumeration by the Senator from Maryland and other Senators of cases of gross fraud and abuse upon the agents of the Government in their administration of the relief funds, and the whole purpose of the committee was to have the $4,880,000,000, in the discretion of the President, disbursed in a way that would afford work relief to a greater number of people now on the dole roll.

The Senator from Maryland [Mr. TYDINGS] is now present and can speak for himself.

However, no question arose in the committee about taking care of people on strike. I do not think it entered the mind of any Senator in the remotest sense that that was involved in this proposed amendment. When the Senator from New Mexico asked me on Friday, or Saturday, last, whether I did not think it was possible that persons on strike might be denied relief, I said, yes; I thought it was possible; and I do think it is possible; but I do not think it is within the range of probability. In one sense, I think those who have raised the question, without so intending, have done a distinct disservice to working people who may hereafter desire to go on strike or who may be compelled to go on strike.

I said to the minority leader on the other side of the aisle that I did not think this particular amendment was controversial. I want to admit now that I did not know what I was talking about. It seems so far to have been the most controversial provision in the joint resolution, but all the controversy is based, in my considered judgment, upon mere suppositions that have no foundation in fact beyond the fears and imaginations of gentlemen who have raised the issue in perfect good faith and with a good purpose in view.

While it is for the Senator from Maryland to determine whether or not he would be willing to accept the amendment proposed by the Senator from New Mexico, I still

adhere to the belief that if the amendment proposed by the Senator from New Mexico is adopted, it would be well to strike out the whole provision.

Mr. LA FOLLETTE. Mr. President, I do not like to disagree with the interpretation of the language just given it by the distinguished chairman of the committee. It seems perfectly clear, however, that clause 2 of the amendment which reads "has not within 60 days resigned from or left any position, the wage for which was at a rate in excess of $50 a month", would prevent any administrative official under the joint resolution from giving relief either in the form of direct relief or in the form of work relief to any person, regardless of the cause for his severing his connection with his employment within 60 days. Even though a person left his job because of bad working conditions, or because of a strike called by his fellow members of a union, or because of illness on the part of the individual, or for other reasons beyond his control he would be prevented from enjoying any benefits under the resolution.

In other words, unless the amendment offered by the Senator from New Mexico prevails, I am convinced that any person, after the joint resolution becomes law, who for any reason leaves any position where he is getting more than $50 a month, whether it be an economic reason, whether it be a personal reason, whether it be a physical reason, is barred from receiving any relief if he is destitute. I certainly hope that at this late stage of the economic crisis we will not be compelled to fight this issue all over again.

I also desire to call attention to clause (3), "has bona fide endeavored to obtain employment and has been unable to do so." Just what does that mean? What evidence must be shown by the person who makes application for work in order to convince the official in charge that he has made an effort to find employment? Must he bring affidavits from the personnel department of 15 or 20 plants, or all the plants in the city where he lives, to show he has actually made a bona fide effort to obtain employment? Can he offer in evidence his worn shoes as an indication he has pounded the pavement and worn them out in an effort to obtain employment? He cannot, as the Senator from Maine [Mr. WHITE] just suggested sotto voce, either prove it or rebut the decision of the relief official.

I feel certain that Senators who are familiar with the relief situation do not want to make it impossible for persons to obtain relief who I am certain all of us will grant are entitled to it. Yet, unless the amendment offered by the Senator from New Mexico prevails, there may be many cases which would come within either the second or third clause of the amendment which would bar them from receiving relief.

Mr. BYRNES. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LA FOLLETTE. I yield.

Mr. BYRNES. Does the Senator construe clause (3) to mean that he would still have to show he was unable to secure employment even as a common laborer before he would be entitled to relief, or would it be construed that he should show that he endeavored to secure employment in the craft in which he usually worked?

Mr. LA FOLLETTE. The Senator's question cannot be answered from the language of the joint resolution. It would depend upon the discretion of the person who was administering it. It is a very good question the Senator has raised.

Here is a man who is a skilled worker. He has been trying to obtain employment in his craft. He has devoted his attention and efforts to getting work in his craft. On the other hand, it might be interpreted that unless he had been to every employment agency in the community and listed himself for common labor and had called on the foremen on every job going on in his community, he had not really made a bona fide effort to get employment.

There are thousands of people on the relief rolls who are protesting that this constant necessity of satisfying investigators is a great hardship, and in many instances they are prevented from getting relief which ought to be extended to them because the judgment of the person who has made the examination does not agree with that of some other person who has examined and investigated. They are being investigated and are only being given relief if they are in actual need. Senators do not need to worry about that. So far as it is possible for any administrative agency to make investigations, it is being done, insofar as it can be done, in dealing with 20,000,000 men, women, and children who are now on relief.

So far as the objective which the amendment seeks to obtain, I do not think its adoption will take care of the cases which Senators had in mind who framed it. On the other hand, it is perfectly clear that grave injustices will flow from the last two phrases.

Mr. BYRNES. I ask the Senator's judgment on the first portion of the amendment, "that no person shall be eligible to receive any money from the appropriation made herein as relief." As the purpose of the bill is to turn relief back to the States, this would be a restraint only upon his receiving money for relief but not upon his receiving money for employment. Is not that true?

Mr. LA FOLLETTE. "Relief on account of unemployment."

Mr. BYRNES. On account of unemployment the man could not receive any money for relief, but he could be given a job notwithstanding. It occurred to me it is an additional reason why this should be left to the discretion of the administrative officials.

Mr. LA FOLLETTE. The word "relief" is used here in its general sense. In the debate the work program is constantly referred to as the "work-relief program." Left unqualified, the word has a comprehensive meaning and might easily be interpreted to include not only so-called "direct relief" but also the work relief which is constantly referred to in the debate on the joint resolution.

Mr. O'MAHONEY. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I invite the attention of the Senator from Wisconsin to the fact that the program calls for the expenditure of certain sums for direct relief until the work-relief program is adopted. I am inclined to believe that the suggestion of the Senator from South Carolina is correct, and that the amendment as it stands is merely a limitation upon the expenditure of funds for direct relief, and not for work relief.

Mr. WAGNER. Mr. President——

Mr. LA FOLLETTE. I think that it really does not make much difference as to the individual about whom I am concerned in this case, because he is going to be just as hungry whether we deny him work relief or whether we deny him grocery orders.

Mr. BYRNES. The point I made to the Senator from Wisconsin was that the amendment does not accomplish the purpose Senators had in mind, in my opinion.

Mr. WAGNER. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from New York.

Mr. WAGNER. I am sure those who had to do with the drafting of this amendment did not intend to go as far as the third provision does. It requires establishment by evidence that an applicant for work relief has made a bona fide endeavor to obtain employment. It does not state what kind of employment. It might be employment far below any standard that he had heretofore known. All the foreign unemployment-insurance laws I have examined, while they require an unemployed person to endeavor to get other employment before he can secure a benefit, never require him to search below the standard of the employment he has left.

Mr. LA FOLLETTE. I am glad to have the Senator's suggestion. It is my general information that nearly all the unemployment-insurance or reserve laws also provide a saving clause so far as the individual who is out on strike for economic reasons is concerned.

Mr. WAGNER. And the so-called "security legislation", which is pending before the Finance Committee, has just such a saving clause in it.

Mr. LA FOLLETTE. Yes; but I referred to the other laws which have been mentioned.

Mr. WAGNER. Yes; every one of the laws has such a clause.

Mr. LA FOLLETTE. It is my observation that nearly every one of them contains it.

Mr. WAGNER. Yes.

Mr. LA FOLLETTE. Mr. President, I have concluded what I desire to say about this amendment, but I hope we may have a record vote upon it.

Mr. GLASS. I do not see that we need a record vote. If we may have a vote, I think the matter may be settled in 2 seconds.

Mr. LA FOLLETTE. Very well; I withdraw the suggestion.

Mr. GORE. Mr. President, I desire to offer an amendment, to insert the word "voluntarily" before the word "left" in line 10, page 3, and the word "direct" before the word "relief" in line 9. It seems to me that would certainly obviate the objection raised by the Senator from Maine that a person who had given up a job on account of illness would be disqualified to receive the benefits of this measure.

I will offer that amendment if the Senator will yield for that purpose.

Mr. NORRIS. Mr. President, that would be an amendment in the third degree.

Mr. LA FOLLETTE. Mr. President, is there not one amendment now pending?

The VICE PRESIDENT. There is one amendment now pending to the committee amendment. No other amendment is in order at the present time.

Mr. TYDINGS. Mr. President, will the Senator from Oklahoma yield?

Mr. GORE. Yes.

Mr. TYDINGS. If the amendment offered by the Senator from New Mexico [Mr. CUTTING] should prevail, of course there would not be anything to amend. If, however, it should not prevail, there are several of us over here, including the Senator from Oklahoma, who desire to add other amendments to it which will clarify the language as it is now written. I therefore submit that until the amendment which was offered by the Senator from New Mexico is disposed of we cannot take up these other matters.

Mr. GORE. I entered the Chamber while the Senator from New Mexico was on his feet. I did not hear his amendment; and I withhold mine for the moment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING] to the amendment of the committee.

Mr. GORE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GORE. I am not familiar with the parliamentary status. Would it be in order to perfect the committee amendment before the vote is taken on the amendment of the Senator from New Mexico?

The VICE PRESIDENT. The parliamentary situation is this: By unanimous consent, the committee amendments are first to be considered by the Senate. The Senator from New Mexico moves that the committee amendment be amended by striking out what are known as sections (2) and (3) of the committee amendment.

Mr. GORE. Would it be in order for me to move to amend the committee amendment and perfect it before the motion to strike out is submitted?

The VICE PRESIDENT. A motion to perfect the part proposed to be stricken out probably would be in order under rule XVIII, so the parliamentary clerk advises the Chair.

Mr. GORE. Then, I renew the motion to insert the word "voluntarily" before the word "left."

The VICE PRESIDENT. The amendment will be stated. [A pause.] The clerk informs the Chair that he cannot locate the amendment.

Mr. GORE. It is on line 10, as I understand.

Mr. TYDINGS. On line 9, before the word "resigned", it is proposed to add the word "voluntarily." I think that is what the Senator from Oklahoma means.

Mr. GORE. No; I did not want the word "voluntarily" to qualify "resigned."

The VICE PRESIDENT. Does the Senator propose to insert, after the word "days" and before the word "resigned", the word "voluntarily"?

Mr. GORE. No; the word "resigned" implies voluntary action. Read on. It is in line 10, before the first word in line 10, if I have the right print.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. It is proposed to amend the committee amendment by inserting the word "voluntarily" before the word "left", in line 10, page 3, so that when amended it will read:

has not within 60 days resigned from or voluntarily left any position—

And so forth.

Mr. WHEELER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHEELER. I submit that while there is an amendment pending to strike out the whole committee amendment another amendment cannot be offered.

Mr. GORE. I will say to the Senator from Montana that I have just obtained a ruling from the Chair on that point, and the Chair ruled that the amendment could be submitted and would be in order. It perfects the committee amendment before putting the question on the motion to strike it out.

The VICE PRESIDENT. The Chair will state to the Senator from Montana that the theory of the rule is that a motion to strike out and insert takes precedence over a motion to strike out, so as to perfect the matter proposed to be stricken out before the other motion is acted upon. The only question is whether this is an amendment in the third degree, there already having been a committee amendment proposed, and an amendment to that amendment. The philosophy of the rule seems to be to perfect whatever the Senate has to vote on before the Senate votes on it; so the Chair will hold the amendment in order.

The question is on the amendment offered by the Senator from Oklahoma to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. GORE. Now, in line 8, before the word "relief", I move to insert the word "direct"; and I do that in order that the RECORD may show the purpose of the amendment. The Senator from Wisconsin raised the point that the word "relief" was used here in a generic sense, and might cover relief not only in case of necessity——

The VICE PRESIDENT. Let the Chair state to the Senator from Oklahoma that that is not in what is known as the "Cutting amendment", and therefore his amendment is not in order at this time.

Mr. GORE. Very well.

The VICE PRESIDENT. The question now is on agreeing to what is known as the "Cutting amendment" to the amendment of the committee.

Mr. GORE. Mr. President, I have here a letter which I wish to have read into the RECORD at this point. It sheds some light on the philosophy of this amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the letter will be read.

The legislative clerk read as follows:

THE AMERICAN INSURANCE CO.,
WESTERN DEPARTMENT,
Grove, Okla., February 8, 1935.

United States Senator T. P. GORE,
Washington, D. C.

DEAR SENATOR: I inclose a clipping from Daily Oklahoman of Senator Halbrook as it so thoroughly meets my views. I just had to contragulate Senator Halbrook.

I am counting on you now, as I always have, to do your utmost to save our liberty and homes.

When our homes are destroyed by the tax route and so much surplus government in business, we feel so incompetent to run our

business that we have worked so many years for we feel like quitting and depend on the dole.

I think it is un-American and it may be honest, to take people's hard-earned money and reward the idle.

I farm and can hardly get help to run my farm, as so many think that if they go to work, that they will take them off the relief rolls. I notice big husky fellows around the hand-out joint with good blue suits of clothes, carry out a few cans and set in a good-looking car and drive off.

If this injustice runs on, to my notion the Government will crumble and fall.

Yours truly,

O. W. SMITHPETER.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. CUTTING] to the amendment of the committee. [Putting the question.] The Chair is in doubt.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. AUSTIN. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Radcliffe
Ashurst	Costigan	King	Reynolds
Austin	Couzens	La Follette	Robinson
Bachman	Cutting	Lewis	Russell
Bailey	Davis	Logan	Schall
Bankhead	Dickinson	Lonergan	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norbeck	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	

Mr. LEWIS. I announce the absence of the junior Senator from Louisiana [Mr. OVERTON] on account of illness.

I also wish to announce the absence of the Senator from New York [Mr. COPELAND] on account of illness in his family, and the absence of the senior Senator from Louisiana [Mr. LONG] and the junior Senator from Connecticut [Mr. MALONEY] on official business.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that the order entered for the yeas and nays on the pending amendment be vacated.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. GLASS. Mr. President, I hope the Senate will reject the committee amendment, as amended.

The VICE PRESIDENT. Without objection, the question will be taken on agreeing to the amendment reported by the committee, as amended.

The amendment, as amended, was rejected.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The CHIEF CLERK. The next amendment of the Committee on Appropriations is, on page 3, line 12, to strike out the words "The specific powers hereinafter vested in the President shall not be construed as limiting the general powers and discretion vested in him by this section."

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The CHIEF CLERK. The next amendment of the Committee on Appropriations is on page 3, after line 15, to insert a new paragraph, as follows:

Funds made available by this joint resolution may be used, in the discretion of the President, for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farm tenants, croppers, or farm laborers. Such loans shall be made on such terms as the President shall prescribe and shall be repaid in equal annual installments, or in such other manner as the President may determine.

Mr. KING. Mr. President, I inquire of the Chairman of the Committee on Appropriations, and also the Chairman of the Committee on Banking and Currency, whether the existing laws dealing with farm credit, and the authority which has been given to organizations formed under the farm credit laws, do not confer substantially the same authority as that which is attempted to be conferred by the amendment just read?

Mr. GLASS. The Chairman of the Committee on Banking and Currency so stated on the floor of the Senate on Friday, I believe.

Mr. KING. That was my understanding, and that being the case, what is the necessity for this provision?

Mr. GLASS. The Senator from Georgia [Mr. RUSSELL] is the author of this proposed amendment, and he may answer the Senator.

Mr. RUSSELL. Mr. President, I did not understand clearly all of the question of the Senator from Utah.

Mr. KING. Mr. President, if I may be pardoned for repeating the interrogatory I propounded to the two Senators, the Chairman of the Committee on Banking and Currency and the Chairman of the Committee on Appropriations, I asked whether the amendment which we are now considering is not covered by existing laws, which have come from the Committee on Banking and Currency dealing with farm credits through the organizations which have been set up under the numerous acts passed during the past 10 or 15 years.

Mr. RUSSELL. Mr. President, I should not like to dispute any statement made by the distinguished Chairman of the Committee on Banking and Currency, but, so far as I am advised, the powers delegated and conveyed by the pending amendment are not contained in any provision which has been adopted heretofore. It is true that liberalizing legislation has been enacted by the Senate at this session relating to farm loans, but it is my impression, though it stands subject to correction by the chairman of the committee, that those loans are limited to 60 percent of the value of the land.

Mr. KING. Mr. President, may I inquire of the Senator, in view of the fact that the crops of many acres of farm lands are being plowed under, and in view of the fact that thousands of acres of farm lands are being abandoned, in part due to legislation which has heretofore been enacted, what justification is there for dipping into the Treasury for large sums of money to authorize the purchase of additional farm lands?

Mr. RUSSELL. Mr. President, the argument presented by the distinguished Senator from Utah, carried to its natural and logical conclusion, would estop the Government from making any loans on any farm property anywhere. Under it we would adopt the theory of the survival of the fittest in dealing with our farmers, and would not take into consideration the fact that unfavorable seasons and unusual circumstances are likely to destroy the best farmers of the country, and render them homeless. If we were to leave it to nature and circumstances to eliminate farmers and thereby reduce production, the farmers in the drought-stricken sections could not obtain any money to produce crops on their farms.

Mr. FLETCHER. Mr. President, I wish to say, perhaps in some elaboration of the statement I made the other day, that we recently passed a bill which liberalized to a considerable extent the present provisions of the law and would enable tenants to buy farms. It provides that money may be advanced for that purpose, for the purchase of farms. But that bill, while it passed the Senate, has not yet passed the House, and I do not know whether it will pass in that form or not. It is being considered in the House now. I do not think there will be any conflict, and this appropriation is in the discretion of the President where they can finance a corporation like that. I am in favor of this provision in spite of what we have done or attempted to a large extent, to open the way whereby a tenant could purchase a farm. This goes

somewhat further than that, in providing for financing the operations and, as the Senator from Georgia has said, a limitation on the bill we passed, or as he has mentioned it. This does not put that limitation on. It broadens it further, and I am in favor of the provision as it is, as he has amended it.

Mr. RUSSELL. Mr. President, I desire to explain some of the reasons for the amendment.

The argument presented in the Committee on Appropriations made it clearly manifest that it was the purpose of the joint resolution to find profitable employment for the 3,500,000 employables who are now on the relief rolls of the country. The President likewise made it clear in his message, as was pointed out by the Senator from South Carolina [Mr. BYRNES] today, that the purpose of the proposed legislation is to abolish what is commonly known as the "dole."

The hearings before the Committee on Appropriations developed the fact that at the present time those who are on relief, as it is operated at the present time, are receiving an average of $25 a month. The security-wage argument as advanced to the committee goes on the theory that these three and a half million employables would be paid a wage approximating $50 a month.

It has been commonly reported in the press, and it seems to have been in the minds of some Senators, that a flat wage of $50 a month was to be paid to every person employed out of the funds appropriated in the pending measure. I did not so understand the hearings. To my mind it was made clear that that was to be an average wage. In certain sections of the country, where work requires only manual labor, less than that would be paid. Necessarily to skilled artisans and in some supervisory capacities it would be essential to pay more than $50 a month.

Those explaining the bill in behalf of the administration stated to the committee that in addition to the average security wage of $50 a month, or $600 a year, it would also be necessary to buy materials approximating $600, to carry on the works program and therefore it would cost in the neighborhood of $1,200 per year for each and every one of the three and a half million people who are now on the relief rolls of the country to carry out the purposes of this resolution through a program of public works.

A brief study of the question will disclose that there are thousands of persons who have heretofore been engaged in agriculture, living in remote and sparsely settled sections, who are now on relief. It will be necessary to take these people into consideration in perfecting plans to effect the transfer of those three and a half million people from relief rolls to gainful employment. The report of the Federal reemployment agency shows that an investigation in the employment service, which has just been concluded, shows that the largest industrial group represented, of the twelve and a half million people who filed their names in the various reemployment offices looking for work, were 3,000,000 who had been engaged in agriculture.

The relief administration estimates that of the three and a half million people who are employable and receive relief at the present time, 1,550,000 are agricultural workers; that 800,000 of them are landowners and croppers or tenants, and that 750,000 are farm laborers. Therefore, this presents a very difficult proposition in the administration of this fund, unless it is proposed to move these people from the farms as has been demonstrated to be the idea of some Senators who have discussed this bill, to the centers of population, where they would be left, after the funds had been spent, in competition with the industrial workers who are already in those centers of population and many of whom are already unemployed.

Therefore, it occurred to me, Mr. President, that it would be much better and much more economical in the long run to finance the purchase of farms for farm laborers, farm croppers, and farm tenants who are now drawing relief than it would be to employ these people on a basis of expense to the Government of the United States of approximately $1,200 per person in a Public Works program. Why, Mr. President, in the Southeast we have great areas of land today, fine and fertile farming lands, where a farm can be purchased and outfitted for less than $1,200 a year, which would support a farmer and his family, and thereby permanently settle the problem and effect a cure by taking him off the relief roll.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from Georgia yield to the Senator from Colorado?

Mr. RUSSELL. I yield.

Mr. COSTIGAN. The country has been hearing, by indirection, at least, many tales about the plight of the sharecroppers in certain Southern States. Is the Senator's amendment designed in part to meet their difficulties?

Mr. RUSSELL. I was coming to that question in just a moment. The farm laborers, farm tenants, and farm croppers in certain sections of the country—and I do not think it is confined to the Southeast, but is true of the entire agricultural section of the United States—have been affected by the policy of restriction and reduction in farm products. The tenant system, as we know it in the Southern States, in the entire southern farm belt, has undergone a transformation from a year-around tenant system to a seasonal employment of farm laborers, and it would be necessary for that problem to be faced in the country in the future.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Florida?

Mr. RUSSELL. I yield.

Mr. FLETCHER. I should like to add, with reference to what I said before with respect to the bill recently passed, that, when providing a way whereby a tenant might purchase a farm, we did not provide in that bill anything with reference to necessary equipment. This provision takes care of that.

Mr. RUSSELL. I thank the Senator from Florida for his contribution. If I understood the Senator correctly, it would also be restricted to 60 percent of the value of the farm.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Carolina?

Mr. RUSSELL. I yield.

Mr. BAILEY. Having provided means whereby the share croppers and tenants may purchase lands, what does the Senator propose shall be done by way of enabling them to purchase crops under the existing legislation?

Mr. RUSSELL. Mr. President, that is a matter which we have to face eternally. As I suggested to the Senator from Utah [Mr. KING] in answer to a question, if we are to take the position here that only those farmers who live in sections favored by nature and by the seasons and by fertility of the soil are to be permitted to produce, we would destroy the entire agricultural system of the country. I would prefer, may I state to the Senator from North Carolina, not to become involved in a discussion as to the effect of the entire program of the Agricultural Adjustment Administration in reducing crops. I still think it would be better to afford relief to our farm population on the farm, rather than to concentrate them into one area, because in the first case you are affording permanent relief, whereas in the other you have this question constantly recurring from year to year, with the necessity of continuing the appropriation of funds to provide for them.

Mr. BAILEY. Mr. President, will the Senator further yield?

Mr. RUSSELL. I yield.

Mr. BAILEY. I fully understand the Senator's difficulties and decline to provide any further difficulties.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LOGAN. I ask the Senator if it is his idea that the President shall allocate funds to the Farm Credit Administration for seed loans to the different banks under that Administration?

Mr. RUSSELL. Mr. President, this amendment leaves it solely to the discretion of the President. If after an inves-

tigation shall have been conducted by him he should conceive that the most feasible and practical way to lend the funds would be through the Farm Credit Administration, doubtless the President would so do.

Mr. LOGAN. Does not the Senator think it would be better to loan these funds, if they are loaned, through the existing agencies?

Mr. RUSSELL. I think that existing agencies of the Government should be utilized as far as possible, and I doubt not that the President of the United States will so regard the matter.

Mr. LOGAN. We understand, I think, he will utilize an agency of the Government, but I think it should be done through the Farm Credit Administration.

Mr. RUSSELL. I have no doubt that the President will be of the same opinion and that, if it is practicable, he will use the machinery of the Farm Credit Administration.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BYRNES. Would the Senator from Georgia object to striking out the words "farm tenants, croppers, or farm laborers"?

Mr. RUSSELL. I should prefer that the words be not stricken, Mr. President, because it is my purpose in offering this amendment to enable these benefits to be secured, so far as possible, solely by those who are farm croppers and farm tenants and farm laborers, and unless the President should embark into a very ambitious scheme of financing the purchase of farm land, there are more farm tenants, farm croppers, and farm laborers on relief—a million and a half of them—than can obtain benefits under this amendment.

Mr. BYRNES. The Senator would not want to substitute the word "farmers"?

Mr. RUSSELL. I would not object to inserting the word "farmers", because I think that would contemplate croppers, laborers, and tenants.

Mr. BYRNES. I think it would.

Mr. RUSSELL. I will accept that amendment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. GORE. I hope the Senate will not agree to that amendment. We have a number of establishments in this country which provide credit facilities for farmers, farmers who own land. Many measures have been enacted for their accommodation. I do not believe that they can complain that credit is restricted. Now the Senator from Georgia is trying to provide credit facilities for the man who finds it most difficult to obtain credit at any institution in this country. He is trying to provide credit facilities for the tenant farmer—the man who needs it most and obtains it with the greatest difficulty—the man who obtains it with the greatest difficulty no matter how good his character. He has no available assets or resources to pledge in order to secure a loan on land. Many times the tenant farmer is as deserving as the farmer who owns his land. In many cases the tenant farmer is as deserving of credit as the landowner. I repeat it is harder for us to help the tenant farmer than any other class of our farmers. He needs help as much as any other in the country.

I believe in a country of home owners, and any policy which enables tenant farmers to become farm owners has at least one strong argument in its favor, and if it succeeds it will have one great advantage to its credit. I had intended to discuss this subject at greater length, but will defer that to some future occasion.

If we undertake to extend this to every class of our farmers it renders the whole matter largely nugatory and vain, because if the President undertakes to buy farms for farmers out of this $4,000,000,000 it will not serve the other purposes which he has in mind and which the Congress has in mind in the enactment of this legislation. If you include too many you cannot serve any substantial number of tenant farmers.

Now, Mr. President, I do not have as much faith as many Senators in this lending and spending program. I do not believe that we can spend ourselves out of this trouble. Not only that, I think that the relationship of creditor and debtor, between a sovereign government and a private citizen, is fraught with doubt, if not with danger. There is a Pandora's box of evils at the foot of that rainbow. But if we intend to persist in this policy, if we intend to pursue this path, if we intend to follow up the rainbow, then I hope that provision may be made for the tenant farmer, the man who needs relief the most and who obtains it with the most difficulty.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. WHEELER. Permit me to say to the Senator from Oklahoma that he is looking at this entirely from the standpoint of the southern farmer. There are some farmers in the drought-stricken area, in the Northwest, who are upon a piece of land at the present time; they are not tenant farmers, but they are on relief. The Government has been trying to take those people off those dry-land farms and to put them down onto some irrigated lands which are now under the Reclamation Service. There are not a great many of them, but there are quite a few of them. If we just limit it to tenant farmers we are limiting it to such an extent that that operation cannot be taken care of.

Permit me to say to the Senator not only is the Government doing it, but the railroads of the Northwest are cooperating with the Government and the Reclamation Service in these projects. One of the things which has held them back is to put them on these pieces of land and then to give them some kind of a start. The Government has to do one of two things. It has either got to feed these people or it has got to try to get them on some of the irrigated lands, where they can make a living. And so I hope that the language will be broadened, not for the general purpose of helping farmers in general, but for the purpose of helping this specific kind of farmer who now has been on the dole by reason of the drought that has struck him for 4 or 5 years, and helping him to take him off of that piece of land and put him on some irrigated lands, where he can make a living for his wife and family.

Mr. RUSSELL. Mr. President, the purpose of the amendment as originally offered was to provide specifically for farm tenants and share croppers. I can conceive, however, that in drawing the amendment I was dealing with this problem as it appeared to me in my own State and from the circumstances and conditions I knew to prevail in my State. In view of the statement which has been made to me by the Senator from Montana and others, it appears to be advisable to modify the amendment to make it apply to farmers generally, and I am therefore willing to accept that modification. I am perfectly confident that in the southeast, where the farm laborers, farm croppers, and farm tenants are the class who are on relief rolls, the President will see that they derive the benefit from the operations of this amendment.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STEIWER. I am in sympathy with the object which the Senator seeks to attain, and I shall vote for the amendment; but I am wondering if the Senator had convinced himself whether this proposal is necessary in view of the very general power conferred upon the President in section 1 of the joint resolution.

Mr. RUSSELL. Well, of course, if the President already has the power the amendment cannot hurt anything, and merely would be surplusage; but I will state to the Senator from Oregon that I did not decide to offer this amendment until after the committee had adopted the amendment proposed by the Senator from Wyoming [Mr. O'MAHONEY] confining the expenditure of these funds to types of projects which are already authorized by Federal statute.

I know of no Federal statute that, by terms expressly stated, would authorize the financing of farm loans and farm equipment in whole or in part.

Mr. STEIWER. Mr. President——

Mr. RUSSELL. I think, Mr. President, if I may be permitted to continue, that this should be brought to the Pres-

ident's attention as a feasible way of dealing with the relief problem in the rural areas. We hear a great deal about relief in the cities. On the industrial workers this depression has laid a heavy hand; but there are cases by the thousands in the agricultural sections of the country where untold distress has been visited upon a people who cannot make their plight known because they are so scattered and are far removed from the centers of population. I now yield further to the Senator from Oregon.

Mr. STEIWER. I suggest that the Senator has now placed his hand upon what seems to be the justification. If there is justification or necessity for the amendment, it is because section 1, as originally presented, undoubtedly delegated the President ample power to deal with the situation.

Mr. RUSSELL. Unquestionably.

Mr. STEIWER. But the amendment which the Senate agreed to this morning under the sponsorship of the Senator from Wyoming [Mr. O'MAHONEY] makes this proposal now necessary.

Mr. RUSSELL. In my judgment, it is necessary, and if it is not necessary, it is certainly harmless. If the President has this power under any existing law, I am not familiar with it.

Mr. STEIWER. I was suggesting, in the interest of clarity and assurance, that we place the amendment in the bill.

Mr. RUSSELL. I found nothing in the National Recovery Act or in legislation that came within my knowledge relating to the Farm Credit Administration that would take care of the class of cases I had in mind. I point out that this proposal will necessarily result in saving money to the Government, because the Government, at least, will stand a chance to get the money back. If it shall not do so, it will have a lien on the land, and people, who in many cases, represent six or seven generations of farmers, will be enabled to stay on their land, till the soil, and rear their families in the manner in which they have always been accustomed.

Mr. President, this amendment provides a practicable and economical method of relief which is certainly in accord with any sound idea of social justice and security. For many years I have lived among and dealt with farmers, many of whom were tenants and share croppers. They have as high a sense of honor and are as upright in their dealings as any man. They are not afraid to work and if given the additional incentive of an opportunity to own their own home there is no way to calculate the net beneficial result to the country. Many of them are victims of circumstances which were wholly beyond their control, and in this great expenditure of Federal funds, they should not be overlooked. There is no better way to combat the forces of radicalism which seek to undermine our Government than to endeavor to find means to enable America to become the greatest home-owning nation on earth. Few men who own their homes and have the feeling that the government protects them in the possession thereof will ever seek to overthrow that government.

In my opinion, the adoption of the pending amendment will result in more substantial and lasting benefits to the Nation than the expenditure of any like amount of money for any other governmental purpose.

Mr. GEORGE. Mr. President, I wish I were in a position to discuss adequately this amendment, because it is the most substantial effort to relieve the unemployment situation contained in the joint resolution. Everything else is purely temporary and will pass away and out of the picture with the spending of the money so far as affording a means of livelihood and a means of subsistence to the people for whom we are endeavoring to care is concerned. Senators will recall, as they readily can recall, that our problems in the past have been largely solved because we had an enormous area of free land on which we could absorb our constantly multiplying population; and when the industrial centers grew larger and larger and we were threatened with unemployment in those centers, we had our frontiers to which we might go for the solution of our problems. I have not the slightest doubt that if unemployment shall again be reabsorbed in this country and we shall be enabled to put our people back to work or to give them an opportunity to work in a decent way, one that will make for their self-respect, and for their independence, one that will make for the right kind of citizenship, we shall find the way for a million or two million of them back upon the small farms.

The idea is not altogether new, but my colleague [Mr. RUSSELL] has made a valuable contribution by proposing to include in this particular relief measure the suggestion that the farm laborer, the tenant, the cropper, who is a laborer, might have an opportunity to acquire land.

In the first public-works bill, and as a result of continued and persistent efforts of the distinguished junior Senator from Alabama [Mr. BANKHEAD] in order to put over the subsistence-homestead theory to the Congress and to the country, we retained an appropriation of $25,000,000 to be used for the purpose of founding subsistence homes. It was my pleasure, with the assistance of the Chairman of the Finance Committee [Mr. HARRISON], to hold that appropriation in that bill.

I did not do it as a sop to the farmer or as a bid for popularity with that particular group, but I undertook to do it because I believed that it was an honest effort to afford genuine relief to people who were in need of permanent means of livelihood. The subsistence-homestead theory, however, was restricted somewhat beyond the desires, wishes, and purposes of the distinguished Senator from Alabama, and beyond the desires of those who were laboring with him, in that the homesteads were to be selected, for the most part—we did finally succeed in getting a different interpretation of the act—adjacent to an industrial plant or center.

However, in the second place—and that idea still prevails in the law—the subsistence homestead was simply an additional means of support to an industrial worker; in other words, the subsistence homestead is not, strictly speaking, as provided in the first public-works law, a means of livelihood, except as the products off the homestead might be used for that purpose; in other words, the commercial use of the tract of land, small though it was, was excluded from the idea as we incorporated it in that particular law.

Mr. President, this is an effort to relieve unemployment. If it be desired to relieve unemployment in this country, it will be necessary to find some way of doing it that will last beyond the time during which we shall be spending public money to accomplish it. I know what theories we have worked on here, but, in my opinion, in a country so large as ours, with such a wide expanse of territory, the one way, in my opinion, by which we may profitably—and I use the word "profitably" in every sense and every implication of the term—by which we may profitably employ from one to two million of our people is by the Government coming in and finding another frontier of free land and selling it back to our farmers, to men who have had agricultural experience, and letting those men go back upon small tracts of land and make a living. Thomas Jefferson visualized the small farmer as the moral balance wheel of this Republic.

Our free lands have enabled us to postpone and to solve many of our acute industrial problems through the last half and three-quarters of a century. They are now gone. The Government could properly with any relief funds return men to farms who could not otherwise return there. Do not think that would be a waste of money. I would say that it would be the one constructive object to which most of this money could be devoted.

Then there is another reason, Mr. President, why this amendment should prevail. We have a large number of agricultural States in this country. Many of those States labor under constitutional restrictions so far as public works are concerned; there may not be an expenditure on public works of any of this $4,880,000,000 in many of our agricultural States unless the President shall select only Federal projects, and even they may be found difficult to find in many of the States that labor under constitutional or legal restrictions so far as contracting to pay for public works is concerned. The best opportunity for spending this relief fund in many

of our agricultural States, aside from the inherent essential merit of the investment and of the project itself to which I have adverted, is to use it for these purposes in those States that otherwise would not be able to present projects for the consideration of the President that would perhaps command favorable action.

It is not contemplated here, of course, that a large number of farmers, of men who live upon the farms, tenants, laborers, former owners, perhaps, would be able to be returned to the farms as landowners, but it certainly is contemplated that in those States without many Federal projects and without the capacity under their constitutions and laws to present State projects for public works, would be able to make a beginning.

In this closing sentence I want to reaffirm what I have said, that it is only a beginning. The only way to keep the industrial centers from being overcrowded in the days to come, with improved machinery and yet improving machinery, with technological unemployment—the only way to do it in America in an American way is for the Government to be willing to finance small areas of land to enable many of our fellow citizens to go back to those areas and become self-supporting and self-sustaining citizens.

Mr. SMITH. Mr. President, I have listened with interest to what the Senator from Georgia [Mr. GEORGE] has said. I notice that the joint resolution provides "for the purpose of making loans to finance, in whole or in part, the purchase of farm lands and necessary equipment by farm tenants, croppers, or farm laborers." Why not insert a provision to refinance and reinstate the thousands of farmers in the Senator's State and in my State who, in spite of every effort they could put forth, lost their lands, in spite of the land banks, in spite of the intermediate credit banks, and in spite of the fact that they had economized to the point where the situation was desperate, then lost their farms? They could not even pay the taxes.

Mr. GEORGE. My colleague is to offer an amendment relating to the point which the Senator from South Carolina has raised.

Mr. RUSSELL. I have an amendment to offer, which proposes to strike out the words "farm tenants, croppers, or farm laborers" and insert in lieu thereof the word "farmers."

Mr. SMITH. Mr. President, I should like to make a suggestion which I believe both the Senators from Georgia and all those who are familiar with the section of the country from which we come will endorse, namely: That the tenants, the share croppers, and the laborers have been far better off than the landowners. It was impossible for the landowners to pay the taxes, pay the wages of the laborers, and pay the repairs and upkeep of their plantations. Therefore, in thousands of cases they themselves in turn became tenants or share croppers or hunted a job elsewhere. This proposal seems to be predicated upon the idea that we could buy these lands and reinstate these people and finance them when those who once owned the lands and had them equipped could not make enough to make ends meet, and consequently lost their land.

Let us exercise some common sense in these matters. Shall we guarantee the tenants who are to be converted into landowners and equip them and give them sufficient money with which to pay taxes and to keep up the plantation and buy their fertilizer and pay back to the Government when the original owners, having nothing to do but meet overhead and pay taxes, lost their farms?

The only point I am making is that these things will rectify themselves when we have gotten sufficient markets for farm products to guarantee a decent return to those who supply the prime necessities of life. Whenever we get to that point, I believe such an amendment as this will be unnecessary.

The fact is that we are now, through the Agricultural Department, begging the farmers and, under certain acts of Congress, coercing the farmers to reduce their acreage, to throw out their marginal lands, to restrict their farming operations, in order to curtail and practically destroy the market.

I do not know that I am going to oppose the amendment. I shall oppose it as incorporated in the joint resolution, unless it is provided that the original owners who have lost their lands may be reinstated, because all around me there are hundreds of them, all around the Senators from Georgia there are hundreds and thousands who have lost their lands in spite of their rigid and horrible living conditions. They simply could not make ends meet.

Let me take one farm as an example. In 1914 the taxes on that farm were about $385. In 1926 the taxes were $1,000. I mean only the local taxes, the school taxes, county taxes, State taxes, and other indirect taxes. There were about 500 acres under cultivation. In the whole tract there were 1,100 acres.

There are certain practical provisions on which we perhaps might legislate for the relief of these people without adding fuel to the flame. We have one department of our Government curtailing farming operations, and now we have this measure to encourage a host of others to go into the same business. It seems to me to be a contradiction in terms. We are to buy the equipment for them, we are to buy the land and give it to them, in effect, when those who have owned the land and owned the equipment could not make enough to pay taxes and live decently, but have even had to go and mortgage their places.

The fact is we established the Federal land bank for the purpose of trying to take over the mortgages and put them where, over a period of 25 or 30 years, the landowners might, by strict economy, amortize their indebtedness, pay a very low rate of interest and a very small amount on the principal, and in the course of time redeem their properties. Even in spite of that, the history of the land banks has been that there is still a disastrous number of foreclosures, in spite of the low rate of interest and the long-time small payments. We are going at this matter from the wrong end.

Mr. CONNALLY. Mr. President, does not the fact that the farmer gets low interest and a long time for payment raise the value of the farm land? That is why farmers cannot pay the loans. The man who buys a farm will pay more for it if he can get a lower rate of interest for a long time than he otherwise would pay; and that continues the difficulty of payment.

Mr. SMITH. I know of at least one farm that was appraised by the land-bank appraisers at $100,000, and the owner borrowed $20,000 on it. He could not sell it today for $20,000. Values of this kind fluctuate with conditions over which neither we nor anybody else will ever have any control, so far as the fluctuations are concerned, until we get at the matter in some other way than by offering cheap money and long-time payment.

I have called attention to this matter, Mr. President, because it seems to me rather a contradiction in terms that the Government is buying up marginal lands and converting them into parks and recreation grounds and insisting that we reduce our production, and then in the next breath and with another bill, is offering inducements for thousands to go into the production business. Whenever we make farming profitable we shall not have to induce anybody to go back on the farm. The reason why people are leaving the farm is because staying there means starvation and practical peasantry. That is where we have been, almost from time immemorial. Until we recognize agriculture as an integral part and a worthy part of our economic system and until we make provision in the financial world—in the market—for getting some means by which the farmer, in his disorganized way, can have a say in the price of what he has to sell, it is idle for us to stand here and talk about injecting artificial methods for his benefit.

I desire to call attention to just one other thing, and then I shall have finished.

Senators talk about our commercial banking system. Every man here knows that agricultural paper, no matter how gilt-edged it may be, in terms of agricultural banking

is frozen paper. It is not created to meet the difference between natural production and artificial production. All our industrial products are made under man-made law, controlled and governed by the industrialist both as to quantity and quality and adequately financed by him. The farmer, on the other hand, produces under conditions over which he has no control either as to quantity or as to quality, and when he comes to sell he takes what is offered, and when he comes to buy he pays the price set by the other man. That fundamental, radical difference spells the difference between the returns from the farm and the returns from industry.

In my opinion, if we were to address ourselves to formulating a banking system adapted to the farmer, to the radical difference between artificial and natural production, we would come nearer solving the problem than we would by offering him, under the terms of commercial banking, cheap money and cheap long-term loans. What he needs is a system of banking adapted to his peculiar and radical situation as compared to the industrialist. Give the farmer collectively, by the very logic of the financial system under which he works, an opportunity to name the price of the things he sells in accordance with the price of the things he has to buy, and we shall have taken the right step in solving the age-old and vexed problem of agriculture.

Mr. President, before this amendment shall be agreed to I hope we will extend, as the Senator from Georgia says he proposes to do, the same terms to those who have lost their farms, or are in process of losing them—and their name is legion—as we extend to the laborer and the tenant and the cropper in order to enable them to buy land.

Mr. GLASS. Mr. President, I hope we may have a vote on the amendment.

Mr. RUSSELL. Mr. President, I move to amend the amendment by inserting the word "farmers" after the word "by", on line 19, page 3.

The PRESIDING OFFICER (Mr. BYRD in the chair). The amendment to the amendment will be stated.

The CHIEF CLERK. Before the word "farm" in line 19, page 3, it is proposed to insert the word "farmers", so that it will read:

By farmers, farm tenants, croppers—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The CHIEF CLERK. On page 3, line 25, after the word "use", it is proposed to insert "only"; and on page 4, line 1, it is proposed to strike out the words "possessions, including the Philippine Islands" and insert "possessions", so as to read:

SEC. 2. The appropriation made herein shall be available for use only in the United States and its Territories and possessions—

And so forth.

Mr. GLASS. Mr. President, this amendment confines the use of the money to the United States and its Territories and possessions.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 4, line 18, after the word "shall", to strike out "not"; and in line 20, after the word "is", to strike out "less" and insert "more", so as to read:

The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall apply to any purchase made or service procured in carrying out the provisions of this joint resolution when the aggregate amount involved is more than $300.

The amendment was agreed to.

The next amendment was, in section 3, page 5, line 14, after the word "tenure", to strike out "and, without regard to the Classification Act of 1923, as amended" and insert "and", so as to make the section read:

SEC. 3. In carrying out the provisions of this joint resolution the President may (a) authorize expenditures for contract stenographic reporting services; supplies and equipment; purchase and exchange of law books, books of reference, directories, periodicals, newspapers, and press clippings; travel expenses, including the expense of attendance at meetings when specifically authorized; rental at the seat of government and elsewhere; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; printing and binding; and such other expenses as he may determine necessary to the accomplishment of the objectives of this joint resolution; and (b) accept and utilize such voluntary and uncompensated services, appoint, without regard to the provisions of the civil-service laws, such officers and employees, and utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as may be necessary, prescribe their authorities, duties, responsibilities, and tenure, and fix the compensation of any officers and employees so appointed.

The amendment was agreed to.

The next amendment was, on page 5, to strike out lines 18 to 24, inclusive, and all of page 6, in the following words:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized, to such extent and in such manner as he finds and prescribes as necessary to the efficient and coordinated administration of the powers exercisable under this joint resolution, to

(a) Establish and prescribe the duties and functions of governmental agencies (including corporations with corporate authority only as approved by the President and within the scope of this joint resolution);

(b) Utilize and prescribe the duties and functions of any governmental agency (including a corporation);

(c) Consolidate, redistribute, abolish, or transfer the functions and/or duties of, and transfer the property and/or personnel of, any emergency governmental agency (including a corporation); and upon the transfer to another agency and/or the abolition of all the functions and duties of any agency, such agency shall cease to exist; and

(d) Delegate the powers conferred on him under this joint resolution to any governmental agency (including a corporation).

SEC. 5. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in section 1)—

(a) To guarantee loans to, or payments of, needy individuals;

(b) To make grants and/or loans and/or contracts; and

(c) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, maintain, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

And to insert in lieu thereof the following:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in sec. 1) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

Mr. McNARY. Mr. President, would the Senator from Virginia be willing to move a recess at this time, as the next provision is section 6, which is very controversial?

Mr. GLASS. Unless the Senator from Arkansas [Mr. ROBINSON] desires an executive session, I shall be glad now to move a recess. I have sent word to him to that effect. If there is to be no discussion of this particular amendment, however, it seems to me it might be disposed of.

Mr. McNARY. If the Senator will bear with me, I should prefer to take it up the first thing in the morning, as I think there are one or two Senators who would like to consider the matter before taking a vote on it.

Mr. GLASS. I am informed that the Senator from Arkansas desires an executive session.

Mr. McNARY. Very well.

Mr. BORAH. Mr. President, what point have we reached in the bill?

Mr. GLASS. The top of page 7, section 4.

I did not quite catch what the Senator from Oregon said.

Mr. McNARY. I was suggesting, following a conference with the Senator from Virginia, that it was agreed that we would not take up section 6 this evening.

Mr. GLASS. No.

Mr. McNARY. I appreciate that section 4 has been read, but I think there are a few Members who possibly would like to be here when that section comes up; so I suggest that the

Senate now take a recess, or go into executive session, and take up section 4 the first thing in the morning.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter which I have received, under date of February 16, 1935, from Paul V. Betters, executive director of the United States Conference of Mayors, and the enclosed memorandum on the relief and public-works program, signed by Daniel W. Hoan, mayor of Milwaukee, president of the conference, and Paul V. Betters, executive director of the conference.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

UNITED STATES CONFERENCE OF MAYORS,
Chicago, February 16, 1935.

The Honorable ROBERT M. LA FOLLETTE,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR LA FOLLETTE: As you no doubt know, no opportunity was accorded the public officials of the cities and States to present testimony before the Senate Appropriations Committee when the $4,000,000,000 relief and Public Works measure was under consideration. In view of this fact, and on behalf of the United States Conference of Mayors, I am asking that you insert the attached brief memorandum on certain phases of the bill and program in the CONGRESSIONAL RECORD so that it is available to Members of the Senate. I am,

Faithfully yours,

PAUL V. BETTERS,
Executive Director.

MEMORANDUM ON RELIEF AND PUBLIC WORKS PROGRAM PREPARED BY THE UNITED STATES CONFERENCE OF MAYORS

THE EXISTING RELIEF SITUATION

It is the conclusion of the United States Conference of Mayors, after comparing conditions in the various cities and studying all available data, that the country is reaching a new normal level. Granted an improvement in conditions of today, the present number of unemployed cannot possibly be entirely taken care of by industry, agriculture, and business for some years to come. It therefore becomes necessary to think in terms of a long-time program which will meet what is called "the unemployment problem."

For the past several years the relief load has been steadily increasing in spite of national efforts to provide employment. Its present extent and seriousness is indicated by the following table, giving the number of families and single resident persons on relief last month (January 1935) in the 10 major cities of the country:

Number of families and single resident persons

New York City	327,186
Chicago	165,919
Philadelphia	98,224
Detroit	50,668
Los Angeles	133,642
Cleveland	73,040
St. Louis	42,381

Number of families and single resident persons—Continued

Baltimore	31,243
Boston	43,364
Pittsburgh	89,849

In the 142 urban areas representing 36 percent of the total population, and 65 percent of the urban population of the continental United States, there were last month (January 1935) 2,212,087 families and single resident persons on relief.

It is pertinent to point out that for 1933 and the first 9 months of 1934, relief costs in only the 37 largest cities amounted to $709,245,051.71.

THE PROGRAM

In September 1934, the executive committee of the conference presented to the President of the United States a general relief and work program based on certain principles. The foundation of this program was stated in the following words:

"The unemployed may well be divided, for the purpose of fixing the responsibility of their care, into two classes: Those people able to work, but unable to find employment; and those mentally, physically, or otherwise unfit for regular gainful employment. The latter eventually again must become the charges of the State and local communities (except men disabled in the military, or naval service, who always have been a Federal responsibility). The permanently involuntary unemployed, by reason of changed conditions, must be cared for in an established system, supervised by the Federal Government. It is recognized that owing to the great number of workers who cannot be absorbed employment must be created and found for them.

"We recognize that work relief must be given immediately to all unemployed."

Because the message of the President to this Congress and this bill are based on similar principles, we urge its immediate passage, realizing, however, that the $4,000,000,000 will hardly be adequate to carry the program to its intended goal; namely, the providing of work and wages to the employable group now on relief.

But this point must be made clear: Work on socially useful public projects is the only salvation. We do not feel the American people will tolerate the dole much longer, and as chief executives of the major urban centers of the Nation we must carry this warning to the National Government.

We have from the outset of this depression held and still do hold steadfastly to the belief that the best stimulus to recovery is a Federal public-works program promoted on such a scale as to make an impact upon private industry. Such a program not only lessens the burden of relief, but provides the method by which the cities and States of the Nation can be greatly benefited by permanent public works, creates employment, directly benefits industry and also agriculture by the increased purchasing power. There is a severe shortage in housing which is being augmented very rapidly by the stoppage of building operations in this field. There is not only need of a general demolition and rebuilding of our slum areas where they exist, but we must also provide for housing to help those not otherwise able to either acquire or live in suitable dwellings in accordance with American standards. Many of the nations of Europe have been compelled to attack this problem as a necessary social undertaking. We suggest enlarging the present program of the Federal Government as offering one of the best means of employing labor and stimulating business.

Second in importance is a provision for the financing of self-liquidating public works.

Next in order in the general field of public construction are those public facilities such as schools, public buildings, and so forth, from which the locality derives no direct revenue. Finally, we suggest that many localities are prepared to promote in a major way the abolition of present street crossings, grade crossings over railroads and interurban lines at grade.

FINANCIAL ARRANGEMENTS

In connection with the $4,000,000,000 relief and work program, we conceive it to be our duty to inform the Congress and the Federal Government that in the main, the scheme of loaning Federal funds to cities at 4-percent interest is no longer applicable to the present situation. This must be a federally financed program. The existing municipal-debt situation is at such a level as to make impossible additional financial obligations by the vast majority of American cities. We suggest, however, on the basis of recent studies made that some loans can be absorbed by a few selected cities if the interest charge is nominal. But the program is bound to fail if reliance is placed upon loans to cities.

Finally, we urge upon the Federal Government the necessity of lodging responsibility for administering the program in some one agency, and that any rules and regulations be flexible enough to permit adaptations to local conditions.

DANIEL W. HOAN,
Mayor of Milwaukee,
President United States Conference of Mayors.
PAUL V. BETTERS,
Executive Director United States Conference of Mayors.

R. F. C. AN AID IN RECOVERY—ADDRESS BY JESSE H. JONES

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have inserted in the RECORD an address by Hon. Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, delivered before the Saturday Afternoon Forum of the National Democratic Club, in New York City, on February 9, 1935, on the subject "R. F. C. an Aid in Recovery."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the National Democratic Club, and friends: Being fully aware that many distinguished men and noted orators have been your guest speakers over this Nation-wide forum, I can only hope to interest you in a short account of my observations of the affairs of our country, through my participation in the efforts of Government to bring about a correction of our many difficulties.

While appreciating the honor of being invited to address you, I was reluctant to accept, because of the great demand upon us at this particular time. But when the Postmaster General, Hon. James A. Farley—your own "Jim"—invited me, he would not take "no" for an answer.

And so I am here, asking your kind indulgence for 20 minutes—remembering the deacon's advice to the new preacher, that, while there was no time limit on sermons in that particular church, as a rule no souls were saved after the first 20 minutes.

Before going into the subject assigned to me by your committee—the R. F. C. Progress and Prospect—I should like to direct your attention to President Roosevelt and the great responsibility which is his.

The R. F. C. is but one of many Government agencies whose purpose is to bring relief to distressed people and to impoverished business of every character throughout the country. If you look about you, wherever situated, you will find some Government agency taking an important part in the affairs of your locality.

Those in charge of each of these agencies, as well as every member of the President's Cabinet, look to the President, and expect him to understand their problems and to give them advice and counsel. As I sit in the Executive council meetings, which include the President's Cabinet, and the heads of these various agencies, and see the grasp which the President has upon the operations and purposes of each, I am little short of amazed.

But while he has a clear understanding of their purposes and the necessity for them, he must rely upon the heads of departments for their administration, as well as for suggestions as to

how they can be made more effective. Their success will be measured by the capacity and fidelity of the men he appoints to direct them.

Recognizing the wide range of human nature in point of capacity, initiative, and fidelity, we must appreciate that the President cannot be held to account for inevitable mistakes in administration.

The success of the program as a whole is the thing to be judged.

If we stop to consider the state of affairs that existed when President Roosevelt took office, and contemplate that we had practically reached a state of economic chaos, and compare that situation with the relatively comfortable conditions now existing, we must acknowledge that in the short period of less than 2 years a very great deal has been accomplished. I ask the most severe critic if he would like to go back to March 1933?

There are many honest differences of opinion as to the best methods for bringing about recovery, but we all acknowledge that difficult problems are never solved by ignoring them.

Some believe that a policy of Government lending and spending for construction projects is a palliative and not a cure. Admitted—but certainly many useful things can be built with public funds that will not interfere with private operations and that private funds could never build.

Lending to deserving citizens to repair their shattered and weakened business structures makes it possible for them to resume operations and go on in a normal way.

There seems no sound argument against such Government activities as these, if done intelligently. Both will stimulate business and provide employment.

But private initiative and private business must do the principal job.

Giving money away is the most dangerous of all forms of relief—particularly when we give as much as people can earn by working. This method of relief, while in a measure necessary, if continued too long, will spell ruin.

No one must be allowed to suffer for lack of life's necessities, but self-reliance must be encouraged and thrift rewarded. Money must be valuable enough to work for, but not so valuable that people cannot earn a living working for it.

And speaking of thrift, every citizen should strive to own his own home and should take a greater interest in it than he does in his automobile.

There is no royal road down which a privileged few may travel or that the underprivileged may march to affluence without effort. Neither predatory paradises nor economic fairylands have any place in a democracy. We must strike a balance and not try to uproot or overturn the precepts and principles of our Government.

As I see it, that is the course our President is taking, and I would remind you that there is as much danger on one side of the road as there is on the other. So think it over, those who are not satisfied with the methods that are being employed and progress that is being made.

It has been my privilege to be a part of the R. F. C. since the date of its organization in February 1932, and to have been given much greater responsibilities by President Roosevelt. The R. F. C., since his administration, has been greatly expanded in keeping with his broad program of recovery, and has been of very real service in that program. Our operations have extended into all fields, and have reached practically every citizen of the United States in one way or another.

During the first year of our existence we were occupied night and day in the struggle against the general break-down which reached its culmination in March 1933. The effort to support and bolster the banking structure of the country was so tremendous that there was little time for anything else.

After the inevitable bank holiday our problems increased, and the task was one of salvage and rehabilitation—reconstruction. Depositors in banks which could not be reopened clamored for their deposits. Many banks that were reopened had to have more capital. Farm credits were necessary. Building-and-loan associations and mortgage loan companies needed to be propped up. Livestock was at its lowest ebb. Corn was selling at 10 cents a bushel, wheat at 30 cents, cotton at 6 cents a pound, with little or no market for tobacco, and so on. Federal and joint-stock land banks were having their difficulties. Altogether it was a hectic period—the latter part of 1932, all of 1933, and a part of 1934.

The offices of the R. F. C. were like a great hospital behind the battle lines, with the wounded and maimed coming in from every front; strong men beaten down to the point of despair; institutions of long standing going on the rocks; and credit literally dried up. The days and nights were not long enough to wait upon those who came for assistance. Such days we should like to forget, but never can.

Seeing people in trouble makes better and more considerate men of all of us, and I hope the world benefits from the terrible experience through which we have just passed.

And while those dark days are behind us, let's not forget that there are boiling beneath the surface today forces as dangerous to our welfare as those which came into eruption 3 years ago.

These include some who are crying to be let alone, insisting that we are no longer ill, and that no further curative treatment is necessary. Such persons do not understand mass psychology.

Others seek to capitalize this unrest by holding out false hopes through demagoguery of one kind or another.

What we need most is a better understanding between those inclined to the right and those wanting to go to the left. The President has the common understanding, and the great emergency program which he is carrying through is a testimonial to his vision and determination to bring about recovery.

He has made use of and expanded the emergency agencies which he found when he came into office—the R. F. C. and the home-loan banks. To these he has added the Home Owners' Loan Corporation, Public Works, the Farm Credit Administration, Federal Housing Administration, Deposit Insurance Corporation, the Civilian Conservation Corps, Tennessee Valley Authority, the Federal Emergency Relief Administration, the National Industrial Recovery Administration, the Commodity Credit Corporation, and many others.

R. F. C. operations prior to March 1933 totaled approximately $2,000,000,000. Since that time seven billions has been added, including $1,300,000,000 used for direct relief and $700,000,000 to other Government agenchies.

One billion two hundred million dollars has been put into bank capital in almost 7,000 banks. More than a billion dollars has been loaned to bank receivers for distribution to depositors in closed banks.

More than a billion and a half dollars of R. F. C. money has been made available to farmers through the Farm Credit Administration and for commodity loans.

Through these operations, cotton, corn, wheat, tobacco, and many other farm products are now selling at living prices.

All together, $9,000,000,000 has been authorized through the R. F. C., and except for the funds used in direct relief, and allocations to other Government agencies, it is being handled in a businesslike way, and there will be little ultimate loss to the taxpayer.

Our repayments have already exceeded two and a half billion dollars.

Congress has just extended the active life of the Corporation for 2 years, subject to termination at an earlier date by Executive order of the President. It gave us some added authority pertaining to industrial loans, real-estate loans, and loans to railroads.

Loans to industry have been difficult to make because of the badly depleted state of many offering to borrow, together with poor prospects of their being able to repay the loans. But it is the purpose of our directors to try all the harder to make these loans where possible under the law, especially where employment can be maintained or increased. In fact we can only make such loans under these circumstances.

We are authorized to make loans for as long as 10 years, not only to industry but also to others. We requested this added authority largely in the interest of the depositors in closed banks, the assets of which will yield more if liquidated over a longer period, and to help real-estate debtors. We should like to help people save their properties where possible, and we want to encourage and assist the organization of mortgage companies throughout the country. The Congress gave us this authority.

We do not want the Government to do all the lending, but the Government wants to assist in starting mortgage companies that will be operated on a sound basis, and that will lend on real estate at fair rates, both to meet present indebtedness and for new construction where the new construction is justified.

We are given some added authority in loans to railroads, largely for the purpose of assisting in reorganization. To what extent we can make use of this added authority is yet to be determined. We did not ask Congress for any additional funds, believing that we had all that we could safely use for the year 1935, approximately a billion dollars; and if our operations are serving a good purpose and more will be needed a year from now, Congress will be in session and can make provision. We do not want to continue the R. F. C. 1 day longer than it can be useful as an emergency organization.

In conclusion, I should like to observe, and with great emphasis, that there are increasing indications at every hand that conditions are improving. There is no longer fear in the hearts of people, only concern for the unemployed and anxiety about that phase of our situation. Great progress has been made and we have simply got to continue pounding away until the job is finished.

This we will do, as intelligent American citizens, under the leadership of Franklin Roosevelt.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Leo J. Keena, of Michigan, now a Foreign Service officer of class 1 and a consul general, to be Envoy Extraordinary and Minister Plenipotentiary to Honduras.

Mr. McGILL, from the Committee on the Judiciary, reported favorably the nomination of John G. Utterback, of Maine, to be United States marshal for the district of Maine, to succeed Burton Smith, appointed by court.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Maj. Gen. (temporary)

John H. Russell to be a major general in the Marine Corps from the 1st day of September 1933.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of sundry postmasters.

The PRESIDING OFFICER (Mr. BYRD in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order. The clerk will state the first nomination.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations for promotions and for an appointment in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 35 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Tuesday, February 19, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 18 (legislative day of Feb. 15), 1935

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Capt. Charles August Hoss to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Edward Eugene McCammon, Infantry.
Albert Thurston Rich, Quartermaster Corps.
Charles Bean Amory, Jr., Cavalry.

TO BE LIEUTENANT COLONELS

Harvey Henry Fletcher, Infantry.
John Frederick Landis, Infantry.
Joseph Stephens Leonard, Infantry.

TO BE MAJORS

Guy Douglas Thompson, Cavalry.
Marlin Clark Martin, Infantry.
David Lee Hooper, Corps of Engineers.

TO BE CAPTAINS

David Adams Taylor, Cavalry.
Edward Ward Smith, Ordnance Department.
Ronald Austin Hicks, Air Corps.
John Hadley Fonvielle, Coast Artillery Corps.
John Bartlett Sherman, Infantry.
Elmer Vaughan Stansbury, Cavalry.
Joe David Moss, Coast Artillery Corps.

TO BE FIRST LIEUTENANTS

Stanley Walker Jones, Infantry.
Francis Hobdy Lynch, Infantry.
Ronald John Pierce, Infantry.
James Joseph Fitzgibbons, Infantry.
Robert Henry Chard, Infantry.
Herbert John Vander Heide, Infantry.
Luke Bruce Graham, Infantry.
Rexford Wellington Andrews, Infantry.

POSTMASTERS

OHIO

Lata A. Barr, Amanda.
Floyd L. Carr, Bedford.
John D. Moorehead, Bethel.
Florence B. Nichols, Burton.
Ralph W. Litzenberg, Centerburg.
Dee C. Franks, Clyde.
Virgil Davis, Corning.
Curtis D. T. Watts, Crooksville.
Burton R. Taylor, Dresden.
Marion D. Freeders, Fairfield.
Lewis P. Jenkins, Huntsville.
Harry C. Lieurance, Jamestown.
James Woodward, Mineral Ridge.
Alice Marie O'Meara, Mount St. Joseph.
Henry J. Brubaker, New Carlisle.
John J. Cawley, Painesville.
William E. Alexander, Spring Valley.
Robert C. Boylan, Struthers.
Harry L. Hackett, Yellow Springs.

OKLAHOMA

Wade H. LaBoon, Chickasha.
Claude E. McMahan, Minco.

PENNSYLVANIA

Dennis J. Murphy, Barnesboro.
Henry C. Schultz, Easton.
Herbert H. Park, Gibsonia.
Joseph P. Stein, Glassport.
Thomas J. Geist, Hegins.
J. Paul Garrett, Herndon.
Lewis H. Mensch, Marienville.
Samuel B. Miller, Mifflinburg.
Claude E. Musser, Millheim.
Walter S. Mervine, Mount Pocono.
Chester A. Bower, New Oxford.
William G. Bott, New Sheffield.
Charles Gubin, Northumberland.
Joseph F. Gallagher, Philadelphia.
J. Harry Brownmiller, Schuylkill Haven.
Thelma G. Mackle, Seelyville.
Joseph E. Staniszewski, Shamokin.
Karl Smith, Sharpsville.
John A. Maurer, Tremont.
Mae Morgan Beagle, Watsontown.
Jeane C. Lewis, Weedville.
W. DeLancey Rinehardt, York.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 18, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, incline our hearts toward Him who reviled not when He was reviled, who bore with patience and fortitude the cruelty of the cross and died with these sublime words upon His holy lips: "Father, forgive them, for they know not what they do." We thank Thee for the divine love that means the emancipation of all struggling mortals. We praise Thee that it is so eloquent of hope and eternal life. Heavenly Father, do Thou rule above the convulsions and the confused strife of the nations. O stay their foundations, and may they no longer rock beneath their feet. Blessed Lord, engaged as we are in a series of earnest labors, draw us toward the truth and awaken in our breasts the richest sentiments. Merciful God, guard our lips, keep our hearts free from guile and warm them with brotherly love, and Thine shall be the glory forever. In the name of Jesus. Amen.

The Journal of the proceedings of Friday, February 15, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 10. Concurrent resolution authorizing the Secretary of the Senate, in the enrollment of S. 932, to insert

the following title to conform to the amendments of the House of Representatives, namely: "An act to postpone the effective date of certain restrictions respecting air mail contracts."

The message also announced that the Vice President had appointed Mr. COPELAND and Mr. MCNARY members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the Commerce Department.

PAYING VETERANS WITH BILLS INSTEAD OF BONDS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address that I made last Friday night over the National Broadcasting Co.'s hook-up.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address made by me over a National Broadcasting Co. network Friday, February 15, 1935:

I desire to thank the National Broadcasting Co. for the use of its facilities.

NO BONUS

I will speak on the subject of paying the adjusted-service certificates in bills instead of bonds. An adjusted-service certificate, although often referred to as a "bonus certificate", does not represent a "bonus." The word "bonus" is a misnomer, does not appear in the law, was coined by the enemies of the legislation, and should never be used. Three and one-half million veterans of the World War hold adjusted-service certificates ranging in value from $126 to $1,590 each, the average about $1,000. The question of pay that men should receive when they entered the service during the war was not settled when the Selective Service Act was passed. And when the war was over Congress decided to adjust the pay of those who served, in view of the fact that workers in civilian life during the war received from $8 to $20 a day. Congress decided to give the veterans $1 a day extra for each day they served in the United States and $1.25 a day extra for each day they served overseas. Adding this adjustment to what they actually received during their service, the amount is about one-fourth or one-fifth of what many of them were receiving in the shipyards and munition factories when they entered the service. Although the amount is small, the veterans are not asking that the adjustment be changed. Instead of giving them the amount confessed was due, false and misleading statements as to the condition of the Treasury, gage-rule tactics, and star-chamber proceedings caused the veterans to be compelled to accept an I O U or a post-dated check, payable in 1945, or 27 years after they rendered the service.

CERTIFICATES PAST DUE

Many people cannot understand why we claim it is due now. The reason is that interest on the amount for 7 years was entirely overlooked. In my presence the Secretary of the Treasury admitted that he completely ignored interest for 7 years in arriving at the amount due the veterans.

Therefore, if Congress will now revise the contracts so as to give the veterans the amount acknowledged to be due as of the time they rendered the service, instead of 7 years later, and make a fair adjustment of interest, each veteran who holds a certificate was entitled to an amount equal to the full face or maturity value of it October 1, 1931.

WAR DEBT COULD HAVE BEEN PAID BY 1927

Suppose the holders of Liberty bonds should discover that interest for 7 years had been overlooked. One of such holders would make more noise than a thousand veterans are now making under similar circumstances. It is interesting to note that the Congress and the country were persuaded to believe that this money could not be paid in cash in 1924, when it is now a well-known fact that if the war-time profits tax, which had for its purpose making those who profited by reason of the war pay the cost of the war, had remained as the rates were in 1918 the entire national debt would have been liquidated and our country would not have owed one penny by 1927.

INTEREST CONSUMES HALF OF CERTIFICATES

Commencing January 1, 1927, the holders of these certificates were allowed to borrow a small amount each year. They paid 6, 7, and 8 percent interest, compounded annually, for their own money, although the rate has since been reduced. The arrangement is such that by 1945 the veteran who has borrowed 50 percent of his certificate—and 85 percent of them have—will receive practically nothing, since compound interest paid to the banks and to the Government will consume the remaining half of his certificate.

If the certificates are dated back and a fair adjustment of interest made, the veteran who has borrowed 50 percent has received what is equivalent to the accumulated interest, the principal remains intact.

6-YEAR CAMPAIGN

For 6 years many of us have been trying to convince the country that this debt can be paid in cash, without issuing bonds or paying extra taxes, by merely substituting one form of Government obligation, which is now a frozen asset in the hands of the veterans, into a circulating obligation, United States notes. On two different occasions the House of Representatives passed this bill, the last time in 1934 by the overwhelming vote of 295 to 125.

RESOLUTION OF AMERICAN LEGION

At the American Legion convention at Miami, Fla., a resolution was passed asking for this payment without creating any additional debt. Notwithstanding this mandate and notwithstanding the fact that the Congress and the country have been sold on just one proposal, which is embodied in House bill no. 1, of which I am the author, the elected leader of the American Legion, Mr. Frank N. Belgrano, Jr., has caused to be introduced in Congress a bill, no. 3896, an entirely different proposal. Section 5 of the Belgrano bill in regard to payment is as follows: "There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act." Therefore, if this bill should pass the House and the Senate and should be approved by the President or his veto overridden and should become a law, the veterans cannot get their money under the terms of this bill. They will not even be in sight of the money, as the bill merely authorizes an appropriation to be made. Before the money can be paid, another bill will have to be introduced and referred to the Appropriations Committee, passed in the House and in the Senate, and either approved by the President or his veto overridden. If no agreement as to method of payment can be arrived at, the law authorizing the payment will not be worth a row of pins to the veterans.

BELGRANO REFUSED TO COOPERATE

We have been warned many times by the Chief Executive of this Nation that any bill providing for a large expenditure of funds must carry provisions for its payment. Our steering committee, composed of 21 Members of the House, sought a conference with Commander Belgrano, hoping to discuss this matter and be able to present a united front, but he refused to discuss it with us.

KINDS OF MONEY IN CIRCULATION

Under the terms of House Bill 1 the veterans will be paid in United States currency, the same kind of money that is issued daily to the banks. There is in circulation today in the United States about $5,000,000,000 in paper money and coin—$3,000,000,000 of this money in Federal Reserve notes, 1 billion national bank currency, and the remainder United States notes, silver certificates, and minor coin.

MONEY COST 27 CENTS A THOUSAND DOLLARS

Let me tell you how these Federal Reserve notes were put into circulation. The Federal Reserve banks purchased United States Government obligations, some of them payable in 1945 and some as late as 1961. They deposited these securities with the same Government they purchased them from and received in return an equal amount of paper money or Federal Reserve notes, which were paid out to the people in the regular course of business. While the banks use this money the Government also pays them interest on the bonds deposited to secure the money. They do not pay anything for the use of the Government credit, no tax, and have absolutely no expense except about 27 cents a thousand dollars, the actual cost of printing.

NATIONAL BANKS ISSUED A BILLION

National banks of the country have deposited almost $1,000,000,000 of Government bonds and received this same amount in currency. While they use the currency they get interest on the bonds. National banks are also given the privilege under the law of lending $10 in credit to every $1 that it has in its vaults. Therefore about four-fifths of our money that is in circulation has been received by banks in return for deposits of Government obligations.

BELGRANO CONDEMNS 295 HOUSE MEMBERS

I am an ardent and enthusiastic supporter of the American Legion. It is one of our greatest organizations. It is a great pity that the national commander is attempting to do something that is contrary to the wishes of the rank and file. Commander Belgrano has seen fit to question my sincerity and has in no uncertain terms condemned the plan to pay the veterans that more than 295 Members of the House of Representatives have said was the best plan.

The commander says that the Legion never attempts to tell Congress how funds should be raised. I presume he is right. However, never before has a national commander had a mandate which requires him to ask for the payment of a debt in a way that no new or additional debt will be created. House bill 1 is the only bill before Congress that will carry out this mandate.

The commander, in a news release immediately after his bill was introduced, called our plan fantastic and theoretical and accepted considerable credit for doing what he called "taking the issue out of the dangerous realm of financial and political fantasies and bringing it down to the solid ground of fact."

$1,350,000 ANNUAL BONUS TO COMMANDER'S BANK

Although the commander has questioned my sincerity, I shall not question his. I shall not deal in personalities, but certain facts, I think, we should get straight. The commander is vice president of the fourth largest bank in America. This bank has deposited $45,000,000 in Government bonds and has received $45,000,000 in currency. In addition to using the currency and being privileged under the law to lend $10 to every one that it has, it also gets approximately $1,350,000 a year interest on the bonds deposited to secure the currency.

COMMANDER BETWEEN TWO FIRES

Here is the delicate and, possibly, embarrassing position in which our commander is placed: House Resolution 1 provides that if, after $2,000,000,000 have been paid to the veterans, there should be evidence of undue expansion of the currency, or danger of unbridled inflation, the Secretary of the Treasury may require the Federal Reserve banks and the national banks to return some of the currency that has been furnished to them, cancel the currency and return the bonds that the banks deposited to secure it.

Therefore, the $1,350,000 a year "bonus" that the Bank of America receives on the $45,000,000 in money, is possibly in jeopardy. If the commander supports House Resolution 1 and later on the Secretary of the Treasury should tell his bank to return their money and get their bonds, the commander would probably feel as if he had directly contributed to the loss of $1,350,000 a year to his institution.

On the other hand, if he does not support this bill he will doubtless realize that he is violating the mandate of the Miami convention of the American Legion that elected him.

QUESTIONS

I have notified Commander Belgrano to listen in on this talk, and I want to ask him a few questions which I hope he will answer.

First. Is it right for your bank to continue to receive interest on Government bonds, payable in 1945 or in the future, that have been deposited in return for the issuance of currency?

Second. If it is right for your bank to receive such money and continue to receive interest on the bonds, would it not be in the interest of the general welfare for the veterans to deposit 1945 obligations and receive "new money" in return for them?

Third. Will you admit that our plan for the veterans to obtain money in return for Government obligations is a sound plan and just as sound as the one now enjoyed by the banks, and that the money issued to the veterans will be just as good money as the money issued to the banks?

Fourth. If you should answer this last question in the negative, will you please explain why it is fair and right for the banks to deposit obligations payable January 1, 1945, and get new money in return and is not fair and right for the veterans to do identically, and in the same manner, the same thing?

Fifth. If you agree that the veterans are entitled to the same rights now enjoyed by banks, will you please wire each member of the Ways and Means Committee of the House that you are in favor of House bill No. 1 and request that it be reported favorably to the House at once? If you will, I have every reason to believe that this bill will be reported out of the committee and successfully passed in the House within 2 legislative days. This action on the commander's part will disprove any thought that might be in the minds of the veterans that his banking connections are influencing his actions as National Commander of the American Legion.

COMMANDER'S BANK ALSO HOLDS QUARTER OF BILLION GOVERNMENT BONDS

The commander's bank, according to the latest available report, holds $215,000,000—almost a quarter of a billion dollars—in United States Government securities, upon which it collects in interest annually about $6,000,000, and which are tax exempt. There is nothing wrong about it, and I am not criticizing the commander or his bank. This bill, H. R. 1, however, is regarded by some as making a definite step in the direction of the Government's abandoning the practice of issuing such tax-exempt interest-bearing bonds and quitting the practice of the Government paying a few large bankers for the use of the Government's own credit.

Our proposal will not be affected by the gold decision. There is in the Treasury $1.50 in gold and 20 cents in silver to every dollar that is outstanding. The money we propose to issue can be supported by a 100-percent gold reserve without jeopardizing in any way a sound monetary system.

BANKERS' RAKE-OFF

Those of us who are supporting House bill No. 1 want to pay the debt without giving a few powerful bankers their usual and customary rake-off. If tax-exempt interest-bearing bonds are voted to pay this debt, as will be required under the commander's bill, by the time the bonds are paid the coupon clippers will have received $2,000,000,000 in interest, the same amount that the veterans will have received on the debt. Therefore, the commander's bill may be truthfully labeled "Belgrano's bankers' bonus bill." I am not fighting individual banks or bankers, but I am opposed to a part of the system that is vicious and destructive; many banks, as well as the people, are its victims. The new Steagall-Fletcher bill, sponsored by Hon. M. S. Eccles, Governor of the Federal Reserve Board, is a long step in the right direction of making a better system.

100 COAUTHORS OF H. R. 1

Summing up: Permit me to outline the merits and name the endorsers of House bill No. 1. At least 100 Members of Congress should be known as "coauthors" of this bill. It is supported by the American Legion, the Veterans of Foreign Wars, and the veterans and the people of the country generally. It will pay the balance due without a bond issue or an increase of taxes without the least danger of unbridled inflation.

COUPON CLIPPERS PREFER H. R. 3896

Who are some of the supporters of House bill No. 3896, the commander's bill? The elected and appointed leaders of the American Legion, but not the rank and file. The American Liberty League, better known as the "American Liberty Bond League", prefers his bill. The American Veterans Association, which should be known as the "Anti-Veterans Association", and the National Economy League prefer the commander's bill. All Wall Street and international bankers and large coupon clippers generally prefer the commander's bill. I have no pride of authorship. I want the veterans to get their money. They need it now and can buy more with it now than in the future. If it is not paid to them now, the banks and the Government will take the remaining half as compound interest on the first half. I shall gladly agree with the commander of the American Legion or any Member of the House of Representatives to introduce the bill that has been sold to Congress, the country, and endorsed by the major veterans' organizations, and I will whole-heartedly and enthusiastically support it. What we want is results, and we can get results if the commander will keep his mind on carrying out the Miami resolution, forget bankers and bonds, and I will forget authorship. We can work shoulder to shoulder and help both the veterans and the country by putting this thing over.

PAYMENT WILL SAVE GOVERNMENT $1,500,000,000

Remember that this payment can be made without cost to the Government under House bill No. 1 and actually save the Government a billion and a quarter dollars. Remember, too, the push and pull provisions of House bill No. 1 relating to the money, while the veterans are being paid United States currency, the same kind of money now in circulation, if there is danger of inflation, the Secretary of the Treasury may cause national banks and Federal Reserve banks to return for cancelation an equal amount of currency that has been issued to them. This will prevent any danger of unbridled inflation. Personally, I do not believe that any of this currency will be retired as it is very much needed in circulation. We have the lowest per capita circulation of money since March 1917. If Commander Belgrano and the other owners of that great banking institution are shivering in their boots for fear that they might lose more than a million dollars a year bonus, I will console them by saying that if any money is retired, I think the Secretary of the Treasury will retire Federal Reserve notes first, and it will be unnecessary to retire any of the national banks' currency by reason of this payment. I believe that the Ways and Means Committee will complete the hearings on the old-age security bill in a few days, after which we are assured a hearing on House bill No. 1 and on all other related bills.

PAYMENT WILL KILL UNREASONABLE DEMANDS

If the payment is made now and veterans should make an unreasonable demand, public sentiment will be against it. But, if you let a few banks of the country and the Government unfairly deprive the veterans of half of their certificates, public sentiment will likely be with them for anything they want—reasonable or unreasonable.

A DOLLAR FOR BANKERS TO EVERY DOLLAR FOR VETERANS

Our efforts are directed toward paying the veterans this debt, which we believe will be of tremendous help to the entire Nation, and we are endeavoring to do it in a way that we will not have to pay a few powerful bankers a dollar for every dollar we pay the veterans. At the same time we are not asking for the adoption of any new principle for the issuance of money. Such payment will be distributed quickly and uniformly into every nook and corner of this Nation. It will go to every race, color, and creed, to those engaged in every avocation, trade, and business and the unemployed. It will not only help the veterans, it will help everybody.

INEFFICIENCY AND MISMANAGEMENT OF THE HOME OWNERS' LOAN CORPORATION IN PENNSYLVANIA

Mr. ELLENBOGEN. Mr. Speaker, I want to discuss the operations of the Home Owners' Loan Corporation as they are taking place in the United States, and particularly in my own State of Pennsylvania.

PENNSYLVANIA'S POOR H. O. L. C. RECORD

I want to place before the House official facts and figures which I have obtained from the main office of the Home Owners' Loan Corporation in Washington. I want to show how far Pennsylvania is lagging behind other States. I want to point out the poor record made by the officials of the Home Owners' Loan Corporation in this State.

First, let me give you a few facts about the State of Pennsylvania. Pennsylvania has 1,056,649 nonfarm homes which are occupied by their owners—more homes than any other State. Economic conditions in the State of Pennsylvania are perhaps the worst of any State in the Union. Certainly the distress among the home owners in Pennsylvania is as great, and probably greater, than in most States in the

Union. It would be reasonable to suppose that Pennsylvania would have the largest number of loans closed and the highest amount of bonds issued.

LOW PERCENTAGE OF LOANS CLOSED IN PENNSYLVANIA

But instead of being at the top of the 48 States in the Union, Pennsylvania is the second from the bottom of the list. This means that, with the exception of one State, Pennsylvania has the lowest number of loans closed in comparison to the number of applications received. For the United States as a whole, 62.1 percent of all net applications filed have been converted into actual loans. In Pennsylvania only 49.7 percent of the net applications filed have actually been closed.

Pennsylvania, which should lead the entire Nation in loans closed, has the smallest percentage of loans closed of any State except one. Furthermore, if instead of taking the net applications we take all applications, Pennsylvania's showing is even much poorer than that.

The best State in the Union is the State of Nevada. Eighty-nine and eight-tenths percent of all applications have actually been closed and the money or bonds paid out.

Here are two more examples:

In the District of Columbia loans closed amount to 84.3 percent, and in the State of Oklahoma 84.2 percent. I repeat, compare these with Pennsylvania's 49.7 percent.

RECORDS OF OTHER STATES

With an efficient administration of the Home Owners' Loan Corporation, Pennsylvania should lead the entire Nation in the number of loans closed. It should be no. 1. Instead of being no. 1, Pennsylvania is no. 7, as far as the total of closed loans is concerned. As of January 31, 1935, 36,669 loans had been closed in Pennsylvania, totaling $106,524,103.

Pennsylvania has a population, according to the 1930 census, of 9,631,350. Michigan, whose population is one-half of that of Pennsylvania (4,842,325), is no. 3 as of the same date. It has 53,329 loans closed, totaling $150,851,020. Ohio, with a population of only two-thirds of the population of Pennsylvania, has nearly twice as many loans closed as Pennsylvania, namely 66,485, totaling $204,645,699. Wisconsin, with a population of less than one-third of Pennsylvania's, has loans closed totaling $91,983,641, as against $106,000,000 of loans closed in Pennsylvania.

H. O. L. C. DELAYS IN PENNSYLVANIA

These figures, Mr. Speaker, demand an explanation. Why has Pennsylvania made such a bad record? Why is it that in this great State, with so many hundreds of thousands of home owners in distress, the progress of giving them relief has been so appallingly slow?

What has caused these delays? Why have applications for home relief been held up in the files of the Home Owners' Loan Corporation for months and months when efficiency, cooperation, and above all, a sympathetic attitude on the part of the Home Loan officials, and a real desire to be of help to distressed home owners, would have moved these applications through in weeks?

I ask these questions because thousands of other home owners are asking them. They have asked them of me and of Washington and of everyone else to whom they have turned in their need.

These conditions have been brought about in the State of Pennsylvania because the administration of the Home Loan offices throughout the State has been inefficient to a deplorable degree.

H. O. L. C. INEFFICIENCY AND WASTE IN PENNSYLVANIA

I charge more than inefficiency. I charge waste. If the cost of operation in Pennsylvania and in the other States are compared, it will be shown that Pennsylvania, although it is far behind in the number of loans closed, is very much among the leaders in the amount of money expended in administration costs.

AUTOCRATIC ATTITUDE OF H. O. L. C. OFFICIALS

One would surely think that men who have shown such a lack of organizing and business ability, men who have failed as have those who have been in charge of the various offices in Pennsylvania, would have a sense of humility and a realization of their shortcomings. Not so with some of the managers of the Home Owners' Loan Corporation. These men are not only not humble, they are autocratic, arrogant, and hard-boiled. They do not know how to run their offices, and they do not know how to talk to the home owner who is in distress.

While these men have been fiddling and idling away their time, while these bureaucrats invent form after form and questionnaire after questionnaire to plague him, the home owner is faced with the sheriff, with a writ of foreclosure, and in thousands of cases has actually lost his home.

The home owners are fast losing hope in Pennsylvania; the sheriffs are working overtime; but the red tape, the excruciating delays and procrastination in the House Owners' Loan offices continue.

With a writ of foreclosure in his pocket, faced with the loss of his most precious possession, the home owner knocks at the door of the H. O. L. C. office in Pennsylvania and, instead of a loan, instead of assistance and aid, he receives a questionnaire or some form to fill out.

CHANGE NEEDED AT ONCE

As one who has fought these conditions week after week and month after month, I ask: Is Pennsylvania helpless against these bureaucrats? Is there no way for speedy and just relief of the home owner? Must Pennsylvania march in back of the procession instead of carrying the banner at the head?

I am thoroughly aware of the seriousness of the indictment which I have brought against the administration of the H. O. L. C. in Pennsylvania. It is more than justified by the poor administration given to Pennsylvania and by the grave conditions of the home owners in Pennsylvania.

DISCRIMINATION IN GRANTING HOME LOANS

I want to add to the charges of inefficiency and mismanagement that I have made. Let us turn to the position of the holder or owner of a mortgage. Many of these who own small mortgages are themselves in difficult financial straits. They also have been discriminated against. In at least one Home Loan office in Pennsylvania—the district office located in Pittsburgh—orders were issued to discriminate in favor of large corporate holders of mortgages by speeding the completion of home loans in cases where the mortgages were held by large financial institutions. This meant, of course, that mortgages held by individual mortgage holders had to be neglected.

Mr. Speaker, this is the Home Owners' Loan Corporation in Pennsylvania. This is the agency which has only one reason for its existence—to save the homes of the people of this country.

I say that we must have a change, and we must have it now. Until we get that change in Pennsylvania I shall continue to criticize the Home Owners' Loan Corporation until I feel that every home owner is receiving from it the full measure of help to which he is entitled.

ADMIRAL ROBERT E. COONTZ

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the life, character, and public service of Admiral Robert E. Coontz, of Missouri.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, Americans everywhere who have given any thought, consideration, or attention at all to the American Navy during the present generation are familiar with the name of Admiral Robert E. Coontz, who died at Puget Sound Navy Yard Hospital at Bremerton, Wash., on January 26 of this year, and those who are familiar with the tradition of the American Navy and who were personally acquainted with Admiral Coontz realize that there has passed from this earth one of the finest gentlemen and one of the very best American citizens and one of the most distinguished naval officers our country has ever produced.

It was my fortune to have known Admiral Coontz for many years. He was born at Hannibal, Mo., June 11, 1864,

and there on the first day of this month he was laid to rest on the banks of the Mississippi River, at the home of his childhood and among his friends whom he loved so well and among those who will cherish his memory to the end.

Admiral Coontz graduated from the United States Naval Academy in 1885, and was retired June 11, 1928. Admiral Coontz gave 47 years of active service in the Navy, and he retired with a most enviable record for efficiency. Apparently everything he undertook to do was well done, and his record in the Navy Department is one of which all Americans can well be proud. He was a man of most excellent character. As a boy and young man he stood well in his community and maintained that splendid reputation throughout life, and wherever duty called him he commanded respect.

During his long years of service in the Navy he arose to the highest position of responsibility that could be conferred upon an officer of the United States Navy, and all of these various duties which fell to him were faithfully and efficiently discharged.

By his very nature and his training he was a most enthusiastic and devoted citizen, cherishing at all times a very great devotion to his country and loyalty to its best interests in the very highest degree.

The First Congressional District of Missouri, which I have had the honor to represent for several years, is indeed proud of its distinguished citizen, Admiral Coontz.

The First Congressional District of Missouri has the distinction that not only was Admiral Coontz born in Marion County, within that district, but also General Pershing was born within this same district; General Crowder, who was at the head of the Draft Board during the World War, was born in the same district; as likewise were Admiral Willard and Lieutenant Wiley. So Missouri's First District had the distinction during the World War of being the birthplace of the head of the Navy, head of the Army, and head of the Draft Board.

A peculiar fact existed in the fact that in the year 1877 General Pershing, Admiral Coontz, Admiral Willard, and General Crowder all resided in the same town—Kirksville, Mo. That place was then the actual bona fide residence of Admiral Coontz and Admiral Willard. General Pershing and General Crowder were there attending school.

After Admiral Coontz was retired from the Navy he continued his active interest in public affairs and national questions and he devoted a considerable time to the study of political questions. In fact, he made several political speeches during campaign years. The political game was, of course, more or less new to Admiral Coontz and offered a new field of endeavor, but he was well read on public and political matters and seemed to enjoy service of this venture of his later years.

Admiral Coontz was an interesting writer and considerably more of a literary student than might be imagined. He was the author of some very interesting work, the same being instructive in a very high degree. He was a believer of the policy of "an American Navy second to none." He was the author of the book entitled "Mississippi to the Sea", and also "True Anecdotes of an Admiral."

Hon. Josephus Daniels, Secretary of the Navy under President Wilson, referred to Admiral Coontz as "a man of ability, resource, and judgment who has the confidence of the service perhaps as much as anyone in it. Everything he has ever done in the Navy has been done splendidly." For his work during the World War Admiral Coontz received the Distinguished Service Medal.

On the voyage of the Naval Fleet around the world in 1908 he was then a lieutenant commander and was executive officer of the *Nebraska*.

"Bob" Coontz, as he was known by his intimate friends, may have inherited his love for the sea from a maternal ancestor who was an English sea captain in Cromwell's time. As a boy he lived a happy-go-lucky Tom Sawyer existence in the same Mississippi River town—Hannibal, Mo.—that produced Mark Twain. Admiral Coontz's father and mother were schoolmates of Twain.

While in Annapolis he was noted for his remarkable memory, and he was especially good at gunnery.

From my very first acquaintance with Admiral Coontz I prized him as one of my close personal friends, and from that time on, wherever he happened to be, I would hear from him in a friendly letter once or twice a year. In fact, I believe one of his last letters was written to me. I always enjoyed seeing or hearing from him, either personally or by letter.

He was in reality a man of the sea, conquering its storms and enjoying to the fullest extent its calm and beauty. His friendship and memory will be cherished by those who knew him best until journey's end. He is missed not only by those nearest and dearest to him in family ties but by a host of friends, and likewise will he be missed in a tremendous way by his country which he so well served.

PROPOSED NORTH FLORIDA CANAL

Mr. GREEN. Mr. Speaker, I omitted in my remarks last Thursday to mention that one of the maps, the large relief map which I used, was prepared by the Board of Army Engineers. It represents the best engineering skill in America. This map and the other large map are still in the House floor lobby for inspection of the House Members. The relief map shows the Florida canal routes as surveyed by the Board of United States Army Engineers.

With reference to the Panama Canal and its benefits to the American people, I ask the House Clerk to read in the balance of my time a very interesting editorial which appeared in Labor, the issue of February 19, 1935. It is to the point and very interesting.

The Clerk read as follows:

PANAMA CANAL REPORTS BIG PROFIT

When Theodore Roosevelt forced the construction of the Panama Canal, no one imagined the "big ditch" would ever be a paying investment—especially in hard times and under Government ownership, that bête noire of the champions of "rugged individualism."

Uncle Sam invested about $529,000,000 in the Canal, and last year the net income was $18,177,103, or about 3.37 percent on that valuation.

The Government not only operates the Canal at the Isthmus but it runs a railroad, harbor terminals, a commissary system, coaling plants, hotels, and various minor activities, including telephones and telegraphs. Please note this—with the exception of the hotels, all of these operations were profitable.

AMENDMENT OF FARM CREDIT ACT OF 1933

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, as reported by the House committee, and the House bill of the committee (H. R. 5440) be given a privileged status for consideration under the general rules of the House, and when taken up there shall be not to exceed 2 hours of general debate to be controlled one-half by myself and one-half by the gentleman from Kansas [Mr. HOPE].

The SPEAKER. The gentleman from Texas asks unanimous consent that the bills (S. 1384 and H. R. 5440) be given a privileged status to be taken up under the general rules of the House, with general debate limited to 2 hours, one-half to be controlled by himself and one-half by the gentleman from Kansas [Mr. HOPE]. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, it seems to me the proper procedure to be followed in a matter of this kind would be for the gentleman to get a rule from the Rules Committee and bring the bill up in the normal way. Of course, we are adopting a new principle this year of doing everything by unanimous consent. I do not know that I want to object to this method of doing business if it is what the majority wants to do, but I really think the proper way is to present these matters to the Rules Committee and have them brought up in the regular way for consideration in the House.

Mr. JONES. I hope the gentleman will not object in this instance, because we want to bring this matter up as soon as possible, and a rule would simply delay matters and in the end would mean the same thing.

Mr. SNELL. I am not going to object, but the proper procedure in handling such matters is through the Rules Committee; but if the Rules Committee is not protecting its own rights, I do not know that there is any reason why I should do so.

Mr. GILCHRIST. Mr. Speaker, reserving the right to object, will the gentleman from Texas permit in his request one hour and a half of general debate on the side?

Mr. JONES. I would state to the gentleman I prefer not to do that for this reason: One of the main fights, or in fact, the main fight, will probably be on the substitution of the House bill for the Senate bill, and I hope at the proper time after we get into Committee of the Whole House on the state of the Union, to try to get a unanimous-consent agreement to have an hour and a half of discussion on the substitution of the House bill; and, of course, this would be after general debate is concluded.

Mr. GILCHRIST. That would be satisfactory.

Mr. JONES. For that reason I would rather not have extended general debate and allow more time for discussion of the question of substitution of the House bill.

Mr. GILCHRIST. I may say to the gentleman that is fair enough if we can get debate upon the motion to substitute the House bill, and we ought to have an hour and a half on that.

Mr. JONES. Or the Senate bill, whichever is brought up.

Mr. SNELL. Does the gentleman expect to bring it up today or tomorrow?

Mr. JONES. We will not take it up before tomorrow. We had hoped to get it up tomorrow and, in any event, we expect to take it up just as soon as we can possibly get the right-of-way.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

OMAHA AND WINNEBAGO INDIANS OF NEBRASKA

The Clerk called the first bill on the Consent Calendar, H. R. 3810, for the benefit of the Omaha and Winnebago Indians of Nebraska.

The SPEAKER. Is there objection?

Mr. STEFAN. Mr. Speaker, I want some time to consult my constituents about this bill, and I therefore object.

TO AMEND SECTION 24 OF THE INTERSTATE COMMERCE ACT

The Clerk read the next bill on the Consent Calendar, H. R. 4751, to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I see the distinguished Chairman of the Interstate Commerce Committee here, and no doubt he can give us the reason for the faith that is in him. I should like to have him explain what this is all about.

Mr. RAYBURN. Mr. Speaker, I will say that this is recommended by the Interstate Commerce Commission. The law now is that when a commissioner's term expires and his successor is not appointed there is a vacancy on that Commission.

One of the reasons why the Commission wants this is because in 1933, during the administration of President Hoover, we passed a bill allowing the Commission to divide up into divisions, and when there is a vacancy on the Commission it throws these divisions all awry.

The original bill was introduced so that a member whose term expired could serve indefinitely, but we placed an amendment in the bill saying that he cannot serve after the close of the Congress beginning immediately after his term expired, and then only if the President nominates his successor within a reasonable time. We did not want to give the appointing power the right to hold a man on the Commission indefinitely.

For instance, if the Commissioner's term expires, say, on the 3d of January, if the Senate adjourns on the 1st of June without acting favorably on the nomination of his successor, his term terminates anyhow. This is simply to give the Senate time to confirm and not bring about a vacancy.

Mr. JENKINS of Ohio. There is no special hurry about this.

Mr. RAYBURN. There is already a vacancy, but this would not affect it.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

AMENDING THE WAR MINERALS RELIEF STATUTE

The Clerk read the next bill on the Consent Calendar, H. R. 2077, to amend section 5 of the act of March 2, 1919, generally known as the "war minerals relief statute."

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, there is one Member on this side very much interested in the bill who is not here, and we are not thoroughly posted on the bill.

Mr. VINSON of Georgia. Mr. Speaker, I shall endeavor to explain the purpose of the bill so that the House can understand what is sought by its enactment. It seeks to do nothing more than accord to this large number of mining operators a just compensation growing out of their efforts to produce various kinds of minerals necessary for the Government during the last war to make different kinds of munitions. This bill in its very language passed the Senate last year. At this session it has been unanimously recommended by the Committee on Mines and Mining. Approximately $1,250,000 is involved, and from the report I see there is sufficient money still in the hands of the War Minerals Commissioners to adjust and settle finally all these claims.

Mr. JENKINS of Ohio. Will the gentleman please address himself to the objections made by the Secretary of the Interior?

Mr. VINSON of Georgia. Of course the Secretary of the Interior interposed an objection to it, but left it entirely to the discretion of Congress as to whether or not this character of legislation should be enacted. It is nothing unusual for departments to interpose objections to bills and then leave the matter to the sound judgment of the Congress. In that connection, this identical bill passed the Senate last year, and was given a rule by the Committee on Rules and was considered for probably an hour or two by the House. Then the gentleman from South Carolina [Mr. McSWAIN] and the gentleman from Connecticut [Mr. Goss] and other members of the Military Affairs Committee asked that the bill go over without prejudice so that the Military Affairs Committee could make an investigation in reference to various charges that had been filed in the War Department, and I am happy to state that Mr. McSWAIN has personally stated to me that nothing reflecting upon these claims was developed by the Military Affairs Committee during its hearings.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. SNELL. Are these the same claims that have been before Congress for the last 8 or 10 years—mining claims of prospectors who did work during the war, who claim they never got their pay for it?

Mr. VINSON of Georgia. The gentleman is correct.

Mr. SNELL. Some have been paid already, have they not?

Mr. VINSON of Georgia. Approximately five or six million dollars have been paid out. The Congress first appropriated $50,000,000, and all of these claims were sent to the War Minerals Commissioner, and there they were sought to be adjusted. That was not done, and they came back to Congress, and various acts have been passed to do equity and justice to these people who responded to the request of the Government and enlarged their mining capacity. This bill seeks to wind up once and for all all the contentions of these claimants.

Mr. SNELL. I thought we passed one act that did wind them up several years ago and gave them all a right to come in.

Mr. VINSON of Georgia. That bill merely permitted them to go to court. Some of these claimants have been to the court three different times and have won their cases, even before the United States Supreme Court, and this bill is to settle once and for all every little question that these people who responded think has not been fairly settled. It will have to be administered by the Department of the Interior, Mr. Ickes, and his War Minerals Commissioner, and it is estimated that only $1,250,000 worth of these claims can be inquired into. As to whether or not they will be able to get that amount, of course, is a horse of another color.

Mr. SNELL. I cannot agree with the gentleman's suggestion that the position of the Secretary of the Interior is not well taken. He ought to know more about these claims than any of us. He has all the knowledge that is in his Department. They have considered these claims for years, and if he rules against them it seems to me that is a very important matter to be considered by this House, and I think that should be generally understood.

Mr. VINSON of Georgia. There are only 161 cases involved. The letter from the Secretary of the Interior dated March 23, 1934, says:

> The effect of this bill, if enacted into law, will be to extend the date from March 2, 1919, to the date of the approval of this act, for the payment of interest.
>
> The records of the Department disclose that 126 cases already given awards and 44 cases certified by the Supreme Court of the District of Columbia to the Secretary of the Interior for review, and 161 cases awaiting action of the Supreme Court of the District of Columbia, making a total of 351 cases, would be subject to review by the Secretary of the Interior upon petition by the claimant under authority of this bill.

These claimants borrowed money to enlarge their enterprise, and the law that we passed said that they shall be reimbursed for losses they sustained. The Department of the Interior says that they cannot consider as a loss the interest paid on the borrowed capital. Of course that is just as much a loss as any other item. This merely permits them to submit that one question to the Department.

Mr. SNELL. We have already put a limitation on the time that these claims could be made to the Government in this original legislation.

Mr. VINSON of Georgia. All these claims are within the limitation.

Mr. SNELL. Why is it necessary to have that issue in legislation now?

Mr. VINSON of Georgia. Because there is one point to be decided and that point is whether interest paid on borrowed capital is a loss.

Mr. SNELL. That matter has come before Congress a great many times, and if I remember correctly we have always disallowed claims for interest.

Mr. VINSON of Georgia. The gentleman is in error about that. I have a statement here which I shall put into the RECORD showing various acts of Congress dealing with this identical question, where Congress has repeatedly done exactly what these claimants have asked for.

Mr. SNELL. In some cases they have done the other thing.

Mr. VINSON of Georgia. Now, let me state, particularly to the gentleman from New York [Mr. SNELL], who is a banker and business man, that he knows my position is well founded when I state that the original War Minerals Act provided that these people should be reimbursed for net losses sustained. When they filed their cases the Department said, "You cannot consider as a net loss the interest that you have paid on borrowed capital." I admit if they were seeking interest on their own investment, it could not be considered as a loss; but interest that they paid on borrowed capital is a loss legitimately to be considered, as any other loss they may have sustained. That is all this bill seeks to permit.

Mr. SNELL. That bill, if I understand correctly, is a very far-reaching bill. I think it is too far-reaching to go through by unanimous consent at this time.

Mr. VINSON of Georgia. I trust the gentleman will not object. This bill provides, "That the sum paid in satisfying said claims shall not exceed in total $1,250,000." Not another claim can be filed. The gentleman from California [Mr. ENGLEBRIGHT] is a member of this committee and endorsed this bill. The gentleman from West Virginia [Mr. SMITH] has gone into the matter after many days' hearings and has endorsed it. His committee endorsed it unanimously. It received a unanimous vote last year and passed the Senate, but did not reach the House in time to be passed.

Mr. SNELL. But the gentleman's own Secretary of the Interior says it should not be passed, and he is the man who should have more definite knowledge than any Member of this House on that proposition.

Mr. VINSON of Georgia. Of course, the Secretary of the Navy and the Secretary of War oftentimes report that bills should not be passed, but does not the gentleman exercise his own right and his own discretion to reach a proper decision?

Mr. SNELL. I do not know whether we do or not, in the last few months.

Mr. VINSON of Georgia. Let us do it in this instance. I trust the gentleman will not object to this bill.

Mr. JENKINS of Ohio. Mr. Speaker, it develops there is a great deal of opposition to this bill. It carries an appropriation of $1,250,000.

Mr. VINSON of Georgia. O Mr. Speaker, the gentleman is mistaken. It does not carry any appropriation at all.

Mr. JENKINS of Ohio. It will eventually.

Mr. VINSON of Georgia. Permit me to say in that connection that no appropriation is carried. The money is already in the department in the War Minerals Relief Commission.

Mr. JENKINS of Ohio. Will the gentleman let this go over without prejudice until the next time?

Mr. VINSON of Georgia. Of course, the bill is now before the House. The gentleman from California [Mr. ENGLEBRIGHT] is a member of the committee and he has gone thoroughly into this matter. I hope the gentleman will not interpose an objection. Of course, he can object to it if he sees fit and stop the whole matter.

Mr. JENKINS of Ohio. Mr. Speaker, in order not to object, I ask unanimous consent that the bill be passed over without prejudice until the next call of the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. JENKINS]?

There was no objection.

ADDITIONAL JUSTICE, UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA

The Clerk called the next bill, H. R. 5227, providing for the appointment of an additional justice of the United States Court of Appeals for the District of Columbia, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, I reserve the right to object. I am afraid they are putting something over on my good friend HATTON SUMNERS, the Chairman of the Committee on the Judiciary, who has such a warm and generous heart. There is no present need for this proposed additional judge in the District of Columbia. If that court would keep reasonably diligent every day, it can keep its dockets clean and would not need another judge.

It is not merely the salary of this additional judge that is involved here. It is more than that $10,000. This judge will have to have a secretary and a bailiff, and possibly a messenger, and all of the other incidental expenses that go with each additional new judge.

It behooves all of us here to watch these bills, and not allow them to pass, and the expenses of Government increased, unless they are absolutely necessary. We must cut

down expenses. We must stop waste. We must stop extravagance. We must take steps right away to make a start toward balancing the Budget. If we do not, we are headed straight for national bankruptcy. For the above reasons, Mr. Speaker, I object to the bill.

IMMIGRATION ACT OF FEBRUARY 5, 1917

The Clerk called the next bill, H. R. 3472, to amend section 23 of the Immigration Act of February 5, 1917 (39 Stat. 874).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, this is just another excuse of a bill. I have made up my mind that I am going to fight all such excuses from now on until this committee brings before this House a real bill to stop immigration. We must stop immigration to this country. We must deport not just a few but all aliens who are in the United States unlawfully. We must take from them the American jobs they are withholding from unemployed Americans.

I have mentioned here several times that we now have over 20,000,000 aliens in the United States, of which 10,000,000 are here unlawfully. They, like Bruno Hauptmann did, are holding American jobs which ought to be filled now by unemployed Americans. We must take these jobs away from aliens who are here unlawfully and give them to our own American citizens.

I have mentioned before many times that I have a bill now before this committee that will stop all immigration for 10 years. I want all of my colleagues to help me get that bill passed. We must discharge this committee, and bring that bill before this House and pass it. We can pass it by an overwhelming majority if we can ever get a vote on it in this House.

I am going to file a petition, as soon as the 30 legislative days are up, to discharge the committee, so we can get the bill before the House. We will need 218 Members to sign that petition. If you colleagues will sign it we will get this bill before the House and pass it.

I object to this bill.

RETURN OF UNEMPLOYED FILIPINOS

The Clerk called the next business, House Joint Resolution 71, to provide for the return to the Philippine Islands of unemployed Filipinos resident in the continental United States or the territories thereof, to authorize appropriations to accomplish that result, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLANTON. Mr. Speaker, this bill would provide for the Government paying all of the expenses for 30,000 Filipinos to return home. It sets a bad precedent. It would not get rid of 30,000 Filipinos. Twice that many would get back into the United States in their places. Just as soon as they found that the United States was simple enough to pay all their expenses for a trip back home, naturally, they would take the free trip. But their brothers and their cousins and their uncles and their friends would redouble their efforts to come here, knowing that when they got tired and wanted to go back home we would pay all of their expenses.

This bill is a mere pretense and excuse at stopping immigration. If we want to stop immigration, why do we not stop it? Why do we not pass the bill I have before this committee to stop all immigration for 10 years? I will vote for that bill. That bill means something. That bill is worthwhile. It will reclaim American jobs for unemployed Americans.

I object to this bill.

BRIDGE ACROSS OHIO RIVER, ROCKPORT, IND.

The Clerk called the next bill, H. R. 3982, to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky., authorized to be built by an act of Congress approved June 18, 1934, are hereby extended 1 and 3 years, respectively, from June 18, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 1, line 8, strike out "1934" and insert in lieu thereof "1935."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS OHIO RIVER NEAR CAIRO, ILL.

The Clerk called the next bill, H. R. 4527, to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CARTER. Reserving the right to object, I should like to ask somebody who knows about this bill whether or not it is a toll bridge, and if it is a toll bridge whether or not it is operated by a county, State, or municipality.

Mr. TERRY. Mr. Speaker, there is almost a similar Senate bill. I am going to ask that this bill be passed temporarily in order that I may have time to compare it with the Senate bill to see whether or not it is the same.

The SPEAKER. Without objection the bill will be passed to the foot of the calendar, to be called at that time.

There was no objection.

INVESTIGATION OF THE AMERICAN TELEPHONE & TELEGRAPH CO.

The Clerk called the next business, House Joint Resolution 135, authorizing and directing the Federal Communications Commission to investigate and report on the American Telephone & Telegraph Co. and on all other companies engaged directly or indirectly in telephone communication in interstate commerce, including all companies related to any of these companies through a holding company structure, or otherwise.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

Mr. JENKINS of Ohio. Reserving the right to object, Mr. Speaker, it looks to me as thought this is a very important matter. I understand the Senate is engaged in a similar undertaking. I am not ready to object to it, but to save time I should like to have it explained a little.

Mr. RAYBURN. The Senate has passed a joint resolution. I introduced the same resolution in the House. When the resolution is taken up for consideration I intend to ask that the Senate resolution be substituted.

Mr. SNELL. Reserving the right to object, is this the resolution that provides for the Federal Trade Commission to spend $750,000?

Mr. RAYBURN. No, no. This is the Federal Communications Commission. It is a unanimous report from the committee, as far as the substantive matter is concerned.

The gentleman from New York [Mr. WADSWORTH] and the gentleman from Connecticut [Mr. MERRITT] filed a minority report, saying they condemned some of the language in the resolution, but not its general purpose.

Mr. SNELL. Did not the Senate a few days ago pass a resolution providing $750,000 for the Federal Trade Commission to investigate the American Telephone & Telegraph Co.?

Mr. RAYBURN. I think the gentleman is mistaken; it is not the Federal Trade Commission; it is the Federal Communications Commission.

Mr. SNELL. Well, it was some commission. Is this the same resolution?

Mr. RAYBURN. It is identical; but the Senate resolution is a joint resolution, and this is a joint resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I want to ask the gentleman a question: The gentleman intends, if this unanimous-consent request is granted, then to ask consent to take up the Senate joint resolution instead of the House joint resolution, and that provides for the expenditure of $750,000 for this investigation. Does my

colleague from Texas think this investigation is going to require the expenditure of three-quarters of a million dollars.

Mr. RAYBURN. I certainly do, because they have got to investigate a $5,000,000,000 corporation; that is the size of the American Telephone & Telegraph Co.

Mr. BLANTON. Why, it is no harder to investigate a $5,000,000,000 corporation than it is to investigate a $500 corporation except it will take a little more time as it should be done with the same purpose and the same intent and the same desire to get at the bottom of all facts. It is not the amount of money spent, altogether, that accomplishes worth-while results; it is who is doing the investigating and how they do it, and what they intend to accomplish by it. These are the main fundamentals.

Mr. RAYBURN. I may say to the gentleman that the act of last year bringing into existence the Communications Commission charged this Commission with the regulation of all telephone, telegraph, and radio companies, abolishing the Radio Commission and bringing into existence the Communications Commission.

Dr. Splawn, whom the gentleman knows, ex-president of the University of Texas, was employed by Mr. Parker in the first instance to make investigations of holding companies——

Mr. BLANTON. Yes; and he is a very fine, able, and efficient gentleman.

Mr. RAYBURN. He said it would take a thorough investigation of the whole matter to find out the interrelationships, the intercorporate relationships, contracts of various kinds, and so forth, and that it would take from $500,000 to $1,000,000 just to conduct the investigation. Now, the Federal Communications Commission is charged with the heavy responsibility of regulating these great enterprises.

Mr. BLANTON. I am with my colleague on every single phase of it, requiring an exhaustive, worth-while investigation. My inquiry goes merely to the amount of expense money, and to safeguard against waste and extravagance.

Mr. RAYBURN. The Commission does not feel that it has sufficient information upon which to proceed in order to bring about a proper regulation of these telegraph and telephone companies.

Mr. BLANTON. I would ask this further question, with the gentleman's permission: Does my colleague think it is wise and advisable to provide without some kind of proper limitations for the expenditure of this $750,000? Should there not be some limitation as to salaries, so that this $750,000 will not be wasted in the payment of tremendous big fees to lawyers?

Mr. RAYBURN. I am not certain, but I think there are some limitations on what they can pay.

Mr. BLANTON. Unless you fix the limit on salaries they will find ways of employing high-priced lawyers just as they did in the Reconstruction Finance Corporation. The first thing they did was to employ a lawyer at $16,000. We were assured then they would not pay any high salaries, but they employed a lawyer at $16,000. Now, we should make some provision here, some safeguarding provision, that no big fees shall be paid in this investigation. I am with my colleague on providing for an investigation. I think it ought to be done. I think we ought to go after them, but at the same time we ought to safeguard the expenditure of this $750,000, which I think is far more than is needed, and should be reduced.

I cannot forget that $600,000 was spent on the coal investigation several years ago, and nothing whatever of value was accomplished. President Hoover spent $500,000 on his Wickersham investigating commission, and it accomplished nothing whatever of value. I have watched the matter closely. When big sums are appropriated they are always wasted. I hope that before this resolution is allowed to pass, the sum proposed to be appropriated is very materially reduced, and then proper safeguards are provided to prevent waste through big salaries and extravagance.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, under our usual procedure it is customary where large expenditures are authorized to ask that the bill be passed over without prejudice until it can be fully investigated, or to have it called up in the regular way so that ample discussion may be had. Inasmuch as this bill authorizes an appropriation of $750,000, there are but two courses open to me. If the gentleman will agree to let the bill be passed over without prejudice, I shall not object; if he will not so agree, I shall be forced to object.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENT OF COMMERCE STATISTICAL STUDIES

The Clerk called the next bill on the Consent Calendar, H. R. 5444, to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I understand from what investigation I have made of this that the purposes to be accomplished by the bill will cost the Government but very little money. I ask the chairman of the Committee on Interstate and Foreign Commerce if this is true?

Mr. RAYBURN. It is not going to cost the Government anything. These business men want these statistics compiled by the Department of Commerce, which is capable of doing it; and these business men agree to pay the full cost of it. This bill was passed by the House last year.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Department of Commerce be, and hereby is, authorized, within the discretion of the Secretary of Commerce, upon the written request of any person, firm, or corporation, to make special statistical studies relating to foreign trade, domestic trade, and other economic matters falling within the province of the Department of Commerce; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it.

SEC. 2. All moneys hereafter received by the Department of Commerce in payment of the cost of such work shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

SEC. 3. The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this act; and the Secretary of Commerce shall make a report to Congress, at the beginning of each regular session, giving a detailed statement showing (1) the name of every person, firm, or corporation for whom work has been performed under the authority of this statute; (2) the nature of the services rendered to him; (3) the price charged for these services by the Department of Commerce; and (4) the manner in which the moneys received were deposited or used.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE WABASH RIVER AT LA FAYETTE, IND.

The Clerk called the next bill on the Consent Calendar, H. R. 5701, to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near La Fayette, Ind.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Indiana to construct, maintain, and operate a free highway bridge and approaches thereto across the Wabash River, at a point suitable to the interests of navigation, at or near La Fayette, Ind., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER NEAR ST. CHARLES, MO.

The Clerk called the next bill, H. R. 5706, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.

Mr. SABATH. Mr. Speaker, reserving the right to object, can my colleague from Illinois, Mr. O'BRIEN, inform me whether this is a private bridge or a public bridge?

Mr. COCHRAN. If the gentleman will permit, I can advise him. This is a bridge to be built by the Wabash Railroad to take the place of a bridge which has been in use for 75 years. It is for railroad purposes only; it is not a highway bridge, but a railroad bridge. It means work for the unemployed. My colleague, Mr. CLAIBORNE, who introduced the bill, has just been called to the telephone.

Mr. SABATH. I have the utmost confidence in my colleague who reported the bill, the gentleman from Illinois, Mr. O'BRIEN. I wanted to know from him whether it is a private bridge, a railroad bridge, or a toll bridge. If he says it is all right and if the gentleman from Missouri says it is all right, I shall not object.

Mr. O'BRIEN. It is all right so far as I am concerned.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

Mr. TERRY. Mr. Speaker, I ask unanimous consent to substitute for the House bill Senate bill 1144, to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo., which is a similar bill, and which passed the Senate on February 12 this year.

The SPEAKER. Is there objection to the substitution of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the time for completing the construction of a bridge across the Missouri River at or near St. Charles, Mo., authorized to be built by the Wabash Railway Co., its successors and assigns, by an act of Congress approved February 7, 1930, and extended to February 7, 1935, by an act of Congress approved January 27, 1933, is hereby further extended to February 7, 1937.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

Mr. BLANTON. Mr. Speaker, I have not raised an objection to these bridge bills that have not yet been on the calendar the required time, but I suggest to the Chair as to the following bills that they have not been on the calendar long enough to be taken up at this time, and I make the point of order against their consideration at this time.

Mr. SNELL. That is correct.

The SPEAKER. The Chair thinks the point is well taken.

MEASUREMENT OF VESSELS, PANAMA CANAL

Mr. LEA of California. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5292) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That section 412 of title 2 of the Canal Zone Code, approved June 19, 1934, is hereby amended to read as follows:

"Tolls on merchant vessels, Army and Navy transports, colliers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of 100 cubic feet each of actual earning capacity, determined in accordance with the 'Rules for the Measurement of Vessels for the Panama Canal' prescribed by proclamation of the President, November 21, 1913, and as may be amended from time to time by order of the President, and shall not exceed $1 per net vessel-ton so determined, nor be less than 60 cents per net vessel-ton so determined, on laden vessels, and on vessels in ballast without passengers or cargo shall be less than the rate of tolls for vessels with passengers or cargo: *Provided*, That tolls shall not be levied on a deck load, which is defined, for the purposes of this act, as cargo situated in a space which is at all times exposed to the weather and the sea and which space is not included in the net tonnage determined under the said 'Rules for the Measurement of Vessels for the Panama Canal', except on tonnage of such deck loads which is in excess of 20 percent of the net tonnage of a vessel so determined.

"Tolls on other floating craft shall be levied on displacement tonnage at rates to be prescribed by the President. In addition to the tolls based on measurement or displacement tonnage, tolls may be levied on passengers at rates prescribed by the President but not to exceed $1.50 for each passenger. The levy of tolls is subject to the provisions of article XIX of the convention between the United States of America and the Republic of Panama, entered into November 18, 1903, and of article I of the treaty between the United States of America and the Republic of Colombia, proclaimed March 30, 1922."

SEC. 2. The President is authorized to appoint a special committee of three members, to serve for not more than 6 months, for the purpose of making a study and investigation of the rules for the measurement of vessels using the Panama Canal and the tolls that should be charged therefor and holding hearings thereon at which interested parties shall have full opportunity to present their views. Such committee shall report to the President upon said matters prior to January 1, 1936, and shall make such advisory recommendations of changes and modifications of the "Rules for the Measurement of Vessels for the Panama Canal" as they find necessary or desirable to provide a practical, just, and equitable system of measuring such vessels and levying such tolls. Members of such committee shall be paid compensation at the rate of $825 per month, except that a member who is an officer or employee of the United States shall receive no compensation in addition to his compensation as such officer or employee. Such committee is authorized to appoint such employees as may be necessary for the execution of its functions under this act.

SEC. 3. This act shall take effect on the date of its enactment, except that section 1 shall take effect on September 1, 1936.

Mr. COOPER of Ohio. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. COOPER of Ohio. No, Mr. Speaker; I am not opposed to the bill.

The SPEAKER. Is there any other Member who is opposed to the bill?

Mr. SNELL. Mr. Speaker, I am opposed to the bill; and I demand a second.

Mr. LEA of California. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEA of California. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, this bill provides for a revision of the tolls and rules governing the measurement of vessels using the Panama Canal. This legislation is not new to the House. It was passed by the Congress three times during Republican administrations in recent years and also by the last Congress. It has had the approval of every Secretary of War since the Wilson administration. It has the unanimous approval of the Interstate and Foreign Commerce Committee and has the recommendation of President Roosevelt, as will be seen in the report presented to the House.

I would like to give the Members of the House just a little of the background behind this legislation.

In 1913, anticipating the opening of the Panama Canal, President Taft concerned himself with a method of measuring tolls for this canal. It was recognized that there was no other canal in the world comparable to what the Panama Canal was to be, except the Suez Canal. The Suez Canal had adopted separate rules for the measurement of ships. Ships are registered in all commercial nations, as you are aware, for the purpose of forming a record and also for the purpose of governing tolls in harbors, docks, and so forth; but it was universally recognized that the ordinary registration rules were not suitable for the regulation of tolls for the Panama Canal.

The President, pursuant to authority of Congress, fixed the tolls for the Panama Canal under what is known as the "Panama Canal rules." The act of Congress which provided for the Panama Canal rules had a provision that the tolls collected, although they might be on practically any basis, must not exceed the equivalent of $1.25 per net registered ton. We established a separate system, or thought we had, as the Suez Canal did, for the regulation of tolls on vessels using the canal.

It is apparent that the question of tolls involves the charge per ton and also the question of what space shall be measured in fixing the charge. You will understand that tolls are not measured on the basis of weight but on the basis of space. Regardless of how heavy or how light the cargo may be, the ship pays tolls in proportion to its chargeable space. The Panama rules were based upon the theory of charging a ship in proportion to its earning capacity.

After this act was passed there was an interpretation by the Attorney General holding that the maximum amount that could be charged a ship, regardless of its actual tonnage, was $1.25 per net registered ton under United States rules. It developed from the use of the Panama Canal that the net registered ton, as interpreted by the Attorney General, meant a toll for less space than under the Panama Canal rules. The result is, as we measure a ship today, one that is supposed to pay $1.20 per ton according to the Panama Canal rules actually pays less than 90 cents per ton.

Mr. BLAND. Will the gentleman yield?

Mr. LEA of California. I yield to the gentleman from Virginia for a question.

Mr. BLAND. Is not the practical effect of this bill in its broad outline to impose an additional burden on American shipping and to lower the rates on foreign ships?

Mr. LEA of California. No. It will lower the aggregate amount paid by American vessels more than of foreign vessels.

Last year a charge of 87 cents a ton, based on the Panama Canal rules, would have raised practically the same amount of money that was collected under the United States registration rules and the Panama Canal rules as applying in 1934.

In 1933, if this bill with its plan had been in effect, there would have been $100,000 less tolls than were actually paid, and for 1934 there would have been something like $300,000 more, provided a charge of 90 cents was levied.

The question of revision here requires changing the amount per ton, the elimination of United States registration rules, which has caused all the trouble, and a revision of the Panama Canal rules. Section 2 of the bill is proposed by the committee in response to the shipping interests. That section provides for a thorough investigation by a special committee to be appointed by the President. This committee will give all interested parties a full opportunity to be heard before the rules are revised and the new tolls imposed.

The need for this legislation is due to the fact that for years past there has been a great deal of tolls evasion. I do not use that term "evasion" in the sense that the shipping interests have committed a crime in avoiding payment of the tolls, but they have manipulated structural changes in their ships which have had the practical effect of reducing their own tolls, contrary to the purpose of the act as provided by Congress. In the last 17 or 18 years the total amount of evasion has been about $59,000,000. Of this amount the foreign ships have received the advantage of $32,000,000, the intercoastal $20,500,000, and the American foreign ships $6,500,000.

So foreign vessels have received $5,000,000 more of advantage than the American ships on account of this practice of reducing tolls by structural changes instead of paying what Panama rules were supposed to require. Tolls could have been revised and reduced long ago by legal methods if these practices had not prevailed.

[Here the gavel fell.]

Mr. LEA of California. Mr. Speaker, I yield myself 2 additional minutes.

The principle might be illustrated by an ancient practice in China. China had a law that required the imposition of tolls for the use of certain canals. The law provided that a ship should be measured, and its tonnage determined by a measurement across the vessel half way between its bow and its stern. The shipowners changed the type of their ships, and built ships for the use of these canals that were narrower in the center than the normal ship, with the result that for centuries they reduced their tolls by a trick change in the structure of their ships.

This is what has occurred in the United States and there are today 2,800,000 tons of shipping going through the Canal that pays no toll because the owners of the ships by superficial changes in the structure have proportionately avoided the payment of tolls.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. LEA of California. I yield.

Mr. SNELL. Of course, this is a rather complicated piece of legislation, but let me ask the gentleman a practical question. Are you reducing the canal tolls or not?

Mr. LEA of California. The object of this legislation is not to reduce or to change the aggregate tolls. It is expected that the aggregate amount collected will be no larger than it is now. The purpose is to provide an equitable system of levying tolls so that it shall be equal as between ships and just to the Government.

[Here the gavel fell.]

Mr. LEA of California. Mr. Speaker, I yield myself 2 additional minutes.

Mr. SNELL. I do not fully understand the gentleman's reply to my question. Will the gentleman repeat his statement?

Mr. LEA of California. I said that the object of this legislation is not particularly to raise or lower, but to provide an equitable system of levying the tolls so they shall be equal as between the different classes of ships using the Canal, and the probabilities are there will be a slight decrease in the toll. The rate will be reduced from $1.20 to not more than 90 cents, but it will possibly be less. That toll will raise as much as is now raised. There will be an elimination of the "net registered ton" rule, which now unreasonably limits the chargeable space. There will be a revision of the Panama Canal rules to modernize them, and that revision will tend to reduce the amount of tolls.

Mr. SNELL. Does the gentleman state that American shipping is in favor of these changes?

Mr. LEA of California. No; I do not. There are certain American ships that get an advantage by this evasion of tolls and these interests have always strenuously resisted any change.

The gentleman will recall that in the Seventy-second Congress Congressman Hoch, of Kansas, was chairman of this subcommittee and I was a member of it, and we passed a bill accomplishing the same purpose we have in mind now.

Mr. SNELL. What type of ship is opposing this, or who are the people opposing the changes?

Mr. LEA of California. The shipping interests that have evaded the payment of the tolls.

Mr. SNELL. Who are those people?

Mr. LEA of California. Well, there are different companies—practically on all lines of ships, some of the ships may be benefited by evading the tolls.

Mr. Speaker, I reserve the balance of my time.

Mr. SNELL. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, this is not a bill that ought to pass under suspension of the rules. It involves one of the most complicated questions in shipping, the determination of the tonnage of ships, which means a different thing than the actual carrying capacity, but involves also the question of cubic space.

Representations have been made to me—and, I believe, would be supported upon a consideration of the evidence and the testimony—that the adoption of these rules may materially increase the amount of tolls through the Panama Canal to the American shipowners. This question has not been definitely or specifically answered by the gentleman except in his concluding statement, that there are American shippers who are opposed to this measure.

This involves the question of what shall be considered as the tonnage of a ship. Under one set of rules the deck load is considered as a part of the ship. Under another set of rules you take only the superstructure, and if you remove the superstructure and put lumber or other things on the deck this space is not considered a part of the tonnage.

Whether upon an adequate study of this matter these rules should be changed, I am not in a position to say, but I do submit to this House that a technical problem of this kind involving the trade that has passed through the Panama Canal since the Panama Canal was established, involving the effect upon American shipping and all shipping passing through the Panama Canal, should have at the hands of this House more consideration than 20 minutes on this side, and should be open to ample discussion.

The bill itself shows it should not pass. After a practice has existed for a number of years and has received the study of the Committee on Interstate and Foreign Commerce, they are unable to say that these rules and this law should be a permanent thing, but they say that a commission should be appointed to consider these proposals. Why attempt to lock the stable door after the horse is stolen?

If you want to have a study—and I submit that a study should be made—let that study be made before the rules are changed. Let it be made as to the effect before legislation. Let there be legislation that this House can consider with a knowledge of what it is doing.

If these rules impose an additional burden on foreign ships and lighten the burden on American ships, I for one would gladly welcome it. But I cannot see that it does. Is there any man here who believes the American shippers, any of them, would be opposed to this bill if it were going to lighten the burdens of the American ships and increase the burdens of the foreign ships?

Read the last section of the bill, in which there is provided a commission to study this question, and ask yourselves if you are going to legislate now, or whether you should not legislate after the study is made. In other words, we should legislate after, rather than before, the study is made. In addition to that, if you wish to pass this bill, let it remain on the calendar for the present, then let it come up under the regular rules of the House and thus give us time to look into this matter carefully and fully before this body.

Mr. EDMISTON. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. EDMISTON. Does the gentleman also know that there are several thousand alien employees employed on the Panama Canal, and does not the gentleman think that these positions should be filled by American citizens?

Mr. BLAND. I did not know it, but I am with the gentleman to correct it.

Mr. CARTER. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. CARTER. The gentleman has covered the point I wished to ask about—that the commission should study the question before legislation is had.

Mr. BLAND. And now as to the parliamentary situation, your vote of "No" does not take the bill off the calendar; it simply says that we shall not pass it under suspension of the rules. The committee can bring it up later under the ordinary rules of the House. [Applause.]

Mr. SNELL. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I shall not use more than the 2 minutes, because another speaker will cover the ground, but I do not like the bringing up of a bill of this character at a time when we have had no knowledge of it coming up and no time to dig into our files and inform ourselves of the objections made by the shipping interests. I am unwilling to agree with the gentleman from California, who says that the shipping interests are opposed to this because they desire to continue methods of trickery in the avoidance of taxes. I imagine that it would be more convenient for the War Department itself to have this bill passed.

But my objection to it is that it should not have been brought up without notice and a greater opportunity being given to discuss it.

The chairman did say that our steamship people have resorted to trickery, and that is the reason they are against this bill. This allegation may be true, but I am unwilling to believe it until proper opportunity has been provided for discussion, and I hope the bill will not pass under suspension of the rules.

Mr. SNELL. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, the objections to this legislation, to be passed under suspension of the rules at this time, have been very ably and fully covered by the gentleman from Virginia [Mr. BLAND], the Chairman of the Committee on Merchant Marine, Radio, and Fisheries. In the first place, there is grave doubt whether there should be a different measurement of the tonnage of a ship for the purpose of levying toll charges at the Panama Canal than is used for measuring the tonnage of a ship for every other conceivable purpose. Special dealings with an instrumentality like a ship for specific purposes other than the way that instrumentality is dealt with for every other purpose always brings about confusion and disturbance in the transportation structure. This bill does not take effect until September 1936, more than a year and a half hence. Then why the speed of passing it now under suspension of the rules, when no single amendment can be offered nor the merits of the bill adequately discussed?

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. BLAND. And when the proponent attempts to sustain it by referring to something that happened in China some years ago.

Mr. LEHLBACH. This bill prescribes certain changes in the rules of measuring the tonnage of ships for toll purposes, and then provides that the President shall be authorized to appoint a special commission of three members to study the question. The reason why the legislation is not made effective until a year and a half hence is that after the study of the commission, if the provisions of the bill are found to be wrong, then legislation will be asked of the Congress to modify and amend what we are asked to do now. What sort of a silly proposition is that—to legislate on the subject and then investigate the subject and then amend the legislation after the subject has been investigated? The Panama Canal is running and our traffic is trying to continue under adverse circumstances. This is not intended to take effect for a year and a half hence, and why should our merchant marine at this time, when it is struggling with every other kind of economic activity to keep its head above water, be subjected to this unnecessary harassment and embarrassment simply because somebody down on the Panama Canal wants it?

Mr. LEA of California. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. LEA of California. Is not the gentleman aware of the fact that the shipping interests themselves want this investigation?

Mr. LEHLBACH. They want the investigation, but they do not want the legislation before the investigation. They want the legislation after the investigation.

Mr. LEA of California. Is it not also true that the President under the law must give 6 months' notice before these changes can be made, so, allowing 6 months for the investigation and 6 months' notice, it will give the President approximately only 2 months in which to decide the question.

Mr. LEHLBACH. But why do it first? Why not wait until afterward and then legislate? I think that is the sensible thing to do. I think this is too silly for words.

Mr. BLAND. And why surrender the jurisdiction of this Congress when the rules were adopted by the Congress through a commission then supplemented by an order of the President?

Mr. LEHLBACH. It does not mean anything.

The SPEAKER pro tempore (Mr. LUDLOW). The time of the gentleman from New Jersey has expired.

Mr. SNELL. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. CARTER].

Mr. CARTER. Mr. Speaker, I regret very much that this legislation has been brought up at this time under suspen-

sion of the rules. I happen to represent a district in which there are large shipping interests. I had no notice that this important matter was to be brought on the floor of the House at this time. I have been in communication with them in the past with reference to this particular problem, and each and every one from whom I have heard is unalterably opposed to this legislation. They do not object to the appointment of a commission to study the situation and determine what are just, fair, and equitable rates, and they are willing to pay those rates; but I do object to this method of legislation.

The question has been raised as to whether or not this will increase the rates on American shipping. If I am to believe my American shippers, I can answer that, and say most emphatically yes, that it will increase the rates; and as to foreign ships, it will decrease the rates.

Mr. Speaker, at this point I ask unanimous consent to insert in the RECORD three short tables to show the effect on the Panama Canal tolls of the proposed legislation.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The tables referred to are as follows:

Comparative statement of Panama Canal tolls paid by United States and foreign vessels under the present rate structure, and tolls that would be paid under proposed rates of $1 laden and $0.60 ballast per Panama Canal ton

[As shown by the annual report of the Governor of the Panama Canal, 1934]

Nationality	Number of transits	Number of ships	Tolls paid	Tolls payable under proposed $1 laden and $0.60 ballast rate	Net increase	Percentage increase	Increase per transit	Increase per ship
GENERAL CARGO AND PASSENGER SHIPS								
United States			$7,790,091.56	$9,238,748.00	$1,448,656.44	19		
Foreign			11,010,044.09	12,442,342.40	1,432,298.31	13		
Total			18,800,135.65	21,681,090.40	2,880,954.75	15		
OIL TANKERS AND MISCELLANEOUS CRAFT								
United States			3,396,861.97	3,130,168.40	−266,693.57	−8		
Foreign			1,866,791.83	1,690,819.00	−175,972.83	−9		
Total			5,263,653.80	4,820,987.40	−442,666.40	−8		
ALL SHIPS								
United States	2,269	412	11,186,953.53	12,368,916.40	1,181,962.87	11	$520.92	$2,868.84
Foreign	3,264	973	12,876,835.92	14,133,161.40	1,256,325.48	10	384.90	1,291.19
Total	5,533	1,385	24,063,789.45	26,502,077.80	2,438,288.35	10	440.68	1,760.49

Effect of proposed changes in assessment of Panama Canal tolls on typical American passenger and general cargo vessels using the Canal

Vessels	Present tolls per loaded transit	Proposed maximum tolls per loaded transit	Increase per transit	Percentage increase	Amount of tolls at 90-cent rate per loaded transit as proposed by Secretary of War	Increase per transit	Percentage increase
PASSENGER SHIPS							
California	$11,889	$17,565	$5,676	48	$15,809	$3,920	33
Pennsylvania	12,129	18,194	6,065	50	16,375	4,246	35
President Cleveland	8,338	10,518	2,180	26	9,466	1,128	14
President Coolidge	16,386	20,118	3,832	24	18,106	1,820	11
President Pierce	8,329	10,220	1,891	23	9,198	869	11
President Taft	8,314	10,199	1,885	23	9,179	865	10
Santa Clara	4,781	7,442	2,661	56	6,698	1,917	40
Santa Elena	4,800	9,217	4,417	92	8,295	3,495	73
Santa Lucia	4,800	9,217	4,417	92	8,295	3,495	73
Santa Paula	4,800	9,217	4,417	92	8,295	3,495	73
Santa Rose	4,800	9,217	4,417	92	8,295	3,495	73
Virginia	12,226	18,160	5,934	49	16,344	4,118	34
3-DECK GENERAL CARGO SHIPS							
American	3,550	4,743	1,193	34	4,269	719	20
Arizonan	4,538	5,983	1,445	32	5,385	847	19
Californian	4,564	5,997	1,433	31	5,397	833	18
Dorothy Luckenbach	4,999	6,870	1,871	37	6,183	1,184	24
Jacob Luckenbach	4,436	5,913	1,477	33	5,322	886	20
Kansan	3,580	4,782	1,202	34	4,304	724	20
Lillian Luckenbach	4,999	6,873	1,874	37	6,186	1,187	24
Walter A. Luckenbach	4,697	6,495	1,798	38	5,846	1,149	24

Estimated result of proposed changes in method of assessing Panama Canal tolls on ships of United States and foreign registry, based on Canal traffic, for year ending June 30, 1934

Nationality	Number of transits	Tolls paid under present system	Approximate tolls payable at proposed maximum rate of $1 and $0.60	Increase (+) or decrease (−)	Percentage increase (+) or decrease (−)	Increase (+) or decrease (−) per transit	Approximate tolls payable at proposed rate of $0.90 and $0.54	Increase (+) or decrease (−)	Percentage increase (+) or decrease (−)	Increase (+) or decrease (−) per transit
Passenger ships:					*Percent*				*Percent*	
United States	344	$2,118,474	$2,865,946	+$747,472	+35	+$2,173	$2,579,351	+$460,887	+22	+$1,340
Foreign	797	3,614,217	4,430,835	+816,618	+23	+1,022	3,987,752	+373,535	+10	+469
Dry-cargo ships:										
United States	1,275	5,671,620	6,359,979	+688,359	+12	+540	5,723,981	+52,361	+1	+41
Foreign	1,849	7,444,973	8,036,017	+591,044	+8	+320	7,232,416	−218,041	−3	−118
Oil-tank ships:										
United States	633	3,389,832	3,138,390	−251,442	−7	−397	2,824,551	−565,281	−17	−893
Foreign	309	1,771,956	1,599,202	−172,754	−10	−559	1,439,282	−332,674	−19	−1,077

Mr. BLANTON. Mr. Speaker, will the gentleman yield,

Mr. CARTER. For a question.

Mr. BLANTON. This bill comes from the Interstate and Foreign Commerce Committee with a unanimous report. That is a substantial committee of high standing in this House. What are we going to do when a report comes in unanimously from a committee of that kind?

Mr. CARTER. I think the Interstate and Foreign Committee should bring this legislation here under the general rules of the House, giving the Membership of the House notice and letting us come here with our data and be prepared to confront the situation, and not spring this important piece of legislation upon us without notice.

Mr. COOPER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. CARTER. Yes.

Mr. COOPER of Ohio. Is it not a fact that a lot of ships using the Panama Canal have changed their structure in order to avoid paying tolls? There is a discrimination between those ships that have changed their structure and those that have not. In other words, some ships have to pay more than others. This legislation has been recommended by the Governor of the Panama Canal and the officials down there. It has been before the Interstate and Foreign Commerce Committee for 8 years. It was first reported to this House by our colleague——

Mr. CARTER. Well, I want to ask the gentleman what is the unusual hurry about jamming this through the House at this time?

Mr. COOPER of Ohio. That is different. I have no objection to it coming up in the regular way.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. CARTER] has expired.

Mr. SNELL. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. LEHLBACH. Will the gentleman yield?

Mr. CARTER. I yield.

Mr. LEHLBACH. The gentleman from Ohio [Mr. COOPER] questioned whether this bill did not carry the endorsement of the Panama Canal Zone superintendent and other officials down there. What other officials are there down there that have said anything about it?

Mr. CARTER. I am unable to answer the gentleman, but I do believe that, in all fairness to all parties concerned, we should defer action on this and let the House have notice that it is going to come up here, and those of us who have shipping interests can come here prepared to present our case.

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

Mr. LEA of California. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I have no objection to this bill being considered in the regular way. Perhaps it is too important to bring up under suspension of the rules; but, nevertheless, I believe there is need for this legislation.

As I stated a moment ago, our committee has studied this legislation for the last 8 years, and it has been a very difficult and intricate problem to go into. No one except members of the committee know how hard the subcommittee has worked on this question. I know the gentleman from California [Mr. LEA] has given, not minutes, but hours and has burned the midnight oil trying to bring to this House a bill which would be fair. As far as I am concerned, I think the Congress should take some steps to get this legislation passed at this time.

The SPEAKER. The time of the gentleman from Ohio [Mr. COOPER] has expired.

Mr. LEA of California. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Speaker, with reference to the statement made by the gentleman from California [Mr. CARTER] that this change will benefit foreign shipping and be prejudicial to American shipping, I wish to say, as a member of the subcommittee, there is not the slightest foundation for that statement that has ever been brought to my attention. On the contrary, the great bulk of the shipping passing through the Canal is foreign shipping. About 60 percent of the total tonnage going through the Canal is foreign shipping. If the rules are changed and if the structural condition of the ships are changed to comply with the new rules, it will apply to all ships alike. As things are now, the foreign shipping, to the extent that 60 percent of it passes through the Panama Canal, has been depriving the United States Government out of the just tolls they should pay for the use of the facility erected and paid for by the taxpayers of the United States.

The SPEAKER. The time of the gentleman from Indiana [Mr. PETTENGILL] has expired.

Mr. SNELL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, I wish to say, in answer to the last speaker about foreign shipping, that the opposition to this bill comes entirely from American ships flying the American flag, and not a single foreign ship has interposed any objection.

[Here the gavel fell.]

Mr. LEA of California. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER. The gentleman is recognized for 8 minutes.

Mr. CASTELLOW. Will the gentleman yield for a short question?

Mr. LEA of California. For a short question; yes.

Mr. CASTELLOW. I would like to know whether or not the gentleman can inform us whether the rates now being charged are sufficient to earn enough revenue to compensate the Government and take care of the expenses and also the carrying charges upon the cost of the Canal?

Mr. LEA of California. They are. Last year the Panama Canal took in over $24,000,000, and the cost of operation was probably about $9,500,000.

Mr. RAYBURN. Will the gentleman yield right there?

Mr. LEA of California. I yield.

Mr. RAYBURN. I would like for the gentleman in his remarks to reply to the statements made with reference to the hurry about passing this bill, and its not being considered. Is it not a fact that this bill has been considered by the House on four different occasions and passed by the House of Representatives four times?

Mr. LEA of California. That is true. It passed the House during the last Congress. Full hearings at different times have been held. It has passed the House four times.

Mr. BLAND. Was that not under suspension of the rules?

Mr. LEA of California. Part of the time, but always by a big vote.

Mr. BLAND. Has it ever been considered on its merits?

Mr. LEA of California. Yes; that is what we ask now. There is no use being deceived by any hokum about this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. BLANTON. When it is passed under suspension of the rules, it is passed by a two-thirds vote. Having so passed the House four times is a good argument in its favor.

Mr. LEA of California. That is true. Now, there is no use for this House to be deceived by any hokum about this bill or as to what is involved here. It is a question of whether you are going to give your Government a fair deal at the Panama Canal. As long as this bill has been here, several years, there have been shipping interests receiving advantages they did not deserve, who come in here with this plausible talk about wanting more delay, more time, and more consideration. There has been no bill presented to this House during this session of Congress that has had more careful or conscientious consideration. There has been no bill where the adverse interests, in this case the shipping interests, have been given fairer or fuller consideration and with a purpose to do justice by them.

Mr. LEHLBACH. Will the gentleman yield?

Mr. LEA of California. I yield.

Mr. LEHLBACH. If so much time has been spent and the subject is so thoroughly understood, why is the bill made to take effect a year and a half hence?

Mr. LEA of California. I am glad the gentleman asked that question, because it reflects the attitude of this committee. We proposed the late date for the benefit of the shipping interests. The delay is not due to any misunderstanding about the purposes of the bill. Nobody will deny, not even the shipping interests themselves, that we should have a single system of measuring for tolls at the Panama Canal. This bill provides for such a system.

Nobody will contend that Congress ought to fix the details of ship measurement, but that must be left to somebody, and in this case it is the President of the United States.

The shipping interests came before our committee and demanded a thorough investigation of the question before the rules were revised. That seemed to us a fair proposition; great interests were involved; it is an important question; and so we provided for the benefit of the shipping people, and, at their request, for this special committee to consider the question and report to the President before the rules are revised. We agreed to that to be careful that no injustice be done, and that there would be equal treatment of all ships using the Canal. We provided there should be 6 months to conduct an examination. The law then requires 6 months' notice before there can be any change in tolls. So we figured it would be the 1st of July next year before the change could be made; and then we allowed the President 2 months in which to study the report before he would be required to issue his order revising the rules. The shipping interests wanted this investigation and delay and here, in the name of the shipping interests, we are criticized for granting it. The shipping people are simply trying to drag a red herring across the trail when the real purpose is to try to prevent fair legislation that the Government needs.

Mr. CARTER. Mr. Speaker, will the gentleman yield for a question?

Mr. LEA of California. I yield for a very brief question only.

Mr. CARTER. Will the gentleman state whether or not American shipping interests appeared before the committee for or against this bill?

Mr. LEA of California. They appeared before the committee and were given every opportunity to present their case.

Mr. CARTER. Did the American shipping interests appear for the bill or against it?

Mr. LEA of California. They appeared against the bill. The shipping interests, however, have greatly modified their opposition to this bill, in view of the investigation this commission is going to make before the new rates are imposed.

The fact is that, with one exception, the United States is paying a higher toll for the use of its own canal than any other great commercial nation in the world. The only other great nation that is paying more than the United States is Japan. There are 2,800,000 tons of shipping represented by those who are willing to stand against the Government in trying to have a businesslike system of regulating tolls and who are opposing this bill for their own selfish interests. If the shipping interests were men of broader vision, who wanted to advance the commerce of the United States, they would appear here in support of this bill, instead of tenaciously striving to retain a little selfish advantage to some ships that now inequitably reduce their tolls.

The proposed revision is not going to impose any unjust burden on any American cargo, but it will contribute to the financial betterment of our country by doing equal justice between shippers.

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. LEA of California. I yield.

Mr. MILLARD. Why should we not get this information from the War Department and save the expense of paying three men $825 a month for 6 months?

Mr. LEA of California. Nobody is going to be paid any salary unless he is selected from outside the service of the Government. The shipping interests objected to the War Department alone furnishing this information. They wanted an independent commission. The committee might have been willing to follow such a course, but the special committee to be appointed by the President was proposed as the fairest and most thorough method of securing just rules under which to collect tolls.

Mr. WIGGLESWORTH. Will the gentleman yield for a brief question?

Mr. LEA of California. I yield.

Mr. WIGGLESWORTH. Will the gentleman tell the House whether any American shipping interest has appeared in favor of this legislation?

Mr. LEA of California. No, I think not. Part of the difficulty is that this shipping tonnage that should be charged with tolls is being progressively decreased. The shipowners can, to an extent, control their own tolls by making superficial changes in the ships. Already they have made such changes to the extent that the aggregate tolls have been reduced by more than 9 percent since 1917. Last year ships with a tonnage of 215,000 tons reduced their charges by structural changes, over 50,000 tons. If you will look at the hearings, you will find near the back a portrayal of how toll payments may be avoided. The black spaces on these ships have been relieved from the payment of tolls by superficial openings that prevent these spaces from being classified as "permanently enclosed" spaces on the ship.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. LEA of California. I yield.

Mr. BACON. The trouble is, the hearings are not available to any Member of Congress. There are none on the floor today.

Mr. LEA of California. These hearings have been available since the last session of Congress, and also the hearings recently held.

Mr. BACON. But they are not here on the floor today.

Mr. LEA of California. I am not responsible for that.

Mr. BACON. I do not know whether I am for or against this bill, but I am getting tired of jamming legislation through the House and then leaving it to the Senate to give the matter mature deliberation.

The SPEAKER. All time has expired.

The question is on the motion to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. LEA of California) there were—ayes 80, noes 45.

Mr. LEA of California. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 198, nays 144, answered "present" 1, not voting 89, as follows:

[Roll No. 19]

YEAS—198

Amlie	Cravens	Ford, Calif.	Kelly
Arnold	Cross, Tex.	Ford, Miss.	Kenney
Ashbrook	Crosser, Ohio	Fuller	Kerr
Ayers	Crowe	Gasque	Kleberg
Bell	Daly	Gassaway	Kloeb
Berlin	Dear	Gildea	Kniffin
Blanton	Deen	Gillette	Kocialkowski
Brown, Ga.	Dempsey	Granfield	Kopplemann
Buchanan	Dickstein	Gray, Pa.	Kramer
Buck	Dies	Greenway	Lambeth
Bulwinkle	Dingell	Greever	Lanham
Burdick	Dirksen	Gregory	Larrabee
Burnham	Disney	Griswold	Lea, Calif.
Carden	Dobbins	Haines	Lee, Okla.
Carmichael	Dockweiler	Hancock, N. C.	Lewis, Colo.
Cartwright	Dorsey	Harter	Luckey
Cary	Doxey	Hildebrandt	Ludlow
Castellow	Driscoll	Hill, Ala.	McClellan
Celler	Driver	Hill, Knute	McFarlane
Chapman	Duffy, N. Y.	Hill, Samuel B.	McGehee
Citron	Dunn, Miss.	Hobbs	McGroarty
Coffee	Eagle	Holmes	McMillan
Colden	Eckert	Houston	McReynolds
Cole, Md.	Eicher	Huddleston	Mahon
Colmer	Ellenbogen	Hull	Maloney
Cooper, Ohio	Evans	Imhoff	Mapes
Cooper, Tenn.	Farley	Jacobsen	Martin, Colo.
Corning	Ferguson	Jenckes, Ind.	Mason
Costello	Fitzpatrick	Johnson, Okla.	Massingale
Cox	Fletcher	Jones	Maverick

May	Patton	Schneider	Thompson
Meeks	Pearson	Schuetz	Tolan
Merritt, Conn.	Peterson, Fla.	Schulte	Truax
Michener	Pettengill	Scott	Turner
Mitchell, Tenn.	Pierce	Scrugham	Umstead
Monaghan	Quinn	Sears	Underwood
Montet	Ramsay	Secrest	Utterback
Murdock	Rayburn	Shanley	Vinson, Ga.
Nichols	Reece	Smith, Conn.	Vinson, Ky.
O'Brien	Reilly	Smith, Wash.	Wearin
O'Connell	Richards	Snyder	West
O'Connor	Richardson	South	Whelchel
O'Day	Rogers, Okla.	Spence	Whittington
O'Neal	Rudd	Stack	Wilcox
Owen	Sabath	Steagall	Wilson, La.
Palmisano	Sadowski	Stubbs	Wolfenden
Parks	Sanders, La.	Tarver	Young
Parsons	Sanders, Tex.	Taylor, Colo.	Zioncheck
Patman	Sandlin	Terry	
Patterson	Schaefer	Thomason	

NAYS—144

Allen	Duffey, Ohio	Keller	Rich
Andresen	Eaton	Kennedy, Md.	Robertson
Andrew, Mass.	Edmiston	Kimball	Robsion, Ky.
Andrews, N. Y.	Ekwall	Kinzer	Rogers, Mass.
Arends	Engel	Knutson	Russell
Bacharach	Englebright	Lamneck	Ryan
Bacon	Faddis	Lehlbach	Sauthoff
Beiter	Fenerty	Lemke	Shannon
Binderup	Fernandez	Lord	Short
Blackney	Fish	Lundeen	Sirovich
Bland	Flannagan	McLean	Sisson
Bloom	Focht	McLeod	Smith, Va.
Boileau	Gehrmann	Maas	Smith, W. Va.
Bolton	Gifford	Mansfield	Snell
Brunner	Gilchrist	Marcantonio	Stefan
Buckbee	Gingery	Marshall	Stewart
Burch	Goodwin	Martin, Mass.	Sutphin
Caldwell	Green	Merritt, N. Y.	Sweeney
Carlson	Guyer	Millard	Taber
Carter	Gwynne	Moran	Taylor, Tenn.
Cavicchia	Halleck	Moritz	Thomas
Christianson	Hamlin	Mott	Thurston
Church	Hancock, N. Y.	O'Leary	Tinkham
Clark, N. C.	Healey	O'Malley	Tonry
Cole, N. Y.	Hess	Perkins	Turpin
Collins	Higgins, Conn.	Pittenger	Wallgren
Connery	Higgins, Mass.	Plumley	Walter
Cooley	Hoeppel	Polk	Warren
Crawford	Hoffman	Powers	Weaver
Crowther	Hollister	Rabaut	Welch
Culkin	Hook	Ramspeck	White
Darrow	Hope	Randolph	Wigglesworth
Delaney	Igoe	Rankin	Wilson, Pa.
Dietrich	Jenkins, Ohio	Ransley	Withrow
Ditter	Kahn	Reed, Ill.	Wolcott
Dondero	Kee	Reed, N. Y.	Woodruff

ANSWERED "PRESENT"—1

Dunn, Pa.

NOT VOTING—89

Adair	Cullen	Kennedy, N. Y.	Pfeifer
Bankhead	Cummings	Kvale	Robinson, Utah
Barden	Darden	Lambertson	Rogers, N. H.
Beam	DeRouen	Lesinski	Romjue
Biermann	Doughton	Lewis, Md.	Seger
Boehne	Doutrich	Lloyd	Somers, N. Y.
Boland	Drewry	Lucas	Starnes
Boylan	Duncan	McAndrews	Sullivan
Brennan	Fiesinger	McCormack	Sumners, Tex.
Brewster	Frey	McDuffie	Taylor, S. C.
Brooks	Fulmer	McGrath	Thom
Brown, Mich.	Gambrill	McKeough	Tobey
Buckler, Minn.	Gavagan	McLaughlin	Treadway
Buckley, N. Y.	Gearhart	McSwain	Wadsworth
Cannon, Mo.	Goldsborough	Mead	Werner
Cannon, Wis.	Gray, Ind.	Miller	Williams
Carpenter	Greenwood	Mitchell, Ill.	Wolverton
Casey	Harlan	Montague	Wood
Chandler	Hart	Nelson	Woodrum
Claiborne	Hartley	Norton	Zimmerman
Clark, Idaho	Hennings	Oliver	
Cochran	Johnson, Tex.	Peterson, Ga.	
Crosby	Johnson, W. Va.	Peyser	

So, two-thirds not having voted in favor thereof, the rules were not suspended and the motion was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Bankhead with Mr. Treadway.
Mr. Cochran with Mr. Wolverton.
Mr. Miller with Mr. Gearhart.
Mr. Cannon of Missouri with Mr. Wadsworth.
Mr. McSwain with Mr. Seger.
Mr. Johnson of West Virginia with Mr. Tobey.
Mr. Cullen with Mr. Lambertson.
Mr. Oliver with Mr. Brewster.
Mr. Montague with Mr. Hartley.
Mr. Doughton with Mr. Doutrich.
Mr. Greenwood with Mr. Buckler.
Mr. Sullivan with Mr. Kvale.
Mr. Gavagan with Mr. Mitchell of Illinois.
Mr. Pfeifer with Mr. Nelson.
Mr. DeRouen with Mr. Robinson of Utah.
Mrs. Norton with Mr. Claiborne.
Mr. Drewry with Mr. Lucas.
Mr. Fiesinger with Mr. Biermann.
Mr. McAndrews with Mr. Clark of Idaho.
Mr. Brooks with Mr. Lesinski.
Mr. Beam with Mr. Adair.
Mr. McCormack with Mr. McLaughlin.
Mr. Rogers of New Hampshire with Mr. Carpenter.
Mr. Somers of New York with Mr. Crosby.
Mr. Goldsborough with Mr. Duncan.
Mr. Hennings with Mr. Thom.
Mr. Kennedy of New York with Mr. Frey.
Mr. Cannon of Wisconsin with Mr. Chandler.
Mr. Lewis of Maryland with Mr. McGrath.
Mr. Boehne with Mr. Harlan.
Mr. Darden with Mr. Cummings.
Mr. Romjue with Mr. Werner.
Mr. Woodrum with Mr. Zimmerman.
Mr. Johnson of Texas with Mr. Hart.
Mr. Williams with Mr. Wood.
Mr. Taylor of South Carolina with Mr. Gray of Indiana.
Mr. Fulmer with Mr. Starnes.
Mr. Gambrill with Mr. Peterson of Georgia.
Mr. Sumners of Texas with Mr. Peyser.
Mr. McKeough with Mr. Barden.
Mr. Lloyd with Mr. Casey.
Mr. Boylan with Mr. Boland.
Mr. Brown of Michigan with Mr. Buckley of New York.
Mr. McDuffie with Mr. Brennan.

Mr. LAMNECK changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

PAYMENT OF TRAVEL PAY TO CERTAIN SOLDIERS OF THE SPANISH-AMERICAN WAR

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution of the Legislature of Kansas.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution adopted by the House of Representatives of the State of Kansas:

House Resolution 19, memorializing Congress to enact House Resolution 2024 of Congress providing for the payment of travel pay to certain Spanish-American War soldiers

Whereas during the Spanish-American War the troops who were serving in the Philippine Islands in 1899 were requested by the War Department to remain in service for an additional 6 months after the expiration of their enlistment period and until troops could be sent to replace them; and

Whereas these troops were promised by the officers in charge that if they would so remain during the period of such emergency then existing that they would be given regular travel pay of soldiers whose enlistment expired and reenlisted in the service of the United States, as was authorized by section 15 of the Army bill then in force; and

Whereas these troops were held in service for said 6-month period under such agreement and these troops were never paid such travel pay so promised; and

Whereas numerous citizens of the State of Kansas would be greatly benefited by such payment; and

Whereas House Resolution 2024 of the Federal Congress covering such payment has been recommended by the War Claims Committee for passage: Now, therefore, be it

Resolved by the House of Representatives of the State of Kansas, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed House Resolution 2024 of the Federal Congress; be it further

Resolved, That certified copies of this resolution, duly certified, be transmitted to the President of the Senate and the Speaker of the House of Representatives in Congress and to the Senators and Representatives in Congress from the State of Kansas, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purpose of this resolution.

Adopted February 8, 1935.

S. C. BLOSS,
Speaker of the House.
W. N. BISHOP,
Chief Clerk of the House.

BRIDGE ACROSS OHIO RIVER AT CAIRO, ILL.

Mr. TERRY. Mr. Speaker, I ask unanimous consent to return to the bill (H. R. 4527) to extend the time for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill., which was on the Consent Calendar today and passed temporarily.

Mr. SNELL. Mr. Speaker, reserving the right to object, I did not suppose we were going to return to the Consent Calendar.

The SPEAKER. This is being done under the express order of the House, to which there was no objection.

Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I should like to know why we are returning to the consideration of this bill?

Mr. TERRY. It was passed over earlier in the day in order to determine whether or not the House bill is similar to the Senate bill. We find it is not the same as the Senate bill, so we are asking consideration of the House bill.

Mr. JENKINS of Ohio. Did the gentleman say it is the same as the Senate bill?

Mr. TERRY. It is not the same.

Mr. JENKINS of Ohio. What does the gentleman propose to do now?

Mr. TERRY. This bill merely extends the time for the building and completion of this particular bridge.

Mr. JENKINS of Ohio. Who is making the application? Is it a private concern?

Mr. TERRY. It is a commission appointed by three States.

Mr. JENKINS of Ohio. When it is built it will be constructed by these States?

Mr. KELLER. It is to be the same as the Ogdensburg Bridge up in New York.

Mr. JENKINS of Ohio. I understand this is a bridge bill in which three States are interested and when it is built it will be a bridge owned or controlled by these three States. Under the circumstances, Mr. Speaker, I withdraw my reservation of objection.

Mr. MOTT. Mr. Speaker, reserving the right to object, how many of these Consent Calendar bills are to come up at this time?

The SPEAKER. This is the only one.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the Ohio River at or near Cairo, Ill., authorized to be built by the Cairo Bridge Commission by the act of Congress approved April 13, 1934, are hereby extended 1 and 3 years, respectively, from April 13, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

Line 4, strike out "the" and in the same line strike out the word "River" and insert the word "River,"; and in line 6, after the word "bridge", strike out the words "Commission by the" and insert "Commission, by an."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IMMEDIATE CASH PAYMENT OF VETERANS' ADJUSTED SERVICE CERTIFICATES

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by my colleague the gentleman from Mississippi [Mr. COLMER] over the radio on February 16.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. DOXEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Ladies and gentlemen of the radio audience, as a member of the Steering Committee in the National House of Representatives, which has in charge the steering of H. R. 1 through the lower House of Congress, I am grateful to the Columbia Broadcasting System for this opportunity to briefly discuss this legislation.

PAYMENT NOW A LIVE ISSUE

There are approximately three and a half million veterans of the late World War who hold adjusted-service certificates, which have an average face value of $1,000. Approximately 85 percent of these veterans have borrowed the 50 percent allowed by law on these certificates, and it is now estimated that approximately $2,000,000,000 would be all that would be required to pay these certificates in full.

The Ways and Means Committee, which will consider this legislation, has indicated through its chairman that it will in the next few days take up for consideration the various bills that have been introduced, seeking the immediate cash payment of these certificates. Moreover, Speaker BYRNS, in a spirit of fairness, has indicated his desire to expedite the consideration of this legislation. It is therefore likely that the payment of these certificates will be the big issue on Capitol hill for the next 2 or 3 weeks.

ONLY TWO BILLS SERIOUSLY CONSIDERED

While a number of bills have been introduced for consideration, it is generally agreed that there are only two bills that will be seriously considered. They are, first, H. R. 1, introduced by Congressman WRIGHT PATMAN, of Texas; and, second, H. R. 3896, introduced by Congressman FRED VINSON, of Kentucky. Both bills seek the same purpose, namely, the immediate cash payment of the certificates. The only substantial difference in the bills worthy of consideration is that under the Patman bill the certificates would be paid under negotiable, non-interest-bearing Government notes which would be legal tender in payment of all debts and dues, public and private, and when so received shall be reissued; while under the Vinson bill no provision is made as to how the $2,000,000,000 shall be paid. This necessarily means that under the Vinson plan an additional bond issue of $2,000,000,000 would be required.

WHAT IS THE BONUS?

The term "soldier's bonus" is a misnomer. Nowhere in the original legislation does the word "bonus" appear. These veterans' certificates, often erroneously referred to as the "bonus", were issued to all veterans of the late World War under authority of an act known as the "World War Compensation Act", enacted by the Sixty-eighth Congress in May 1924. Its purpose was in no sense to grant a bonus. This law was an attempt on the part of Congress to correct the war-time injustices which grew out of the disparity in compensation paid the civil employees of the Government, on the one hand, and its soldiers, on the other.

INJUSTICES IN PAY OF SOLDIERS AND CIVILIANS

To illustrate, during the war Bill Grimes worked in the shipyards or munition factories at pay ranging from $8 to $20 a day. His brother, John, joined the armed forces of his country and accepted the hazards of war for which he was compensated at the rate of $1 per day. Moreover, while John was serving his country, under the flag, at $1 a day, undergoing hardships, with his very life at stake, and his brother Bill was enjoying the renumeration of possibly $20 a day in the shipyards or munition factories, others, who were more fortunate, were accumulating gigantic fortunes, which ran into millions of dollars, out of the same war. They were entering into contracts with the Government on a cost-plus basis. In this way literally thousands of new millionaries were created at the expense of the taxpayers of this country during the brief war period.

When the war was over, Congress enacted laws for the adjustment of pay in cash and other benefits to the railroads, the war contractors, and others amounting to billions of dollars. In other words, those who had dealt with the Government as civilians, as war contractors, as munition manufacturers and the like, after the war, sought an adjustment at the hands of this Government of their public dealings with the Government. They were paid immediately, in cash, billions of dollars. Today, in a time of great depression, when the veterans, who shouldered the brunt of the war, ask for an adjustment in their pay, by the immediate payment of a debt which Congress has already recognized, they are often referred to by thoughtless people as chiselers and Treasury raiders. These unthoughtful and unappreciative remarks are only too often made by the same people who, in 1917 and 1918, went to the railroad station in their communities from which these same soldiers were embarking for training camps and for France, embraced the departing heroes, patted them on the back, amid much waving of the flag, and promised them that when they returned this country was theirs. I am not one of those who believe that this sentiment is the rule in this country. I rather think that a grateful American people want to see these heroes of yesterday, who defended the country in its hour of peril and prosperity, receive cash upon their certificates in the time of the country's depression when these veterans need it most.

IS THIS OBLIGATION DUE?

The objection raised most often, by those opposed to the immediate cash payment of these certificates, is that according to their tenor they are not due until 1945. This argument is fallacious. It is true that the Congress provided that the certificates should be payable in 1945, but the same authority, which is the Congress, which arbitrarily fixed the date as of 1945, can now, in a time of great economic depression and unrest, realizing the changed economic conditions and need of the veterans, as arbitrarily fix a new date for the payment of these certificates. There is nothing sacred about the year 1945. As a matter of fact, Congress in the first instance could have named 1935 as the date of payment or a much earlier or a much later date. Congress has already, in 1932, recognized the injustice done in postponing the payment of these certificates and provided that the veterans who held these certificates might borrow as much as 50 percent of the

value thereof. I use the phrase "injustice of postponing" advisedly. Those who had contracts with the Government during the war were not forced to wait 27 years to have their compensation adjusted. They collected their billions immediately after the war.

CERTIFICATES WILL BE ANNIHILATED BY INTEREST

Furthermore, it is a well-known and undisputed fact that those veterans, who have been forced because of economic distress in the past few years to borrow on their certificates as authorized by Congress, are now confronted with the deplorable fact that the interest rate charged by the Government on these loans will practically wipe out the equity or the 50-percent value remaining in the certificate. According to computations of the authorities, a $1,000 certificate, upon which the veteran has borrowed one-half, will be consumed by interest to the point where it will have a value of only $60 in 1945 if the interest is not remitted or the certificate paid immediately.

INTEREST CHARGED BY GOVERNMENT

I wonder how many American citizens are aware of the fact that the United States Government has charged the veteran as much as 7 percent interest on the money that he borrowed on his certificate, while the same Government borrows its money at an average rate of 3 percent. Congress is responsible for this, and Congress should remedy it.

METHOD OF PAYMENT

Time will not permit a full discussion of the merit of the two principal bills under consideration. As one who has long advocated the immediate cash payment of these certificates, I am unequivocally committed to House bill 1, known as the "Patman bill." This legislation, if enacted into law, unlike the Vinson bill, will not require an additional bonded indebtedness. Our national debt now is approximately $28,000,000,000. In a few more days it unquestionably will be augmented by an additional $4,000,000,000 as a result of the Public Works appropriation. There is no excuse or justification for the issuance of two billion additional interest-bearing bonds for the immediate payment of the veterans' adjusted-service certificates. Unquestionably, the logical thing to do is to swap the one obligation for the other. This could be done, as provided in House bill 1, by the substitution of non-interest-bearing United States notes for the now outstanding adjusted-service certificates.

But the enemies of this legislation say that this will be printing-press or fiat money. This is not true. In this legislation we are not proposing any innovation in our money system. This money will be not unlike money which has been outstanding in the form of United States notes for the past 73 years. These notes, with which we hope to pay these certificates, will not only be noninterest bearing, but they will be as sound and efficacious as any other money now in circulation. They will bear the same faith and credit of the United States Government that is borne by other currency now in circulation. They will be backed by the Gold Reserve Act of March 14, 1900. What we are asking for in this legislation is the privilege of taking the adjusted-service certificate, which is an obligation of the Government just as much as a United States bond, and issuing United States non-interest-bearing notes on this obligation of the Government. That is exactly what the Federal Reserve System is now and has been doing for years. The only difference is that the notes issued by the Federal Reserve System are based upon a Government interest-bearing obligation, to wit, a bond. And the notes or money to be issued under this plan is not based on an interest-bearing certificate. No one would seriously contend that Congress could not make the adjusted-service certificates themselves negotiable without depreciating their value. Here we ask that the veteran, like the Federal Reserve System, for convenience, may issue United States notes of small denominations which are negotiable.

SAVING TO THE GOVERNMENT

If H. R. 1 is enacted into law, the Government will save $112,000,000 a year until 1945, which sum is now being appropriated to retire these certificates at that time. This means a saving of one and one-half billion dollars under this plan, in addition to the $10,000,000,000 that it is estimated it will cost to administer the act between now and 1945.

IMMEDIATE PAYMENT WOULD HASTEN RECOVERY

The immediate cash payment of these certificates must appeal to all to be in line with the administration's policy of increasing the purchasing power of our people in these days of economic unrest. The one purpose of this administration has been to increase the purchasing power of the country by as wide-spread diffusion of money as possible. If these veterans' certificates are paid immediately, this means that $2,000,000,000 will go into every nook and corner of these United States. It is impossible to conceive of a better method of distributing the money to the far corners, to every village and metropolitan center, than the vehicle offered us in the immediate cash payment of these certificates. The stimulus to trade, industry, and purchasing power would be inevitable. The Government has, for the past 2 years, and is now continuing in spending billions of dollars to bring about the stimulus in an effort to hasten recovery.

Certainly it cannot be argued logically that any time could be more propitious for the satisfaction of this acknowledged indebtedness of the Government to its defenders than now. Here we have, through this legislation, an opportunity, in the words of the resolution adopted by the American Legion Convention, to discharge and retire an acknowledged contract obligation of the Government which will not create any additional indebtedness.

In conclusion, may I not point out to our veteran friends, and the friends of the cause generally, that the demand for harmonious cooperation among the veterans is most urgent. The opportunity for the realization of our dreams is at hand. The opportunity to once and forever remove the payment of these certificates from the field of politics so that the issue will no longer be a "football" of politics is here. No organization, veterans or otherwise, should be permitted to stall the machinery which is now functioning so smoothly by taking an arbitrary stand for one form of payment over the other. The objective sought by the rank and file of the American veterans of the World War is immediate payment of these certificates, and the question of the method of finances and machinery to accomplish this end should be left to Congress.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend the remarks made by myself today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REGULATION OF INTERSTATE AND FOREIGN COMMERCE IN PETROLEUM

Mr. DIES. Mr. Speaker, I call up House Resolution 113, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 113

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1190, a bill to regulate interstate and foreign commerce in petroleum, etc. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. DIES. Mr. Speaker, I yield the gentleman from Pennsylvania [Mr. RANSLEY] 30 minutes, and at this time I yield myself 20 minutes.

Mr. Speaker, the purpose of this rule is to permit the consideration of Senate bill 1190, to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes.

As is well known, the necessity for the passage of this legislation was occasioned by a decision of the Supreme Court in the Amazon and Panama case, holding invalid section 9, title I, of the Industrial Recovery Act, which was a section delegating to the President of the United States authority to prohibit the interstate shipment of oil produced or refined in violation of State laws. The Court held this section invalid because it was a delegation of legislative power to the Executive. The Court in that decision held that since the Congress did not prescribe any standard or rule to guide the Executive in his determination, it was not an executive function on his part but was the exercise of a legislative function when he undertook to put section 9 into effect.

As a result of this decision the State of Texas and other oil States that have proration laws found it impossible to protect themselves against the law violators who use the facilities of interstate commerce to transport that portion of the oil which was produced or refined in violation of the State proration law.

I may say to the House that the people of Texas have recognized the necessity for oil conservation by the enactment of proration laws.

Having lived in an oil section practically all my life, I saw some of the earlier fields when they were brought in. I live close to the Spindle Top oil field, one of the greatest fields ever discovered prior to the east Texas oil field. In those days the philosophy that guided the exploitation and development of oil fields was one of rugged individualism to the extreme. The producers, without any limitation

and without any regulation as to the manner in which they were required to produce the oil, proceeded with a wild rush to produce as much oil as possible, regardless of the rights of the adjoining owners and the principles of conservation.

This went on in Texas for a long time and many of our fields were prematurely exhausted. They got the cream of the oil through flowing and then they pumped as much oil as possible, and in most instances, they left in the ground 50 percent of the available oil due to the manner in which it was produced.

Then the State of Texas passed a proration law which recognized the fact that oil is a fugitive element. Unlike coal, the owner of oil cannot be assured, when he leaves his oil in the ground, that it will be there when he comes to get it. Oil being a fugitive element and being in pools under the land of many adjoining owners, the owner who taps the tank first and who taps it as many times as possible can, by this process, acquire the oil of adjoining owners. Two owners have two 40-acre tracts adjoining. One who wishes to obey the laws of conservation and proration may only drill the requisite number of wells, while on the adjoining tract the other who wishes to disregard the laws of conservation, may drill three or four times as many wells and, consequently, steal the oil of his law-abiding neighbor. This is a consequence of the law which holds that no one owns the oil until he reduces it to his possession or until he captures the oil. As a result, in all of these earlier fields which were discovered in Texas, oil was produced through a process of cutthroat competition with a great part of the oil having been left under the ground. This oil can not now be produced under economical conditions.

The proration laws of Texas are designed to conserve the oil and to prevent wanton waste. I sometimes wonder if the American people realize that already we have exhausted one-half of our oil reserve. At the end of 1934 we had extracted from the ground 16,000,000,000 barrels of oil, one-half of the estimated total oil reserve.

Of course, no one can estimate with any degree of accuracy how much oil there is under the ground because, necessarily, there may be great fields brought in in the future, but insofar as our information goes, we have already exhausted a definite part of our oil. As a matter of fact, the geologists say that we only have from 15 to 20 percent of the total world supply of oil and we are producing and selling from 60 to 70 percent of the annual world consumption of oil, with the consequence that there is a definite danger in the United States that in a reasonable time we will exhaust this priceless resource which is so essential to our military preparedness, which is so essential to the needs of commerce, which is, in fact, vital to our airships, to our Navy, to our Army, and to the very defense of the Republic. Therefore there is a definite danger of exhaustion due to the waste that has prevailed and the policy of selfishness and self-protection which, in many instances, has actuated those who wish to capture the oil as quickly as possible and to market it under any conditions in order to realize immediately all of the profits available from the transaction.

Consequently, the people of the State of Texas and several other States, recognizing the need to conserve this priceless resource, have enacted their own proration laws designed to accomplish this purpose. But it is apparent that the State of Texas cannot control interstate commerce. We cannot prevent the facilities of interstate commerce from carrying the oil that is produced illegally. The racketeers who have grown up in the oil fields resort to every sort of ingenious device for the purpose of extracting the other man's oil illegally and for the purpose of producing in excess of the allowable of the particular leasehold or field. Through underground passageways, through bypasses, through tapping of pipe lines in many instances or the well itself at some place where it is not easily discernible, oil thieves have prospered not only in the east Texas field, but in other fields of the United States.

Now, as to the constitutionality of the proposed act which attempts to exclude a definite portion of a harmless commodity that enters into interstate commerce, I want to state frankly to this House that after reading the principal cases on the subject, while I believe Congress has the constitutional authority, in order to accomplish an economic and social end, to cooperate with the States in a conservation policy, I also wish to state that there is no definite decision, no definite commitment on the part of the Supreme Court that would authorize us to say beyond any question that this law is constitutional. Of course, the courts have held, upon a number of occasions, that Congress has the right to exclude commodities from interstate commerce or that the right to regulate, under the Constitution, must necessarily include the right to exclude under certain circumstances.

Congress can exclude commodities which are inherently noxious in themselves, such as diseased cattle, impure food, or any commodity which, if permitted to be shipped, would jeopardize other property shipped in interstate commerce or injuriously affect the facilities of interstate commerce—the courts in all these instances have held that Congress has the right to exclude.

It began with the acts which dealt with liquor. Congress passed acts prohibiting the shipment of liquor into States that had prohibition. Congress also prohibited the transportation of impure food and drugs and those which were misbranded. In all of these instances the Congress of the United States, in order to accomplish a definite end, was authorized to prohibit interstate shipment.

But, of course, in all these classes of cases, the article itself was either deleterious, or harmful, or there was some criminal transaction involved, as in the statute dealing with stolen automobiles shipped from one State to another.

But, beginning with the lottery case, the Supreme Court broadened the scope of the interstate-commerce clause insofar as the power of Congress was concerned.

In that case Congress passed an act dated March 2, 1895, providing that any person who shall cause to be brought within the United States from abroad, and so on—a lottery ticket—would be guilty of a felony.

Now, the question came before the Supreme Court as to whether or not the Congress of the United States could exclude entirely an article which was not in and of itself harmful. Unlike the diseased-cattle or impure-food cases, here was an article that was not in and of itself inherently harmful.

In that case the Court said:

> It may be said, however, that in order to suppress lotteries carried on through interstate commerce, Congress may exclude lottery tickets from such commerce. That principle leads necessarily to the conclusion that Congress may arbitrarily exclude from commerce among the States any article, commodity, or thing, of whatever kind or nature, or however useful or valuable, which it may choose, no matter with what motive, to declare shall not be carried from one State to another. It will be time enough to consider the constitutionality of such legislation when we must do so. The present case does not require the Court to declare the full extent of the power that Congress may exercise in the regulation of commerce among the States. We may, however, repeat, in this connection, what the Court has heretofore said, that the power of Congress to regulate commerce among the States, although plenary, cannot be deemed arbitrary, since it is subject to such limitations or restrictions as are prescribed by the Constitution.

The Court, in rendering its very important decision, which resulted in the broadening of the scope of the interstate commerce clause, in effect says this—and I read now from what I regard as a very able work, Willoughby on the Constitution. I read his own comments, which I think are authorized from the wording and language of the Supreme Court:

> However guarded may have been the language of the Court, as in the concluding sentences which have been quoted, from its opinion the Court must be regarded as having committed itself to the general proposition that the power given to Congress to regulate commerce among the States includes the power to prohibit the carrying or shipment in such commerce of articles with a view not simply of rendering interstate transportation more efficient and safe or of maintaining proper competitive conditions in interstate trade itself, but of obtaining a social, economic, or moral result, approved by Congress.

In other words, in the lottery cases the States had by their action declared that the traffic in lottery was harmful to the country, and that it was a social and economic evil; and the Supreme Court, for the first time, broadened its principles by

permitting Congress to exclude from interstate commerce not arbitrarily any commodity, but to exclude a commodity which, if permitted unrestricted access to the facilities of interstate commerce, would bring about a definite harm, either social or economic.

Mr. DISNEY. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. DISNEY. Did they not include in that intrastate transactions?

Mr. DIES. That is true.

Mr. DISNEY. And that included the whole of the commerce.

Mr. DIES. Of course, in the commodity clause case, which was construing the act of Congress that prohibited the transportation in interstate commerce of any commodity which a railroad owned or had any interest in, it is true the commodity itself was lawful, and it was not inherently noxious; but that involved more or less the question of discrimination which under every construction was permitted to be controlled by the Congress of the United States.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. DONDERO. What does the gentleman say as to the present traffic in lottery tickets in this country, as to whether it comes under the law just cited?

Mr. DIES. I do not desire to discuss that at this time. Perhaps the gentleman knows more about that than I do. Going a little further, the States passed a law providing as follows: May 25, 1900, Congress forbade the transportation in interstate commerce of any animals or birds, the importation of which is prohibited, or of any wild animal or bird, which had been killed in violation of the laws of the State.

I recognize there is a distinction between this decision and the shipment of contraband oil, because birds and animals are regarded as the property of the State, but regardless of that, this is a case where the Congress prohibited the transportation not of all birds, but those killed in violation of the laws of a particular State; and it seems to me that if the Supreme Court would protect the laws of a State where they declared that birds killed in violation were illegally killed, then under the same argument the Federal Government should be permitted to cooperate with the State of Texas and the other States in their conservation policy.

Mr. DISNEY. In the lottery cases that decision was under a declared policy of Congress, and the same is true of the migratory-birds case.

Mr. DIES. That is true.

Mr. DISNEY. Has the gentleman given attention to the Grain Futures case, where individual transactions occurred intrastate, but still were considered under the policy of Congress under the second case as a part of interstate commerce?

Mr. DIES. I shall come to that.

Mr. DISNEY. Will the gentleman put a citation of these lottery cases in the RECORD?

Mr. DIES. I am not undertaking to read the decisions, but in the matter of stolen automobiles Congress on October 17, 1919, passed the Dyer Act—

> Prohibiting and penalizing the transporting or causing to be transported in foreign or interstate commerce of vehicles known to have been stolen.

The Supreme Court upheld that act on the theory that in order to protect the States from the crime of stealing automobiles and to prohibit people from engaging in a racket known as "automobile thievery", the Congress of the United States was within its constitutional rights when it enacted this law. Of course it may be said that in the case of "hot oil" there is no similarity to stolen automobiles, but there is, because, as a matter of fact, the oil that is shipped in violation of the State proration law is oil that has been stolen from some adjoining owner. No man can produce oil in violation of the State proration laws without infringing upon the rights of the adjoining owner and taking from him that priceless resource which the adjoining owner possesses. So, if Congress has the right to protect the people of the country and those owning automobiles from the interstate shipment of stolen automobiles, then, under a similarity of reason and logic Congress should have the power to protect the owners of oil from those racketeers who steal the product.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. DIES. Mr. Speaker, I yield myself 10 additional minutes.

Congress should have the power to protect the owners of oil from those racketeers who steal this priceless resource and avail themselves of the facilities of interstate commerce in order to accomplish their thievery.

Mr. COX. Will the gentleman yield?

Mr. DIES. I yield.

Mr. COX. The gentleman, of course, sees through the proposed regulation an intent and purpose to regulate production?

Mr. DIES. I do not agree with the gentleman on that.

Mr. COX. Which is purely a domestic question.

Mr. DIES. No. I do not agree with the gentleman. Assuming that the proration law of Texas——

Mr. COX. But is not the proration law a regulation of production?

Mr. DIES. No. It is designed to conserve a priceless resource.

Mr. COX. Does it not limit production?

Mr. DIES. It does limit production.

Mr. COX. And therefore regulates production.

Mr. DIES. It does limit production, but for the purpose of conserving against waste, and not based upon the question of market demands.

Mr. COX. In any such regulation as there may be, is there not the question of confiscation involved? In other words, you take away from a producer the use of his production.

Mr. DIES. No; not at all. Here are two tracts of land. One is 40 acres and the other is 40 acres. Under that land is oil, and the first layer of oil is the cream oil, and then under the cream oil, which can be obtained from flowing, enabling us in the United States to obtain oil and gasoline as cheaply as we do, there is oil that clings to the rocklike sand, which can only be extracted by pumping. This is a costly process. The cream oil is expelled to the surface by gas pressure, at a cheap rate of production. The pumping is a costly proceeding. When the pumping is exhausted then no other recourse is left except to mine the sandy rock and literally squeeze the oil out of it. Below is the coal and shale. Under our present methods of production there is no way of economically extracting the oil from this coal and shale without increasing very much the cost to the consumers of the United States.

I want to summarize the legal aspect, because it is not only important in this case, but in dealing with all measures involving interstate commerce it seems to me it might be wise for us to consider the limitations imposed upon Congress by the Constitution and the interpretations of the Supreme Court dealing with the exercise of interstate functions.

In concluding, I think the author of this work has summarized the law unusually well.

> With regard to the power of Congress to exclude from interstate commerce, the Court has gone this far: First, it has held that any article, the transportation of which may endanger the actual carrying on of interstate commerce, or which will or may contaminate other goods which are being transported, may be excluded.

Then it goes on and takes up the discrimination cases:

> It has been held that persons or commodities may be excluded from interstate commerce or the facilities of interstate transportation otherwise refused when such transportation is a step in bringing about a result of which Congress disapproves. Congress may exercise a right of exclusion from interstate commerce when this is a necessary or reasonable means of rendering effective a policy which in itself is one which the Congress has the constitutional right to enforce.

Mr. COX. Will the gentleman yield there?

Mr. DIES. I yield.

Mr. COX. But they shut out of commerce a lawful, necessary, and useful product.

Mr. DIES. But the product that we deny the facilities of interstate commerce to is a product which is the fruit of law violation, a product which is produced as a result of a violation of the law that has been held to be constitutional not only by the State supreme court, but by the United States Supreme Court. It is the stolen product that we undertake to say shall not have the facilities of interstate commerce in order to effect the illegal purpose.

Mr. PETTENGILL. Will the gentleman yield?

Mr. DIES. I yield.

Mr. PETTENGILL. The gentleman made one statement that I am sure as a lawyer he does not intend exactly to mean; that is, that the oil is stolen.

Mr. DIES. I mean in this sense——

Mr. PETTENGILL. The gentleman has used this expression, and as a lawyer I am sure he did not want to use it.

Mr. DIES. Yes.

Mr. PETTENGILL. The title remains in the man who has the oil.

Mr. DIES. That is true. That is the distinction between stolen oil and a stolen automobile. However, in both cases the property of another has been taken illegally.

Mr. COX. It is unlawful, because he is a poacher.

Mr. DIES. Now, let me conclude by saying to you that we are facing a most serious situation in the oil industry. I have a telegram sent by W. F. Weeks, which says:

> On railroad sidings in the east Texas oil fields and adjacent thereto there are 3,200 tank cars loaded with oil and products ready to move interstate when railroad injunction dissolved. Of 2,423,000 barrels permitted to be shipped under injunction granted between January 19 and February 6, only 612,000 barrels actually moved, as Attorney General dissolved injunction in higher court, but this leaves 1,811,000 barrels of these illegal products held prior to December 10 which are yet to be shipped.

This much is certain, that if we do not have constitutional authority to pass this bill, then we certainly do not have constitutional authority to do anything to bring about conservation. If we do not have constitutional authority to conserve this priceless resource, which is being dissipated, we do not have the constitutional authority to conserve any other resource.

You gentlemen who live in east Texas will remember in your youth seeing our virgin pine timbers, the pride of the State of Texas, the most beautiful on the face of the earth, wasted, and ruined in many instances. You saw the sawmills in east Texas exhaust that priceless resource. Not only was 60 percent of it wasted in the ruthless process of exploitation, but many of our own people who live there today are deprived of their former occupation. Had there been the crudest form of conservation in east Texas there would have been timber sufficient to supply the people of east Texas and other parts of the United States for many years.

Mr. COX. Does the gentleman embrace the doctrine that it is within the constitutional power of Congress to regulate the use of that timber?

Mr. DIES. I do not go so far as that, but I do say to the gentleman this: If we do not have the constitutional authority to provide reasonable conservation through this act, we certainly have the authority to purchase these priceless resources; and so far as I am concerned, I am almost prepared to vote for a measure which will authorize the Federal Government to purchase sufficient quantities of oil reserves to protect our children, and our children's children against the waste and exhaustion of this priceless resource; and, further than that, to insure adequate oil reserves so that in times to come, when we shall have wasted our oil supply by using 70 percent when we have only 20 percent as compared with the rest of the world—that before that time comes we will buy, and set aside ample and adequate oil reserves to protect our Navy, our Army, and our aircraft in time of war.

Mr. FITZPATRICK. What is the object of this bill, to conserve oil or to keep up the price?

Mr. DIES. I do not know what the object of everyone is, of course. Some are in favor of oil conservation, and some are primarily in favor of stabilizing the industry or fixing prices.

Mr. FITZPATRICK. Is not the object of those in Texas to keep up the price of oil?

Mr. DIES. When the gentleman asks me a general question I can only answer that I do not know what motives actuate people, but I do know that conservation motives were supposed to have actuated the passage of proration laws. Assume that it does stabilize the price at a reasonable level; the oil industry is one which employs millions of men at wages that are higher than most industries pay in the United States. If we are going to restore any degree of prosperity in this country, certainly we must do it by affording remunerative employment to the people. Assume that the ultimate object of this act is to stabilize production; will it not prevent the dumping upon the market of oil that is not needed?

Mr. FITZPATRICK. If we pass legislation of this kind, the price will go up.

Mr. DIES. I doubt that. We have had similar legislation in effect.

Mr. FITZPATRICK. But it did not work out.

Mr. DIES. It was held unconstitutional, but it worked while it was in force and we did not see any appreciable increase in the price of gasoline.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. ROBSION of Kentucky. I would like to know what percentage, if any, of the oil industry is opposed to this legislation.

Mr. DIES. I am not interested in what the oil industry thinks about it; I am thinking of what is for the best interests of the country. I believe that the majority of the oil industry is in favor of this bill, and that they desire to obey the sound laws of conservation. We cannot judge the entire oil industry by the racketeers and violators that form a minority. The same condition prevails in every industry. The oil business is no exception in this respect. We can point out waste and greed in every industry and in some of the activities carried on by the Federal Government itself. [Applause.]

Mr. O'CONNOR. Mr. Speaker, in connection with this bill, the Committee on Interstate and Foreign Commerce struck out entirely the provisions of the Senate bill and substituted a committee amendment. In order to expedite and facilitate the consideration of this bill, I ask unanimous consent that it shall be in order without the intervention of any point of order, that the substitute committee amendment recommended by the Committee on Interstate and Foreign Commerce be considered, and that such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. This accomplishes the same purpose. I may say that the committee amendment will be read for amendment as an original bill. It will save the necessity of reading the Senate bill or any point of order being raised against the committee amendment as an amendment to the Senate bill.

Mr. BLANTON. Mr. Speaker, I reserve the right to object merely to ask some questions. If the request of the gentleman is not granted, then the entire committee bill would have to be read as one amendment to the Senate bill, and amendments to the committee bill could be offered only after the whole bill had been read.

Mr. O'CONNOR. That is right.

Mr. BLANTON. But if the request of the gentleman from New York is granted, then each section of the committee bill would be read in entirety, and amendments could be offered to each section as considered.

Mr. O'CONNOR. Exactly.

Mr. BLANTON. And it would facilitate the consideration of the bill.

Mr. O'CONNOR. That is right.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANSLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Speaker, I have asked for this 1 minute that I may ask the gentleman from Texas a question which I was precluded from doing a moment ago because his time had expired.

There is a quota law on oil production in Texas now, is there not?

Mr. DIES. That is true.

Mr. COOPER of Ohio. In other words, if I am a producer and my quota is 50 barrels a day, and I produce 75 barrels a day, that is a violation of the Texas State law.

Mr. DIES. That is true.

Mr. COOPER of Ohio. Will the gentleman please tell the House why they do not enforce that law?

Mr. DIES. I may say to the gentleman that we do enforce the oil-proration law insofar as intrastate shipments are concerned.

Mr. MICHENER. Then, how does the oil get out of the State?

Mr. DIES. By automobile truck, railroad tank car, and by various and sundry means in violation of the law.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COLE of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1190) to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1190), to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes, with Mr. THOMPSON in the Chair.

The Clerk read the title of the bill.

Mr. BLANTON. Mr. Chairman, in view of the fact that the House bill will be the one considered for amendment, I ask unanimous consent that the House bill may appear in the RECORD at this point without being read.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill is as follows:

Be it enacted, etc., That it is hereby declared to be the policy of Congress to protect interstate and foreign commerce from the diversion and obstruction of, and the burden and harmful effect upon, such commerce caused by contraband oil as herein defined, and to encourage the conservation of deposits of crude oil situated within the United States.

SEC. 2. As used in this act—

(1) The term "contraband oil" means petroleum or petroleum products, any part of the constituent petroleum or petroleum products of which was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of a State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

(2) The term "petroleum products" includes any article produced or derived in whole or in part from petroleum or any product thereof by refining, processing, manufacturing, or otherwise.

(3) The term "interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or from any place in the United States to a foreign country, but only insofar as such commerce takes place within the United States.

(4) The term "person" includes an individual, partnership, corporation, or joint-stock company.

SEC. 3. The shipment or transportation in interstate commerce from any State of contraband oil produced in such State is hereby prohibited; except that whenever the President finds that the amount of petroleum and petroleum products moving in interstate commerce is so limited as to be the cause, in whole or in part, of a lack of parity between supply (including imports and reasonable withdrawals from storage) and consumptive demand (including exports and reasonable additions to storage) resulting in an undue burden on or restriction of interstate commerce in petroleum and petroleum products, he shall by proclamation declare such finding, and thereupon the foregoing provisions of this section shall be inoperative until such time as the President shall find and by proclamation declare that the conditions which gave rise to the suspension of the operation of the provisions of this section no longer exist. For the purposes of this section contraband oil shall not be deemed to have been produced in a State if none of the constituent petroleum or petroleum products thereof was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of such State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

SEC. 4. (a) The President shall prescribe such regulations as he finds necessary or appropriate for the enforcement of the provisions of this act, including but not limited to regulations requiring reports, maps, affidavits, and other documents relating to the production, storage, refining, processing, transporting, or handling of petroleum and petroleum products, and providing for the keeping of books and records, and for the inspection of such books and records and of properties and facilities.

(b) Whenever the President finds it necessary or appropriate for the enforcement of the provisions of this act he shall require certificates of clearance for petroleum and petroleum products moving or to be moved in interstate commerce from any particular area, and shall establish a board or boards for the issuance of such certificates. A certificate of clearance shall be issued by a board so established in any case where such board determines that the petroleum or petroleum products in question does not constitute contraband oil. Denial of any such certificate shall be by order of the board, and only after reasonable opportunity for hearing. Whenever a certificate of clearance is required for any area in any State, it shall be unlawful to ship or transport petroleum or petroleum products in interstate commerce from such area unless a certificate has been obtained therefor.

(c) Any person whose application for a certificate of clearance is denied may obtain a review of the order denying such application in the United States District Court for the district wherein the board is sitting by filing in such court within 30 days after the entry of such order a written petition praying that the order of the board be modified or set aside, in whole or in part. A copy of such petition shall be forthwith served upon the board, and thereupon the board shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript, such court shall have jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the board shall be considered by the court unless such objection shall have been urged before the board. The finding of the board as to the facts, if supported by evidence, shall be conclusive.

SEC. 5. Any person knowingly violating any provision of this act or any regulation prescribed thereunder shall upon conviction be punished by a fine of not to exceed $2,000 or by imprisonment for not to exceed 6 months, or by both such fine and imprisonment.

SEC. 6. (a) Contraband oil shipped or transported in interstate commerce in violation of the provisions of this act shall be liable to be proceeded against in any District Court of the United States within the jurisdiction of which the same may be found, and seized for forfeiture to the United States by a process of libel for condemnation; but in any such case the court may in its discretion, and under such terms and conditions as it shall prescribe, order the return of such contraband oil to the owner thereof where undue hardship would result from such forfeiture. The proceedings in such cases shall conform as nearly as may be to proceedings in rem in admiralty, except that either party may demand a trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States. Contraband oil condemned as provided in this section shall be used or disposed of pursuant to such rules and regulations as the President shall prescribe.

(b) No such forfeiture shall be made in the case of contraband oil owned by any person (other than a person shipping such contraband oil in violation of the provisions of this act) who has with respect to such contraband oil a certificate of clearance which on its face appears to be valid and to have been issued by a board created under authority of section 4, certifying that the shipment in question is not contraband oil, and such person had no reasonable ground for believing such certificate to be invalid or to have been issued as a result of fraud or misrepresentation of fact.

SEC. 7. No common carrier who shall refuse to accept petroleum or petroleum products from any area in which certificates of clearance are required under authority of this act, by reason of the failure of the shipper to deliver such a certificate to such carrier, or who shall refuse to accept any petroleum or petroleum products when having reasonable ground for believing that such petroleum or petroleum products constitute contraband oil, shall be liable on account of such refusal for any penalties or damages. No common carrier shall be subject to any penalty under section 5 in any case where (1) such carrier has a certificate of clearance which on its face appears to be valid and to have been issued by a board created under authority of section 4, certifying that the shipment in question is not contraband oil, and such carrier had no reasonable ground for believing such certificate to be invalid or to have been issued as a result of fraud or misrepresentation of fact, or (2) such carrier, as respects any shipment originating in any area where

certificates of clearance are not required under authority of this act, had no reasonable ground for believing such petroleum or petroleum products to constitute contraband oil.

SEC. 8. (a) Any board established under authority of section 4, and any agency designated under authority of section 10, may hold and conduct such hearings, investigations, and proceedings as may be necessary for the purposes of this act, and for such purposes those provisions of section 21 of the Securities Exchange Act of 1934 relating to the administering of oaths and affirmations, and to the attendance and testimony of witnesses and the production of evidence (including penalties), shall apply.

(b) The members of any board established under authority of section 4 shall be paid compensation at such rate (not to exceed $5,000 per annum) as may be fixed by the President, and any such board may appoint and fix the compensation, without regard to the civil-service laws of the Classification Act of 1923, as amended, of such employees as may be necessary for the execution of its functions under this act.

SEC. 9. (a) Upon application of the President or the Attorney General the United States District Courts shall have jurisdiction to issue mandatory injunctions commanding any person to comply with the provisions of this act or any regulation issued thereunder.

(b) Whenever it shall appear to the President or to the Attorney General that any person is engaged or about to engage in any acts or practices that constitute or will constitute a violation of any provision of this act or of any regulation thereunder, he may in his discretion bring an action in the proper United States District Court to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond.

(c) The United States District Courts shall have exclusive jurisdiction of violations of this act or the regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by this act or the regulations thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by this act or regulations thereunder, or to enjoin any violation of this act or any regulations, may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347).

SEC. 10. Wherever reference is made in this act to the President such reference shall be held to include, in addition to the President, any agency, officer, or employee who may be designated by the President for the execution of any of the powers and functions vested in the President under this act.

SEC. 11. If any provision of this act, or the application thereof to any person or circumstance, shall be held invalid, the validity of the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 12. (a) This act shall not apply in the case of petroleum or petroleum products moving in interstate commerce on or before the date of the enactment of this act; and section 6 shall not apply in the case of petroleum or petroleum products moving in interstate commerce on or before the fifth day after the enactment of this act.

(b) This act shall cease to be in effect on June 1, 1936.

Mr. COLE of Maryland. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, at the outset I want to point out to the Members of the Committee how very vital the interest of the Federal Government is in the petroleum problem. When the last Congress adjourned it was my privilege under a House resolution, no. 441, to serve with the distinguished gentleman from Indiana [Mr. PETTENGILL], the distinguished gentleman from Illinois [Mr. KELLY], and our distinguished colleagues on the other side of the aisle the gentleman from Michigan [Mr. MAPES], and the gentleman from New Jersey [Mr. WOLVERTON], in conducting an investigation of the petroleum industry. The committee made a report of this matter after taking considerable testimony. We withheld final report and recommendation in reference to legislation until three things should happen; first, a decision by the Supreme Court as to the constitutionality of Section 9 (c) of the Recovery Act; second, a report of the National Resource Agency, and, finally the outcome of the efforts of the Governors of the oil-producing States to bring about, if possible, an interstate compact.

The decision of the Supreme Court was adverse to the Government in striking down 9 (c), which section was in practical operation at that time and had been for several months in the State of Texas. Section 9 (c) attempted under the interstate clause to prevent shipments of oil produced in violation of State law. The question was asked a moment ago in the discussion of the rule why the State of Texas does not enforce its own laws. Why is there an overproduction of petroleum in that State? The distinguished gentleman from Texas [Mr. DIES], who presented the rule, said that the State of Texas was enforcing the production laws of that State and restricting intrastate transportation. I do not believe the gentleman intended that statement. The truth is that the State of Texas is not fully enforcing intrastate or interstate shipment of excess oil and, Mr. Chairman, the State of Texas cannot do it without almost prohibitive expense and interminable litigation.

Mr. ARNOLD. Will the gentleman yield?

Mr. COLE of Maryland. I yield to the gentleman from Illinois.

Mr. ARNOLD. As I understand this bill, the Railroad Commission of the State of Texas, for instance, would be empowered to determine the amount of oil to be produced within that State, and especially in the east Texas field. If the State railroad commission does not hold down the production from the State of Texas, what power or authority is there in this bill as reported from the committee to enable the Federal Government to do that?

Mr. COLE of Maryland. None whatever. This bill does not give the Federal Government the power of regulation so far as production is concerned. We cannot impose, under this bill, a Federal quota to the State of Texas, if that is what the gentleman has in mind.

Mr. ARNOLD. Then if the State of Texas does not control its own production, the Federal Government cannot control it under this bill?

Mr. COLE of Maryland. I may say to the gentleman from Illinois [Mr. ARNOLD] that just as this bill does not apply to the State of California, where there is no State law, so would it not apply to Texas if State law was not in existence or not in force.

Mr. Chairman, I have been through the oil fields of east Texas, where great pools of liquid gold, under pressure from below, exist in abundance. Barrel after barrel of oil flows without any effort whatsoever; all that is needed is turn on the faucet. There is a great temptation at midnight; in fact, the temptation in daylight is so great that even prohibition enforcement can hardly be compared to the effort of the State government to enforce proration and its quota in that field.

The officials of the State of Texas admit that they cannot control this situation and want the help of the Federal Government to this extent. My experience with the officials of the State of Texas, whom I have met many times in the last 6 months, is that their new Governor, a young man of charm and ability, their new attorney general, and their railroad commission want to honestly enforce the conservation laws of that great State. I have taken the position that until they show through a lack of interest or through a lack of enforcement they do not intend to play the game fairly, they should have this help, which I believe to be constitutional. Mr. Chairman, all we say in this bill, which has passed the Senate without difficulty, is that the Federal Government shall support a State law. I should be willing to go so far with some of our great constitutional lawyers who say that the interstate clause cannot be used for a purpose of this kind as to ask them how we are going to give any aid or support to a State law, which seeks to conserve a valuable and indispensable resource, if the power of the Federal Government under the interstate clause cannot be used.

An abundance of precedents exists for this position. I strolled into the Supreme Court the other day hoping I would hear the decision in a case which was decided this morning. There was an able and interesting argument going on at the time as to the use of the interstate clause by the State of New York in preventing shipments of milk in interstate commerce. Mr. Chairman, we are going to have that problem before a great while. We are going to have the problem not only to deal with so far as petroleum is concerned, but we are going to have it, in my judgment, with reference to coal and timber, and just as we have gone

to the interstate clause to uphold the constitutionality of holding-company legislation, of stock-exchange regulations, and of N. R. A. regulation, I care not which one you refer to, you get into that broader interpretation of the interstate clause which our courts inevitably must come to.

This bill goes a little bit farther than I have outlined.

We have said, as my good friend from Indiana expressed it time and again during the hearings and in conference, we are not willing to give the State of Texas a blank check as to how much oil it can send to the consuming portion of this country. We have left, however, in the law assistance to the State in prohibiting shipments of overproduced oil, and we have made the President of the United States the interpreter of public policy with respect to what he may think is to the best interest of the Nation as a whole, so that when there is a lack of parity between supply and demand, looking to the consumers' problem in the country, the law will then become inoperative.

Mr. COX. Was not that language written into the bill in order to evade the effect of the decision in the case decided a few days ago?

Mr. COLE of Maryland. No; I think not.

[Here the gavel fell.]

Mr. COLE of Maryland. Mr. Chairman, I yield myself 3 additional minutes.

In addition to this, Mr. Chairman, I want to emphasize a change in the House bill over the Senate bill which I think is most important. There is a provision in this bill which is somewhat novel with respect to legislation of this character, and yet is supported by the authorities. It says to the "hot oil" shipper—a violator of the State law and a violator of the Federal statutes—you are not only to be fined for shipping admittedly overproduced oil, but the oil is to be forfeited by a proceeding in rem, conforming to proceedings in admiralty, with which many Members of the House are entirely familiar. I insert at this point a memorandum dealing with the legal questions involved in this section.

The question has been raised whether a provision forfeiting contraband oil to the United States and providing for an action in rem for such forfeiture is legal.

Insofar as constitutional questions are involved, it appears that there can be no objection to imposing a forfeiture as a penalty for violation of law. This method of penalizing violation of statutes has been utilized by Congress continually since the adoption of the Constitution. In 1792 a statute dealing with the registration of vessels provided that in the case of false registration "there shall be a forfeiture of the ship, or of the value thereof, to be recovered, with costs of suit, of the person by whom such oath shall have been made." This statute was the subject of controversy in the case of *United States* v. *Grundy*, 3 Cranch 337. Although the question of constitutionality was not raised, the Court upheld, by implication, the validity of the penalty.

Forfeiture clauses are common in the revenue and liquor statutes today. See for example, 26 U. S. C. 261, 339, 403; 48 Stat. 317. Many suits have been brought under these statutes, and in no case has the provision for forfeiture been held unconstitutional. See Annotations to sections 1501 and 1502, Hughes Federal Practices, and Annotations to 26 U. S. C. A. 261, 403.

Provisions for forfeiture also exist in the Tariff Act of 1930 (19 U. S. C. 1602–1615) and in the antitrust laws (15 U. S. C. 6). In the latter statute the situation is not dissimilar to the bill under consideration. The clause in that statute reads:

"Any property owned under any contract or by any combination, or pursuant to any conspiracy (and being the subject thereof) mentioned in section 1 of this chapter, and being in the course of transportation from one State to another, or to a foreign country, shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law" (July 2, 1890, ch. 647, sec. 6, 26 Stat. 210).

While there has not been any decision upholding this section, it was discussed in the Addyston Pipe case, and no intimation was made that it was unconstitutional (85 Fed. 281, modified, 175 U. S. 211).

In view of the fact that these statutes and others have been in existence for many years, and innumerable suits prosecuted thereunder, it is safe to say that they are now safe from an attack on the ground of unconstitutionality.

Statutes providing for forfeitures have many times been enacted by Congress. Some of them are listed below, but the list is by no means exhaustive:

1 Stat. 29, at 39: Forfeiture of goods landed from vessels without certificate of Collector of Customs.

26 Stat. 210 (Sherman Antitrust Act, sec. 6): Forfeiture of goods moved in interstate commerce by illegal combination, where goods themselves are the subject of violation of the Sherman Act.

34 Stat. 771: Forfeiture under the Pure Food and Drugs Act.

R. S., sec. 4965: Forfeiture of infringing material under the copyright laws.

41 Stat. 305 (sec. 26 of title 2): Forfeiture of liquor under the National Prohibition Act.

Tariff Act of 1930, sec. 338 (f): Forfeiture of goods illegally imported into the United States under certain circumstances.

40 Stat. 224: Forfeiture of munitions exported or attempted to be exported from the United States in time of war contrary to law.

44 Stat. 99: Forfeiture of narcotics, etc., after conviction under the narcotic laws.

24 Stat. 409: Forfeiture of opium imported from China in violation of treaty.

37 Stat. 667: Forfeiture of the property imported by anyone in furtherance of an illegal combination intended to increase the price of the article in the United States.

U. S. C., title 18, sec. 390: Forfeiture of liquor shipped in interstate commerce, when such liquor is improperly labeled. In addition, the shipper is liable to a $5,000 fine.

U. S. C., title 18, sec. 431: Forfeiture of vessels engaged in slave trade.

U. S. C., title 18, sec. 287: Forfeiture of dies, and so forth, used for counterfeiting.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. COLE of Maryland. I yield to the gentleman from Texas.

Mr. BLANTON. On the gentleman's trip he saw wells that if turned loose would flow ten or twelve thousand barrels a day.

Mr. COLE of Maryland. Such is my understanding.

Mr. BLANTON. And without legislation of this kind, these violators of the law can start their wells at midnight, flowing at full capacity, and by daylight, in violation of the State law, produce enough "hot oil" to flood the country. Is not that so?

Mr. COLE of Maryland. I think the gentleman is entirely correct.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. COLE of Maryland. I yield to the gentleman from Texas.

Mr. DIES. The gentleman stated that I said the proration laws had been enforced. The gentleman knows, having seen what I saw in company with him, that these proration laws within the field are not being enforced. What I meant was that the State can control the intrastate shipment, which is only about 10 percent or less of the actual production in Texas, but not the interstate shipment.

Mr. COLE of Maryland. I think both of us can take care of that in the correction of our remarks.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COLE of Maryland. I yield to the gentleman from Ohio.

Mr. COOPER of Ohio. I have been informed that during the last year the amount of oil produced in Texas has not exceeded 15,000 barrels above the daily quota, and the daily quota is about 1,000,000 barrels a day. It seems to me that 15,000 barrels ought not to bring about the serious condition the gentleman is speaking about now even if it were produced in excess of the quota.

Mr. COLE of Maryland. I think that information which the gentleman has received is entirely inaccurate. I would much prefer to accept the estimates given by our friend, the gentleman from Texas [Mr. DIES], a few moments ago.

Mr. KLEBERG. If the gentleman will yield, I should like to ask him this question. If my interpretation of the law is correct, the law does not go into the matter of controlling

production, but this is left up to the States under their proration law.

Mr. COLE of Maryland. That is entirely true.

Mr. KLEBERG. The law is for the purpose of the recapture of the oil produced illegally and preventing its going out into interstate commerce. If the State commission were to lower the proration or allowable or increase it to a proper amount, this law, if passed, would not affect the right of the State government to run its business, but on the other hand, would help it.

Mr. COLE of Maryland. Of course, if the State were to reduce its production to a point that would raise the question of lack of parity between supply and demand, then the proviso in the bill might very properly be used by the President. I will say to the gentleman, however, when you start to curtail production to a very low and dangerous point, the property owner has the right to object. Under the *Champlin Refining Co. Case* (286 U. S. 210), as well as several other cases on that point, the State can only go, in its curtailment, as far as a proper exercise of its police power will permit.

Mr. KLEBERG. The gentleman has brought out exactly what I was driving at.

Mr. COLE of Maryland. I started out to briefly picture the importance of the general subject with which we are now dealing. Permit me to conclude with just a reference or two. One cannot conceive of many activities in our life of today—certainly many of importance—where the use of petroleum or its products is not only necessary but almost indispensable.

Oil, crude and otherwise, moves in interstate commerce by railroad, boat, and pipe lines from and to many of our States. The industry represents a twelve billion investment in our country alone, not to say anything of large American capital invested abroad.

Petroleum is admittedly indispensable to our national progress and development; it is irreplaceable and it is limited in quantity. True, substitutes, such as coal and shale, are available, but only at heavy increase in cost to the consumer. We must therefore encourage and, if need be, demand by Federal mandate conservation and prevention of waste. Not only are the great producing States interested, but consuming States as well. Look at the taxes derived from this industry. Much of the development and progress of our great producing States, of which we are proud, has been and will continue to be due to revenue from this industry. At the same time think of the embarrassment today should our consuming States be without the gas-tax revenue. It is a common practice in our States at this time to find gas-tax revenue being diverted from the purposes originally intended for its expenditure to amortization of existing debt and carrying of relief and welfare obligations. It is discouraging to find the main interest in legislation of this character coming principally from Members representing producing States, when every Member of Congress should direct his attention to it.

The evidence collected by our committee in its hearings is illuminating, instructive, complete, and furnishes a factual basis which, when absorbed by the Members of Congress, will command their attention and serious consideration. It assures, in my judgment, early and detail consideration of permanent and necessary legislation by the present Congress on this all-important subject. To emphasize the importance of this legislation at the present time the following telegram is of interest:

DALLAS, TEX., *February 17, 1935.*

Hon. WILLIAM P. COLE, Jr.,
House Office Building, Washington, D. C.

Following resolutions adopted unanimously by Governors and representatives of Governors of Arkansas, California, Colorado, Illinois, Kansas, Michigan, New Mexico, Oklahoma, and Texas at Dallas February 16: "Be it resolved, that Congress be requested to provide that any lease heretofore or hereafter issued under the act of February 25, 1920 (41 Stat. 437), or the act of June 4, 1920 (41 Stat. 812), shall continue in force as long as oil or gas can be produced. Be it resolved by the Governors and representatives of Governors in conference in connection with the proposed oil States compact that we strongly urge upon the President and Congress of the United States to pass speedily legislation to establish the principle forbidding the movement in interstate commerce of oil produced in violation of the laws, rules, or regulations of any State."

E. W. MARLAND,
Governor of Oklahoma.

Mr. COOPER of Ohio. Mr. Chairman, I yield myself 1 minute.

I want to state to the gentleman from Maryland [Mr. COLE] that the statement which I made a few moments ago came to me as being made by the chairman of the Texas Railroad Commission to the effect that during the last year there had not been more than 15,000 barrels produced above the daily State quota.

Mr. COLE of Maryland. I heard somewhat the same statement. However, prior to September of last year, many thousands, up to forty or fifty or sixty thousand barrels of excess production was going on, according to estimates made; and 9 (c) was then put into effect and production came down to the lowest point I think we have ever had. Since the decision of the Supreme Court in the Amazon case, we have had all kinds of litigation in Texas. There is a case pending now against the railroads which is an injunction to prohibit shipments of "hot oil." This case was postponed last Thursday until Thursday of this week. I have great respect for the chairman of the Railroad Commission of Texas, but I believe, if he were asked to say whether 15,000 barrels was a fair figure of overproduction, he would materially change his statement very much.

Mr. COOPER of Ohio. I am not trying to deny the right of the great State of Texas to regulate its oil production, but what I cannot understand is that while Texas has a law which prohibits the production of oil beyond a certain amount why they cannot enforce the law instead of coming to Congress and asking Federal legislation to prohibit the shipment of it in interstate commerce.

Mr. DIES. The gentleman realizes that the State of Texas only consumes perhaps not over 10 percent of the oil it produces. Ninety percent goes into interstate commerce, and every facility is used by the racketeers, by trucks, railroads that connive with them, and therefore without the cooperation on the part of the Federal Government we cannot enforce the law any more than we could enforce it against stolen automobiles. We cannot enforce it without the cooperation of the strong arm of the Federal Government.

Mr. COOPER of Ohio. Nevertheless the production of oil over and above a certain amount is in violation of the law of Texas, whether it is shipped out of the State or not.

Mr. DIES. That is true, but every device is employed to circumvent the law, and we cannot cope with it without the aid of the Federal Government any more than, as I said, we can the stolen automobile.

Mr. COOPER of Ohio. I have more faith in the great State of Texas to enforce its law if it desires to do so.

Mr. Chairman, I yield to my colleague from Michigan [Mr. MAPES] 15 minutes.

Mr. MAPES. Mr. Chairman, this oil problem is a very complicated one. There are great differences of opinion among lawyers as to the power of the Federal Government to exercise regulation and control over the industry, and some differences of opinion as to how far the States can go in the regulation and control of it.

In addition to the constitutional question there are almost as many differences of opinion as there are students of the question as to what the Government should do toward regulating and controlling the industry as a matter of good public policy.

This bill only touches the surface of the question. I think it is fair to say, fair to the Cole committee, that the bill did not originate with the Cole committee nor any member of it, nor is any member of the Cole committee a special advocate of it. Some of us doubt the wisdom of bringing it forward at this particular time at least.

In short, the bill reported by the committee simply loans the power of the Federal Government to the State of Texas and possibly other oil-producing States to enforce their own State laws. It goes no further than that. It does that and

nothing more. In the consideration of the bill, it may be well to keep in mind that there is a petroleum code in operation now under the N. I. R. A. legislation, and that that Petroleum Code is administered by the Secretary of the Interior. He is the Administrator of the Petroleum Code. Under him there is an administrative board consisting of five members. In addition to the administrative board, the industry has set up a sort of code authority, known as the "planning and coordinating committee", which is composed entirely of men in the industry. The planning and coordinating committee makes recommendations to the administrative board and to the Secretary of the Interior as it sees fit.

In the administration of the petroleum code the Administrator has attempted to determine the consumer demand for petroleum and its products from month to month, and after making that determination, taking into consideration the imports and the withdrawals from storage, has allocated to the different States what he considers their fair share of the production to meet that consumer demand for the month. The petroleum code, of course, is still in effect, and the Administrator now has all the powers which he ever had under the N. I. R. A. authority, with the exception of so-called "section 9 (c)", which the Supreme Court held unconstitutional a few weeks ago. Before the decision of the Supreme Court on 9 (c) the Administrator had in the State of Texas what is called a "tender board", which was cooperating with the railroad commission of the State of Texas, to prevent the shipment of illegal oil into interstate commerce, but as soon as the Supreme Court rendered its decision on section 9 (c), this tender board of the Federal Government was withdrawn from the State of Texas.

It should be kept in mind that in the east Texas field alone enough oil might be produced to supply the entire consumer demand in the United States. The gentleman from Texas [Mr. BLANTON] has referred to wells that have a potential capacity of 12,000 barrels per day. My understanding is that there are wells in that field that have a potential capacity of 25,000 barrels per day, if allowed to flow freely and produce to their maximum capacity.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. PETTENGILL. As I remember the statement in respect to the east Texas oil field, that field, wide open for 40 minutes, could supply the entire demand of the entire United States for 24 hours.

Mr. MAPES. I think the gentleman is correct. I have said that this bill did not originate with the Cole committee. It is really a State of Texas bill. That State is chiefly interested in it and is the chief exponent of it. It will help Members to understand why this particular piece of legislation is here today if they will keep in mind the situation as it exists in Texas and the prevailing public sentiment of the States as to Federal and State control over the production of oil in the State.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. JOHNSON of Texas. A good deal has been said about this law being designed for Texas alone. Of course the necessity for the legislation has perhaps been brought about by reason of conditions in Texas, and one would get the impression, without reading the bill, that it is, in effect, a local law, applicable to the State of Texas. As a matter of fact, the terms of the bill are general and applicable to all States, and this condition we now have in Texas may occur in any other State so far as the production of oil is concerned.

Mr. MAPES. It is a very remote possibility, I will say to the gentleman from Texas.

Mr. JOHNSON of Texas. Oh, I admit that Texas always does things on such a very large scale that it is doubtful whether any other State in the Union could match it, either in the production of oil or in any of the other natural resources produced in that State.

Mr. MAPES. With this capacity to produce in the east Texas field, and the temptation to overproduce, Members will see what the urge is upon the owners of oil wells to produce as much as they can so that they can make as much as possible out of their production. Wells, with this potential capacity of 25,000 barrels per day, are allowed to produce, under the laws of Texas, and the regulations of the Texas Railroad Commission, eighty or ninety barrels only, so that the temptation to overproduce or to produce illegal or "hot oil" is very great. I think it is fair to say that the Texas authorities, for the most part, have found it impossible to enforce their restriction, and proration laws. They want the Federal Government to help them enforce their laws and regulations, but they want to be the boss.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. MAPES. Yes.

Mr. DISNEY. The temptation to which the gentleman refers is to produce all the oil the well will produce, if the producer can get away with it, and then he will sell it for almost any price he can get. That is where the difficulty comes in.

Mr. MAPES. That is correct.

Mr. DISNEY. He will sell it below the market price. It may yield him a profit, but it will break his neighbor.

Mr. MAPES. That is correct. Before any State laws were passed regulating the production of oil, and before the petroleum code went into effect, there was such an overproduction of oil as to create chaos in the industry. I think it is pretty generally conceded that there must be some State or Federal regulation of the production of oil at the present time, that it is wise public policy to have some control exercised either by the State or Federal Government.

The gentleman from Illinois [Mr. ARNOLD] interrogated the gentleman from Maryland [Mr. COLE] as to the effect of this bill being to allow the State to determine how much oil shall go into interstate commerce from a State instead of the Federal Government making the determination. The Federal Government, by the passage of this bill, accedes to the prevailing public opinion in the State of Texas and allows the State of Texas to determine how much oil shall be produced in that State, instead of determining that question itself and as it is attempting to do it under the petroleum code now. In the operation of the petroleum code the Texas authorities have said, "We do not accept your quota as assigned to the State of Texas. We reserve the right to determine for ourselves how much oil shall be produced in the State of Texas, but we will accept your recommendation as a matter of evidence." And, as a matter of fact, the Texas Railroad Commission has gone through the formality of a hearing and making a finding, but each time has found, in substance, that the allocation of the Federal authority to the State of Texas was correct and has made that allocation its own finding. It seems to me rather unfortunate for the Federal Government to accept the position of the State, because it allows the tail to wag the dog rather than having the dog wag the tail. The petroleum problem is a national one and should be controlled by the Federal Government.

If at any time the State of Texas sees fit to repeal its laws limiting the production of oil, and allows the wells of Texas to run free, then there will be a great overproduction of oil in this country again, resulting in great waste and great detriment to the industry and to the people of the Nation. Such a condition would be unfortunate for the country and would necessitate action by the Federal Government.

Mr. DIES. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. DIES. Is it not a fact that if we are to permit the east Texas field or any other field to run wide open, we would not only lose the gas pressure necessary to lift the oil up, but by flooding the markets with oil we would put out of business all the stripper wells in the United States, and having been put out of business, we would lose that oil permanently which the stripper wells are producing?

Mr. MAPES. It would certainly have that tendency. That is one reason why some of us think the control of this situation should be kept in the power of the Federal Government and not delegated to any individual State.

Let me say this: The members of the Cole committee have considered and have wondered just how far they should go in the discussion of the general oil problem in the consideration of this particular bill. I think most of us have concluded that, in view of the situation as outlined by the chairman of the subcommittee, Mr. COLE, and in view of the fact that the committee intends later to make a more detailed and a more complete report, this is not the opportune time to go into a general discussion of the oil problem, and we are therefore confining ourselves in this debate quite generally to the resolution before the House, which, as I have said, only touches the surface of the problem.

Mr. DISNEY. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. DISNEY. There is one other question I would like to ask the gentleman. Is there anything satisfactory coming over the proposal for interstate compacts that the gentleman knows of?

Mr. MAPES. I do not know of anything very encouraging.

Mr. DISNEY. In other words, up to date that has largely failed, except on the prevention of waste, generally speaking?

Mr. MAPES. As the gentleman knows, the representatives of some of the oil-producing States met in Dallas, Tex., last Friday and put their signatures to certain statements. Just how much they mean I have not yet had a chance to determine very definitely. However, they do not seem to me, from a very superficial reading, to mean very much.

Mr. DISNEY. Will the gentleman yield for one other question?

Mr. MAPES. I yield.

Mr. DISNEY. Is the gentleman in sympathy with the 5-day feature that is in this bill, giving the producers of oil unlawfully, substantially a right to dispose of their oil before this law goes into effect?

Mr. MAPES. I understand that an amendment will be offered, when that provision is reached, to correct the situation which the gentleman has in mind.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. MAPES] has expired.

Mr. COOPER of Ohio. Mr. Chairman, I yield 5 additional minutes to the gentleman from Michigan.

Mr. DIES. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. DIES. Is it not a fact that if oil goes down to 5 cents a barrel as it did in 1933, its effect upon the coal industry is direct also? That is, that oil will be used as a substitute for coal almost entirely, and that will throw out of employment thousands of men who are employed in the coal mines? Is that not a fact?

Mr. MAPES. I think there is a good deal to be said in behalf of that contention.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman.

Mr. COLE of Maryland. I am glad the gentleman mentioned the State compact in reply to the question asked by the gentleman from Oklahoma [Mr. DISNEY]. At this point I should like to call attention to the results of the compact made in Dallas, Tex. I have a letter from Governor Marland, of Oklahoma, mailed from Dallas on Saturday immediately after the meeting adjourned. The compact was signed by Governor Marland of the State of Oklahoma; by the Governor of the State of Texas; by R. L. Patterson, signing under authority of the State law for the Governor of California; the States of New Mexico, Arkansas, Kansas, Colorado, Michigan, and Illinois. For the information of the House I will put this in the RECORD a little later.

Mr. MAPES. I should be glad to have the gentleman put it in at this point, unless he desires to put it in in connection with his own remarks, whichever he prefers.

Mr. BLANTON. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BLANTON. My colleague mentioned the fact that if oil went down as it formerly did, it would affect those employed in the coal industry. It also puts out of employment thousands and thousands of men in the oil industry. Because of the little independent stripper wells being forced to shut down, all of their employees are put out of employment.

Mr. MAPES. Yes; that is correct. I should like to say further, one reason why I have hesitated to have this resolution brought up at this time and acted upon by the House is this: Perhaps the most acute situation as far as the oil problem is concerned, is in the State of Texas. This legislation is just about what Texas wants. I am afraid if it is enacted into law the State of Texas will lose some of its interest in tackling the situation from a broader standpoint, and in assisting in passing legislation which has to do with the entire oil problem.

Mr. ARNOLD. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. ARNOLD. The only thing that would hold the State of Texas in restraint along that line is the fact that there are so many stripper wells in other sections of the State of Texas that the Railroad Commission of Texas will want to protect those stripper wells and will have a tendency to hold down the production in the entire State, in the interest of the stripper wells.

Mr. MAPES. That would still confine its interests to the situation as it existed in the State without reference to the broader national aspects of the problem.

Mr. DIES. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. DIES. This Federal Tender Board put into operation in the field did more, in my judgment, to stop the "hot oil" running than anything else that has been accomplished.

Mr. MAPES. That may be. In that connection I think it is a fair statement to say that everything can be done now under the petroleum code if its operations are sustained by the courts, in assisting the State of Texas to enforce its laws that this resolution will give the Federal Government the power to do.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield.

Mr. DONDERO. What effect will this legislation have upon the cost of oil to the rest of the Nation?

Mr. MAPES. That is too much of a problem for me. As far as I personally am concerned, I think it is impossible to separate completely the question of conservation from the question of stabilization of the industry; and if we conserve the oil supply, we will probably tend to stabilize the price to some extent; but that is unavoidable, and I think most students of the question feel that there must be some legislation passed to conserve the oil supply.

[Here the gavel fell.]

Mr. COLE of Maryland. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. It is a little difficult for me to speak on account of a cold, and I am not here to make any set speech, but I shall be glad to answer any questions that come up, to the best of my ability, as a member of this committee which devoted 6 months of its time trying to discover the difficulties and to unravel the problems under which the petroleum industry was laboring.

The gentleman from Oklahoma [Mr. DISNEY] a moment ago spoke about section 12, the 5-day clause that was put into the bill as a suggestion made by myself; and I should like to make it clear to the committee that the 5-day saving clause in section 12 applies only to the confiscation paragraph of the bill, the forfeiture paragraph of the bill. I felt, as did other members of the committee when I brought it to their attention, that if the bill became effective at 5 o'clock tonight and a man 10 minutes afterward, in ignorance of the terms of the bill, should move $100,000 worth of petroleum, that he ought not to forfeit his oil. Prohibition becomes effective the very moment the bill is passed and signed by the President; it then becomes illegal to move the oil from that moment on; and 5 days thereafter, if it is moved in violation of the law, in addition to the penalty, and so forth, the oil is subject also to forfeiture by the United States Government. This is a very severe penalty for moving "hot oil", and we did not think it was

quite American to forfeit a man's property before he even knew what the law was.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. DISNEY. In lines 9 and 10, on page 11, there is a provision that the oil may be returned where undue hardship would result from the forfeiture. Do these provisions relate to each other?

Mr. PETTENGILL. Yes; in order not to make the forfeiture clause too severe, too inconsistent with American principles of justice, we provided in the forfeiture clause that the United States district court that hears the application for forfeiture in a proceeding in rem may in case of undue hardship relieve the possessor of the contraband oil from the forfeiture provision; but the forfeiture clause was placed in the bill to get the man who is knowingly and willfully trying to violate the law and who has been doing it for years. I think that if the people in Texas really want to stop the movement of "hot oil" this forfeiture clause will do more to stop the movement of "hot oil" in interstate commerce than anything that has ever been in any statute, State or Federal.

I shall now discuss the theory of this bill. In order to meet the exigency that the petroleum industry faces as a result of the reversal of section 9 (c) as unconstitutional by the United States Supreme Court on the 7th of January, "hot oil" is prohibited, but the President may suspend the prohibition if he thinks that the production of oil is being curtailed to a point that is unfair to the consumers of America. This is the first language written into oil legislation designed to safeguard the consumer, and I take a little pride in having been the one to suggest this clause. In other words, the prohibition which relates to State law is a safeguard against overproduction of oil, and a suspension of the prohibition is a safeguard against underproduction of petroleum and thus to boost the price. The subcommittee did not feel that it wanted to put it within the power of any State—and I am not casting any reflections on Texas, because the same situation might exist in some other States—to so limit the production of petroleum as to work unfairly to the consumers of America by raising the price of petroleum too much.

In other words, this bill simply furnishes the State of Texas and the other oil-producing States that have proration laws a Federal policeman to assist in the enforcement of their production laws, but in the interest of the consumers we reserve the right of withdrawing the Federal policeman if we think there is an undue curtailment of production for the purpose of forcing the price up.

Mr. DISNEY. Mr. Chairman, will the gentleman yield further?

Mr. PETTENGILL. I yield.

Mr. DISNEY. There was a good deal of complaint about lending Federal policemen in the last session of Congress, I observed.

Mr. PETTENGILL. That is true.

Mr. DISNEY. But when it is finally reduced to its last analysis the Federal Government will have to stay in the picture once it gets in, in order for there to be any enforcement of these oil laws after the States have once laid down what shall be the proration law; is not this right?

Mr. PETTENGILL. Probably I do not commit myself on that.

Mr. DISNEY. While I am on my feet, what does the last sentence of section 3 mean; from line 18 down to the end of page 8, and the first couple of lines on page 9?

Mr. PETTENGILL. I may say to the gentleman from Oklahoma that it was put in for the purpose of having the term "contraband oil" apply only to oil produced in violation of the law of the State in which the original petroleum itself is produced.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. DIES. While I appreciate the caution the subcommittee exhibited in reference to this provision giving the Executive the power to declare inoperative, or rather to make certain findings resulting in declaring inoperative the allowable in case it did not meet the demand, and while most certainly I appreciate the splendid services the gentleman performed in exhaustively studying this question, still I should like to call attention to the fact that in Texas so heavy is the pressure upon the State authorities to produce the greatest possible maximum of oil, that I do not think the Nation need have the slightest fear that we shall ever reach a point where Texas and these other States will arbitrarily hold down the production of oil in order to run the price up.

Mr. PETTENGILL. Of course, if this bill is passed, it will be effective only until June 1, 1936.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. PETTENGILL. I yield to the gentleman from Ohio.

Mr. COOPER of Ohio. I should like to get the gentleman's opinion on section 5, which reads as follows:

> Any person knowingly violating any provision of this act or any regulation prescribed thereunder shall on conviction be punished by a fine of not to exceed $2,000 or by imprisonment for not to exceed 6 months, or by both such fine and imprisonment.

I am wondering if this is a delegation of legislative power on the part of Congress to Texas, say, the Railroad Commission of Texas? This bill covers regulation in the States.

Mr. PETTENGILL. I assume that the gentleman from Ohio [Mr. COOPER] will agree that the Texas Railroad Commission does not have any power to prescribe regulations under this statute? Does that answer your question?

Mr. COOPER of Ohio. Is it limited?

Mr. PETTENGILL. If it is not, it is intended to be, and that is the way I construe the language. If there is any doubt about that, we can cure it when we get to the reading of the bill.

Mr. FIESINGER. Will the gentleman yield?

Mr. PETTENGILL. I yield to the gentleman from Ohio.

Mr. FIESINGER. I represent an important oil section in Ohio. The gentleman states that if the Texas field should be contracted not in the interest of the consumers, we could withdraw this so-called "Federal policeman."

Mr. PETTENGILL. That is right.

Mr. FIESINGER. Suppose they expand the field so as to interfere with the price level of especially the small wells, such as exist in my district. I have a great many wells in my district that produce but two or three barrels per day. What protection have those people under this bill?

Mr. PETTENGILL. I may say to the gentleman from Ohio [Mr. FIESINGER] that there is no protection against that situation afforded by this bill.

Mr. FIESINGER. Should not these smaller people have some protection in this bill?

Mr. PETTENGILL. I may or may not agree with the gentleman on that question; but if that is to be done, then it brings up the whole question of Congress fixing quotas in the individual States, as the Thomas-Disney bill did last spring, and there is a grave constitutional question whether that can be done or not. This bill has no control over production.

Mr. FIESINGER. I do not know anything about the conditions in Texas. The gentleman from Texas [Mr. DIES] said that this bill would protect the stripper wells, which is the kind I represent.

Mr. PETTENGILL. Of course, there are stripper wells in Texas just the same as in Ohio.

Mr. FIESINGER. I did not know that.

Mr. PETTENGILL. There are a great many more stripper than flush wells.

Mr. BLANTON. Will the gentleman yield?

Mr. PETTENGILL. I yield to the gentleman from Texas.

Mr. BLANTON. As a matter of fact, the fields in which there are flowing wells are comparatively few in the State of Texas. Most of the oil-producing counties have stripper wells.

Mr. PETTENGILL. That is correct.

Mr. BLANTON. I do not want the gentleman from Ohio to get it into his head that we who represent the Texas districts where the stripper wells are located, are not looking after their interests.

Mr. FIESINGER. There might be some restraint in Texas because of the number of people.

Mr. PETTENGILL. I agree with the gentleman.

Mr. BLANTON. There will always be restraint, the gentleman need have no fears about that, and while we are protecting our stripper wells we are likewise protecting the stripper wells in the gentleman's Ohio district.

Mr. DIES. May I say for the benefit of the distinguished gentleman from Ohio that when the east Texas field is turned loose it puts the wells in my section of the country and the section represented by the gentleman from Texas [Mr. BLANTON] out of business, just the same as it affects the wells in the district of the gentleman from Ohio.

Mr. CARLSON. Will the gentleman yield?

Mr. PETTENGILL. I yield to the gentleman from Kansas.

Mr. CARLSON. This allows the State to set up its own proration and the Federal Government assists in protecting that proration?

Mr. PETTENGILL. That is right.

Mr. CARLSON. That State may extend or curtail its production?

Mr. PETTENGILL. They may do anything with their production that they want.

Mr. CARLSON. Without regard to other oil-producing States?

Mr. PETTENGILL. Yes.

Mr. CARLSON. Could not this bill be drawn so as to protect other oil-producing States?

Mr. PETTENGILL. If so, it would have to be written on the theory that the Federal Government has the right and the power to control and allocate production within a State; that is, go inside of State lines and reach in there and tell each individual well how much it may produce.

Mr. CARLSON. In other words, with these large fields in Texas the Commission might allow an extra large quota.

Mr. PETTENGILL. They could.

Mr. CARLSON. To the embarrassment of other oil fields.

Mr. PETTENGILL. They could do that. This bill does not meet that situation.

Mr. FIESINGER. May I ask the gentlemen from Texas [Mr. BLANTON and Mr. DIES] whether you have to pump your stripper wells in Texas?

Mr. BLANTON. Yes; certainly. Some produce only a few barrels of oil per day.

Mr. PETTENGILL. Yes, indeed. I may say to the gentleman from Ohio that the great majority of the wells in Texas are stripper wells; so it is true, as the gentleman from Texas said, that Texas has an interest in protecting its stripper wells the same as Indiana, Illinois, and Michigan has in protecting their stripper wells, except not to the same degree, because down there they do have flush fields.

Mr. FIESINGER. There is some restraint in the form of political influence in the stripper wells, of which there are many in the State of Texas?

Mr. PETTENGILL. Yes.

Mr. DISNEY. Will the gentleman yield?

Mr. PETTENGILL. I yield to the gentleman from Oklahoma.

Mr. DISNEY. In answering a question, the gentleman stated that the Federal authority in States where there are no regulations involved the Administrator fixing the production at the well or on leases in those States.

Mr. PETTENGILL. It has that practical result.

Mr. DISNEY. To an extent, yes; but is not the practical, legal result that the Federal authority could fix the quotas in commerce and then let the States determine for themselves how much oil should move in commerce?

Mr. PETTENGILL. Yes; that is true in theory, but in order to enforce the gentleman's theory, you would have to give the Federal Government power to effect a pro rata in every individual pool in the State in order to do equity and justice among all the pools in the State, if not, between all the wells. Otherwise there would be a race each month by all the wells to get or move in interstate commerce if possible, before the State maximum is exceeded.

Mr. DISNEY. But does the gentleman think that would ever be involved if there were such Federal authority to do it?

Mr. PETTENGILL. We are getting entirely outside of this bill and I prefer not to take the time to discuss a hypothetical question.

Mr. DIES. If the gentleman will permit, is it not the fact that the Federal Government now suggests to the States the quota or the allowable and most of the States follow that?

Mr. PETTENGILL. That is correct.

I will say, too, in behalf of Texas and its public officials, that I think they have done a pretty fair job in enforcing their State proration laws; not perfect, but fair.

I understand that the east Texas oil field is actually cut down, and has been for months, 98 or 99 percent of its potential production, and if you can enforce a law 98 or 99 percent, you are doing it fairly well, it seems to me, in the light of the existing circumstances, and I offer this in behalf of Texas in reply to some statements published in the Saturday Evening Post within the past few days. I will say, however, that, in my judgment, Texas is very delinquent with respect to waste of natural gas.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. COOPER of Ohio. Does the gentleman believe it is constitutional to prohibit the shipment in interstate commerce of articles that are not harmful?

Mr. PETTENGILL. I will say to the gentleman from Ohio that personally that question bothers me a great deal. The Supreme Court of the United States has never held, so far as I know, without exception, that Congress has the right to prohibit the shipment of an article, harmless in itself and incapable of doing harm to the people of the State into which it is moved in interstate commerce. The exception is the case of wild game or fish. But that is based on the theory that the wild game belongs to the State, which is not the case of crude petroleum. I discussed the constitutional question at some length in the CONGRESSIONAL RECORD of January 18, 1935.

[Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. WOLVERTON], a member of the subcommittee, such time as he may desire to use.

Mr. WOLVERTON. Mr. Chairman, it is exceedingly difficult to express myself, either in words or by my vote, upon this measure as I should like to do. It is difficult for the reason that it only deals with one portion of a very great subject.

It was a pleasure and a privilege for me to serve upon the Cole Committee under such a distinguished chairman as the gentleman from Maryland [Mr. COLE]. It was the thought of that committee, as will appear by the report made to the last Congress, that legislation affecting the oil industry should not be offered to this House until there had first been a decision by the Supreme Court with respect to the constitutionality of 9 (c) of the National Recovery Act; second, or until the Governors from the principal oil-producing States should meet in conference and suggest what should be done or could be done by the States themselves; and, third, that nothing should be done until a full and complete report had been made by the President's commission studying the question of natural resources, which not only included oil, but coal and all other minerals.

The Supreme Court has rendered its decision with respect to 9 (c). It was held unconstitutional. It was so held because it delegated legislative authority to the President without setting forth a congressional policy or standard under which he should exercise the discretion delegated to him.

A bill, Senate bill 1190, was introduced in the Senate to reenact section 9 (c) in accordance with the ruling made by the Supreme Court. It was reported upon favorably by the Senate committee with the statement that the whole purpose and only purpose was to reenact 9 (c). It was subsequently passed by the Senate, and upon coming to the House was

referred to the Committee on Interstate and Foreign Commerce.

Anyone who will read the bill as introduced and passed in the Senate can very readily and quickly see that it went far beyond what was necessary to merely reenact 9 (c) in accordance with the opinion of the Supreme Court. It changed 9 (c) in every material particular. Section 9 (c) of the National Industrial Act could have been reenacted by the use of the same language that was in the original act with probably 10 to 20 words additional to bring it within the rule laid down by the Supreme Court. Section 9 (c) in the original act only covered seven and a quarter lines of legislative matter. The Senate bill, however, which was introduced to reenact 9 (c) covered seven and a quarter pages of legislation. No one who reads the act as it passed the Senate would or could say that it did nothing more than reenact 9 (c). It changed the terms of 9 (c) in every material particular.

Section 9 (c) was a part of the National Recovery Act. It was therefore temporary legislation. It could only be effective until the 16th of June next, when the National Recovery Act would end by its own terms, whereas the bill that was passed by the Senate made no reference to the act of which it was originally a part. It was not even made an amendment to the National Recovery Act. It was thus made a subject of permanent instead of temporary legislation. It had no time limit as did the National Recovery Act. It was offered and passed as permanent legislation without regard to the National Recovery Act.

It also widened the scope of 9 (c). The original section as adopted in the National Recovery Act only had for its purpose the protection of a State which had an oil production control or pro rata law, protecting or assisting that State in the enforcement of its law; but, if you will read the supposed reenactment of 9 (c) as it passed the Senate and came to the House, you will find that the scope was extended far beyond production. It included refining. In fact, it included everything that could be done with crude oil or its derivatives. And in this connection it is interesting to know that there are some 2,500 to 3,000 products in which crude oil is utilized.

Under the terms of the Connally bill the provisions of the original 9 (c) were extended to include all the derivatives and processes of which crude oil was the basis. Furthermore, it not only extended the scope to the extent I have indicated, but it extended the area beyond that where the oil was produced, so that every State in the Union where crude oil was manufactured into any other product would come within the provisions of the bill. Under its provisions the use of the channels of interstate commerce was denied to an innocent purchaser in any other State. If it could be shown that any part, even 1 percent, of the commodity manufactured elsewhere had been made up of "hot oil", then the manufacturer would be subject to fine and imprisonment.

Mr. DIES. Will the gentleman yield? I dislike to interrupt the gentleman because he has done wonderful work in the committee, but I want to ask him if the Connally bill when introduced and the Disney bill did not permit the Government to fix the allowable?

Mr. WOLVERTON. Yes; under certain conditions. I am sorry the gentleman did not ask that question when the gentleman from Texas [Mr. BLANTON] was in the room. I understand he introduced a bill similar to the one introduced in the Senate, and they both included a measure of Federal control, which I was surprised to see coming from anybody in the State of Texas.

Mr. FIESINGER. I should like to ask the gentleman a question.

Mr. WOLVERTON. I yield.

Mr. FIESINGER. Does the gentleman regard this bill as more effective than 9 (c) was?

Mr. WOLVERTON. It is not any more effective than 9 (c) could have been made even though 9 (c) had been confined to its original purpose, and this bill does go beyond it in many ways. Section 9 (c), which denied the advantages of interstate commerce to oil produced beyond the allowable of the State, was changed by the bill that came from the Senate, and this bill does likewise, because 9 (c) gave the President of the United States the power in his discretion to stop or not to stop, to close or not close, the channels of interstate commerce to so-called "hot oil." A discretion was lodged in him. The Supreme Court, however, set that delegation of power or discretion aside because there was no standard laid down by Congress as a guide for the exercise of that discretion by the President of the United States.

You can readily see that 9 (c) could have been amended. Such a standard could have been placed in 9 (c) by the use of only a few words. To show you how much further the so-called "reenactment of 9 (c)" went as it came to us from the Senate, and this bill does likewise, the transportation in interstate commerce of crude oil produced beyond the State allowable is not left to the discretion of the President to exercise such discretion by use of a standard set up by Congress, but is absolutely prohibited. The House committee, however, has placed in this bill something of a safety valve, in that the President is authorized and empowered to suspend the act if it should appear that the limitation or control of production of crude oil was detrimental to the national interest. If that provision had not been placed in this bill, it would have left the entire matter to the judgment of an oil-producing State as to what quantity of crude oil should go into interstate commerce.

It is difficult for me to understand how it can be constitutional to delegate to a State the right to determine how much crude oil should move in interstate commerce and unconstitutional to delegate the same power to the President. I cannot quite draw the distinction between placing unrestricted power in the President of the United States, which has been declared unconstitutional, and giving the same power to a State instead.

The act now under consideration as reported to the House has changed the Connally bill as passed by the Senate in many important particulars.

In the first place, it has not left it entirely to the State to determine, without regard to the rights of the consuming public, how much oil shall go into interstate commerce. Provision has been made that whenever the President finds there is such a limitation of production as might be harmful to the consuming public he can act to suspend the provisions of this bill. Thus there is a safety valve provided in this bill, as presented by the House committee, which was not a part of the bill as it passed the Senate.

Furthermore, the House committee has not overlooked the fact that section 9 (c), originally enacted as a part of the National Recovery Act, was temporary legislation to meet an emergency then existing, not only in the oil industry but in industry generally throughout this country. The committee has recognized that the emergency has not yet passed, and that legislation of this kind is still necessary or advisable. Therefore, the House committee has placed in the provisions of this bill a limitation of time, June 1, 1936, assuming that the emergency which originally called for its enactment still continues and may continue until that time; but it is not permanent legislation.

I am of opinion that this House should not pass oil legislation piecemeal. Production of oil is only one part of the industry. There is the refining, transportation, and marketing. Each is an important element to be considered. Some large oil companies are so integrated that they can find within themselves all these different parts of the oil industry; others only one or more. I have felt that when this House acted on matters affecting the oil industry we ought to have before us a bill that would deal with the whole subject so that no injustice be done to anyone and the greatest good for all.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. Certainly.

Mr. DIES. The gentleman will agree that if this bill is not valid, certainly there is no other method we could pursue to bring about conservation in the United States; is there? I mean other than purchasing the land itself and setting it aside as a reserve.

Mr. WOLVERTON. I do not think the gentleman himself thinks for a moment that this is a conservation bill.

Mr. DIES. I mean if we cannot pass this law on account of constitutional inhibition, then what character of law can we pass? That is what I am asking the gentleman.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. Yes.

Mr. BLANTON. Does not the gentleman think that this is, after all, a conservation bill?

Mr. WOLVERTON. No; and I will tell the gentleman why, so that he may have the benefit of my thought. This bill does not conserve beyond what the State itself might wish to conserve. This bill does not apply to a State that does not have a conservation law. This bill affects only such States that have pro rata laws and that pro rata allowance is usually based upon demand and supply. If you give in answer to demand all that it asks, then you are serving demand and not conservation.

Mr. BLANTON. I will show the gentleman how it conserves. From January 19 to February 6, of this year, during the period that some trial court, by injunction, had stopped enforcement in Texas, there were 612,000 barrels of "hot oil" moved in interstate commerce. But that injunction was dissolved, and then the law violators were stopped by another injunction from shipping "hot oil" in interstate commerce.

There are in 3,200 tank cars on sidings now 1,811,000 barrels of "hot oil", awaiting a chance to be shipped, and if that injunction should be dissolved, that 1,811,000 barrels of "hot oil" would more immediately into interstate commerce, and that would help to ruin many stripper wells. Does not my friend see that in stopping that "hot oil" from flowing and saving many stripper wells they are conserving oil?

Mr. WOLVERTON. Conservation has nothing to do with that particular problem the gentleman is speaking of, and those cars are on a siding now as a result of the State law of Texas and an injunction secured thereunder.

Mr. BLANTON. Certainly; and this bill is to enforce the State law, and if we do not enforce it, if there were not an injunction that stopped that oil from moving, these 1,811,000 barrels of "hot oil" would go into interstate commerce immediately and help to ruin many stripper wells.

Mr. WOLVERTON. If the gentleman is interested in conservation, as I know him to be and as I am myself, I could suggest many ways in addition to what has been provided in this bill. It undoubtedly may have a beneficial effect from the conservation standpoint, but I could mention many ways which would make it a real conservation measure.

Mr. BLANTON. My good friend from Ohio [Mr. COOPER] and my friend from Michigan [Mr. MAPES] voted for the Dyer Act under which, if a crook stole the gentleman's $250 second-hand Ford in Michigan and took it across the line into Ohio, he could be put in the Federal penitentiary. But let us suppose that my friend and another own offset wells in Texas and are allowed to flow 2,500 barrels of oil each a day. The gentleman complies with the law, but the other owner does not.

The other owner unlawfully flows 25,000 barrels a day, and half of those 25,000 barrels of oil came out from under the gentleman's land, both being over a common pool. The gentleman objects to the Federal Government protecting him and preventing a law violator from selling 12,500 barrels of his oil per day, but he is willing to let the Government protect the owner of the second-hand $250 Ford automobile.

Mr. WOLVERTON. I did not yield to the gentleman for a speech, but if he will listen to me for a moment he will hear something. The real trouble in Texas, from the standpoint of conservation, and the real trouble in other oil-producing States, is not the failure of the Federal Government to act, but it is the failure of the State Legislature in Texas, and in other States, to change the law of capture that makes possible the thing that you are now speaking against. [Applause.]

If you want real conservation you should get the Legislature of Texas to pass a law that will change the law of capture, and you will have done a great service and will have done it right in your own State.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. COLE of Maryland. The gentleman said that the Senate bill under discussion is not a conservation measure. I interpret that as meaning that the Federal Government, prohibiting shipments in interstate commerce of quotas in excess of the Texas law, for instance, does not encourage conservation. I would like to call attention to the language of Mr. Justice Cardozo in an extremely able dissenting opinion, referring to 9 (c), which had for its purpose the same problem with which this bill deals.

Quote:

Another declared policy of Congress is to conserve natural resources—

Said Justice Cardozo—

Beyond question the disregard of statutory quotas is wasting the oil fields in Texas and other States and putting in jeopardy of exhaustion one of the treasures of the Nation.

The language of Justice Cardozo about the very things we are trying to do, which was in 9 (c), through this bill now, is, in my opinion, very appropriate to this discussion.

Mr. WOLVERTON. There was no evidence which came to the attention of the subcommittee which showed at any time that there was any waste of oil that ever came to the surface. It was used by somebody in some way. As long as oil is used it is not wasted. Now, do not misunderstand me. I am as strongly in favor of conservation as any man in this House, and probably more than some who are speaking for the bill, or who are interested in the bill; but when I vote for conservation, I want it to be real conservation, and let it be a national policy.

I intend to vote for the bill, with regret that it is not more general or extensive in character. I would not have voted for the Connally bill as it came over to this House under any circumstances, but I think the House committee has done a splendid piece of work in amending the provisions of the Senate bill as already mentioned, and for that reason I am willing to vote for it. I am greatly disappointed, however, that we are only dealing with one part of this great subject, one small part, and a very small part of it. I think we could have dealt with it far more intelligently, from the standpoint of conservation, if there had been a Federal policy declared with respect to it. Of course, time does not permit me to go into that.

If it did, I would refer to numerous matters that should be considered in connection with the question of conservation. Of course, if conservation is the only thing you have in mind, then you would necessarily be in favor of a very liberal importation policy, but nobody who speaks in favor of conservation with respect to oil, would ever for a moment think of closing our oil fields and letting it come from the outside. If you are talking simply from the standpoint of conservation, you would open our gates to importation to the fullest extent, so that our own oil might be conserved, while the oil from other countries was being depleted. But no one from Texas favors that policy. I have never heard it even suggested in the State of Texas or any other oil-producing State. So when you talk about real conservation it must be in a far broader sense than the limited provisions of this bill.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. COOPER of Ohio. A few moments ago the gentleman expressed his opposition to the Connally bill, and one of the main reasons he gave was that it was so far-reaching. I would like to get the gentleman's opinion of paragraph 2, section 2. We read there:

The term "petroleum products" includes any article produced or derived in whole or in part from petroleum.

Mr. WOLVERTON. That is true, but other provisions in the bill which we eliminated from the Connally bill and

which therefore do not appear in this bill, would have made that provision applicable to every other State in the Union, but I think the committee has so worded it now that it will not apply to any State other than the one where the crude oil was produced.

Mr. BLANTON. Will the gentleman yield on the subject of conservation?

Mr. WOLVERTON. I yield if it is for a question, but if it is not, the gentleman from Maryland [Mr. COLE] will give the gentleman time.

Mr. BLANTON. Where oil wells which flow ten, twelve, fifteen, or twenty thousand barrels a day would run wide open and would thereby put out of business thousands of stripper wells which could not be operated at the low price, does not my friend know that most of those stripper wells have to be plugged and are ruined with salt water and that you cannot ever bring them back, and you are destroying the potential output of all those wells?

Mr. WOLVERTON. On the other hand, we had witnesses who appeared before our committee who said you were destroying the usefulness of wells by cutting them down too low; that the wells in east Texas were being destroyed because they were cut too low.

Mr. BLANTON. Of course, you hear the selfish end of it from the racketeers.

Mr. WOLVERTON. They were both Texas witnesses.

Mr. BLANTON. You will find most anything in the world in the State of Texas.

Mr. WOLVERTON. I am aware of that; and if there is anything on earth I want to do it is to return to the State of Texas.

Mr. DIES. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. DIES. I am wondering if the gentleman can suggest some constitutional method whereby we could conserve our natural resources?

Mr. WOLVERTON. Of course, I did not know that anybody in Texas was interested in that subject until the gentleman suggested it. [Laughter.]

Mr. SAUTHOFF. Will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. SAUTHOFF. I want to answer the gentleman from Texas. If they will declare it a public utility, you will put an end to it.

Mr. DIES. There are over 1,800 producers in the east Texas field alone.

Mr. SAUTHOFF. That does not make any difference.

Mr. WOLVERTON. I am not carried away with the idea that we are doing a fine job by the passage of this one bill. Of course, it is much finer than if we passed the Senate bill, but when it is said, "You must do this because of chaotic conditions that will result", honestly, I have heard that argument so frequently that it has ceased to have any effect at all. Last spring when the gentleman from Oklahoma [Mr. DISNEY] had his bill for Federal control of the oil industry before our committee and argued with much force and ability, we were told by someone, not by the gentleman from Oklahoma [Mr. DISNEY], that if we did not enact that bill, and if we should permit Congress to adjourn without enactment of it, chaotic conditions would reign in the oil fields. The bill was not passed but the dreadful results have not materialized to the slightest extent.

Then we were told when the Supreme Court rendered its decision on January 7 that immediate legislation must be passed or chaotic conditions would result. More than 30 days have elapsed and no chaotic conditions exist as yet. In fact, my information from a member of the Railroad Commission is that in his estimation "hot oil" in Texas at the present time does not exceed 15,000 barrels per day, which is the smallest it has been at any time, and it is infinitesimal when you consider the large potential that Texas has and the large allowable it has.

Mr. DISNEY. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. DISNEY. With reference to the gentleman's suggestion about conservation, of course, the gentleman considers conservation in the broad sense. Would not the gentleman's suggestion about conservation of our natural oil resources be met if we could properly and constitutionally have a balance of allocation among all wells in all States, a balance of supply as against consumptive demand? Would not that meet the issue the gentleman raises?

Mr. WOLVERTON. I think the gentleman's question answers itself. It is not a conservation measure the gentleman is speaking of for this reason: There is just so much oil in the ground. The gentleman says "let it be produced only to the extent that there is demand for it." Now, if we are in danger of depletion of our oil supply, it would be improper or inexcusable to let the full demand be supplied. So the gentleman is not looking at it from the standpoint of conservation alone but is looking at it from the standpoint of stabilization of the industry.

Mr. DISNEY. I concede that. The gentleman would not carry conservation so far as to refuse to allow the production necessary for the Nation's needs, would he?

Mr. WOLVERTON. Is the gentleman speaking now in favor of a conservation policy?

Mr. DISNEY. I am asking the gentleman whether this is a correct theory of conservation?

Mr. WOLVERTON. No; not in my opinion. There are other elements that should enter into a conservation policy.

Mr. DISNEY. Would the gentleman go farther—and I am not trying to be captious at all—would the gentleman go farther than to balance supply against consumptive demand in conservation? If the gentleman would, then we should have to go to some other source for gasoline.

Mr. WOLVERTON. The argument the gentleman is now presenting in the form of a question has been presented to the committee innumerable times and it is the argument of those in favor of stabilization of the industry.

Mr. DISNEY. But I am asking if the gentleman would go farther than that. As I said, I am not trying to be captious; I am interested in the stabilization of the industry.

Mr. WOLVERTON. If the gentleman is convinced that there is the necessity for a conservation policy then the gentleman would go farther than that.

Mr. DISNEY. I am wondering how much farther the gentleman would go.

Mr. WOLVERTON. I have not laid down the limits I will be prepared to go and shall not do so now, because there are differences of opinion between the gentleman from Oklahoma and myself as to how far conservation is necessary.

Mr. DISNEY. Personally, I am primarily interested in balancing supply against consumptive demand. If we were to go farther than that we would have to go to some other source for the gasoline that is now so universally used as a source of power.

Mr. WOLVERTON. This bill—and let us confine our attention to this bill—does not proceed even on that basis.

Mr. DISNEY. I agree with the gentleman.

Mr. WOLVERTON. That is the reason I have said that this is not a real conservation bill. It may be considered so in the light of the present proration that has been fixed in the State of Texas, but there is nothing in this bill to prevent Texas tomorrow from doubling its allowable, if it wished to do so, and it would still have the protection of this bill.

Mr. DISNEY. I agree with the gentleman. This bill is not a conservation bill; nobody said so, and nobody believes so.

Mr. WOLVERTON. And to show how harmful it is to conservation, it does not apply to a State that does not have proration laws. For example, California, a State which has no proration laws, can open its wells and flow them just as hard as it wishes and there is no prohibition in this bill that would in any way prevent such a situation.

Mr. DISNEY. Not a bit.

Mr. WOLVERTON. And California could do that despite what Texas might do from the standpoint of conservation. That is the reason I stated to the gentleman from Texas, my

friend [Mr. BLANTON], that this was not in effect a real conservation bill.

Mr. DISNEY. Citing the gentleman's example of California, is not that an argument that there should be some central, Federal authority to strike a balance between supply and consumptive demand?

Mr. WOLVERTON. The inquiry the gentleman is making is one of the most important that has been made to justify the statement I made that this bill should not have been called before the House until we dealt with the subject as a whole, so that the subject the gentleman is now speaking of could have been a part of the bill.

Mr. DISNEY. To follow my line of reasoning through, has the gentleman read the grain-futures cases on the subject of interstate and intrastate commerce?

Mr. WOLVERTON. I have, yes; but if the gentleman desires to ask constitutional questions there is one member of the subcommittee whose ability is so outstanding that I would suggest the gentleman direct his inquiry to him—the gentleman from Indiana [Mr. PETTENGILL].

Mr. FEISINGER. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. FEISINGER. I think perhaps in this colloquy the question I wanted to ask has been answered. The gentleman has the idea of a comprehensive plan of conservation, and I quite agree with him, but would it not take a good deal of time to work out a program of that kind? The question I wanted to ask is whether this bill is not a step leading to the fulfillment of that desirable result?

Mr. WOLVERTON. My opinion, if the gentleman presses me for an expression of opinion, and I regret to say it, is this: The passage of this bill will not help the passage of a more general bill, but I am fearful it may, in fact, be harmful to the passage of such a bill.

When the gentleman speaks about the difficulty of passing quickly a conservation policy, I do not suppose there is any question that has occupied the attention of Congress more frequently than the question of conservation. The President has appointed a National Resources Commission, which Commission has made a very careful study. They have presented a voluminous report to the President and have made definite recommendations, which apply not only to oil and coal, but to all of our other national resources. I may say to the gentleman that from the experience of the past, if the President is interested in the passage of a natural resources or conservation measure, it would not take so long to pass it.

Mr. FIESINGER. Why can we not pass such a comprehensive measure?

Mr. WOLVERTON. That is what I had hoped this committee would be permitted to do. When the President's Commission had made their report, and he had made up his mind as to what policy should be pursued with respect to the conservation of our natural resources, I was hoping then that this committee, with all of the information it had gained through these months of study and contact with the problem, would have been able to have presented a most worthwhile bill to this House. The gentleman will find if he will look at the report that was made by the Cole committee in the closing days of the last session, that it was suggested no legislation should be passed until a general policy could be taken into consideration, together with what the President's policy was to be on the future of the N. R. A. I think that has a very direct bearing on this matter, as well as the action of the governors of our oil-producing States. I refer to their action not because I believe the States should dictate to Congress but there are so many questions of a constitutional character that they can only be properly decided when the States cooperate with the Federal Government. I think there should be cooperation between the Federal Government and the States in this important matter.

Mr. FIESINGER. I quite agree with the gentleman.

[Here the gavel fell.]

Mr. COLE of Maryland. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, of course, Texas is the great producer of oil, but Oklahoma likewise produces oil and is interested in the passage of this bill. This is in line with what Governor Marland wishes for Oklahoma, and Oklahoma, like Texas, has laws for the control of her oil situation, but we feel that this Federal law would reenforce our State control.

Our State, I believe, is particularly favored in having great pools of oil. I have seen these oil volcanos, throwing their liquid wealth from the earth so high it would blow 18 miles away and cover our windshields until we could not drive without cleaning them. That is what these oil wells will do if they are not controlled. Because of that great pressure they would produce oil faster than the market could use it and therefore it is necessary to control the output.

The surplus oil produced is not a waste in the sense that it will not be used, but it is a loss to the producer who is not able to store the surplus, because here is what happens: When oil went to 7 cents per barrel the big companies bought it all up and put it in tanks. The little companies went broke. That is what happened, and that is where the waste comes.

Mr. Chairman, I heard this committee in session, and I believe it was one of the most capable committees that I have ever heard operate. They got the best oil men and those who knew oil before the committee. The gentleman from Michigan [Mr. MAPES] would take them first; then he would turn them over to the gentleman from Maryland [Mr. COLE], and those two gentlemen would bat them back and forth. Then they would turn the witnesses over to the gentleman from Indiana [Mr. PETTENGILL] and the gentleman from Illinois [Mr. KELLY]; then the gentleman from New Jersey [Mr. WOLVERTON] would take them on, and may I say when they got through with a man they had squeezed every bit of the oil information out of him that it was possible to get, so I am willing to take their recommendation on this situation.

I believe that this law will act as a conservation measure in that it will let the oil come as demand rises for it, and not give the big companies the opportunity to buy it and put it in tanks at 10 cents a barrel, and then later sell it at $1.

Someone raised the question here: Will this not raise the price of gasoline? Some time back they were selling crude oil at 7 to 10 cents a barrel, but gasoline remained about the same. Some question has been raised as to the constitutionality of this measure. The gentleman from Indiana [Mr. PETTENGILL] stated that he did not know of a case where something actually not harmful in itself had been prohibited from passage in interstate commerce and the law upheld as constitutional. May I refer to the prohibition in reference to the shipment in interstate commerce of game killed in violation of the State law?

[Here the gavel fell.]

Mr. COLE of Maryland. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Chairman, this bill seems to be about as little as anyone could hope for, considering the magnitude of the difficulties in the oil industry sought to be cured. This has a double aspect, of course; the conservation feature, and, in addition to that, there is the feature of stabilization to some extent of the industry. I am especially interested in the independent producers who own and operate small wells.

The bill does not go nearly as far as it should go. It may be of some assistance. It seems the best we can do now, and it is a step in the right direction. I know, and I think that everyone who has made a study of the oil situation knows, that something should be done to stabilize the oil industry for the preservation of the stripper wells in the various oil sections of the country. Unfortunately this bill does not give the power of control that it should give for the protection of the small wells. The whole matter is left to the control agencies of the various States that have legislation or regulation on the subject of control of the oil output of the respective States. If that agency fails or falls down, this bill will afford no relief or remedy to the industry generally. The

provisions of the bill will be of material aid to the States that cooperate.

Take, for instance, the State of Texas, and much comment has been made this afternoon on production of oil in the State of Texas. Oil conservation there is under the control of their railroad commission. If the railroad commission of the State of Texas is not inclined to hold flush production down in the eastern portion of the State of Texas, the "hot oil" problem would not be solved by the means here proposed, and this bill would be powerless to aid and assist the industry as a whole.

However, I have some hope that the bill, when it gets into active operation, will be of benefit. Of course most of the complaint and trouble is as to the "hot oil" of east Texas, and this is what has disturbed the industry more than anything else and must be controlled either by voluntary means or by aid of legislation to that end.

The reason I think this bill has some merit, even so far as control in the State of Texas is concerned, is because the State of Texas, being so large in area and being such a vast oil-producing State and having such vast areas in that State where there are small wells or where there are stripper wells, the Railroad Commission of the State of Texas will be interested in preserving these pumping or stripper wells, and to that end will aid in curtailing the big wells in the east Texas field to keep production more nearly constant and somewhat in balance with consumptive demands.

So for this reason I think we can do no more at this time than give our approval to this legislation. It tends toward conservation of this great natural resource, because the backbone of the oil industry is in the small or stripper wells of the country.

If a price level of crude oil can be maintained so as to prevent abandonment of the smaller wells, the industry as a whole will be benefited and in time the production of these small wells will inure to the benefit of the country generally. The big wells that come in with flush production will pass on in the course of time, but the real backbone and stability of the oil industry is to be found in the small wells or the stripper wells of the country; and unless the independent producers in the stripper-well sections get a price for their oil that will justify them in operating these wells, the oil industry in the end will suffer very materially.

So this bill will be of some benefit to the producers who are operating the stripper wells of the country and may be the means of preventing the abandonment of many small wells the production from which will be a valuable national asset in the future. I am hopeful the measure will be passed.

[Here the gavel fell.]

Mr. COLE of Maryland. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, as the distinguished gentleman from Illinois [Mr. ARNOLD] has said, the stripper wells are the backbone of the oil industry of this Nation. These big wells in east Texas will soon become stripper wells. The gas head is off at Oklahoma City now, and before long those will be stripper wells, and therefore the conservation of the stripper wells is highly important. There are more than 300,000 of them in the entire Nation, and it is important that we look to the flush production, and control that, in order that we may save the stripper wells, which will be of the greatest value in a national emergency. There are more than 300,000 of them.

I am going to vote for this bill. I do not think it goes far enough nor anywhere near far enough. It ought to go as far as I suggested to the gentleman from New Jersey a while ago, so that there should be a central authority to balance supply against consumptive demand in all States and not leave the rest of the States and the whole supply of oil at the mercy of what one State may do or what Texas may do under this very bill, if it saw fit to do so.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. The statement the gentleman has just made is the reason I made the reply to the gentleman from Texas [Mr. BLANTON], that this is not a real conservation measure.

Mr. DISNEY. And I agree this is not a real conservation measure, but if we cannot have a real conservation measure, we ought to have such statutes as we can pass to stabilize this large industry of the Nation. The oil industry is the third largest industry in the country. If we cannot get a whole loaf, we had better take less, rather than see the oil business get into a chaotic state.

The gentleman suggested a while ago that notwithstanding the dire prophesies of last year the oil business had not gone to pot. Well, late in November it was ready to go. The flush production in the east Texas had got so strong that price cutting had already started, and only the invocation of the original section 9 (c) by injunction proceedings and strong-arm methods, if you want to call them that, under the code, prevented a wholesale slashing of prices; and while I am on that subject, we need not fool ourselves at all on the subject of gasoline prices not having much reference to the price of crude. When the price of crude was $2.40 a barrel, the price of gasoline in 56 representative cities all over the Nation was 18.5 cents, and when the price of crude got down to $1.20, in the very same 56 cities the price of gasoline was 18.7 cents. Many things operated to bring this about; first, the question of monopoly which we know exists in the oil business. Such a monopoly revolves around us in various guises and masks and colors, but it is here. We have also loaded down the oil business with taxes. Some of the States have a tax as high as 7 or 8 cents and others have a tax of 3 or 4 cents. We did have a Federal tax of 1 cent, it is now one-half a cent a gallon; they have been building a filling station nearly every 100 yards; no industry, of course, could be balanced and stabilized and properly handled and managed with conditions of this sort filtering in from all directions.

However, I am getting away from the bill.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. Yes.

Mr. WOLVERTON. It has recently come to my attention through a newspaper article that was published, that the Governor of Oklahoma has stated that if this original 9 (c) reenactment, as it was passed by the Senate, should be enacted into law, he promised oil would go to $1.50 or $2 a barrel. Did the gentleman observe that statement in the papers?

Mr. DISNEY. I did not see that statement and I would hesitate to make any comment upon it.

Mr. WOLVERTON. Does the gentleman suggest Federal jurisdiction in order that any such possibility might be prevented?

Mr. DISNEY. Yes; I suggested a Federal agency for two reasons: First, genuine conservation of supply against consumptive demand; and, second, stabilization of the entire industry.

I here take the unusual step of presenting to Congress before its formal introduction the text of the general oil bill which I may later offer in the usual manner. I am doing this in order that the Members of Congress, those in favor of this legislation, those opposed to it, and those who are in doubt, may all have the fullest possible opportunity of making a careful study of this measure before it is presented and before it is referred to a committee.

I am not proposing Federal control. I am proposing a degree of cooperation between the Federal Government and the oil-producing States which I believe is vitally necessary both for the recovery of this important industry, for the continuation and improvement of the purchasing power of the people of those States, for the protection of over, much more than, a million employees engaged in this industry, and, possibly most significant of all, for the protection of each in-

dividual oil State from any possible invasion of its rights by any group in some other State. The bill provides for the scientific determination of the amount of production required to meet our demand for consumption and export, this determination to be made by an unprejudiced board, the majority of whom are to be nominated by the petroleum industry. No such scientific authority can be set up by a single State. The same board is also to estimate, scientifically, the just and equitable proportion of that production which should belong to each one of the oil States, a determination made difficult, if not impossible, for any single State by reason of lack of facilities, natural jealousies, and the common desire to secure as large a portion of the market as possible without due regard to producers in other States.

The Federal Government, under this bill, will have no authority to affect the movement of petroleum or its products from any State or to propose production quotas within that State unless a State endeavors to obtain for itself more than its proper and equitable share of the national market. In such a case, however, in order to protect the other States, and in order to protect the interstate commerce in these products, and for the general welfare of the entire Nation, provision is made for the Federal Government's remedying the situation. The bill sets up machinery based upon past experience with the Federal tender board and experience of the various States in their efforts to control production.

An interstate compact is provided for in this bill, and while such compact proves effective, the Federal Government will merely furnish to the States in such a compact the scientific estimate of the production to which such States are properly entitled, and will have no other authority unless these States attempt production beyond their just share, or withdrawal from such compact and sets up a basis to protect such States pending the adoption of a practical compact.

The bill I am contemplating introducing is as follows:

A bill to regulate commerce in petroleum, and for other purposes

Be it enacted, etc.—

DECLARATION OF POLICY

SECTION 1. Excessive supply injuriously affects commerce in petroleum among the several States and with foreign nations. Besides the results usually coincident with excessive supply and, in addition to distress sales and dumping, the effect here is to render unprofitable the operation of wells of small, but settled, production, and cause their abandonment before the maximum economic yield is obtained, thereby causing waste of an exhaustible natural resource essential to the national defense. Premature extraction of petroleum from the natural reservoir, induced by the absence of restrictions upon the quantity which may move in commerce, results also in other wastes and inferior uses. To remedy such evils and properly to regulate and coordinate commerce in petroleum among the several States and with foreign nations, it is essential that restrictions be placed upon the quantities which may move in commerce when excessive supply exists, and that fair and equitable apportionment be made among the States and among the different sources of supply. This commerce, a large portion of which is interstate or foreign, is found to be of such nature that any regulation herein contemplated, to be effective and fair, must regard all commerce in crude petroleum as a unit and establish quotas therein without regard to the fact that some transactions may occur within the States, since they affect, if they are not part of, commerce among the several States and with foreign nations.

CONSERVATION

"Petroleum is admittedly irreplaceable. The quantity of petroleum in known fields and pools is capable of fairly accurate determination. With the quantity of known reserves established and the discoveries in the future entirely problematical, it is natural that the conservation of this very valuable resource has claimed the attention of the Federal and State Governments, as well as of the petroleum industry for some time." (Cole report, p. 5.)

"For many years conservation of petroleum resources has been of very definite concern to the oil-producing States, resulting in waste and proration statutes being passed, and in effect today. Many of these statutes provide for the separate agencies with broad authority. In addition to the interest of the Federal Government and that of the oil-producing State governments, studies and recommendations have been made by the various groups within the industry." (Cole report, p. 7.)

WASTE

"Huge waste, such as the subcommittee has witnessed in the panhandle of west Texas, should not be permitted to continue. Waste of many kinds in other fields, both past and present, shock anyone possessing familiarity therewith." (Cole report, p. 9.)

NATIONAL PETROLEUM SUPPLY

"The determination of the necessity, extent, and character of possible legislation depends in part upon the questions of whether an excessive supply of petroleum exists." (Cole report, pp. 9, 10.)

"An excessive supply of petroleum and its products to meet current demand undoubtedly exists. The potential production, based upon available potentials, is considerably in excess of today's production of crude oil. Large quantities of crude oil are above the ground in storage and imports of crude oil have been limited by definite restrictions. The total demand for crude oil, which includes domestic-consumer demand and export requirements, is much less than the aggregate of potential production, stocks in storage, and supplies available in foreign countries. There can be no doubt of the capability of the major oil fields to produce oil currently in excess of the rate at which the Nation can consume petroleum and its products. This being true, an admittedly excessive supply will exist to meet current demand so long as proven reserves are capable of production in excess thereof.

"Based upon conservative estimates of known reserves, an excessive supply of petroleum to meet future demand does not exist. Numerous estimates of the petroleum resources of the United States have been made during the past quarter century. Should future daily demand continue approximately in the amount required today, and no additional discoveries of new fields be made, the present known reserves would last, according to most estimates, approximately 15 years." (Cole Report, p. 10.)

"We do not feel justified, however, even in view of the admitted possibility of improved methods of recovery being employed and of additional discoveries of new pools and of the use of substitutes and of possible improved mechanical devices, in arriving at the conclusion that the petroleum reserves available in the country today to meet the future demands are excessive, but, on the contrary, we feel that they are of a very limited nature." (Cole Report, p. 10.)

OIL AS COMMERCE

(The last sentence in the section is regarded as most important, because it covers the factual basis for a system of control which will embrace intrastate transactions, as well as those occurring in interstate and foreign commerce. Without a finding of the kind indicated by this sentence, the legislation might fall in the class that was condemned by the Supreme Court in *Hill* v. *Wallace* (295 U. S. 44), where Congress had undertaken to regulate local transactions in grain futures, but had made no finding that they affected interstate commerce. After that decision was rendered, Congress enacted a new law of similar import, with an express finding that the local transactions do affect interstate commerce, and this statute was sustained in *Chicago Board of Trade* v. *Olsen* (262 U. S. 1) in its application to local transactions.)

FEDERAL PETROLEUM BOARD

SEC. 2. There is hereby created the Federal Petroleum Board, to be composed of five members. The Secretary of the Interior shall be a member and ex-officio chairman of the board. The other four members shall be appointed by the President, for terms concurrent with the term for which the President is elected, and they shall hold office respectively until their successors are chosen and qualify. Each of the four shall receive compensation at the rate of $10,000 per annum. The board shall appoint such qualified and trained employees as may be necessary in carrying out the purposes of this act, and their compensation shall be fixed in accordance with the Classification Act of 1923, as amended. The scientific and professional employees of the board shall be selected solely upon the basis of what scientific or professional qualifications they possess. The board from time to time shall elect a vice chairman to act in the absence of the chairman.

(This section is designed to permit the President to secure a board which will have the benefit of the knowledge and experience of the industry and at the same time protect the public interest.

To secure the proper talent it would seem necessary to fix compensation comparable with that of members of the Interstate Commerce Commission or the Federal Trade Commission. The special tax imposed upon the industry under the Revenue Act of 1934, the original purpose of which was to defray the expenses of code administration, will more than cover the outlay on account of this board.)

COLE REPORT

"The petroleum industry, the third largest in the country, represents an investment, based upon present-day values, of more than $12,000,000,000. No argument is needed to establish reasons for the interest of the national Government in the future development and in the operations of many of the present-day activities in the petroleum industry.

"We recommend, therefore, that any legislation establishing permanently the interest of the Federal Government in the petroleum industry should provide for an agency, commission, or board, as it might be designated, to absorb some of the activities in various departments of the Federal Government as now constituted. The Bureau of Mines might very easily be revamped for the purpose.

"The subcommittee feels that such an agency should have sufficient personnel and authority to study continuously the status of the petroleum reserves; encourage discoveries of new pools; assist in improving present-day methods of production; study the possibility and expense of repressuring in various existing fields; systematically determine the total demand for petroleum and its products, both domestic and foreign; have jurisdiction over the management of oil-producing public and Indian lands; be given jurisdiction to establish pipe-line rates, unless the Interstate Commerce Commission is given greater appropriation to handle more expeditiously this subject now before it; and to study and make report as to the advisability of divorcing pipe lines; recommend

at regular intervals to the President of the United States—the President being given authority by Congress to approve—limitations upon the importation of petroleum and its products, including natural asphalt, so as to prevent importation thereof from interfering with the current domestic production by supplying an undue proportion of the domestic consumption and export demand therefor; to represent the Federal Government, if need be, in any cooperative interstate compact, agreed upon and approved by the Congress; and, in general, to possess all other necessary authority so as to present that dignity, from a national standpoint, to which the subcommittee believes the petroleum industry is entitled." (Cole Report, p. 11.)

INVESTIGATION AND REPORTS

SEC. 3. The board is authorized and empowered, when, in its judgment, it is necessary to effectuate the purposes of this act, to make investigations and collect data from the industry, and to this end it may require periodical and special reports from persons, firms, or corporations engaged, directly or indirectly, in the petroleum industry, and in transportation thereof, and may examine and inspect their books, records, papers, and properties for the purposes of verifying such reports and ascertaining the facts, and shall have power to compel the production of such books, records, and papers.

COOPERATION WITH OTHER BODIES

SEC. 4. The board may cooperate with executives, officials, and agencies of the States in the study and investigation of matters relating to the petroleum industry, and may hold joint hearings upon such matters with any duly authorized State agency. The board, when participating in any such joint hearing, shall have all the powers enumerated in section 13.

The several departments and bureaus of the United States Government shall, at the request of the board, provide it with all records, papers, and information which they may have available pertaining to the petroleum industry.

IMPORTS

SEC. 5. The board shall limit the importation of petroleum and its products, including natural asphalt, to such quantities as will prevent imports of petroleum and its products, including natural asphalt, from interfering with the current domestic production by supplying an undue proportion of domestic consumptive and export demand for petroleum and its products, including natural asphalt.

The four quarters of the calendar year shall be reckoning periods. To the end of 1940, and thereafter until otherwise ordered by the board, the allowed rate of imports of crude petroleum and the products of crude petroleum, all combined and including natural asphalt, in barrels total for any reckoning period of 3 calendar months, shall be 13.43 percent of the quantity of crude petroleum determined under section 6 to be the demand for consumption in the United States and the demand for export from the United States during the first month of such reckoning period. Crude petroleum or products thereof imported and supplied to vessels at American ports shall be deemed imports, excepting bunkers for vessels engaged in foreign trade.

In advance of each reckoning period the board shall hold a hearing, consider applications for quotas, make fair and equitable allocations, and establish within the limits herein fixed just and reasonable quotas of crude petroleum and the various products thereof, including natural asphalt, for persons desiring to import the same during the period in proportion to their proven trade or manufacturing demand for such imports over and above their customary and available domestic supply, if any.

Quotas of particular products shall not be allowed to such extent as will, on the whole, increase the normal importation ratios of such products to the aggregate of crude and other products imported, except when the board finds a shortage in the domestic supply of such particular products, and should the allowed ratio of crude petroleum, fuel oil, gas oil, paraffin, and asphalt in aggregate barrels to all other products of petroleum allowed to be imported fall below the average ratio which prevailed in the last 6 months of 1932, each barrel excess of such other products having a boiling point below 400° F., shall be deemed the equivalent of 3 barrels for the purpose of computing total allowable imports.

Under appropriate rules and regulations, the board may permit imports in bond for export, including manufacture in bond coupled with export of resultant products, and such imports shall not be charged against import quotas or included in computations under section 6.

When quotas are in effect under this section it shall be unlawful for any person, except as otherwise herein provided, to import into the United States crude petroleum, or any product thereof, in excess of his quota or without having been assigned a quota under this section.

No tariff, duty, or excise tax now in force, shall be affected by the provisions of this act.

(The intended ratio of imports to domestic production is 4.51 percent, the ratio for the last half of 1932 (105,855 barrels) to the average daily allowable production for the United States (2,345,600 barrels), as fixed in the orders of the Petroleum Administrator for the 12 months' period from October 1933 to September 1934, inclusive. Since, under this bill imports are to be fixed on a quarterly basis, and domestic allowable for commerce on a monthly basis, and only 1 month domestic allowable will have been determined when imports for the quarter are fixed, it is necessary to take 1 month domestic and multiply it by three to arrive at imports for the quarter-year reckoning period. Hence, the 13.53 percentage figure in this section.

This entire section has been worked out to correspond in substance and detail with the present plan of voluntary restrictions upon imports as agreed to by importers. It is slightly technical, but necessarily so. A definite standard or basis is provided; otherwise it might be construed as an undue delegation of legislative power.)

ASCERTAINMENT AND APPORTIONMENT IN UNITED STATES

SEC. 6. The board shall periodically, upon fair and impartial consideration of pertinent data, determine the demand for consumption in the United States and the demand for export (exclusive of exports from imports in bond) from the United States for petroleum in the United States and the products thereof. Using such determination the just and reasonable portion of such demand for crude petroleum from each producing State; and if found necessary by the board for the purpose of carrying out the purpose and provisions of this act, the board shall likewise determine the just and reasonable portion of such demand for crude petroleum from any or every pool, field, lease, property, storage unit, or other source of supply within the State.

(It will be observed that this section does not authorize any action effective in the States. It merely provides for the establishment of a basis upon which the States can proceed in a coordinated manner and upon which the Federal authority can proceed under a subsequent action if it becomes necessary.

In other words, the determinations here authorized will merely be persuasive unless and until events require the invocation of section 9.

That some Federal coordination is necessary in times of overproduction is generally conceded. Individual State control, once bitterly assailed, is now accepted as necessary. The States have not agreed among themselves. They vie with each other and are urged on by operators within their respective borders. Waste and demoralization of commerce has ensued, as past experience shows. It is fair to States that a strong movement for State compacts is underway, but the results may only apply to waste.)

INTERSTATE COMPACTS

SEC. 7. The consent of Congress is hereby given for any two or more petroleum-producing States to enter into agreements or compacts from time to time for the conservation of their petroleum resources and the restriction of crude-petroleum production, subject to the condition that the total allowed production for the signatory States combined shall coincide with the total demand for such production, as determined under section 6 hereof.

(Whether State compacts are workable is debated in the industry. All factions seem to favor permissive legislation such as this section. It would place the State in position to make the effort. It would virtually constitute a request on the part of Congress that the States, through their power to control production, should relieve Congress of the duty of dealing with commerce in petroleum.

As recently pointed out by Mr. PETTENGILL, of Indiana, it might be improper for Congress to surrender to the States a measure of its authority to regulate commerce, if the surrender were in the form of a blank check. But it will be noticed that this section requires compact allowables to coincide with demand, as determined by the board. Thus the States would be precluded, not only from agreeing upon allowables too high but also from fixing them at figures too low, to the possible injury of the consumer, or the nonproducing States.)

LIMITATION UPON FIXING QUOTAS

SEC. 8. Whenever and so long as the production of crude petroleum in any State, through agreement or compact, or through orders of State authorities, or otherwise, is kept within the demand for production from such State, as determined under section 6, no quotas shall be fixed under this act for pools, fields, leases, or properties within such State. In event two or more States shall be under agreement or compact restricting their production of crude petroleum, as authorized in section 7, the total production of the signatory States combined must exceed the total combined demand for such States, as determined under section 6, before quotas shall be prescribed for pools, fields, leases, or properties within any such State.

QUOTAS IN COMMERCE

SEC. 9. When, and only when, but as often as the production of crude petroleum in any State exceeds the demand therefor, as determined under section 6, but always subject to the provisions of sections 7 and 8, the board shall prescribe quotas of crude petroleum for movement into commerce, in such manner and to such extent as will limit the total movements into commerce to the demand for consumption in the United States and the demand for export, as determined by the board, and shall prescribe such quotas of crude petroleum from such States, pools, fields, leases, properties, storage units, or other sources of supply as it may find to be necessary to effect such national limitation. The quota prescribed for any such source of supply shall be equal to its just and reasonable portion of total demand as determined under section 6. It shall be unlawful for any person to place or receive in commerce (export, interstate, or intrastate), by sale, purchases, exchange, consignment, transportation, or otherwise, any crude petroleum in excess of quota so prescribed, or any product derived in whole or in part from such crude petroleum, with knowledge, or reasonable ground to believe, that the quota is being, or has been exceeded; and this inhibition shall include placing or receiving in such commerce any product of petroleum if the crude petroleum itself, being in excess of quota could not have been placed in such commerce lawfully and directly. If found neces-

sary to accomplish the purposes of this act, the board may require crude petroleum produced in excess of quotas in commerce to be stored and the storage sealed or bonded. In every case, exportation shall be deemed placement in commerce.

This is the vital section. It observes the distinction between production and commerce and undertakes to deal only with sales or other acts of commerce. Sales quotas, not production quotas, would be authorized. Moreover, the Federal authority would keep hands off entirely so long as the State, as a whole, remained in line. No restriction of sales from pools or properties would be permitted under this act in the absence of overproduction for the State as a whole, which is in complete consonance with the contention of some of the States, that they should be allowed to deal with their internal-production problems.

On the constitutional right of Congress to treat all commerce in crude petroleum as a unit, stream, or current, for the purposes of this kind of regulation, and to ignore the fact that some transactions are intrastate, the following cases are cited:

Railroad Commission of Wisconsin v. *C. B. & Q.*, 257 U. S. 563; *Shreveport Rate Case*, 234 U. S. 342, and *Minnesota Rate Case*, 230 U. S. 352, developing and applying the unit doctrine to commingled commerce.

Stafford v. *Wallace*, 258 U. S. 495, upholding the Packers and Stock Yards Act, in its application to local and apparently isolated transactions, on the ground that they affect a stream or current of interstate commerce.

Chicago Board of Trade v. *Olsen*, 262 U. S. 1, sustaining the Grain Futures Act, in similar application, on the same ground.

Lemke v. *Farmers Grain Co.*, 250 U. S. 50, setting aside the North Dakota regulatory act, because it invaded the sphere of Congress in dealing with a commerce of the commingled type, the greater portion of which was interstate.

As to the practical operation of this section of the bill there need be no confusion. Apart from statistical work, factual studies, determination of national demand, and its allocation to the producing States, the board would take no action so long as the production of the country and imports are in balance with demand for domestic consumption and export, and there is no State where too large a share of the market is being seized. It is conceivable that through cooperation and State enforcement of State orders nor through State compacts, with the Federal law in the background, it might never be necessary for the Federal agency to go further. But upon the occurrence, despite State efforts, of excess production and its movement into commerce, in excessive quantities, the board would act under this section. Imports being at a rate found proper and fair, the fixing of domestic quotas in commerce would be in order. They might be fixed for and in several or all of the producing States. But quotas in commerce would be fixed.

For the same reasons that stripper wells and settled production are virtually exempt from production restrictions now, they would be exempt under the quotas-in-commerce system. In other words, their production would be free to move in commerce without let or hindrance or supervision from any source. On the hypothesis that present code allocations to States, and those by State authority to pools and properties, would be fair and proper if restrictions were upon a production basis, it may be assumed that commerce quotas would correspond to them in quantity. Only flush pools and properties would presently be affected by the new system. Other flush areas would be similarly affected upon their advent. Commerce quotas would be fixed for those areas and only those areas turning excessive quantities into commerce.

It would be futile, of course, to fix them for States and pools and stop there. This is true because neither the State nor the pool could respond; there would be no way to enforce an order so general; hence the necessity of fixing commerce quotas for individual properties. This, of course, could be done on the same basis that production allowables are now fixed. The States would be left free to exert all their powers to prevent overproduction, but if any State should approve or tolerate excess production, the excess would be under ban against sale, exchange, consignment, or any other act of commerce. In a broad sense, the Federal act and the board would simply deal with sales, instead of production. There never would be any interference except in localities and cases where production proration applies or should apply and is not observed.

This is submitted as a minimum of Federal regulation with every consideration for State sovereignty.

CERTIFICATES OF CLEARANCE

SEC. 10. To make effective the restrictions and quotas established under this act, the Board may prescribe and require certificates of clearance for crude petroleum in such areas and at such times as may be deemed necessary, under appropriate rules and regulations; and while such orders of the Board are in effect no person shall receive or transport crude petroleum to which such orders apply without appropriate certificates of clearance. Wherever such certificates are required by the Board, and any crude petroleum is refined or processed without first having moved in commerce under an appropriate certificate, it shall be unlawful to place any products thereof in commerce without furnishing a certificate of clearance, or for any person to receive or transport such products, knowing them to have been derived, in whole or in part, from crude petroleum which has not moved in commerce under an appropriate certificate of clearance, or for which a certificate of clearance for such products has not been furnished.

RULES AND REGULATIONS

SEC. 11. In the administration, enforcement, and interpretation of this act, the Board is authorized and empowered to make such rules and regulations, in addition to those specifically provided for in this act, as may be reasonably necessary to carry out the purposes of this act. It may determine procedure for hearings, including the manner of giving notice of such hearings, not inconsistent with the provisions of this act.

HEARINGS

SEC. 12. Before quotas are prescribed pursuant to any section of this act, hearings shall be held after such reasonable public notice as may be prescribed by the Board (in no case less than 10 days); and at any such hearings any person or governmental body interested in the subject matter of the hearing shall be entitled to be heard: *Provided, however,* That in case an emergency is found to exist by the Board, temporary quotas for a period not exceeding 31 days may be prescribed by the Board without notice or hearing; but such temporary quotas shall thereafter be equitably adjusted at the earliest practicable date, and such adjustment shall be made after notice and hearing as herein provided: *And provided further,* That any orders or findings of State regulatory agencies relating to production or movement of petroleum may be adopted by the Board for the purpose of prescribing quotas pursuant to section 9 without the necessity of a hearing.

WITNESSES AND TESTIMONY

SEC. 13. The Board shall have, to the extent reasonably necessary to carry out the purposes of this act, the power to examine witnesses, receive evidence, and administer oaths and affirmations; to take affidavits and depositions; and to require by subpena the attendance and testimony of witnesses and the production of specifically designed books, records, and papers. Such attendance of witnesses, and the production of such books, records, and papers may be required from any place in the United States at any designated place of hearing. In case of refusal to obey a subpena issued to any person the Board may invoke the aid of any district court of the United States, within the jurisdiction of which the person guilty of refusal to obey resides or carries on business, or is found, and such court may issue appropriate orders requiring such person to obey such subpena, and any failure to obey any such order of the court may be punished by such court as a contempt thereof.

The Board may order testimony to be taken by deposition, in any proceeding or investigation pending under this act, at any stage of such proceeding or investigation. Such deposition may be taken before any person designated by the Board and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce books, records, and papers in the same manner as witnesses may be compelled to appear and testify and produce books, records, and papers before the Board, as hereinbefore provided.

Witnesses shall be paid the same fees and mileage that are paid in the courts of the United States, and witnesses' whole depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

COURT REVIEW

SEC. 14. Any person, adversely affected by any order, rule, or regulation issued or promulgated under the provisions of this act, or by any act done or threatened thereunder, and who has exhausted his administrative remedies hereunder, or as may be provided hereunder, and who has presented to the Board a petition for relief which has not been granted, may seek court review by a suit for injunction in an appropriate district court of the United States. Such suit shall be tried in accordance with general equity principles: *Provided, however,* That no temporary, permanent, or other injunction, restraining order, or writ shall issue in such suit unless the case shall have been fully heard and determined by a court constituted of three judges, in the same manner as provided in section 380 of title 28 of the United States Code. And courts so constituted shall have power to grant relief in such cases. Their decisions may be reviewed as provided by law and rules of the court.

The provisions of this section for court review of decisions, orders, rules and regulations of the Board, and action taken or threatened thereunder, shall be exclusive.

ENFORCEMENT OF ORDERS

SEC. 15. If any person fails or neglects to obey any order, rule, or regulation of the Board while the same is in effect, the Board or the United States by its Attorney General may apply to an appropriate district court of the United States for the enforcement of such order, rule, or regulation. The court shall enforce obedience to such order, rule, or regulation by a writ of injunction or other proper process, mandatory or otherwise. The court may also require any person who has moved in commerce petroleum or the products thereof in excess of the applicable quota prescribed pursuant to the terms of this act to reduce his future movements in commerce to an amount below such quota so as to make up for the amount of such excess.

PENALTIES

SEC. 16. Any person who shall violate any provision of this act, or any order, rule, or regulation issued or promulgated pursuant to this act, shall be guilty of an offense, and upon conviction shall

be punished by a fine not to exceed $1,000 or by imprisonment for not longer than 1 year, or by both such fine and imprisonment, and each day such violation continues shall be deemed a separate offense. Any person who shall import into the United States any petroleum or its products in violation of any order issued pursuant to section 5, or who shall place, receive, or transport in commerce crude petroleum or the products thereof in violation of any order issued pursuant to section 9, shall also forfeit to the United States a sum equal to the value of such petroleum or product so imported or placed, received, or transported in commerce, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States and brought in the district where the offense was committed, or in any district where such person may be found. The costs and expenses of such prosecutions shall be paid out of the appropriation for the expenses of the courts of the United States.

Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce any books, records, or other papers, if in his power to do so, in obedience to the subpena or lawful requirement of the Board, shall be guilty of an offense, and upon conviction thereof in a court of competent jurisdiction shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

Any person who, for the purpose of evading this act, shall intentionally make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who, for such purpose, shall so make, or cause to be made, full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions pertaining to the interest or activities in the petroleum industry of such person as may be required by the Board, under authority given herein, or who, for such purpose, shall remove out of the jurisdiction of the United States, or mutilate, alter, or by any other means falsify any books, records, or other papers pertaining to the transactions regulated by this act, shall be deemed guilty of an offense against the United States, and shall be subject upon conviction in any court of competent jurisdiction to a fine of not more than $5,000, or to imprisonment for a term of not more than 3 years, or to both such fine and imprisonment.

Any person aiding or abetting any other person in the violation of any provision of this act or any order, rule, or regulation issued pursuant thereto, shall be subject to the same penalties as are prescribed herein for the offense of such other person.

(The penalty based upon value is intended to reach cases where, because of volume involved, the offender could afford to pay the stated fines and still escape with a profit. Cases of this kind have occurred under State law imposing fixed fines without regard to values.)

MOVEMENT OF EXCESSES OVER STATE PRODUCTION ALLOWABLES

SEC. 17. If and when, no applicable quota in commerce is in effect under section 9 for a lease or property, and if and when a production quota or restriction upon production is in effect under State authority applicable to such lease or property, neither crude petroleum produced therefrom in excess of the State allowable, nor products derived, in whole or in part, from such excess production shall be placed, received, or transported in interstate commerce or exported until a permit is obtained from the Board; and any person placing, receiving, or transporting the same in such commerce or exportation shall be subject to the penalties of section 16 relating to placement, receipt, and transportation in commerce, when quotas under section 9 are exceeded. No permit under this section shall be granted by the Board, until the operator of the lease or property makes proof that production therefrom has been adjusted to conform to the rules and orders of the State authority, all periods considered, and that the applicant has in all respects complied with the provisions of this act. The inhibitions and penalties of this section shall apply also to placing, receiving, or transporting in intrastate commerce crude petroleum produced in excess of State allowables, or products derived therefrom in whole or in part, such transactions being here found to affect commerce among the States and with foreign nations.

(The purpose here is to reach to the individual case where the State has complied with the national program but the operator has violated State orders. Many such cases have occurred during the code period.)

NATIONAL INDUSTRIAL RECOVERY ACT

SEC. 18. This act shall not be construed to repeal such portions of the Code of Fair Competition for the Petroleum Industry, adopted pursuant to the National Industrial Recovery Act, as are not necessarily inconsistent herewith.

SAVING CLAUSE

SEC. 19. Any offense committed, or any right accrued, or any penalty or obligation incurred prior to the effect date of this act under any provision of law or code of fair competition repealed by this act, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been passed.

SEPARABILITY OF PROVISIONS

SEC. 20. If any provision of this act or any clause, sentence, or part hereof be held unconstitutional or invalid for any reason or the applicability thereof to any person, circumstance, commodity, or class of transactions with respect to any commodity be held invalid, the validity of the remainder of the act and the applicability of such provisions to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

DEFINITIONS

SEC. 21. The words defined in this section shall have the following meaning when found in this act, to wit:

(a) "Petroleum Industry" means the producing, selling, shipping, processing, refining, transporting, or otherwise dealing in petroleum or the products thereof, including natural gasoline and natural gas produced in conjunction with petroleum.

(b) "State" means the District of Columbia and any State, Territory, or possession of the United States.

(c) "Person" means any natural person, corporation, association, partnership, executor, administrator, receiver, or trustee.

SHORT TITLE

SEC. 22. This act may be cited as the "Federal Petroleum Act."

Mr. COLE of Maryland. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, of course, this is not a conservation measure but, indirectly, it does conserve. That was the point I tried to make in the colloquy with my friend from New Jersey. Enforcing the law, and stopping the wide-open flowing of "hot oil", does conserve oil, because otherwise many thousand of stripper wells would be put out of business, and the wells are plugged, and in many instances salt water ruins them.

The only reason the Federal Government has any authority in this matter is that this is an illegal product acquired through violation of law and shipped through interstate commerce.

It is just like my friend from Ohio [Mr. COOPER] voting for the Dyer Act, which permits the Federal Government to send a man to a Federal prison for a long time for stealing a $250 automobile and taking it over the Ohio line.

So this bill would permit the Federal Government to step in and help the State to enforce its law, where law violators ship illegal oil in interstate commerce.

Now, you take these big east Texas oil wells and turn them loose flowing wide open at full capacity and they will flow oil enough in 40 minutes to supply the whole demand of the entire United States for 24 hours, and that is undisputed.

Take the oil wells in my district, all through my counties; take the oil wells in the other west Texas districts of my colleagues, MARVIN JONES, THOMASON, SOUTH, MAHON, and MCFARLANE—most of these wells are strippers. We are trying to protect thousands of these stripper wells, those that pump 5, and 10, 15, and 20, and 25 barrels per day from those that unlawfully are allowed to flow 10,000 and 12,000 barrels a day—and it is true that there are some wells that flow 25,000 barrels a day. They unlawfully turn them loose and put that oil on the market and they would put the stripper wells out of commission. They could not operate the stripper wells. They would not bring in enough to pay expenses, and have to be plugged, and are ruined. That is where the conservation comes in.

We are trying to take care of all the stripper wells over the country. Every independent oil man in my district and my State is in favor of this measure and against "hot oil."

I am glad that the committee is going to take the 5-day clause out of this bill. Do you know what would happen if this 5-day clause is left in, this 5 days between the passage of the bill and its taking effect? My colleague, Mr. DIES, called attention to it—that on the sidings right now in the district of my colleague, Mr. SANDERS, there are 3,200 tank cars loaded with "hot oil"—1,811,000 barrels of that "hot oil" loaded on tank cars right now, and if you leave that 5-day clause in the bill it will all be shipped in interstate commerce; there would be no protection against it. I am glad that the committee is going to take it out of the bill.

Mr. WOLVERTON. Is the oil the gentleman now refers to as being held on the siding "hot oil"?

Mr. BLANTON. Yes.

Mr. WOLVERTON. Why does not the State of Texas prosecute the people who are responsible for the production of that oil?

Mr. BLANTON. Oh, why did not they close up all saloons in New Jersey? They did not do it because they were not able to do it.

Mr. WOLVERTON. Oh, if the gentleman will go into my county, he will find that they were closed.

Mr. BLANTON. They were open when I was up there.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COLE of Maryland. Mr. Chairman, I yield back the rest of the time and ask that the Clerk read the bill for amendment.

The Clerk read as follows:

SEC. 2. As used in this act—

(1) The term "contraband oil" means petroleum or petroleum products, any part of the constituent petroleum or petroleum products of which was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of a State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

(2) The term "petroleum products" includes any article produced or derived in whole or in part from petroleum or any product thereof by refining, processing, manufacturing, or otherwise.

(3) The term "interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or from any place in the United States to a foreign country, but only insofar as such commerce takes place within the United States.

(4) The term "person" includes an individual, partnership, corporation, or joint-stock company.

Mr. SAUTHOFF. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 7, line 19, after the word "otherwise" change the period to a comma and add the following: "and shall be deemed a public utility for all purposes."

Mr. COLE of Maryland. Mr. Chairman, I make the point of order against that, that it is not germane to the subject of the bill.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. COLE of Maryland. I do not wish to be heard at length, but it seems to me that requiring something to be made a public utility is foreign to the idea embodied in the bill, which is for the purpose of regulating interstate commerce in contraband oil, as defined in the bill.

Mr. SAUTHOFF. Mr. Chairman, in response to that, the term "petroleum products" is defined, and this is to be a part of the definition.

Mr. COLE of Maryland. If that is the case, Mr. Chairman, then I think the point of order is still more applicable. The amendment, as I understand it, seeks to have petroleum products declared a public utility. Certainly that is not a definition of petroleum products.

Mr. BLANTON. Mr. Chairman, I ask the Chair to hear me a moment on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLANTON. The gentleman's amendment certainly is not germane to the bill nor to the section because it is an attempt to introduce a new subject and to declare a public interest in oil.

There is no such subject or purpose in the bill now before us. The entire purpose of the bill is to prevent in interstate commerce the shipment of illegal petroleum, and that is the only purpose of the bill. The attempt of the gentleman to declare a public utility is an attempt to introduce an entirely new subject and to declare a public national interest in the commodity itself and in the entire industry. Certainly the amendment is not germane and is subject to the point of order and is out of order.

The CHAIRMAN. The Chair is ready to rule. The amendment of the gentleman, in the opinion of the Chair, seeks to bring a new subject into the bill not originally contemplated. The Chair therefore sustains the point of order.

The Clerk read as follows:

SEC. 3. The shipment or transportation in interstate commerce from any State of contraband oil produced in such State is hereby prohibited; except that whenever the President finds that the amount of petroleum and petroleum products moving in interstate commerce is so limited as to be the cause, in whole or in part, of a lack of parity between supply (including imports and reasonable withdrawals from storage) and consumptive demand (including exports and reasonable additions to storage) resulting in an undue burden on or restriction of interstate commerce in petroleum and petroleum products, he shall by proclamation declare such finding, and thereupon the foregoing provisions of this section shall be inoperative until such time as the President shall find and by proclamation declare that the conditions which gave rise to the suspension of the operation of the provisions of this section no longer exist. For the purposes of this section contraband oil shall not be deemed to have been produced in a State if none of the constituent petroleum or petroleum products thereof was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of such State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

Mr. DIES. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIES: Page 8, line 5, after the word "prohibited", strike out the word "except" and in lieu thereof insert the word "providing."

Mr. DIES. Mr. Chairman, the object of this amendment is to clarify the legal meaning of the word "except." It has been held that the use of that word may be construed as a limitation on the prohibition; and for fear that it may be construed as a limitation and affect the validity of the preceding sentence, I have offered the amendment. It is one of the most important provisions of the bill. I ask the gentleman from Maryland, the chairman of the subcommittee, what his opinion is in reference to it.

Mr. COLE of Maryland. This amendment has been suggested not only by the gentleman from Texas [Mr. DIES], who offers it, but by some other Members as well. The drafting service that assisted the committee in drawing the bill claim that the amendment is not necessary, that the word "except" is practically synonymous with the word "provided", and there is no real reason for making such a change. I further understand that in the law we have passed of a similar character, where there are provisos, the language is similar to this.

Mr. BLANTON. Mr. Chairman, as I understand the gentleman from Maryland [Mr. COLE] in charge of the bill on behalf of the committee, having been chairman of this subcommittee which investigated the matter, he holds that the word "except" merely means "provided."

Mr. COLE of Maryland. I think so.

Mr. BLANTON. Then, if that is the case, in order to clarify it and make its meaning definite and certain, why not accept the amendment of my friend from Texas [Mr. DIES]? I call attention to the fact that some courts have held that the word "except" in the way it is used here has the meaning of "except and until"; and if the "except" means that, then shipment would not be prohibited "except and until" the President makes the finding. Some courts might hold that, and it might hold that the President would have to make this finding before it could be prohibited by law. There is a chance of this one word "except" nullifying the whole bill, and in view of the fact that the committee believes it means the same thing, I hope the committee will accept the proposed amendment and let the word "except" be stricken out and the word "provided", which they say it means, be placed in its stead.

Mr. COLE of Maryland. Very well, Mr. Chairman; we accept the amendment.

The CHAIRMAN. The Chair would like to call the attention of the gentleman from Texas to the fact that his amendment reads "providing." Should the word not be "provided"?

Mr. DIES. Yes.

The CHAIRMAN. Without objection, the amendment will be corrected accordingly. The Clerk will report the corrected amendment.

The Clerk read as follows:

Amendment offered by Mr. DIES: On page 8, line 5, after the word "prohibit", strike out the word "except" and insert in lieu thereof the word "provided."

The amendment was agreed to.

Mr. DISNEY. Mr. Chairman, I move to strike out the last word, to ask the chairman of the subcommittee a question. I would like to ask whether or not the gentleman has satisfied himself that we are not running into the same legal entanglement in this section that was involved in the Anderson case in the Supreme Court; that is, the delegation of power to the President?

Mr. COLE of Maryland. Personally, I do not think we are. I think the language used in section 3 is entirely within the opinion in the Anderson case.

Mr. DISNEY. Very well.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 4. (a) The President shall prescribe such regulations as he finds necessary or appropriate for the enforcement of the provisions of this act, including but not limited to regulations requiring reports, maps, affidavits, and other documents relating to the production, storage, refining, processing, transporting, or handling of petroleum and petroleum products, and providing for the keeping of books and records, and for the inspection of such books and records and of properties and facilities.

(b) Whenever the President finds it necessary or appropriate for the enforcement of the provisions of this act he shall require certificates of clearance for petroleum and petroleum products moving or to be moved in interstate commerce from any particular area, and shall establish a board or boards for the issuance of such certificates. A certificate of clearance shall be issued by a board so established in any case where such board determines that the petroleum or petroleum products in question does not constitute contraband oil. Denial of any such certificate shall be by order of the board, and only after reasonable opportunity for hearing. Whenever a certificate of clearance is required for any area in any State, it shall be unlawful to ship or transport petroleum or petroleum products in interstate commerce from such area unless a certificate has been obtained therefor.

(c) Any person whose application for a certificate of clearance is denied may obtain a review of the order denying such application in the United States District Court for the district wherein the board is sitting by filing in such court within 30 days after the entry of such order a written petition praying that the order of the board be modified or set aside, in whole or in part. A copy of such petition shall be forthwith served upon the board, and thereupon the board shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript, such court shall have jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the board shall be considered by the court unless such objection shall have been urged before the board. The finding of the board as to the facts, if supported by evidence, shall be conclusive.

Mr. DEMPSEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: On page 10, at the end of line 20, insert "the judgment and decree of the court shall be final, subject to review as provided in sections 128 and 240 of the Judicial Code, as amended, U. S. C., title 28, sections 225 and 347."

Mr. DEMPSEY. The purpose of that amendment is simply to permit the order of the board to go through the courts.

Mr. COLE of Maryland. The committee accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. DEMPSEY].

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. Any person knowingly violating any provision of this act or any regulation prescribed thereunder shall upon conviction be punished by a fine of not to exceed $2,000 or by imprisonment for not to exceed 6 months, or by both such fine and imprisonment.

Mr. SAUTHOFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAUTHOFF: On page 10, line 24, after the word "exceed", strike out "$2,000" and insert in lieu thereof "$5,000."

Mr. SAUTHOFF. Mr. Chairman, I feel that this penalty is inadequate. Those of you who read the articles in Collier's and the Saturday Evening Post ought to be thoroughly satisfied in your own minds that a penalty of $1,000 or $2,000 will not stop these oil hogs and oil thieves in Texas. Why should we want to stop them?

Mr. DIES. Will the gentleman yield?

Mr. SAUTHOFF. No; not until I am through, and then I will answer any question I can.

The reason we should stop this stealing of the oil—and I say "stealing" without reservation. It may not answer the legal definition of "stealing", but it answers the moral definition of "stealing"—depriving not only the present generation of what it is entitled to, but undoubtedly depriving future generations of what they are entitled to. Every speaker who has taken the floor on this bill has said that he was in favor of conservation; that he deprecated the fact that this bill did not conserve, and yet they come around pussyfooting and avoiding the issue by not bringing in a conservation bill. I am in favor of conservation, Mr. Chairman, and I want some real conservation. What is the use of letting the oil hogs and oil thieves back in Texas have the same privileges as they are now enjoying? They have demonstrated that they cannot be trusted. They have demonstrated that they are not honest. Why give them the same powers right back again?

This does not remedy anything. It is a feeble, futile gesture thrown out for the benefit of the public, to make it believe it is going to get something. Where are all the patriots that we have had around here time and again talking about witch-burning and the Communists? Where are they, the 100-percent patriots, to protect the oil supply for the Navy and the Army? Not one of them has taken the floor. Here is something that is as necessary to the Nation's defense as even gunpowder itself, but nobody is concerned. Steal it and throw it away! Our Secretary of the Interior, Mr. Ickes, has stated that 15 years will see the finish of this cream of the oil supply in the east Texas field. Then where do you have to go? Drill down perhaps five to seven thousand feet deeper so that you can get some more oil for some more oil hogs and oil thieves to steal.

Now, I offered an amendment a short time ago to declare this a public utility. Why? I wanted it to go back into committee to see if there was not enough intelligence in that committee to draft a real conservation bill instead of one of these bills that does not mean a thing, that is going to mean that these people can steal just as much oil as they ever did. It is not going to prevent it. Texas, I might add, is not at all concerned about preventing it. They have demonstrated that. But there is no reason why we should permit them to keep on demonstrating it for the future. Why, it is said, the oil may go up to $2 a gallon when all the cream oil is exhausted.

Oil might reach this price after you skim off your top oil. I used to be in the oil business; I know something about it. Where do you go when you exhaust the present pool?

You then have to explore deeper. You may have to drill down 5,000 or 7,000 feet deeper. That is very expensive, and, of course, would mean increased cost and consequent higher prices. Future generations, as well as the present generation, are being robbed of their just inheritance. What will your answer be when you are asked, "Why did you not guard one of our most precious natural resources? Where were you and what did you do to stop this thievery?" What can you answer? If you are honest you must answer, "Nothing." Let me quote from Secretary of the Interior Harold L. Ickes, from his article in the Saturday Evening Post of February 16, 1935. This article is entitled "After the Oil Deluge, What Price Gasoline?" The author of this article is a highly respected gentleman, known for his honesty, his integrity, his unflinching courage to face and fight grafters, chiselers, and racketeers. Mr. Ickes says:

If a gang of supercriminals, burrowing into the mint, should steal away with a billion dollars, there would go up in this country such a hue and cry as the world has never heard. * * * Yet the same people who would avidly scan tales of such a theft have permitted practically unheeded a loss in their oil resources amounting to much more than $1,000,000,000.

Mr. Chairman, we have sat complacently by while our vast timber resources were stolen and destroyed. We have watched with indifference the wiping out of fur-bearing animals, and whole species of our bird family. We have seen with complete complacency the grabbing and hogging of our water-power rights. And now, in spite of every warning, we supinely submit to the spoliation of one of our remaining natural resources. Knowing that all these things are true, admitting that this bill will not accomplish much, desiring to save our oil supplies, being agreed on all these

points, then why in God's name do not we act? Is it because we do not know how, or is it because we do not want to do anything? Observation leads me to believe it is not the former. Candor makes me say that it is just a smoke screen to fool the public.

Again I quote Secretary Ickes:

Oil, as gasoline, symbolizing speed and power, propels our automobiles, airplanes, and motor launches. It is fuel for our homes, our ships, our locomotives. As kerosene, it lights the lamps of rural communities, drives our tractors and Diesel engines, and fires the kitchen stove. As naphtha, it cleans our clothes and contributes to the manufacture of all rubber articles. As a spray, it kills destructive insects and protects our trees and crops. As paraffin, it waxes our floors and seals our jellies. As grease, it is used for medicinal purposes, to entice hair onto bald pates, and as a base for cosmetics. Oil is alike indispensable for the delicate mechanism of a watch and for the rugged wheels of a locomotive.

This is not a complete picture of the uses of oil, but it indicates clearly how it reaches into every walk of our daily life. However, great as is our need and use of oil in peaceful pursuits, it is in our national defense that oil becomes a real necessity. Neither our Army nor our Navy could function without oil, and yet no one here today of all the friends of the Army and Navy, no one, I say, has raised his voice in protest of this wanton, wholesale destruction of oil, this deadly blow struck at our national security. Where are all the gallant defenders of our country against the Communists? Why do not they come to the front here and now and save our oil supply for our Army and Navy?

Let us examine the record. Our estimated oil supply is not to exceed 20 percent of all the oil reserves of the world. And yet we have been producing about 70 percent of the world's oil. How long can we keep it up? We are producing about 10 barrels of oil, while all the rest of the entire world only produces 5 barrels.

It is estimated that we are producing and consuming about 1,000,000,000 barrels of oil every year. At that rate of production and consumption our known oil supply will last about 15 to 20 years longer. And then, what? Then you will have to import or drill deeper; and if you do, you will be at the mercy of your enemies if you import; and if you drill deeper, oil will cost you 10 to 20 times as much as it does now.

It has been stated by the gentleman from Texas [Mr. BLANTON] that there is now 1,811,000 barrels of "hot oil" standing in tank cars, ready to ship, but unfortunately for the oil hogs, an injunction is preventing the shipment of this contraband oil. I am told that there are 4,000,000 barrels of "hot oil" today in Texas waiting for a chance to be sold.

You say Texas has a law against it. Then why is nothing done? Why is no one arrested? Why are there no prosecutions? It is utterly impossible to run off such a huge amount of oil in excess of the quota without the knowledge and acquiescence of the officials. Running oil at night, tapping pipes underground, trick valves, and a dozen other methods are employed to circumvent the law. Visitors have seen it and newspaper men have written articles on the subject, yet the officials of Texas are deaf, dumb, and blind. There can be only one conclusion from such dereliction of public duty. There is official conspiracy and connivance at the evasion of the law. And this law does nothing to alter the present indefensible situation. It will not prevent the same practices from being continued. That is why I wanted a better law—a law that will prevent bringing oil to the surface in excess of the quota. A law that will keep in the ground every drop of oil that is not required for our present consumption. A law that spells real conservation.

Make the production and distribution of oil a public utility and then we can have some real, some effective regulation. Make the penalty for its violation so severe that the oil hog or the oil thief who gets caught will find that there are no dividends in this unholy traffic. Pass this amendment, and then let us send it back to the committee and have a new bill, a real bill drawn that will preserve and protect this priceless natural resource. [Applause.]

[Here the gavel fell.]

Mr. PETTENGILL. Mr. Chairman, I rise in opposition to the amendment. I suppose, Mr. Chairman, it does not make much difference whether we say not in excess of $2,000, not in excess of $5,000, or not in excess of $50,000. It is simply a maximum imposed upon the discretion of the judge who tries the case, and in any event he might impose a fine of only $1. But I call the attention of the author of the amendment to the fact that when he states that this bill is not designed to do anything, that we have a forfeiture clause in the bill which was not in the Senate bill and which was not in section 9 (c); it has never been in any Federal legislation covering the oil industry. We have in this bill, however, a forfeiture clause so that the man who knowingly and brazenly, as the gentleman says, an oil hog, a "hot oil" thief, ships a tank car or a tank steamer, containing, perhaps, a quarter of a million dollars' worth of oil, that it is subject to forfeiture and seizure, and he loses his investment in it. With such a provision in the bill I think we are putting some teeth into the bill; otherwise I cannot understand the English language.

Whether the maximum penalty for violation of the law or any regulation which may be prescribed be fixed at $2,000 or $5,000, it might affect many people not the owners of the oil or the shippers of the oil or those making the tremendous profit in handling the "hot oil." It might apply to a railroad company; it might apply to the common carrier violating some rather insignificant regulation laid down by the President in carrying out this statute. Personally, I do not think the common carrier or the railroad company ought to be subjected to a fine as large as $5,000, because the forfeiture clause, in my judgment, is going to stop the "hot oil." With the forfeiture clause, in my judgment, it is not necessary to increase the penalties so much.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. BLANTON. The gentleman is a member of the committee, and, of course, he cannot make the observation that I am going to make; but our friend over across the aisle a moment ago questioned the intelligence of this Committee on Interstate and Foreign Commerce. I want to tell him that in my judgment the intelligence of that committee, individually and collectively, would compare favorably with the intelligence of any other committee in this House or Senate or anywhere else that I have ever seen in any legislative body in my life.

Mr. PETTENGILL. I thank the gentleman both for myself and on behalf of all the members of the committee.

Mr. SAUTHOFF. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. SAUTHOFF. I trust the gentleman has taken no offense at any statement of mine.

Mr. PETTENGILL. Not at all.

Mr. SAUTHOFF. Here is my point, an oil producer may move his own oil. Of course, I should not want the penalty inflicted upon the common carrier to be as severe as the penalty inflicted upon the man who was stealing that oil; but he can move his own oil in his own trucks. I might add that those who have ever been public prosecutors know that many a time you cannot find stolen goods although you may find evidence of the thief.

Mr. PETTENGILL. I simply wanted to make my point plain that I have a little hesitancy about subjecting American citizens to fines and penalties for the violation of administrative regulations. I am willing to go along part way, but I do not think we should be too severe on a man who may violate a regulation.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. FIESINGER. Does the gentleman believe this bill will correct the "hot oil" situation?

Mr. PETTENGILL. I think the forfeiture clause will stop the running of "hot oil."

Mr. FIESINGER. And if it does, will it not be better for the stripper wells than even for the larger wells, because it is the "hot oil" that breaks down the price?

Mr. PETTENGILL. There is no doubt about that.

[Here the gavel fell.]

Mr. DIES. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the gentleman from Wisconsin has referred in very uncomplimentary terms to the State of Texas, and particularly to the oil hogs and oil thieves, in a way that would seem to imply that the gentleman believes they are a peculiar product of the State of Texas. I may say, for the gentleman's benefit, that most of these "hot oil" thieves came from other States and were imported into the State of Texas. No doubt some of them came from the gentleman's own district.

The very fact that the State of Texas has enacted proration laws, the very fact we are here asking the Federal Government to cooperate with us in an effort to conserve this priceless resource, demonstrates the fact that the great majority of the people in Texas are in favor of conservation and that we do not want to injure the stripper wells in other States and that we have some regard for the needs and rights of future generations.

Mr. SAUTHOFF. May I ask the gentlemen one question. If the State of Texas is so anxious to do what he states, and I challenge his statement, then why are there 1,800,000 barrels of "hot oil" on the tracks?

Mr. DIES. Because the "hot oil" racketeers of other States have flooded the east Texas field and produced this deplorable condition.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and on a division (demanded by Mr. SAUTHOFF) there were—ayes 12, noes 35.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. (a) Contraband oil shipped or transported in interstate commerce in violation of the provisions of this act shall be liable to be proceeded against in any district court of the United States within the jurisdiction of which the same may be found, and seized for forfeiture to the United States by a process of libel for condemnation; but in any such case the court may in its discretion, and under such terms and conditions as it shall prescribe, order the return of such contraband oil to the owner thereof where undue hardship would result from such forfeiture. The proceedings in such cases shall conform as nearly as may be to proceedings in rem in admiralty, except that either party may demand a trial by jury of any issue of fact joined in any such case, and all such proceedings shall be at the suit of and in the name of the United States. Contraband oil condemned as provided in this section shall be used or disposed of pursuant to such rules and regulations as the President shall prescribe.

(b) No such forfeiture shall be made in the case of contraband oil owned by any person (other than a person shipping such contraband oil in violation of the provisions of this act) who has with respect to such contraband oil a certificate of clearance which on its face appears to be valid and to have been issued by a board created under authority of section 4, certifying that the shipment in question is not contraband oil, and such person had no reasonable ground for believing such certificate to be invalid or to have been issued as a result of fraud or misrepresentation of fact.

Mr. DISNEY. Mr. Chairman, I move to strike out the last word, in order to ask a question. Is there anything to be gained by the provision for a jury trial, except, probably, the matter of delay?

Mr. COLE of Maryland. There are two reasons for this language. One is to further assure the constitutionality of the provision by not taking property without a trial by jury; and, second, we did not want to be too harsh in this matter. If there are circumstances justifying the return of the oil after it is once seized, the man should be given his day in court.

Mr. DISNEY. Do not sections 9 and 10 cover that?

Mr. COLE of Maryland. I think this additional language is necessary.

Mr. PETTENGILL. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Indiana.

Mr. PETTENGILL. The oil is seized, in the first instance, by some United States official; so the question of delay for the holding of a jury trial, as I see it, does not affect the situation a bit, except as concerns the demurrage charges and storage charges which are running against the defendant in the case. The oil has been seized and is locked up somewhere. So whether there is a week's delay or a 1 day's delay does not make any difference.

Mr. COLE of Maryland. The Food and Drugs Act contains a forfeiture clause, also, and provides for a jury trial.

Mr. DIES. Is it not a fact that in a proceeding in rem in admiralty it is not necessary to provide for a trial by jury?

Mr. DISNEY. That is my understanding.

Mr. DIES. Why is an exception made in this particular case.

Mr. COLE of Maryland. The proceeding is to conform to proceedings in admiralty, but a forfeiture of oil under the procedure outlined in this measure is not actually in admiralty, but is a proceeding at common law and it is for that reason that a jury trial cannot be denied, as it could be in a true admiralty proceeding. (See *The Sarah*, 8 Wheat. 391; *U. S.* v. *130 Barrels of Whiskey*, 27 Fed. Cas. No. 15, 938; *J. W. French*, 13 Fed. 916.)

Mr. DISNEY. I understand that.

[Here the gavel fell.]

Mr. COLE of Maryland. Mr. Chairman, I offer a committee amendment which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. COLE of Maryland: On page 11, line 15, strike out "condemned" and insert "forfeited to the United States."

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. (a) Any board established under authority of section 4, and any agency designated under authority of section 10, may hold and conduct such hearings, investigations, and proceedings as may be necessary for the purposes of this act, and for such purposes those provisions of section 21 of the Securities Exchange Act of 1934 relating to the administering of oaths and affirmations, and to the attendance and testimony of witnesses and the production of evidence (including penalties), shall apply.

(b) The members of any board established under authority of section 4 shall be paid compensation at such rate (not to exceed $5,000 per annum) as may be fixed by the President, and any such board may appoint and fix the compensation, without regard to the civil-service laws of the Classification Act of 1923, as amended, of such employees as may be necessary for the execution of its functions under this act.

Mr. COLE of Maryland. Mr. Chairman, I offer a committee amendment which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. COLE of Maryland: Page 13, line 16, strike out the word "of" where it first appears in such line and insert in lieu thereof the word "or."

The committee amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is a provision in the bill that excepts employees from the provisions of the Classification Act of 1923 as far as salaries are concerned. Why is that?

Mr. COLE of Maryland. The reason is that the committee did not desire to establish an arbitrary set of salaries to be paid by this Board. The committee did not feel that they had sufficient knowledge as to what the operation should be.

Mr. BLANTON. Why did the gentleman not limit the salaries to within the provisions of the Classification Act?

Mr. COLE of Maryland. I personally do not have sufficient knowledge to place a maximum as to employees' salaries. If the gentleman feels he can intelligently arrive at a figure, let us do so. I may say to the gentleman that we did not want to limit the employees of this Board to a lot of cheap men. They are going into a peculiar and difficult type of work.

Mr. BLANTON. Would the gentleman tell us what kind of salary he has in mind as the maximum, because otherwise they could pay large salaries.

Mr. COLE of Maryland. Well, I do not know as anything I would say to the gentleman would be authoritative

at all, but I can conceive that if the board is established in east Texas they might require an executive secretary and other special employees whose salaries would be more than the members of the board.

Mr. BLANTON. How much more? The committee, I may say, has very wisely fixed the salaries of the members of the board at not over $5,000 each, and I think they did so wisely. Why let the board themselves fix the salaries when we know of other boards, like the Federal Reserve, the Shipping Board, and others where the board members were limited to Congress, and then they paid larger salaries to their employees.

Mr. COLE of Maryland. When the appropriation is requested to carry out the provisions of the bill, I should like to have the gentleman see that the salaries are right.

Mr. BLANTON. I want to put this proposed board on notice, as one member of the Committee on Appropriations, that if they pay unreasonable salaries I am going to be one member of the committee who is going to vote not to allow them to do that.

Mr. COLE of Maryland. I think that would apply to all members of this committee.

The Clerk read as follows:

SEC. 9. (a) Upon application of the President or the Attorney General the United States District Courts shall have jurisdiction to issue mandatory injunctions commanding any person to comply with the provisions of this act or any regulation issued thereunder.

(b) Whenever it shall appear to the President or to the Attorney General that any person is engaged or about to engage in any acts or practices that constitute or will constitute a violation of any provision of this act or of any regulation thereunder, he may in his discretion bring an action in the proper United States district court to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond.

(c) The United States District Courts shall have exclusive jurisdiction of violations of this act or the regulations thereunder, and of all suits in equity and actions at law brought to enforce any liability or duty created by this act or the regulations thereunder. Any criminal proceeding may be brought in the district wherein any act or transaction constituting the violation occurred. Any suit or action to enforce any liability or duty created by this act or regulations thereunder, or to enjoin any violation of this act or any regulations, may be brought in any such district or in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 225 and 347).

Mr. COLE of Maryland. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 11, after the word "by" insert a comma and the words "or to enjoin any violation of;" and in line 17, after the word "regulations" insert the word "thereunder."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 12. (a) This act shall not apply in the case of petroleum or petroleum products moving in interstate commerce on or before the date of the enactment of this act; and section 6 shall not apply in the case of petroleum or petroleum products moving in interstate commerce on or before the fifth day after the enactment of this act.

(b) This act shall cease to be in effect on June 1, 1936.

Mr. DIES. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DIES: Page 15, line 14, after the word "act", insert a period and strike out the following: "And section 6 shall not apply in the case of petroleum or petroleum products moving in interstate commerce on or before the fifth day after the enactment of this act."

Mr. DIES. Mr. Chairman, this matter has already been discussed, and in order not to delay matters I think the committee is prepared to accept the amendment.

Mr. COLE of Maryland. Mr. Chairman, I am not at liberty to say that the entire committee will accept this amendment. To be perfectly frank, so far as I am personally concerned, I would just as soon see the language go out and the amendment adopted, but there are other members of the committee who wish to see the language remain in the bill.

Mr. PETTENGILL. Mr. Chairman, I rise in opposition to the amendment.

I leave it to the judgment of the committee whether this language should stay in, or come out of the bill.

I again call the attention of the committee to the fact that this language applies only to the forfeiture clause in section 6.

Forfeiture is one of the most extraordinary and severe remedies ever put in legislation. The very moment this bill goes into effect the penalty clauses at once apply. The movement is prohibited and it becomes a penal offense to move such oil and the violator is subject to imprisonment and fine.

In addition, the very moment the bill becomes effective the power of the Federal agencies to get mandatory injunctions to prevent the movement in interstate commerce of "hot oil" is immediately effective, and I leave it to the judgment of the committee whether, in addition to the criminal and injunction provisions, we want to put in this bill a forfeiture clause that might apply with respect to a shipment that is moving before the man who owns it even knows that the act has passed. I think this would be unusually harsh and unusually severe.

Let me call your attention to several situations that might arise. There might be oil actually produced in violation of State law that is down on the seaboard at some shipping point in a tank steamer off the coast of Texas. It has been actually produced in violation of State law, but has not yet begun to move in interstate commerce. Immediately that becomes subject to forfeiture. But by State law it is still a lawful article of commerce. It may be bought and sold. Someone, in ignorance of this bill, may have invested a large sum in such petroleum within a day before this act becomes effective and have his property confiscated by a law of which he was in total ignorance.

I feel that people in the United States are at least entitled to know that such a bill has been passed by the Congress of the United States and to know the contents and the terms of it before their property may be forfeited.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. BOILEAU. Has not practically all of that oil been produced in violation of State law?

Mr. PETTENGILL. Yes; that is all this bill applies to. But it is still legal to own and sell by the Texas law. Texas has not tried to confiscate it.

Mr. BOILEAU. So this forfeiture would apply only against oil that was illegally produced?

Mr. PETTENGILL. That is right.

Mr. BOILEAU. So they have been guilty at least of violating the State law?

Mr. PETTENGILL. Yes; but not of this law. It may well be that the oil, although illegally produced, is in the hands of a purchaser who does not know it is "hot oil", and he may have put an investment of $100,000 in it innocently. This law becomes effective and he stands to lose his investment.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. PETTENGILL. Yes.

Mr. DIES. Is it not a fact that section 6 (a) provides:

But in any such case the court may in its descretion, and under such terms and conditions as it shall prescribe, order the return of such contraband oil to the owner thereof where undue hardship would result from such forfeiture.

Mr. PETTENGILL. My answer to that is that you are trusting to the discretion of some court and I am talking now of the discretion of the United States Congress. That is our responsibility. We ought not to shift it to a court.

Mr. DIES. But we have now waiting to be shipped more than 1,000,000 barrels of oil and if you give them 5 days' time they can transport this oil.

Mr. PETTENGILL. You can get out a mandatory injunction and stop it by tomorrow morning, under the terms of the bill. Neither the original 9 (c) nor the Connally bill, as it came over from the Senate had a forfeiture clause. But

now that we have put it in, you take the position that it may apply 1 minute after the bill becomes law. That is not my conception of American principles of justice.

Mr. COLE of Maryland. Will the gentleman yield?

Mr. PETTENGILL. I yield.

Mr. COLE of Maryland. If the language should remain in the bill and someone would take advantage of the 5-day provision, the only people who would benefit by it would be those who own the "hot oil."

Mr. PETTENGILL. That is probably true, and I hold no brief for them, but I say you can get a mandatory injunction the day after the bill becomes a law to stop the shipment of your oil.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. The gentleman from Indiana [Mr. PETTENGILL] has admitted himself out of court. He admits that the only people who would profit during the 5-day interim would be the violators of the law. They would be the people who have been willfully and flagrantly violating the law of the State. They had no respect for it, and have been violating it for some time, and they are the ones who have ordered the 3,200 tank cars and had them filled with "hot oil", and are awaiting a chance to ship same in interstate commerce. Surely the gentleman from Indiana does not want to benefit those law violators.

Mr. PETTENGILL. Will the gentleman yield? I hold no brief for the "hot oil" people, but when you say they are law violators, they are violators of the law of the State of Texas, and I am speaking about the men who violate this law, and I think they ought to have a reasonable notice.

Mr. BLANTON. The law says that if a man steals an automobile in Illinois and carries it across the State line into Indiana he is guilty of a felony and shall be sent to the Federal penitentiary.

Mr. PETTENGILL. But it does not confiscate the automobile.

Mr. BLANTON. But they are violators of the State law. I had occasion during my last vacation—it was not much of a vacation, because I worked all the time—I had occasion to go through one of these oil fields. It was about 2 o'clock in the night, and you could see these red flares in every direction—the red flare of the "hot oil" wells, running at night wide open at full capacity in violation of State law. That was patent to everybody. They could turn them on at midnight and run them until just before daylight.

Why, at this very moment when we are debating this bill they have loading racks where they can load a whole train at one time, loading this "hot oil" overnight.

There is at this moment 1,800,000 barrels loaded into tank cars held on sidings ready to go into interstate commerce, and if you give 5 days after this bill is passed there will be 1,800,000 barrels of "hot oil" go into interstate traffic. The purpose of this bill is to stop it. Hence, we must not allow them this 5 days after this bill becomes law before it affects them. We must strike out of this bill this 5-day clause. Otherwise, the purpose of this bill would be thwarted.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry; I have not the time. I have only 5 minutes, and I want to use the time myself.

I do not see any use in passing this bill if you do not make it effective immediately against these fellows who have put this hot oil unlawfully into these tank cars. They have storage tanks all over Texas filled with "hot oil" that they have taken out of the ground unlawfully. This amendment is most important. No Member here ought to vote against it. It is the most important part of the bill, and I guarantee that my friend in charge of this bill, the chairman of this subcommittee that made the investigation in Texas, Mr. COLE, will not raise his voice against it. I do not believe he will. He knows how important it is to the country and he knows that it is the most important part of the bill. We must pass this amendment and strike this 5-day clause out of the bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The question is on the amendment offered by the gentleman from Texas [Mr. DIES].

The amendment was agreed to.

Mr. DISNEY. Mr. Chairman, I ask unanimous consent to extend my remarks made in the proceedings of the Committee and to include therein the form of a bill I have prepared on the subject of the general control of the oil business.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the Committee substitute as amended to the Senate bill.

The substitute as amended was agreed to.

The CHAIRMAN. Under the rule the Committee will rise.

The Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 1190, and under the rule he reported the same back to the House with amendments.

The SPEAKER. Under the rule the previous question is considered as ordered. The question is on agreeing to the amendments to the Committee amendment.

The amendments to the Committee amendment were agreed to.

The SPEAKER. The question is on the Committee amendment, in the nature of a substitute.

The Committee amendment was agreed to.

The SPEAKER. The question now is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DEMPSEY. Mr. Speaker, this bill is designed to close the channels of interstate commerce to crude oil or its products, principally gasoline, produced in violation of the conservation laws of States. The principle of the bill is sound in that it brings the Federal power to regulate interstate commerce in line with the conservation policy of several of the large producing States. It simply says to the "hot-oil" merchant that you cannot use interstate commerce as a means to market oil or its products stolen from your neighbors in your own State.

The bill, if enacted, will replace section 9 (c) of the National Industrial Recovery Act, which was declared invalid by the Supreme Court on the ground that under the wording of that section Congress had left too much discretion to the President in determining whether or not interstate commerce could be closed to this kind of traffic. The present bill, I am advised, meets the objections of the Supreme Court and is a further improvement over the old law by specifically authorizing certain kinds of administrative machinery to administer and enforce the prohibition on interstate commerce in "hot oil." The Federal agency which had previously administered section 9 (c) set up under the general rule making power of the National Industrial Recovery Act a Federal Tender Board to issue certificates of clearance for oil produced in east Texas, the source of most of the "hot oil." This bill expressly authorizes such a board and such certificates of clearance, which had been found to work with marked success and which had met the approval of the officials of the State and the industry in general.

There is little need for me to point out the sound public policy on which this bill is based. I am not an attorney, but it needs no special legal knowledge to be convinced that the Federal Government should not permit interstate commerce, which is under its own control, to be used in aid of the marketing of oil produced in violation of the conservation laws of any State, where those laws are reasonable and constitutional.

I understand that the State of Texas, the largest of all the producing States, through its Senators and Representatives and through other public officials, approves this legislation. I understand that all other producing States likewise ap-

prove it. For my own State, New Mexico, one of these oil-producing States, I heartily endorse the bill and urge its passage by the Congress. The responsible people of Texas do not desire to permit wastage of their valuable oil resources, and in this it is to be commended in urging that interstate commerce be closed to its own law violators. No other State, such as my own, should be subject to having the markets of its producers stolen by the relatively few persons who violate the laws of their own State.

Mr. SMITH of Washington. Mr. Speaker, I have received letters and petitions from many of my constituents in favor of the Townsend old-age revolving pension plan and clubs to promote it have been organized in almost every community in my district. The subject was first called to my attention during the last Congress and, by request, I had inserted in the CONGRESSIONAL RECORD a statement of the objects and purposes of the plan, the first public and official notice which it received in the Congress of the United States. (See CONGRESSIONAL RECORD, Apr. 4, 1934, pp. 6039–6040.) I also filed a number of petitions signed by citizens favoring the plan which were referred to the Committee on Labor.

Mr. Speaker, it is very evident that the Townsend proposal has aroused the interest and support of many of the people everywhere, and I have considered it my duty in carrying out the wishes and desires of my constituents, as their representative, to assist in having it reach the stage of a definite legislative proposal and insure it receiving a full and fair hearing upon its merits in this forum of the people. To that end I have cooperated in this session of Congress with the author and also the sponsor of the bill embodying the plan, the gentleman from California [Mr. MCGROARTY]. This attitude I shall continue to maintain until the citizens in my district indicate that they desire to have me do otherwise.

Mr. Speaker, I therefore set forth at this point in my address some of the facts and figures relating to the Townsend old-age revolving pension plan, which form the basis of the arguments being advanced in its behalf by its proponents in the State of Washington and which it will devolve upon the opponents of the measure to refute and controvert.

THE TOWNSEND PLAN

The Townsend old-age-pension plan is sweeping the country. No social reform proposal ever gained the public ear faster than has this plan. People everywhere are asking questions, wanting to know more about it. The movement started in Long Beach, Calif. Today it has a foothold in every State. More than 12,000,000 voters have signed a petition to Congress asking for its adoption. One State legislature has passed a resolution asking Congress to pass a law putting it into operation. The plan is gaining momentum each day. Some of our most conservative editorial writers conceded that the pressure upon Congress will be so great it will pass some kind of an old-age-pension law.

Perhaps no one would object to the plan if it can be worked out and put into force without costing us anything. The question is, how will it affect those who do not draw the pension? Will the benefits of the plan received by the general public equal or exceed the cost? These are questions that must be answered by the proponents of the plan.

According to the last United States census report, there are now above 10,300,000 people in the United States who have attained the age of 60. It is estimated that possibly 10,000,000 of these would apply for the pension if the plan becomes law. The plan proposes to pay $200 a month to each pensioner. It would likely involve an annual expenditure of $24,000,000,000. That is a lot of money. But it should be kept in mind that the plan calls for a revolving fund of but $2,000,000,000. The $2,000,000,000 would pay the entire $24,000,000,000 during the year. A tax is to be levied upon all sales. The pensioner must spend his money each month, throwing all of the $2,000,000,000 back into circulation the month it is paid out, and the sales tax is to collect this sum and give it back to the Government that the Government may have the $2,000,000,000 to meet the next month's pensions.

Dr. Townsend has said:

A rate of 2 percent should be sufficient, if levied on all sales, to meet the pension roll.

The opponents of the plan claim it would call for an excessive tax rate. Let us examine some of the facts upon which, evidently, Dr. Townsend bases his estimate.

There are no statistics that give the total sales in the United States during any one year. Government statistics give the value of farm products on the farm, of the lumber industry at the mill, of our fisheries as received by those engaged in the fishing industry, the value of minerals as based on prices received by the mining companies, and the value of the output of the many different factories. But the total of all these does not approach our total annual sale values—transaction sales.

We know that the consumer pays from three to four times as much for the farm products he consumes as the farmer receives. As an illustration, let us take raw cotton. The farmer sells it to the commission man. He sells it at an advanced price to the jobber. The jobbed advances the price when he sells to the manufacturer. The manufactured cotton goods pass through three, four, or five hands before it reaches the consumer, and each time at an advanced price. Apples, a product that is not manufactured before consumed, passes through three to six different hands before consumed, and usually at an advanced price. It costs $1.25 freight to ship a box of apples, in carload lots, from Wenatchee to New York, and today the farmer is getting an average of about 75 cents a box. The same is true of the products of the mines, lumber mills, the fisheries, and other industries. Then there is a vast volume of sales that deal not in any of these products, such sales as tickets, stocks, bonds, mortgages, notes, accounts, real estate, mines, factories, and so forth.

Perhaps the best way to form an estimate of the total transaction sales in any given year is the money turnover during the year. We know that the Townsend plan will greatly increase the volume of our circulative medium. It would likely bring back similar business conditions to those that prevailed in 1919. Government statistics show we had $60,000,000,000 of cash and bank credits in circulation in 1919. Statisticians estimate that sum turned over 22½ times during the year, doing a total business of $1,300,000,000,000. A 2-percent tax levied on that vast sum would have yielded $26,000,000,000—some $4,000,000,000 more money than the Townsend plan would require.

The plan is objected to on the ground it would give the pensioners too great a part of our annual wealth production, the objectors claiming that our annual wealth production is only about $70,000,000,000. A careful survey of our wealth production does not give support to such claims. It makes a lot of difference, as we have already pointed out, whether we value wealth production at the source of production or at the point of consumption. These pensioners would pay the consumers' price. And he would pay not the price products can be bought today but the price they will be with the plan in operation. It is estimated that the Townsend plan, if put into operation, will double prices.

Some of our leading technicians and statisticians estimate that if our annual wealth production was equally divided among the people the average family would receive between seven and nine thousand dollars a year in values. The plan proposes to pay the pensioners but $2,400 a year.

If we wish to be fair when we consider the cost of the plan, we must take into account the savings and advantages of the plan. There is a gas tax in our State. Who would be willing to abolish the tax and go back to the road conditions we had 20 years ago? Life-insurance companies have compiled statistics showing that 92 percent of all people reaching the age of 60 are partially or wholly dependent upon others for support. This burden is being borne by relatives, friends, and the Government. At the present time the great majority are on Government relief. This plan would lift that burden. It would almost do away with the poor farm. It would lessen crime. Government statistics show that each two hundred a month spent gives employment to one person.

On that basis this plan would create 8,000,000 new jobs. Statistics show that of the 10,300,000 people above 60, 4,500,000 are doing some work, and the plan would thus cause some 4,000,000 jobs to be vacated. Thus a total of 12,500,000 jobs would be given to the unemployed. This would clear the cities and highways of idle men and women.

We have 19,000,000 people on our relief rolls. This plan would wipe out this blot upon our civilization. With the idle given jobs, prices of property, products and labor doubled, there would be no relief roll. It would put a large sum of money into circulation, a thing greatly needed at this time, and it would be a pump constantly pumping this medium into the channels of trade. It would prevent future depressions. It would take the control of cash and credit circulation from our private bankers and restore it to our Government, where it belongs. It would stabilize prices. It would forever do away with that dreaded monster—fear of want in old age.

Let us assume that the tax, by the time it reaches the consumer, reaches 10 percent. Will he not be benefited? Would not the man out of a job gladly pay a 10-percent tax if the plan would give him steady work at good wages? Would not the merchant gladly pay the tax if it would double his sales and enable him to collect his outstanding accounts? Would not the business and professional men gladly pay the tax if their business would double?

GENERAL LEAVE TO PRINT

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks upon the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

AMERICAN PEOPLE DEMAND PROGRESS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAVERICK. Mr. Speaker, I believe the inevitable trend of government in this country is toward a new and better order. It is trite to say "the old order is gone", but it has, and our duty in Congress is to find what processes we must follow in order to guarantee this to the people of the United States. One of the greatest advocates of the people of the United States was Senator Bob La Follette, Sr.—"Old Bob", as he has been affectionately termed. He is dead now, but his influence lives on, principally in the great Northwest, with several States near the State of Wisconsin.

I have just read an article entitled "La Follette Progressives Face the Future", written by Louis Adamic, in the Nation, dated February 20, 1935. Let me quote:

For three decades now Wisconsin has been politically and socially the most progressive—the most consistently progressive—State in the Union. Political thinking and political developments in Wisconsin, accompanied by a long series of successful experiments in enlightened labor, business-control, and general social legislation, have greatly influenced not only the lives of millions in that State, but the course of things in other States and in the country as a whole. Wisconsin has become, indeed, world famous as a progressive Commonwealth. All of which, of course, is an old story; there is no need of recounting it in detail in the Nation.

The work of Old Bob has been carried on by his two sons—Senator Bob La Follette, jr., and Phil La Follette, Governor of Wisconsin.

The Democratic Party, in my opinion, has been a progressive party and should continue to be one. If it ceases to be democratic, it will cease to have any power. The article also says:

The Democratic National and State platforms of 1930 contained several principles which were part of the Wisconsin idea, and the La Follette people believe, as they still do, in Lincoln's political rule: "Stand with anybody that stands right. Stand with him while he is right, and part with him when he goes wrong." Thus came the second open break of the proponents of the Wisconsin idea with the "party of talent and wealth" (the Republicans).

With the help of the La Follette Progressives and the Roosevelt landslide, the Democrats were swept into power in Madison—and "went wrong" almost immediately after. They allied themselves with the Hoover Republicans.

The Power Trust was in the saddle again, as it had been during the Kohler regime from 1929 to 1931. One of the most important of Phil's appointees, David E. Lilienthal, of the public-utilities commission, who had fought for lower power and light rates, was removed from office. The Democrats and Republicans in the general assembly and the senate passed reactionary taxation and other laws. They crippled the educational system with inadequate appropriations. The administration and enforcement of old progressive laws became less rigorous.

So the La Follettes and their followers broke also with the local Democrats. Nationally, of course, they continued to support President Roosevelt, who, with his new deal, the N. I. R. A., and whatnot, appeared to have the intention of applying some of the principles of the Wisconsin idea to the country at large. Bob voted for most of the important new-deal legislation in the United States Senate. Roosevelt, in turn, played with the La Follettes. He put Lilienthal on the Tennessee Valley Authority.

As you know, Mr. Lilenthal is still with the T. V. A., and the T. V. A. is one of the greatest enterprises in America, probably the greatest enterprise of public ownership ever attempted in any nation. It has already accomplished great things and has given low electric rates to many cities.

Concerning the "Wisconsin idea", various farmer, labor, and progressive groups held conferences in 1930 all over the State of Wisconsin and formed their third party. These progressives adopted a preliminary platform, national in scope, containing planks in favor of Government sale of arms and munitions, public ownership of utilities, complete national ownership of the country's banking system, a job for everyone able to work, financial and old-age security through State and National legislation creating unemployment insurance, sickness and accident insurance, and old-age pensions, legislation guaranteeing workers the right to organize as they choose, a tax on corporate dividends, immediate payment of the soldiers' bonus, adequate legislation to secure the tenure of land for those who own it through moratorium laws, abolition of speculation and profiteering in food, and establishment of cooperative marketing to reduce the spread between prices received by the farmers and those paid by the consumers, and a reaffirmation of faith in the Democratic form of government, and the right of free speech. There were planks against the sales tax, the exemption of securities and governmental salaries from taxation, and the destruction of goods and wealth while the people were in need.

Are the things for which they stand undemocratic? Are they reactionary? I think you will agree they are not. And knowing the people of Wisconsin fairly well, I do not believe they are reds, or radicals, or Communists—but good Americans, like the people of Texas or of any other American State.

This article goes on to say, which is supposed to quote the typical opinion of a Wisconsin Progressive:

If our social economic order continues for any length of time in its present state, the people will soon be willing to go a long way toward a new social order, to be built on the American pattern, which is a matter of our past and our present. We believe in practical politics; in action. The Wisconsin idea always led to action. We consider the people, their mentality, the fact that they are Americans, which means that they are great optimists and inclined to consider and deal with their problems only from moment to moment as they develop, not before. That's the American way; whether it is good or bad is immaterial. It's our way; we are Americans. It was the way of Jefferson, Lincoln, and Old Bob.

The American mind is being stirred today as it has never been stirred before. The people's social and economic conditions are critical and growing worse in many sections. Their personal problems are becoming more acute daily. They are being forced to think to seek an explanation of their plight.

Significant things are happening all over the country. For the first time in the history of America the Federal Government is supporting millions of citizens. The Government is engaging in vast public-works projects. It can't possibly stop. The old order has cracked. The South is being loosened up and awakened by the advent of cheap power and other forces. The solidness of the South may not last much beyond 1936, and the political changes there are extremely likely to be in our favor.

We figure that within the next few years organized labor will succeed in freeing itself from the strangle hold of its present corrupt and intellectually bankrupt bureaucracy. That, too, will be in our favor, as it already is here in Wisconsin, where we have the higher type of labor leader.

Nationally, we continue to support what good we think there still is in the new deal. We believe that Roosevelt will be re-

elected. He wants to be, and it seems that nothing short of death can stop him.

We know we can't win. We'll probably support Roosevelt for the Presidency. His victory very likely will be a landslide, which will bury a good part of what is left of the Republican Party. It is quite possible that in 1937 there will be 85 Democrats in the United States Senate. In short, the Republican Party will practically cease to exist. The Democratic majority will be so great that it will be unwieldy and embarrassing.

Mr. Speaker, this movement of the Progressives is very interesting; and although it is little known in Texas and many other Southern States, and probably other States, except Northwest, it is, nevertheless, worthy of study by all persons, including the leaders of thought in politics and economics. As far as I am concerned, I expect to be a loyal Democrat, and, at the same time, I expect the Democratic Party to be loyal to the people.

Bob La Follettee belongs in the gallery of the great. He never was in politics as a racket. He was courageous; he told the truth as he saw it, and during the war he was burned in effigy because he had told the truth about it; he was never afraid of mobs; he was never afraid of unpopularity; he was of the simple and faithful character, and his character and the movement that lives after him should be known by all the people of the United States.

I know a way in which the Democratic Party can end the Progressive Party forever; that is by being progressive and attentive to the real needs of the people.

PERSONAL EXPLANATION

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROGERS of New Hampshire. Mr. Speaker, on the roll call this afternoon on the motion to suspend the rules, the gentleman from Massachusetts [Mr. McCORMACK], the gentleman from Virginia [Mr. WOODRUM], and myself, were unavoidably detained by reason of a conference with the Secretary of Agriculture, Mr. Wallace. If present, the gentleman from Massachusetts, the gentleman from Virginia, and myself would have voted "no."

REREFERENCE OF A BILL

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent that the proceedings by which S. 1308 was passed today as a substitute for the bill (H. R. 4527) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cairo, Ill., be vacated, and that the bill be returned to the Committee on Interstate and Foreign Commerce for reconsideration.

The SPEAKER. Is there objection?

Mr. SNELL. What is the bill?

Mr. CHAPMAN. It is a bill to extend the times for commencing and completing a bridge, which was reported inadvertently by the subcommittee of which I am chairman. I have a request from a number of gentlemen in Kentucky who would like to be heard before the bill is finally reported.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. CHAPMAN]?

There was no objection.

LEAVE OF ABSENCE

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent for indefinite leave of absence for my colleague, Mr. GAMBRILL, on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

By unanimous consent, leave of absence was granted to Mr. PEYSER, on account of illness.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD resolutions adopted by the Massachusetts Legislature.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolutions adopted by the Legislature of the State of Massachusetts:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolutions memorializing the Congress of the United States in relation to the cotton-processing tax, so-called, and for relief from the provisions thereof

Whereas the Congress of the United States, for the purpose of extending aid to growers of cotton, has levied a tax, called the cotton-processing tax, upon the manufacture of cotton and textile products; and

Whereas the imposition of such a tax upon the principal industry of this Commonwealth has proven an unbearable financial burden jeopardizing the continued successful existence of the textile industry; and

Whereas the majority of our cities and towns and a large proportion of our citizens and their families are dependent for the means of existence upon this industry: Therefore be it

Resolved, That the general court of Massachusetts hereby memorializes the Congress of the United States for relief from the oppressive burden of this tax, and requests the repeal of such tax or spreading of the tax over industry in general; and be it further

Resolved, That copies of these resolutions be forwarded by the secretary of the Commonwealth to the clerks of both Houses of Congress, and to the Senators and Representatives in Congress from this Commonwealth.

In house of representatives, adopted February 1, 1935.

In senate, adopted, in concurrence, February 11, 1935.

A true copy. Attest:

[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on February 15, 1935, present to the President, for his approval, a bill of the House of the following title:

H. R. 3465. An act permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 19, 1935, at 12 o'clock noon.

COMMITTEE HEARING

SUBCOMMITTEE OF THE HOUSE COMMITTEE ON THE POST OFFICE AND POST ROADS

Tuesday, February 19, 10 a. m., room 213, House Office Building, on the following bills pertaining to star mail routes: H. R. 3994, H. R. 4253, H. R. 4511, and H. R. 5284.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

223. A letter from the Secretary of the Interior, transmitting report of the disposition of useless records in accordance with House Report 1753, second session, Seventy-third Congress; to the Committee on Disposition of Useless Executive Papers.

224. A letter from the commissioner for the United States, United States Department of the Interior, Geological Survey, transmitting report of an agreement reached on February 6, 1935, at Cheyenne, Wyo., between the commissioner for the United States and the commissioners for the States of Montana and Wyoming relative to the division of the waters of the Yellowstone River; to the Committee on Irrigation and Reclamation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOXEY: Committee on Agriculture. H. R. 2881. A bill authorizing the adjustment of contracts for the sale of

timber on the national forests, and for other purposes; without amendment (Rept. No. 154). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. S. 1384. An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes; with amendment (Rept. No. 155). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 5221. A bill to amend the Agricultural Adjustment Act with respect to rice, and for other purposes; with amendment (Rept. No. 156). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTER: Committee on Military Affairs. H. R. 3272. A bill providing for the establishment of the Gen. John J. Pershing National Military Park near Laclede, in Linn County, Mo.; with amendment (Rept. No. 157). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. S. 274. An act for the relief of Charles C. Floyd; with amendment (Rept. No. 158). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2422) for the relief of James O. Greene and Mrs. Hollis S. Hogan; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

A bill (H. R. 5302) granting a pension to Roy E. Proskey; Committee on the Post Office and Post Roads discharged, and referred to the Committee on the Civil Service.

A bill (H. R. 847) for the adjudication and determination of the claims arising under the extension by the Commissioner of Patents of the patent granted to Frederick G. Ransford and Peter Low as assignees of Marcus P. Norton, no. 25036, August 9, 1859; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DICKSTEIN: A bill (H. R. 5839) to authorize the shortening or termination of the stay in the United States of certain aliens not admitted for permanent residence, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. BRUNNER: A bill (H. R. 5840) to require that the officers and crew of every vessel of the United States shall be citizens of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CHRISTIANSON: A bill (H. R. 5841) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. ELLENBOGEN: A bill (H. R. 5842) to amend the Revenue Act of 1934 by exempting fish oil from the tax of 3 cents per pound when used in the manufacture of paint, linoleum, oilcloth, and other protective coatings, and for other purposes; to the Committee on Ways and Means.

By Mr. SAMUEL B. HILL: A bill (H. R. 5843) to exempt income from liquor sales by States and political subdivisions from income taxation; to the Committee on Ways and Means.

By Mr. LEA of California: A bill (H. R. 5844) to encourage travel to and within the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK: A bill (H. R. 5845) to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 5846) to fix the value of subsistence and rental allowance under the Pay Readjustment Act of June 10, 1922; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H. R. 5847) to provide for the establishment of a national park or monument in the township of Perry, Fayette County, Pa. (including George Washington gristmill and the property adjacent thereto); to the Committee on the Public Lands.

By Mr. YOUNG: A bill (H. R. 5848) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. RANDOLPH: A bill (H. R. 5849) to authorize an appropriation for the care, maintenance, and improvement of the site of the famous raid of John Brown at Harpers Ferry, W. Va., and for other purposes; to the Committee on Military Affairs.

By Mr. BEITER: A bill (H. R. 5850) to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. KNUTE HILL: A bill (H. R. 5851) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity; to the Committee on Agriculture.

By Mr. HOEPPEL: A bill (H. R. 5852) to exempt life-insurance benefits payable because of the death of a war veteran from computation as "annual income"; to the Committee on Pensions.

By Mr. BRUNNER: A bill (H. R. 5853) to provide for giving preference to citizens in the employment of labor on projects financed wholly or in part with Federal funds; to the Committee on Labor.

By Mr. BLAND: A bill (H. R. 5854) to amend section 602 and paragraph (a) of section 602½ of the Revenue Act of 1934, entitled "An act to provide revenue, equalize taxation, and for other purposes"; to the Committee on Ways and Means.

By Mr. DUFFEY of Ohio: A bill (H. R. 5855) to authorize the Secretary of War to furnish stone markers of such size and design as will conform with cemetery restrictions; to the Committee on Military Affairs.

By Mr. LEWIS of Maryland: A bill (H. R. 5856) to regulate interstate and foreign commerce in coal, stabilize the coal-mining industry, provide for cooperative marketing, secure prices just to operators and consumers and fair living and working conditions for the miners concerned, to create a court of coal conservation, levy taxes on coal to provide for the general welfare and to provide for a drawback under certain conditions, to conserve the coal resources of the United States and to establish a national coal reserve, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNN of Pennsylvania: A bill (H. R. 5857) to limit the incomes and wealth of American citizens; to the Committee on Ways and Means.

Also, a bill (H. R. 5858) to establish a Banking Commission for the purpose of protecting all moneys deposited in the banks of the United States and its possessions; to the Committee on Banking and Currency.

By Mr. SIROVICH: A bill (H. R. 5859) to provide protection by registration of designs for textiles and other materials; to the Committee on Patents.

By Mr. BINDERUP: A bill (H. R. 5860) amending the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

By Mr. TINKHAM: Resolution (H. Res. 115) providing for the withdrawal of all American representation at the

Disarmament Conference at Geneva; to the Committee on Foreign Affairs.

By Mr. FOCHT: Resolution (H. Res. 116) to pay to Harriet H. Cremer, daughter of the late John D. Cremer, 6 months' compensation and not to exceed $250 funeral expenses; to the Committee on Accounts.

By Mr. MEEKS: Resolution (H. Res. 117) to suitably inscribe the bust of former Speaker Joseph G. Cannon; to the Committee on the Library.

By Mr. BURNHAM: Joint resolution (H. J. Res. 173) to authorize the President of the United States to detail an officer of the Army and an officer of the Navy for duty with the California Pacific International Exposition; to the Committee on Military Affairs.

Also, joint resolution (H. J. Res. 174) to permit articles imported from foreign countries for the purpose of exhibition at the California Pacific International Exposition, San Diego, Calif., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTWRIGHT: Joint resolution (H. J. Res. 175) to provide for an increase in the size of the Federal building being constructed at Hugo, Okla.; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Carolina, regarding legislation to increase the price of potatoes; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Oregon, regarding the status of narcissus bulbs; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of New Mexico, regarding the extension of the time within which to return the livestock taken into the Republic of Mexico for temporary pasturage purposes; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Carolina, urging passage of House bill 3896; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Minnesota, regarding the immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of North Dakota, regarding the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Michigan, regarding the improvement of Michigan City Harbor; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Idaho, regarding the remonetization of silver; to the Committee on Coinage, Weights, and Measures.

Also, memorial of the Legislature of the State of Idaho, regarding a processing tax; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota, regarding the distribution of feed among the farmers; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota, regarding the Frazier-Lemke bill; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Wisconsin, relating to the ratification of the Great Lakes-St. Lawrence Seaway treaty; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding the cotton-processing tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follow:

By Mr. BACHARACH: A bill (H. R. 5861) granting an increase of pension to Eliza Adams; to the Committee on Invalid Pensions.

By Mr. BERLIN: A bill (H. R. 5862) granting a pension to Effie Maud Anderson; to the Committee on Invalid Pensions.

By Mr. BUCHANAN: A bill (H. R. 5863) for the relief of Lewis Worthy and Dennis O. Penn; to the Committee on Claims.

By Mr. BURNHAM: A bill (H. R. 5864) for the relief of Hallie Coffman; to the Committee on Naval Affairs.

By Mr. CHRISTIANSON: A bill (H. R. 5865) to credit certain services as cadets at the United States Military Academy; to the Committee on Military Affairs.

By Mr. DARROW: A bill (H. R. 5866) for the relief of Albert Brindley; to the Committee on Naval Affairs.

By Mr. DEAR: A bill (H. R. 5867) for the relief of E. C. Willis, father of the late Charles R. Willis, a minor; to the Committee on Claims.

By Mr. DIETRICH: A bill (H. R. 5868) for the relief of Raymond Leslie Hufford; to the Committee on Naval Affairs.

By Mr. DUNN of Pennsylvania: A bill (H. R. 5869) extending the benefit of the Emergency Officers' Retirement Act to Walter S. Hundershot; to the Committee on World War Veterans' Legislation.

By Mr. ELLENBOGEN: A bill (H. R. 5870) for the relief of K. S. Szymanski; to the Committee on Claims.

By Mr. FLETCHER: A bill (H. R. 5871) for the relief of Henry J. Corcoran; to the Committee on Military Affairs.

By Mrs. GREENWAY: A bill (H. R. 5872) to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona; to the Committee on Military Affairs.

Also, a bill (H. R. 5873) granting an increase of pension to Burel E. Pollard; to the Committee on Pensions.

Also, a bill (H. R. 5874) for the relief of Hugh B. Curry; to the Committee on Claims.

By Mr. GUYER: A bill (H. R. 5875) granting an increase of pension to Josephine Beaman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5876) for the relief of Elmer H. Ackerson; to the Committee on Military Affairs.

By Mr. HEALEY: A bill (H. R. 5877) for the relief of William O'Connell; to the Committee on Claims.

By Mr. HOEPPEL: A bill (H. R. 5878) for the relief of Nelson M. Holderman; to the Committee on Military Affairs.

By Mr. HOUSTON: A bill (H. R. 5879) for the relief of Roy V. Tuders; to the Committee on Naval Affairs.

By Mr. KRAMER: A bill (H. R. 5880) for the relief of James Hamilton Huntoon; to the Committee on Naval Affairs.

By Mr. LAMNECK: A bill (H. R. 5881) for the relief of Lovaura Schmidt; to the Committee on Claims.

By Mr. McSWAIN: A bill (H. R. 5882) for the relief of Claude Cyril Langley; to the Committee on Military Affairs.

Also, a bill (H. R. 5883) for the relief of William Alonzo Holcombe; to the Committee on Claims.

By Mr. MEEKS: A bill (H. R. 5884) for the relief of Rosemund Pauline Lowry; to the Committee on Claims.

By Mr. MITCHELL of Tennessee: A bill (H. R. 5885) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list; to the Committee on Military Affairs.

By Mr. MONTAGUE: A bill (H. R. 5886) for the relief of Dr. W. Armistead Gillis; to the Committee on Naval Affairs.

By Mr. PETERSON of Florida: A bill (H. R. 5887) to provide for a preliminary survey across Florida from Tampa Bay to the Manatee River and thence to Fort Pierce; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5888) for the relief of Capt. Guy L. Hartman; to the Committee on Claims.

By Mr. RAMSAY: A bill (H. R. 5889) for the relief of John B. Canter; to the Committee on Claims.

Also, a bill (H. R. 5890) granting a pension to Mary Church; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 5891) granting a pension to Sarah A. Powell; to the Committee on Pensions.

By Mr. ROGERS of Oklahoma: A bill (H. R. 5892) granting a pension to Samuel G. Davis; to the Committee on Pensions.

Also, a bill (H. R. 5893) for the relief of Lula E. Simmons; to the Committee on Claims.

By Mr. SAUTHOFF: A bill (H. R. 5894) for the relief of George Colstead, alias Charles Smith; to the Committee on Naval Affairs.

By Mr. SHORT: A bill (H. R. 5895) granting an increase of pension to Mary C. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5896) granting a pension to Mary B. Morris; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 5897) for the relief of Willie A. Rice; to the Committee on Military Affairs.

Also, a bill (H. R. 5898) for the relief of Dennis O. Penn; to the Committee on Claims.

By Mr. SPENCE: A bill (H. R. 5899) for the relief of Helen Niehaus; to the Committee on Claims.

By Mr. SUMNERS of Texas: A bill (H. R. 5900) for the relief of Joseph E. Moore; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 5901) for the relief of Nicholas Mecca; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: A bill (H. R. 5902) granting a pension to Dora J. Brubaker; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5903) granting a pension to Garfield Hampton; to the Committee on Pensions.

Also, a bill (H. R. 5904) granting a pension to Anna Dabney; to the Committee on Pensions.

Also, a bill (H. R. 5905) for the relief of Cal Settles; to the Committee on Claims.

Also, a bill (H. R. 5906) for the relief of Rhoda Settles; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 5907) granting a pension to John W. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5908) granting a pension to Edith Pyle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5909) granting a pension to Carrie B. Brison; to the Committee on Pensions.

By Mr. WILSON of Louisiana: A bill (H. R. 5910) for the relief of the heirs of Joe Ollie Meeks; to the Committee on Claims.

PRIVATE BILLS, RESOLUTIONS, AND MEMORIALS

Under clause 3 of rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred, as follows:

By Mr. YOUNG: A bill (H. R. 5911) granting a renewal of Patent No. 1246843, relating to business registers; to the Committee on Patents.

By Mr. GEHRMANN: A bill (H. R. 5912) for the relief of George P. Parker; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1420. By Mr. ANDREW of Massachusetts: Petition of General Court of Massachusetts, relating to the "cotton-processing tax", so-called, and for relief from the provisions thereof; to the Committee on Agriculture.

1421. Also, petition signed by J. O. Ordway and 132 other residents of Haverhill, favoring the adoption of the Townsend old-age pension plan; to the Committee on Ways and Means.

1422. Also, petition signed by E. I. Holland, of Ipswich, Mass., and 168 other citizens, favoring the adoption of the Townsend plan for old-age revolving pensions; to the Committee on Ways and Means.

1423. By Mr. BACHARACH: Resolution adopted by the Holy Name Society of the Church of St. Nicholas of Tolentine, of Atlantic City, N. J., protesting against religious persecution in Mexico, and requesting representations be made to the Government of Mexico that unless the evils complained of are ended forthwith further recognition of the Mexican Government will be withdrawn; to the Committee on Foreign Affairs.

1424. By Mr. BOEHNE: Petition of the General Assembly of the State of Indiana, memorializing the Congress of the United States to enact suitable legislation to provide for the improvement of the Michigan City Harbor and the outer basin; to the Committee on Rivers and Harbors.

1425. By Mr. BUCKBEE: Petition of 147 residents of Plano, Ill., calling upon Congress to enact the Rogers bill (H. R. 2856), to provide for a system of old-age pensions; to the Committee on Ways and Means.

1426. By Mr. BUCKLER of Minnesota: Petition of W. D. Bruce and Robert Munger, of Fergus Falls, and 24 other citizens of Otter Tail County, Minn., praying for legislation to extend star-route contracts expiring June 30, 1935, one year; to eliminate competitive bidding on star-route contracts; and to provide adequate compensation for services of contract star-route carriers; to the committee on the Post Office and Post Roads.

1427. Also, petition of W. A. Neuman, chairman; Sunnyside Township Board, of near Breckenridge, Minn., and other chairmen, supervisors, and clerks, duly elected officers of the township of Wilkin County, Minn., praying for the passage of legislation giving seed loans for the 1935 spring planting season to drought-stricken areas of Minnesota and surrounding States; to the Committee on Agriculture.

1428. By Mr. CARPENTER: Petition of the House of Representatives of the State of Kansas, memoralizing Congress to enact House Resolution 2024, providing for payment of travel to certain Spanish-American War soldiers; to the Committee on War Claims.

1429. By Mr. CARTER: Assembly Joint Resolution No. 17, memorializing the Congress to not impair the flax industry of the Western States by reciprocal tariff arrangements with any country so as to lower the duty on flax; to the Committee on Ways and Means.

1430. Also, Assembly Joint Resolution No. 35 of the State of California, memorializing Congress to consider the almond industry of California and to maintain the existing tariff regulations thereon; to the Committee on Ways and Means.

1431. Also, Assembly Joint Resolution No. 8 of the State of California, memorializing Congress to grant consent to taxation by the several States of certain interstate sales; to the Committee on Interstate and Foreign Commerce.

1432. Also, Assembly Joint Resolution No. 36 of the State of California, memorializing Congress to enact proposed legislation commonly known as "Universal draft" in time of war; to the Committee on the Judiciary.

1433. By Mr. CONNERY: Resolution of the General Court of Massachusetts, urging the enactment of legislation which will provide that a mortgage on vessels of the United States of smaller tonnage than 200 tons shall have the same priority over such liens as vessels of 200 tons or upwards, or such other legislation as may be deemed necessary, to the end that the fishing industry of the United States may be assisted and preserved; to the Committee on the Judiciary.

1434. Also, resolution of the City Council of Revere, Mass., favoring the immediate payment of the veterans' bonus; to the Committee on Ways and Means.

1435. By Mr. COOPER of Ohio: Petition of Youngstown Post, No. 50, Jewish War Veterans, favoring the immediate payment at face value of the adjusted-service certificates; to the Committee on Ways and Means.

1436. By Mr. CRAWFORD: Petition of Charles Bois and 105 other residents of Saginaw County, Mich., urging prompt enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

1437. Also, petition of Ernest Martens and 140 other residents of Montcalm County, Mich., asking immediate enactment of the Frazier-Lemke bill. to the Committee on Agriculture.

1438. Also, petition of Lloyd L. Matthews and 22 other residents of Shiawassee County, Mich., favoring immediate

enactment of the Frazier-Lemke bill; to the Committee on Agriculture.

1439. By Mr. DIETRICH: Petition of residents of the Fifteenth Congressional District of Pennsylvania, urging the passage of House bill 2827; to the Committee on Labor.

1440. Also, petition of many residents of the Fifteenth Congressional District of Pennsylvania, urging the enactment of old-age pension legislation; to the Committee on Ways and Means.

1441. By Mr. DOBBINS: Memorial of the aviation committee of the Illinois Chamber of Commerce, urging adequate provision for the national defense by expanding the air forces of the Nation, with adequate supplemental air bases at interior points; to the Committee on Military Affairs.

1442. By Mr. DONDERO: Resolution adopted by the Oak Park Village Commission, Oak Park, Mich., endorsing the passage of House bill 2827, for the establishment of unemployment and social insurance, and for other purposes; to the Committee on Labor.

1443. By Mr. DUFFEY of Ohio: Petition of Aloys Eble, Jr., 722 Mark Street, Toledo, Ohio, and 67 other signers of Toledo, Ohio, urging passage of the President's public-works program, financed by a currency expansion, for the purpose of increasing employment without causing an additional tax burden; to the Committee on Ways and Means.

1444. By Mr. FOCHT: Petition of Chester Weaver and numerous other residents of Saxton, Huntingdon County, a part of the Eighteenth Pennsylvania Congressional District, in support of House bill 2827, the workers' unemployment, old-age, and social-insurance bill; to the Committee on Ways and Means.

1445. By Mr. FULMER: Concurrent resolution of the House of Representatives of Columbia, S. C., memorializing the Congress of the United States to place the postmasters of the first, second, and third classes in civil service, as is now provided for postmasters of the fourth class; to the Committee on the Post Offices and Post Roads.

1446. Also, resolution of the House of Representatives of South Carolina, favoring the passage of House bill 1389, authorizing employees of the Veterans' Administration to accept or reject quarters furnished by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

1447. By Mr. GOODWIN: Petition of the Sacramento city council, Sacramento, Calif., asking Congress to change the law so that United Air Lines can continue permanently as the air-mail carrier on the Seattle-San Diego line, and that the prohibition against a transcontinental operator also flying the Pacific coast be permanently repealed; to the Committee on the Post Office and Post Roads.

1448. By Mr. HALLECK: Petition of the members of Lowell Post, No. 101, American Legion, Lowell, Ind., favoring the immediate payment of the adjusted-service certificates; to the Committees on Ways and Means.

1449. Also, petition of the members of Warfield-Knebel Post, No. 336, the American Legion, of Star City, Ind., endorsing the legislative program of the National American Legion; to the Committee on Ways and Means.

1450. By Mr. HIGGINS of Connecticut: Petition of certain citizens resident in New Haven County, Conn., asking for the repeal of the so-called "pink slip" section of income-tax law; to the Committee on Ways and Means.

1451. Also, resolutions of Group No. 1038, Norwich, Conn., of the Polish National Alliance of the United States of North America, favoring the making of October 11 a General Pulaski Memorial Day; to the Committee on the Judiciary.

1452. Also, resolutions of Group No. 1564, Jewett City, Conn., of the Polish National Alliance of the United States of North America, favoring the making of October 11 a General Pulaski Memorial Day; to the Committee on the Judiciary.

1453. By Mr. HULL: Petition of William Pitt, 219½ South Barstow Street, and 12 other citizens residing at Eau Claire, Wis., favoring the enactment of the old-age pension bill covered in House bill 2856; to the Committee on Ways and Means.

1454. Also, petition of Mrs. John Heagle and six other citizens of Thorp, Wis., favoring the enactment of the Townsend old-age pension; to the Committee on Ways and Means.

1455. Also, memorial of the Wisconsin State Legislature (the assembly and senate concurring), favoring immediate ratification of necessary treaties and the enactment of necessary legislation for the beginning of actual construction of the Great Lakes-St. Lawrence Seaway; to the Committee on Foreign Affairs.

1456. Also, petition of Mrs. Frank Lawrence and 13 other citizens of Cornell, Wis., favoring the enactment of the old-age pension bill covered in House bill 2856; to the Committee on Ways and Means.

1457. By Mr. KIMBALL: Petition of the City Commission of the City of Kalamazoo, Mich., favoring legislation as may be necessary to continue the operation of the Home Owners' Loan Corporation to the same extent as heretofore and upon a more liberal basis if the same can be done in accordance with good practices and sound business principles; to the Committee on Banking and Currency.

1458. By Mr. KRAMER: Resolution of the Board of Supervisors of the County of Los Angeles, Monday, January 28, 1935, relative to communistic activities, etc.; to the Committee on Foreign Affairs.

1459. Also, resolution of the Verhovay Aid Association, relative to unemployment insurance, old-age insurance and sick benefit insurance; to the Committee on Ways and Means.

1460. Also, resolution of the California Oil & Gas Association, Los Angeles, Calif., relative to the Federal tax of 1 cent per gallon, etc.; to the Committee on Ways and Means.

1461. By Mr. LAMNECK: Petition of Arnold A. Murdock, of 1512 Dublin Road, a World War veteran, and a number of nonveterans, favoring the passage of the bill providing for the payment of adjusted-service compensation; to the Committee on Ways and Means.

1462. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to promote, initiate, and support such legislation as will increase the demand for agricultural products, and especially legislation on motor-vehicle fuels to contain grain alcohol; to the Committee on Ways and Means.

1463. Also, memorial of the Nebraska State Senate, memorializing the Congress of the United States to acquire the Daniel Freeman farm in Gage County, Nebr., for the purpose of establishing it as a national monument to mark the filing of homestead no. 1, of the United States, and to commemorate the development of the agricultural empire of the West; to the Committee on the Public Lands.

1464. By Mr. LUNDEEN: Petition of the Twelfth Ward Farmer-Labor Club of Minneapolis, Minn., urging Congress to have steps taken to court-martial members of the military involved in the traffic with foreign nations whereby our military secrets have become the property of other nations, and to confiscate munition makers' earnings accumulated during the World War and to use the proceeds of such confiscation to defray the cost of paying the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

1465. Also, petition of the Minnesota State Legislature, urging the discontinuance of a levy of the tax on gasoline; to the Committee on Ways and Means.

1466. Also, petition of the Minnesota State Legislature, urging Congress to pass and approve an adequate old-age pension act; to the Committee on Labor.

1467. Also, petition of the Minnesota State Legislature, urging Congress to require the usage of granite and natural stone in the construction of public buildings; to the Committee on Public Buildings and Grounds.

1468. Also, petition of G. M. Conzet, director, division of forestry, Department of Conservation, St. Paul, Minn., urging that the white-pine blister rust-control item in the Agricultural Department appropriation bill be increased from $250,000 to $450,000; to the Committee on Appropriations.

1469. By Mr. MEAD: Petition of the City Council of Sacramento, Calif., requesting Congress to change the law so that it would be possible for United Airlines to continue permanently as the carrier on the Seattle-San Diego line, and that the prohibition against a transcontinental operator also flying the Pacific coast be permanently repealed; to the Committee on Interstate and Foreign Commerce.

1470. Also petition of citizens of Buffalo and Lackawanna, N. Y., requesting the President of the United States to proclaim October 11 of each year General Pulaski Memorial Day; to the Committee on the Library.

1471. Also, petition of the Senate of the State of New York, requesting Congress to enact legislation to insure more permanent existence of the Niagara Falls in its natural beauty, by constructing weirs which would (1) control the flow of water to prevent concentration at the Horseshoe Falls where erosive action has been speeded by the increasing volume of water, and (2) equalize the flow over the Horseshoe Falls and the American Falls so that the latter would carry an increased volume of water and not be left dry at certain times of the year; to the Committee on Military Affairs.

1472. Also, petition of the Erie County League of Women Voters, Buffalo, N. Y., requesting that the United States Government construct a sewage-disposal system for the entire Niagara frontier, the cost to be borne in its entirety by the Federal Government, the funds to come from President Roosevelt's $4,000,000,000 Federal project fund; to the Committee on Appropriations.

1473. By Mr. PFEIFER: Petition of the National Association of Letter Carriers, Forest City Branch No. 40, Cleveland, Ohio, favoring the passage of House bill 2864; to the Committee on the Post Office and Post Roads.

1474. Also, petition of Gleason-Tiebout Glass Co., Brooklyn, N. Y., concerning the Black-Connery 30-hour-week bill; to the Committee on Labor.

1475. Also, petition of Abraham & Strauss, Inc., Brooklyn, N. Y., concerning the Black 30-hour-week bill; to the Committee on Labor.

1476. Also, petition of the Namm Store, Brooklyn, N. Y., concerning the Black 30-hour-week bill; to the Committee on Labor.

1477. Also, petition of Bloomingdale's, New York City, concerning the Black 30-hour-week bill; to the Committee on Labor.

1478. Also, petition of New York Dugan Bros., Inc., Brooklyn, N. Y., concerning the Black-Connery 30-hour-week bill; to the Committee on Labor.

1479. Also, petition of the New York City League of Women Voters, New York City, urging support of sections 701 and 704 of the economic security bill; to the Committee on Interstate and Foreign Commerce.

1480. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, asking for the repeal of the cotton processing tax, or spreading the tax over industry in general; to the Committee on Agriculture.

1481. By Mr. ROGERS of Oklahoma: Petitions from 57 citizens and residents of Arkansas, urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1482. Also, petitions from 16 residents and citizens of Litchfield County, Conn., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1483. Also, petitions from 13 citizens and residents of Choctaw County, Okla., urging the enactment of House bill 2856, embracing a Federal system of old-age pensions; to the Committee on Ways and Means.

1484. Also, petitions of certain citizens resident of the State of Mississippi, in the counties of Adams, Bolivar, Claiborne, Clarke, Coahoma, Copiah, Franklin, George, Hinds, Holmes, Humphreys, Jackson, Jasper, Jefferson, Jones, Kemper, Lafayette, Lamar, Lauderdale, Lawrence, Leake, Lee, Leflore, Lowndes, Madison, Marshall, Monroe, Newton, Noxubee, Oktibbeha, Panola, Pike, Quitman, Rankin, Scott, Simpson, Smith, Sunflower, Tallahatchie, Tishomingo, Tunica, Warren, Washington, Wayne, and Yazoo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1485. Also, petition of certain citizens resident of the State of Alabama, in the counties of Baldwin, Bibb, Bullock, Calhoun, Chambers, Clarke, Colbert, Cullman, Dale, Dallas, Elmore, Franklin, Hale, Jackson, Jefferson, Lamar, Limestone, Macon, Madison, Marshall, Mobile, Monroe, Morgan, Montgomery, Pickens, Pike, Randolph, Sumter, Talladega, Tuscaloosa, and Walker, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1486. Also, petitions of certain citizens resident of the State of Tennessee, in the counties of Bradley, Carroll, Coffee, Crockett, Decatur, Dickson, Fayette, Franklin, Giles, Grundy, Hamilton, Hawkins, Henderson, Houston, Knox, Lawrence, Macon, Madison, Marion, Maury, Montgomery, Robertson, Shelby, Stewart, Washington, Weakley, White, and Williamson, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1487. Also, petitions of certain citizens resident of the State of North Carolina, in the counties of Burke, Columbus, Cumberland, Haywood, Henderson, Iredell, New Hanover, Rutherford, Scotland, and Surry, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1488. Also, petitions of certain citizens resident of the State of Texas, in the counties of Anderson, Baylor, Bee, Bowie, Cass, Denton, Dewitt, Falls, Franklin, Grimes, Hardin, Harris, Henderson, Houston, Hutchinson, Jefferson, Jones, Lamar, Leon, Matagorda, Montague, Montgomery, Nacogdoches, Newton, Panola, Polk, Robertson, Sabine, San Augustine, Shelby, Smith, Trinity, Walker, and Williamson, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1489. Also, petitions of certain citizens resident of the State of Arkansas, in the counties of Chicot, Clay, Columbia, Crittenden, Desha, Drew, Garland, Jackson, Jefferson, Lafayette, Lawrence, Lee, Little River, Logan, Lonoke, Miller, Mississippi, Montgomery, Ouachita, Pike, Poinsett, Prairie, Pulaski, Scott, Sebastian, St. Francis, Stone, White, and Woodruff, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1490. Also, petitions of certain citizens resident of the State of Illinois, in the counties of Bond, Champaign, Cook, Hardin, Jackson, Jefferson, Lake, Madison, Marion, Montgomery, Sabine, and Sangamon, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1491. Also, petitions of certain citizens resident of the State of South Carolina, in the counties of Beaufort, Darlington, Lee, Pickens, Spartanburg, and Sumter, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of

direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1492. Also, petitions of certain citizens resident of the State of Missouri, in the counties of Cole, Cape Girardeau, Jackson, New Madrid, Pemiscot, Reynolds, Scott, St. Louis, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1493. Also, petitions of certain citizens resident of the State of Florida, in the counties of Columbia, Gadsden, and Walton, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1494. Also, petitions of certain citizens resident of the State of Georgia, in the counties of Bulloch, Cherokee, Chattooga, Clarke, Coweta, Colquitt, Douglas, De Kalb, Floyd, Fulton, Gilmer, Hall, Jefferson, Madison, Meriwether, Newton, Pickens, Richmond, Troup, and Walker, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1495. Also, petitions of certain citizens resident of the State of Ohio, in the counties of Jefferson and Richland, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1496. Also, petitions of certain citizens resident of the State of Maryland, in the counties of Garrett and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1497. Also, petitions of certain citizens resident of the State of West Virginia, in the counties of Hampshire, Raleigh, and Wetzel, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1498. Also, petitions of certain citizens resident of the county of Lake, in the State of Indiana, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1499. Also, petitions of certain citizens resident of the county of Crawford, in the State of Wisconsin, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55; independent of State participation; to the Committee on Ways and Means.

1500. Also, petition of certain citizens resident of the State of Oklahoma in the counties of Blaine, Cotton, Creek, Lincoln, McCurtain, Muskogee, Noble, Okfuskee, Pottawatomie, Pushmataha, Seminole, and Tulsa, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1501. Also, petition of certain citizens resident of the State of Louisiana in the counties of Allen, Ascension, Caddo, Calcasieu, Claiborne, De Soto, East Baton Rouge, East Carroll, East Filiciana, Iberville, Lincoln, Natchitoches, Ouachita, Pointe Coupee, Rapides, Red River, Sabine, St. Charles, St. John the Baptist, Washington, and Winn, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1502. Also, petitions of certain citizens resident of the State of Kentucky in the counties of Butler, Carroll, Calloway, Fulton, Graves, Henry, Henderson, Lee, Livingston, Lincoln, Muhlenberg, Metcalfe, Perry, Scott, Todd, Union, Whitley, and Wayne, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1503. Also, petitions of certain citizens resident of the State of Virginia in the counties of Montgomery and Pittsylvania, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1504. Also, petitions of certain citizens resident of the State of Kansas in the counties of Pottawatomie and Sedgwick, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1505. Also, petition of certain citizens resident of the State of Pennsylvania in the county of Alleghany, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1506. Also, petition of certain citizens resident of the State of Wisconsin, in the county of Kenosha, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1507. Also, petition of certain citizens resident of the State of Wyoming, in the county of Goshen, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation: to the Committee on Ways and Means.

1508. Also, petitions of certain citizens resident of the State of Indiana, in the counties of Jackson and Lake, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1509. Also, petition of certain citizens resident of the county of Appanoose, in the State of Iowa, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1510. Also, petition of certain citizens resident of the county of Essex, in the State of New Jersey, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1511. Also, petition of certain citizens resident of the county of Washington, in the State of Pennsylvania, numerously signed, urging enactment of House bill 2856, by Representa-

tive WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1512. Also, petitions of certain citizens resident of the State of West Virginia, in the counties of Grant, Harrison, Logan, Lincoln, McDowell, Mercer, Marshall, and Wetzel, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1513. Also, petition of certain citizens resident of the State of Ohio, in the county of Scioto, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1514. Also, petition of certain citizens resident of the State of Maine, in the county of Somerset, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1515. Also, petitions of certain citizens resident of the State of Kansas, in the counties of Graham, Montgomery, and Shawnee, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1516. Also, petitions of certain citizens resident of the State of Colorado, in the counties of Las Animas, Montrose, Rio Grande, and Saguache, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1517. Also, petitions of certain citizens resident of the State of Maryland, in the counties of Allegany and Garrett, all numerously signed, urging the enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1518. Also, petitions of certain citizens, resident of the State of North Carolina, in the counties of Alamance, Brunswick, Gaston, Granville, Haywood, Mecklenburg, New Hanover, Pender, Rockingham, and Vance, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1519. Also, petitions of certain citizens, resident of the State of Tennessee, in the counties of Bledsoe, Bradley, Carroll, Crockett, Carter, Coffee, Chester, De Kalb, Decatur, Dickson, Davidson, Dyer, Franklin, Fentress, Fayette, Henry, Hamblen, Hardin, Hamilton, Hardeman, Haywood, Knox, Loudon, Lawrence, Lincoln, Lauderdale, McMinn, Marshall, Robertson, Sullivan, Shelby, Tipton, Wayne, Wilson, and Weakley, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1520. Also, petitions of certain citizens, resident of the State of Florida in the counties of Calhoun, Nassau, Wakulla, and Washington, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1521. Also, petitions of certain citizens resident of the State of Missouri in the counties of Buchanan, Bates, Jackson, Linn, New Madrid, Pettis, Reynolds, Ste. Genevieve, St. Louis, Sullivan, and Tazewell, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1522. Also petitions of certain citizens resident of the State of Oklahoma in the counties of Bryan, Choctaw, Garvin, Kiowa, Muskogee, McCurtain, Atoka, Payne, Rogers, Seminole, Stephens, and Wagoner, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1523. Also, petitions of certain citizens resident in the State of Louisiana in the parishes of Ascension, Bienville, Bossier, Beauregard, Caddo, Calcasieu, Catahoula, Grant, Iberville, Jefferson, La Salle, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Richland, Rapides, Red River, St. Helena, St. Landry, Tangipahoa, Vernon, Winn, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1524. Also, petitions of certain citizens resident of the State of South Carolina in the counties of Anderson, Beaufort, Cherokee, Greenville, Lake, Lexington, Newberry, Oconee, Richland, and Union, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1525. Also, petitions of certain citizens resident of the State of Virginia in the counties of Bedford, Grayson, Carroll, Patrick, Roanoke, Russell, Smyth, Tazewell, Wise, and Wythe, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1526. Also, petitions of certain citizens resident of the State of Texas in the counties of Angelina, Brazos, Bowie, Bexar, Comanche, Cass, Collingsworth, Collin, Cherokee, Dallas, Fayette, Franklin, Gillespie, Henderson, Houston, Hopkins, Hutchinson, Kaufman, Lamar, Leon, Harrison, Nacogdoches, Palo Pinto, Robertson, San Jacinto, San Augustine, Shelby, Tyler, Taylor, Walker, Washington, and Wilbarger, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1527. Also, petitions of certain citizens resident of the State of Mississippi in the counties of Adams, Alcorn, Bolivar, Covington, Clarke, Copiah, Chickasaw, De Soto, Greene, Grenada, Holmes, Humphrey, Hinds, Jasper, Jones, Kemper, Lafayette, Lowndes, Lincoln, Lawrence, Lee, Leflore, Lamar, Lauderdale, Madison, Marshall, Monroe, Montgomery, Marion, Noxubee, Newton, Neshoba, Prentiss, Pearl River, Panola, Quitman, Rankin, Simpson, Sunflower, Smith, Tippah, Tunica, Tallahatchie, Union, Walthall, Washington, Winona, Winston, and Yalobusha, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over

55, independent of State participation; to the Committee on Ways and Means.

1528. Also, petitions of certain citizens resident of the State of Alabama in the counties of Autauga, Blount, Bibb, Barbour, Clarke, Clay, Chambers, Colbert, Chilton, Choctaw, Dallas, De Kalb, Etowah, Franklin, Greene, Hale, Houston, Jackson, Jefferson, Limestone, Lamar, Lawrence, Marengo, Morgan, Madison, Marshall, Macon, Mobile, Perry, Pickens, Pike, Talladega, Winston, Wilcox, and Walker, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways on Means.

1529. Also, petitions of certain citizens resident of the State of Arkansas, in the counties of Ashley, Chicot, Columbia, Crawford, Craighead, Crittenden, Cross, Calhoun, Desha, Faulkner, Hot Springs, Little River, Lincoln, Lonoke, Miller, Polk, Pulaski, Phillips, St. Francis, Woodruff, and Yell, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1530. Also, petitions of certain citizens resident of the State of Georgia, in the counties of Bibb, Carroll, Clarke, Chatham, Decatur, De Kalb, Elbert, Early, Greene, Harris, Hall, Hancock, Irvin, Jackson, Mitchell, Madison, Muscogee, Morgan, Monroe, Newton, Pike, Screven, Tattnall, Thomas, Troup, Wilkes, Walton, and White, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1531. Also, petition of certain citizens resident of the State of Illinois, in the counties of Bureau, Carroll, Clinton, Cook, Douglas, Jackson, Lawrence, Lake, Marion, Montgomery, McLean, Pulaski, Randolph, St. Clair, Saline, Vermilion, and Williamson, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1532. Also, petitions of certain citizens resident of the State of Kentucky, in the counties of Bell, Ballard, Caldwell, Franklin, Graves, Hopkins, Jefferson, Marshall, Muhlenberg, McCracken, Ohio, Perry, Union, Wayne, Whitley, and Webster, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1533. By Mr. SNYDER: Petition of Absalom W. Sutton and 17 other residents of Fairchance, Fayette County, Pa., favoring old-age pension legislation; to the Committee on Ways and Means.

1534. By Mr. SUTPHIN: Petition of the Master Painters and Decorators, Inc., urging an amendment to Joint Resolution No. 117; to the Committee on Appropriations.

1535. By Mr. TARVER: Petition of certain citizens resident of the county of Paulding in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1536. Also, petition of certain citizens resident of the county of Whitfield, in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1537. Also, petition of certain citizens resident of the county of Walker in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1538. Also, petitions of G. W. Harris and 21 other citizens of Floyd County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

1539. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, memorializing the Congress to repeal the cotton processing tax or the spreading of the tax over industry in general; to the Committee on Agriculture.

1540. By Mr. TRUAX: Petition of B. Meaden and other citizens of Cleveland, Ohio, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1541. Also, petition of Paul C. Arkle and other citizens of Belmont County, Ohio, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan for direct Federal old-age pensions of $30 per month to all persons over 55, independent of State participation; to the Committee on Ways and Means.

1542. Also, petition of M. H. Russell and other citizens of Scioto County, Ohio, urging the enactment of House bill 2836, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1543. Also, petition headed by Reverend Jackson and numerously signed by citizens of Cleveland, Ohio, urging enactment of House bill 2856, old-age pension bill by Representative ROGERS of Oklahoma (the Pope plan); to the Committee on Ways and Means.

1544. Also, petition headed by E. N. Williams and numerously signed by citizens of Toledo, Ohio, urging enactment of House bill 2856, old-age pension bill by Representative ROGERS of Oklahoma (the Pope plan); to the Committee on Ways and Means.

1545. By Mr. WILSON of Louisiana: Petition of residents of the Fifth Louisiana Congressional District, urging the enactment of old-age pension legislation; to the Committee on Ways and Means.

1546. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, relating to ratification of the Great Lakes-St. Lawrence Seaway Treaty; to the Committee on Foreign Affairs.

1547. By Mr. WOLCOTT: Petition of James Talbot of Grindstone City, Mich., and 47 other members of Huron Local No. 162 of the Farmers' Union, urging the prompt enactment into law of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1548. Also, petition of Eric O. Leonard, of Watrousville, Mich., and 23 other members of Local No. 123 of the Farmers' Union, urging the prompt enactment into law of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1549. Also, petition of W. R. Reid, of Clifford, Mich., and 37 other members of the Koylton Local of the Farmers' Union, urging the restoration to Congress of the power to coin and regulate the value of money, and urging the passage of the Frazier-Lemke, Swank-Thomas, and Wheeler bills; to the Committee on Agriculture.

1550. By the SPEAKER: Petition of C. E. Hansen, H. H. Stallar, and others; to the Committee on Election of President, Vice President, and Representatives in Congress.

1551. Also, petition of the city of Covington, Ky.; to the Committee on the Judiciary.

1552. Also, petition of the city of Manitowoc, Wis.; to the Committee on Ways and Means.

1553. Also, petition of the Borough of Darby, Delaware County, Pa.; to the Committee on Banking and Currency.

1554. Also, petition of the Farmers Educational and Cooperative Union of New Jersey; to the Committee on Agriculture.

1555. Also, petition of the city of Wyandotte, Mich.; to the Committee on the Judiciary.

1556. Also, petition of the city of Lansing, Mich.; to the Committee on the Judiciary.

1557. Also, petition of the Interracial Committee of the District of Columbia; to the Committee on the Judiciary.

1558. Also, petition of the Holy Name Society of St. Louis; to the Committee on Foreign Affairs.

SENATE

TUESDAY, FEBRUARY 19, 1935

(Legislative day of Friday, Feb. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, February 18, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1144) to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.

The message also announced that the House had passed the bill (S. 1190) to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 3982. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; and

H. R. 5701. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near La Fayette, Ind.

SUPPLEMENTAL ESTIMATE: SALARIES OF FOREIGN SERVICE OFFICERS (S. DOC. NO. 22)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, fiscal year 1936, amounting to $143,395, for salaries of Foreign Service officers, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM OF VERMONT: WAR OF 1812–15 (S. DOC. NO. 23)

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, reporting, pursuant to Senate Resolution 224 (73d Cong., 2d sess.), on the results of an audit of the claim of the State of Vermont with respect to advances and expenditures made by such State for military purposes during the war of 1812–15, with Great Britain, which was referred to the Committee on the Judiciary and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the House of Assembly of the State of New Jersey, favoring the enactment of a pending joint resolution establishing October 11 as General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

(See resolution printed in full when presented today by Mr. BARBOUR, p. 2164.)

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Finance:

Senate Concurrent Resolution 1

Be it resolved by the Senate of the State of North Dakota the house of representatives concurring therein)—

Whereas the problem of old-age security has become a leading public issue; and

Whereas the people of the State of North Dakota have become conscious of the need for Federal legislation aiming to make dependent old age more secure; and

Whereas many thousands of the people of this State have endorsed and recommended a plan known as the "Townsend old-age revolving pension plan", tending toward the accomplishment of these aims and the security of persons of this State in their old age; and

Whereas it is imperative that our younger people may find employment and thus put an end, in a large measure, to our present unemployment situation, and that the active and wide-spread buying and selling to result from the operation of the Townsend bill will help banish poverty and bring back prosperity to our country in general: Now, therefore, be it

Resolved by the senate of this twenty-fourth legislative assembly (the house of representatives concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to give every consideration to the said the "Townsend old-age revolving pension plan", if, as, and when the same is presented for its consideration; be it further

Resolved, That the Senators and Representatives of the State of North Dakota in the Congress of the United States be requested to take such necessary steps as will insure full consideration of the aforesaid the "Townsend old-age revolving pension plan" upon its presentation to the Congress of the United States, and that copies of this memorial be forwarded forthwith to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of North Dakota.

A. S. MARSHALL,
President pro tempore of the Senate.
F. E. TUNELL,
Secretary of the Senate.
WILLIAM M. CROCKETT,
Speaker of the House.
WALTER S. MARTIN,
Chief Clerk of the House.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Cathedral Heights-Cleveland Park Citizens Association of the District of Columbia, favoring the adoption of a policy of selecting for local public office in the District such persons as are bona fide residents of the District of Columbia, which was referred to the Committee on the District of Columbia.

He also laid before the Senate resolutions adopted by the Council of the City of San Diego, Calif.; the Council of the City and County of Denver, Colo.; the Council of the City of Wyandotte, Mich.; the Common Council of the City of Vicksburg, Miss.; and the Common Council of the City of San Benito, Tex., favoring the enactment of a pending joint resolution establishing October 11 as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

Mr. TYDINGS presented a resolution adopted by the Holy Name Society of St. Cecelia's Church, of Baltimore, Md., favoring the recall of Hon. Josephus Daniels as Ambassador to Mexico; the use by the Government of the United States of its influence with the Mexican Government to the end that it may discontinue alleged religious persecutions, and also favoring an immediate investigation of alleged anti-religious conditions in Mexico, which was referred to the Committee on Foreign Relations.

Mr. NORRIS presented the following concurrent resolution of the Legislature of the State of Nebraska, which was referred to the Committee on Public Lands and Surveys:

Resolution requesting the Federal Government to acquire, set aside, preserve, and maintain as a national park a tract of land in Knox County, Nebr., locally known as the "Devils Nest"

Whereas the tract of land in Knox County, Nebr., locally known as the "Devils Nest", and described generally as follows: All of sections 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34, in township 33 north, of range 3 west; also all of sections 3, 4, 5, 9, 10, and northeast quarter of section 6, and east half of section 8, in township 32 north, of range 3 west; all of said described lands

being in the political subdivision of Knox County known as "Herrick Township"; also all of sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, 36, and northeast quarter of section 33, and north half of section 34, in township 33 north, of range 4 west; all of said described lands being in the political subdivision of Knox County known as "Santee Township"; also north half of section 1 and northeast quarter of section 2, in township 32 north, of range 4 west, Hill Township. All the real estate herein described is situated west of the sixth principal meridian, in Knox County, Nebr., including all accretion land to said described tract to the main channel of the Missouri River, naturally in all things fit to be established as a national park; and

Whereas if established as a national park, (a) it would be of great benefit to the people of the State of Nebraska and surrounding States, and (b) the public good from its establishment would far outweigh its cost, and (c) it would furnish a recreational playground, centrally located for a large population, and (d) would furnish a needed game refuge for all migratory game birds and assure its being continued to be used as a natural feeding and resting ground for wild ducks and geese and other migratory birds, and (e) would lend itself to wild-animal husbandry, and (f) having many natural springs and being within the artesian-well basin, a great number of small natural lakes could be formed therein, adaptable for game fish, and (h) being capable of growing forests of hard and soft wood, would aid in reforestation, and (i) be a monument in Nebraska to the Sioux Indian of the past and an aid to his future development: Therefore be it

Resolved by the House of Representatives of the State of Nebraska (the senate concurring), That we respectfully request the Federal Government to acquire, set aside, preserve, and maintain said tract of land as a national park; be it further

Resolved, That our United States Senators and Representatives in Congress be requested to urge the passage of such legislation as may be necessary to bring about the establishment of said land as a national park and to do any other act essential to accomplish this purpose.

Mr. NORRIS also presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Public Lands and Surveys:

Resolution to memorialize the Congress of the United States to acquire the Daniel Freeman farm in Gage County, Nebr., for the purpose of establishing it as a national monument to mark the filing of homestead no. 1 of the United States and to commemorate the development of the agricultural empire of the West

Whereas the homestead law of 1862 marked an era in our Government's effort to solve the problems of humanity by making available free homesteads for its citizens; and

Whereas Daniel Freeman, a resident of Gage County, Nebr., a soldier in the Union Army, on January 1, 1863, filed on a certain tract of land on Cub Creek, in Gage County, Nebr.; and

Whereas the filing by Daniel Freeman on January 1, 1863, stands of record as filing no. 1 of more than 1,000,000 homestead filings; and

Whereas the homestead filing of Daniel Freeman also marked and was situated upon the old freight road from the Missouri River to the mountains, which was an important line of communication and marked the development of the West; and

Whereas today humanity is at the crossroads, and history of the development of the great agricultural empire of the West, made possible by the homestead law of 1862, is an inspiring story: Now, therefore, be it

Resolved by the Senate of the State of Nebraska in fiftieth session assembled—

SECTION 1. That the National Congress be memorialized to acquire the Daniel Freeman homestead, which is homestead no. 1 of the records of the land office of the United States; and

SEC. 2. To establish the Daniel Freeman homestead as a national monument in commemoration of the beneficent purposes of the homestead law of 1862, made possible by the great humanitarian, President Abraham Lincoln; and

SEC. 3. The Daniel Freeman homestead as a national monument to also commemorate and be a permanent monument to the development of the great agricultural empire of the West; and

SEC. 4. That a copy of this resolution be sent to the President of the United States, to the Vice President as the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, to the Secretary of the Interior, to the Secretary of Agriculture, to the Members of the United States Senate from Nebraska, and to the Members of the House of Representatives from Nebraska, and to all patriotic, historical, and civic societies, with the request that they lend their support to the establishment as a national monument of homestead no. 1 of the United States, known as the "Daniel Freeman homestead", located in Gage County, Nebr.

Mr. NORRIS also presented a resolution of the House of Representatives of the State of Nebraska, memorializing Congress to enact such legislation as will increase the demand for agricultural products, and especially legislation requiring all motor-vehicle fuels to contain grain alcohol in the percentage shown to produce a sufficient fuel, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate on the 18th instant by the Vice President, p. 2058, CONGRESSIONAL RECORD.)

Mr. BULKLEY presented the following joint resolution of the Legislature of the State of Ohio, which was referred to the Committee on Commerce:

House Joint Resolution 25

Joint resolution memorializing the Congress of the United States of America to enact legislation assuming the payment of the maintenance cost and the remaining bonded indebtedness of the Miami Conservancy District of Ohio

Whereas the entire State of Ohio in general, and the Miami Valley in particular, in the year 1913, was visited by a flood of unparallelled devastation and destruction, in which flood the lives of more than 225 people were lost and millions of dollars of property was destroyed in the Miami Valley; and

Whereas the progressive and public-spirited citizens of the Miami Valley conceived and were instrumental in enacting legislation known as the "Conservancy Act of Ohio", which has served as model legislation for other States of these United States; and

Whereas the Miami Conservancy District, organized and existing under the authority of said act, comprising the territory within the counties of Butler, Clark, Greene, Hamilton, Miami, Montgomery, Preble, Shelby, and Warren, with a total area of 3,386 square miles and with a total population of 1,227,236, has completed a flood-control project at an initial cost of $29,712,991.38; and

Whereas the Miami Conservancy District issued and sold bonds in a total sum of $33,890,909.83; and

Whereas said district to date has collected from the property owners therein approximately $34,000,000 in taxes; and

Whereas approximately $25,000,000 of the initial cost of said project remains unpaid; and

Whereas the annual tax levy for maintenance, principal, interest, and statutory contingent fund approximates $2,790,000; and

Whereas the unprecedented depression has made it impossible for many landowners to pay the assessments against their property; and

Whereas the assessments delinquent in said district as of December 31, 1933, were in the sum of $1,345,412.81; and

Whereas the assessments have been increased to cover increasing delinquencies; and

Whereas many property owners in said district are in imminent danger of losing their homes by reason of such tax burdens; and

Whereas the United States of America has embarked on a general program of flood control and water conservation; and

Whereas the Miami Conservancy District is located at the headwaters of a tributary of the Mississippi River; and

Whereas the flood control in said district redounds to the benefit of the entire Mississippi Valley and is an important link in the chain of the flood-control plans of the National Government: Therefore be it

Resolved by the Ninetieth General Assembly of the State of Ohio, That the Congress of the United States of America is hereby requested to enact legislation whereby the United States of America will assume the payment of the maintenance cost and the remaining bonded indebtedness of the Miami Conservancy District of Ohio; and be it further

Resolved, That copies of this joint resolution be transmitted to the President of the United States, to both the United States Senators and each Member of Congress from Ohio.

Mr. BARBOUR. Mr. President, I present and ask consent to have printed in full in the RECORD and appropriately referred a concurrent resolution adopted by the Legislature of the State of New Jersey memorializing Congress to enact a law permitting State taxation of interstate sales.

The concurrent resolution was referred to the Committee on Finance, as follows:

THE ONE HUNDRED AND FIFTY-NINTH LEGISLATURE OF THE STATE OF NEW JERSEY.

Concurrent resolution memorializing the Members of Congress from New Jersey to aid in the enactment of a bill to permit State taxation of interstate sales

Whereas the existing lack of power in States to levy any tax upon or measured by sales of tangible personal property results in a discrimination in favor of interstate sales as against sales within the State and thus subjects a merchant in the State to unfair competition from outside the State; and

Whereas bills to remedy this by permitting States to tax interstate sales have been introduced in the Congress of the United States, bearing numbers H. R. 8231 and H. R. 8303, and a like bill bearing number S. 2897, introduced by Senator HARRISON, of Mississippi, has already passed the United States Senate: Therefore be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring)—

1. The Legislature of the State of New Jersey respectfully urges the Members of Congress from this State to make every effort to bring about the prompt enactment of such legislation as comprised in one of the bills above recited.

2. Official copies of this resolution be transmitted by the clerk of the assembly to the Members of Congress from the State of New Jersey.

LESTER H. CLEE,
Speaker of the Assembly.
FREDK. A. BRODESSER,
Clerk of the House of Assembly.
HORACE E. PRALL,
President of the Senate.
O. ALAN CHAMP,
Secretary of the Senate.

Mr. BARBOUR. Mr. President, I also present and ask consent to have printed in full in the RECORD and appropriately referred a resolution adopted by the House of Assembly of the State of New Jersey memorializing Congress to adopt the General Pulaski's Memorial Day resolution.

The resolution was referred to the Committee on the Judiciary, as follows:

THE ONE HUNDRED AND FIFTY-NINTH LEGISLATURE OF THE STATE OF NEW JERSEY.

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929; October 11, 1931; October 11, 1932; and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the House of Assembly of the State of New Jersey in session assembled—

1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from New Jersey.

LESTER H. CLEE,
Speaker of the House of Assembly.
FREDERICK A. BRODESSER,
Clerk of the House of Assembly.

Mr. REYNOLDS presented a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of the so-called "Frazier-Lemke farm refinance bill", which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. BAILEY on the 8th instant, p. 1708, CONGRESSIONAL RECORD.)

Mr. REYNOLDS also presented a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of legislation to take the profit out of war, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented by Mr. BAILEY on the 8th instant, p. 1709, CONGRESSIONAL RECORD.)

Mr. REYNOLDS also presented a joint resolution of the Legislature of the State of North Carolina, favoring the enactment of legislation to increase the price of potatoes, so that potato farmers may enjoy a like prosperity as that enjoyed by wheat, cotton, tobacco, and hog farmers, which was referred to the Committee on Agriculture and Forestry.

(See joint resolution printed in full when presented by Mr. BAILEY on the 11th instant, pp. 1779–1780, CONGRESSIONAL RECORD.)

Mr. WALSH presented a memorial of members of the Woman's Foreign Missionary Society, of Newton, Iowa, remonstrating against the making of further appropriations for the Army and Navy, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by Ensign Eric Lingard Post, No. 1624, Veterans of Foreign Wars, of Gloucester, Mass., favoring the imposition of a tariff duty upon foreign fish entering the United States, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Miss Hazel B. Knight, president, and members of Alex Scammell Auxiliary, No. 1822, Veterans of Foreign Wars, of Plymouth, Mass., praying for the adoption of the seven-point legislative program of the Veterans of Foreign Wars, which was referred to the Committee on Finance.

He also presented letters in the nature of petitions from Andover Post, No. 2128, of Andover; the George F. Bryan Post, No. 613, of Quincy; Arlington Post, No. 1775, of Arlington; Gilbert Perry Post, No. 115, of Attleboro, and John E. McKeon Post, No. 996, of North Adams, all of the Veterans of Foreign Wars, in the State of Massachusetts, praying for the enactment of legislation providing immediate payment of adjusted-service certificates of World War veterans, which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Barnstable Unit, No. 206, American Legion Auxiliary, of Cotuit, Mass., praying for the adoption of the legislative program of the American Legion, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from members of the Stonehurst Townsend Club, of Oakland, Calif., praying for the adoption of the so-called "Townsend old-age-pension plan", which was referred to the Committee on Finance.

He also presented letters in the nature of petitions from Loggia Italia Redenta, No. 909, of Boston; Loggia Milford Vittorio Emanuele III, No. 1356, of Milford; Loggia Martha Washington, No. 1454, of Clinton; Loggia Galileo Galilei, No. 1401, of Holyoke; Lodge William Paca, No. 1734, of Wakefield; Logge Riunite, No. 889, and Loggia Adelaide Cairoli, No. 1072, both of Lynn; and Loggia Woburn, No. 1406, of Woburn; all of the Ordine Figli D'Italia in America, in the State of Massachusetts, praying for inclusion in proposed Federal old-age-pension legislation of a provision making noncitizens who have been bona fide residents of the United States for 10 years or more eligible for pensioning, which were referred to the Committee on Finance.

He also presented petitions of several citizens of Fall River, Mass., praying for the passage of House bill 2827, known as the "Workers' Unemployment, Old Age, and Social Insurance Act", which were referred to the Committee on Finance.

He also presented petitions numerously signed, transmitted by George H. Bartlett, president, and other officers of the Townsend Plan Club, No. 1, of Haverhill, Mass., praying for the adoption of the so-called "Townsend old-age pension plan", which were referred to the Committee on Finance.

He also presented a letter from Mrs. Frederick L. Emery, of Lexington, Mass., transmitting a petition signed by sundry citizens of Lexington and vicinity, in the State of Massachusetts, praying for the adoption of the Townsend old-age pension plan, which, with the accompanying petition, was referred to the Committee on Finance.

He also presented a paper in the nature of a petition from members of the Community Club of Bunker Hill, Charlestown, Mass., praying for the passage of the so-called "Higgins resolution", proposing withdrawal of diplomatic relations with the Republic of Mexico, which was referred to the Committee on Foreign Relations.

He also presented the memorial of Frank Trumble, chairman, and sundry employees of the Greenfield Tap & Die Corporation, of Greenfield, Mass., remonstrating against the enactment of the so-called "Black 30-hour-week bill", which was referred to the Committee on the Judiciary.

He also presented the memorial of Hyacinth Circle, No. 71, Daughters of Isabella, New Bedford, Mass., remonstrating against the enactment of Senate bills 600 and 1375, relating to birth control and the importation of contracep-

tive articles into the United States, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from Francis L. Miller, Holy Cross College, Worcester, Mass., praying for the passage of House bill 3898, relative to adjustment in salaries of letter carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Board of Aldermen of Somerville, Mass., favoring continuance of the activities of the F. E. R. A., which was ordered to lie on the table.

He also presented a letter from John E. Dickinson and other citizens of Springfield, Mass., relative to the administration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table.

He also presented a resolution adopted by the Council of the City of Lowell, Mass., favoring participation by the granite industry in the proposed appropriations under the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table.

He also laid before the Senate letters in the nature of petitions from members of the James A. Cotter Co., of Boston, and the Master Plumbers' Associations, of Boston, Brookline, and Taunton, all in the State of Massachusetts, praying for inclusion in the pending joint resolution (H. J. Res. 117) making appropriations for relief purposes of a specific provision for the protection of plumbing contractors, which were ordered to lie on the table.

He also presented letters in the nature of petitions from the Marlboro Building Trades Council, of Marlboro; Local Union No. 11, Bricklayers, Masons, and Plasterers, of Fall River; and Local Union No. 117, United Brotherhood Carpenters and Joiners of America, of Springfield, all in the State of Massachusetts, praying for inclusion in the pending joint resolution (H. J. Res. 117) making appropriations for relief purposes of a provision maintaining the prevailing rates of wages, which were ordered to lie on the table.

OLD-AGE PENSIONS

Mr. SHIPSTEAD presented resolutions of the United States Old Age Pension Association, Windom, Minn., which were referred to the Committee on Finance; and the resolutions, without the attached matter, were ordered to be printed in the RECORD, as follows:

UNITED STATES OLD AGE PENSION ASSOCIATION,
Windom, Minn.

To the President and to the Members of Congress of the United States:

Pursuant to the press reports for November 1934 criticizing the petitioning by citizens of the United States on the question of old-age pensions and designating such petitions as "fantastic and beyond the possibilities of fulfillment", and that other such criticisms having been made by the press in its daily reports are and were made as destructive criticism and not as constructive approaches on a vital issue of the legislation: Therefore be it

Resolved, That we, as members of the United States Old Age Pension Association of Cottonwood County, Minn., do hereby assert our right to petition under the rights granted under the Constitution of the United States of America, and that we do hereby dissent from the destructive criticisms as reported to have been made; and that under the right of petition we, the 861 citizens of Cottonwood County, Minn., and as subscribed under registration and properly certified hereto and made a part hereof, have taken under advisement and consideration the serious defect of our Government to care for the aged of the United States; and that this neglect has become an unmitigated error of Government economics and has reduced the Nation to class privilege: Therefore your petitioners pray that legislation be immediately enacted to distribute the wealth and profits of the citizens in such a manner as shall compel distribution and circulation of all the national production, and especially the money medium of exchange of the United States; and we further pray that the old-age-pension revolving fund (as outlined in the Townsend plan) be enacted into law, and that the necessary laws, including a United States sales-tax law and the revision of the income- and inheritance-tax laws, be enacted to cover the cost of such legislation; and that such legislation shall cover every citizen in good standing and on a payment basis to each such citizen of $200 per month after the citizen has passed his or her sixtieth year of age; or that Congress shall make such pension compensation for the old-age-pension revolving fund as may be deemed necessary, and that shall be above $50 per month, and that can be made workable and beneficial to the citizens of the United States, and conditioned on the following equities, viz: That the citizen shall expend both his or her net income and his or her old-age-pension revolving fund within 30 days from the time he or she shall have received the payments, and such expenditure shall be for goods, service, and bills payable, and shall be expended within the United States and its Territories; and he or she shall refrain from laboring for any person or corporation for compensation during the time he or she shall receive the payments of the old-age-pension revolving fund; and that no citizen, male or female, who is in good standing shall be discriminated against in receiving an old-age-pension revolving fund when such citizen is qualified under the conditions as herein provided: Therefore be it further

Resolved, That, as petitioners of Cottonwood County, Minn., and hereto certified, desiring to be heard by the Congress of the United States and by the President of the United States, do present these resolutions to our Senators and to our Representatives in Congress from the State of Minnesota, and ask that the foregoing resolutions be presented to the Houses of Congress, and request that these resolutions be printed in the CONGRESSIONAL RECORD for the benefit and information of the Congress and the President of the United States.

To this end we, your petitioners of Cottonwood County, Minn., would respectfully request of each Senator and each Representative in Congress from the State of Minnesota that they separately or collectively shall present this petition to the Houses of Congress and request that the same be printed in the CONGRESSIONAL RECORD as herein prayed; and that each Senator and each Representative in Congress from the State of Minnesota is hereby requested to use his best efforts to cause legislation to be enacted that shall meet the great emergency of old-age pensions and the distribution of the Nation's products and finance, which at this date is approaching a fundamental crisis in our Government.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1712) to amend section 4878 of the United States Revised Statutes, as amended, relating to burials in national cemeteries, reported it without amendment and submitted a report (No. 116) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 927) to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act, reported it without amendment and submitted a report (No. 117) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games, reported it without amendment and submitted a report (No. 119) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 894) for the relief of Robert H. Wilder, reported it without amendment and submitted a report (No. 122) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109; U. S. C., title 18, sec. 203), and for other purposes, reported it with amendments and submitted a report (No. 126) thereon.

Mr. RUSSELL, from the Committee on Naval Affairs, to which was referred the bill (S. 1082) for the reinstatement of John Carmichael Williams in the United States Navy, reported it without amendment and submitted a report (No. 118) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 878. A bill for the relief of Ray Funcannon (Rept. No. 120); and

S. 879. A bill for the relief of Denis Healy (Rept. No. 121).

Mr. DAVIS, from the Committee on Naval Affairs, to which was referred the bill (S. 1605) authorizing the President to present Distinguished Flying Crosses to Air Marshal Italo Balbo and Gen. Aldo Pellegrini, of the Royal Italian Air Force, reported it without amendment and submitted a report (No. 123) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (S. 876) for the relief of Edgar Joseph Casey, reported it without amendment and submitted a report (No. 127) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1016) to empower the health officer of the District of Columbia to authorize the opening of graves and the disinterment and reinterment of dead bodies, in cases where death has been caused by certain contagious diseases, reported it without amendment and submitted a report (No. 124) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam, reported it without amendment and submitted a report (No. 125) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 84) to amend section 61 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, relating to depositories for money of bankrupt estates, reported it without amendment.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FLETCHER:

A bill (S. 1926) to amend paragraph (a) of section 5155 of the Revised Statutes, as amended, relating to branches of national banking associations; to the Committee on Banking and Currency.

A bill (S. 1927) granting an increase of pension to George E. Ficklin; to the Committee on Pensions.

By Mr. MOORE:

A bill (S. 1928) to amend section 8 of the Agricultural Adjustment Act; to the Committee on Agriculture and Forestry.

By Mr. METCALF:

A bill (S. 1929) to clarify the status of the National Zoological Park; to the Committee on the Library.

By Mr. BARBOUR:

A bill (S. 1930) granting an annuity to Ada B. Nafew; to the Committee on Civil Service.

By Mr. WHITE:

A bill (S. 1931) granting a pension to Charles Knowlton; to the Committee on Finance.

By Mr. JOHNSON:

A bill (S. 1932) for the relief of the State of California; to the Committee on the Judiciary.

By Mr. LA FOLLETTE:

A bill (S. 1933) to amend certain laws relating to American seamen, and for other purposes; to the Committee on Commerce.

By Mr. REYNOLDS:

A bill (S. 1934) for the relief of Rufus Hunter Blackwell, Jr.; and

A bill (S. 1935) for the relief of Marion Shober Phillips; to the Committee on Claims.

A bill (S. 1936) granting a pension to Walter T. Reckling; to the Committee on Pensions.

By Mr. HAYDEN:

A bill (S. 1937) providing a pensionable status for soldiers of certain companies of militia organized in the Territories of Utah, Arizona, and New Mexico, and the State of Texas for service against hostile Indians; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 1938) to provide for the payment of veterans' adjusted-service certificates in bonds of the United States; to the Committee on Finance.

By Mr. CONNALLY:

A bill (S. 1939) to confer jurisdiction on the Court of Claims to adjudicate certain claims of the Choctaw and Chickasaw Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

A bill (S. 1940) to fix the value of subsistence and rental allowance under the Pay Readjustment Act of June 10, 1922; to the Committee on Military Affairs.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (H. R. 240) for the relief of Capt. Alexander C. Doyle, and it was referred to the Committee on Claims.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 3982. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; and

H. R. 5701. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near La Fayette, Ind.

AMENDMENT TO STATE, JUSTICE, ETC., APPROPRIATION BILL

Mr. FLETCHER submitted an amendment proposing to appropriate $500,000, of which $250,000 shall be immediately available, for the investigation, control, and eradication of marine organisms injurious to shellfish in the Atlantic and Gulf States, intended to be proposed by him to House bill 5255, the State, Justice, etc., Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

WORK-RELIEF PROGRAM—AMENDMENTS

Mr. CAREY submitted an amendment proposing that in carrying out the purposes of House Joint Resolution 117 there shall be employed in clerical positions, not administrative or engineering, only those persons who are on relief rolls where available and qualified, intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed.

He also submitted an amendment setting forth the considerations that shall govern in the expenditure of moneys for construction projects from the appropriation proposed to be made by House Joint Resolution 117, intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed.

Mr. LA FOLLETTE submitted an amendment proposing to appropriate $5,200,000,000 for the purpose of carrying forward the program of public works inaugurated under the provisions of the National Industrial Recovery Act, approved June 16, 1933, and setting forth the allocations of such fund to be made within certain limitations, intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed.

Mr. BULOW submitted an amendment proposing to pay under certain conditions to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed, etc., intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed.

Mr. STEIWER and Mr. ADAMS submitted an amendment intended to be proposed by them to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 1, line 3, beginning with the word "that", to strike out down to and including the italicized figure "(3)" on page 2, in line 4, and insert in lieu thereof the following:

"That in order to protect and to promote the general welfare, by providing employment for persons in need and, where necessary, by providing direct relief, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President in such manner, and for such purposes, and such types, or types of

projects, Federal, or non-Federal, as are now, or may be hereafter authorized by law of the United States, as shall be adapted to the accomplishment of the objectives hereinbefore specified."

INVESTIGATION OF LOAN ACTIVITIES OF FEDERAL LAND BANKS

Mr. CLARK submitted the following resolution (S. Res. 86), which was referred to the Committee on Agriculture and Forestry:

Resolved, That a special committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the loan activities of all Federal land banks, with a view to determining whether such land banks, in granting loans, have unjustly discriminated against persons, States, areas, or communities.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth Congress and succeeding Congresses, to employ such clerical and other assistants, to require by subpena, or otherwise, the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The expenses of the committee, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

FEDERAL ANTILYNCHING LEGISLATION—ADDRESSES BY SENATORS COSTIGAN AND WAGNER

Mr. VAN NUYS. Mr. President, on the 12th of February the Senator from Colorado [Mr. COSTIGAN], speaking from Washington, D. C., and the Senator from New York [Mr. WAGNER], speaking from New York City, delivered important and interesting addresses over the radio on the subject of Lincoln and a Federal antilynching law. I ask unanimous consent that the addresses may be printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

LINCOLN AND A FEDERAL ANTILYNCHING LAW

Address of Senator COSTIGAN

Seventy-five years ago 2 weeks from tonight, Abraham Lincoln, whose memory enriches our hearts more than his monument adorns the Potomac, spoke at Cooper Institute, New York, on the power of Congress to control slavery. In essence, he held it this Nation's duty to redress a wrong to the Nation. The final words of that appeal are suited to the present hour and are fitly repeated in Washington, where his fame reached and will ever keep its zenith. "Let us have faith", he said, "that right makes might; and in that faith let us dare to do our duty as we understand it." It was this same Lincoln who, another day, denounced lynching as dangerous in example and revolting to humanity. What followed his New York speech is history: 4 years of vastly tragic Civil War—the price paid by a Nation for denying fundamental rights to human beings—and, at its close, in further sacrifice, Lincoln, like Moses, dying, as the people he led and loved moved past him into the promised land of more equal freedom for men and women.

The struggle for justice under law, as for liberty, is ever-recurring, and those who are now urging an antilynching law, as a national duty, find text on text for such action in the life and utterances of the great emancipator. His prayer for a new birth of freedom is as apt now as when uttered. Another of his living statements was that our Nation cannot endure divided; another that the protection of equal laws for the wretched is the best assurance of like security for those of us who are more fortunate.

Why should there be hesitation in self-governing America of all lands in barring mob anarchy? Must Jefferson's prophecy, fulfilled in Lincoln's time, be repeated? Glimpsing the dangers of slavery in America, Thomas Jefferson declared: "I tremble for the future of my country when I remember that God is just."

Young and old, men and women, white and of darker skin, in State after State, from time to time, have been and still are stricken down by mob lawlessness. More recently, most of those ruthlessly slain in this country have not been Caucasians, but the toll of snuffed-out lives, even among them is more than formidable. Within the lifetimes of many of my listeners more than 1,400 white men and women and about 3,700 negroes, often for trivial, unproven offenses, and without court trials or sentences, have been lynched in the United States. Either way we look at this record of menacing anarchy, it is appalling and intolerable. Yet let us not fail to face its discriminatory tendency. At this hour, 13,000,000 people in this country practically dwell from sun to sun under the unlifting shadows of potential mob violence, despite all lessons taught the world by our fatal experience with human slavery.

The bill with which Senator WAGNER and I are identified as cosponsors has been carefully drafted to meet constitutional tests. It is so moderate in its provisions that it should be approved everywhere. Without claiming perfection or assuring absolute success, it represents the best thought through years of many citizens and constitutional lawyers on what may be wisely and immediately done by Congress to check lynching in the United States. Its terms are concise and explicit. Under it a mob consists of three or more persons, acting without authority of law, to kill or injure any person in the custody of any peace officer. It declares that a State which fails, neglects, or refuses to give protection to any such person against mobs, will be deemed to have denied the equal protection of the laws. It authorizes a fine, not exceeding $5,000 or imprisonment not exceeding 5 years, or both, for a peace officer who fails to employ diligence to protect such persons against mob injury or death. It provides that, if a peace officer goes further and conspires to injure or kill any persons in his custody, he is to be subject, on conviction, to imprisonment for 5 to 25 years.

The measure carries no other criminal penalties. It does, however, also provide that if a State fails to indict or prosecute persons accused of lynching within 30 days thereafter, the State is prima facie presumed to have failed to extend the equal protection of the laws to the injured or slain, and resort may be had to the Federal courts, where judgments awarding little more than most accident compensation laws now permit, namely, from $2,000 to $10,000, may be secured against the county or counties in which serious injuries or death occurred. For any who question this section of the bill, which is wisely designed to interest taxpayers in discouraging local lynchings, it should be said that the provision is not unknown. Already some 10 States of the Union, with excellent results, permit like civil recovery in lynching cases against cities or counties, in amounts ranging from $1,000 in Nebraska to $10,000 in Pennsylvania. Investigation of the common law also discloses that from the earliest times in England, counties have been held civilly responsible for robberies and mischiefs when the guilty were suffered to escape without conviction.

It is at last apparent to thinking men and women that no Federal attack on State and interstate crime can be effective unless lynching is included among major offenses. Lynching is a flagrant violation, not of one, but of many constitutional rights. It is open anarchy. The victim is seized and held without legal warrant by a lawless mob. He is frequently taken from the custody of peace officers, with their active or passive sanction. Accusation is conviction. All rights of fair hearing and trial are brutally and summarily denied. The victim is often transported from State to State. Usually by torture, which permits no alternative, he is driven in utter misery to meaningless self-indictment. And, finally, he is put to death, with young and old indiscriminately looking on, or participating, under crime-breeding circumstances of indescribable savagery.

Such, in broad terms, avoiding unspeakable details, is precisely what took place at Marianna, Fla., in the recent lynching which shocked South and North into a new and almost universal demand for corrective Federal legislation.

The necessity for such a law is proven. A suitable and sensible measure has been prepared. Sound public opinion all over America, with the representative backing of more than 42,000,000 citizens, endorses it. Side by side with men, countless fine southern and northern women demand such legislation. It can be urged, in Lincoln's words, "with malice toward none" and on the strength of Henry Grady's famous appeal from the new South:

"We remember with what fidelity for 4 years the enslaved people guarded our defenseless women and children whose husbands and fathers were fighting against their freedom * * *. Faith will be kept with them in the future if the South holds her reason and integrity."

But clearly such pleas are no longer needed. Ours is truly at last a new South, a new North, a new East, a new West, unitedly building a new America of common humanity, guarded by just and ever more equal laws.

THE PROBLEM OF LYNCHING VIEWED ON LINCOLN'S BIRTHDAY

Address of Senator WAGNER

Today is sacred to the memory of Abraham Lincoln, a martyr in the cause of liberty for all humanity. This homely and simple backwoodsman rose by his own efforts to a position of unrivaled power and moral leadership. He held the confidence of a sorely tested nation by his iron-ribbed strength of character. He dominated ambitious men of equal intellect and superior education by the majesty of his just and merciful nature. Circumstance made him resort to force, but he never lost faith in the eventual triumph of reason. Even when brother was at war with brother, he bore malice toward none in his heart. Standing upon a battlefield scarred by civil conflict and furrowed with the freshly dug graves of the youthful dead, he did not ask for victory or revenge. He prayed that those who died to free all men should not have died in vain.

A united America, North and South, today lays equal claim to the heritage of Abraham Lincoln. This heritage is a mantle of glory that recognizes no sectional preference. But it is also a challenge to responsibility, a summoning call to conscience that resounds throughout the fleeting decades. It is now our turn to resolve that neither he nor those thousands of young men who died with his name upon their lips shall have died in vain.

The crime of lynching, directed as it is chiefly against the race that he released from bondage, is a constant profanement of the shrine of Lincoln. Every time a victim perishes at the stake or by the rope, the emancipation proclamation is suspended and civil equality is reduced to a political myth. Indeed, this reversion to savagery carries us back not 75 years but 20 centuries. To find

its equivalent we must look not to the old slave system but to the Circus Maximus of the blood-thirsty Roman tyrants.

I am sure that if Lincoln were alive today his revulsion to lynching would rest upon even broader grounds than those which I have stated. When mass brutality is made a holiday event, the malice which Lincoln despised is implanted forever into the minds and hearts of the young and the innocent. When lynch law draws its noose around the courtyard, the judicial procedure which Lincoln reverenced is strangled in the courthouse.

We have been told that the lynching problem can be solved by local authority. Lincoln heard the same plea in defense of slavery, and he replied that no nation could exist half slave and half free. It is equally true that no nation can be sure of the reign of law when intermittent discord is fomented by the rule of the mob. No contagion is more dangerous than disregard for constitutional rights; no action is more justified than the stamping out of this social disease.

In sober truth there is no local authority when the forces of the State yield to, if they do not actually connive with, the brutality of mass passion. The record of the past 5 years is stained with the lifeblood of 95 unjudged victims because local authority failed to prevent and failed to punish.

That is why we need a Federal antilynching law. The bill which Senator COSTIGAN and I introduced does not deprive the States of their original responsibility or capacity for law enforcement by a single iota. On the contrary, it gives them added incentives to do their duty. It imposes a fine not exceeding $5,000 or imprisonment not exceeding 5 years, or both, upon any State or local officer whose neglectfulness either encourages mob violence or tends to discourage the apprehension of the culprits who participate therein. It enables the family of a victim to recover substantial damages from the county within whose borders the outrage occurred. Whenever local conditions tend to discourage the zealous prosecution of suspected offenders, the Federal court in the district is vested with authority to try and punish in accordance with State law.

The entire American people are now engaged in warfare against economic maladjustment. Let us not forget that we have an even more splendid and ancient tradition to uphold in combating civil injustice. The passage of a Federal antilynching law will not quench overnight the fires of intolerance and hate, but it will reinforce people who are fighting valiantly against a perilous and pernicious foe. And it will implant new courage into the hearts of all those who, on this day above all others, are inspired by the righteousness, the kindliness, and the inflexible nobility of purpose of Abraham Lincoln.

POLITICAL LEADERSHIP—ADDRESS BY GLENN FRANK

Mr. METCALF. Mr. President, I ask unanimous consent to have printed in the RECORD a short address delivered by President Glenn Frank, of the University of Wisconsin, before the National Republican Club of New York, on February 12, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Now and then, over the centuries, the race throws up men of transcendent genius who, in serving their own time, manifest a quality of timelessness that gives to them, to their deeds, and to their words productive meaning for the generations to come. Abraham Lincoln, to whom our hearts are tonight lifted in the sacrament of remembrance, was one of these seminal spirits.

The difficulties that confront us are not unlike the difficulties that harassed him. His problem was to prevent the disintegration of the National Government. Our problem is to prevent the disintegration of the national enterprise. He faced the threat of a disunion of States. We face the threat of a disunion of classes and interests. He had to find the policies that would again make the political order a going concern. We must find the policies that will again make the economic order a going concern.

We may re-read with profit the admonition that Lincoln addressed to the American Congress on December 1, 1862:

"The dogmas of the quiet past are inadequate to the stormy present", he said. "The occasion is piled high with difficulty and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and thus we shall save our country."

Could all literature afford a text more pertinent to a consideration of the current plight of American life and enterprise? In the spirit of these sentences from Lincoln, I want to speak of the difficulty with which the present situation is piled high, of the imperative necessity for our thinking and acting anew, and of some delusions from which we must disenthrall ourselves, if we are to save our country.

I am a Republican. My father before me was a Republican. His father before him adhered to the Republican Party in the morning hours of its historic mission. But I am not interested in making a Republican speech tonight, for, unless I grossly misread the current temper, the vast majority of Americans are not interested, and should not be interested, in parties save as means to an end, and that end is the enrichment and stabilization of life for the millions.

I want instead to examine certain aspects of the problem that current circumstances put to political leadership, whether it be the leadership of the administration or the leadership of the opposition. And I hope I can pursue this examination with a decent degree of objectivity.

Political leadership is made doubly difficult today by the gravity of the maladjustments it must seek to correct and by the moods these maladjustments have generated in the mass mind. Let me define these two factors of maladjustment and mood.

The maladjustments with which the political leadership of the United States must now reckon are the results of something more than a temporary throwing out of gear of an otherwise fully modernized machine. These maladjustments stem, in the main, from three basic difficulties which the whole industrialized world has had to face. These three difficulties are:

First. The virtual break-down of the world's financial system, due to the fact that the world's credit and currency policies have not been kept flexibly adjusted to the changing needs of the world's enterprise.

Second. The revolutionary changes that science, technology, and power production have effected in the world's industrial system, with the result that fewer and fewer workers in less and less time can produce more than the world's population can buy, with its present purchasing power, or use, with its present margin of leisure.

Third. The post-war resurgence of an extreme nationalism that stands in active opposition to the increasing internationalism of the true economic interest of the several nations, with the result that the world's political system is making virtually impossible the operation of an effective economic system either within the nations or between the nations.

Any political leadership that cannot see the necessity for readjusting the financial order, the economic order, and the political order in terms of the new circumstances of this new age of science, technology, and power production is simply shadow boxing in the suburbs of reality.

This problem of readjustment would be difficult enough if statesmen could, like scientists, patiently seek its solution in the unhurried calm of the laboratory. But they cannot. Here and there, throughout the world, the ghost of social collapse stands at the windows of the cabinet rooms of government and of the council chambers of industry. The clock will not wait while statesmen or industrialists dally. And every responsible statesman knows that, at the first sign of laggard leadership on his part, the demagogue, skilled in selling the impossible to the credulous, stands ready to grasp the reins of power. Political leadership must now function in an atmosphere of unremitting urgency.

This urgency is made all the more compelling, and the threat of the demagogue's ascendency all the more real, by the moods these financial, economic, and political maladjustments have generated in the mass mind. Political leadership is today confronted by mass moods that cut across all frontiers and summon traditional parties everywhere to the bar of judgment.

G. D. H. Cole, in his Guide to Modern Politics, has trenchantly diagnosed the mass moods which, in certain nations of Europe, have produced drastic overturns in which long-established leaderships have been thrust aside, traditional parties dismantled, and political power excessively centralized in new governments which have ruthlessly destroyed political liberty and subjected the enterprise of their peoples to the whims of political drillmasters. Mr. Cole has identified 12 such moods of the mass mind, which in the last decade and a half have halted the age-old march toward human freedom and set one people after another trekking back to that tyranny of the state which, however benevolent for a season, ends always in brutality.

I list these 12 moods tonight because, unless I am far afield in my judgment, they have relevance to the problem confronting political leadership in the United States. These 12 moods are:

First, an uneasy feeling that the world is getting nowhere, either politically or economically.

Second, a haunting suspicion that the existing forms, both of political government and of economic organization, are ill-adapted to a society of large-scale enterprise, complex relationships, and swift change.

Third, a growing sense of vast potential wealth going foolishly to waste while millions go hungry and productive genius is held in chains to obsolete economic policies.

Fourth, a chilling fear of insecurity among millions who have in the past had at least some sense of security.

Fifth, a vehement reassertion of the rights of private property by large and small property owners alike.

Sixth, an increasing demand for State intervention to help any section of the community that feels the pinch of economic adversity.

Seventh, a panic retreat from the terrifying complications of world problems to the oversimplifications of extreme nationalism.

Eighth, an epidemic insistence that something be done even when there is no very clear notion of what should be done.

Ninth, a restless unwillingness to be content with the cynical assumption that nothing can be hoped for from political action.

Tenth, a widespread conviction, at least among the younger folk, that all of the old political parties have gone stale and futile.

Eleventh, a nervous flight from representative institutions to personal leadership.

Twelfth, a sweeping tendency to think of politics less in terms of adjustment through discussion and compromise and more in terms of coercion through force and, if necessary, through violence.

It must be clear to anyone who has had even casual contact with the rank and file of Americans during the last 5 years that these moods have marked the mass mind of the United States as they marked the mass minds of Italy and Germany before these two great peoples went into parliamentary bankruptcy and made formal assignment of their political liberties to dictatorships. These moods today constitute the emotional climate in which American political leadership must function. And any leadership that ignores these moods will be broken.

The demagogue, incapable of statesmanship, will seek to capitalize these discontents by setting class against class, and will seek to still the more clamorous of these cries with the ancient bribery of bread and circuses. He will sponsor fantastic schemes that may produce immediate results, pleasing to the momentary will of the masses, but work ultimate ruin, fatal to their permanent welfare.

The statesman, unwilling to sell the future into slavery or set the stage for chaos, even if he might thereby reap momentary advantage, will seriously analyze the soils from which these moods have sprung and in utter freedom from sterile traditions will sponsor the policies under which the day-to-day operation of the Nation's business, industry, and agriculture can make security and self-respect the heritage of its people. The statesman will lead rather than follow the moods of his time. He will serve the permanent needs rather than cater to the passing demands of those highly organized pressure groups which today tend everywhere to bend governments to their separate and sometimes conflicting wills. But the greater the statesman the more sensitive he will be to these deep ground swells of mass mood.

The tethers of a thousand traditional loyalties have slipped during the last 5 years as men have watched the very ground stakes of their social order loosen. The man in the street, along with the man in the furrow, is straining at the leash of obsolete practices of politics and economics that have failed to keep hunger from his stomach, cold from his body, and fear from his heart. And from one end of the United States to the other men are fumbling blindly for some clear lead out of the blind alleys in which circumstance have imprisoned them.

Such a mood is at once a grave danger and a great opportunity. A grave danger if irresponsible demagogy dominates it! A great opportunity if responsible statesmanship directs it! In its present mood the American mind is willing to follow responsible statesmanship. It would prefer to follow responsible statesmanship. It may follow irresponsible demagogy.

The mass mind was willing to take counsel of its patience while a Roosevelt gathered power unprecedented into his hands and cut the red tape that all too often binds government to the hitching post of inaction. But, unless I fail utterly to sense its present mood, it will not unduly prolong its patience. There is a latent impatience moving restlessly close under the surface of the liberal patience Americans generally have displayed during the difficult days of the last 5 years.

The mass mind expects permanently productive results to follow the freedom to act which its mood made Congress grant to political leadership as the Roosevelt regime swung into action in the early months of 1933. And, let us speak plainly, the mass mind expects something more than a Red Cross statesmanship that momentarily salves the economic wounds of the time and subsidizes into transient silence a vast army of Americans for whom no secure place is open in the normal enterprise of the Nation's business, industry, and agriculture.

It was for this, and this alone, that we adjourned so much that is basic in democratic self-government. It was for this, and this alone, that we set up a crisis government under which a Roosevelt is given in peace time powers far beyond the powers given a Wilson in war time. And the mass mind will hold this crisis government to strict accountability.

If the fruits of this freedom to act should fail to ripen or, when ripened, should prove unpalatable to Americans generally, the mass mind will turn inevitably to an alternative leadership. And the national destiny may well be determined by the nature of that leadership. Of one thing we may be sure: No alternative leadership will slip into power through any indifference of the mass mind, no matter how disappointing the ultimate results of this crisis government may prove. When judgment upon current policies is rendered the mass mind may make a wise decision or it may make a short-sighted decision, but it will be a decision that has been consciously made. A phase of mere reaction is simply not in the cards. Events are compelling the millions to think politically. And any alternative leadership, bidding for power, will get short shrift at the hands of this awakened people if it has nothing to offer beyond a policy of watchful waiting and playing the breaks.

If, when the roaring mountain stream of Federal spending and Federal subsidy begins to dry at the source, the private enterprise of the Nation remains sluggish or stalled, the American millions may lend a ready ear to drastic alternatives. And the demagogue, we may be sure, will be on hand with his adroit capacity for capitalizing such hours of social uncertainty. It is this that puts upon the Republican Party, as the party of opposition charged with the duty of corrective criticism, the moral obligation of realistic statesmanship.

Surely the words of Lincoln are applicable here. The occasion is piled high with difficulty. We must rise with the occasion. We must disenthrall ourselves from some current delusions that have the seeds of disaster in them. We must face fresh problems with fresh minds, thinking and acting anew.

The issue is not between young and old. The issue is not between liberals and conservatives. The issue is between straight and crooked thinking, between a frantic clutching at patent medicine remedies and a truly responsible experimentation, between workable and unworkable policies, between realism and muddling.

The situation cuts boldly across our traditional classifications. It plays particular havoc with the traditional patterns of liberalism and conservatism. I wish we might, for the next 10 years, declare a moratorium on the use of the terms liberal and conservative. The political conflict is, at the moment, too largely confined to a contest between an obstinate conservatism, struggling to pervert the constitutional forms into barriers against rational economic adjustments, and an obsolete liberalism which, in the presence of the new forces of a corporate and technical age, can think of nothing better than to damn them is an invisible and reprehensible government that must be harassed and hamstrung.

It is only a question of time until American democracy will become the bond slave of an increasingly demagogic politics unless we now muster the insight, the courage, and the statesmanship to throw both our obstinate conservatism and our obsolete liberalism on the scrap heap and develop in their stead a new political realism.

The kaleidoscopic dance of hastily improvised policies with which, during the last 2 years, we have sought to meet the emergency and make over the national future has resulted in a vast confusion of the national mind. Virtually none of these policies has been specifically argued in a campaign or subjected to sustained congressional examination and debate.

We have drastically restricted both the industrial and agricultural production of the Nation, handcuffing our productive genius, just when we had achieved the technical essentials for a radical increase in the living standards of the masses.

We have given to the State larger power over the detailed procedures of private enterprise than it has ever before been granted.

We have injected into an already too rigid national enterprise all sorts of artificial controls, such as price fixing, which have increased its rigidity and robbed it of that flexibility without which it cannot effectively adjust itself to changing circumstances.

Without any truly fundamental reform of a confused banking structure, we have moved far in the direction of the political control of credit.

We have resorted to an elaborate monetary sleight of hand.

We have, in essence, joined the mad reversion to primitive tribalism, which the hysterical epidemic of self-contained nationalism has induced in a Europe whose post-war economics has been dictated by its fears.

The right to do all this has, of course, been formally granted by Congress, but virtually none of these policies, I repeat, has been specifically argued in a campaign or subjected to sustained congressional examination and debate. There is no informed and articulate public opinion on these specific policies. There is only a determined demand by the millions that somebody find a workable way of escape from the chill and shadow that have rested upon American enterprise since 1929, and a vast tolerance of anyone who seems seriously searching for such escape.

Good intentions cannot alone give us great leadership. The national destiny is finally made or broken by detailed policies. If, as I believe, many of the policies being currently pursued are delusions that have the seeds of disaster in them, then it is critically important that the national mind be clarified respecting them. We need to have done for these issues now what Hamilton, Madison, and Jay did for the issues of their time in the Federalist papers. Now, as then, when every crossroads tavern became a forum for serious discussion and a torrent of pamphlets poured from the press, there is need for a sweeping reeducation of the Nation in political and economic realities. An alert and statesmanlike political opposition will see in this need one of its major obligations.

The relentless expansion of the role of the state, the deliberate restriction of the Nation's capacity to produce goods and services that millions of Americans so manifestly need, the facile trust in monetary juggling as a cure for economic paralysis, the role and the limitation of central planning in a democracy, the importation from Europe of the pathological formula of self-contained nationalism, the pursuit of wage and price policies that cancel each other, the attempt of a creditor nation to cling to the policies of a debtor nation, the opportunistic surrender of government to a series of uncoordinated group demands which give the worst features of laissez faire a new form and wider scope—all these and more cry aloud for critical consideration and interpretation.

In the limits of a single address I cannot, of course, do more than list these issues. I content myself with this single observation. The national destiny, in my judgment, is locked in this question: Shall we follow a growing number of the nations of Europe down the suicide road to the all-embracing state or shall we gamble our future on an intelligently modernized capitalism that finds its profit in production for the masses and stabilizes its market by a progressively wider distribution of the national income through its policies respecting wages, hours, prices, and profits?

Suspicious as I am of the oversimplifications with which so much of political discussion is shot through, I cannot resist the conviction that this is a decision toward the making of which events are rapidly driving us.

I do not say that government can or should be confined to the simple police role in which it was cast under the simpler circumstances of the era of Washington and Jefferson. I insist only that the all-embracing state and an economy of private enterprise are two utterly divergent roads to the future. We might conceivably

find recovery and stabilization up either road. We cannot go in both directions at once and expect anything but a continued stalling of the economic machine, save as Federal expenditures keep its wheels moving for a time under artificial stimulation.

Capitalism and communism, as the polar extremes of private enterprise and political management, are utterly different systems, and the conditions requisite for the success of each are utterly different from the conditions requisite for the success of the other. Either capitalism or communism can be made to work under certain conditions. A bastard offspring, half capitalist and half Communist, cannot be made to work under any conditions. The Communist half will freeze with fear the risk-taking initiative of the capitalist half. The capitalist half will hamstring the Communist half in the autocratic central planning without which it cannot function effectively. And, in the end, a people that toys with a system so hybridized will suffer the grosser evils of both capitalism and communism and will reap few of the advantages of either.

The time may conceivably come when the forces of science, technology, and power production will create a productivity so lavish and an interdependence so delicate that capitalism, with its myriad private decisions, will prove unworkable. We have not, in my judgment, reached that time yet. Nor shall we, I think, within the lifetime of any of us now living. And, Karl Marx to the contrary notwithstanding, there is nothing inherent in a capitalism, intelligently modernized, that makes it necessary that we ever reach such a time.

At any rate, the overwhelming majority of Americans are simply not ready to scrap an economy of private enterprise. They are keenly aware of the sins of individual capitalists. And they are increasingly critical of certain perversions of capitalism. They dimly sense that there are two kinds of capitalism, a functional capitalism that seeks to create wealth by production and a financial capitalism that seeks to capture wealth by manipulation. They think the sins of individual capitalists can and should be made amenable to social control. And they will turn a deaf ear to any leadership that does not wage war against those purely acquisitive operations of financial capitalism which are aimed at nothing but the capture of wealth by manipulation. But they still believe in their bones that the basic values of life, liberty, and happiness can be better pursued under a regime of private enterprise and political liberty than under any of the sleek systems of political management whether of the Fascist right or the Communist left.

If the deeper will of the people is followed, we shall proceed on the basis of an intelligently modernized capitalism. If this is the road we are to take, the spirit and content of governmental policy must reckon with it. If we are to proceed under an intelligently modernized capitalism, then it is only elementary horse sense to say that we must find the conditions under which capitalism can and will work and then set our policies to insure those conditions.

To do this does not require softness toward blind capitalists who betray their trust. To do this does not require any slackening of the will to correct the uncreative and purely acquisitive perversions of financial capitalism. It does require that political leadership assert the virtues of a regenerate capitalism quite as aggressively as it arraigns the vices of unregenerate capitalists. The culprits of capitalism are, after all, but a handful of malefactors in the crowded ranks of sincere and capable business men and industrialists. And, if we are not to go boldly and bodily over to fascism or to communism, it is to this vast body of sincere and capable business men and industrialists that we must look to make capitalism again function for the creation of abundant new wealth. And it is vital to the national future that capitalism shall again create new wealth abundantly, for, unless and until abundant new wealth is created, the abundant life for the masses must remain no more than a talking point. Existing wealth is not enough to turn the trick, no matter how it is distributed.

No system of national enterprise can function effectively unless it is truly believed in by the people and unless its leadership is inspired by the sense that, in doing its job, it is serving social as well as personal ends. If we are to go on with the private enterprise of capitalism, we must provide it with these two essentials. In a world so largely under the spell of the new gospels of fascism and communism, it is important that political leadership, once it has dealt decisively with the sins and sinners of capitalism, shall so restate the case for private enterprise that a truly popular passion for its preservation may be aroused and its honest leaders given a sense that they are serving a significant national end.

There is a basic American devotion to the principle of private enterprise. But this devotion will be permanently sustained only through an intelligently modernized capitalism, functioning through a workable economics of plenty, a capitalism which, as I put it a moment ago, finds its profit in production for the masses and stabilizes its market by a progressively wider distribution of the national income through its policies respecting wages, hours, prices, and profits.

Today we are witnessing an attempt to create what purports to be an economics of plenty actually result in an economics of scarcity.

If the toiling millions can be convinced that greater happiness can be found by declaring a moratorium on scientific progress, throwing the brakes on technological advance, and deliberately reducing the enterprise of the Nation to smaller and more manageable dimensions, well and good. If that is what they want! But that is not what they want. They hunger to have full human advantage of the utmost this age of science, technology, and power production is equipped to bring them in comfort, convenience, and liberation of spirit. In an age of scarcity the poor will endure their lot without undue whimpering, but want will not forever stay docile in the presence of potential plenty kept just beyond their reach by blind absurdities of policy.

As I have said again and again during the last 2 years, to restrict production and to raise prices is not liberalism but reaction, not statesmanship but surrender, not creative advance but cowardly retreat. That way lies the subsidizing of inefficiency. That way lies the sabotage of superior management that knows how to bring both the cost of production and the price of products down. That way lies a permanent and perilous lowering of living standards for the swarming millions. It was not for this that the pioneers builded their blood and sacrifice into the foundations of this Republic. More goods at lower prices, not fewer goods at higher prices, is the logical and only socially defensible goal of an age of science, technology, and power production.

Events will sooner or later rip the mask from this unholy marriage between radical politics and reactionary economics solemnized in the name of liberalism. And maybe the most dramatic unmasking will come in the South, for an undue continuance of the present cotton policy and related agricultural policies, however much they may temporarily swell the pockets of planters, will convert the South into an economic graveyard for the next quarter century.

In the end the American people will judge every leadership bidding for their suffrage, whether it bears the mark of conservatism or of liberalism, by this: Is it proposing bravely to bend to human use the full powers of this economy of science, technology, and power production, or does it ask them to take a coward's refuge in a policy of repressing, restricting, and reducing its maximum productive capacities? And they will insist that a leadership promising an economics of plenty shall be definite, concrete, and specific in its program. Glamorous promises couched in abstractions will not be enough. If the future were to be determined on the basis of promises, the demagogue can beat the statesman at the promising game any day hands down.

Events have given to both the Democratic and Republican Parties an appointment with destiny. If they miss this appointment, some new and more realistic party will meet it.

And now will you grant me the luxury of one confessedly partisan statement? I hope that the party of my father, the party of my grandfather, and the party to which I have given the allegiance of my adult years—the Republican Party—will meet its appointment.

THE FRAZIER-LEMKE ACT—OPINION OF UNITED STATES CIRCUIT COURT OF APPEALS

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD the opinion of the United States Circuit Court of Appeals for the Sixth Circuit upholding the constitutionality of the amendment to the Farm Bankruptcy Act passed by Congress at the last session.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES CIRCUIT COURT OF APPEALS, SIXTH CIRCUIT

No. 6959, Louisville Joint Stock Land Bank, appellant, v. *William W. Radford, Sr., appellee.* Appeal from the District Court of the United States for the Western District of Kentucky. Decided February 11, 1935

Before Moorman, Hicks, and Simons, circuit judges.

Simons, circuit judge. This appeal, seasonably allowed by us and by the district court, raises questions in respect to the constitutionality of section 75 of the Bankruptcy Act, as amended by the Frazier-Lemke Act of June 28, 1934. The facts are not in dispute, and are sufficiently found in the opinion of the district judge (8 Fed. Supp. 489).

The bankrupt is a farmer. In 1922 he borrowed $8,000, and in 1924 an additional $1,000 from the appellant bank, giving as security mortgages on his 170-acre farm in Christian County, Ky., the mortgages containing covenants to pay taxes and to keep the buildings insured. Upon default in the payment of principal, interest, and taxes, and through allowance of insurance to lapse, the bank, pursuant to the terms of the mortgages, declared the entire indebtedness thereon due and payable, and on June 5, 1933, filed a foreclosure suit in the Circuit Court of Christian County. Later the bank moved for the appointment of a receiver, but upon being informed by the conciliation commissioner of the county that Radford desired to avail himself of the benefits of section 75 of the Bankruptcy Act, providing for agricultural compositions and extension, the court declined to appoint the receiver, and stayed the foreclosure suit. On February 26, 1934, Radford filed in the United States District Court his petition and schedule under section 75. On June 30, 1934, the Christian County Circuit Court entered judgment for the bank for the full amount of Radford's indebtedness, sustained the mortgages as a first lien upon his farm, and ordered the property sold by the master commissioner. Before the sale could be had, Radford, on August 6, 1934, filed in the district court an amended petition under the Frazier-Lemke Act, asking to be adjudged a bankrupt, that proceedings against him be stayed for a period of 5 years, that he be allowed to retain possession of the property during that period, and that he be given an option to purchase the mortgaged property at its appraised value at its termination. The bank intervened and answered, alleging section 75 as amended to be unconstitutional, asking dismissal of the bankruptcy proceedings, and that it be allowed to pursue its remedies in accordance with the judgment of the circuit court. Radford admitted the allegations of fact in the answer,

and the case was submitted upon the pleadings. The court held section 75 and the Frazier-Lemke amendment constitutional, adjudged Radford a bankrupt, and referred the cause to the referee for further proceedings.

Radford then petitioned to have his property appraised, his exemptions set aside, and that he be allowed to retain possession of the property and pay for it under the terms of subsection (s) of section 75 of the Bankruptcy Act. The referee appointed appraisers, who appraised all of Radford's property and fixed the fair and reasonable value of the mortgaged property at $4,445. The bank in open court offered to pay $9,205.09 in cash for the mortgaged property, but the referee refused to consider the offer, approved the report of the appraisers, fixed the fair and reasonable value at $4,445, and ordered that possession thereof should remain in Radford, subject to a general lien in the trustee as security for the payment of the value of the property. Radford thereupon requested the trustee to sell him the mortgaged property under the terms and conditions of paragraph (3) of subsection (s) of section 75. The bank refused consent, and filed its written objections thereto. Radford then petitioned the court to stay all proceedings against him for 5 years, and to allow him to retain possession upon a reasonable annual rental to be fixed by the court. The petition was granted, proceedings were stayed, the bank enjoined from enforcing its mortgage lien for 5 years, and Radford allowed to retain possession on payment of $325 on May 1, 1935, as rental for the first year, with rental for subsequent years to be fixed by the court. Upon a petition to the district court for review, the referee's orders were sustained and the bank took its appeal.

Section 75 of the Bankruptcy Act, as originally enacted, was part of the act of March 3, 1933, entitled "Provisions for the relief of debtors." It provided that any farmer claiming to be insolvent or unable to meet his debts might file a petition for composition or an extension. This automatically gave the bankruptcy court the same power and jurisdiction over the farmer and his property as if a voluntary petition for adjudication had been filed, and a decree of adjudication entered. Thereupon all proceedings against the farmer and his farm property, including his home and household effects, were stayed, except for the collection of taxes. The proposed composition or extension could be confirmed by the court only upon written acceptance by a majority of creditors in number and amount, but such composition or extension might not reduce the amount of or impair the lien of a secured creditor, but affect only the time and method of its liquidation.

The Frazier-Lemke Act of June 28, 1934, is an amendment to section 75 of the act of March 3, 1933. Its text is fully set forth in the opinion of the district judge, and it is therefore not necessary to burden this opinion with it. It is sufficient for our purpose to say that it provides that a farmer failing to obtain the necessary consent to the terms of a composition or extension may by amended petition ask to be adjudged a bankrupt and secure the appointment of appraisers, who shall appraise all of his property at its then fair and reasonable value, not necessarily its market value, and after such appraisal, and after his exemptions under the State law have been set aside to him, then upon an agreement with the lien holders the trustee in bankruptcy must sell back to him all or any part of his property upon the terms specified in the act, but that if any secured creditor refuses to consent to such sale, the court shall stay all proceedings for a period of 5 years, during which time the farmer may retain possession of all or any part of his property provided he pays a reasonable annual rental therefor. At any time within 5 years the farmer may obtain full possession and title to his property by paying into court either its original appraised value, or in the case of mortgaged real estate, a reappraised price at the option of the lien holder, and may apply for his discharge in bankruptcy. The provisions of the act apply, however, only to debts existing on June 28, 1934.

The legislation in respect to its validity under the Federal Constitution is attacked on two main grounds. It is asserted (1) that section 75 as amended is not a law on the subject of bankruptcies and does not deal with any subject over which power is delegated to Congress, and so is in contravention of the tenth amendment to the Constitution of the United States; and (2) that it deprives creditors of their property without due process of law, and is therefore in contravention of the fifth amendment to the Constitution.

The power to legislate with respect to bankruptcies is conferred upon the Congress by the fourth clause of section 8 of article I of the Constitution, whereby there is vested in it the power "* * * to establish * * * uniform laws on the subject of bankruptcies throughout the United States." This power is conferred by express grant and is, so far as the granting clause is concerned, without qualification or limitation. "The power of Congress to establish uniform laws on the subject of bankruptcies throughout the United States is unrestricted and paramount." *International Shoe Co.* v. *Pinkus* (278 U. S. 261, 265).

On the first ground it is said that a law is not one on the subject of bankruptcies which does not provide for the speedy distribution of an insolvent debtor's assets among his creditors. The contention is that the attacked legislation fails to meet this test in providing that the debtor may at his option retain his property, that his debts may be reduced to the fair and reasonable value of his property, not necessarily the market value, and that he shall have a 5-year moratorium on the payment of this reduced amount.

Whatever may have been the primary purpose of bankruptcy laws, their historical development and the concept of an earlier day, illustrated by the provisions of English bankruptcy statutes and colonial insolvency laws, it is now established that the subject of bankruptcies includes not only the ratable distribution of the debtor's property but the discharge of the bankrupt from his obligations. No commentary upon the connotation of the constitutional phrase has been so often quoted as that of Mr. Justice Catron in the case of In re Klein, reported in the note to *Nelson* v. *Carland* (1 How. 265, 277):

"I hold it extends to all cases where the law causes to be distributed the property of the debtor among his creditors; this is its least limit. Its greatest is discharge of the debtor from his contracts. And all intermediate legislation affecting substance and form, but tending to further the great end of the subject—distribution and discharge—are in the competency and discretion of Congress. With the policy of a law, letting in all classes, others as well as traders, and permitting the bankrupt to come in voluntarily and be discharged without the consent of his creditors, the courts have no concern; it belongs to the lawmakers."

To this comment the Supreme Court gave approval in *Hanover National Bank* v. *Moyses* (186 U. S. 181, at 186).[1] Whether the limits drawn by Mr. Justice Catron mark the ultimate of the modern concept of bankruptcy it is not necessary to decide, for they are sufficient for present purposes. It has been said that distribution of property is the principal object to be attained, and that the discharge of the debtor is merely incidental, *United States* v. *Fox* (95 U. S. 670), but this but illustrates the historical development of bankruptcy legislation. Judge Taft, speaking for this court in *Leidigh Carriage Co.* v. *Stengel* (95 Fed. 637, 647), enumerates the purposes of bankruptcy acts in the order of their chronological development rather than in the order of their present importance when he declares that the third purpose of a bankruptcy act is "To relieve debtors from the burden of debts which, through business misfortunes and otherwise they have incurred, and which they are unable to pay."

One of the tests applied to State insolvency laws to determine whether they invade the field conveyed to and occupied by the Congress, is to ascertain whether they contain provisions for the discharge of the insolvent debtor from all or part of his debts. If they do the statute is one of bankruptcy. *Probeslo* v. *Boyd Co.* (287 U. S. 518); *Johnston* v. *Start* (287 U. S. 527); *International Shoe Co.* v. *Pinkus, supra.* While this may not be the sole test, it is undoubtedly an important one. See, What is a Bankruptcy Act, by Prof. Max Radin, vol. 20, American Bar Association Journal, 792.

It is an undoubtedly desirable concomitant of bankruptcy legislation that distribution of the debtor's assets be made as speedily as is consistent with the attainment of the principal objectives of such laws, but that prompt distribution is a necessary prerequisite to the exercise of the granted power we doubt, and no cited case so holds. Observations on the manifest purpose of specific statutes are not to be interpreted as limitations upon a constitutional power, nor is its exercise to be based upon a standard so elastic as to shift with varying judgments based upon differences of time and circumstance. Even so it is doubtful whether the courts will oppose their judgment as to what constitutes speedy distribution to that of the Congress, except as the legislative standard may be so grossly arbitrary and unreasonable as to offend against the due process clause of the fifth amendment, to be hereinafter discussed.

The challenged statute provides for ratable distribution of the bankrupt's assets among his creditors. It provides for his discharge. That it also, in response to a manifest public purpose, opens the door of opportunity to his ultimate rehabilitation is not of itself destructive of the character of the legislation as within the constitutional grant of power. The limitation of its assailed provisions to a single class does not invalidate it if the classification be reasonable, for the uniformity required by the Constitution is geographical and not personal. *Hanover National Bank* v. *Moyses,* supra.

Compositions have generally been regarded as in some respects outside of bankruptcy proceedings, but nevertheless as reasonably auxiliary thereto. Provisions in bankruptcy statutes for compositions have never been held to invalidate them, though the creditor by reason thereof receives but his pro rata share of the fair value of the bankrupt's assets, while the debtor retains possession and title to his property. Of course, with respect to consenting creditors it is a matter of agreement, *In re Lane* (125 Fed. 772, 773), *Cumberland Glass Co.* v. *DeWitt* (237 U. S. 447, 452), yet it is coercion as to nonassenting creditors, however it may be rationalized by considering creditors as a class with the will of the majority enforced upon the minority. Nor has the provision in bankruptcy acts permitting trustees to sell mortgaged property free and clear of lien been considered destructive of their validity as acts upon the subject of bankruptcy. "To transfer the lien from the property to the proceeds of its sale is the exercise of a lesser power [than sale], and legislation conferring it is obviously constitutional." *Van Huffel* v. *Harkelrode* (284 U. S. 225, 228).

It must be remembered that constitutional power is not necessarily confined within those limits within which the Congress has hitherto seen fit to exercise it. The novelty of a provision is no demonstration of its invalidity. The grant to Congress of the power to establish bankruptcy laws involves the power to impair the obligation of contracts—this the States are by the fourteenth amendment forbidden to do. *Hanover National Bank* v. *Moyses,* supra. No case has been cited which limits this power to contracts which are unsecured, and none has been found. On the

[1] See vol. 21, American Bar Association Journal, 49, 50.

contrary, it has frequently been held that private contracts may not impose a restriction upon the exercise of a constitutional power. *Louisville & Nashville R. R. Co.* v. *Mottley* (219 U. S. 467, 485); *Monongahela Bridge Co.* v. *U. S.* (216 U. S. 177, 193); *Addyston Pipe & Steel Co.* v. *U. S.* (175 U. S. 211, 229), and preferences valid under State law have been destroyed by the exercise of Federal power under the bankruptcy clause. The subject of bankruptcies comprehends every phase of the relations between an insolvent or nonpaying or fraudulent debtor and his creditors, extending to his or their relief. *In re Reiman* (Fed. cases No. 11673 (D. C. N. Y.) 496, affd. Fed. cases, No. 11675 (C C. N. Y.)).

We come then to the contention that the assailed statute offends against the due-process clause of the fifth amendment. Conceding that the due-process clause limits the power or the manner of its exercise under the bankruptcy clause, it nevertheless does not vitiate it. The Constitution is not self-destructive—"the power which it confers on the one hand it does not immediately take away on the other." *Billings* v. *U. S.* (232 U. S. 261, 282); *McCray* v. *U. S.* (195 U. S. 27). Perhaps all that is or can be said from the point of view of the appellant is expressed in *Hanover National Bank* v. *Moyses*, supra: "Congress may prescribe any regulations concerning discharge in bankruptcy that are not so grossly unreasonable as to be incompatible with fundamental law", and this is the test that we apply to the contentions upon which the validity of the statute is attacked.

While the Congress does not, by reason of a national emergency, draw unto itself under the bankruptcy clause powers not previously possessed, since "emergency does not create power", yet the existence of an emergency is not to be ignored when validity is to be determined by the reasonableness of the extent to which and the means by which constitutional power is exercised, assuming limitations upon such power exerted by the due-process clause. That the assailed legislation was conceived in emergency and addressed to the legitimate end of relieving wide-spread national distress is implicit in the provisions limiting the operation of section 7 to debts existing June 28, 1934, providing that it shall expire in 1938, and by the declaration of policy in substantially contemporaneous amendments to the Bankruptcy Act. That the Frazier-Lemke Act does not itself contain an express declaration of a policy based upon the existence of an emergency is unimportant. A declaration by the legislature as to the existence of an emergency, while entitled to great weight, is not conclusive. *Block* v. *Hirch* (256 U. S. 135.) It must follow that the absence of such formal declaration, if the purpose and policy of the act be otherwise disclosed, is equally inconclusive, and the courts are not required to close their eyes to that which everybody knows exists.

In considering whether the regulations concerning discharge are so grossly unreasonable as to be incompatible with fundamental law, we apply therefore a criterion which itself is not one of unyielding rigidity or narrow conception. "There has been a growing appreciation", said the Supreme Court in *Home Building & Loan Ass'n* v. *Blaisdell* (290 U. S. 398, 442), "of public needs and of the necessity of finding ground for a rational compromise between individual rights and public welfare." As a leading text-writer has put it. "The concept of the balance of convenience between private rights and public welfare runs throughout the entire scope of due process", Mott, Due Process of Law (1926), 597.[2] It follows, if these observations are sound, that the exercise of constitutional power in the public interest is not to be limited by considerations of form rather than of substance, and that the fair intent of the constitutional limitation in the fifth amendment no more precludes the Congress from meeting the public need because of a pressing public disaster than does that in the fourteenth amendment constrain the States in similar situations so long as the relief afforded has reasonable relation to the legitimate end to which the legislation is directed. (*W. B. Worthen Co.* v. *Thomas*, 292 U. S. 426, 433.) The public welfare sought to be conserved by the assailed legislation not only transcends the interest of the class to be affected, but is rooted in the traditional policy of the United States to prevent the development of a great class of dependent tenant farmers comparable to the peasantry of European states. This policy was early reflected in the disposition of the public domain, the homestead laws, and the limitations written into the railroad land-grants restricting sales in quantity and price and to actual settlers. (*Oregon & California R. R.* v. *U. S.*, 238 U. S. 393.) This is not to say that substantial private rights must yield to public policy in the face of constitutional limitation, but is indicated as an aid to determining whether constitutional power has been arbitrarily or unreasonably exercised or the balance between individual interests and the public welfare destroyed.

We pass without consideration the arguments advanced to show that the law is unreasonable or arbitrary with respect to the rights of sureties or unsecured creditors. The appellant is not a surety, nor does the record disclose that its debt is secured otherwise than by mortgage. Neither is it an unsecured creditor. Having offered to pay to the trustee for the mortgaged property an amount equivalent to the total of the mortgage debt and to step out of the bankruptcy proceedings with its mortgages fully discharged, it may become an unsecured creditor, if at all, only by the failure of its assault upon the statute, and then to the extent of the deficiency that may result after purchase by the bankrupt at appraised value. It is settled that the constitutionality of a statute may be considered only when the justification for some direct injury suffered or threatened presenting a justiciable issue is made to rest upon the enforcement of the act. See *City of Allegan* v. *Consumers' Power Co.* (71 Fed. (2d) 477, 481 (C. C. A. 6)) and authorities there cited. The record presents no issue as between the bankrupt and unsecured creditors.

Complaint is made, however, that the statute prevents the appellant from enforcing its mortgages for an arbitrary period of 5 years, and this without relation to the continuance of an emergency; that the rental terms are unreasonable; that no provision is made for taxes and insurance, or for the prevention of waste; that the interest on the mortgage debt is wiped out; that fixing the value of the debtor's property at its fair value, not necessarily its market value, is arbitrary, unreasonable, and capricious; that all risk of decline in value is borne by the mortgagee; and, generally, that part of its debt is confiscated for the benefit of the mortgagor.

As to the first, it may be sufficient to say that any forecast as to the extent and duration of the emergency must necessarily be uncertain, and we are unable to say until "experience is available to correct uncertain prophesy" that the judgment of the Congress after hearing and deliberation is wrong. But the appellant gives no challenge to the present existence of the emergency, and manifestly can give none. We are not obliged to speculate as to validity of the statute at another time and under other circumstances. "A law depending upon the existence of an emergency or other certain state of facts to uphold it may cease to operate if the emergency ceases or the facts change, even though valid when passed" (*Chastleton Corp.* v. *Sinclair*, 264 U. S. 543, 547, 548), and "It is always open to judicial inquiry whether the exigency still exists upon which the continued operation of the law depends" (*Home Bldg. & Loan Ass'n* v. *Blaisdell, supra*).

The principal inquiry, however, that suggests itself in relation to the appellant's grievance, and this in respect to all of the specifications of its complaint, must concern itself with consideration of what it is in fact deprived through the operation of the challenged law. It is true that the appellant will not be able to collect the face value of its mortgages, nor the accrued interest thereon. But this is a loss it has already sustained, not through the operation of the statute but through the default, insolvency, and bankruptcy of its debtor. But for the bankruptcy it would still have its right to foreclosure and to bid in the property. It is by the measure of that right that the reasonableness of section 75 must be judged. The appraisers have declared, and the court has found, that the fair value of the mortgaged property is $4,445. The fairness of the appraisal is not attacked. That the appellant offered to buy the property from the trustee for an amount equal to the mortgage debt is, of course, beside the point. Such offer can have no possible bearing upon the fair value of the property. It is this value that forms the base for the price the bankrupt is to pay upon the exercise of his option. True, the mortgagee, upon bidding in the property under foreclosure, has the expectation that by holding the property for a time values may be restored and it may recoup part or all of its loss. The statute does not take from him this opportunity. It provides for a reappraisal at the end of 5 years—the option period—upon the mortgagee's request—and the debtor must pay the reappraised price or the original appraised value at the mortgagee's option. If in composition proceedings nonassenting creditors may be compelled, without valid constitutional objection, to accept in discharge of their claims their pro rata share of the fair value of the bankrupt's assets—if under the doctrine of *Van Huffel* v. *Harkelrode*, supra, it is "obviously constitutional" to transfer the creditor's lien from the bankrupt's property to the proceeds of its sale—we can see no constitutional bar to the substitution for the value of the appellant's right to foreclose the fair value of the mortgaged property.

But the appellant complains that the provisions for appointment of appraisers is arbitrary and unreasonable, and that the appraisal of the security at its "fair value, not necessarily its market value" somehow offends against due process. It has never been thought that in the taking of private property for public use under the power of eminent domain, an award made by a jury or commissioners[3] under the supervision of a court, violates the due process clause or results in taking private property without just compensation. The appraisals are by subsection (1) of section (s) subject to the right of exceptions, objections, and appeal, in accordance with the act. This obviously means the Bankruptcy Act of which the Frazier-Lemke Act has become a component part. If there is any doubt about this, construction must under familiar principles of statutory interpretation be arrived at to the end that validity rather than invalidity results. An appraisal at "fair value, not necessarily market value", must necessarily mean that market value is the minimum value to be found beyond which other circumstances may be considered to arrive at "fair value." It is inconceivable that an appraisal aiming at fair value will ever be lower than market value, or if so would stand the test of judicial review.

When the appellant complains of its loss of interest during the option period, or the insufficiency of the rental to pay taxes, insurance, and repairs it still speaks in the terms of the mortgage covenants rather than with an evaluation of its remedies for broken contracts, and is tilting at economic distress rather than at the reasonableness of the challenged statute. The foreclosure that is stayed would have brought it no interest, and reasonable rental

[2] See also Corwin, No Doctrine of Due Process of Law Before the Civil War, 24 Har. L. Rev. 366, 460; Hough, Due Process of Law Today, 32 Har. L. Rev. 218.

[3] Due process does not require a jury trial if one would be inappropriate. *Ex Parte Wall.* (107 U. S. 265, 289); *Maxwell* v. *Dow* (176 U. S. 581).

value has always been the compensatory equivalent for deprivation of the use of property in the eyes of the law. Nor is there substance in the grievance that the property will be seized for taxes and deteriorate through waste. Rentals are to be paid to the bankruptcy trustee, who is still under the supervision of the referee and the court. There is no warrant for the assumption that the trustee may or will be permitted to be less diligent with respect to his duties than with bankrupt estates generally. Moreover, the property is by subsection (b) placed under the supervision of the Conciliation Commissioner, and the rights of the appellant to invoke the protection of the bankruptcy court as a court of equity are not less under the assailed statute than are those of mortgagees or lessors generally.

Finally the grounds of complaint are in many respects similar to those upon which the constitutionality of section 77 of the Bankruptcy Act (provided for corporate reorganizations) has been assailed. While we express no opinion upon the validity of that section, whose constitutionality will presently be passed upon by the Supreme Court, it is important to note that so far as its provisions are similar to those here considered, they have not generally been considered incompatible with validity. *In re Chicago, R. I. & P. Ry. Co.* (72 Fed. (2d) 443 (C. C. A. 7)). Compare *In re Landquist et al.* (70 Fed. (2d) 929 (C. C. A. 7)).[4]

The decree below is affirmed.

OUR NATIONAL PERSPECTIVE—ADDRESS BY SENATOR LEWIS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the RECORD an extract from a speech delivered by the senior Senator from Illinois [Mr. LEWIS] before the National Democratic Club of New York, at a luncheon on Saturday, February 16, 1935.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Serving the suggestion of our national perspective, I first will invite the consideration to the fear of this country gravitating unrestrained until it flounders into communism and anarchy.

First, remember there are 50 governments in America—48 States, two dependencies or Territories. Each of these fights for the maintenance of its own industries and its own soil. Each of these preserves the possessions of itself, even as in competition to the products of soil and industry of its neighbor. This cooperation makes impossible for any one power to ever be able to force any one system of general destruction upon these different sovereignties and local governments. Remember, there are too many people in our country who have a little of something to ever allow any government to destroy anything of everyone.

Second, do not overlook the fact that if there were those disposed to tear down the temples of the Government under the dream of building upon the wreck something that substitutes for "their fathers' mansions", the citizen, tempted, considers the prospect and stands impressed with the truth that everyone of the lands that has attempted the experiment or put into operation the designs of adventure along lines proposed by government communism, has failed in either prosperity or peace. The citizen sees no example to follow; he sees nothing to which he may point as an allurement or inducement to his fellow citizen in profit or prosperity to induce him to abandon his own, to adopt the other. In the creed of Hamlet, he is standing on the text:

> Better to endure the ills he has
> Than fly to others he knows not of?

The present administration has been compelled to experiment measures of relief which under other circumstances than that with which it was confronted might well have been ignored or repudiated. At a time when the uprising millions of discontent, the millions more of protest, and further millions in revolt threatened everything—anything that could be rightfully carried on and constitutionally adjusted that gave promise of relief and quell mutiny was the only thing to be adopted and the rightful thing to be administered. It could be assumed there would be differences of opinion as to the propriety of installing these remedies and yet a further difference of judgment as to the outcome and some fears and much doubt as to whether all shall be successful and rewarding. Still, better this situation of recovery, resting upon the patriotism of the people. These with unity and patience can carry the measures to where they will produce some sure return and certain reward. To have remained aloof from timidity, declining responsibility from cowardice, and shrinking from fear of political retaliation in the final result could have provoked the Nation and its discouraged multitudes to revolution. Civil war could follow with the sure destruction that has followed other countries under similar circumstances as that which possessed us.

America proved to be the one nation in all the disturbed world that saved the fundamental institutions of its fathers from blight and wreck. Today America is greeted as the one country at peace within itself, commanding the respect of mankind, the devotion of its citizens, and the envy of the world.

Let it now be recorded that much of the opposition expressed to measures tendered in Congress and fostered by the President are not oppositions to the virtue of the measure nor the justice of the undertaking. It is that many of those presenting their objections under the cry of "Constitution", "liberty", "dictatorship", is but to express a protest against what is imagined will be the burden of taxes necessary to pay for the undertakings.

The denunciation of the administration that it meditates taxation which will impoverish the middle class, hunger the poor, and bankrupt the rich is all without a basis of truth. May we not ask this question: Is it possible that a President of the United States, a mortal human being with a family of mother, home, and children resting on him for an income and support, would inaugurate a system over his trusteeship that, in impoverishing his people and bankrupting prosperity, would rob his own household, leaving his family in bankruptcy, and impoverish his own children to the degree of paupers? Is it not plain that a policy of this nature, that could pauperize the citizen generally, would likewise rain its desolation of destruction upon the whole blood and breed of the President himself? Will anyone conceive that he could be blind or indifferent to what would be the result upon his own personal fortunes of life, should such system or plan, as charged as the purpose of the administration, ever be undertaken? Lastly, will you not contemplate that the heads of such Government know that a result such as charged against us, if carried out, would mean the demolition of the party in power, the destruction for all time of its honor? We ask, Is there any President who would ever enter upon such a course, knowing the ignominy that would surely befall the authors of such consequence?

Speaking to the State of New York through this club, I pay tribute to what I shall term the "guardsmen three." These are from the State of New York, commanding at Washington the positions to which they have been assigned by the President of the United States—James A. Farley, Henry Morgenthau, and Miss Perkins.

James A. Farley, delegated as the general supervisor and director of the Postal Service of America, with its finance and scientific auxiliary. Farley has risen from the simpler sources of life to the ordinary business pursuit avenue, and from that to a political mastery in the organization of men. He has by his efforts and daily sacrifices established a reputation among Congress as an official of a clean life and official probity. In the companionship of men, he is beloved to a greater degree than has been the inheritance of Cabinet officers at Washington in the present generation. Assailed from time to time upon every pretense that small partisanship could offer, attacked by bitter jealousies, and assailed by low and contemptible method of financial operators, he stood strong and firm upon the basis of his convictions, guided by a sense of duty. He has performed his tasks, and the citizens of his home State, New York, may note that in the seven court and congressional assaults upon his conduct, official and personal, the courts have approved and sustained him seven out of seven, while courts and Congress certify that within the law, under the Constitution and measured by the standard of humanity and Christianity, he was vindicated and justified.

Such is the estimate of James A. Farley in the minds of all at Washington.

(2) I now address you as to the Honorable Henry Morgenthau, Jr. Here is a Secretary of the Treasury brought, as was Aristides, from "the simple life of the furrow and the propagating seat of the soil." He now demonstrates capacity, the result of much investigation and study. To the amazement of that select few of finance who fancy they were the master manipulators of the Treasury of the United States, this man Morgenthau reveals himself as "a man who loves mankind"—not money. He demands of Congress that it authorize the humble people to lend to their Government of their small possessions, take bonds of their Government in small allotments, where each citizen may become a member of the family of the United States of America, each to feel the responsibility to his Government and feel a sense of ownership of his Republic.

Not alone content with this advance of opportunity to the mass of our fellow citizens, this Secretary petitions Congress that in the levying of the tax to provide relief for the dependent, caused either through age or through misfortune, that the toiler by the hands, the farmer who stalks his course between his plow handles, and those of small means essential to their existence, be not taxed or forced to contribute to the Government from their limited possessions.

This Secretary of the Treasury has for the first time in the history of this Republic since the Civil War fascinated the imagination of the humble, caught the appreciation of the thoughtful, and secured for this Government the defense and advocacy of the middle class in the millions of citizenship—all to the safety of the Republic and the honor of the Treasury.

(3) There is the Secretary of Labor, the woman, of name Miss Perkins, who has by her sacred devotion to a solemn duty become the protector of the miserable who are cast in industry.

Now here let me add this administration has long been considering, aided by the leading thought of all political parties, as to the method of taxation necessary, to bear the burdens which this Government has been compelled to bear. I make free to assure the citizen there will be no burdensome taxes put upon the producer; there will be no tax that will crush the toiler;

[4] See also XXI American Bar Journal 47; XII, no. 2, New York University Law Quarterly Review (Dec. 2, 1934), 196; Yale Law Journal (Dec. 1931), 197; 32 Mich. Law Journal, 221 (Dec. 1933). Also as to section 75, XLVIII, Harvard Law Review, 332 (Dec. 1934), and XXIX Ill. Law Rev. 645 (Jan. 1935).

there will be no tax that will work a bankruptcy of business men and none whatever of that which confiscates the possessions of the powerful. This administration is one to preserve just property and prevent the destruction of independence.

The system of taxation now under consideration and which will materialize in exact and comprehensive form will lay its burden upon generation after generation in so slight a form and by devised method as will exempt the present generation from great, whole obligation. The plan will release a large portion of property from taxes, which would in the ordinary course of government have been applied. Under the present circumstances bearing upon the present conditions of America, taxes will be so applied as to glide through a course of time until the complete prosperity, distributed to all America and inherited through the processes of the new developments, shall follow, sending the Government along the course of success to the Nation and to the happiness of its people.

With employment again resumed, with our mills and factories in action, our farms blooming forth their product, and our citizens again in content, the true spirit of democracy will be realized in a republican form of government under the Constitution.

FARM TENANT HOMES—ADDRESS BY SENATOR BANKHEAD

Mr. BLACK. Mr. President, I ask permission to have published in the RECORD a radio address delivered by my colleague, the junior Senator from Alabama [Mr. BANKHEAD], on Friday, February 15, 1935, on the subject of The Farm Tenant Homes Corporation bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, at the invitation of the National Broadcasting Co. I am before the microphone today to tell you something about the farm-tenant bill that I am sponsoring, and that I introduced in the Senate of the United States on Monday, February 11.

In order that you may have a clear understanding of this new measure I'll first outline in a general way some of the conditions that prompted the bill, and second, how I believe it will remedy those conditions.

Having been reared in the hill section of northwest Alabama, I have observed as far back as I can remember that the farm-tenant situation in that section, which is no worse or no better than it is in many other sections, is not what it ought to be. A man cannot well take the same interest in a community when he is a tenant as he does when he owns his own home. That, of course, is human nature, but it has hindered the best development just the same.

I am informed that something like one-third of all the tenants in the country move every year. In some parts of the country, particularly in certain sections of the Cotton Belt, the tenants move about so much that it is impossible to say what percentage change farms every year. The percentage is very high.

Now you can't build a community, or a country, or a section when so large a percentage of its people move out every year, and their places are taken by new people who follow the same practice. Of course, all tenants don't move that frequently. But taking the country as a whole, tenants move entirely too often for their own good as well as for the good of the community. Whether they move voluntarily or for other reasons, the results are the same.

In addition to this moving about which takes place every year, another problem has arisen in the last 5 or 6 years which has added fuel to the already damaging flame. Following the crash of the stock market in the fall of 1929 there was an exodus of industrial employees from the cities back to relatives on the farms. It is true that many of these industrial people have a farm background, but their return made it necessary for some farm families to go on the relief rolls.

On top of those two conditions we have a big army of tenants who have simply farmed themselves poor and almost helpless on submarginal lands. Many of these tenants would become prosperous farm owners with a future if they could be relocated on better land and could be given a good start toward home ownership. But as it stands now all they can do is to plug along until they die, trying to eke out a living on land that is too poor for profitable cultivation.

Those of you who read history know that Denmark had a farm problem similar to the one we are passing through about 60 years ago. She solved her problem by doing something similar to the thing that I am proposing in the farm-tenant bill which I introduced in the Senate.

The Denmark system has operated successfully for more than 50 years. Denmark is one of the finest agricultural countries in the world. Her farmers practically run the country on a cooperative basis. It is true that they have had a little difficulty in the last year or so because the world-wide depression affected the buying power of their big market, which is London. But if we could work out a farming system in this country that would help our farmers as much as the Danish system has helped their farmers, we could afford to junk it if necessary after it had served us for 50 years.

Anyway, our tenant problem is a serious problem, and if we can solve it, or even improve it, as Denmark has done, let us make an attempt. Let us not stand by and twiddle our fingers while relief rolls mount and while thousands of tenant families eke out a mere hand-to-mouth existence from submarginal lands that ought to grow only trees or pastures.

On account of my active participation in the cotton-control program, which I believe helped to remake the South, I have been asked by tenants and farmers in many sections of the country to work out a measure that would solve our great tenant problem—a measure that would help worthy tenants to buy and pay for their own homes, and a measure that would enable them to produce their own food and feed without burdening our regular cash crops that are so important to our well-being.

That is the problem I am trying to solve, and that is the problem I believe the farm tenant bill I am sponsoring will solve if its provisions are properly carried out. Now let's look at the bill and see how it proposes to solve some of these problems.

The farm-tenant bill that I introduced is Senate bill No. 1800. The title is, "A bill to create the Farm Tenant Homes Corporation." And the object of this bill is "to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, and for other purposes."

One of the big aims of this bill is to check the rapid increase of tenancy in the United States. Another is to help worthy farm tenants to acquire and own farm homes. Still another is to lessen the waste of soil resources which is so characteristic in our present tenant system.

The Farm Tenant Homes Corporation, as described in the bill, is a corporation with financial power and authority similar to that of the Home Owners' Loan Corporation.

The financing is to be done principally through an authorized bond issue of $1,000,000,000.

The corporation will be managed by a board of directors composed of three members, and appointed by the Secretary of Agriculture. The operation of the program will be in the hands of the board of directors and the various assistants they choose to help them with the work.

This corporation is authorized to purchase farm lands and all necessary farm equipment, or to make loans for the purchase of such property. The title to the property may be taken either in the name of the purchaser or in the name of the corporation. Purchasers are limited to farm tenants and share-croppers, and farm laborers of good moral character who have had farm experience and who are familiar with farm operations. Preference will be given to applicants for loans who are married or who have dependent families.

The loan principal will be made payable in not less than 30 nor more than 50 annual installments, beginning 3 years from the date the land is acquired if the purchaser or borrower so desires. In other words, the purchaser can defer the payments of the annual installments for 3 years after he goes on the farm if that is necessary.

The rate of interest that the tenant or purchaser will have to pay will be just as low as the corporation can get the money for, plus a reasonable charge for administration. We don't know yet just what that will be.

The purchase of farm homes will be confined, as far as possible, to aiding tenant farmers and share-croppers to acquire homes on land that is now in cultivation. It is not the object of this program to bring new land into cultivation, but to try to aid those who need help, to make a better living, on the land already under the plow. Special effort will be made by the corporation to avoid as far as possible the expansion of production for the market of crops of which there is already a surplus.

As most of you farm folks know, there is a lot of farm land that is owned by banks, insurance companies, and what are called "absentee landlords." Most of this land is worked by tenants, and many of these landlords and owners are anxious to dispose of this land because it is out of their line of business. In many instances it was acquired since boom times through foreclosure.

Now, it is the purpose of the Farm Tenant Homes Corporation bill to help the tenants and share croppers and farm laborers, already on such farms, to buy these farms if they want to, and if the owners want to sell. Let's take an example to make the whole thing clearer.

Let's suppose that a bank at Florence, Ala., has, through an unpaid loan, secured title to 200 acres of rich Tennessee River bottom land. The bank wants to sell this land, which has five good tenants on it, but the tenants are unable to make the initial down payments, so the tenants stay on, and the bank holds on, both hoping for a better day.

Under the terms of the Farm Tenant Homes Corporation bill, this situation could be handled in one of two ways. The corporation could buy the land from the bank and then resell it to the five tenants, if they proved eligible, or it could lend the tenants the money to buy it themselves, under the supervision of the corporation.

If one of the tenants had a little money, he could start his annual payments the first year. Or, if he was short of cash, he could defer the annual payment until the second or even the third year if necessary. Or you might have a situation like this: You might have a tenant living on a farm with the landlord. The landlord, we'll say, is getting old and wants to sell the tenant half of the farm. The tenant wants to buy, but he doesn't have enough cash to make the down payment, so the situation drags along.

In a case like that, if the tenant proved worthy of a loan, the Farm Tenant Homes Corporation could work out the connecting link that would enable the farmer to sell and the tenant to buy. Such a deal would not increase the amount of land in cultiva-

tion. It would not necessarily increase the amount of cash crops for the open market, but it would give the tenant a home of his own.

Similar arrangements could be worked out for share croppers and good farm laborers as well as for tenants. And the program is so flexible that it can be made to meet most any sort of worthy need.

The things that make this measure so worthwhile is the fact that it does not plan to tear up and disturb and move tenants from one part of the country to another. This program is not designed to bring hundreds of tenants together in communities where they will farm under close supervision. That is another program.

This farm-tenant homes program is a program to help the tenant and the share cropper and the worthy farm laborer to contract for the farm he is on if he wants it, and if it is for sale; but, of course, a tenant will not be confined, in buying a farm home, to the particular farm on which he is working. It is designed for the man who wants to farm for a living and for whatever profit there may be in the various farm operations. In short, it is designed for the man who wants to buy his own land and farm for the future.

Thousands of tenants are willing to start on the road to home ownership tomorrow if some reliable agency would help them finance the farm they want and help them get started in the right way. That is what the Farm Tenant Homes Corporation bill proposes to do.

Bear in mind that this program does not create a burden upon the taxpayers of the country. It merely provides credit facilities by the Government on which little, if any, loss will accrue. If a purchaser fails to make good and to meet his payments, other good and worthy tenants will be ready to take the farm home and pay the mortgage under the easy long-term payment plan.

The social and economic values in converting a large number of farm workers into farm home owners cannot be measured in money. The program should appeal to the judgment and the hearts of all good men and women.

PROGRESS OF NATIONAL RECOVERY

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD sundry newspaper editorials and articles having relation to the progress of national recovery and to the condition of the business of the country.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Portland (Oreg.) News-Telegram, Feb. 6, 1935]

MORE WORK, MORE PAY

December figures for American manufacturing, just compiled, indicate the resumption of an upward trend which, if continued, will provide a good deal of reason for optimism.

A bulletin from the national industrial conference board shows that more men were at work in December than in November, that they were working longer hours, and that their weekly earnings were higher.

Number of men employed in 25 manufacturing industries was up 2.7 percent, total number of hours worked was up by 5.9 percent, and weekly earnings were up by 3.2 percent—and, at the same time, the cost of living remained stationary.

All this, to be sure, leaves us with a long way to go. But the trend is in the right direction, and we are entitled to feel encouraged by it.

[From the Long Beach Press Telegram, Feb. 9, 1935]

LIVESTOCK BOOSTS FARM RECOVERY

Far-reaching significance attaches to the continued increase in prices on the Middle West livestock markets. Tuesday at Chicago both cattle and hogs reached their highest quotations in several years. Cattle touched a peak of $13.85 per hundredweight, highest since December 1930, and hogs sold as high as $8.20 per hundredweight. Not since July 1931 has the price of hogs been at that figure.

While many factors, including the feed shortage as the result of the drought last year, contribute to the advance in prices, the general effect is to boost the farmer's income to a level somewhere near predepression prices. There is every reason to believe that many farmers in the Middle West, who for several years have virtually been removed from the consumer's market, will be able to resume buying this summer. Probably no single feature will act so effectively in stimulating recovery as the revival of activity on the part of the agricultural sections of the Nation.

It was when the farmer's income became so reduced that he could no longer buy in the retail markets that the wheels of industry slowed down or stopped entirely. As his income increases and he reenters the retail market, these same wheels again will start turning.

[From the Tacoma (Wash.) Ledger, Feb. 8, 1935]

SIGNS OF PROSPERITY

Internal-revenue collections in this district, embracing the State of Washington and Alaska, almost doubled in 1934 as compared with the figures of the preceding year. The total of these collections for the year just closed was $17,554,659.59 as against $8,936,501.29 in 1933. Income taxes moved sharply upward, as did the several other sources of revenue.

That would seem to indicate that this Pacific Northwest has enjoyed a fair measure of prosperity as compared with the previous year. While part of the increases might be laid to increased taxation, the fact that incomes so strongly moved up may be taken as proof positive that Washingtonians and Alaskans have been making more money during the past year and that business in this region has materially gained in importance.

Naturally no man pays an increased income tax unless he has received more revenue in the way of money earned or profits from business ventures. The mere fact that there has been a sensible increase in the collection of income taxes in this State and Alaska would indicate that as a whole the business of this district is on the upgrade and that our people have been sharing in what improvement in business conditions there might have been.

[From the Yonkers (N. Y.) Herald Statesman, Feb. 7, 1935]

YONKERS IS OPTIMISTIC

Yonkers Progress, monthly publication of the Chamber of Commerce, casts its eye over the municipal scene and concludes that this city has ample cause for optimism.

On its front cover, the magazine enumerates a dozen reasons, as follows:

New industries arrive. Other factories expand. Million in rugs ordered. Bank deposits up sharply. Conventions coming here. Fire loss lowest in years. Light rates cuts promised. Post-office business gains. City wins $270,000 credit. Yonkers Ferry shows profit. H. O. L. C. lends 10 millions. City gets health honors.

These are recent developments familiar to readers of the Herald Statesman. They are by no means inclusive, for almost any resident can recollect other salutary conditions which have come to light locally as the depression's effects lift. But it serves a worthy purpose, privately and publicly to focus attention as frequently as possible that matters are on the mend and that there's certainly a silver lining to the drifting clouds o'erhead.

[From the Portland (Maine) Press-Herald, Feb. 12, 1935]

FLORIDA'S BANNER YEAR

Florida expects to entertain 1,750,000 tourists before its season ends. Its total expenditures, it is estimated, will amount to $625,000,000, or about 50 percent more than in the season of 1933–34. The All-Florida Committee, a nonpartisan, nonprofit organization, which is urging the State to spend more money for advertising, says this is expected to be the State's "banner year."

Maine has learned that when Florida has a good winter's business the summer business in this State is likely to be good. The same class of vacationists who go to Florida in the cold months to escape the discomforts of winter also turn their faces toward Maine, the Nation's summer playground, when the thermometer begins to register up around the 90's and the humidity also soars.

Florida, having learned by experience that it enjoys its best seasons when it has done a lot of advertising, plans to spend more money in publicity work during the coming year than ever before. Maine should profit by Florida's wisdom in this matter. Our business can also be boosted to astounding figures if we get after it in the right way.

[From the Salt Lake City (Utah) Desert News, Feb. 11, 1935]

BUSINESS PICTURE BRIGHTENS

Trustworthy information from various sources, including the Federal Reserve Board and the Bureau of Labor Statistics, indicate that the economic situation is vastly improved as compared with that of a year ago. The prospects for the future are brighter at present than at any other period of the depression.

Employment shows a substantial gain, pay rolls are higher, and improvement has taken place in the durable-goods industries, which heretofore have been lagging behind industries producing foods, textiles, and other goods for more or less immediate consumption.

Steel orders have recently increased in number and volume, and this has been accompanied by renewed pressure from automobile manufacturers for deliveries. It has also stimulated activity in the great rubber factories of Akron, Ohio, which has brought a $2,000,000 pay increase to 40,000 workmen.

Recently railway freight volume, electric-power consumption, bank clearings, and improvement in retail trade have all contributed to brighten the business picture. Again, the increases in stock prices, which have ranged as high as 660 percent as compared with depression lows, is another encouraging feature of the general change for the better.

It appears that there is reason to look confidently forward to the time when recovery will be realized to the extent of lessening the relief load which is now a heavy burden on State and Federal budgets.

[From the Butte (Mont.) Standard, Feb. 7, 1935]

BUSINESS IS BETTER

The business outlook in the United States, as the country nears the middle of the first quarter, is distinctly encouraging. That is the conclusion reached by Business Week magazine after an analysis of January's activity. The situation is all the more heartening because it has developed in the face of certain anxieties which no one can deny or minimize. Business is greatly concerned over the anxiously awaited decision of the Supreme Court

in the gold-clause cases. There are other hurdles which must be negotiated in the near future.

But despite all those disturbing possibilities, Business Week says: "What the construction industry did to break the jam of the 1921 depression the motor industry seems destined to accomplish for the current business deadlock."

The motor industry has put a sharp upward curve on the steel-activity chart. Steel production has shot up to 52.5 percent of capacity, and there seems to be no doubt in the minds of those who are approximating present business movements that the peak of production activity reached in June of 1934 at 57.4 percent will be exceeded in the first quarter of the current year, and that is regarded as something of an achievement.

As a matter of fact the expectation is that the whole business procession for the current quarter will easily surpass the levels of a year ago. Factory employment is gaining at the rate of 2 percent a month; pay rolls are up 6 percent. Between December and January the number of unemployed in the manufacturing industries dropped 200,000.

Emphasis is laid upon the fact that the largest gain in re-employment in recent months has been in the much-discussed and hard-to-start durable-goods industries. Foundries and machine shops, machine toolmakers, hardware manufacturers, plumbers' supply fabricators, and implement makers, in addition to steel and motor works, all added to their forces in December and were increasing their staffs in January.

Foreign trade is picking up. This branch of our commerce in 1934 improved 27 percent over the results of 1933 and the gains are being carried steadily into 1935. Machinery and automobiles exported last year amounted to $435,000,000 as compared to $236,000,000 in 1933. Most of the prophets believed the automobile industry would be doing mighty well if it moved 100,000 cars off the production lines in December. It actually produced 185,000.

Building construction figures are going up, encouraged by the administration's housing and house repair plans. While public-works construction has dropped off due to unfavorable weather, residential construction shows a 60-percent gain in daily average from the very poor figures of a year ago.

Added to all of this is the price recovery of farm products in the livestock lines. The farm price situation looks distinctly good. Beef and hog prices are reaching new highs for the 5-year period to the very evident satisfaction of the agricultural contingent.

How much of all this forward movement in business and agriculture is due to constructive fundamental causes and how much is the result of the circulation of Government money expended by the emergency agencies is hard to say. But it is progress. The pump is being primed. It may be that the light of a new day is dawning; that soon business will be able to carry on by its own momentum and that hysterical governmental priming soon may be tapered off.

[From the Jacksonville (Fla.) Times-Union, Feb. 11, 1935]

GENERAL BUSINESS CONDITIONS

"The favorable reports from the industries during the past month seem to dispel any remaining uncertainty as to the business prospect through the first quarter of the year", says the economist of the National City Bank of New York, writing the review for January. "It gives the optimists, for that period at least, plainly the better of the argument. On the basis of orders in hand, factory schedules, and trade prospects generally, the likelihood that industrial operations will average higher than in any first quarter since 1931 appears to be clearly established." It is remarked that the upward trend which began during the fall has gained momentum since the turn of the year; chiefly from the rapid increase in automobile assemblies.

It is predicted that there will be made a million automobiles during 1935; the demands for material used in automobile construction is increasing business in many lines of industry. It has been some years since the motor car makers have turned out as much as a million cars; but the indications are that the number will be reached, if not passed, this year. There has been some remark to the effect that the automobile makers are "stocking up" because they fear that labor troubles may later interfere with manufacturing. The demand for cars, however, continues excellent; they are far above the record for the past several winters, and there is declared to be a market for more than 2,000,000 cars, with probably an increase in that figure.

In the matter of steel-ingot production the National City Bank's surveyor finds that there has been a rise uninterrupted for more than 3 months. The production reached 52.5 percent of capacity the last week of January. This was credited considerably to the activity of motor-car builders, but there was other demand for steel, especially by farm-equipment manufacturers. Textile mills are found to have in the main a good volume of unfilled orders. Woolen mills have been unable to keep up with the demands of the clothing manufacturers for deliveries, and many of the men's ready-to-wear mills particularly are said to be booked to capacity to April 1.

In the February review it is declared that silk mills are busier than they were a year ago, and rayon mills have unfilled orders representing a month's production. "Cotton-mill operations recovered promptly from the holiday curtailment, and are nearly as high as at the peak last year, while, in the judgment of the market, a good part of the spring cotton-goods business is still to be placed." As all other reviews have indicated, construction is remarked as among the industries that lag, and is holding back progress. The composite indexes which supply the best measures of general industrial activity have advanced sharply. The National City Bank's economist referring to the Federal Reserve Board's index of industrial production for the month of December, after adjustment for seasonal trends, is declared to show a sensational rise to 85 percent of the 1923–25 average, compared with 74 in November. A further advance is indicated for January.

Mentioning the factors favorable for spring trade the bank review says: "This upturn in industry, with the resulting expansion in employment and manufacturing pay rolls, is the first of three factors which may be noted as favorable for spring trade. The second is the likelihood that the farmer will give perhaps more support to business than he did a year ago, when farm buying was a great factor in the spring rise. Both the A. A. A. and the Department of Agriculture estimate that farm income during the first half of 1935 will be larger than in 1934. The volume of products marketed will be smaller, but the higher prices will offset the shrinkage in quantity. It is to be expected that the effects of the drought and the elimination of the surplus in many of the farm markets will continue evident, especially in livestock prices, for the first effect of the drought was to add to the slaughter of animals, and the reduction in the supply is only now appearing in the markets."

Promised Government expenditures within the next few months is argued as another good reason to look forward to increased activity everywhere. The number of buyers in the markets is said to compare favorably with a year ago, which found the greatest activity in this department since 1929. In fact, everything is remarked as pointing to a renewal of trade and business generally. The National City Bank of New York is very well understood as conservative and careful. Its suggestion and prophecy of a good year ahead is most gratifying.

[From the New York Herald Tribune, Feb. 15, 1935]

TWENTY-FIRST MONTHLY INCREASE MADE BY COLLECTIONS—PERCENTAGE OF GAIN SHOWN BY 20 KEY STORES REVEALS CONTINUOUS IMPROVEMENT

For the twenty-first consecutive month retail collections showed an increase over figures for the same month of the year before, the Credit Bureau of Greater New York reported yesterday in its monthly summary of collection percentages based on reports from 20 stores served by the bureau.

Collections in January gained 0.35 percent over January 1934. The average of collections in January 1934 was 48.51 percent, compared with 48.16 percent for the same month a year ago.

The highest percentage reported by this group for January was 58.80, an increase of 2 percent over the highest in January 1934, which was 56.80 percent.

The lowest percentage reported for January of this year was 40.60, and for January 1934, 36.61, an increase of 3.99 points. Increases ranging from 0.20 percent to 5.42 percent were reported by 12 of the 20 stores. The remaining 8 stores reported decreases of 0.72 percent to 4.32 percent.

[From the New York World-Telegram, Feb. 9, 1935]

MIAMI AREA REPORTS GAIN IN VISITORS—RAILWAYS RAN SEASONAL TRAINS MONTH EARLIER THIS YEAR

Special to the World-Telegram

MIAMI, February 9.—More tourists are in Greater Miami now than last year at this time, it was revealed today following the completion of a city-wide survey of merchants, hotels, restaurants, utilities, and government offices. Indications also point to prospects for an even greater crowd for the remainder of the season.

Railway reports indicate a 40-percent increase, and passenger agents reported that tourist demand induced their companies to start their seasonal trains 30 days earlier this winter than last.

HOTELS NOTE INCREASE

All hotels in the Greater Miami area reported increase in December business, and many hostelries have doubled their registrations over 1934. January's post-office receipts gained 17 percent over the receipts of last January. Department-store business is 33 percent higher.

Steamship lines announced their business was "twice as good as last year." Eastern Air Lines, which flew but 1 plane to Miami daily last year, is now flying 3, 2 from New York and 1 from Chicago. Alone, they bring to Miami amost 8,000 visitors monthly.

Building permits for January reached $308,000, the best total for any January since 1927, and far exceeded last January's total of $145,000. Telephones show a 20-percent increase over last season, and other utilities said there was an "appreciable increase" in business.

[From the Philadelphia Inquirer, Feb. 16, 1935]

TRADE BAROMETER HITS PEAK OF YEAR AS GAINS CONTINUE—BUSINESS INDEX CLIMBS TO 74.3, GAIN OF 17.2 OVER SAME WEEK LAST YEAR

NEW YORK, February 15.—The advancing tendencies in business and trade that have been prevalent since the first of the year continued in increasing volume during the past week, Dun & Bradstreet's trade review said today.

Lincoln's birthday was a high spot during the past 7 days for the retail trade, and sales in many districts were from 30 to 50 percent higher than on the same day last year, the survey said.

"The confidence with which retailers view the outlook for spring distribution is accelerating activity in wholesale markets", the

review continued, "and, while there is a tendency for the recent upswing in some industrial branches to level out, the constant gain in others is lifting the average operating rate higher each week."

Dun & Bradstreet business activity barometer reached the highest level this year during the week at 74.3, it was reported. This is an advance of 17.2 over the similar week in 1934 and is only 2 points under the 1934 peak of 74.5.

[From the New York Times, Feb. 10, 1935]

RETAIL EXECUTIVES FINDING NEW POSTS—EXPECTATION OF TRADE INCREASE LEADS TO STRONGER DEMAND FOR DEPARTMENT HEADS—SALARY SCALES IMPROVING—WHOLESALERS AND MANUFACTURERS SEEKING MEN WITH TRAINING IN RETAIL DISTRIBUTION

By Thomas F. Conroy

Based on the expectation that sustained trade expansion is on the way, a much stronger call for retail executives is developing, according to reports in authoritative quarters here yesterday. This trend is about equally evident in the chain- and department-store fields.

The chains and mail-order houses are in the market for more executive "timber" than at any time since 1929. Department stores are strengthening staffs, particularly in the merchandising end. Divisional merchandise managers are coming back into the picture and the day of doubling up of departments on buyers appears to be nearing its end.

Wholesalers and manufacturers are seeking executives trained in the department-store field. A comparatively new development, this was said to reflect recognition of the special value of such executives in the sale of merchandise to department stores and in their judgment of consumer buying.

SALARY SCALES IMPROVING

Salary scales are tending to improve. Some of the new retail posts for which men are being sought command the best pay since 1929. In buyers, the call for capable purchasers of juvenile wear was said yesterday to be the strongest in several years.

Retail personnel and merchandising authorities agreed that when the retail fiscal year ended on January 31, the number of retail executives who were released showed a marked drop in comparison with 1934 and the 2 preceding years. Instead, there was a sharply increased call for executives, with well-regarded men whom the depression put on the sidelines for months, appointed to posts with large distributing organizations.

"With sales volume increasing, store heads are feeling better on the executive question", one retail authority declared. "They, of course, are trying to keep expenses down as much as possible. They also realize, however, that good executives in the right post may mean much more to the well-being of a store and its future prospects than the mere saving in salary involved. There is much less of the former tendency to get rid of a man and substitute someone else because the someone else may be obtained more cheaply.

"The major consideration, however, appears to be the need of adding new talent where it is required in order to prepare for the trade expansion that is believed to be on the way."

[From the San Francisco Chronicle, Feb. 8, 1935]

COAST BUILDING DEVELOPS BIG JANUARY INCREASE—STATISTICS COMPILED BY H. R. BAKER & CO. SHOW 80-PERCENT GAIN

Building permits for the 25 Pacific coast cities reporting largest volume during January were 42 percent larger than in December, and nearly 80 percent above those of January 1934, according to the Western Monthly Building Survey prepared by H. R. Baker & Co., San Francisco investment firm.

Los Angeles continued to lead all cities, with a 100-percent increase over the preceding month; San Francisco, in second place, likewise reported an increase of approximately 100 percent; Oakland, in third place, reported a 200-percent increase over the preceding month. Other large increases were shown by Long Beach, Portland, Beverly Hills, San Diego, Stockton, Seattle, and Huntington Park, which follow in consecutive order. Nine cities were added to the group of 25 ranking cities during January. These included Huntington Park, Alameda, Alhambra, Bakersfield, Inglewood, Lewiston, Idaho; Burlingame, Phoenix, and Berkeley.

This increase was one of the largest of any month for the last 2 years as the result of normal building activity, and is apparently due to the results of the administration home-rehabilitation program.

[From the Phoenix (Ariz.) Republic, Feb. 10, 1935]

RAIL TRAFFIC RECORD SEEN

Phoenix transcontinental rail passenger traffic, now nearing its peak, promises to equal or actually exceed the best records of any previous year. A check at the railroad offices shows the influx of visitors by train is almost double the number arriving here during the same period last year.

The winter visitors coming here from the East, the North, and Pacific coast points have been arriving at the rate of 100 per day since February, according to a compilation made by the Santa Fe & Southern Pacific Railroad passenger offices. These visitors are the type that spend from 1 week to 1 month in the Salt River Valley and pay for the best in accommodations, it was said.

"We have had overflow tourist sleepers arriving practically every day since December 15", Frank Davis, city ticket agent for the Santa Fe Railroad, said. "In addition to the regular section of the 'Chief' arriving in Phoenix, we have been advised of three extra cars due this week. Every reservation is taken. The tourist arrivals in Arizona certainly are far ahead of last year to date."

C. O. Huff, passenger agent for the Rock Island Railroad, pointed out that easterners were shipping their automobiles out to Phoenix this year, offering evidence of prolonged visits and additional revenue to local business. He estimated 200 cars had been shipped out so far, and cited one train to arrive here Wednesday which will have 6 automobiles sent out for their owners' pleasure while making their homes in the valley.

"I believe this will be the best tourist season since 1929", Huff said. "That has been our banner year to date. We may even pass that mark for passengers handled into Phoenix before the season is over. The Golden State Limited has carried extra cars out of Chicago filled with Phoenix visitors practically every day. Once last week it took two complete sections of the train to handle the passenger business."

[From the Phoenix (Ariz.) Republic, Feb. 10, 1935]

BUILDING PERMITS DURING JANUARY INDICATE UPWARD TREND IN CONSTRUCTION FIELD—PROJECTS SHOW 250-PERCENT GAIN OVER 1934

Indicative of the gain in the construction field here, building permits last month totaled 250 percent more than for the corresponding period in 1934.

New homes are under construction, new buildings are going up, and many homes are being modernized or repaired.

ALTERATION PROJECTS

Permits issued by the office of F. C. Hurst, city building inspector, for last month totaled $42,865, against $16,590 for January 1934.

Fourteen permits issued last month for projects involving new construction at a cost of $32,030, against seven new construction projects in the 1934 month costing $14,005.

There were 17 repair and alteration projects last month costing $10,835, against 11 such projects, costing $2,585, in January 1934.

SERVICE-STATION PERMITS

There were 5 new homes for which building permits were sought, against 2 during the same period last year; 5 permits for new buildings, against 1 in January 1934. Five permits were issued last month for repairs or alterations to buildings, 11 for repairs or alterations to homes, 1 for the erection of a new service station, 1 for the erection of a private garage, and 1 for repair of fire damage.

[From the New York Herald Tribune, Feb. 16, 1935]

ALL TRADE LINES CONTINUE GAINS, REVIEW FINDS—OPTIMISM ON SPRING RETAIL OUTLOOK SPURS ACTIVITY IN WHOLESALE MARKETS

The continuation of rising business in all trade divisions is indicated in the findings of the weekly review of business issued yesterday by Dun & Bradstreet. The confidence with which retailers view the outlook for spring distribution is accelerating activity in wholesale markets, according to the report, and, while advances in some industrial divisions show a tendency to level out after the recent upswing, constant gains in others are lifting the average operating rate higher each week.

"Probably one of the most important contributions to sustained recovery that has been devised during the last 2 years", the report said, "is the proposal to inaugurate long-term borrowing on a wide scale, which will be a rather abrupt departure from the current banking principles, which overemphasizes liquidity."

Besides opening new fields for revenue for banks, it was explained, this proposal would lend impetus to industrial and commercial expansion and lead to the almost immediate correction of the conditions retarding progress.

With Lincoln's birthday sales in many districts running 30 to 50 percent higher than on that holiday last year, and with corresponding increases on the Monday and Saturday preceding, retail business served the largest crowds since the early part of January, the review said.

The wholesale trade generally is reported progressing at an even more rapid rate than the retail, with 30- to 40-percent increases over last year on certain items taken out of the market and individual commitments averaging 10 to 15 percent higher. Future requirements are not being covered to any extent, except in a few branches, due to the absence of any factors indicating early price advances. Price stability has become especially marked in the textile lines, which have been opened for the new fall season.

[From the New York Times, Feb. 15, 1935]

$35,000 PROFIT IN MONTH IN MILE-A-MINUTE TRAIN

CHICAGO, February 14 (AP).—"The 400", the Chicago & North Western Railway's mile-a-minute train operating between this city and St. Paul and Minneapolis showed a $35,000 profit in January, its first full month of operation, Fred W. Sargent, president of the road, said today.

Mr. Sargent said passenger business, exclusive of commutation, was running 27 percent ahead of 1934. Including commutation, it was up 17 percent.

[From the San Francisco Chronicle, Feb. 5, 1935]

BUSINESS SURVEY SHOWS UPTRENDS

Uptrends in a number of lines of business and particularly in demand for down-town real estate are shown in the weekly survey issued by Business Extension Bureau, Ltd., for the week ended February 2. Emphasis is placed on the fact that an increasing number of leases in the better-class locations in San Francisco and other communities in central California have about exhausted available space and are causing a stiffening in rents. The survey lists a number of location changes that have been made and also notes a number of new manufacturing and other enterprises that have been established, either as partnerships or incorporations. Several firms are expanding their housing facilities.

[From the Richmond (Va.) News-Leader, Feb. 8, 1935]

UPTURN SHOWN BY CAR BUYING—AUTO LEADER SAYS PROSPERITY RETURN INDICATED BY SALES

By Roy H. Faulkner, president Auburn Automobile Co.

There is a better tone in business. People are again putting cream on their breakfast food, and a new suit is not a sign that you are prowling the alleys at night with a piece of gas pipe.

But it is not only increased buying that is important. People are buying better things; changing their attitude toward purchases. For the last 5 or 6 years the public has asked, "How much?" Now they are beginning to ask, "How good?"

When business slows up and incomes are reduced the number of dollars becomes very important. More or less, the public buys what will fill the bill for the immediate period, always with the hope that, a little later on, conditions will so adjust themselves that they will be in a position to obtain the kind of products they are used to having.

This attitude has been very apparent in the automobile business in the last 4 or 5 years. Many folks bought mere transportation rather than a comparative kind of transportation. Thousands of former owners of higher-priced automobiles used to fine-car performance have bought in the lower-priced brackets. Now they are going upward again. Tastes do not change overnight.

Recently we made a survey in a number of different businesses on the trend upward toward quality merchandise. This survey covered furs, jewelry, furniture, oriental rugs, silks and velvets, perfumes, cut glass, luxury-class publications, and even the type of accommodations that people are buying for European and other cruises. We found, for the period, that the fur business was 40 percent greater than for the same period in 1933, and that the retail selling price per article was considerably over the previous year.

[From the Washington Star, Jan. 25, 1935]

PAY-ROLL GAINS SMASH RECORDS—DECEMBER RISE DECLARED BEST IN 15 YEARS—JOBS ALSO INCREASE HERE

All December pay-roll records for 15 years were broken last month, it was disclosed today by the Bureau of Labor Statistics after an industrial survey which showed factory employment rose 1.7 percent and pay rolls 6.2 percent.

Approximately 340,000 workers were added in the combined manufacturing and nonmanufacturing industries surveyed by the Bureau, accounting for an increase of about $10,800,000 in weekly pay rolls over those of December 1933.

This is the largest gain for any December since 1919, Secretary of Labor Perkins pointed out.

The statistics disclosed increases in employment and pay rolls in 35 States and the District of Columbia. Maryland and Virginia are included.

8-PERCENT GAIN HERE

An increase of 8 percent in employment in the District, Secretary Perkins said, reflected greater activity in retail trade. The 979 private establishments in the District had 36,902 persons on pay rolls last month, with a total pay roll of $830,416. Wages increased 6.3 percent, slightly less than the increase in employment.

Maryland establishments reported an increase of 2.6 percent in employment and an increase of 2.1 percent in pay rolls. For Virginia the increases were 1.9 and 2.7 percent, respectively.

The encouraging trends were especially noticeable in the durable-goods industries, Secretary Perkins said, as employment figures were 3.4 percent more than in nondurable goods. Brisk demand in retail trade, reinforced by a rise in basic industrial activities, accounted for the gains.

HIGHEST SINCE 1930

Increased employment in retail distribution usually occurs in December as a result of the accelerated pace of the holiday trade, but in 1934 the upturn was "especially vigorous", Miss Perkins said.

The grains in the durable-goods industry indicate the return of 1,110,000 factory workers to jobs since the middle of November and an increase of $7,500,000 in weekly pay rolls.

[From the Chicago Daily News, Feb. 8, 1935]

SHIPMENTS BEST FOR MIDWINTER IN 4 YEARS—SOAR 42,396 CARS IN WEEK; RAIL INCOME UP FIRST TIME SINCE APRIL

By Philip Gundermann

Railroad freight traffic soared 42,396 cars last week, the greatest advance for late January since 1918. Shipments reached the highest level for this time of year since 1931 and topped a year ago by more than 6 percent.

This drastic upswing, the most favorable in over 7 months, was accepted in financial circles as indicative of an upturn in general business.

Volume for the Nation hit 598,164 cars last week, up 42,396 cars over the previous week, 32,763 cars above a year ago, 112,105 cars over 1933, and 37,007 above 1932, the Association of American Railroads announced today. The gain over 1934 is the sharpest advance over the preceding year since the early part of last June.

ALL FREIGHT IMPROVES

All classifications of freight showed improvement, with coal and miscellaneous shipments scoring the greatest gain over last year.

[From the New York Times, Feb. 11, 1935.]

BUYERS IN CHICAGO CITE TRADE GAINS—REPORTS ON WIDE AREA SHOW INCREASE OF 15 TO 25 PERCENT FROM YEAR AGO—STEEL BUSINESS ACTIVE—STEADY RISE IN MISCELLANEOUS CONSUMPTION—MAIL HOUSES REDUCE PRICES

Special to the New York Times

CHICAGO, February 10.—Reports from a large section of the country brought to this city by the 15,000 to 20,000 merchants who attended the spring style show last week indicate that business now is from 15 to 25 percent larger than it was a year ago, and further enlargement in trade is looked for. This attitude was backed by the large orders that they placed during their stay in Chicago. While spring goods received most attention, sales of men's and women's clothing, shoes, and general merchandise were quite satisfactory.

Sales of merchandise handled by druggists, which now includes almost everything except wearing apparel and hardware, show liberal gains over last year and also a fair profit. Wholesale and general business, covering leading lines, is estimated to be showing gains of 10 to 25 percent over a year ago.

Business of the mail-order houses, which for months has been larger than in recent years, continues to increase. Catalogs issued by the two leading houses have priced most lines of merchandise lower than a year ago. Wearing apparel is marked down 10 to 13 percent; men's furnishings, about 19 percent; floor covering, 18 percent; farm equipment, about 8 percent. Heavy reductions were also made in automobile supplies.

Activity in production and consumption of steel continues. Mills have steadily increased their operation for 6 months and in this district the rate reached 67 percent of capacity last week, compared with 66 percent in the previous week, 37 percent a year ago, and 19 percent 2 years ago. Automobile makers continue to be the largest consumers, but there has been a steady rise in miscellaneous consumption. Increased consumption of pig iron necessitated furnace production of record proportions during January. It is estimated that 80 percent of the output went directly into consumers' hands. Fourteen furnaces in this district are in operation and it is expected that several more stacks may be blown in.

Production and consumption of coal have increased, due to the unusually cold weather.

[From the Jackson (Miss.) News, Feb. 10, 1935]

CITY FACES BUILDING, INDUSTRIAL ERA; RAIL, AIR SERVICE BETTERED

Business is moving forward on multiple fronts in Jackson.

With all national indices showing Mississippi's capital city to the forefront in improved conditions, a survey by the chamber of commerce Saturday revealed significant indications of industrial expansion and a possible sharp increase in the building of homes.

Early announcement of the establishment of two new industrial enterprises is anticipated out of negotiations the commerce organization is conducting with five groups interested in the city as a location.

Passage by Congress during the week of Senate bill 1175 paving the way for discounting of Federal Housing Administration mortgages by banks and other lending agencies led to the prediction by one building authority in the city that from 10 to 20 new homes will be erected here each month during 1935.

Other bright spots included:

The January survey of the Industrial Bureau of St. Louis showing Jackson to the forefront in 14 southern and middlewestern States. This bureau has rated Jackson in first, second, or third position in business improvement since last November;

The survey of "Nation's Business", publication of the United States Chamber of Commerce, showing Jackson in its "good business" classification;

The estimate by a retail furniture store owner here that January business was up 30 percent over the same month last year, and similar estimates by other retailers:

Reopening of the old Hiawatha Milling Co. by the Merchants Co. of Mississippi, affording employment to 25 persons;

Erection by the Jackson Stone Co. of a new building on North Mill Street.

[From the San Francisco Chronicle, Feb. 5, 1935]

UNITED FRUIT PROFIT IN 1934 UP $2,808,358—OPERATIONS NET $4.11 PER SHARE AGAINST $3.15 IN 1933

United Fruit Co.'s net income for 1934, after depreciation, interest, and taxes, was $12,049,299, or $4.11 a share, as compared with $9,240,941, or $3.15 a share, the company's annual statement,

released yesterday, shows. The company paid dividends, charged to surplus, amounting to $8,717,985, or $3.15 a share.

Including cash and Government securities combining to total $40,957,541, the company has current assets totaling $55,989,473 against current liabilities of $10,028,508. The securities are listed at cost, $13,880,022, the market value being stated as $14,109,026, and do not include an insurance fund of $10,000,000 in Government bonds and carried in the liability column as insurance fund, which the company maintains. This cash and securities item compares with $37,118,807 in the 1933 year.

[From the San Francisco Chronicle, Feb. 5, 1935]

BUYERS THRONG ANNUAL SPRING MARKET WEEK

Enthusiasm marked the opening of the annual spring market week of the manufacturers' and wholesalers' association yesterday at the Palace Hotel. All previous first-day registration records were broken with an even greater influx of merchants and buyers from all over the West expected today.

That the throngs are here to buy became evident immediately, and the goods selected, manufacturers and wholesalers said, indicate the demand of the public for the better quality products.

[From the Shreveport (La.) Journal, Feb. 9, 1935]

MATERIAL-BUILDING CAR LOADINGS SHOW SUBSTANTIAL GAIN

WASHINGTON, February 9.—Advices from the Chicago, Rock Island & Pacific Railway indicate definite increases in car loadings on all types of commodities in the building material and equipment classifications. This includes an 86-percent increase in cast-iron pipe and fittings, 20-percent increase in iron and steel, nails and wire, 187-percent increase in common brick, 31-percent increase in building paper and prepared roofing. There is also a noted 14-percent increase in paints, oils, and varnishes, 5-percent increase in shingles and lath, 51-percent increase in lime, and 47-percent increase in building tile and ceramics.

Evidence of the opportunity that exists for the small contractor is indicated by recent experience of one in Los Angeles. Receiving a "lead" from better-housing campaign headquarters, he secured a $480 repair job. While this work was in progress he signed up two other jobs, one being $320 and the other $530. Butler County, Pa., reported modernization work in the amount of $147,000 pledged in the campaign, while Elwood City, Pa., with a population of 12,000, reports $25,000 new business pledged.

Mansfield, La., merchants have signed an agreement to modernize the fronts of their buildings. Cody, Wyo., reports that every carpenter in the town is busy. Hugh L. Harrell, State treasurer of Oklahoma, advocates the extension of modernization credit in letters to every bank in the State. The State commissioner for Vermont has issued a bulletin to all assessors of real property in the State, urging that properties improved and repaired under the better-housing program be exempt from increased taxation.

[From the Indianapolis Star, Feb. 12, 1935]

PREDICT BOOM IN SHOE TRADE—INDIANA DEALERS REPORT INCREASED VOLUME DURING DISPLAY HERE

A definite upturn in the shoe business was forecast yesterday by increased volume in orders as the second day closed at the twelfth Indiana shoe buyers' week display in the Claypool Hotel.

"The volume of orders taken so far has been greater than any of the buyers' weeks for the last 3 years", C. I. Slipher, of New Albany, president of the Indiana Shoe Travelers' Association, sponsors, said.

The display, which includes exhibition of shoes by approximately 100 manufacturers, will close today.

[From the Los Angeles Times, Feb. 5, 1935]

ORANGE COUNTY FRUIT EXCHANGE RECEIPTS GAIN

ORANGE, February 4.—Indicating a trend toward more prosperous conditions in the citrus industry, the annual report of the Orange County Fruit Exchange, presented by Manager C. E. Skiles at the annual meeting this afternoon, showed that the 1934 crop returns aggregated $10,102,574.83.

The returns were the most satisfactory, as well as the largest, since the peak year of 1930 and showed an increase of $4,498,913.02 over last year's receipts.

Shipments for the fiscal year, running from November to November, totaled 7,892 cars.

[From the Hollywood (Calif.) Citizen-News, Feb. 7, 1935]

EXPORTING AT HARBOR GIVES 10,000 WORK

New business shipped through the port of Los Angeles during the last calendar year, estimated on the basis that 55 percent of the receipts from exports goes to labor, gave continuous employment to 10,000 persons at $5 per day, according to the quarterly report of the Los Angeles Chamber of Commerce made to the county supervisors today.

The industrial division of the chamber reports that in the 3 months ended December 31, 1934, 22 new industrial concerns began business and 21 already established made expansions. The total of both represented $700,000 of newly invested capital and 450 people added to industrial pay rolls.

For the full year 111 new plants and 85 expansions were reported, involving a capital outlay of $8,000,000, and furnishing employment to 4,000.

During the quarter, 35 conventions were brought to the county, with a total attendance of 11,273 and estimated expenditures by visitors of $450,000. In addition, 42 conventions, with an estimated attendance of 28,150 delegates, were booked during the quarter for 1935. These are in addition to many conventions which had been previously booked for 1935.

[From the New York World-Telegram, Feb. 12, 1935]

DELIVERIES OF RAYON SKYROCKET IN MONTH—INDEX RISES FROM AVERAGE OF 353 IN 1934 TO 553 DURING JANUARY

Deliveries of rayon in the United States in January broke all previous monthly records, and textile activity in general also has gone ahead rapidly in the last 4 months in spite of a late Easter and spring season ahead, Textile Organon, published by the Tubize Chatillon Corporation, stated today.

While actual figures covering shipments are not made public for trade reasons, the deliveries index, as compiled by the trade, reached a new all-time high record of 553, as against 488 last December and 383 for January 1934.

This represents a gain of 57 percent from the average monthly deliveries in 1934, the index number for which stood at 353.

[From the New York Herald Tribune, Feb. 11, 1935]

CHICAGO WHOLESALERS ENJOY HEAVY ORDERS—ANOTHER UPTURN AT STEEL MILLS PUTS RATE AT 67 PERCENT

Special to the Herald Tribune

CHICAGO, February 10.—Wholesale activity and another upturn in local steel mills dominated the Chicago business field last week, according to trade observers of the Chicago Association of Commerce.

The unusually heavy attendance at the Interstate Merchants' Council meeting and its attendant style show here, as well as the out-of-town interest in other trade exhibits, left wholesalers and manufacturers with particularly heavy commitments for late spring and summer delivery.

In the retail market the pace was at about the same ratio as during the previous week.

Mail-order houses reported another good week, with Southern States doing a good share of the buying.

Output in the steel mills here went up another point to 67 percent of capacity, compared with 37 percent in the same week a year ago. Automobile manufacturers gave the biggest proportion of the impetus. There also seems to be an expectancy that pipe-line development may help the general steel picture.

Public utilities report continuance of satisfactory consumer demand.

[From the Philadelphia Bulletin, Feb. 12, 1935]

SEES TIMES IMPROVING—WESTINGHOUSE OFFICIAL EXPECTS 20-PERCENT RISE IN EMPLOYMENT

"People now have more money to spend, more confidence, and more optimism."

This was the comment here yesterday of P. Y. Danley, of Mansfield, Ohio, manager of the refrigeration department of the Westinghouse Electric & Manufacturing Co., who visited 10 States during the past 5 weeks. He attended a dealers' meeting in the Broadwood Hotel.

"We ourselves are so convinced of the prospect for better business", he said, "that in the past 6 months we've spent about $1,000,000 on new machinery and other equipment in the factory at Mansfield, Ohio. Twenty percent in number of employees, in hours of work, and in total wages is expected in our Mansfield plant, with 6 days of work instead of 5, and with three 8-hour shifts during a good part of the year."

[From the Bridgeport (Conn.) Post, Feb. 8, 1935]

FACTORY EMPLOYMENT HIGHEST SINCE LAST MAY

The report of the manufacturers association for the week ended January 26, shows 12,353 persons employed here, according to data from 30 factories selected from the association. That is the highest number of employees since the week of May 12, 1934.

The man-hours for the same week totaled 451,915, the highest since last May, and the average weekly factory hours 37.3, just equaling the record of last May 12.

[From the Hartford (Conn.) Times, Feb. 7, 1935]

SAVINGS DEPOSITS GAIN $23,401,651

Deposits in Connecticut savings banks, savings departments of trust companies, and savings departments of national banks for the year 1934 amounted to $830,514,707.85, which, compared with $807,112,056.39 in 1933, represented an increase in deposits of $23,401,651.46. These figures are shown in reports filed by the savings banks and the trust companies on or before January 20 for the year to January 1, 1935, and by the national banks on or before October 10 for the year ended October 1, 1934.

[From the New York Herald Tribune, Feb. 13, 1935]

RETAIL SALES ADVANCE 4 PERCENT FOR JANUARY—CLEVELAND DISTRICT TOPS RISE; RESERVE BOARD COVERS 503 STORES IN 237 CITIES

Department-store sales during January were 4 percent better than in the same month of 1934, according to announcement yes-

terday by the Federal Reserve Board, whose survey covered 503 stores in 237 cities throughout the country. The month's biggest increase was reported by the Cleveland district, where 27 stores in 11 cities increased their sales by 14 percent.

[From the Washington Herald]

BUSINESS GAINS 12 PERCENT OVER 1934, AMERICAN FEDERATION OF LABOR REPORTS—LABOR VOICES HOPE OF HIGHER PAY AS TRADE GROWS

By Universal Service

Business in January increased 12 percent over last year, the American Federation of Labor reported yesterday in its monthly survey. It said:

"The present rise of business activity is of particular significance to labor, for increasing production will now place many firms in a position to pay higher wages.

"Besides the increase in production, operating economies and financial adjustments which have taken place in the last 4 years place many corporations in a position to operate profitably even if production does not increase."

[From the Washington Star, Feb. 10, 1935]

VIRGINIA'S WORKERS BACK ON 1929 KEEL—EMPLOYMENT FIGURES INDICATE 130,000 WAGE EARNERS—NEW INDUSTRIES CREDITED

RICHMOND, VA., February 9.—Good fortune plus a stable State government and a sound policy of encouraging suitable types of industries to locate in Virginia were mentioned today by Maj. Frank P. Evans, statistician of the State industrial commission, as having aided in bringing employment in this State back to 1929 levels.

Nearly completed figures for 1934 were the basis for Major Evans' estimate that at least 130,000 wage earners in Virginia are at work, as many as were reported during the last of the so-called "boom years."

He said that certain industries, notably new rayon plants, which started operations in the State in 1929 and 1930 in spite of the depression, prospered through the leaner years and compensated losses in some other lines.

Figures gathered by the industrial commission indicate, Major Evans said, that mercantile employment, as well as factory employment, now is gaining lost ground.

[From the Washington (D. C.) Post, Feb. 15, 1935]

FILM MAKERS APPROACH PRODUCTION PEAK AS PICTURE MAKING BOOMS IN HOLLYWOOD—WARNERS NEAR CAPACITY WITH EIGHT IN WORK—OVER 5,000 ON STUDIO ROLLS

By Nelson B. Bell

Instead of the calamitous consequences so fearfully forecast by the motion-picture industry a scant 8 months ago, last summer's Nation-wide drive for a higher ethical and moral standard in screen entertainment has resulted in a greater number of superior pictures than have ever been available at any time in the history of the cinema.

This is a happy circumstance that has started the celluloid industry on its way toward all-time peak production records. More and better pictures are being made than ever before, more people are being employed, and boom days have returned to the capital of filmdom.

With the largest and most important schedule of pictures in the company's experience ahead of them, officials at the Warner Brothers-First National studios, for example, are rapidly stepping up their Hollywood plants toward capacity production.

[From the Washington Herald, Feb. 14, 1935]

PALMOLIVE-PEET NET $1.16 SHARE

NEW YORK, February 13.—An increase of $3,370,717 in net earnings of Colgate-Palmolive-Peet Co. in 1934 compared with the previous year, was announced yesterday by S. Bayard Colgate, president, in a letter to stockholders.

Net earnings for the year amounted to $3,744,106, which is approximately 10 times 1933 net of $373,389. The rate earned on common stock during 1934 amounted to $1.16 per share.

Net sales for 1934 amounted to $71,968,612, as compared with $62,313,660 in 1933.

CHICAGO, February 13.—Montgomery Ward & Co. sales increased 32.42 percent for the 12 months ended January 31, compared with the preceding 12 months.

The firm said sales for January 1935 were 17.86 percent ahead of January 1934.

For the 12 months ended January 31, 1935, business totaled $261,410,543, compared with sales of $197,411,103 for the 12 months ended January 31, 1934.

THE INHERITANCE TAX—ADDRESS BY SENATOR NORRIS

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Nebraska [Mr. NORRIS] at Lincoln, Nebr., on February 15, 1935, on the occasion of the charter day exercises of the University of Nebraska.

Incidentally, it should be noted that on that day and upon that occasion the University of Nebraska conferred upon Senator NORRIS the honorary degree of doctor of laws.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INHERITANCE TAX

By GEORGE W. NORRIS, of Nebraska

Inheritance tax, as used in this discussion, means any tax which takes effect upon the death of the owner of the property taxed. As thus used, the term includes estate taxes, legacy taxes, death dues, succession taxes, and all other methods and means by which a tax is levied upon property passed by bequest or operation of law upon the death of the owner.

An inheritance tax is the least burdensome of any tax that has ever been devised by the mind of man. It levies its tribute after the owner has enjoyed the property during his entire life and when he can have no further use or enjoyment of it.

It is a tax that cannot be shifted or successfully avoided. Upon the death of the owner, all his property is itemized and valued in a court of probate, and even the beneficiaries are interested in seeing that every item of property is brought to light, scheduled, and valued.

It is a tax that is inexpensive to collect, because death is never concealed and never happens in secret.

It is neither a hardship nor an injustice to beneficiaries. Such beneficiaries rarely have had any part in the accumulation of the property taxed. Indeed, it is usually true that the beneficiaries, instead of assisting in the amassing of a fortune, have been an expense rather than an asset. But, to avoid any possible injury to any beneficiary, every inheritance-tax law should provide for a liberal exemption and then levy a light tax upon a liberal part of the estate. I would have no quarrel with anyone as to what this exemption should be. The amount of property untaxed, or taxed at a very low rate, could be so large that the beneficiary would be able to live upon the income during his entire life.

Inheritance of property and the right to bequeath property are not natural rights. No property can be inherited, and no property can be bequeathed, except as the right to do so is given by law. The State has the right to prohibit the passing of title to property to beneficiaries, and has the right by law, if descent is permitted, to provide rules, regulations, and conditions, under which such descent shall take place. The rule was well stated by Thomas Jefferson in a letter to Madison, September 6, 1789, in which he said:

"The earth belongs in usufruct to the living; the dead have neither powers nor rights over it. The portion occupied by any individual ceases to be his when he himself ceases to be, and reverts to society."

While the States have the right to regulate the disposition of property, either by will or descent, the same cannot be said of the Federal Government. The Federal Government is one of delegated powers and has no constitutional authority to regulate in any way the descent of property. The right of Congress to pass a Federal law to tax inheritances comes from its constitutional power to lay and levy taxes. The Supreme Court has held that an inheritance tax is within the constitutional powers of Congress. It can not only levy such a tax, but it can also provide a different rate on large estates from that applicable to smaller estates. It is immaterial also as to the amount of the tax collected. Courts will not look into the revenue derived from Federal estate taxes, so long as provision is made for the collection of revenue by taxation. As Justice Holmes said in *New York Trust Co.* v. *Eisner* (256 U. S., p. 249), speaking for the Court—

"It is a tax on the right to transmit."

The inheritance tax should be levied by the Federal Government. This is necessary if we would have any uniformity whatever. Any other rule would ultimately result either in the entire abrogation of inheritance taxes by the States themselves, or in a greatly reduced rate of taxes upon wealth. The fairest way, it would seem, would be to have the Federal Government levy the tax and provide for the remission to the States of a portion of the tax collected. Under the present statute, 80 percent is, in effect, remitted to the States. While a Nation-wide propaganda was carried on to compel the Federal Government to withdraw entirely from this taxing field on the ground that the States should have the exclusive right to levy such a tax, the real organizers behind the propaganda were opposed to any inheritance tax, either State or Federal, and had they succeeded in preventing the Federal Government from levying any estate taxes, the result would ultimately have been an organized campaign in every State in the Union to prevent the imposition of any inheritance taxes. States without inheritance taxes would have been competing with other States to provide havens of refuge for individuals of great wealth. A uniform system of estate taxes is necessary to prevent either abolition of the tax entirely, or reduction to an insignificant rate of taxation.

The history of the past bears out the argument in favor of a Federal inheritance tax. Before the Federal tax was enacted the total amount of the inheritance taxes collected in all the States of the Union was only $28,000,000 annually. In 1930, after the enactment of the Federal tax with the 80-percent provision, the State revenues from inheritance taxes amounted to $180,000,000.

There is another reason why this inheritance tax should be Federal instead of State, and that is that a Federal inheritance tax would levy tribute upon tax-exempt securities which are free from the payment of income tax. If there were no inheritance tax the owner of tax-free securities would not only escape the

income tax during his lifetime but would also escape the inheritance tax at his death. While, as I see it, there should be no such thing as tax-exempt securities, except perhaps Federal securities in time of war, yet we cannot close our eyes to the fact that the Supreme Court has held that State and municipal securities are not subject to Federal income tax; and it has been impossible to secure the passage of a law which would again bring the matter before the Supreme Court or provide for the submission of a constitutional amendment giving Congress the power to levy an income tax upon State and municipal bonds. These securities are, however, subject to the Federal inheritance tax law. If the Federal Government were to retire from this taxing field, this fruitful source of revenue would ultimately be lost to society in the mad race of States passing laws to relieve the rich of taxation.

A PROGRESSIVE TAX

While the inheritance tax in various forms has been used by this Government for more than a generation, yet it has been in comparatively recent years, only, that a progressive inheritance tax has been advocated, having for its object not only the raising of revenue, but also the prevention of the entailing and passing on of large estates. This movement has gained great headway because in the last 40 or 50 years people have begun to realize that the amassing of large fortunes in the hands of a relatively few individuals was detrimental to society in general. In Revolutionary days a millionaire was unknown. Today they almost block the sidewalks. We are entering now upon a new class—the billionaire class. We have been making millionaires in the last few years at a very rapid rate. Economists and other students of government now realize that one of the great dangers to our civilization is the control by a few men of untold millions of property. Today, there is but little doubt in the minds of thinking people that the redistribution of wealth is a necessity if we wish to preserve our civilization. I do not claim that our troubles are all due to this cause. I do claim, however, that if we are to secure a permanent remedy for our difficulties as a people, it is an absolute necessity that one of the things which a complete recovery must have in view is the redistribution of wealth. This does not mean we should take the property of A and give it to B. It only means the taking of money from the estates of the very wealthy, where it can perform no real service for humanity, and the giving of it, in the form of taxes, to all the people, from whom it was originally taken, and under whose laws it was accumulated.

One of the methods by which this control of property is brought about is through the organization of corporations. The corporation enables a very few men to control the property of a great many men, and the organization of corporations, while useful in the proper field, has been carried to an extreme, until today nearly everything we use, everything we eat, and everything we wear is supplied by corporations. We are rapidly becoming a nation of hired men; we are very rapidly drifting in the direction of wealth concentrated to such a degree that its evil effects are already influencing our economic world. Justice Brandeis, in a dissenting opinion in *Liggett* v. *Lee* (288 U. S. Reports, p. 566), has truly said:

"Other writers have shown that coincident with the growth of these giant corporations there has occurred a marked concentration of individual wealth and that the resulting disparity in incomes is a major cause of the existing depression."

In 1929 about 500 persons had more than $1,000,000,000 net income. This was practically the same as the gross, aggregate market value of all the wheat and all the cotton in the United States, grown by more than 2,000,000 wheat and cotton farmers in 1930. Does anyone believe that a free country can exist under such unequal and unfair conditions?

Here we have the net income in 1 year of 500 persons equal to the total value of the two greatest farm crops produced in 1 year by more than 2,000,000 farmers. This shows, in reality, that the net income of 500 men, who for the most part neither "toil nor spin", is equal to the gross income of more than 2,000,000 men who, by their unpaid toil, feed and clothe the Nation. It does not require an expert to see that such a condition cannot continue indefinitely, without bringing disaster.

In 1925, the Secretary of the Treasury reported that less than three-tenths of 1 percent of the population paid 95.5 percent of the income tax. In 1927, slightly less than three-tenths of 1 percent of the people paid 98.1 percent of the income tax, and, in 1929, about three-tenths of 1 percent of the population paid 98.6 percent of the income tax of individuals. The statement of the Secretary of the Treasury was used as an argument against the taxation of wealth, in an attempt to show that heavier taxes should be levied upon men of smaller incomes. To my mind, it is, instead, a striking illustration of the gradual accumulation of wealth into the hands of a few, and the slowly advancing amount of the tax paid by a few men during these 3 years shows that the danger during all that time was increasing, and we were approaching nearer each year to the point where fewer and fewer men would own all the property of the country. But, after 1929, Congress changed the law and levied a somewhat higher tax upon smaller incomes. In the figures I have given, the exemption from taxation was, for a single person, $1,500, and for a married person, $3,500.

These exemptions were cut down so that poorer men would be compelled to pay more tax, and, in 1932 and 1933, the exemption for a single person was only $1,000, and for a married person only $2,500. With the increase thus made upon the smaller brackets, and the cutting down of the exemption, we find, in 1932, that slightly less than three-tenths of 1 percent of the population paid 87 percent of the income tax, while in 1933, less than three-tenths of 1 percent of the people paid 89⅘ percent of the income tax, showing again the aggregate of accumulated wealth is constantly growing.

The danger to our civilization from the accumulation of wealth was clearly foreseen by President Theodore Roosevelt. He called the attention of the country to it in official messages and asked for relief at the hands of Congress. On April 14, 1906, at the laying of the cornerstone of the House Office Building, he said:

"As a matter of personal conviction and without pretending to discuss the details or formulate the system, I feel we shall ultimately have to consider the adoption of some such scheme as that of a progressive tax on all fortunes beyond a certain amount, either given in life or devised or bequeathed upon death to any individual—a tax so framed as to put it out of the power of the owner of one of these enormous fortunes to hand on more than a certain amount to any one individual; the tax, of course, to be imposed by the National and not by the State Government."

In an official message to Congress, December 4, 1906, President Theodore Roosevelt said:

"There is every reason why, when next our system of taxation is revised, the National Government should impose a graduated inheritance tax. The man of great wealth owes a peculiar obligation to the State, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money but it should also be recognized by the way in which he pays for the protection the State gives him."

Mr. Carnegie, one of the wealthiest men of his day, was a strong advocate of heavy taxation of large fortunes. In 1899 Mr. Carnegie, in the North American Review, said:

"By taxing estates heavily at death the State marks its condemnation of the selfish millionaire's unworthy life. It is desirable that nations should go much farther in this direction. Indeed, it is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the State."

In Mr. Carnegie's work on the Gospel of Wealth, he said:

"The growing disposition to tax more and more heavily large estates left at death is a cheering indication of the growth of a salutary change in public opinion. * * * Of all forms of taxation, this seems to be the wisest. Men who continue hoarding great sums all their lives—the proper use of which for public ends would work good to the community from which it chiefly came—should be made to feel that the community, in the form of the State, cannot thus be deprived of its proper share. * * * By all means, such taxes should be graduated, beginning at nothing upon moderate sums to dependents, and increasing rapidly as the amounts swell * * *."

President Franklin D. Roosevelt, on page 32 of Looking Forward, in discussing the concentration of business, used the following language:

"More striking still, it appeared that, if the process of concentration goes on at the same rate, at the end of another century we shall have all American industry controlled by a dozen corporations and run by perhaps a hundred men. Put plainly, we are steering a steady course toward economic oligarchy, if we are not there already."

Just last month, in an official message to Congress, President Roosevelt said:

"We find our population suffering from old inequalities, little changed by past sporadic remedies. In spite of our efforts and in spite of our talk, we have not weeded out the overprivileged and we have not effectively lifted up the underprivileged. Both of these manifestations of injustice have retarded happiness. No wise man has any intention of destroying what is known as the "profit motive", because by profit motive we mean the right by work to earn a decent livelihood for ourselves and for our families.

"We have, however, a clear mandate from the people that Americans must forswear that conception of the acquisition of wealth which, through excessive profits, creates undue private power over private affairs and, to our misfortune, over public affairs as well. In building toward this end we do not destroy ambition nor do we seek to divide our wealth into equal shares on stated occasions. We continue to recognize the greater ability of some to earn more than others. But we do assert that the ambition of the individual to obtain for him and his a proper security, a reasonable leisure, and a decent living throughout life is an ambition to be preferred to the appetite for great wealth and great power."

There is a limit beyond which wealth can do no good, can bring no comfort or happiness. If you are possessed of a hundred million dollars, and I have only one million, there is nothing in this world which will bring you any happiness, contentment, or pleasure that you can purchase, which I cannot also purchase, without any hardship, or without any injury to my estate. What, then, is the good of this immense fortune, of this useless wealth? If money can do nothing to increase human contentment, or happiness, then it is but worthless paper. It is true that you, with your hundred millions, might be more able to control legislatures, to control the selection of judges for our Federal courts, to control conventions of the great parties, and to make yourself felt from one end of the country to the other, in the control of the election of public officials. But is it not conceded, to begin with, that such power is an evil? Do we not have to admit, at the outset, that one of the dangers to our country is the secret control of its officials by the use of such enormous blocks of wealth? Is it any injustice, or injury, to the man who is

possessed of a large fortune, if when he dies, after allowing an exemption sufficient to keep his dependents for life, the state then takes a goodly portion of the balance in the form of taxation, and returns it, in this way, to the public? Does such a man owe nothing to the Government under whose laws he was permitted to amass such an enormous amount of wealth, and can it possibly be an injustice to him if, after he has used it during his lifetime, at his death when it can under no condition be of any further value or use to him, it is taken for the benefit of society at large?

Conceive, if you can, that the property of the country was all owned by one man. Would it not follow that the rest of us would be his slaves? Would it not follow that he would be supreme—that he could fix the conditions under which all the rest of us would be permitted even to exist? I know this is an exaggerated illustration, because long before that time would arrive the country would be faced with a revolution such as the world has never known. But it is not necessary that one man should own all the property. Through combinations, especially through the organization of corporations, thousands of men may combine their wealth and do combine their wealth. This combination is controlled by one head, and, through the instrumentality of such a monopoly, reaching out with slimy fingers into every community and into every municipality of the land, a wonderful power is exerted over public officials, over business institutions, over political conventions, and, in a thousand different ways, the control of the country may be taken over and is being taken over today by combinations of great wealth.

In laying a tax upon property it is always well to consider how much the owner of the property will have left after he has paid the tax. The present Federal inheritance tax is, unless we examine it carefully, somewhat misleading. It levies at increased rates greater burdens upon excessive portions of the estate. Its highest levy today, for instance, is a rate of 60 percent on the excess of the estate over $10,000,000. But if you consider an estate of $10,000,000 at the various rates provided by law for the different brackets you will find that the estate pays less than 45 percent upon the entire estate.

Thus, an estate worth $10,000,000 would have left, after all exemptions are allowed, nearly $6,000,000 untaxed. Is not that a liberal amount? Would such a law do an injury to anyone? Would there be any danger of the widow or children going to the poorhouse, with an untaxed estate of $6,000,000? Is there anything in this life in the way of comfort or even luxury that the beneficiaries under such an estate could not purchase, without any strain whatever upon their finances?

It must be remembered, in this illustration, that only the excess above $10,000,000 is taxed at 60 percent. If this excess were taxed at 90 percent, as it should be, no possible injury could come to any beneficiary or to any individual, and such a tax would go a long way toward relieving society from the injury and the dangers that come from the gigantic and useless accumulation of wealth.

The effect of such a law would, in a few generations, relieve society entirely from the admitted dangers which now threaten the very life of the Nation. To a great extent it would relieve our country of pauperism and poverty. It would very materially help to clothe the naked and feed the starving.

Recently, economists and students have been pointing to Great Britain to show how well she is meeting the depression and bringing about the return of prosperity. Inheritance taxes in Great Britain, called death taxes, while not sufficiently high on the largest estates, have nevertheless accomplished good results in that country. Great Britain has a progressive inheritance tax running as high as 50 percent on estates valued at $10,000,000 or more, but this 50 percent is computed on the entire estate and not only on the excess above $10,000,000.

Nineteen hundred and thirty is the last year for which statistics are available, both for Great Britain and for the United States. In that year, Great Britain collected from inheritance taxes over $395,000,000. In the same year, there was collected from inheritance taxes in the United States, including both Federal and State taxes, something over $245,000,000. One hundred and fifty million dollars less were collected in the United States than in Great Britain. The amount collected in the United States constituted 4½ percent of the total internal taxes. In Great Britain the amount constituted nearly 20 percent of the internal taxes. It must be noted, too, that the year taken for Great Britain is not by any means the peak year of inheritance taxes in that country. She collected a greater amount of tax from such sources in 1929, and a still greater amount, to wit, over $415,000,000 in 1931. We must consider, also, that the national wealth of Great Britain is only about one-third of the national wealth of this country.

Complaint was made at the time of the levying of such high taxes in Great Britain that it would have a tendency to compel men of great wealth to break up their landed estates and sell them. That was probably true. It is one of the benefits which has come to Great Britain through the levying of a high inheritance tax. It has been said that some of this property and some of these landed estates have been sold for less than the improvements on them cost. That, also, is probably true. The mahogany-lined kennels for pedigreed hounds, when sold for pigpens and cow sheds, would probably not bring what they cost, and yet the breaking up of these great estates has been a godsend to Great Britain. Where millions of acres were previously held for fox-and-hare hunting grounds, the high tax has compelled their owners to break them up and either sell them in small farms or use the land in the production of foodstuffs and materials for clothing. That was particularly advantageous to Great Britain, a country which has to import a large proportion of what her people eat and wear.

This same objection is always made against any progressive inheritance tax. It is claimed that the effect of such a tax is to interfere with business. It is not difficult to conceive of cases where some injury of this kind would take place, although the argument made along this line consists mostly of exaggeration. Whatever danger of this nature may arise can easily be taken care of through the right kind of a taxing law. Provision usually is made and always should be made for the collection of the tax without any possible injury, either to individuals or to business generally. The claim that portions of the estates would have to be sacrificed at forced sale in times of depression and hardship can easily be met by an extension of time for the payment of the tax. Every law of this kind should provide for the making of application to the court for delay, if immediate action is thought dangerous. Under the laws of Great Britain, an extension of 8 years in proper cases can be secured. Under our own law, with our comparatively light tax, provision is already made for an extension of 5 years. I can see no objection to a still more liberal rule, if desirable. It will be found, however, in actual practice, that seldom would it be necessary for any extended delay to occur. Another means of preventing any hardship or difficulty is to provide that where the tax cannot be paid in money without difficulty or hardship, it may be paid in kind.

For instance, in the case of an estate consisting of hundreds of thousands of acres of land, what objection would there be to allowing the estate to pay the tax, if it so desired, by turning over to the Government the proper amount of real estate? The Government could then dispose of it to actual settlers or to home owners, with great benefit to society at large. Suppose an estate consisted largely of railroad stocks. What objection could there be to paying the Government the tax, upon proper showing, with stocks of such corporations at their appraised valuation? Suppose the estate consisted largely of bonds, municipal bonds, State bonds, or Federal bonds. Would the payment of the tax in such property be harmful, either to the public or to the beneficiaries?

It is also claimed that heavy taxes upon wealth will not be paid by representatives of wealth; that the Government will be defied; that some way to avoid the law will be found. This is a boast made by men of wealth, who are opposed to such a law. This objection was even urged by the Secretary of the Treasury.

Do we realize what this objection means? Have we already traveled so far toward the concentration of wealth that its representatives can say to the Government of the United States, "We will not pay you. We defy you. We will find some way to avoid this tax." Have we reached the point in our march toward greater individual wealth, where those who control the property can, through it, control the Government? After all, is not this a danger signal staring civilization in the face?

We have the wealthiest country in the world, and yet one-third of our people are in beggary and want. We have millions of starving who must be fed. Whether we like it or not, we must raise billions in taxes. Are we, in this dire predicament, so foolish as to think that the money can be raised by taxing the beggar? Millions of others of our people, who are barely existing, will be taxed into starvation, if we increase the burden already upon them. Can the men who have gathered together the fabulous riches of the wealthiest country on earth now defy the Government to take a portion of their ill-gotten gains after they are gone?

Why is it that men who own these great fortunes object to having a portion of them taken by all the people after they have passed on? They argue that it is one of the worthiest ambitions in life to create great fortunes and to know that after their deaths these fortunes have been passed on, intact, to the people of their choice. In the first place, the man who has no greater ambition than to make money, and who is wholly oblivious to the poverty around him, is an enemy to society. He has not learned the divine lesson that it is more blessed to give than it is to receive. Such a man, who cares for nothing but gold, can enjoy no real happiness, and he bequeaths no joy or comfort to those who come after him by giving them nothing but an excess of gold. It is argued by those who are opposed to a progressive inheritance tax that when men of great wealth are allowed to thus bequeath their property for selfish ends and with no regard for the good of the people it is usually but a generation until the beneficiaries dissipate the wealth, and all danger to society is swept aside.

It is contended by these objectors that sons and daughters who have grown up in idleness, when they come into great fortunes, will spend their money in lavish living, in debauchery, in gambling, and through disgraceful and illegal methods soon dissipate the fortune, and the dangers of the concentration of wealth are thus avoided. Such a distribution of wealth is more harmful to society than keeping the fortune intact.

People in the ordinary walks of life look upon men of great wealth as models for emulation. They feel justified in following in the footsteps of such members of society. When the man on the street sees the man high up in wealth or position doing disreputable things or leading an immoral life, he feels justified in following in his footsteps. His life is lived on a lower scale from that which would otherwise be his lot. He becomes involved in all kinds of infractions of the law. He ceases to be a model for his own fireside. He gradually immerses himself in crime and debauchery. He lowers the level of humanity. Eventually he becomes a burden upon society, if not a convicted criminal. He raises his children in an atmosphere of impurity, and, instead of being a useful and upright citizen, he becomes a member of the great derelict army. He is a burden to society instead of an asset, he lowers the morale of his community, he increases the expense

of government, and becomes an impediment on the road of human progress.

Is there anything unjust or unfair that men of great wealth should be prohibited from passing on intact great fortunes which would result in such injury to society? When we make one billionaire, we make millions of paupers. Whenever a man is put in that class, we create an army of hungry children, ragged mothers, and broken-hearted fathers.

We drag down our civilization to a point where eventually it must fail. If we would have a united country we must have a country of homes. We must bring comfort and pleasure to the fireside. We must establish the home as the unit and in it must be maintained the comforts and pleasures of life. This can only come about if we prevent the accumulation of all the property in the hands of a few. Such a condition would in the end bring about a form of human slavery more bitter, more aggravated, and more heinous than any which has ever afflicted humanity. We have no right to bring children into this world unless in the struggle of life they are to be given a fair, honest chance to enjoy the pleasures and comforts which any civilization worthy of the name should provide. A society which is worth having, which is worth fighting for, and which is worth struggling to maintain must be one in which the happiness of individuals, the comfort of the people, and the well-being of all men is the object to be sought and not the mad desire to obtain gold. In such a civilization the necessity for unemployment insurance or for the old-age pension would to a great extent disappear. Such things, desirable in themselves, and which a civilized society should provide, would be confined for the most part to instances in which accidents of various kinds have brought affliction to worthy people for whom society must provide.

I make no complaint against any man because of his wealth. Many of the noblest characters of history, not only of the past, but of the present, are men who have honestly acquired great wealth. Many of these men are true philanthropists. They do the best they can to handle this burden of immense wealth in a way which will bring happiness and comfort to millions of their fellow men. But a progressive inheritance tax which would break up even fortunes of this kind carries no hardship. An inheritance tax law can be drawn in such a way as to permit the owner of the property during his life to provide for its disposition in bequests so small as to avoid the payment of the tax altogether, but even such a law does not bring the justness and fairness which would come from a law which turned the property over to the Government to be used for the happiness and comfort of all the people instead of for a select few. No honest man can complain, if, after he has been permitted to provide for those near and dear to him, the excess of his estate is, at his death, given to the State under whose laws and under whose protection he has been allowed to accumulate it.

On the other hand, many large estates have been gathered together, sometimes by accident, sometimes by inheritance, and sometimes by other methods in which the labor and the toil, and often the ability of the owner has cut no figure whatever. Some of them have been accumulated by questionable means, some by dishonest and illegal means, and some by the inhuman oppression of those who earn their scanty living by toil and the sweat of their faces.

There is nothing sacred about a fortune gathered together by an Insull, who robs untold millions of honest investors of their hard-earned savings, and who, under the guise of law, takes pennies from the poor to create a fortune large enough to bribe a king. Other fortunes have been accumulated by men, who, with other people's money, have bought worthless stocks and then sold them at fabulous prices to thousands of honest men and women, scattered all over the land. There is nothing sacred about the fortune of a Doheny or a Sinclair, who, with their ill-gotten gains, bribe high officials of the Federal Government and rob the Nation of untold wealth, hidden in a Teapot Dome or an Elk Hills. And who can measure the evil influences upon the minds of common citizens when such representatives of great wealth steal from the poor and needy, rob the Nation of its natural resources, and then are permitted to go scot free. It brings the blush of shame to the cheek of every patriotic citizen when he is compelled to admit that our criminal laws punish only the crimes of those who are poor, and furnish avenues and loopholes of escape for the criminal whose stealings amount to millions.

It shocks the confidence of the ordinary citizen in his Government when he realizes that his country has permitted the building up of great fortunes but has provided no way whereby the owner of such a fortune can be punished for his inhuman crimes. How long can a civilization continue to sustain in luxury a class of people who are above the law? Such conditions bring contempt for law and breed sentiments of disloyalty which will ultimately weaken and even destroy the hands which hold the scales of justice. The history of the past is written in burning letters upon the very canopy of heaven under the immutable law of God. Such a condition cannot indefinitely continue.

How many millions of taxpayers' money have been spent in an unsuccessful effort on the part of our Government to bring to punishment the perpetrators of these unconscionable crimes? No one has as yet definitely estimated how many hundreds of millions of dollars of public funds have been expended by public officials in efforts which have failed to bring about a single conviction. Over the unfathomed seas we have desperately pursued the fleeing criminal, only to see him finally escape through avenues and loopholes made only for the very wealthy. How much money have our failures cost the people of this country? How many more incidents must be brought before us before we will be convinced that monopoly is already more powerful than the Federal Government? How many more of the untold millions of hard-earned taxpayers' money must be lost before everybody will be compelled unwillingly to concede that the truth was spoken when it was said, "You cannot convict a million dollars?"

One of the sad facts now staring us in the face is that the income-tax returns for 1933 show that this condition is rapidly growing worse. In a depression year when millions of our people were starving, when other millions were only half-fed and only partially clothed, when untold millions of children were suffering from cold, these figures show that in the year of 1933 we created 26 more millionaires than we had in 1932, while there was a decline in small incomes to the lowest level in 18 years.

This is a graphic demonstration that the dangers I have tried to point out are before us now. We are rapidly approaching a condition where the dangers of accumulated wealth are becoming apparent to all.

It will do no good to heap abuse upon the heads of those who have the courage to tell the truth. The cry of socialism, anarchy, communism heaped upon the heads of those who are moved by the love they have for their fellowmen to raise the danger signal will not stay the disaster which must follow, unless heed is taken of Nature's warning sign. Along the broad road of human progress stand the tombstones of nations that are dead because their people failed to heed the warning and rushed on in their godless luxury and worship of the golden calf. Anarchy cannot survive in a land of contented people. Communism is the result of oppression and injustice. Governments are destroyed and civilizations overthrown when the accumulation of wealth in a few hands has brought starvation and misery into the land. There is no escape from the penalty when Nature's laws are violated. Such causes are tried in a court not controlled by any class, and in its judgments wealth possesses no advantage over poverty.

Hoarding wealth cannot prevent Nature's decrees. The judgment may be postponed, the stream may be impeded by artificial means, but the rising waters will eventually overflow any barriers made by man; and the greater the obstruction and the higher the water must rise to reach the crest the greater will be the damage and devastation when eventually the floods come.

I speak not in anger, but in a spirit of friendship, when I warn hoarders of gold against the certain disaster which must follow such a course. I would not take away any legitimate happiness, comfort, or even luxury that comes to men of great wealth. I would give to you and yours the full and legitimate fruits of your labors and the enjoyment during your life and the lives of those dependent upon you of all money that can be usefully used or enjoyed. But I would take the balance to relieve the hardships, the sacrifices, and the suffering of your less fortunate brethren. Search your own hearts. Drive out of your soul the insatiable and unreasonable desire for gold.

Let your hearts be filled with love for mankind, with a realization that those who love their fellow men are most beloved of God. Let equality reign for all classes of people in our tribunals of justice. Let the homes of those who produce the food that gives life to all of us be owned by those who till the soil, and who constitute the foundation bulwark of our civilization. Let those homes be free from mortgage. Let the hideous face of desperation and want vanish forever. Let those who toil in our shops and in our factories and those who work at desks in our counting rooms be paid a living wage. Let the innocent little children in those homes and in all other homes in the land be clothed in comfort and placed beyond the reach of crushing misery, want, and care. Let there be inscribed above every fireside in the land the burning words of the lowly Nazarene:

"Suffer the little children to come unto me, and forbid them not, for of such is the kingdom of heaven!"

ARGUMENT OF HON. HATTON W. SUMNERS IN THE WILLIAM P. M'CRACKEN CASE

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the RECORD the argument made by Hon. HATTON W. SUMNERS, Chairman of the House Committee on the Judiciary, in connection with the appeal to the Supreme Court of the United States in the William P. MacCracken habeas corpus proceeding.

There being no objection, the argument was ordered to be printed in the RECORD, as follows:

May it please the Court: The respondent does not raise the question of jurisdiction or of the proper exercise of existing power, but he definitely challenges the existence of any power in the Houses of Congress summarily to punish for a completed act interfering with the effectiveness of their inquisitorial power. Such a challenge goes very deeply into the structure of the Government. It raises the question whether the Congress is in fact a responsible, coordinate branch of the Government. Certainly the Congress is not a responsible, coordinate branch of the Government if it is dependent upon the other branches of the Government in getting the facts necessary to guide its legislative judgment. But it is not merely the denial of that power to the Houses of Congress which is involved, but the denial of all summary power from every source to punish for a completed act interfering with legislative processes. If respondent's theory is sustained, all power of every nature to preserve itself at this point would be denied to the legislative branch. No other agency of

government can exercise summary power in its behalf. Whether or not even the slow, uncertain criminal procedure would be put in operation to support the Houses of Congress seeking to discharge a constitutional duty would depend entirely upon the other two branches of the Government. Under such an arrangement, it could not be held that Congress is a responsible, coordinate branch of the Government. Congress cannot be held responsible for not doing properly that which it does not have the power properly to do. Responsibility for doing is always dependent upon the power to do. Remove the power and you remove the responsibility.

It would seem profitable at this point to make some examination of this interesting governmental power summarily to punish for interference with governmental processes. Looking at this power as it operates, it is easy to see that punishment for contempt is not a punishment for a crime in the ordinary sense. It is a sort of consolidated power of Government; of quick, direct action, originating out of necessity, which goes with certain duties assigned to the judicial and legislative branches of government as a protective and effectuating agency. If contempt were a crime in the ordinary sense, the individual proceeded against unquestionably would be entitled under his constitutional guaranty to trial by jury. The legislative branch could not proceed at all. Courts could not proceed except in the ordinary way. No judge has any knowledge of what constitutes crime until the act shall have been denounced by the legislative branch of the Government. Judges have no authority to proceed against crime except as they derive authority from Congress. They have no knowledge that a crime may have been committed until advised by the grand jury or the district attorney, and the power of the courts to punish crime does not arise until the jury shall have advised that a given person has committed a crime.

It cannot be admitted that any officials of this Government possess powers which they have acquired by inheritance and hold by prescription and which they may exercise against a private citizen in direct contravention of a specific constitutional guaranty. This extraordinary governmental power has no concern for the dignity and feeling of public officials as such. Its concern is for governmental efficiency. Necessity initiates, justifies, and fixes the limits of this power.

This court has provided that yardstick. In *Anderson* v. *Dunn* (6 Wheat. 204) it says: "Analogy and the nature of the case furnish the answer—'the least possible power adequate to the end proposed.'"

Measured by this yardstick, when there is an equality of need among the branches of the Government there must be allowed an equality of power. To hold that a branch of the Government, manned by a personnel chosen directly by the people, answerable directly to the people, and removable directly by the people, may not be intrusted with enough power of itself properly to protect itself and properly to discharge its constitutional responsibility, we submit, is an indictment of the whole scheme of representative government. As we understand the contention of the respondent, it is this: The Houses of Congress may imprison a recusant witness to compel him to produce a required document, but the minute he destroys the document the power of the Houses of Congress ends. He purges himself of contempt by an act of supercontempt. He frees himself of prison by the destruction of that for the nonproduction of which he has been imprisoned. The law goes to the Senate and says to it: "You may imprison the person until he delivers the document", and as soon as he is in jail the law goes to the individual and says to him: "You do not have to deliver the document. If you will destroy it that will be a 'completed act', and the Senate will have to release you immediately."

It will not be questioned, that under our Constitution, before it was written the legislative and judicial branches of the Government each exercised this summary power. In view of the contention in the instant case, it seems a pertinent inquiry whether in the writing of our Constitution we drew any new lines of cleavage between the legislative and judicial branches of the Government.

The House of Commons was never a part of the English judiciary. It never drew any power or privilege of Parliament from that source. The powers and privileges of Parliament were acquired by the House of Commons when, as the representative of the people, it was engaged in a contest with the King for the mastery of the government of England. The House of Lords, when exercising judicial functions, did not do so as a part of the national legislature. It is true that during the confusion of powers and the shifting of power back and forth among the King and Lords and Commons, each, when powerful enough, moved across the line of its natural jurisdiction. In isolated instances during these times the House of Commons attempted to exercise at least quasi-judicial power, but suitors never resorted to the House of Commons. It was never recognized as a judicial tribunal, and its attempts in that direction were always challenged, never conceded, and were abandoned more than a century before we wrote our Constitution. Even the judicial power of the House of Lords had practically ceased to exist at the time we wrote our Constitution. As the economic organization and the laws became more complicated, the power to sit as the court of last resort of necessity passed more and more from this body of persons composed largely of laymen holding place because of the accident of having been the first sons of their respective fathers. This power passed to the great law officers of the Government. Even the power to impeach had fallen into disuse. Since 1715 there have been only two cases of impeachment, according to the great English authority, Sir Erskine May. The development of cabinet government directly responsible to the House of Commons, the removal of judges by joint address, and the subjecting of all public officials to the jurisdiction of ordinary courts removed the necessity for this power, and with it went the power.

When we wrote our Constitution, most of the powers and privileges of Parliament had lost the support of necessity and fallen away, leaving the fiction instead of the fact of their existence. The great privilege of judging of the election of its own members has since passed from the House of Commons to the judiciary. But this is significant: This power summarily to proceed against those who interfered with the discharge of legislative duties was as completely possessed and exercised by the Houses of Parliament at the time we wrote our Constitution as it had ever been. Not only was that true but as the scope and difficulty of governmental responsibilities had increased, the importance and the frequency of exercise of the inquisitorial powers of Parliament had continued to increase. Documents became more important. Things which formerly, in simple times, had been held in memory were intrusted to records. Thus we see the operation of natural law upon governmental power. Those parliamentary powers and privileges which had ceased to be sustained by necessity fell away while the powers, including this summary power, which were sustained by an increasing necessity became more vigorous and more frequently exercised in proportion to that increasing necessity. That tendency has continued since our separation from Great Britain. As the affairs of government become more complex and as the forces with which government must deal in protecting the general public interest become stronger, better organized and more shrewdly advised, the necessity for a strong inquisitorial agency of government must increase. Access to documents is indispensable.

When Court adjourned yesterday, I was ready to invoke, for what it may be worth, the rule of construction applicable to borrowed provisions and governmental arrangements. It may be stated, as a fact accepted everywhere, that we brought into our new Constitution the general governmental arrangement of coordinated responsible legislative, executive, and judicial departments which obtained under the old Constitution. I speak of the facts and not of the fictions of English constitutional development or of the mythological tales of our own Fourth of July orators. While other powers had fallen away, this power of the House of Commons to punish for a completed act which interfered with the effectiveness of its process remained. It came attached to the legislative branch into our Constitution by adoption of that to which it was attached. Contemporaneously with the beginning of the Government under the written Constitution, that fact was recognized. Not only did the contemporaneous practices of Congress so recognize that fact, but this Court, in *Anderson* v. *Dunn*, which has been referred to, held to the limitation of judicial interference which obtained under the unwritten constitution. It should be remembered that it was 93 years after the writing of our Constitution until the opinion of *Kilbourn* v. *Thompson* (103 U. S. 168), which the district attorney has discussed. The total effect of that opinion and subsequent opinions, we contend, leaves the former judicial and practical construction undisturbed, insofar as the inquisitorial powers of Congress are concerned. It is respectfully suggested, however, that the decisions are in some confusion, which indicates the possible advisability of a reexamination and clarification.

Did the writing of our Constitution make any material change in the general line of cleavage formerly established under our unwritten Constitution between the legislative and judicial branches of our Government? The great struggles of English constitutional history had been to bring about a governmental arrangement under which the legislative and judicial branches of the government would possess each for itself an independent power adequate for the discharge of its duties and with the incidental purpose of fixing inescapable responsibility for their discharge. The facts of history leave no doubt on that point, nor do they leave any doubt that it was our purpose to preserve that arrangement. Did we succeed in doing so? Parliament enacted bills of divorce and attainder and some others which are semijudicial. These powers were not denied to Congress and given to the judiciary under the written Constitution; they were denied to the Federal Government.

The houses of Parliament passed private bills semijudicial in their nature, but each session of Congress we pass many private bills. They may be founded in tort, growing out of the injury to a person, for instance, by a Government truck. Evidence is taken, witnesses are examined, argument may be had, judgment in favor of the suitor against all the people given, and the money paid out of the Federal Treasury. Yet the passage of these bills does not make the Houses of Congress part of the judiciary. The enactment of this character of legislation makes neither the Parliament nor the Congress a part of the judiciary.

Powers may be delegated to this Court to appoint inferior officers. The exercise of that power would not make this Court a part of the executive branch of the Government.

The Senate sits in the trial of impeachment. That does not make it a part of the judiciary. The Senate sits in conference with the President on the appointment of executive and other officers. That does not make the Senate a part of the executive.

We did not create a new Constitution as a result of the Revolution. All the predeclaration of independence conventions and resolutions show, whether from small groups or from such sources as the Boston Convention and the Continental Congress, the demand of the Colonies was not for a new government or for a new constitution. The complaint was that King George and

his Parliament were violating our constitution which had come down to us through the centuries as our heritage from our ancestors. We fought not to free ourselves from a constitution, but to preserve it. Ours was not a revolution in an explosive sense. It was not a true revolution. It was a territorial secession and a resort to arms to preserve our existing constitution. When we wrote our Constitution, we naturally brought forward in the main our former unwritten constitution around which the battle of the revolution had been fought. On this point an analytical comparison of the unwritten with the written Constitution, the facts of our history and the weight of probabilities agree.

May it please the Court, before moving more definitely to meet the test of necessity as laid down by this Court in *Anderson* v. *Dunn*, 6 Wheat. 204, I wish respectfully to reserve the point, for whatever that reservation may be worth, whether, if it be a fact that this power summarily to punish for a completed act interfering with the discharge of their constitutional duty, came to the Houses of Congress with the Constitution, and was appropriated and exercised before and after judicial approval, that power can now constitutionally be taken from the Houses of Congress except by constitutional amendments, or surrender by the Houses of Congress. I am not at variance with the test of necessity laid down by this Court. Whether that test is to be applied for the Houses of Congress by the courts, or by the Houses of Congress for themselves, and answer given by them to the people for the method of exercise may sometime become important, but in either case it ought to be agreed that exercise of summary power by any branch of the Government ought always to fall within the limitations of necessity as laid down by this Court in *Anderson* v. *Dunn*.

There is a difference in the circumstances of the legislative and judicial branches of Government as they relate themselves to the necessities and powers of self-preservation, but with respect to making effective their procedure in getting facts upon which to base official action, the necessities of the two branches of the Government in all respects are identical. Their procedure is identical—subpena persons and papers, testimony under pain and penalty of perjury, etc. Their need for protective and effectuating power, therefore, we respectfully submit, is identical. It is just as necessary to have the facts in order intelligently to legislate as it is necessary to have the facts in order intelligently to adjudicate. Equality of necessity calls for an equality in power. If that proposition is sound, the contention of the respondent is unsound. If it be true that Congress is a responsible, coordinate branch of the Government, it is difficult to conceive upon what political philosophy or notion of our system of Government one of the coordinate branches of the Government, the judiciary, should be asked to deny to Congress, another coordinate branch of the Government, a power to aid in doing its work, which power the judiciary finds necessary in the doing of an identical thing of an identical importance in exactly the same way and by the same methods as is required by the Houses of Congress.

The power of the National Legislature to guard and make respected and effective its own processes, and the power of the judiciary by its intervention to stop the exercise of that power is directly in issue in the instant case. The possession of power by each, the legislative and the judicial branches of the Government, to punish summarily those who interfere with its efforts to get the facts necessary to discharge a governmental duty, is not a blending or confusion of powers, but their separation. Such an arrangement gives to each the necessary power efficiently to do its work and thereby fastens upon each inescapable responsibility for properly doing its work. Such an arrangement also tends to the preservation of interdepartmental harmony and mutual respect and helpfulness. Without such an arrangement there cannot be responsibility. Without responsibility there cannot be efficiency.

If the respondent's contention is sustained, as I understand that contention, a witness summoned duces tecum before the Senate, for instance, could assault the process server. That would be a completed act. He could not only refuse to respect the summons but he could destroy the documents summoned after service. He could bring them into the presence of the Senate and in its presence destroy the documents, and that destruction, being a completed act, would relieve him from all power of the Senate, coercive or otherwise. The Senate could only go to the other branches of the Government and tell them about it. Looking at the matter in a common-sense sort of way, and this is a very practical matter with which we are dealing—governing ourselves is a most practical matter—how long could the courts of this country maintain the respect and hold the cooperation necessary efficiently to carry on under such a limitation? How long could they maintain respect for the Government whose courts they are? Quite as long as the Houses of Congress can do it, if the contention of the respondent is sustained.

I remember when this honorable Court tried the Texas and Oklahoma boundary dispute in which certain oil properties were involved. Suppose at that time I had in my possession a Spanish grant fixing the boundary in favor of Oklahoma, and this document alone could do that. A lot of valuable property was involved in that dispute; enough to justify employing the best lawyers available. May we suppose that I was an agent representing a large interest in that case, representing Texas parties, the process server came to Texas and in order to prevent the execution of his process he should be assaulted. By the limitation sought to be imposed upon the Houses of Congress, that being a completed act, the Court could do nothing about it. Would that limitation upon summary power be calculated to protect process servers from physical violence and calculated to make the process of this Court respected in the future?

If the same limitations rested upon the power of the Court which the respondent asked the Court to declare with respect to the Houses of Congress, operating under a similar public necessity to have all the facts, that document could have been destroyed after service. It could have been destroyed on the steps of the Capitol, possibly destroyed in this room, and the Court could do nothing except go down to the district attorney and tell him about it, and make appeal to that official to do something to vindicate the power of the Court—not vindicate its power; it would not have any power. If the district attorney did not think well of it, that would be the end of the matter. The Court would have to come back and go to work at something else. But suppose it should persuade the district attorney; it would still have to persuade the judge. Suppose it persuaded the district attorney and the judge; if a grand jury should intervene, it would have to persuade it, and after that each of the 12 jurors. If 11 jurors were persuaded, and 1 for any reason would not give his agreement, that would end the matter, insofar as that effort was concerned. That would be a fine arrangement for myself and my clients. Doubtless there are many interests in this country that would like to see that limitation put upon the power of the courts, as well as upon the Houses of Congress. Under such an arrangement I might take that chance of tearing up the document. There was enough in that case to make it worth while. People do things of that sort. There are a lot of opportunities and a lot of possibilities of escape between the initiating of an ordinary criminal prosecution and a final verdict sustained by the higher courts when there is enough money to employ the best legal talent available and to do all the other things helpful in the circumstances. There is a long road between the initiating of a criminal case and a unanimous jury verdict sustained by the court of last resort. There are a lot of people who would really prefer to take that road.

I trust that I am not guilty of any breach of the proprieties in comparing this Court and its situation and its requirements to those of the Senate, which in the realm of legislation sustains a position comparable to the position of this great Court in the realm of judicature. Not only is the ability of the legislative branch of the Government to do its work involved, but it is important to note that while it is necessary to protect the interests of the private citizen against governmental oppression, it is also necessary to preserve a sufficient strength in government to protect the interests of the people. One of the things which destroys free government is that people endeavor to protect against the possibilities of the abuse of governmental power by removing power from the government until the government has been made so weak that in a crisis it is unable to respond, and the people turn in disgust to a strong system of government, sometimes a dictator.

Government, in order to be respected and to be able to protect the weak, must be strong enough to compel respect for its mandates.

To have it established in this country that the Senate, chosen by the people, removable by the people, and responsible to the people for the discharge of its constitutional duty and for its respect for the rights of private citizens, can have its ability properly to discharge its public duty paralyzed by a contemptuous refusal and destructive action of a citizen bent either upon preventing an examination of documents which the Senate has a right to examine or of showing his contempt for this agency of Government, we submit, from the standpoint of common sense, is ridiculous.

In a definite sense, under the test of necessity provided by the Court, this is a fact case. There is before this Court that which has some of the quality of expert testimony. The Houses of Parliament before the Constitution was written insisted upon this power as a matter of necessity, and public opinion agrees with the Houses of Parliament. They were experts on the question of need. The same is true with reference to the judiciary during that period and the attitude of public opinion toward that claim of power. These judges were experts on the question of need. Since the writing of our Constitution our judges, our Members of Congress, British judges, and British members of Parliament by practice and formal action have given their testimony that this power is a necessity.

Now let's see whether the Senate may be trusted with this power. That seems to be the only remaining question. The legislative branch of government has been trusted with that power since the beginning of parliamentary government. But let us see where the Senate comes from and what powers have we felt it safe to give to it. The Senate of the United States is the people of the United States, in one of the branches of the Congress assembled. They are selected directly by the people of the United States and answerable directly to them. The Constitution gives the Senate, with the House, the power and the duty to enact laws which govern and protect the lives and relationships of every human being in the Nation. They have the responsibility of legislating for the other two branches of the Government. The Senate has the power, with the House of Representatives, to declare war, to send every person able to bear arms to the battlefield, to pledge every dollar of this Nation's present and future assets for its debts. The Senate has the power and the duty to pass judgment on every person the President suggests as necessary to aid him in carrying forward the executive business of government. The Senate is given the stupendous power of impeachment; stupendous when you consider its scope and substance, and

how it might operate to remove every officer from the lowest executive officer to the incumbent of the White House, and to remove every member of the judiciary from the lowest court to this honorable Court. And yet this Court is asked to hold that in a matter however important, when the examination of documents is necessary, an individual who could help the Senate if he would, may be guilty of every conceivable act of contempt and of interference, may paralyze the inquisitorial machinery of the Senate, and there is no power by certain and speedy punishment to establish respect and compel obedience and cooperation. If that were to be held, upon what basis could the Congress claim to be a responsible coordinate branch of the Government, or upon what foundation of fact could the people hold it to that responsibility?

The slow uncertainty of the ordinary criminal procedure controlled by other departments of the Government cannot give the speed and power and independence required by a responsible coordinate branch of the Government dependent for its effective action upon the efficiency of its inquisitorial powers. The genius of our Constitution manifested in the distributed arrangement of our governmental powers, parliamentary practice under the old and the written Constitution, and the practice of our courts, we respectfully submit, show agreement with the proposition just stated.

Therefore, in behalf of the House of Representatives, we respectfully insist, the contention of respondent to the contrary notwithstanding, that it is established that the two Houses of Congress have the status of a coordinate branch of the Government each clothed with the indispensable independent power to preserve that status and to make effective its processes constitutionally exercised in the discharge of its legislative duties.

SOCIAL SECURITY LEGISLATION—RESOLUTION OF CATHOLIC SLOVAK UNION

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the Supreme Officers of the First Catholic Slovak Union, dealing with and approving the social-security legislation now pending in the Finance Committee of the Senate.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE SUPREME OFFICERS OF THE FIRST CATHOLIC SLOVAK UNION

Whereas the supreme officers of the First Catholic Slovak Union of the United States assembled at their annual meeting in the city of Cleveland during the week of February 4, 1935, desire to promote the welfare and the greater future social security, not only of its own membership, which consists of over 100,000 members, but also of the American people as a whole; and

Whereas we believe that the program as proposed by President Franklin D. Roosevelt as developed by the Committee on Economic Security appointed by the President and as incorporated in its broad scope in the Wagner bill, which is now pending before the Congress of the United States, affords the most practical and economically sound means of providing for future social security by reason of its provisions concerning unemployment insurance, old-age pensions, and mothers' pensions: Now, therefore, be it

Resolved, That the supreme officers of the First Catholic Slovak Union of the United States do hereby heartily support the program for social legislation and economic security as pronounced by the present national administration through Franklin D. Roosevelt, as developed by the Committee on Economic Security and as embodied in the Wagner bill now pending in the Congress of the United States of America; it is further

Resolved, That a copy hereof be sent to Senator ROBERT WAGNER, to the Finance Committee of the United States Senate, and the Ways and Means Committee of the House of Representatives.

THE COMMITTEE ON RESOLUTIONS.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. WAGNER obtained the floor.

Mr. GLASS. Mr. President, if agreeable to the Senator from New York [Mr. WAGNER], I should like to proceed with the two pro forma amendments on page 7 in section 4 and section 5 and adopt them before the Senator from New York proceeds with his speech. I do not think either of those amendments will create any controversy.

The VICE PRESIDENT. What is the request of the Senator?

Mr. GLASS. That the Senate act on the two amendments on page 7 in section 4 and section 5.

The VICE PRESIDENT. The Chair is informed that the amendment has been stated. The question is on agreeing to the amendment.

Mr. McNARY. Mr. President, I never like to interfere with a request of the Senator from Virginia, but last evening when this matter came up I asked that it go over until today, in order that we might have a larger attendance. I should be very happy to accede to the request, but I think we ought to have a call for a quorum.

Mr. GLASS. Very well. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Pope
Ashurst	Costigan	La Follette	Radcliffe
Austin	Couzens	Lewis	Reynolds
Bachman	Cutting	Logan	Robinson
Bailey	Davis	Lonergan	Russell
Bankhead	Dickinson	Long	Schall
Barbour	Dieterich	McAdoo	Schwellenbach
Barkley	Donahey	McCarran	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Smith
Bone	Frazier	McNary	Steiwer
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Metcalf	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenberg
Capper	Harrison	Norbeck	Van Nuys
Caraway	Hastings	Norris	Wagner
Carey	Hatch	Nye	Walsh
Clark	Hayden	O'Mahoney	Wheeler
Connally	Johnson	Pittman	White

Mr. LEWIS. I announce the absence of the Senator from Louisiana [Mr. OVERTON], occasioned by illness, and the absence of the Senator from New York [Mr. COPELAND], caused by illness in his family.

Mr. AUSTIN. I wish to announce that the Senator from New Hampshire [Mr. KEYES] is necessarily absent.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

The question is on the committee amendment beginning on page 5.

Mr. GLASS. No, Mr. President. The question is on the amendment beginning on page 7.

The VICE PRESIDENT. The Chair is informed that the amendment proposes to strike out the provision beginning on page 5 and extending to page 7.

Mr. GLASS. That amendment has already been adopted. The next amendment is on page 7.

The VICE PRESIDENT. Yes; but the amendment begins on page 5, striking out certain matter and inserting a new section 4 on page 7. The question is on the committee amendment.

Mr. GLASS. The amendment beginning on page 5 was adopted yesterday.

The VICE PRESIDENT. As the Senator from Virginia will note, the beginning of the amendment is on page 5, section 4, and strikes out section 4 and section 5 and inserts new matter. Does the Senator from Virginia contend that the amendment inserting a new section 4 has been adopted?

Mr. GLASS. Yes; it was adopted. The new section 4, containing the words of subsection (c) on page 6 is another amendment.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 7.

Mr. LA FOLLETTE and Mr. CUTTING addressed the Chair.

The VICE PRESIDENT. The Senator from New York [Mr. WAGNER] has the floor.

Mr. WAGNER. I have yielded to the Senator from Virginia.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Can the Senator from New York [Mr. WAGNER] retain the floor when we are voting on amendments?

The VICE PRESIDENT. The Chair understood the Senator from Virginia to ask permission of the Senator from New York to agree to this amendment upon the theory, the Chair presumes, that it would not be extensively debated.

Mr. NORRIS. But it may be debated, may it not?

The VICE PRESIDENT. Oh, yes; undoubtedly.

Mr. NORRIS. A Senator will not have to obtain permission of the Senator from New York in order to get the floor to debate this motion?

The VICE PRESIDENT. Certainly not; but the Chair was under the impression that the Senator from Virginia was trying to negotiate arrangements to agree to the amendment upon the theory that there would be no debate.

Mr. NORRIS. But there may be debate.

Mr. GLASS. If there is going to be debate, I withdraw my request.

Mr. CUTTING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CUTTING. What happened to the so-called "Tydings amendment" on page 3?

The VICE PRESIDENT. It was stricken from the joint resolution.

Mr. CUTTING. The RECORD does not so show. I wish to call attention to the fact.

The VICE PRESIDENT. The permanent RECORD will be corrected.

Mr. CUTTING. The RECORD shows that the amendment which was stricken out was my amendment to the committee amendment, but it is my understanding that the committee amendment was stricken out.

The VICE PRESIDENT. The parliamentary clerk advises the Chair that the correction will be made in the permanent RECORD and the Journal will be corrected accordingly.

Mr. WAGNER. Mr. President, I desire briefly to address the Senate upon the pending relief bill because I regard it as the next step in our recovery program. It must be viewed in the setting of our experiences during the past 2 years.

Time will never erase from our memories the bitter prospects of the Nation in March 1933. The small business man was being pounded upon the rocks of bankruptcy, or falling prey to the piratical practices of monopoly. The mighty corporation was paralyzed into inaction by the rapid dissipation of its reserves. The farmer, who for 13 lean years had watched the growing disparity between the prices of the things he sold and the things he bought, was finally being uprooted from the earth by a cyclone of foreclosures. Hundreds of thousands of home owners were losing the last symbol of their family sodilarity and scattering to the four winds. Banking institutions, bearing the cumulative effects of all these dislocations, were closing their doors so rapidly that the whole financial system was forced to a momentary halt. Individual savings, never to be regained, had vanished in the aftermath of the stock-market crash. Most subdued, but suffering most, were millions of average workers, their wages reduced or their jobs gone, while their wives and children were driven in droves into the sweatshops. With no respite in view, democratic government itself trembled in the balance.

When we pause to consider why a country so rich in man power and resources seemed powerless to rise from this lowly state, we are forced to an inescapable conclusion. Those charged with the formulation of national policies did not understand the needs of the times. The hungry could not be fed upon the maxims of classical economy. The prisoner of circumstance could not be freed by preachments about rugged individualism. The penniless man could find no virtue in thrift, nor could he manufacture a job by the exercise of self-reliance, as he was advised in those days. So long as government substituted pep talks for action, the forces that might generate revival lay cold and still.

At the most critical juncture, a new leader emerged, who placed his faith in a program of action. The fruits of this action are everywhere in evidence. Public relief is rescuing the starving from the jaws of death itself. Public expenditures are stimulating demand for the products of industry. Profits are reappearing with business embarked upon rational self-government. The farmer is liberated from serfdom, and the home owner is secure in the warmth of his own hearthstone. The menace of unemployment has been reduced; the volume of wages has mounted; the iniquity of the sweatshop is over; the cruelty of child labor is done. Faith in America is restored.

If those who are now opposing the logical unfolding of the recovery program denied the gains that have been produced thus far, I could at least understand their reasoning. But on the contrary, the able Senator from Michigan [Mr. VANDENBERG] is against the pending measure because, in his very words: "The tide is coming in. Signs on every hand invite encouragement. We must not obstruct the tide that is struggling to come in."

Had we heeded the counsel of the do-nothings when the tide was going out, we would have been left high and dry upon the arid waste of a ruined country. They cannot with good grace ask us now to abandon the very policy of action that has turned the tide and is bringing it ever nearer to the high-water mark.

Indeed, the address of the Senator from Michigan is studded with the same gems of political philosophy that were raised as bulwarks against the inception of a "new deal." It extolls immutable economic laws, it implores us to give orthodox economics a fair chance, and it predicts unlimited dictatorship. Just as 2 years ago we were admonished that the helpless should be left to help themselves, so now we are warned against the deliberate shift from private to public resources as the national reliance. We are assured that a project designed to give jobs to human beings crushed by enforced idleness will warp the lives and livelihoods of every man, woman, and child in the land, and even the character of American institutions. We are told that money spent to free men from the fell clutch of cruel circumstance will constitute four or five billion dollars' worth of lost liberty.

Mr. President, we propose to go ahead. Our partial successes have not blinded us to the tremendous tasks yet to be done. In fact, as the atmosphere changes, we get a clearer insight into the dark valleys of despair that still furrow the national landscape. We see millions of our people still without work, groping in a night that is without hope, their bodies unprotected and underfed, their spirits broken, their right to live by their own hard efforts denied. Unemployment is a Frankenstein monster created by our modern industrial system. If we do not crush this monster, we shall ourselves be destroyed, and the age of electricity will pass into the oblivion that now obscures the age of stone.

This mass of immobile man power is a barricade across the road to further industrial recovery. With pay rolls 45 percent below normal, the index of industrial production is fixed at 79. We cannot fly over this barricade on the wings of patriotic declamations. We cannot run around it by dodging the issue. We cannot make it vanish by closing our eyes to the facts. But if we face the facts with the candor and boldness and intelligence that have become our new heritage, our preliminary successes will become complete and receive the crown of permanence.

Tested in the light of logic and experience, no method of stimulating reemployment and industrial revival contains greater national values than a Public Works program. It is designed to produce rather than to consume wealth. It does not invade other fields of enterprise but stirs up a ferment of activity and health in areas of stagnation and disease. By injecting the flow of life into idle man power and machines, it wages unyielding warfare upon the tragedy of waste.

This tragedy of waste is not peculiar to hard times. Even during the banner year 1928, the neglect to utilize in full our human and material resources decreased production by 20 percent. If this huge reservoir of potential wealth had been tapped by public works, our national income might have been increased by about $16,000,000,000. This sum would have been sufficient to have raised the income of each of our 20,000,000 families then living in the cold cellars of poverty to the sunlight of a health and decency standard of $2,500 per year.

During the 5 years of the depression, this profligate disregard for the bounties within our reach naturally became more pronounced. It is reliably estimated that since 1929 we have cast away opportunities to produce $150,000,000,000 worth of wealth by surrendering to the creeping paralysis withering away our social and economic life.

Nothing on earth can recall the melted snows of yesteryear. But our present opportunities are no less than those that we have missed. Our aggregate shortage in machinery and industrial equipment is estimated at $85,000,000,000. To fill this gap alone would keep our heavy industries running at 25 percent above normal for 10 years. Due to a decline in the number of homes built from 404,000 in 1929 to only 22,000 in 1934, the shortage of dwellings has reached the stupendous total of 5,000,000. The index of total construction has shriveled from 117 in 1929 to 31 today.

The hearings on the pending joint resolution before the Senate Committee on Appropriations disclosed a waiting list of at least $32,000,000,000 worth of planned projects from which administrative agencies will be able to draw. These include slum clearance, rural electrification and housing, elimination of grade crossings, highway construction, and subsistence homesteads. All of these are useful in the fullest sense. Moreover, practically all of them meet the additional test of self-liquidity.

Equally important is the beneficial effect that public expenditures have upon private business; and that I desire to emphasize. Since its very inception, the goal of the "new deal" has been the complete restoration of individual enterprise. Permanent prosperity for business arises from the welfare of all our people. The needs of the Nation can be served best by the revival of business. There can be no cross purposes between the two.

The money spent upon public projects returns to private business through a thousand veinlike ramifications. The contracts are let to private business; the materials are purchased from private business; the wages are spent for the goods of private business; the reemployment occurs mainly in private business; the profits accrue to private business. The distinguished Senator from Michigan must have a fantastic picture of public works as an isolated cloud in the sky when he pleads that it is "time to give honest and private business a fair chance", and that "private enterprise in many stricken fields already suffers—sometimes suffers a threat of veritable extinction—from existing governmental competition."

Let us examine the facts. During the first 9 months of 1934 industrial profits were 76 percent greater than during the same period of 1933, and dividends rose 17 percent. The profits of 418 representative corporations rose from $49,000,000 in 1932 to $605,000,000 in 1933, and to $911,000,000 in 1934, a gain over all of 1,760 percent. Does this record reveal the visitation of a calamity upon private business?

Those who view with trepidation the rising national debt that springs from the projection of public works ignore the rudiments of finance. No one would test the stability of a business corporation by the size of its indebtedness, or claim that it was pursuing the path of folly merely because it issued more bonds, sold more stock, and spent more money. The true test would be whether the paper placed upon the market was backed by tangible values sufficient to protect the bondholders, whether the increased expenditures were well and profitably made, and whether the assets of the business increased enough to insure all of the stockholders a fair return.

Precisely the same canons of judgment must be applied to governmental undertakings. The enterprise is the Public Works project. The bondholders are the people who lend the Government money. In the majority of cases the projects under this joint resolution will be self-liquidating. In other cases the stockholders are 125,000,000 Americans who will pay for their stock by future taxation, and who will receive in return the legacy of the increased national welfare arising from their investment.

When we balance accounts in these terms do we not find a tremendous sum on the profit side of the national ledger? Is it not wiser for people with money to lend it to the Government at a reasonable rate of interest rather than to face the certain financial catastrophe that flows from unused money locked in underground vaults? Is it not worth the cost to hand down to the future generation a legacy of natural resources that have been carefully preserved rather than allowed to decay through neglect; a legacy of a functioning economic system whose frozen arteries of trade have been thawed and reanimated by the stimulant of public works; a legacy of roads and bridges and homes built at a time when they can be built most cheaply; and a legacy of human beings whose health and morale have been preserved by useful employment, rather than destroyed by the constant bludgeoning of worry and privation?

Every dollar spent upon public works can be justified as a cold business proposition. The projects are necessary and they will pay their way. But that is not our only guiding star. Above all, we are determined that our countrymen shall not starve because they are denied a chance to earn their bread by the sweat of their brows. The one thing that America cannot afford is to neglect its people. No nation has ever failed to profit by protecting its citizens and by inspiring them with confidence in the rectitude and resourcefulness of their government.

So completely has the principle of public works been vindicated that not even its severest critics will oppose it without qualification. After hearing and reading the extremely comprehensive address of the Senator from Michigan, I am totally unable to discern whether he is for or against the public-works program, what kind of program he suggests, or whether he favors a larger or smaller appropriation than the one now before the Senate. The most concise commitment that I found was contained in these words:

> I will gladly support a reasonable and understandable public-works program which proves its own utility and which can be identified as a sound, productive investment of available public funds, to be expended through the existing and normal instrumentalities of trade.

It is not new to hear the opposition avow that they are in favor of a measure "in principle." Why does not this opposition ever bring forth a concrete proposition that will translate principle into action?

Now we are told by many Senators that they oppose the pending joint resolution because it is too vague. Mr. President, I cannot refrain from judging that opposition in the light of the past. When the storm signals of the depression first sounded in May 1928 I introduced an employment-stabilization measure. That proposal set up a board with comprehensive duties enabling it to submit to the President, for transmission to Congress, a detailed Nation-wide program of public works sufficient to cover 6 years of activity. In addition, year after year other Senators and I introduced public-works measures, many of them containing meticulously exact lists of projects. But all of these bills faced largely the same opposition as the present measure, and were passed only after sessions of acrimony. In 1932 it was said of one of my relief proposals upon this floor—I quote from the Senator who was speaking:

> Future historians will date the decline of the Republic from the passage of this bill.

The Senator is no longer a Member of this body. How far is that somber, and I hazard to say, unfulfilled prediction from the statement made by the Senator from Michigan that we are considering "the most astounding contemplation in the history of Anglo-Saxon institutions"? The words change, but the melody lingers on.

It is true that we are delegating large responsibilities to the President. Experience has proved that there is no happier alternative. Our industrial machinery is tuned to the pitch of a delicate instrument; the release of a huge spending program must be modulated and directed so as to be in harmony with economic operations all over the country. To effectuate this end, the President and his able assistants must be allowed to combine planning with action. They must not be bound by arbitrary limitations foreordained by Congress without specific knowledge of the particular problems that will arise. In the words of a great Justice of the Supreme Court, the Executive must have "the power to adapt the rule to the swiftly moving facts." Fortunate, indeed, is our Nation in having a leader whose sagacity and character is such that this plenary authority may be delegated without stint or question.

It is a cardinal tenet of public works that they should supplement rather than compete with private industry. But upon sober analysis it is clear that the only competition which might arise under the proposed resolution would be in respect to rates of pay. If the scale of wages on public projects is too high, it will place the burden of invidious comparison upon the private enterprises that exist in the same localities. Conversely, if the wage scale upon public projects is relatively low, it will lower the level of wages in private industry.

According to the undisputed testimony before the Committee on Appropriations of those who will, in all probability, administer this law, $750,000,000 are to be allocated for direct relief, $130,000,000 for the Civilian Conservation Corps, and $4,000,000,000 for Public Works projects. Of this latter sum, it is proposed to spend $1,900,000,000 for materials, and $2,100,000,000 to employ, on a full-time basis for a period of 1 year, the 3,500,000 so-called "employables" who are now on the relief rolls. This means an average annual wage per individual working full time of $600 per year, or $50 per month. No one denies that this would establish a rate of compensation ranging from 33 to 50 percent below that prevailing in private industry.

There is no need to trace before this body the history of the close kinship between insufficient wages and hard times. I should like to call to your attention, however, a very valuable recent study of the Brookings Institute, entitled "America's Capacity to Consume." It indicates that in the heyday of 1929, 20,000,000 families, representing 71 percent of the total population of the United States, received incomes of less than the $2,500 per year necessary to assure the basic requirements of health and decency. In addition, 6,000,000 families—referring to a family of 5—or over 21 percent of the population, earned less than $1,000 per year. It is no wonder, under such circumstances, that 1 percent of the families in the United States were receiving 22 percent of the total national income, that 12 percent of the families were receiving 50 percent of the income, while at the lower end of the scale 90 percent of the families received only about 54 percent of the total amount distributed each year.

In 1929 this topheavy structure tumbled and crashed. But during the first 4 years of national calamity no steps were taken to right the maladjustments that had brought it about. Between 1929 and 1933 the percentage of our total income represented by salaries and wages diminished, while the proportion devoted to dividends, interest, and returns upon ownership increased considerably. Although the aggregate incomes of our wage-earning population declined 60 percent, the reward to enterprise dropped only 45 percent, and the earnings of property owners only 30 percent. As social injustice and economic folly stalked hand in hand, the maelstrom of depression grew ever more turbulent.

We are now striving toward a saner policy. But the evil currents of a century cannot be turned back unless we are ever vigilant. While industrial profits were 76 percent greater during the first 9 months of 1934 than during the corresponding period of 1933, wages in private industry were only 19 percent higher in 1934 than in 1933. If we fold our hands in satisfaction despite the growing disparity between profits and wages, we invite the inevitable recurrence of disorganization and disaster.

Bitter experience has taught us that wages seek the lowest level, and that even those who recognize the wisdom and the justice of fair play cannot withstand the unfair competition of the private exploiter. How much less able will they be to withstand the depressive tactics of the largest employer in the country in the person of their Government itself? What will exhortations to keep wages up avail in the presence of such an example? If the public projects under this joint resolution set rates of pay for full-time work below those prevailing elsewhere, private industry will find this lower level with the certainty that the river finds the sea.

I cannot discover any reassurance in the amendment sponsored by the Senator from Georgia [Mr. RUSSELL] and now attached to the joint resolution. This amendment provides that the President may raise the contemplated $50 per month compensation for full-time work in any case where he finds that it threatens the wage structure in private industry. Common business judgment tells us that such a proposal is absolutely impossible of execution. A large part of this work will of necessity be done through contracts with private agencies in all parts of the country, and bids would be submitted competitively on the basis of a $50-per-month wage for full-time work. No matter what saying clauses might be inserted in these thousands of contracts, it would be administratively impossible to investigate the effects of all of them upon wage levels, or to reform from time to time those agreements which might be proved to carry evil effects. Furthermore, the whole program is designed for completion in 1 year. It would take from 3 to 6 months for the effects of a lower scale to manifest itself in private industry, to be brought to the attention of the President, to be investigated, and to bring about revision. By that time, in view of the shortness of the whole program, the damage would be done beyond possibility of correction. The amendment offered by the Senator from Georgia is not a compromise, but a surrender. It would give us a chance to cry over spilt milk.

Congress does not need further experimentation to demonstrate that, if the employers of 3,500,000 men slash wage rates, others will be forced to follow suit. It has been demonstrated a thousand times; its recognition is the mainspring of the whole recovery program.

Mr. President, even if we should concede that a $50 wage for full-time work would not demoralize the whole wage system, that would not be enough. This measure contemplates the rehabilitation of men who have been crushed by adversity. What would its effect be upon men forced to do a full day's work for a half day's pay? It would lower their self-respect. It would diminish their regard for their Government. It would make work less dignified than relief.

The time has passed when we can dodge responsibility by calling everything relief and applying the standards of relief. If we are satisfied with relief alone, we shall never achieve economic reconstruction. If those on public works are treated on a relief basis, every objective of public works will be defeated. Morale will be lowered, not restored; wages will go down, not up; purchasing power will shrivel, not expand; business will be demoralized, not stabilized. The wage policy of the new deal will be thrown into reverse and the business machine will be driven back into the deepest trough of depression.

We are told that payment of the prevailing rate of wages upon public works would prevent men from seeking reemployment in private industry. Today, Mr. President, when 10,000,000 workers are desperately in search of any occupation, this fear that business is threatened by a shortage of help borders upon the ridiculous. The present need is not to whip men into industry, but to offer to those whom industry is unready to absorb the kind of help that will be most likely to stimulate business improvement. When industry sends out a demand for men—and I earnestly hope that time is near at hand—our system of unemployment offices will be the surest guaranty that employment possibilities in private industry will be explored to the limit before public aid is proffered. In addition, as soon as business begins to resume its normal operations, the stabilizing activities of public works will be tapered off by the Government. There will be no jobs at any wage on public works when private jobs are plentiful.

I recognize that financial necessity may compel the payment of a $50 wage. I do not oppose that. But in such an event the hours of work per month should be scaled down so that prevailing rates will be maintained. In this manner the benefits would reach the greatest number of men without carrying disastrous effects in its wake.

The Bureau of the Budget and the Federal Emergency Relief Administration have informed us that if this latter course is followed there will be a reduction of almost 50 percent in the volume of completed projects. Mr. President, everybody grants that if prevailing rates are paid instead of rates 50 percent below normal the portion of the appropriation devoted to wages will increase, while the portion devoted

to capital improvements will decrease proportionally. But Congress is not helped by such mathematical platitudes. They throw no light upon the relative wisdom of divergent policies.

Mr. President, in our desire to preserve private interest rates, we have gone to what I consider the unnecessary and unwarranted length of charging 4 percent interest on our loans for low-cost housing. No one has entertained the proposition to limit the personal profits that result from public spending. Why then this disregard for the wage standards that have been built up by ceaseless years of unremitting toil? Is the worker an outcast in our society? Has he not borne the main shock of the depression with stoic fortitude and with unflinching faith in American institutions? Does he not shoulder the main burden of taxation? Does he not go to the front line in the hour of national danger? Does he not pour his strength into the creation of all our wealth? What kind of recovery can we build by assaulting his standards of life?

Penny wisdom and pound foolishness has not been the policy of the new deal. Let us go onward without retreat to the goals that we set for the American people.

Mr. LOGAN. Mr. President, I have listened with very much interest to the speech of the distinguished Senator from New York [Mr. WAGNER]. His speeches are always interesting and have furnished much food for thought. But if we are to adopt his suggestion of the prevailing wage, for which he so eloquently contends, then it shall be my purpose to vote against this entire measure, because I believe that it would be better to have no appropriation at all than to have foisted upon the measure the provision that when we are giving charity, when we are making donations out of the people's money, then we must provide for the prevailing wage in the community where the work is to be done. It seems to me that argument is wholly without any foundation.

I have some difficulty—very great difficulty—in reaching the conclusion that this program is for the best. I have made up my mind that I am going to vote for the pending measure, because I have nothing to suggest in its place. We are appropriating a tremendous sum of money. We are taking that from those people in the United States who employ labor, and we must look to them to employ labor. The United States Government cannot continue for very long to pay wages or give doles.

If in this charity program we are going to require the payment of prevailing wages, I think that perhaps it would be better for us to leave this tremendous sum of money in the hands of those who employ labor and let them use it themselves, because, after all, anyone who gives thought to the question must reach the conclusion that the money which we take to pay wages or a dole, whatever it is, must come out of industry; and industry hesitates; and it may rightly hesitate, because it does not know when we are going to stop.

Who can tell whether next year at this time we will be called upon to make another $5,000,000,000 appropriation? If we shall be so called upon, will it be because some of the great labor organizations insist "if you are going to pay wages, even though the payment may be in the nature of a charity, we want you to pay the prevailing wage"?

I have some doubt about whether we should make this appropriation at all. I would be opposed to it did I not know that the President of the United States is more interested in bringing prosperity and happiness to America than is any other individual. Those who are associated with him have in their hearts the great desire to bring happiness and prosperity to the Nation. They have more at stake than any other group. If the President fails in this, then his administration perhaps will fail. It is because I know of his sincerity, of his broad thinking, and of his splendid associates that I am yielding my judgment to his and expect to vote for this appropriation unless there be included in it that the prevailing wage must be paid; and if that is included in the joint resolution, I say without any hesitancy that I shall vote against it, as I do not believe the facts justify our attempting to give employment on public works except as a relief measure; and we cannot justify in any way the passage of this joint resolution except upon the idea that it is a temporary act.

I do not know whether or not we can ever relieve unemployment. I wonder if it would not be better if the Congress of the United States and the President should say, "We are going to cut down expenses, we are going to quit making appropriations, we are going to balance the Budget", and let the people of America know that we have found terminal facilities.

The great trouble that I find with the new deal—and I am for it—is that we have never found any terminal facilities. We are sailing on an uncharted sea; we have no place where we are going to stop. I have been waiting and waiting for someone to say that we are going to this particular point and there we will anchor, our work will be done; but I have heard no such word.

Now we are called upon to make this tremendous appropriation, to let the Budget go unbalanced, to hold out the fear that next year we will be called upon to make another appropriation, without anyone's knowing whether we can ever end unemployment in this way.

If it be true that we can end unemployment in this manner, then perhaps the appropriation is too small. I think we ought to find out what has caused unemployment, and if we can find out what has caused it, and then remove the cause, we will have solved our difficulties.

I should like briefly to call attention to what, in my humble judgment, brought about present conditions. This depression, this tremendous unemployment, was brought about through the failure of our statesmen for three administrations, for 12 long years, to know how to conduct the affairs of this Nation. The first great mistake that was made was back yonder about 1920 when we served notice upon the world that we, as a nation, would live to ourselves alone; that we would become a hermit nation; that we would become isolationists, and that we cared nothing about what the rest of the world might do. We had become rich and drunk with power, and we thought that as a nation we could live to ourselves alone. We are beginning to find out that that is impossible.

Because of our own conduct and our own short-sightedness, we allowed at that time the other nations of the world by their statesmen and in their councils to work out their problems, to establish channels of trade, and to direct their trade in such a way that they would buy and sell to other nations rather than to our own. Then, after we had served notice upon them that we did not want any fellowship with them, we said, "We will not allow you to sell your goods in this country."

If there is any man so blind as to believe there can be a creditor nation and a protective tariff at the same time he knows very little about national and world affairs. Having established ourselves as a creditor nation, having made it necessary that we deal with the world, that we sell goods in every port, that we purchase from all nations, any man who has ever given thought to history knows that it was necessary for us to trade with the world. But instead of that we established a tariff wall and said to the people of the world, "We are not going to have anything to do with you; we do not like you; go your own way, and we will keep you out so that you cannot bring your goods into this country"; and, while we were doing that, our business was perishing and we were losing our trade everywhere.

Then we committed another folly that I think, perhaps, was the greatest of them all. After we had said to the nations of the world, "We want nothing to do with you", after we had put a tariff wall around our country, and said, "We will not trade with you", although we were a creditor Nation, then we took such steps as were necessary to reach out and bring to this country all their gold and all their money. Then we again said to them, "We do not want to deal with you." We built a wall around our Nation, and then, because we were a creditor Nation, we took from them the very means and the only means they had with which to pay for our goods when trading with us.

Talk about relieving unemployment! If we are going to relieve unemployment we had better join with men like Secretary Hull, Secretary Wallace, and Secretary Ickes, and others of that type, in attempting to open up the channels of trade until we can find some markets in which to sell the products of our farms and the products of our factories.

We have builded factories, we have established plants sufficient to supply the entire world with goods, but we said to the world, "We will not exchange goods with you"; and so our plants fell into disuse and their employees were turned out to become supplicants. They are not to blame; they are helpless.

So after we had destroyed our foreign trade we began the policy of attempting to take care of the unemployed through appropriations out of the Public Treasury. That cannot well be done except as a purely emergency measure. We know what must be the result; it is inevitable; there is no escaping it. If we keep on heaping up debts, everyone realizes that eventually we will not be able to pay them. We do not have to go very far to reach that point. Perhaps we can stand an outstanding indebtedness of 20 percent of the entire wealth of our Nation, but when we reach the point where, without imposing great burdens upon the people, we cannot meet the interest and the sinking-fund requirements, then we will have to do something, and we will do exactly what France did back yonder in 1690 or thereabouts; we will start a policy of inflation, which finally will wipe out all debts and all wealth in the Nation. That is what I am afraid of. As an emergency measure, I desire to support the pending joint resolution, and I am going to support it, but, except as an emergency measure, except as a relief measure, I cannot support it.

The great Senator from New York [Mr. WAGNER] said that if we required the men who have to seek labor on Public Works projects to work for a wage of, say, $50 a month, it was going to so hurt their pride and destroy their morale that the result would be disastrous. Let me ask the Senator from New York would that hurt their pride any more than walking up to a relief office and accepting a dole? It would be much better that we go to the direct-relief plan rather than go to the work-relief plan if we must pay the prevailing wage. Direct relief will cost, I believe, not more than one-fourth of what it will cost if we follow the work-relief plan; and if we are to provide that the prevailing wage shall be paid it will be much better if we would go back to the dole system. I have never looked with much favor on these relief plans; I have realized that we cannot allow people to starve; but I also realize that there are many men in this world, and perhaps I am one of them, who will not do their best until they are forced to do so.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. LOGAN. I yield to the Senator from Nebraska.

Mr. NORRIS. I am very much impressed with what the Senator is saying, but I should like to ask him to give his views on the proposition laid down by the Senator from New York, that if we do not pay the prevailing wages, the effect will be to lower wages in business down to the point of the wages paid under the work-relief program.

Mr. LOGAN. I do not see the slightest relationship between the two. I have not had time to think much about it; I was just so surprised at my eminent friend from New York taking that position that I began to talk before I had time to think much about it; but I cannot see, and I do not believe anyone can show me, how if we pay a small wage to men who are reforesting the watersheds that that is going to have anything to do with business. I cannot see how that will reduce wages in ordinary business. I cannot see how such labor is going to come in any competition with that engaged in ordinary business, if this money shall be expended as I believe the President of the United States will see that it is expended.

Let me say that I am making no complaint about our not dividing the appropriation up among the States and naming the projects. Whoever spends the money, I know it is going to be well spent. I should be glad to see Secretary Ickes handle it, because he is honest and conscientious and has had experience; but in whomsoever the power may be placed, I do not believe that the projects on which this money is to be expended are going to have anything in the world to do with private business. I do not believe the result will be to reduce wages. I do not believe the President of the United States will allow such a result to follow. I do not want wages reduced. I favor a fair wage. I favor, indeed, the wages prevailing that have been adopted by the various unions.

I am not against labor unions; I should like to help them. I should like to see them do that which is best for their organization; but I am not afraid of labor unions. At this time my position is that I should like to help them when I think they are right; and I should feel called upon to oppose them when I know they are wrong; but my candid judgment, my humble opinion, is now that we have done much to help labor, we have gone far to help labor, and yet labor is doing more today to wreck this program than is any other group of people. That is my deliberate judgment about it.

Instead of their going forward and saying, "Yes, we will make sacrifices in order to help America", instead of their doing as they did during the World War and saying, "We are willing to accept conditions temporarily because it will help the country", they are opposing and obstructing this program all over the Nation. I think it is a matter for very serious consideration. I should like to see them change their attitude toward this program, because I think they are wrong, and, believing they are wrong, I have no hesitancy in saying so. When they are right, I should like to help them; when they are wrong, we ought not to hesitate to tell them so, because human selfishness is the same whether it be in the heart of the great capitalist who controls his millions or in the heart of the humblest laborer in all this country. Selfishness is the greatest sin the world has ever seen. It has done more to destroy this and all other nations than any other one thing, and because selfishness exists in labor unions, just as it does in those who handle capital, my idea is that one ought to be restrained the same as the other, and justice and fairness should prevail toward all.

Mr. HAYDEN. Mr. President, I listened with very great interest to the speech made by my good friend the Senator from New York [Mr. WAGNER]. With his basic philosophy I am in entire accord. I was happy to cooperate with him in the enactment of the great works-relief bill which was enacted during the last Congress. The theory of that measure was that Congress was to prime the pump of industry, that we were, by Federal expenditures, to induce the purchase of materials, the employment of labor, and thereby to extricate our country from the depression.

The Senator from New York unfortunately is not a member of the Committee on Appropriations of the United States Senate, which had the pending measure under consideration, and I want to bring his attention particularly to some of the considerations which induced the committee to take the action it has taken in reporting the joint resolution to the Senate.

When the question of the prevailing wage was raised, the committee naturally inquired what it would cost to employ 3,500,000 men for a year at the prevailing wage as compared to the rate the President suggested be paid, otherwise known as the "security wage." That wage is frequently referred to as $50 a month, or no more than $50 a month. That is not the President's proposal. Those who read his message and who listened to the testimony before the committee will understand that such is not the proposal.

The joint resolution has an eye single to 3,500,000 men who have taken a terrific beating in this depression. They are the ones who have been out of work the most. They are the employable persons on the relief roll. They have had no work and no opportunity to obtain work, and are the ones above all others whom the President is seeking to benefit through this legislation.

The facts show that on the average the 3,500,000 men are receiving relief payments or wages equivalent to $24 a month, some of them $5 or $10 a month to supplement some other earnings, others with large families as high as $50 or $60 or $70 a month; but the average for the 3,500,000 men is $24 a month. The President proposes practically to double that average payment, so that on the average these 3,500,000 men shall receive about $50 a month. Some of them, skilled laborers employed in the great cities where the cost of living is high, might receive as much as $75 or $80 a month; others, in rural communities where the cost of living is lower, might not receive more than $30 a month or $1 a day. But the average is to be $50 a month.

Certainly no Senator will maintain that it is better for the man now on relief, whether he has work relief or direct relief, to get $50 a month from the Federal Treasury than $24 a month. There can be no dispute about that. Neither can there be any dispute, so far as a man's morale is concerned, that it is better for him to work, as the President proposes he shall work, for a full year, with 12 months of employment at a steady job.

Assuredly it is better for him to obtain regular wages of $50 per month than to receive the dole or to work a few days a month until he has earned up to $24 and then go back into idleness. I think any Senator who stops to think about the matter for a moment will admit that it is better for an individual to be employed steadily month after month for a year at double of what he is now getting than to continue the present situation.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. HAYDEN. I yield.

Mr. NORRIS. I think there is no controversy with the Senator from Arizona or the Senator from Kentucky [Mr. LOGAN] or the Senator from New York [Mr. WAGNER] about the basic propositions which are laid down. However, the fact remains that there is very much disagreement as to what the effect would be if the Government paid less than the prevailing wage. Would that, as the Senator from New York has argued it would, lower the wage in ordinary business occupations?

Mr. GLASS. Mr. President, will the Senator from Arizona permit me a word to answer the very reasonable inquiry made twice by the Senator from Nebraska?

Mr. HAYDEN. I yield.

Mr. GLASS. The committee had the very explicit and definite assurance of the President of the United States that he would to the dollar maintain the wage scale that prevailed in every code now in existence or that may be adopted. The committee was of the impression that the codes cover nearly every occupation, certainly every skilled occupation, in the United States.

Mr. WAGNER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from New York?

Mr. HAYDEN. I yield.

Mr. WAGNER. I do not know of any code that has a wage scale in it. All the codes I know about simply provide a minimum wage for the lowest type of unskilled labor in that particular industry. When we get above that level the codes do not provide a scale of wages.

Mr. GLASS. The President stated most explicitly that he did not propose to have reduced the wages of anybody in any industry covered by a code.

Mr. HAYDEN. Let me answer the question asked by the Senator from Nebraska. It was in evidence before the committee that the Federal Government cut the pay of Federal employees throughout the United States 15 percent, as Senators will well remember. At the time of that Federal wage reduction, where the Federal Government was the employer and where 15 percent was taken from everybody's wage and salary regularly employed by the United States, the average compensation to labor throughout the United States was 45 cents an hour. While the Economy Act was in force, instead of private industry cutting wages, wages actually increased throughout the United States until the average today is 59 cents an hour. That undisputed fact was in evidence before the Committee on Appropriations. The Government of the United States did cut wages, but wages in private industry did not go down.

I have no doubt at all that in negotiating collective-bargaining agreements in various parts of the United States, where the workingmen asked for increased wages and the companies that employed them did not want to give the increase, the fact was probably cited that the Federal Government was not paying as much as it had been paying and therefore private industry should not pay as much. But the statistics remain true that the cut in wages and salaries of Federal employees did not affect or reduce the net sums paid hourly to labor throughout the United States.

Mr. RUSSELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Georgia?

Mr. HAYDEN. I yield.

Mr. RUSSELL. I understood the question of the Senator from Nebraska to be whether or not there was a likelihood of a wage less than the prevailing wage affecting adversely the prevailing wage and causing a decrease in wages already being paid to people now engaged in gainful employment. I wish to point out that the amendment adopted by the committee specifically provides that if the President shall determine that the rate of wages paid under the terms of the joint resolution is affecting adversely or is likely to decrease the prevailing rates of wages paid for any work of a similar nature, then in that event he shall immediately increase to not less than the prevailing rate of wages paid for work of a similar nature in such locality any wages paid from the funds provided in the pending joint resolution. This is one of the few mandatory provisions of the joint resolution and is designed to protect the existing wage scale in every city, town, village, or civil subdivision in the Nation.

Mr. HAYDEN. Machinery exists today to do that very thing. Under the Emergency Relief Administration, headed by Mr. Hopkins, there has been created in every county in the United States a wage board. Where organized labor exists in the county, there is a representative of organized labor on the board, as there is a representative of the employers or the business interests, together with a representative of the Federal Relief Administration. It is the function of that board to determine what is the prevailing rate of wages in that county. It is not a question of setting up new boards to find out what are the facts. There is a board in every county of the United States already to determine the facts and to act almost instantly to determine whether or not the enactment of this legislation with reference to the payment of the security wage in that county does adversely affect the prevailing wages paid by private industry.

Mr. RUSSELL. Or is likely to affect them.

Mr. HAYDEN. Yes.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. HAYDEN. Certainly.

Mr. NORRIS. The Senator from New York offered no argument in support of his assertion. He did say in his remarks that the amendment suggested by the Senator from Georgia [Mr. RUSSELL] was a surrender and not a compromise. On its face, it does not look that way to me, although it may be possible to demonstrate, at least from the viewpoint of the Senator from New York, that that is true. I presume so or he would not have made the assertion.

Mr. WAGNER. Mr. President——

Mr. HAYDEN. I yield to the Senator from New York.

Mr. WAGNER. I base my judgment upon some experiences that I had as chairman of the National Labor Board, when we had a controversy as to the wage scales that ought to be paid in the textile industry. A strike was on, and I was attempting to compose the differences between the workers and the industry. We began an investigation as to what the wages were in different sections of the country;

and, because of the resistance of some employers to our inquiries and the inherent difficulty of ascertaining the facts, that investigation has been going on, I think, for about 6 or 7 months, without a report having yet been made.

These proposals sound very fine; but to take a particular community and attempt to ascertain the effects of low Public Works wages upon private wages is not a very simple task. I daresay it would take from 3 to 6 months to ascertain what the effects would be. Frequently it is not a matter that can be judged overnight. It takes time.

Mr. RUSSELL. Mr. President——

Mr. WAGNER. Let me relate to the Senate, if I may, just what led to the Labor Board investigation of the effect which wages paid by some concerns in an industry have upon the rest of the country. As I investigated the strike situation to ascertain whether there was support for the grievances alleged by the textile workers, I discovered that in the northern areas skilled workers who had for a time received as high as $25 and $30 a week were being paid six and seven dollars a week. The reason was that the mills that had gone down to the southern areas were able to secure workers for this pittance of a wage of six or seven dollars a week—pure exploitation of labor. The men in the northern areas said that, if there was some method of compelling their competitors in the other sections of the country to come up to a reasonable wage, they would do likewise, but that because of the low wages paid in other sections, they, too, were compelled to exploit their workers.

I am not talking theory or book knowledge. I am talking about an investigation which I myself conducted. Many of the employers denied that they were paying as low a wage as that.

Then we asked if they would let us look at their books and see what the wages were, and they resisted our efforts. I do not know whether or not they are still resisting, and therefore I do not know how we could get such information even if the amendment of the Senator from Georgia is put in the joint resolution. I do not think an employer is obligated to tell exactly what wages he is paying. The Senator's amendment creates a cumbersome, difficult situation.

The President, I think, has said on several occasions that the only way this work-relief measure will be effective in "priming the pump" will be by doing the whole job within a year. Now, many of these projects will be given out to contractors. They will base their bids upon a scale of $50 a month for full-time work. By the time we ascertain whether that wage has had any effect upon the industries around the particular section from 4 to 5 months will have passed and the project probably will have been completed.

What I am proposing is this: If it is found necessary to limit the payments to $50 a month, I do not oppose that. But, I say, we must maintain in the payment of that monthly wage the scale which workers, as the Senator so well knows, have been struggling to attain by a fight of 30-odd years. Let us ascertain what the wage-scale is in the community, and pay that scale, and work the men shorter hours; but do not compel them, for a full day's work, to accept only a half-day's pay.

I am thoroughly convinced, because of my own experience, and I think upon reflection the other Senators must reach the same conclusion, that the proposal made by the Senator from Georgia is an impractical one, and will be absolutely ineffective.

I know that the President would not deliberately reduce wage scales. I know what his sympathy is with the workers, and I am confident that he will do everything possible to maintain the wage scale which the laborers of our country have been fighting to attain for years. But with these projects spread all over the country, it will be a physical impossibility for him to have knowledge of what is going on. He will have to delegate his duties to others in the various communities; and, as I have discovered, they are not always in sympathy with the just aspirations of the workers.

I am so fearful that the effect of this proposal will be to tear down the whole wage scale in the country, in fact, I am so sure that it will do so—because of the thousands of examples that we can point to in the past—that I deplore the fact that a prevailing-rate-of-wage provision is not included in this joint resolution.

Am I taking too much of the time of the Senator from Arizona?

Mr. HAYDEN. No; I am always pleased to yield to the Senator from New York.

Mr. WAGNER. Take, for example, an employer building a large apartment house. He is paying the prevailing wage which, let us say, is $6 a day for a bricklayer. I do not know offhand exactly what it is. Across the street a large housing project is being erected, and on that project a bricklayer is being paid a dollar and a half a day for the same work. How long will the private employer maintain the wage of $6 a day when the bricklayer next door on a housing project is getting a dollar and a half a day? We can answer from experience. He will say, "Here, you get those wages up or mine will come down." That is inevitable. My apprehension is great.

Mr. RUSSELL. Mr. President——

Mr. HAYDEN. I yield to the Senator from Georgia.

Mr. RUSSELL. The Senator from New York envisions a great deal of difficulty under the provisions of this amendment, as I understand, on account of the length of time that he anticipates an investigation might take to determine whether or not the security wage, or the wage paid by the President, or fixed under this joint resolution, was affecting the existing wage structure.

In some sections of the country the existing wage structure may be clearly defined, but there are others where it would be a debatable question whether or not the payment of a security wage was affecting the wage structure because of the difficulty in determining what the prevailing wage is. We certainly shall not avoid any investigations by writing in the joint resolution a provision that the President is required to pay the prevailing wage. That will lead to investigations, and, if those investigations take 5 or 6 months, it will be impossible to spend this money in the length of time indicated by the Senator.

I can foresee that either under the provisions of the prevailing-wage amendment or under the provisions of the committee amendment there will likely be an investigation, but it can be just as expeditiously determined whether or not the payment of the security wage is affecting the wage scale as it can be determined what the wage scale is. As a matter of fact, now that the codes obtain, it may be comparatively simple in some sections to determine exactly what the existing wage scale is, but I know that in other sections, particularly the section whence I come, it has been exceedingly difficult to determine definitely what the prevailing rate amounts to.

Mr. WAGNER. I think the prevailing rate of wages is fairly well established in most of the communities of the country. But that, I may say to the Senator, is quite a different thing from attempting to find what individual employers are paying. This is a mighty difficult thing to find out, and struggles in court will be necessary to ascertain it. I was unable to find out as Chairman of the Labor Board.

Mr. RUSSELL. I did not understand the Senator from New York to say that he could not ascertain what the prevailing wage scale was.

Mr. WAGNER. No; I said that it would be most difficult to determine quickly how the payment $50 a month on public works would affect the wages in private industries in specific cases. Employers do not feel at liberty to tell all about their business, and endless controversies will result.

We had before our Board some workers from the Senator's State. They said that wages were at a certain figure. One of the employers said, "They are not telling you the truth"; but when the employers were asked for their books, they said, "No; we will not give up our books."

Mr. RUSSELL. Precisely the same difficulty would be encountered in ascertaining the wage scale.

Mr. WAGNER. What has been the substance of all our talk about the new deal? What was one of the great accomplishments of N. R. A. that we have been boasting

about? "We have done away with the sweatshop." What does that mean? It means that we have done away with the exploiting 10 percent who, through low wages and long hours, dragged down the whole industry of the country. No one denies that. That, Senators, is what I fear may happen again. I may be mistaken, and, of course, the Senate will do as it chooses; but I have a right to express my apprehension, because for a number of years I have been more or less a student of these economic problems.

Mr. BORAH and Mr. NORRIS addressed the Chair.

Mr. HAYDEN. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I do not disagree with the view which the Senator expresses as to the probable effect of this amendment in reducing wages, but I certainly disagree with him when he says that the sweatshop has been done away with by the N. R. A. I have been supplied with ample facts to the contrary.

Mr. GLASS. It has done away with a great many small industries, I can tell the Senator that.

Mr. BORAH. And there are plenty of sweatshops left.

Mr. WAGNER. That may be. I will not quarrel with the Senator about that now, but the Senator and I do not disagree upon the proposition that the sweatshop, with the long hours and the low wage, tends to reduce the wages in the entire industry.

Mr. BORAH. No; I do not disagree with that; and I do not disagree with the nobility of purpose in doing away with sweatshops; but the fight has not been won.

Mr. GLASS. And the sweatshops were not in the South. They were chiefly in the Senator's city of New York.

Mr. WAGNER. Yes; the Senator is right. There are some in the South and some in the North.

Mr. BARKLEY. Mr. President——

The PRESIDENT pro tempore. The Senator from Arizona has the floor. To whom does he yield?

Mr. HAYDEN. I yield to the Senator from Kentucky.

Mr. BARKLEY. The argument has been advanced that the payment of a wage of $50 a month, or whatever it may be, if it is less than the prevailing wage, may tend to draw down the wage of private industry. Of course, we all know that no man who is working for a private concern at a higher wage is going to quit that employment and go with the Government at a smaller wage; so we may eliminate that source of danger.

Was there any evidence before the Senator's committee, or does the Senator know, or does any Senator know, as to what would be the tendency of workingmen who would have the option of being employed by the Government and by private industry at the same wage? What would be the inclination of such men with respect to making a choice between the Government and private industry?

My observation has been that there are many men in the country who would prefer to work for the Government. There is a sort of fascination about being on a Government pay roll. There is a sort of fascination about the delusion that men who are on the Government pay roll are helping to run the Government. It is like men getting into politics; men will run for an office that pays not half so much as they could make with the same energy in some private occupation, because it tickles their pride that they are "statesmen" or because of the delusion that they are helping to run the world or the country.

Is it not true that men having the opportunity to work for private industry or the public at the same wage would prefer to work for the Government, and therefore it would tend to draw men out of private industry and induce them to work for the Government, as the President indicated in his message delivered to Congress?

Mr. HAYDEN. The observation made by the Senator from Kentucky is supported by the suggestion contained in the President's message to Congress. It must have been based upon our experience with the Civil Works Administration, and with other relief activities throughout the Nation, or the President would not have deliberately suggested to Congress that, in making these payments to men on relief, they should be at least a little lower than the prevailing wage in the community. There must have been a background for that statement by the President. I am sure there is not a Senator here who visited in his own State last year and talked with his own people who did not have reported to him case after case of persons who preferred to remain upon direct relief, or upon work relief, rather than go out and seek private employment.

Mr. BARKLEY. In addition to what I have described as the fascination of connection with the Government, of course, there is the certainty of pay, about which no worker ever worries when he is on the Government pay roll.

Let me ask the Senator another question. I can appreciate the situation described by the Senator from New York when he compares a private employer paying wages of $6 a day on an apartment being built on one side of the street, and a housing project in the same block where somebody operating under the Government is paying a smaller wage. But that seems to me to be an isolated case. As I understand, much of the work which is to be done under this program is work that will not likely be done by anybody unless it is done by the Government.

Mr. HAYDEN. That is correct.

Mr. BARKLEY. It is not likely to be done by any private contractor, or by any other agency. I have no detailed information as to the character of projects that will be finally adopted by the President; I suppose that if he were required today to give a bill of particulars, he could not do it himself, and nobody could. But mention has been made of one type of expenditure, with reference to the elimination of grade crossings, we will say, throughout the country. I do not know whether the expenditure of this money will result in the elimination of grade crossings, or any large number of them. I think that would be an activity very worthy of consideration. But we do know that, unless it is done under such a program as is contemplated, it is not going to be done at all, because under the present financial condition of the railroads, they are not going to do it; the States are not going to do it as a part of their highway systems, so that it will not be done unless it is done under a program such as this.

I mention that only as an illustration of what I said a while ago—that much of the work that is to be done under this program would never be done at all if not done under such a program as that under consideration. It is desired to get these men off the relief roll in order to establish or reestablish their independence and their self-respect, not that they are not self-respecting now, because many of them, I am satisfied, are humiliated over the fact that they have to ask Uncle Sam every week or every month for enough money and enough food to supply the needs of themselves and their families. We know we are trying to substitute a program of constructive work, and we are not justified in considering what I think may be an equal danger by providing for a prevailing wage that will result in the withdrawal of millions of men, or hundreds of thousands, or any of them, from private industry in order that they may get on the Government pay roll, and thereby disturb and interrupt the normal activities of private industry, since we are trying, by all that we do here, to get these men ultimately off of the Government pay rolls, or off of Government relief rolls, and onto the pay rolls of private industry throughout the Nation.

Mr. RUSSELL. Mr. President, will the Senator from Arizona yield to me?

Mr. HAYDEN. I yield.

Mr. RUSSELL. The observation of the Senator from Kentucky brings to my mind the fact that when there was first presented to Congress the legislation for the creation of the Civilian Conservation Corps, it was argued very forcibly, and was brought to the attention of every Senator through many channels, that the creation of a dollar-a-day wage would be very destructive to the prevailing wage of labor throughout the Nation. The same argument was presented that was just presented by the Senator from New

York, that it would destroy the morale of the young men to be paid——

Mr. WAGNER. Mr. President, if the Senator will yield, I do not want the Senator to make a misstatement, because his recollection apparently is vague. I, together with the Senator from Arkansas [Mr. ROBINSON], introduced the bill providing for the Civilian Conservation Corps.

Mr. RUSSELL. I did not say that the argument was made by the Senator from New York. I said the same argument was made.

Mr. WAGNER. I beg the Senator's pardon. I approved that legislation, because I was the introducer of it.

Mr. RUSSELL. I did not state that the argument was made by the Senator from New York when the Civilian Conservation Corps legislation was pending. However, I recall distinctly receiving letters from the same organizations which are writing me today in regard to the pending bill and the pending amendment, and I think perhaps the files of most of the Senators will disclose similar letters, to the effect that the Civilian Conservation Corps, by paying the young men a dollar a day, would destroy the existing wage scale, which it had taken so many years to establish, and that it would affect the morale of the men who were paid only a dollar a day.

The beneficial effects of the Civilian Conservation Corps are now acclaimed on all sides. Nobody is saying today that it would destroy the morale of the young men to be paid a dollar a day. Those who are familiar with the activities of the camps are saying that we are making fine citizens out of young men who had been hopelessly tramping the streets of the cities and living on the dole. No one would claim today that the payment of a dollar a day to the Civilian Conservation Corps had adversely affected the prevailing rate of wages anywhere in the Nation.

Mr. HAYDEN. Mr. President, there was one other matter I wanted to bring to the attention of Senators.

Mr. O'MAHONEY. Mr. President, before the Senator proceeds to discuss the other matter, may I add just a word in connection with what the Senator from Kentucky has said?

Mr. HAYDEN. I yield.

Mr. O'MAHONEY. Let me say that I regard this phase of the bill as involving probably the most difficult problem we have to settle. It is not an isolated case alone that is cited by the Senator from New York when he calls attention to the fact that, under the provisions of the bill as it came to us, a bricklayer might be working on a private job at five or six dollars a day, and another bricklayer upon a nearby slum-clearance project doing exactly the same kind of work at $1.50 a day. I refer also to the work that would have to be done to eliminate a grade crossing, which the Senator from Kentucky mentioned. There we might find a man working for the Government at the so-called "security wage", side by side with a man doing similar work on some public road project at a higher wage.

Mr. BARKLEY rose.

Mr. O'MAHONEY. If the Senator will bear with me just a moment, I shall point out what I conceive to be the danger involved in this situation.

When the private employer is paying $6 a day, he is in a position to hold out to the man who is on the Government job at $50 a month this inducement: "If you will leave the Government job and work for me, I will pay you $100 a month", or $75 a month, as the case may be. By making that offer at less than the prevailing wage, but more than the security wage, so called, he will be able to induce a man who is working for the Government at a low rate of wages for full time to leave that work and take the place of the man who is working at the prevailing rate of wages, and thereby reduce the standard of wages as a whole.

Mr. BARKLEY. Of course, the point I was making with respect to the grade crossing was that there is no grade-crossing work going on.

Mr. O'MAHONEY. I understand.

Mr. BARKLEY. So there is no prevailing wage with reference to grade-crossing work.

Mr. O'MAHONEY. But there is a prevailing wage for the type of employment that is necessary to eliminate grade crossings.

Mr. BARKLEY. Unless such work as that is to be done under a program similar to that under consideration, it is not to be done at all.

Mr. O'MAHONEY. That is very true.

Mr. BARKLEY. And it will not offer any employment to anybody.

Mr. O'MAHONEY. That is true.

Mr. BARKLEY. And the question is whether, in an effort to get men off of dole, off relief, off charity, onto some constructive work, we are going to require that the prevailing wage shall be paid in activities which would not be engaged in at all unless we should adopt a work program.

Mr. BYRNES. Mr. President, in confirmation of the view expressed by the Senator from Kentucky, may I read from the message of the President, because, after all, this is not a proposal of the committee; it is a proposal of the President. In proposing to Congress the fixing of wages, he said this:

> The projects undertaken should be selected and planned so as to compete as little as possible with private enterprise.

If he follows that policy and his statement to the Congress we would not have the illustration which has been offered of the apartment house—at least I hope that would be true. The President went on to say:

> This suggests that if it were not for the necessity of giving useful work to the unemployed now on relief, these projects in most instances, would not now be undertaken.

That is the thought which has been expressed by the Senator from Kentucky and it is in accord with the program of the President.

Mr. HAYDEN. Mr. President, one other phase of this matter was very carefully considered by the Committee on Appropriations. If we are to get the work done, if we are to employ those three and one-half million men for a year, and if we are to pay them the prevailing wage, the next question comes up: How much more money will it take than $4,000,000,000? As I have explained to the Senate before, the figure of $4,000,000,000 was arrived at by multiplying three and one-half million men by $600 per year for wages, and that made $2,100,000,000. Then there was $1,900,000,000 worth of material to be purchased to prime the pump of industry, as the Senator from New York [Mr. WAGNER] has so well pointed out.

Now, if these men are to be employed part time, the scale of wages may be maintained, but when a man who is earning a dollar an hour has worked 50 hours in 1 month he is through for that month. If that basis is adopted, then the work would go on a part of the month and it would also shut down until the end of the month, and then again be resumed. The overhead, the management, the supervision would be unused a part of the month.

The committee very carefully went into the question of what it would cost to pay the prevailing scale of wages throughout the United States straight through the year to three and one-half million men. We called upon what we considered to be a good authority, the Federal Emergency Relief Administration and Mr. Corrington Gill, the deputy administrator, appeared before the committee. He estimated that to pay the prevailing scale of wages to three and one-half million men would raise the hourly rate to about 80 cents an hour. To do that and employ the full number of men the full year would increase the cost of this measure for labor and material—the material bill being the same—from $4,000,000,000 to $6,340,000,000. That meant adding to the joint resolution $2,340,000,000 to carry on the same kind of work at the prevailing scale of wages. His figures were questioned by officials of the American Federation of Labor who subsequently appeared before the committee. They thought that 80 cents per hour was perhaps too high. But in any event, taking all the testimony into consideration, the Senate certainly would have to add at least one and one-half billion dollars to this joint resolution to fully employ

three and one-half million men at the prevailing scale of wages for 1 year. I want to ask the Senator from New York, if we are faced with that alternative, would he favor increasing this appropriation by one and one-half billion dollars?

Mr. WAGNER. No; you do not have to increase it. You may decide to complete a few less projects. But let me ask the Senator a question, because as I view the discussion before the committee and here, these workers of America are being asked to carry the whole burden of depression by working at a wage, which, under normal times, we would not consider nor would we ask them to consider. Did anybody in the committee consider the profits to private industry that will flow from this work, call it public projects or what you like. Did anybody give consideration at all to the benefits that private industry will derive from the sale to the Government of the material to be used upon these projects?

Mr. HAYDEN. Yes; that subject was considered.

Mr. WAGNER. But nothing done about it?

Mr. HAYDEN. In this sense, the record will show that on all the bids submitted for materials there has been the closest and keenest of competition. It was particularly pointed out to the committee by the representative of the Association of General Contractors that they have made no great profits out of the work done under the Senator's public-works bill which was enacted in the last Congress. The income-tax returns will show that each of the contractors has been so anxious to get some of the business that he has competed intensely. What is true as to contracts is also true as to materials. No fabulous profits have been made on the money paid to contractors under the Senator's bill appropriating $3,300,000,000 for public works. And no fabulous profits have been made by anybody on the sale of materials. I would add further that we gave no more consideration to the regulation of profits in connection with the measure before us than we did in connection with the Senator's bill.

Mr. WAGNER. I am for the profit system, and I am for profits. That is the only way we will ever recover. But while we have been talking about this worker whom we cannot pay more than $50 a month we have not thought about the other phases of this situation.

Mr. HAYDEN. Oh, the Senator must be mistaken——

Mr. WAGNER. I am mistaken, then.

Mr. HAYDEN. The Senator is mistaken. There are many workers who under the President's proposal will receive much more than $50 a month.

Mr. WAGNER. I will say for the last time—I have said it three or four times, but something is said every now and then which shows a misconstruction of my attitude—if it is necessary to pay only $50 a month, I do not oppose that. I say, then work the men less hours—and that answers the Senator from Kentucky—work them less hours, and individually they will get less than they would get in private industry. But do not destroy this whole wage scale.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Arizona yield to the Senator from Virginia?

Mr. HAYDEN. I yield.

Mr. GLASS. Right on the point of what the committee considered, everybody knows, and I venture to say the Senator from New York knows, that the suggestion which he makes as to the limitation of profits on the purchase of material is totally impracticable. It is totally impossible. The Senator does not seem to understand, furthermore, that the profits to the class of labor proposed to be employed by the President are 100 percent. In other words, they are getting an average now of $24 on the relief rolls, and the proposition is to give them an average of $50 a month on relief work. So that the profits of the class that we are going to employ will amount to 100 percent. The Senator from New York knows that we could not consider the suggestion he made.

Mr. WAGNER. I did not make any suggestion——

Mr. GLASS. Oh, yes; the Senator made a suggestion that the committee had neglected its duty in not undertaking to do something which he knows is impossible to be done.

Mr. WAGNER. I am not so sure about that.

Mr. TYDINGS and Mr. MCKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

Mr. HAYDEN. I yield to the Senator from Tennessee.

Mr. MCKELLAR. I desire to ask the Senator from New York a question.

Mr. BORAH. Mr. President, I should like to hear some of this personal colloquy that is going on on the other side of the Chamber.

Mr. MCKELLAR. I assure the Senator from Idaho that he will hear what I have to say.

Mr. BORAH. I hope I will.

Mr. MCKELLAR. I wish to read the Senator from New York [Mr. WAGNER] a proviso in this amendment and then ask him what he thinks about it:

> In the event the President, or such official or agency of Government as he may select, shall determine after an investigation that the rate of wages paid is affecting adversely or is likely to decrease the prevailing rates of wages—

And I omit some language at this point—

> shall immediately fix the rate of wages at an amount not less than the prevailing rate of wages paid for work of a similar nature in such locality.

The question I desire to ask the Senator from New York is: Does he believe that with this provision in the law the President of the United States is going to fail to do his duty and do what the law requires of him?

Mr. WAGNER. The Senator ought to know better than to ask me any question which involves my confidence in the President of the United States.

Mr. MCKELLAR. Then, if the Senator has entire confidence in the President of the United States he ought to be satisfied with this provision.

Mr. WAGNER. The President and I have been close friends for years, and I am one of those in the country who regards it as providential that he was elected President of the United States. If he could know what is going on in every section of the country, of course I would leave the matter in his hands. But that is impracticable. Let me add this: The Senator was out of the Chamber; he was somewhere else when we were discussing this question.

Mr. MCKELLAR. Oh, no; I was not out of the Chamber at the time. I heard the Senator from New York.

Mr. WAGNER. Then you should know that I have already answered your question on two different occasions. The Senator from Tennessee will have to read the RECORD.

Mr. MCKELLAR. I take it the Senator from New York is unable to explain why it is that he is willing to leave this in the hands of the President when the law specifically requires the President to do just what the Senator wants done in this matter.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Maryland?

Mr. HAYDEN. I yield.

Mr. TYDINGS. I merely wanted to point out to the Senator from New York—I think he misunderstood me yesterday when I was advocating the amendment which made the $50 security wage the basis—that the explanation now made by the Senator from Arizona [Mr. HAYDEN] expresses the philosophy of that amendment. It was not my desire to keep men down to the point of making $50 a month, but that was the amount which the Relief Administrator asserted was a security wage as against the $24 a month average which men are now getting on relief, and my amendment was only offered with the thought that those out of employment would be guaranteed $50 a month instead of the $24 they are now getting.

At the time I offered it the Senator, through misapprehension, put me in the position of wanting to cut labor down. I had no idea of doing that. I only wanted to throw such safeguards around the amendment that the unemployed who are on the relief would have a chance to get more money through honest work.

Then they would get the $50 a month, I may further say, not because that was what they would receive for an entire

month's work, but they would work, as I explained yesterday, a sufficient number of days to make at least $50 a month, and the prevailing wage rate set forth in the report here would apply. I think the Senator yesterday did not understand what I was trying to explain.

Mr. WAGNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New York?

Mr. HAYDEN. I yield.

Mr. WAGNER. I should like to say, that while the Senator from Maryland and I may differ as to the philosophy of some measures, I know he is as great a friend of humanity as I hope I am.

Mr. TYDINGS. I hope so.

Mr. WAGNER. And though we may differ as to these propositions, I think we are equally anxious to serve the public welfare.

Mr. TYDINGS. I thank the Senator from New York, and, if the Senator from Arizona will yield for just a moment further, I wish to say that I merely arose to put the record straight by showing that what I was advocating yesterday is the same proposition the Senator from Arizona is advocating today. I was only attempting to throw safeguards around the unemployed so that those who had employment would not take this little bit of work from those who had no employment.

Mr. HAYDEN. Mr. President, I shall very shortly yield the floor, but I again want to ask the Senator from New York whether he feels that it is more advisable to increase the appropriation by the sum of money which will be required to pay the prevailing wage—that is to say, to add a billion and a half dollars to this joint resolution, or whether he is willing to leave the sum at $4,000,000,000, as it is, and to employ men only part time? In other words, is it more important to the worker to get $10 a day for 60 days' work, which would be perhaps the prevailing wage in some industries, or is it better for all the unemployed now on relief to have work for a year for $600? That is the question.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. HAYDEN. I yield.

Mr. BORAH. I should like to ask the Senator from Arizona a question before the Senator from New York answers the question just put to him by the Senator from Arizona.

The Senator from Tennessee [Mr. McKELLAR] said just a few moments ago that, under the authority of this joint resolution, the President would do exactly what we here want done, and that is that the prevailing wage would not be affected; that he would so utilize this fund and provide employment at such rates that the prevailing wage would not be affected by the lower wage proposed to be paid. If he does that, we have got to have the billion and a half in addition, have we not?

Mr. HAYDEN. Certainly, if we are going to have all the three and one-half million men do a full year's work at the prevailing wage we must add a billion and one-half dollars to this measure.

Mr. BORAH. It has just been said that under the authority of the amendment proposed by the able Senator from Georgia the President may maintain the prevailing wage.

Mr. HAYDEN. If he does so, the men will not be employed steadily. They will work a sufficient number of hours a month to earn $50, and then they will be laid off for the remainder of the month.

Mr. BORAH. That could take place under the amendment which is proposed. The idea of the amendment is, as I understand, that while the men are at work they shall be paid the prevailing wage, but they will not work so many hours?

Mr. HAYDEN. That is the complete idea of the McCarran amendment.

Mr. BORAH. That is what I understood.

Mr. HAYDEN. But the Russell amendment contemplates steady employment week after week and month after month for a year at a rate of wages that will total, on the average, $600 a year, as compared to about $300 a year which the same men on relief are now obtaining.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. HAYDEN. I prefer to yield the floor, if I may.

Mr. NORRIS. I want to ask the Senator a question. I am only seeking light. I realize I am just like other Senators in that we are all trying to do the right thing, I think. Very likely much of this labor will be let out on private contracts, as I understand? I want to take a case of that kind. Suppose on some large project a contractor has to do part of the work and he can employ in part a class of labor—common labor, we will say—and suppose some of the work is done by the Government; if the paying of a lower wage does not affect the wages paid for similar labor by the private contractor, then the private contractor on the same project will be paying the same wage, which should be, in effect, cutting down the wages of the common labor in that case, would it not?

Mr. HAYDEN. The Senator forgets that the source of labor for the contractor and the source of labor which may be employed upon a Government force-account job are the same. The labor would come from the lists of employable men who are now on relief.

Mr. NORRIS. I am speaking of the wages they would get.

Mr. HAYDEN. If they work for the Government or if they work for a contractor, and the President fixed the rate of wages in that community, they would receive exactly the same wage.

Mr. NORRIS. As I understand, under the joint resolution without the so-called "McCarran amendment" they could not possibly get the same wage.

Mr. HAYDEN. Oh, yes.

Mr. NORRIS. There would be on some project some men working for a contractor and some men working for the Government. If it is the intention not to cut down the wages in business generally, then the Government would really have to pay the prevailing wage there or the contractor would cut down his wages on the same project to a level with the Government wages.

Mr. HAYDEN. The Russell amendment contemplates that the President shall fix the wages on a project.

Mr. NORRIS. I am speaking of just one separate project.

Mr. HAYDEN. On one separate project in a given community.

Mr. NORRIS. Either it is going to affect the prevailing wage of some of the men or some men are going to get a higher wage than others for the same kind of labor on the same project. It seems to me we cannot get away from that.

Mr. HAYDEN. There will not be any project unless this joint resolution shall be enacted. A project has to be undertaken, a large part of the work on it has to be done by contract, and part of it perhaps by force account. The President fixes the scale of wages on that project, which would not be in existence but for this measure. He fixes it both for force-account work and for work by contract. The man who works directly for the Government or the man who works for the contractor will receive exactly the same pay for the same kind of work.

Mr. NORRIS. In the case the Senator put, if the rate of wage was lower than the prevailing wage the President would have to fix the wages on that contract at the prevailing wage in that community. How could he escape doing so? Otherwise there would be different wages to men doing the same kind of work on the same project.

Mr. HAYDEN. There would not be any project if it was not undertaken under this joint resolution.

Mr. NORRIS. I realize that is true, but I was wondering how that question could be met without either cutting down the prevailing wage or bringing the Government employee up to the prevailing wage.

Mr. HAYDEN. Conceding that what the Senator sets forth is to take place, and the result would be what he indicates, then, under the Russell amendment, the President must raise wages to the prevailing rate.

Mr. President, I yield the floor.

Mr. GLASS. Mr. President, we have spent today discussing something that is not as yet before the Senate. It may be formally brought before the Senate. I now suggest that we merely adopt two pro forma amendments, which I imagine will create no discussion and no dissent. I refer to section 4 on page 7. I move the adoption of that amendment.

The PRESIDING OFFICER. That includes the substitution of section 4?

Mr. GLASS. Yes.

Mr. BORAH. Mr. President, is section 4 now before the Senate?

Mr. GLASS. Yes, sir; it is.

Mr. BORAH. I want to inquire about the purport and effect of that amendment. It reads:

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in sec. 1) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.

What was the purpose of the amendment? What was in contemplation that the President might wish to do?

Mr. GLASS. I may say to the Senator that the Appropriations Committee first eliminated all of section 4, beginning on line 18 on page 5 and ending at the bottom of page 6. Subsequently the Senator from South Dakota [Mr. NORBECK]—I think it was the Senator from South Dakota—asked to have subsection (c) embodied in the bill as section 4. I understood the amendment was inserted to enable the President to purchase submarginal lands if he might desire so to do, and I also understood that the administration requires such authority in some of its transactions not specifically described to the committee.

Mr. BORAH. When the provision reads that "the President is authorized to acquire by purchase or by the power of eminent domain", does that mean that it is proposed to confer upon the President the power of eminent domain as distinguished from the power of eminent domain which now rests in the Government?

Mr. GLASS. I would not think so. The Government, I think, can only exercise—the Senator will correct me if I am wrong—the power of eminent domain in any State with the permission of the State itself.

Mr. BORAH. The Government now has the power of eminent domain; it may acquire property for a public use on the payment of just compensation. Now, is it desired to confer upon the President anything in addition to what the Government already now possesses in the way of the power of eminent domain?

Mr. GLASS. I think, perhaps, under that section he might exercise the power of public domain in the acquirement of property that was not exclusively for public use.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Maine?

Mr. GLASS. I yield.

Mr. WHITE. I wish to ask a question about the right of eminent domain. I take it that it is the law almost everywhere that the right of eminent domain can be exercised only to serve a public use. I take it also that practically every State in the Union, by the decisions of its courts, has determined what is a public use. What I desire to know is whether the Federal Government can go into the State of Virginia or the State of Idaho, for illustration, and assert a particular thing to be a public use where the decisions of the courts of that State have held the particular purpose is not for a public use.

Mr. GLASS. I may say to the Senator that this provision is not something new. It is embodied word for word in the Industrial Recovery Act and was transferred from that act to the pending joint resolution.

Mr. BORAH. I know it is not new in that sense, but I am a little at loss to know why it is necessary to insert here the power of eminent domain when the power of eminent domain belongs to the Government under certain circumstances any time it may choose to exercise it.

Mr. GLASS. That I cannot answer, because it was not explained to the chairman of the committee. I know that the section, after once being stricken out, was reinserted on the motion of the Senator from South Dakota [Mr. NORBECK].

Mr. WHITE. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Maine?

Mr. GLASS. I yield.

Mr. WHITE. I should like to press a bit further the question I have tried to ask. I wish to know specifically whether under this provision the Federal Government could go into Virginia and take land for what it, the Federal Government, conceives to be a public use if the courts of Virginia have held that that particular purpose is not a public use under the laws of Virginia.

Mr. GLASS. My understanding is that the Federal Government may not come into the State of Virginia, or any other State for that matter, and take land unless authorized by the State to do so.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. BORAH. Mr. President, I do not desire to discuss it further. I only want to say that, in my opinion, if the provision undertakes to do anything other than the Government may now do, it is utterly void.

Mr. GLASS. Perhaps it is well that it is utterly void.

Mr. STEIWER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. STEIWER. What is the amendment now pending?

The PRESIDING OFFICER. The pending amendment is to strike out sections 4 and 5 of the original House text and substitute a new section 4.

Mr. GLASS. No; that language has been stricken out. The question now before the Senate is the adoption of the new section 4 at the top of page 7.

The PRESIDING OFFICER. The record shows that sections 4 and 5 have not been stricken out.

Mr. GLASS. Then the record is incorrect.

The PRESIDING OFFICER. The question is on the committee amendment to strike out sections 4 and 5 of the original House text and substitute a new section 4.

The amendment was agreed to.

Mr. GLASS. I ask now for a vote on section 5, which simply changes to $1,000 the penalty of $5,000 for violating any of the rules and regulations that may be prescribed by the President.

The PRESIDING OFFICER. The amendment will be stated.

The next amendment was, on page 7, line 12, to strike out "$5,000" and insert in lieu thereof "$1,000", so as to make the section read:

SEC. 5. The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution, and any willful violation of any such rule or regulation shall be punishable by a fine of not to exceed $1,000.

The amendment was agreed to.

Mr. GLASS. Of course, the section numbers will be changed by the clerk.

The PRESIDING OFFICER. Without objection, the clerks will be authorized to change the section numbers where necessary.

Mr. GLASS. We now have before the Senate for the first time what we have been discussing all day, and that is section 6 of the joint resolution, commonly or popularly or unpopularly, as the case may turn out to be, known as the "McCarran amendment."

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the Committee on Appropriations was, on page 7, after line 12, to insert a new section 6, as follows:

SEC. 6. The President is authorized to fix the rates of wages of all persons compensated out of the funds appropriated by this joint resolution and may fix different rates for various types of work, which rates need not be uniform throughout the United States.

In the event the President, or such official or agency of Government as he may select, shall determine after an investigation that the rate of wages paid is affecting adversely or is likely to decrease the prevailing rates of wages paid for any work of a similar nature in any city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia, the President, or the official or agency designated by him, shall immediately fix the rate of wages at an amount not less than the prevailing rate of wages paid for work of a similar nature in such locality.

Any and all contracts which may be entered into under the authority contained in this resolution shall contain stipulations which will provide for the accomplishment of the purposes of this section.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. McCARRAN. Mr. President, I wish to offer at this time my amendment to section 6 of the pending measure, the committee amendment.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Nevada to the amendment of the committee.

The LEGISLATIVE CLERK. It is proposed, on page 7, beginning in line 13, to strike out all of section 6 of the committee amendment and insert in lieu thereof the following:

SEC. 6. The President is authorized to prescribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however,* That (a) such rules and regulations shall stipulate that the rates of wages paid to all laborers and mechanics employed by any contractor or subcontractor or by the public officer in charge for the United States or for the District of Columbia, for work done under this joint resolution, whether by contract or otherwise, involving the expenditure of any money appropriated by the resolution, need not be uniform throughout the United States but shall not be less than the prevailing rates of wages paid for work of a similar nature in the city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia; (b) rules and regulations prescribed under this section shall not abrogate any existing law.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had concurred in Senate Concurrent Resolution 10, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, to insert the following title to conform to the amendments of the House of Representatives, namely: "An act to postpone the effective date of certain restrictions respecting air mail contracts."

GRADUATED TAX ON NET CAPITAL RETURN OF CORPORATIONS

Mr. WHEELER. Mr. President, I ask unanimous consent to introduce a bill which I may treat as in the nature of an amendment, not as an amendment to the pending joint resolution, but I propose to offer it later to any revenue bill which may come before the Senate. I ask that it may be printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1941) to raise revenue by levying an excise tax upon corporations doing business in the United States, measured by net capital return, and for other purposes, was read twice by its title and ordered to lie on the table.

Mr. WHEELER. Mr. President, the bill which I have sent to the desk proposes a tax on the bigness of things—a graduated tax on the so-called "net capital return of corporations." "Net capital return" is simply a phrase used to describe that portion of net earnings which is available to be distributed to those who have invested in a corporation. In other words, the bill provides for an annual tax on that portion of the net income of a corporation, after payment of all operating expenses, which is available to pay interest on its indebtedness and dividends on its stock. No tax is imposed until the net capital return is more than $3,000,000. The tax will not burden corporations of moderate size. It commences at the rate of 2 percent upon the amount of net capital return in excess of $3,000,000 and not exceeding $3,500,000. The rate of the tax rises to 4 percent upon any additional amount of additional net capital return in excess of $3,500,000 and not exceeding $4,000,000, and is similarly graduated for defined classes of net capital return in excess of $4,000,000. It finally reaches the rate of 25 percent upon any additional amount of net capital return in excess of $50,000,000. In the case of a $100,000,000 corporation, of which there are roughly 200 in the United States—assuming that such corporation earns an amount sufficient to allow a 10-percent return on its invested capital, which would mean a $10,000,000 net capital return as here defined—the tax would amount to $610,000 annually. Certain classes of corporations which of necessity must be large to render efficient service, and which are not subject to appropriate regulation, are exempted from the tax—notably telephone and telegraph companies, railroads, shipping, banks, and insurance companies. Cooperative associations, charitable organizations, and corporations organized under Federal law engaged solely in the export trade, are also exempted. The bill further provides that a study should be made by the Federal Trade Commission of the relation, in the various types of business enterprise, of the total resources of a corporation to its efficiency, with a view to determining the desirable optimums for the different classes of business, and for a report to Congress on this subject. If it be true that large corporations are relatively more efficient than small corporations, this bill constitutes a legitimate revenue measure to force these corporations to pass on to the public the benefits accruing from the exercise of the privilege of being big. Since I do not believe in the assertion of the trust advocates that there is a necessary correlation between size and efficiency, in my view this bill, frankly, is rather an attempt to discourage the excessive concentration of economic power in the hands of the few.

The history of this country has shown that such concentration of power is inherent under any system which permits large aggregations of capital in corporations. It is common knowledge that the growth of giant corporations has proceeded apace and is going on rapidly at the present time in spite of all attempts to bolster up the traditional competitive system by outlawing monopoly. This bill strikes directly at size, and only incidentally at monopoly through size, by the use of the taxing power. I believe this to be a more effective if cruder method of dealing with the age-old problem of the trusts than the various attempts directly to prohibit monopoly and unfair competitive practices which have largely failed in the past. But the justification of the bill does not rest here.

The human origins of our major problem arising from the excessive concentration of economic power have been well described in a recent editorial in Today. Speaking of the immediate past, but in language descriptive of human impulses with which we always have to contend, the editorial says:

We were all touched by the spirit which moved Carlyle to say that a dwarf behind the steam engine might move mountains, while he must be a Titan who hurled them abroad with his arms. The "steam engine" conceived in that period was the modern science of management. * * * Those were the days when the development of the science of superadministration so intoxicated the leaders of business and, to some degree, the leaders of government that they felt that, with the aid of well-defined devices for administrative and financial control, frail human beings might wield Napoleonic power. * * * It was an age when patterns of thinking were broad and sweeping. There was no one to warn us of the dangers that are inherent in human pride. There was, instead, a clarion call to the illimitable possibilities of the strong man. * * * Incompetent industrial satraps in far corners of the Nation, following blueprints drawn by a master, might incorporate into subsidiary businesses the same magical virtues. The dwarf behind the steam engine might move the mountain. * * * Blueprints are blueprints; mechanical genius makes it possible to reproduce a thousand from a single pattern. But a dwarf differs from every other dwarf, a mountain from every other mountain. * * * It is easier, as any executive knows, to teach others his faults than to teach his virtues, because his faults, if he is a great man, are very human faults, and his capacities are extraordinary and often understood only by himself. * * * We know that there is a point beyond which even a man of genius cannot transmit to the slower minds of others the essential spark.

The bill represents a new departure in legislation in that it is based upon the belief that there are certain social and economic evils inherent in size itself. In the first place, it finds economic justification in the theory that concentration of economic power beyond such optimum limits as may be dictated by considerations of technological efficiency, no matter what may be the qualifications or motives of those in whom such power rests, will inevitably be fatal to the functioning of the economic system as we now know it. Such concentration of power means centralization of administrative responsibility in the making of decisions vital to our national economy to a degree which, many responsible people believe, places too great a burden upon the ability and character of any group of individuals, endowed with such power, however farsighted and public-spirited they may be. I believe, moreover, purely from an economic point of view, that a reduction in size of business units is the only practical alternative, compatible with American traditions of individual liberty and business opportunity, to eventual state socialism. In no other way can we solve the difficulties in which we find ourselves under a system which may even now be characterized as private socialism. As the Today editorial said, speaking with reference to dreams of the empire builders of superindustry—

> Then the socialism that they dreaded in theory but subscribed to in fact would have emerged triumphant to mock them. Their failure—the bureaucracy, the nepotism, the inefficiency that characterized their superindustry—is, strangely enough, the answer not only to the argument for supercorporate forms but for a superstate as well.

I desire to commend that editorial to the Members of the Senate, because when we have talked about Government ownership of this or that sort of thing we have always been confronted with the argument by those opposed to it that if Government ownership comes about we shall have nepotism, and we shall have inefficiency, and we shall have bureaucracy. No one who is familiar with the great industrial corporations of the country will deny, however, that the rankest forms of nepotism exist in them, the rankest forms of bureaucracy, and all the evils that it is alleged would arise under Government control.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. REYNOLDS. I believe I understood the Senator to say that there are over 200 corporations in America having a capitalization in excess of the amount he mentioned.

Mr. WHEELER. Yes.

Mr. REYNOLDS. If such an enactment were made for revenue production, what would be the amount of money derived by the Government annually as a result of the tax the Senator suggests placing on corporations?

Mr. WHEELER. I have the figures, but I have not them in my mind so that I can state them off-hand.

In the second place, Mr. President, the bill finds justification in the belief that the existence of opportunity for the greatest possible number of people to occupy positions of business responsibility and to engage in business on their own account, insofar as may be compatible with the functioning of an economy which will maintain a progressive standard of life for the people of the country, is desirable from a social point of view. In short, the bill goes beyond trust-busting to advocate an experiment in economic democracy, in decentralization, not so much in the hope that the legislation in its present form will produce far-reaching practical results in the immediate future but rather in the hope that it will stir up thought and discussion of this great problem.

What are the facts with regard to the concentration of economic power in this country? Let me recite some statistics from an authoritative source—The Modern Corporation and Private Property, by Berle and Means.

In 1930 there were over 300,000 nonfinancial corporations in the United States. Their gross assets were approximately $165,000,000,000. Of these 300,000 corporations the 200 largest, including 42 railroads, 52 public utilities, and 106 industrials, each with assets over $90,000,000, had combined assets of over $81,000,000,000. These 200 corporations, representing less than seven one-hundredths of 1 percent of the number of corporations, thus control practically half of the corporate wealth of the country. Their control of the business wealth of the country, corporate and noncorporate, is equally impressive. It is estimated that at least 78 percent of American business wealth is corporate wealth. Since the 200 largest corporations control over 49 percent of all corporate wealth, it is estimated that they control over 38 percent of all business wealth. Likewise, a substantial proportion of the total national wealth, corporate and noncorporate, business, agricultural, personal, and governmental, is controlled by these 200 largest corporations. Figures for 1930 indicate a total national wealth of about $367,000,000,000. The $81,000,000,000 controlled by these corporations represent about 22 percent of the total national wealth.

Even more significant than the present extent of concentration is its increasing rate; that is, the increase in the proportion of corporate business and national wealth controlled by the largest corporations. This rate of increase was greater for the years 1924–29 than for the years 1909–29; but if we take the period of slower growth, 1909–29, and apply the same rate of growth for the next 20 years, we find that, by 1950, 70 percent of all corporate activity would be carried on by 200 corporations. By 1950 half of the national wealth would be under the control of such corporations, and by 1970 all corporate activity and practically all industrial activity would be absorbed by these 200 giant corporations. If we take the more rapid rate of growth, from 1924–29, and apply it to the future, we find that, by 1950, 85 percent of the corporate wealth of the country would be held by these corporations, and by 1960 all corporate activity and practically all industrial activity would be in their control.

The existence of these giant corporations, of course, means enormous concentration of control in the hands of their individual managers. The 200 largest corporations are directed nominally by about 2,000 individuals out of a population of 130,000,000. These 2,000 individuals are those in a position to control and direct half of our corporate business. But actual control rests in the hands of even fewer individuals. Many of the 2,000 directors are inactive. The ultimate control, therefore, rests in the hands of a few hundred men. One further fact should be remembered. The foregoing figures are based on the direct control of assets by 200 nonbanking corporations. But the influence of each of these corporations, as is stated by Berle and Means, "extends far beyond the assets under its direct control." In short, the bulk of our corporate resources, the product of the savings and labor of millions of individuals, rests in the control of a handful of men. These are the facts. It is the very negation of industrial democracy. It resembles, instead, a feudalism more pervasive than that of the Middle Ages.

Let us honestly face at the very outset the major criticism which will be launched against the economic and social philosophy behind this bill. It will be said that the bill represents a visionary and totally impractical attempt to reverse the trend of the American business methods in the hope of restoring the economic system to a competitive basis which cannot exist under modern conditions and which, in fact, never existed except in the minds of the most radical advocates of laissez faire. It will be said that the discovery and growth of the joint-stock company constitutes one of the greatest achievements of the twentieth century, which, more than any other factor, has made possible the utilization of our human and material resources in accordance with scientific knowledge to produce the existing standard of life. It will be said that the atomization of industry contemplated by this bill would cause such enormous practical dislocations as to make impossible the maintenance and improvement of that standard of life.

Let us first consider the more theoretical objections. This bill will undoubtedly appear shocking to many who unconsciously and passively accept the inevitability of large corporations and of their further development as a part and parcel of everyday life simply because they exist and are all-powerful at the present time. That the use of the corporate

device fostered the growth of industry and contributed to the material well-being during the last half century of unprecedented economic expansion is clear. Whether it was worth the price, in view of the social abuses inherent in its use on such grandiose scale, is not the question here. The problem is rather: Wherein lies the significance, now that the physical frontiers are closed, of the fact that 200 corporations control directly almost one-half of the corporate wealth of the country, between one-fifth and one-fourth of the total national wealth, and preempt a lion's share of the Nation's business? For the benefit of those shocked critics, let me first clear away certain wide-spread misconceptions of this day and age as to the nature and history of giant corporations.

I might add that anybody who knows anything about the Sherman antitrust law and the reasons for its being enacted knows that under the eye of the Federal Trade Commission, and of the Department of Justice, which is supposed to execute the Sherman antitrust law, the most powerful monopolies and combinations have grown up in this country that have ever been known in the history of the world.

Mr. REYNOLDS. Mr. President——

The PRESIDING OFFICER (Mr. MALONEY in the chair). Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WHEELER. I yield.

Mr. REYNOLDS. Under the Senator's plan, would it not be possible to make provision for proceeding against some of the larger corporations, as was done under the prosecutions under the Sherman antitrust law?

Mr. WHEELER. Undoubtedly what would happen would be that such corporations would be broken up into smaller units, because they would have to prove themselves economically sound, or they would have to go out of business because of the increase in the tax. If they broke up into smaller individual units, that would mean that we would get away from the centralization of industry as it is going on at the present time.

Mr. REYNOLDS. But even at that, would it not be possible for the Government to derive some revenue through a Federal tax?

Mr. WHEELER. It would, depending on the type of units into which they were broken up.

Mr. REYNOLDS. I thank the Senator.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. O'MAHONEY. I was out of the Chamber when the Senator began his remarks, so he will understand why I make my query now. Does he propose to limit the size of corporations by levying a Federal tax upon them?

Mr. WHEELER. Not to limit them. The claim of the great corporation always is that their reason for combining is that it is more efficient to do business in that way.

Mr. O'MAHONEY. What is the measure of the tax?

Mr. WHEELER. It is a graduated tax, beginning when the net capital return amounts to as much as $3,000,000; so it does not affect any corporation that does not have net assets below that amount.

Mr. O'MAHONEY. Then it is a tax upon the assets of the corporation?

Mr. WHEELER. Yes; upon the gross assets.

Mr. O'MAHONEY. Determined by what—a schedule filed with the Government?

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. REYNOLDS. As a matter of fact, I understand the bill of the Senator lays no tax until after the corporations have earned an amount in excess of so many million dollars. Is that correct?

Mr. WHEELER. That is correct.

Mr. REYNOLDS. As a matter of fact, would the Senator's bill, as suggested, limit the size of the corporation?

Mr. WHEELER. Its effect would be to do so. It is really a bill for an annual tax on that portion of the net income of a corporation, I should have said, beyond a certain amount, beginning with $3,000,000.

Mr. O'MAHONEY. The bill makes no effort to establish an industrial democracy, does it?

Mr. WHEELER. No. Let me say that the history of the latter part of the twentieth century clearly shows that the people of the United States at one time did not regard corporations as the inevitable instruments of business activity but, rather, as unnatural instruments to be regulated and checked insofar as lay within the limited powers of State legislatures; and, second, that our experience under the antitrust laws has not proved the alleged failure of our traditional policy in favor of competition, because those laws were not adapted to prevent, and have not prevented, an unwholesome concentration of economic power. When they have followed me thus far, then let them consider and realize that today we are forced to face, for purely economic reasons, a problem, unconnected with questions of abuses arising out of monopolistic or unfair competitive practices, of the inherent significance of corporate size as bearing upon the effective functioning of our economy; and, finally, that the solution proposed by this bill is practical, desirable from a social point of view, and in keeping with American traditions.

I might add that I have had under consideration several methods of taxing the bigness of things. For instance, I first suggested a tax upon the amount of capital stock of a corporation, and it seemed to me that that was perhaps as simple a way as this particular method. But I am simply offering this bill, and am going to propose it as an amendment to some bill for the purpose of raising revenue which may come before the Senate in order to get the issue before the Senate of the United States and before the country, with the idea of stopping consolidations and combinations which have been going on during the last few years, which are going on now, and which we all admit have been destructive of our financial and economic situation.

Mr. O'MAHONEY. Mr. President, will the Senator yield further?

Mr. WHEELER. I yield.

Mr. O'MAHONEY. Does the Senator believe that these combinations have been destructive of the factors of which he speaks by reason of their size?

Mr. WHEELER. Yes.

Mr. O'MAHONEY. Is it not rather by reason of the manner in which they have been controlled?

Mr. WHEELER. I think they have been destructive both by the manner in which they have been controlled and as a result of their size as well. I think there is no question about it at all.

As I pointed out, there are 200 corporations at present controlling, practically, one-half of the corporate business of the country, with 2,000 directors; which means, of course, that approximately 100 or 200 directors actually control the affairs of practically 50 percent of the corporate business.

As I pointed out, according to the figures from the book of Berle and Means, if this continues as it has gone on in the last few years, it means that by 1950, or, in one instance, by 1970, they will control the entire corporate business of the United States and practically the entire business.

Mr. O'MAHONEY. Is not that the vice, rather than the size?

Mr. WHEELER. I think there is only one way in which it can be stopped. Their contention is that without combination they are inefficient. Experience has shown, I am sure, that one of the things that has been vicious is that when there is the size, they then become subject to all of the objections which they raise against Government ownership. For instance, they talk about nepotism in Government ownership, and I agree with them, but we likewise find nepotism of a much worse form in all great corporations.

Mr. O'MAHONEY. There is no doubt of that.

Mr. WHEELER. We find inefficiency, as a matter of fact, in most of the industrial corporations today, even in many instances much worse than we find in some of the Government departments.

We likewise find, when they get control of some particular industries, that they then refuse to adopt new methods and

practices because of the fact that to do so would mean that a great amount of their machinery or property would become obsolescent; so they refuse to adopt new things which would be for the benefit of the people as a whole.

Mr. O'MAHONEY. Has the Senator given consideration to the possibility that by means of a Federal incorporation law it would be possible to correct this condition without breaking down the size of corporations, so that we might at the same time preserve industrial democracy and any advantages that may come therefrom?

Mr. WHEELER. I myself am convinced—and I desire to say to the Senator that I reluctantly came to this conclusion—that increase in size must be stopped. For many years I was somewhat of the opinion that it was inevitable that corporations should increase in size, and that such increase could not be stopped. However, I have come to the conclusion that it must be stopped, and that the only way we can stop it is by means of a tax.

First, we passed the Sherman antitrust law, as I pointed out; but as a matter of fact the Sherman antitrust law has been a dead letter, and great corporations and monopolies have sprung up, and they are constantly springing up and growing. We have the Federal Trade Commission, and under the Federal Trade Commission identically the same thing has occurred. We have enacted this law and that law. There is one way in which we can stop this increase of size, and that is by the taxing power of the Nation. If the large corporations are more efficient than the smaller ones, they can stand it; and also, if they are more efficient, they should pay more taxes to the Government of the United States, because they are getting more benefits from our system of Government than the smaller concerns. That would make it possible for the smaller business man, the comparatively small business man in this country, to compete upon a basis of equality with the giant corporations at the present time.

I call attention to the chain stores which are putting the small merchant out of business all over the United States of America on the basis that they are more efficient. If they are more efficient, then they ought to pay more taxes to the Government of the United States than the individual does, because they are being protected and are receiving greater benefits from this Government of ours than is the little fellow.

Mr. O'MAHONEY. Is the Ford Co. among the 200 large corporations?

Mr. WHEELER. I think it is.

Mr. O'MAHONEY. Does the Senator feel that that has not been an efficient, though very large, corporation?

Mr. WHEELER. I should say that Mr. Ford's company has been one of the efficient, large organizations of the United States.

Mr. O'MAHONEY. Is that not due to the fact that Mr. Ford is managing his own company, and that his corporation is free from other vices?

Mr. WHEELER. Yes.

Mr. O'MAHONEY. So it is not size, but management, which brings about inefficiency?

Mr. WHEELER. I think there is a good deal in management; but I call the Senator's attention to the fact that there is also a great deal in size. While Mr. Ford has managed his corporation a long time, and has built it up into a great corporation, nevertheless when Mr. Ford passes out of the picture his organization will be owned by a joint-stock company, and we shall have "absentee landlordism."

When any great organization is permitted to become of tremendous size, what does it do? It takes away, to some extent, the democracy of the people of the United States. It might be said that a man can work for such an organization or not, as he wishes; but as a matter of fact he must work for that great corporation or he can not work at all. That is the effect of it. If we divide it up into smaller plants and into smaller groups, we make it possible for the comparatively small-sized business man in the United States of America to reestablish himself, and we can have real competition and a real industrial democracy in the United States.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. SHIPSTEAD. I believe it is quite generally conceded that the opinion is growing that we have been very much mistaken in the efficiency of mere size.

Mr. WHEELER. I agree with that statement.

Mr. SHIPSTEAD. I should like to ask the Senator if in the address he is making he intends to cover the progressive growth of power and of authority which these corporations arrogate to themselves?

Mr. WHEELER. Yes; that is one of the things to which I shall call attention—that when a corporation attains a tremendous size we all know that not only does it control its own particular line of industry but it reaches out and controls the economic destinies not only of its community but of the State. Large corporations in many instances control the press, they get control of the radio, they get control of the avenues of publicity and of putting out information that the people of the United States must have in order that democracy in this country may be maintained.

Mr. SHIPSTEAD. Will the Senator cover the ground of the original status of the corporation?

Mr. WHEELER. Yes.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. REYNOLDS. Is it not true that some of these corporations are so extremely powerful that they actually control the politics of the State?

Mr. WHEELER. Not only do they control the economic life but in many instances they control the political life, and they likewise control the social and the moral life of communities, and in some instances of States.

Mr. REYNOLDS. If I understand the Senator correctly, his amendment is designed for two purposes, one of which is to cut down the size of the 200 very large corporations now existing and doing business in the United States, and the second of which is to produce revenue.

Mr. WHEELER. Yes, Mr. President.

Mr. REYNOLDS. Let us say, in line with an inquiry directed to the Senator a moment ago, that there is a corporation earning annually $3,000,000. That corporation would be called upon to pay a certain percentage of its net return—that is, profits—to the Government; and let us assume that it would be desirous of evading the tax which the Senator now proposes to levy. Would it not be possible for the organizers and operators—that is to say, the directors—of that corporation immediately to form 10 small corporations, or 2 small corporations, the profits of which annually would be less than the $3,000,000 figure which the Senator has set, thereby depriving the Government, by the Senator's proposal, from getting any revenue by way of taxes, and also escaping the effect of the amendment which the Senator proposes, for the very reason that it would be just as simple and just as easy, I should say, for one man to serve as president of 2 companies or 10 companies as it would be for him to serve as president of 1 company?

Mr. WHEELER. I can see that there is something in the point which the Senator makes; but I think it would be much more difficult to operate a number of companies, because then we would have at least decentralization of the management, and I think they would have to exercise control after a while by means of a holding company. Take, for instance, the case of the Standard Oil Co. That was split up, and a great many separate organizations were set up. There has been some competition—not very much, but there has been some competition, at least—between the different branches of the Standard Oil companies, as we all know. Of course, when it comes to price fixing, they have practically been unanimous with reference to price fixing on their commodities.

Mr. REYNOLDS. As a matter of fact, the smaller Standard Oil companies were organized as the result of prosecution under the Sherman Antitrust Act.

Mr. WHEELER. Yes.

Mr. REYNOLDS. The name of Ford was mentioned a moment ago by way of an inquiry. Would it not be possible

even in the case of the Ford Manufacturing Co. to organize a number of different companies, one to have charge of the manufacture and the sale of axles, another of bodies, another of windshields, and so on, thereby evading the purpose of the Senator's bill?

I am merely directing these inquiries to the Senator because I am interested in that subject. I have no animosity at all to his proposal.

Mr. WHEELER. There is no law that we can draft which could not be evaded in some way; but I do think my bill would provide the most effective way that has as yet been devised. If this tax should be levied, the tendency would be to stop the consolidations and combinations which have been going on all over the United States.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MURPHY. Wherein does the Senator's proposal affect the employee of a great corporation?

Mr. WHEELER. It does not affect him.

Mr. MURPHY. Is it not our problem to effect a more equitable distribution of the fruits of the employee's creation, to give him more of what he produces?

Mr. WHEELER. Of course I think that is one of the objectives we should strive for—to give the producer, the farmer, and the employee a greater amount of the profit, a greater share in the things he produces. I do not think there is any doubt at all about that. When we have a great, giant corporation, however, the employee is almost helpless in the face of that gigantic combination of capital, whereas if we have smaller companies, we have smaller amounts of wealth represented by them, and the employee then is upon a much more equal footing than he is with the gigantic industries of the country.

As an instance of that, we see what has recently taken place in the automobile industry. We see that in that instance organized labor has no chance at all. The same thing is true in the steel industry. The same thing is true in practically all the large industries; and let me say it is almost impossible for even the Government itself to cope with them in many instances, because of their concentration of power and wealth, and their means of spreading propaganda or information to the general public.

I wish now to quote from what Mr. Justice Cardozo so aptly said in delivering a recent opinion of the Supreme Court:

> A motive to build up through legislation the quality of men may be as creditable in the thought of some as a motive to magnify the quantity of trade (*Fox* v. *Standard Oil Co. of New Jersey*. October term, 1934).

Mr. Justice Brandeis, in his dissenting opinion in the Florida Chain Store case—Liggett Co. against Lee—has made a most able and lucid exposition of the attitude of State legislators toward the rise of corporate enterprise in the latter part of the nineteenth century. He there states:

> The prevalence of the corporation in America has led men of this generation to act at times as if the privilege of doing business in corporate form were inherent in the citizens, and has led them to accept the evils attendant upon the free and unrestricted use of the corporate mechanism as if these evils were the inescapable price of civilized life and, hence, to be borne with resignation. Throughout the greater part of our history a different view prevailed. Although the value of this instrumentality in commerce and industry was fully recognized, incorporation for business was commonly denied long after it had been freely granted for religious, educational, and charitable purposes. It was denied because of fear. Fear of encroachment upon the liberties and opportunities of the individual. Fear of the subjection of labor to capital. Fear that the absorption of capital by corporations, and their perpetual life, might bring evils similar to those which attended mortmain. There was a sense of some insidious menace inherent in large aggregations of capital, particularly when held by corporations. So at first the corporate privilege was granted sparingly, and only when the grant seemed necessary in order to procure for the community some specific benefit otherwise unattainable. The later enactment of general incorporation laws does not signify that the apprehension of corporate domination had been overcome. The desire for business expansion created an irresistible demand for more charters, and it was believed that under general laws embodying safeguards of universal application the scandals and favoritism incident to special incorporation could be avoided. The general laws, which long embodied severe restrictions upon size and upon the scope of corporate activity were, in part, an expression of the desire for equality of opportunity.

Mr. Justice Brandeis then goes on to point out that limitations upon the amount of authorized capital of business corporations were long universal. In New York, for instance, which at the time was liberal in regard to this matter, until as late as 1890, the maximum for business corporations was $5,000,000. Quite a number of States did not remove the maximum limit until the 1920's. Texas still has such a limit for certain corporations. He points out that limitations upon the scope of a business corporation's powers and activity were also long universal. Permission to incorporate for "any lawful purpose" was not common until 1875. Corporate franchises were limited in time. Limitations were imposed on the amount of indebtedness which might be incurred. Many other limitations upon the powers of corporations existed and long endured which I cannot go into here. It is perhaps unnecessary to remind the Senate that the power so fraught with the possibilities of abuse, the power to hold stock in other corporations, was not conferred or implied upon any scale until after the passage of the amendments to the New Jersey general corporation law in the late eighties.

Mr. Justice Brandeis in the Chain Store case adds one very significant fact: That the removal by the leading industrial States of the limitations upon the size and powers of business corporations was due, not to their conviction that maintenance of the restrictions was undesirable in itself, but to the conviction that it was futile to insist upon them, because they would be circumvented by foreign incorporation. He points out in some detail how the great industrial States yielded in order not to lose the prospects of revenue and control incident to domestic incorporation. These facts are of great significance in showing that the problem of corporate size is one which must be faced by the Federal Government. The States cannot cope with it because under the Constitution any corporation which is engaged in interstate commerce cannot be denied the privilege of doing business in any State.

Mr. President, let us consider the second point; that is, the failure of our antitrust legislation to meet our problem of the social and economic evils inherent in excessive size. I speak here of the effect of general legislation attempting to enforce the traditional policy in favor of competition in the field of ordinary business and industry rather than in the field of so-called "natural monopolies." In the sphere of natural monopolies—railroads, telephone, and so forth, and public utilities generally—it was realized that monopoly was the only economic and feasible method of carrying on business, and a policy of regulated monopoly was recognized as being in the public interest. But in other fields the theory at least was: "A free field and no favor." The Sherman Act said in effect that monopolies were illegal. Subsequent legislation, such as the Clayton Act and Federal Trade Commission Act, attempted rather to outlaw business practices which it was recognized tended toward or facilitated the creation of monopoly. In theory our antitrust legislation may have been an attempt to avoid undue concentration of economic power, but it has largely failed in practice to achieve such end, because the vague criterion of monopoly rather than the more concrete criterion of corporate size was adopted. I think it is fair to say that the reason why the former was adopted was because the motivating force behind such legislation lay in the immediate desire to curb obvious abuses. The unfair and discriminatory practices indulged in by large corporations were obvious, but the bearing of the size of the business unit itself upon our economy was not realized, and is not realized today, in spite of its phenomenal development.

Whether or not the antitrust laws have been successful or unsuccessful in accomplishing their limited purpose is now immaterial for the purpose of this argument. They have not prevented the rise of large corporations upon an unprecedented scale. I have already pointed out that 200 corporations control almost one-half of the industrial wealth of the country.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. WHEELER. I yield.

Mr. REYNOLDS. How many of the 200 corporations are represented by public-service institutions, such as power-producing plants, railroads, steamship lines, telephone and telegraph lines?

Mr. WHEELER. I cannot give the Senator the exact number.

Mr. REYNOLDS. But some of them are?

Mr. WHEELER. Yes; some of them are, yes.

Mr. REYNOLDS. Would it not really work a hardship upon the public if we were to break up many of these large corporations? Take, for instance, one of the most successful, at least financially, according to my understanding, of the transportation organizations of this country—the Southern Pacific Railroad system—a measure of whose prosperity is due to a trust fund of $250,000,000.

Mr. WHEELER. My bill would not affect that organization.

Mr. REYNOLDS. It would not affect any of the public-service corporations?

Mr. WHEELER. No.

Mr. REYNOLDS. Such as telegraph and telephone companies and our great steamship lines?

Mr. WHEELER. The idea is not to affect public-service corporations such, for instance, as the telephone, telegraph, and railroad companies.

Mr. REYNOLDS. But it would apply to power-producing plants?

Mr. WHEELER. I think it would apply to power-producing plants. That is the idea I had in mind.

Mr. REYNOLDS. Such as hydroelectric and other forms of production of electricity?

Mr. WHEELER. Exactly.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Minnesota?

Mr. WHEELER. I yield.

Mr. SHIPSTEAD. It is not only size of corporations that has become a source of danger, but also the constant accretion of power, the extension of privileges which have been granted to them from time to time, and the failure of the Government to enforce existing law have made them as powerful as has size itself. They are created by the Government, given life through charters, and they have grown in so many ways in size and power, either through special privilege or control of legislation that they now threaten the life of the very Government which created them. If I understand the Senator correctly—and I think he is making a wonderful speech—it may be the duty of the creator of these creatures to regulate and control them through some system which we have never before tried, that is through the taxation power. Is that what the Senator's bill aims at?

Mr. WHEELER. That is exactly the aim of the bill.

Mr. SHIPSTEAD. I have for many years been convinced that regulatory commissions have been regulated by the corporations instead of themselves being the regulators.

Mr. WHEELER. I do not think there is any doubt about it. A commission is created, and it does good work, but, due to a change in administration or something of that kind, we see that commission gradually broken down until, instead of being administered in the public interest, generally, as the Senator has pointed out, the very corporation or the very trust which it was sought by a commission to regulate, in turn, regulates or controls the commission which has been set up.

The Senator from Idaho [Mr. BORAH] has recently brought to our attention facts which show that this tendency toward centralization of economic power in large corporations has continued during the depression and at the present time at an ever-increasing rate. Because it is often said that the justification of the antitrust laws is based upon the philosophy of laissez faire, which, it is asserted, has proved outworn and inapplicable to modern conditions, I should like to stress the fact that the antitrust laws were not directly framed to prevent the existence or growth of large aggregations of capital in corporations but merely to prevent certain obvious abuses which were characteristic of monopolistic enterprise, whatever the basic theory of such laws may have been. In view of the actual scope and effect of the antitrust laws, it is absurd to argue that a policy of regulated competition, made directly effective by the tax on bigness, cannot be successful simply because under the modern conditions the market place has not proved a satisfactory mechanism to coordinate the business and industrial activities of individuals. If a planned and regimented economy, administered by business and Government in partnership through the N. R. A., or some such agency, is necessary and the making of industrial policy can no longer be left to the market place and the price mechanism under competitive conditions, it is not because the latter is impossible but merely because the scope of our antitrust laws has failed to reach the problem. For myself, I believe that there is yet room for an experiment in industrial democracy along with the attempt to regulate industrial policy through administrative bodies.

Up to this point, by an appeal to history I have tried to dispel two illusions about corporate bigness—the psychological feeling that it is inevitable and the defeatist argument that the traditional policy in favor of regulated competition behind our antitrust laws must be wrong simply because those laws have failed to check the tendency toward concentration. The root, however, of our passive acquiescence in face of bigness lies in the unwarranted assumption, instilled by continuous propaganda of big business, that bigness means practical efficiency. It is argued that bigness is essential to mass production and distribution, contributes to scientific and technological progress, and in these ways makes possible the maintenance of the existing standard of life. Careful students of the problem have long pointed out that this argument needs careful qualification if it is to be accepted as sound. It is admitted that a business unit may be too small for efficient production and distribution, but on the other hand it is clear that increase in size beyond such optimum as may be dictated by conditions peculiar to the time, location, and type of industry involved, detracts from technological efficiency and scientific progress. In view of the existence of such body of expert opinion, skeptical as to the practical advantages of bigness, such passive acquiescence in swallowing the propaganda of big business is surprising.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Minnesota?

Mr. WHEELER. I yield.

Mr. SHIPSTEAD. Does not experience show that bigness to a large extent comes as a result of consolidation of smaller units?

Mr. WHEELER. Yes.

Mr. SHIPSTEAD. Someone conceives the idea of consolidating several plants and must necessarily buy them. In order to buy them and get control, a sum must be paid very much more than they are worth, and as a result of the consolidation we have an increase of capitalization—in fact, we have an overcapitalization bringing on exorbitant fixed charges, and that in itself starts the new corporation out with an increased inefficiency.

Mr. WHEELER. Yes; and with a debt burden and fixed charges under which in many instances, particularly in times of depression, it is unable to stand up.

Mr. SHIPSTEAD. It brings about monopolistic control of production and prices.

Mr. WHEELER. Certainly.

If proponents of bigness cannot bear the burden of proof in argument as regards its practical efficiency, we have certainly struck down a wide-spread fetish of the American mind and cleared the way for consideration of bigness in the light of its social implications.

Let us analyze the argument that size means efficiency. The advantages of mass production resulting from so-called "horizontal integration", in both the aspects of production

and distribution, are clear up to a certain point, where we have in mind simply the creation of one producing plant and its attendant distributing organization. There is, however, always an optimum upper limit, which, although subject to change, is conditioned by various factors; that is, by the scarcity of raw materials, or of power resources, or of suitable labor in the locality, by the number of buyers within the area which that plant can serve to best advantage, by management technique, and so forth. From the point of view of production, horizontal integration confers the advantages of mass production only in the case of merger of plants in the same locality. In the case of so-called "vertical integration", simple logic shows that it often flies in the face of the principle of the economies of mass production; that is, of specialization and division of labor under one management. As regards the argument that highly integrated enterprises are in a favorable position to reduce the costs of the commercial processes of buying, selling, advertising, and so forth, it may be said that again the record does not bear out the case.

Mr. SHIPSTEAD. Mr. President, will the Senator yield further at that point?

Mr. WHEELER. Certainly.

Mr. SHIPSTEAD. As an illustration, the Steel Corporation was formed. They bought out several plants. They bought out the Carnegie steel plant. Carnegie made steel rails for around $20 to $22 a ton. When the Steel Corporation was formed the price was raised to $28. The increased cost of production caused an increased capitalization. They held that price until 1915, during the war, when the price went to $53 a ton, and is now around $37 a ton. If they had an honest capitalization, they could produce steel rails now as cheaply as Andrew Carnegie did under the old method.

Mr. WHEELER. The reason why they bought out Andrew Carnegie was because he was competing with monopoly. They had to buy him out at a tremendous price because they wanted to kill the opposition. That is the only reason why they bought him out. I am just coming to the matter to which the Senator has invited attention.

For instance, conclusive evidence, as a matter of judicial record in the dissolution suit against the United States Steel, exists to the effect that the smaller independent competitors are just as technically efficient as that giant corporation. Recent statistics as to earnings bear out the fact that the smaller independents are relatively more efficient.

As Mr. F. A. Fetter, former president of the American Economic Association, says in his book called "The Masquerade of Monopoly" (p. 369):

> A study in 1921 of the most notable mergers formed before 1903 showed that in 23 of the 35 cases the earnings in the next 10 years were less than before the merger, and in half of these less by one-third to nine-tenths, and in the aggregate earnings of all 35 were nearly one-fifth less than those of the separate competing establishments prior to consolidation. Even the United States Steel Corporation—a surprising fact—earned only about 85 percent as much in its first 10 years as the previous earnings of its constituent companies.

As regards the combined virtues of mass production and technical integration he concludes:

> It ought now to be clear that these are technical matters in a single establishment and have nothing to do with merger, which is almost entirely a matter of the proprietory (financial) unification of separate plants.

Mr. Justice Brandeis should again be cited as an authority to sustain this proposition. In an article, "Competition", he states:

> In every business concern there must be a size limit of greatest efficiency. What that limit is will differ in different businesses and under varying conditions in the same business. But whatever the business or organization, there is a point where it would become too large for efficient and economic management, just as there is a point where it would be too small to be an efficient instrument. The limit of efficient size is exceeded when the disadvantages attendant upon size outweigh the advantages, when the centrifugal force exceeds the centripetal. Man's work often outruns the capacity of the individual man; and no matter what the organization, the capacity of an individual man usually determines the success or failure of a particular enterprise not only financially to the owners but in service to the community. Organizations can do much to make larger units possible and profitable. But the efficiency even of organization has its bounds; and organization can never supply the combined judgment, initiative, enterprise, and authority which must come from the chief executive officers. Nature sets a limit to their possible accomplishment.

In another article, called "Trusts and Efficiency", appearing in Business a Profession, the Justice summed up this situation about as succinctly as it can be done. He there said:

> First. No conspicuous American trust owes its existence to the desire for increasing efficiency. * * * Second. No conspicuously profitable trust owes its profits largely to superior efficiency. * * * Third. No conspicuous trust has been efficient enough to maintain long, as against the independents, its proportion of the business of the country without continuing to buy up, from time to time, its successful competitors. * * * Fourth. Most of the trusts which did not secure monopolistic positions have failed to show marked success or efficiency as compared with independent competing concerns.

There is perhaps one more fact, of particular importance today, concerning the alleged relationship between size and efficiency which should be mentioned. At a time when our industrial economy was simpler than it is today the essential problem was to organize men and develop raw-material resources on a large scale. But the era of purely physical expansion is now largely in the past. How the standard of life may be progressively raised in the future presents a rather different problem. The answer must depend rather upon scientific achievement than upon the will to organize and exploit. The broad lines of our industrial structure are now fairly well defined, but in the very rigidity of that structure lies a menace to the free and wide-spread use of scientific achievements by business. This menace, of course, lies in the tendency of big business to suppress, whether by fair means or whether by unfair means, the fruits of scientific achievement. In order to protect the huge investments which impart that rigidity to the structure of our industrial economy to which I have referred, it is notorious that big business does prevent new processes and new inventions from reaching practical fruition in industry. If the industrial system were more highly competitive, individual businesses would be forced and could afford to take advantage of new inventions and processes. But the trusts cannot afford to scrap their huge plants and establishments which represent tremendous investments, especially when the easy way is open to them of buying out the creative idea which would destroy them.

Let me say to the Members of the Senate that one of the troubles with the railroads at the present time is that very trouble. They have failed to keep up and adopt new methods—failed because of the fact that in many instances they would have had to change their plants.

Mr. SHIPSTEAD. Mr. President, is not that also true of the patents held by the telephone companies?

Mr. WHEELER. By the telephone companies, I am told, and by practically every great corporation in the country.

Mr. SHIPSTEAD. Thus, retarding progress, and withholding from the people the benefit of scientific inventions.

Mr. WHEELER. Yes.

The process of suppression is secret and insidious. No one can say how much the present standard of life has suffered or what possibilities of future progress will be cut off by this means. But on this point, in the light of actual evidence, it is hard to question the relative virtue of a competitive economy.

If size does not lead to efficiency, what must be the motives which lead to the creation of our giant corporations and what must account for the practical success of some of them? The answer is simple: Desire to control prices by control of the market and the desire for speculative profit on the part of those promoting such consolidations. Expectation of profit from the actual operation of the enterprises which resulted from consolidation may largely account for the initial thrust toward combinations. The owners and operators were the same people. But since the wide-spread divorce of ownership and control the evidence is overwhelming that the mainspring of action lay rather in the desire for quick and assured speculative profit than in the hope of larger operating returns. Who can doubt but that the germ of consolidation, in recent times, has come from Wall Street rather than from Main Street? Given the existence of an ignorant and credulous investing public, the promoters and underwriting bank-

ers know that they can obtain large profits and quick turnover with little risk. A rather striking illustration is the purchase by the United States Steel Corporation, formed for that very purpose by the Morgan interests, of Mr. Carnegie's steel properties. After elaborate investigation Mr. Herbert Knox Smith, commissioner of corporations, described the deal in this way:

> The conclusion is inevitable, therefore, that the price paid for the Carnegie Co. was largely determined by fear on the part of the organizers of the Steel Corporation of the competition of that concern. Mr. Carnegie's name in the steel industry had been long synonymous with aggressive competition, and there can be little doubt that the huge price paid for the Carnegie concern was, in considerable measure, for the specific purpose of eliminating a troublesome competitor, and Mr. Carnegie in particular. This, it may be noted, was the interpretation generally placed upon the transaction in trade and financial circles at the time. (Reprinted in Business—A Profession, p. 210.)

In an address delivered in 1912, a former President, Mr. Woodrow Wilson, stated the substance of what I have been trying to get at, both in regard to efficiency and the motives which lead to the formation of large combinations. He said (from Efficiency, address delivered at a banquet of the real-estate men of Boston at the City Club, Jan. 27, 1912, College and State, vol. II):

> * * * Every tyro knows that, up to a certain point, combination produces economy. But it does not necessarily produce efficiency. That depends upon who runs the combination and on the amount of brains invested, not on the amount of capital pooled; and after you have got your combination, what do you do with it? I do not mean what you say you do with it in public discussions. What do you actually do with it? You have only to ask to look into the testimony before the Stanley committee; you have only to look into the testimony in the trial of the meat packers; you have only to look in the public records to find what is done with some combinations. There are private understandings with regard to prices. Everybody knows that, and that the penalty of not observing those prices and keeping to them is to be put out of the combination, and it looks—I will not make this an assertion but I will venture to say—as if the object of some combinations was the prices, not the efficiency; not economy, but the avoiding of the very things that make economy and efficiency absolutely imperative. I do not have to be efficient over and above the point that the men I am in competition with make it necessary that I should be efficient. If I know enough to know more than the fellow that I am competing with, I do not have to increase my knowledge. If I understand the game well enough to checkmate him, I do not have to understand it any better, and if I can enter into an understanding with him I do not have to understand it at all. So that my conviction is—and I think that the admission of every candid mind will be—that in recent decades we have been decreasing our efficiency (pp. 361–362).

Much could be said on this score just as much as could have been said dealing with the subject of the antitrust laws, as to their demonstrated inadequacy to prevent the rise of monopoly itself. However, my purpose at this time is limited. It is not to accuse but simply to show that the continued existence of giant corporations is not necessary to the maintenance of efficient and progressive American business capable of supplying the needs of the people. As I said at the outset, if big business can support the burden of proof against this contention, then we are justified in taxing it so that the benefits will accrue to the people.

I now turn to the consideration of the inherent implications, as I see them, of corporate size. What economic significance is to be attributed to the existing and accelerating concentration of economic power in the hands of a few private individuals?

There has recently been transmitted to the Senate by the Secretary of Agriculture, in response to Senate Resolution No. 17, a memorandum on Industrial Prices and Their Inflexibility, by Dr. Gardiner C. Means, economic adviser on finance to the Department of Agriculture. I borrow freely from his analysis while differing somewhat from the conclusions advocated, because it shows so clearly the inevitable implications to our economy of the concentration of economic power.

Our traditional policy of regulated competition was conceived of and worked in relation to an economy where business was carried on by individuals or by small units. Business activity was geared to and in part controlled by flexible market prices. Through the impersonal market and the law of supply and demand, apparently unrelated activities of individuals were coordinated. As Dr. Means puts it, the assumption of traditional theory was "that the market would continue to make industrial policy and would remain a satisfactory coordinating mechanism." But the concentration of economic activity, attendant upon the rise of large corporations, has in large part destroyed the market as a regulatory mechanism and has substituted in its stead administrative regulation of prices in the hands of industrial managers. In a large part of the industry the market no longer equalizes supply and demand through a flexible price mechanism, but brings an adjustment of production to demand at administratively determined prices. Dr. Means by elaborate statistics concerning the frequency of price changes during the last decade conclusively shows the importance of administered prices in our economy. He states the significant fact in this way:

> The presence of administered prices, while it does not indicate monopoly, does mean that the number of concerns competing in the market has been reduced to the point that the individual concern has a significant power to choose within limits between changing its prices and changing its volume of production or sales.

He then goes on to show how this increasing power in certain individuals to make industrial policy has inevitably led to a policy of reducing production instead of prices in face of a falling demand, thus taking a step apparently beneficial to the individual concern but clearly detrimental to our economy as a whole and in the long run to that business itself. The reduced level of employment creates lack of purchasing power and thus intensifies the initial weakening of demand. The business cycle takes on an accelerating downward curve, largely as the result of the aggregate impact upon our economy of these individual decisions to reduce production, decisions which are themselves often caused by economic manifestations of rather trifling intrinsic significance.

The correctness of this theoretical analysis concerning the significance of administered prices in our economy can clearly be shown by a practical illustration that will appeal to many Senators here. Compare the drastic decline of farm prices during this depression with the relative inflexibility of the prices of many industrial products. Prior to the establishment of the A. A. A., the individual farmer, and farmers as a whole because of lack of cooperation among them, had no power to affect the prices at which their products would sell, because the production of no individual farmer was sufficiently large in relation to the total production to enable him to affect the market. Farm prices were determined in the classical competitive market by the law of supply and demand. In face of a falling demand for farm produce, the individual farmer could not afford to curtail production, because his relative share of the national production was so small as to be insignificant. The industrial magnate, on the other hand, even though engaged in a line of business where competition existed, could afford to reduce his volume of production in the face of a falling demand without too great a risk of losing his market. His product was not as often perishable as that of the farmer, and moreover there was considerable likelihood that his competitor would follow the same policy of curtailing production. If the position of the industry approached monopoly, reduction in the total national production was assured, and even in fields where competition exists the history of this depression amply demonstrates that those in control of the industrial policy in competing industries almost universally decided to curtail production rather than maintain volume at the cost of reduced prices. That such policy has led to unemployment, the squeezing of labor costs, and many other evils characteristic of this depression, I need not dwell upon.

The important point, as I see it, is: If this analysis of the significance of so-called "administrative prices" be sound, excessive concentration of economic power in the hands of a few individuals as it exists today constitutes a menace to our economy. This is true whether we believe that most of the important industries of the country are essentially monopolistic or whether we believe that they are essentially competitive. At any rate, it is clear that the competitors in many lines are so few that individually they are in a position to

choose, in the face of a falling demand, between a policy of curtailed production and a policy of reduction in prices. It is also clear that, while we cannot condemn the almost universal tendency to choose the latter policy as vicious, we can, nevertheless, amply demonstrate that it is not in the public interest. In this situation it seems to me we cannot sit back and deplore the fact that the few individuals in control of industrial policy choose a course which is apparently beneficial to their respective corporations but which in the long run proves not only harmful to the public interest but to themselves.

This rather impersonal analysis of our economy, showing how big business inequitably makes decisions which hurt others and in the end themselves, not only contains an appealing element of the paradox but to my mind is more convincing and constructive than any bombast against the trusts could be. Perhaps there is another quite simple way of saying the same thing in the language of common sense. In an article, in the August 1932 number of the Commonweal, by Ernest F. Dubrul, it is said in this way:

> The realist knows that managers of large-scale industries can and do make mistakes, because they are no more infallible than other men. The realist also knows that whenever a socialist supreme economic council or a big company's directorate makes a mistake, that mistake involves a much greater social cost than does the same mistake made by the management of a small company. * * * For instance, a large individual producer of low-priced automobiles made the serious mistake of postponing too long the redesign of a model which once had a peak sale of about 7,000 units per day. His mistake brought long unemployment to 100,000 men in Detroit and to many more in other places. He was alone in making this mistake at that particular time.

What is the answer to this? He says:

> Had his 7,000 units been produced in 7 independently managed factories, it is not likely that all 7 managements would have made that same mistake at the same time. Any theoretical difference in cost per unit produced in the smaller plants would be negligible compared to the total social cost of that one mistake.

The answer, then, is in the language of common sense: The realist knows that it is not in the cards of human fortune for individual managers to make the same serious mistake at the same time.

Let us impartially consider what solutions are possible. Many people advocate extended Government control of industrial policy. This is already taking place through the so-called " partnership " of business and government, effectuated through administrative bodies established under the N. R. A. and the A. A. A. It simply means a relative shift in administrative responsibility for key industrial decisions from private individuals to Government officials. Without condemning this policy, I believe we should carefully consider its implications and also the possibilities of a return to traditional policy of regulated competition before it is too late. We should realize that the existing policy means eventual Government control to an extent hitherto undreamed of. We must admit that this process has gone far at the present time—as Dr. Means says with reference to administrative prices:

> It is only because this holding of price has become wide-spread and customary that the term " price chiseler " should be a term of opprobrium in an economy supposed to be coordinated through flexible prices.

Yet, as I said before, I still think there is room for an experiment in economic decentralization as a means of attaining industrial democracy.

The present course means further centralization of power and responsibility under Federal Government. Experiment under the N. R. A. shows that the Government, either because it was unable to persuade industry to adopt another policy, or because it acquiesced in that policy, has not insisted on economic adjustment by reduction of prices, but rather has attempted to solve our problems by trying to increase our volume of production by encouraging a general rise in prices. There are indications that this questionable policy is being abandoned. Whether our experiment with Government regulatory bodies justifies the assumption that more centralized power and responsibility in the Government will in the future produce better results than centralization of power and responsibility in private hands has achieved in the past is doubtful. We are beginning to learn that there are practical as well as theoretical limits to the virtues of centralized administration, no matter in whom the power and responsibility rests.

Aside from the question of whether a partnership of business and Government will work in practice, I should like to stress what seems to me certain social advantages inherent in decentralization which in themselves justify an experiment along lines somewhat contrary to those which we appear to be pursuing. American traditions of individual liberty and independence are not dead. Our problem is to establish an economy that will not only work but that will afford such ideals a chance of being realized in practice. Excessive centralization in whatever form it may exist inevitably means a negation of these ideals. It is important that persons of average ability in their work should feel that they have a chance to achieve positions of responsibility, and that they should have the opportunity to engage in business on their own account with some hope of practical success.

We must also consider implications from the fact that the threads of economic power lead not only to a few hands but inevitably to a few great nerve centers—to the great financial centers of the country. This, too, means negation of another aspect of economic democracy. Such localization of power cannot fail to sap the vitality of our democratic institutions. The essential roots can only be nourished by constant exercise at the sources of our local problems, of powers and responsibilities commensurate with those problems. The multitude of local problems and local interests can only be understood and appreciated by those who live with them. It is important that our people should have a chance to work out their own decisions affecting these matters. If we desire a sturdy democracy and an abundant life for the people, the existence of independence, initiative, and self-reliance, both in local government and in the individual citizens, must be preserved.

It is, of course, necessary that the Federal Government should take such practical steps and that it should go to such lengths as may be necessary to make possible an economic democracy in accordance with these American traditions and ideals. I take it that we are concerned here simply with the problem as to what methods the Government should pursue. Nobody can deny that the excessive concentration of economic power and the existing tendency toward greater concentration menace these ideals. I believe that this central fact warrants an experiment along the lines proposed in this bill—an experiment in decentralization in accordance with our American traditions.

This problem constitutes an even greater challenge to our statesmanship today than in 1910, when Woodrow Wilson characterized the situation this way. (Excerpts from The Lawyer and the Community, annual address delivered before the American Bar Association at Chattanooga, Tenn., Aug. 31, 1910. Reprinted in the Public Papers of Woodrow Wilson, vol. II, College and State.)

> * * * We have witnessed in modern business the submergence of the individual within the organization, and yet the increase to an extraordinary degree of the power of the individual, of the individual who happens to control the organization. Most men are individuals no longer so far as their business, its activities, or its moralities are concerned. They are not units but fractions; with their individuality and independence of choice in matters of business they have lost also their individual choice within the field of morals. They must do what they are told to do or lose their connection with modern affairs. They are not at liberty to ask whether what they are told to do is right or wrong. They cannot get at the men who ordered it—have no access to them. They have no voice of counsel or of protest. They are mere cogs in a machine which has men for its parts. And yet there are men here and there with whom the whole choice lies. There are men who control the machine as a whole and the men who compose it. There are men who use it with an imperial freedom of design, whose power and whose individuality overtop whole communities. There is more individual power than ever, but those who exercise it are few and formidable, and the mass of men are mere pawns in the game.

How significant those words are today, much more so than they were when they were delivered in 1910.

Everyone who seeks to curb this monopolistic tendency on the part of business is today branded as a Socialist, a radical, or a Communist, but I submit for the consideration of the

Members of this body who are familiar with any of the great business organizations in this country that all the evils which are charged up to socialism, and even communism, are inherent in these great institutions. As Woodrow Wilson said: "Individuals become mere cogs in the machine." Individual initiative is stifled, if not at an end.

George Stephenson has said, "Where combination is possible competition is impossible."

Nepotism in its worst forms finds its way into these gigantic corporations, and their head men and satellites who talk the loudest against socialism and communism are the very ones who are doing more to promote socialism and communism in the United States than all the soap-box orators from one end of the country to the other. We have been talking about breaking up combinations through the Sherman antitrust law when we know it is ineffective. We preach from the public platform about regulating their abuses, and those of us who are familiar with their workings know that we have failed to regulate them.

I am introducing this bill as a challenge to see whether or not the Congress of the United States really desires to prevent future abuses and to break up inefficient and costly existing combinations. We can do this, if we will, through the taxing power of the Government of the United States.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on the amendment, in the nature of a substitute, offered by the Senator from Nevada [Mr. MCCARRAN].

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Costigan	La Follette	Reynolds
Austin	Couzens	Lewis	Robinson
Bachman	Cutting	Logan	Russell
Bailey	Davis	Lonergan	Schall
Bankhead	Dickinson	McAdoo	Schwellenbach
Barbour	Dieterich	McCarran	Sheppard
Barkley	Donahey	McGill	Shipstead
Bilbo	Duffy	McKellar	Smith
Black	Fletcher	McNary	Steiwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norbeck	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

Mr. SCHALL. Mr. President, I offer an amendment intended to be proposed by me to Joint Resolution 117, now under consideration, and ask that it be read by the clerk and printed and voted on at an appropriate time in connection with this measure. I hope we may have a record vote on it.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to add to the joint resolution a new section, as follows:

All corporations organized for any purpose by officials or agencies of the United States for its use since March 4, 1933, shall be liquidated within 90 days; and no other or like corporations shall be organized for any purpose by or in behalf of the United States except by express authorization of Congress.

Mr. SCHALL. Mr. President, I cannot conceive that any Member of the Senate would desire by his vote on this four billion lump measure to make it possible, or even likely, that the United States of America may be converted into a Union of Soviet Socialist Republics—with Federal officials as board directors of Government-owned industries run by Government commissars, as in Moscow.

Yet that very end is made possible, if not probable, as we cannot fail to see if we read the Delaware charters of permanent industrial mergers filed in Dover by Cabinet officials and "emergency" bureau heads within the past 15 months.

Take the following charter provision of the so-called "Commodity Credit Corporation", filed in Delaware on October 16, 1933, by Secretaries Wallace and Morgenthau, Jr., to perpetuate the 2-year "emergency" bureaus of the A. A. A., the N. R. A., the F. E. R. A., and the Federal Loan Acts. Read section (k) of this Delaware merger:

(k) To acquire by purchase, lease, or construction, or in any other manner, storage and other physical facilities for the handling, carrying, processing, manufacturing, storing, preparing for market agricultural and/or other commodities and/or products thereof.

Here is a plain and undoubted charter provision in which the Delaware corporation—of which Secretary Wallace, Secretary Morgenthau, Jr., and Oscar Johnston are the board of directors—has incorporated itself in an enterprise which contemplates grain elevators and warehouses, flour mills, sundry cereal-processing factories, even packing houses and canneries, or any other industrial organization for—

Handling, carrying, processing, manufacturing * * * and marketing agricultural and/or other commodities and/or products thereof.

Senators will find this entire charter as signed over notarial seals by Wallace, Morgenthau, and Johnston before a District of Columbia notary on pages 1552 and 1553 of the CONGRESSIONAL RECORD of February 6, 1935.

If the President does not intend to allocate funds to this Delaware merger, then why does he permit his Cabinet Secretaries to incorporate the merger?

This Delaware holding company contains the following provision extending the functions of the 2-year "emergency" bureaus, as follows:

Seventh. This Corporation is to have perpetual existence.

How can it have "perpetual existence" and carry on its industrial activities as here described if it is denied funds? Section (e) of the charter gives the merger the power—

To borrow money for the purpose of (1) purchasing, storing, handling, and/or processing agricultural and/or other commodities and/or products thereof * * *.

Secretary H. A. Wallace, Oscar Johnston, and Secretary H. Morgenthau, Jr., incorporated as the first board of directors, and they have designated "100 West Tenth Street, in the city of Wilmington, county of New Castle, Del.," as the office of their resident agent, the Corporation Trust Co.

How can they even maintain their corporate office in Delaware without funds? How can they maintain any of their industrial activities as detailed in their "perpetual" charter without funds? How can they "acquire by purchase, lease, or construction, or in any other manner" the physical facilities for handling, "processing, manufacturing", and "marketing agricultural and/or other commodities and/or products thereof" without funds and a large and continuing volume of funds?

We, if we vote this $4,000,000,000 lump sum subject to the allocation of the Executive who authorized his Cabinet members and bureaucratic colleagues to incorporate this Delaware merger—else they never would have dared to venture on such a bold socialistic-communistic experiment—we, I repeat, vote the lump sum that gives the communistic enterprise the required funds to establish Government-owned industries that compete with private industry in handling, processing, manufacturing, and marketing agricultural commodities and products thereof.

That is the very thing we do unless we amend the lump-sum appropriation so that it shall not be employed for such purpose. If, in the face of this charter provision, written by administration officials, signed by administration officials, and sworn to before a notary of the District of Columbia, we then appropriate the lump sum asked without limitation as to the use thereof, we are by that act and vote made particeps criminis to the socialization of American industry and

thereby the conversion of the United States of America into another United Socialist Soviet Republic.

Not quite 2,000 years ago there was a Roman governor by the name of Pontius Pilate, who sought to wash his hands of responsibility by turning over the prisoner in his hands to the infuriated mob and letting them do as they pleased. The verdict of history did not add luster to the name of Pontius Pilate. Has the United States Senate learned anything from that example? Can we, or will anyone else, point with pride to such betrayal of responsibility? Under article I of the Constitution, which we have sworn to uphold, how can we lawfully abdicate our duty and legislative responsibility?

The Delaware corporation I have named is only 1 of 6 Delaware mergers organized by Federal Cabinet members and bureau heads, in which the charters confer upon the officeholding board members the function and business of industrial corporations.

Five of the Delaware mergers have an express provision which begins with the words:

To manufacture, buy, sell—

Three other federally officered Delaware mergers include the words "processing, manufacturing" in their articles.

One of these Delaware mergers—Public Works Emergency Housing Corporation—officered by Secretaries Ickes and Perkins and bureau head Kohn, proposes to "manufacture, buy, sell, * * * and generally deal in", as defined in section 4:

Building materials and other products of every kind, nature, and description, including without limitation, iron, steel, granite, stone, brick, cement, wood, paper, and plaster.

May I ask the Senators from Maryland, West Virginia, Pennsylvania, Alabama, Michigan, Colorado, Wisconsin, Illinois, or from any other State producing iron, steel, granite, stone, brick, cement, wood, paper, and plaster, what they will have to say to their home manufacturers and industrial wage earners if they vote the lump sum to be allocated to this Delaware merger after they have read the charter describing the proposed socialistic-fascistic plan of these federally officered industrial mergers? What will be their explanation of their vote? Will they undertake to quote the language of Pontius Pilate as their alibi?

If these industries are taken over by Federal officeholders and administered as in Moscow, who will pay the taxes in the States where iron, steel, granite, stone, brick, cement, wood, paper, and plaster are among the leading taxpaying industries?

Will American wage earners in these industries which even in the depression year 1931 paid over $1,000,000,000 in wages, and in prosperous years, as from 1923 to 1929, paid over $1,500,000,000 to their wage earners—will their wage earners at home be happy over the prospect of dealing with political employers as in Moscow? On election day in November 1936; yes, on primary election days in the spring and summer of 1936, the Members of this Congress will have their answers from their home manufacturers, their taxpayers, and from the great army of wage earners and their families.

Will that answer say, "We approve your great wisdom in voting the four billions lump sum to make possible and insure the conversion of the U. S. A. into an American U. S. S. R."? Will their response read, "We thank you for sovietizing the America of Washington and Jefferson, of Jackson and Lincoln, of Theodore Roosevelt and Woodrow Wilson"? Will they tell you, "You are the commissars of our soviet council—the one-time United States Senate—and we look forward with high anticipations of great joy to that near day when the women will be digging ditches, and the men drinking vodka, while our soviet council will fix our doles through corporations chartered in Delaware"?

I do not know if my own State of Minnesota is more "radical" or less "radical" than the average State in the Union, but what the people of Minnesota think of the prospect of a socialized State, the world may now read in the present session of the Minnesota State Legislature.

In April 1934, Gov. Floyd B. Olson, at his primary convention at St. Paul, issued a platform apparently based upon the socialistic articles of the Delaware mergers filed by Federal officeholders in Delaware. Indeed, he then predicted that within 6 months the Federal Government would be operating factories as he proposed to do in Minnesota.

In his platform he incorporated a plank that greatly resembles the provisions of the Delaware charters which were reproduced in the CONGRESSIONAL RECORD, by my persistent effort, on pages 1552–1561, of February 6.

Senators may see the resemblance, the same general sovietistic plan of Government ownership and operation of industries, when they read this plank of the Olson platform:

We demand public ownership of mines, water power, transportation, and communication, banks, packing plants, factories, and all public utilities.

In the various charters of the Delaware mergers—filed by Secretaries Ickes, Wallace, Perkins, Morgenthau, and "emergency bureau" heads Hopkins, Kohn, Morgan, and Rabinowitz, who was later displaced by a bureaucrat of some other name—scattered over these 10 pages of the RECORD, will be found all the socialistic powers enumerated in the Olson platform, and, for that matter, pretty much all the socialistic powers assumed in Moscow except one, the communistic power to use armed force.

What is the reaction of Minnesota to this Olson-Delaware-Moscow program? Senators can read it in the present organization of the State legislature. The Minnesota State Senate is 2 to 1 opposed to the socialization of the State's industries. The house of representatives stands nearly 2 to 1 opposed to the whole Olson program.

Not one Republican, not one Democrat, not one Progressive, and by no means all even of the Farmer-Laborites, of whom Olson poses as party leader, will stand for his socialistic plan.

In order to solidify in one effective legislative bloc all representatives who stand for Americanism against socialism, these Republicans, Democrats, Progressives, and independent Farmer-Laborite legislative members organized themselves into a new legislative party called the "Independent Progressives"—banded to fight the Olson administration on all phases of the Olson-Delaware-Moscow program, the whole Soviet new deal—and at this hour this reorganized legislative body is busily employed investigating the various kinds of alleged collusions, salary assessments, and financial waste of eight Olson State departments.

The congressional House committee investigating foreign propaganda reports that they found 24,400 paid Communist agitators in this country and their sympathizers number hundreds of thousands. A goodly number of these have rallied to the standard of our Minnesota Governor and are sojourning there today. This congressional committee also found that the charges made by Maj. Gen. Smedley Butler, that a New York financial group had proposed he lead a "putsch", to establish a Fascist dictatorship in this country, were true.

The people of Minnesota are determined to know:

First. Why their State tax levy under the Olson regime has jumped from 5 mills to 12 mills, whereas all county and municipal tax levies throughout the State have been reduced by responsible local officials.

Second. Why the large surplus in the State treasury has disappeared and in its place there is a deep ditch or treasury deficit comparable to the ever-deepening ditch in the United States Treasury.

Third. Why the State bureaucratic regime of Olson has increased political patronage on a scale comparable with that under the new deal in Washington.

Moreover, they are determined that the public funds of Minnesota shall not be employed to build up a vast socialistic-fascistic machine and destroy the industries that pay the State taxes and pay the wages to Minnesota's industrious army of wage earners.

Minnesota has taken a stand against the inroads of Moscow. The Minnesota State Legislature is voting no lump sum subject to the allocation of a new deal allocator, who is a candidate for office in 1936. Members of the Minnesota State Legislature have not abdicated and turned over their legislative functions to the executive.

Is the United States Senate less American and more submissive to Executive regimentation than the Minnesota Legislature? Within a stone's throw of the court chambers of the United States Supreme Court, is the Constitution of the United States weaker than on the upper Mississippi?

Are we so controlled by hopes of Executive patronage, hopes of Government doles, and afraid of the Executive that we allow the White House to draft our principal bills, and fear to cast a vote that does not accord with Executive demand?

If that is the present status of the United States Senate, then why not be consistent and submit to the States a resolution to abolish article I of the Constitution altogether, and tell the people frankly that in our judgment the prime function of Congress is to become a White House doormat?

The only safe insurance is to adopt my amendment as I have offered it, or a similar one, to make impossible the subversion of our republican form of government to a fascistic one.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be printed and lie on the table.

The question is on the amendment, in the nature of a substitute, offered by the Senator from Nevada [Mr. McCARRAN].

Mr. COSTIGAN. Mr. President, yesterday, in connection with an amendment subsequently adopted to the pending joint resolution, some references were made to some of the problems of share croppers in the South.

I have no intention of discussing that question at this moment, although I have received numerous telegrams from persons purporting to represent share croppers. It has occurred to me that it may be enlightening, without entering into the controversial features of their problems, to have incorporated in the RECORD a few extracts from an article entitled "The New Deal for Share-Croppers", published in the New York Nation of February 13, 1935. The article is by Dr. William R. Amberson, professor of physiology of the college of medicine in the University of Tennessee. I ask that the extracts from the article which have been marked may be incorporated in the RECORD as part of my statement, and referred to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

THE NEW DEAL FOR SHARE CROPPERS

(By Dr. William R. Amberson, professor of physiology, College of Medicine, University of Tennessee)

The social outlook of the Secretary of Agriculture is well known, and there can be no doubt that the higher administration of the Department is genuinely interested in building a better life for all classes of our farm population. Thus the authors of the 1934–35 cotton acreage reduction contract, foreseeing the possibility of economic and social disorder in connection with the operation of their program, wrote into the document a section which was presumed to be a sufficient charter for the defense and protection of the rights of agricultural laborers. Section 7 of the contract reads as follows:

[The producer shall] "endeavor in good faith to bring about the reduction of acreage contemplated in this contract in such a manner as to cause the least possible amount of labor, economic, and social disturbance, and to this end, insofar as possible, he shall effect the acreage reduction as nearly ratably as practicable among tenants on this farm; shall, insofar as possible, maintain on this farm the normal number of tenants and other employees; shall permit all tenants to continue in the occupancy of their houses on this farm, rent free, for the years 1934 and 1935, unless any such tenant shall so conduct himself as to become a nuisance or a menace to the welfare of the producer; during such years shall afford such tenants or employees, without cost, access for fuel to such woods land belonging to this farm as he may designate; shall permit such tenants the use of an adequate portion of the rented acres to grow food and feed crops for home consumption and for pasturage of domestically used livestock; and for such use of the rented acres shall permit the reasonable use of work animals and equipment in exchange for labor."

The general intent of this section to protect cotton-farm tenants and croppers from displacement is surely clear. A critical examination, however, reveals the essential weakness of its phraseology. The producer is not pledged "to bring about reduction", but only to "endeavor * * * to bring about reduction." "Insofar as possible", twice repeated, and "as nearly ratably as practicable" further weaken the section, which now becomes scarcely more than a gesture of benevolence. As the section proceeds, however, it becomes stronger, permitting "all tenants to continue in * * * occupancy", and then guaranteeing access to rented acres and woods land without qualification other than the "nuisance or a menace" phrase.

* * * * * * *

In spite of the plain intent of section 7 to guarantee tenure, the cotton section of the A. A. A. has adopted a contrary official interpretation which is responsible for much of the present confusion on the cotton farms. This interpretation may be stated in the words of W. J. Green, field representative of the adjustment committee, as follows:

"The cotton contract states that the landlord shall keep the same number of tenants, but does not compel him to keep the same tenant."

Under the convenient protection of this interpretation of the labor clause thousands of families have been dispossessed throughout the Cotton Belt.

* * * * * * *

A group of 23 threatened families has entered the courts to ask for an injunction against eviction and for fulfillment of the contract. Most of the plaintiffs are white, and all have excellent records as farmers. The defendant is Hiram Norcross, planter, of Tyronza, Ark. This test case of the meaning of section 7 will shortly be heard by the Supreme Court of Arkansas. The suit is supported by the Southern Tenant Farmers' Union and the American Civil Liberties Union, with C. T. Carpenter, of Marked Tree, in charge of the case. Funds for legal expenses have been collected from hundreds of croppers of both races, much of the money "pennied out" by the payment of a few cents a week. An authoritative court interpretation of section 7 will go far to resolve the present dispute as to the rights of these people to hold their lands.

* * * * * * *

For half a century now the 40-percent annual labor turn-over has at each year's end filled southern roads with miserable families seeking a new home. With a Federal reduction program in operation, new opportunities have almost vanished. The plight of these people thus becomes in a peculiar sense a national responsibility.

For enforcing its contracts the Department of Agriculture holds a much stronger position than the governmental agencies which preside over section 7a of the industrial codes, since it controls important financial benefits, the withholding of which can throw many a plantation into bankruptcy. It must, however, clarify its mind as to its attitude toward the various classes of our farm population. In the cotton country its present program is greatly aiding the 30 percent of owners and higher types of tenants, but it has been of no aid to most of the 70 percent of croppers and day laborers, many of whom are worse off than ever before. Under its program the older habits of exploitation persist, merely moving in new channels and assuming new forms. The Department has not yet come to grips with the basic problems. The creation of a more effective agency for the adjustment of labor disputes under present contracts is only a step in the larger program which is needed. The following concrete suggestions are offered:

1. When new contracts are drawn, the labor clauses must have the binding force of law, without quibble or equivocation, and the full protection of the Department must be extended to every man, regardless of race, color, or union affiliation, who has honestly performed his labor.

2. The right of agricultural laborers to organize and bargain collectively should be proclaimed, and recognition of this right written into all contracts.

3. Tenants and share croppers should be given representation upon all boards and local committees set up to administer the A. A. A. program.

4. The labor of children under 14 years of age in the fields should be forbidden by national statute. Many children now begin to pick cotton at the age of 5 and to "chop" at 10, at wages as low as 3 cents an hour. * * *

Mr. COUZENS. Mr. President, I should like the attention of the Senator from South Carolina [Mr. BYRNES]. I ask his attention because I have asked several Senators on the other side of the Chamber the purpose of organizing separate Delaware corporations. The matter has just come to my attention for the second or third time through an amendment offered by the Senator from Minnesota [Mr. SCHALL], in which he says:

All corporations organized for any purpose by officials or agencies of the United States for its use since March 4, 1933, shall be liquidated within 90 days; and no other or like corporations shall be organized for any purpose by or in behalf of the United States except by express authorization of Congress.

A week ago last Sunday there was a broadcast over the radio in which five different charters issued by the State of Delaware were read. Some of the charters were very broad, and some of them were issued in perpetuity. I inquired from several of the leaders on the other side—leaders in connection with this joint resolution—what was the purpose of organizing these separate corporations under the laws of the State of Delaware. Can the Senator from South Carolina advise me as to that?

Mr. BYRNES. Mr. President, I regret that I cannot do so. I did not hear read the amendment to which the Senator refers. I know it has been found in some States, where the States could not participate in loans by the P. W. A., that it was wise to organize a corporation in order that the P. W. A. might transact its business with the corporation. I imagine that in some instances it has been found wise to do it in order to enable the corporation to take title to land, particularly when the corporation in turn would deed the land to a farmer on a rural rehabilitation plan. I can see such a possibility; but I know no reason why corporations should be chartered having any great powers such as the Senator indicates in his remarks.

Mr. COUZENS. I made the inquiry out of respect to the Senator from South Carolina and his colleagues on the other side, because the amendment of the Senator from Minnesota is coming up, and there are some of us who would like to know, between now and the time it does come up, why these corporations were organized, and what their activities are.

Mr. BYRNES. I may say to the Senator that I shall be glad to try to find out for him and give him the information.

Mr. JOHNSON. Mr. President, if the Senator will yield, my knowledge of the situation is derived just from hearing the address of the Senator from Minnesota [Mr. SCHALL]. I know nothing about it; and I inquire, for information, Why should the United States Government have to go into a single State in the Union and organize corporations with the broadest conceivable powers for its different activities and its different departments?

If the Senator is planning to look up the matter, I suggest that query to him. Personally I cannot quite fathom why it is essential that that should be done.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute offered by the Senator from Nevada [Mr. MCCARRAN].

Mr. GLASS. If there is to be no further discussion of the amendment, I ask for a vote on it.

Mr. MCNARY. Mr. President, is the Senator from Virginia willing to move a recess at this hour? I can assure him that some speeches will be made on the amendment, but no Senator seems to be prepared at this minute to go forward.

Mr. GLASS. I will say to the Senator that, while I should like to make some progress on the joint resolution, in the circumstances I cannot refrain from making a motion to recess after we shall have gone into executive session.

Mr. MCCARRAN. Mr. President, in view of the fact that the pending amendment is one of which I am the sponsor, I shall ask leave to address the Senate tomorrow morning, if the matter may go over until tomorrow. My address will not be long; it will be merely a conclusion of the matter so far as I am concerned, and probably will not take more than three-quarters of an hour at the most.

Mr. GLASS. Of course, nobody could, if anybody desired, preclude the Senator from making his address.

Mr. MCCARRAN. I am merely giving notice that I shall seek to get the floor tomorrow to address the Senate.

REGULATION OF INTERSTATE AND FOREIGN COMMERCE IN PETROLEUM

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1190) to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes.

Mr. CONNALLY. I move that the Senate disagree to the amendment of the House of Representatives, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. LOGAN, Mr. CONNALLY, and Mr. DAVIS conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agred to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of John J. Boyle, of Wisconsin, to be United States attorney, western district of Wisconsin, to succeed Stanley M. Ryan, whose term expired February 16, 1935.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The reports will be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the calendar is in order.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Leo J. Keena to be Envoy Extraordinary and Minister Plenipotentiary to Honduras.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of John G. Utterback to be United States marshal, district of Maine.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. MCKELLAR. I ask unanimous consent that the postoffice nominations be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk read the nomination of John H. Russell to be major general in the Marine Corps from the 1st day of September 1933.

Mr. TRAMMELL. Mr. President, in view of the request of a Senator that consideration of this nomination be postponed, I ask that it go over. At an early date I shall ask that the Senate set an hour for the consideration of the recommendation of the Committee on Naval Affairs in this case, and also in regard to the nomination of Major General Williams. I hope we can have an executive session soon and take up these two nominations, but for the present they may go over.

The PRESIDING OFFICER. Without objection, the nominations will go over.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, February 20, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 19 (legislative day of Feb. 15), 1935

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Leo J. Keena to be Envoy Extraordinary and Minister Plenipotentiary to Honduras.

UNITED STATES MARSHAL

John G. Utterback to be United States marshal, district of Maine.

POSTMASTERS

NEW JERSEY

Norman H. Deshler, Belvidere.
George W. Karge, Franklinville.
Anthony De Staffen, Haskell.
Vincent P. Meade, High Bridge.
Wilmer Lawrence, Milford.
Joseph A. Wolfrom, Mount Holly.
Joseph F. Dempsey, Paulsboro.
Theodore H. Reed, Pennington.
William T. Snyder, Pittstown.
Edward J. Shea, Rochelle Park.
Christof Lindenmayer, Stirling.
Alger H. Alpaugh, Succasunna.
Timothy J. Lyons, Westwood.

SOUTH DAKOTA

James P. O'Neill, Spearfish.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 19, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite and eternal Spirit, Thou of the crosier and the cross, it is sweet to know Thy whisper, to hear Thy still, small voice and the secret of the opening lips, to see Thy leaning face, to feel Thy pressing hand and the touch of Thy finger. Father of mercies, grant unto us these heavenly blessings. Enlarge our spiritual perceptions that they may be replete with the wonders of the soul. O love us and trust us, and may we ever love and trust Thee. Stimulate us with knowledge and with wisdom to apply it. Blessed Lord, forgive us our sins, dismiss any undue rivalries, unworthy ambitions, and petty jealousies. We pray Thee to link us with the big things of life; arouse us with eagerness to hallow in Thy name all that we do. Each day help us to guide and bless the common good of the Republic, whose servants we are. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

AIR MAIL CONTRACTS

Mr. MEAD. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution No. 10.

The Clerk read the Senate concurrent resolution, as follows:

Senate Concurrent Resolution 10

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 932) authorizing the Postmaster General to extend certain air mail contracts for a further period not exceeding 6 months, to insert the following title to conform to the amendments of the House of Representatives, namely: "An act to postpone the effective date of certain restrictions respecting air mail contracts."

The SPEAKER. Is there objection to the consideration of the Senate concurrent resolution?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

WILDLIFE CONSERVATION

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, there has been promulgated lately by the Department of Agriculture order nos. G20A and T8½T, which take absolutely control of all the game and fish within the boundaries of the national forests. Seventy-two percent of the area of the State of Idaho is within the national forest. The State of Idaho has established a game department. We propagate fish and game; we have hunting and fishing laws and charge a license for fishing and hunting. Under the operations of these orders, three-quarters of the game within our State, much of which has been propagated by the State, is taken over by the Department of Agriculture through its operation of the Forest Service. They can declare open and closed season according to their will, without any reference to the Idaho law. The Legislature of the State of Idaho has gone on record in this matter and is presenting a memorial to the House of Representatives asking for relief from these orders.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield.

Mr. SNELL. Congress has conferred all these powers on the executive departments, has it not?

Mr. WHITE. They have conferred some powers on the executive departments which in my opinion should be restored to the National Legislature.

Mr. SNELL. As a matter of fact, the States have no more rights under laws which permit of this procedure.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a memorial from the State of Idaho.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The memorial referred to follows:

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho, and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of senate joint memorial no. 8 with the original thereof adopted by the Senate and House of Representatives of the twenty-third Legislative Assembly of the State of Idaho, and filed in the office of the secretary of state of the State of Idaho February 11, 1935, and that the same is a full, true, and complete transcript therefrom and of the whole thereof, together with all endorsements thereon.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 11th day of February, A. D. 1935.

[SEAL]

FRANKLIN GIRARD,
Secretary of State.

Received and filed February 11, 1935.

FRANKLIN GIRARD,
Secretary of State.

SENATE JOINT MEMORIAL NO. 8

(By Fish and Game Committee)

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas, on the 29th day of March 1934, the Department of Agriculture of the United States propagated its orders numbered G20A and T8½T, by which the Department of Agriculture seeks to take to itself as against the rights of the State of Idaho and its State Fish and Game Department the absolute and exclusive control of all fish and game lying within the boundaries of national forests; and

Whereas by such orders vast areas of land and a majority of the waters in this State containing game fish are affected; and

Whereas by the said orders the labors and expenses heretofore incurred by the State of Idaho and its Fish and Game Department for the protection and propagation of fish and game are and will be largely nullified; and

Whereas the said orders have been held unlawful by the Attorney General of the United States and the attorney general of the State of Idaho, and are a manifest violation of the spirit of the Admission Bill by which the State of Idaho became a part of the Union: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the said orders G20A and T8½T issued by the United States Department of Agriculture, under date of March 29, 1934, be, and they are hereby, expressly disapproved and condemned; and be it further

Resolved, That the Department of Agriculture of the United States be, and it is hereby, respectfully urged to withdraw the said orders; and be it further

Resolved, That copies of this resolution be forthwith forwarded by the secretary of state to the United States Department of Agriculture, to the President of the United States, and to the Senators and Representatives in Congress from this State.

This senate joint memorial passed the senate on the 7th day of February 1935.

G. P. MIX,
President of the Senate.

This senate joint memorial passed the house of representatives on the 8th day of February 1935.

TROY D. SMITH,
Speaker of the House of Representatives.

I hereby certify that the within senate joint memorial no. 8 originated in the senate during the twenty-third session of the Legislature of the State of Idaho.

MORRIS STACY,
Secretary of the Senate.

WAR DEPARTMENT APPROPRIATION BILL, 1936

Mr. PARKS, from the Committee on Appropriations, reported the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BOLTON. Mr. Speaker, I reserve all points of order on the bill.

Mr. PARKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

Pending this motion, Mr. Speaker, if agreeable to the gentleman from Ohio [Mr. BOLTON], I ask unanimous consent that general debate run throughout today and perhaps up to 2 o'clock tomorrow, the time to be equally divided, one-half to be controlled by the gentleman from Ohio [Mr. BOLTON] and one-half by myself.

Mr. BOLTON. Mr. Speaker, I have a number of requests for time. I think we should wait until 2 o'clock tomorrow and see what the situation is at that time.

Mr. PARKS. That is perfectly agreeable.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is upon the motion of the gentleman from Arkansas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5913, the War Department appropriation bill, 1936, with Mr. HILL of Alabama in the chair.

The Clerk read the title of the bill.

Mr. PARKS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. PARKS. Mr. Chairman, I yield myself such time as may be necessary.

Mr. Chairman, considering budgetary principles, and I think all of us are agreed that, apart from strictly recovery demands, it is essential that we arrive at a balance between income and outgo at the earliest practicable moment, I should say that the bill which we are presenting, generally speaking, is a very creditable measure.

We have not gone as far in several directions, it is true, as some would have us go, but I think I may say that we have gone just as far as those identified with or responsible for the conduct of Government feel that our finances warrant. In other words, much of the urge upon us, and much of the importuning to which you Members have been subjected during the pendency of this measure in the committee, has come from persons and organizations concerned more with some particular phase of the military budget than with other phases of that budget or with the Federal Budget as a whole. According to the old adage, "a man cannot serve two masters"; neither can he serve special interests or selfish interests and all of the people.

I should like to make this further observation before addressing myself to the essential features of the bill. As to what I shall say, I am confident you will not hear a single dissent from any informed quarter. Any person who makes a study of the military budget in all its phases must come to but one of two conclusions. If it be the purpose to maintain a well-rounded efficient Regular Establishment, officered and recruited at proper strength, adequately and modernly implemented, and fortified by reserves of personnel and matériel in number and quantity determined to be essential, we must reconcile ourselves to a military budget calling for vastly more than the budget here presented. How much more I should not be willing to hazard a guess.

On the other hand, if our people are unwilling to be taxed to support a larger military budget, then, just as promptly as possible, we should write another national defense act prescribing new strengths for the Regular Establishment and the civil components, new training programs, implementation programs for training, and reserve programs, all with the view to a balanced organization of the highest efficiency that the probable annual outlay would afford. There is no balance now, I can assure you.

I am not prepared, nor do I wish to take the time now, to elaborate upon that subject, but I feel that I should neither be fair to you nor to myself if I did not reveal my reaction after the studies I have made.

This bill, Mr. Chairman, carries more money for the Military Establishment than any War Department appropriation bill enacted since the Budget and Accounting Act of 1921, except the Appropriation Act for the fiscal year 1931. I should qualify that statement perhaps. No money is carried in this bill for Army housing. Some of the prior bills did carry considerable sums. Eliminating the money from prior bills for that single object, you will find the statement I have made to be correct.

For both the Army and Navy the 1936 Budget exceeds by about $100,000,000 the largest regular annual appropriations made for national defense since the enactment of the Budget law.

For the military section of the bill, including the Department here in Washington, the Budget carries $317,459,277. That sum exceeds current appropriations by $48,815,548. Subtracting pay restoration, $9,969,012, the increase is $38,846,536.

Approximately 76 percent of that amount is allocated to matériel betterment, as indicated on page 6 of the report. The remainder is traceable to service-pay adjustments, increased commodity costs, ammunition owing to availability of P. W. A. funds the current year, travel, and a larger program for field exercises.

There is ample justification for every single item. There would be ample justification for millions more, I have no hesitancy in saying, if the organization of the War Department's plans visualized is to be the basis of our future policy. But, even if not, I cannot point to a single item the Budget has increased that will not be needed or that could be affected by a less ambitious and less costly set-up. The committee has not disturbed a single one of the projects enumerated on page 6 of the report, with the possible exception of new airplanes, to which I shall refer later.

Ever since the responsibility rested upon our former esteemed and distinguished colleague, the Honorable Ross Collins, of directing the preparation of the War Department appropriation bill, the committee's policy has been that, with only a certain sum available for devotion to the military arm, every dollar possible should be earmarked for matériel betterment. I wish you would read what General MacArthur has to say as to our shortcomings, on pages 2 and 3 of the hearings.

However, Mr. Chairman, despite this substantial Budget increase, which, as I have said, is mostly in matériel directions, your committee was importuned from many sides to superimpose upon the Budget increase, very largely for or on account of personnel, not a temporary but an enduring annual charge approximating $30,000,000, a portion of which, I might add, would later occasion the expenditure of a large additional sum.

The Chief of Staff himself urged some of the increases. Practically all of them, I might say. The National Guard Association was quite insistent that the guard's budget be enlarged. Various military organizations and associations had representatives appear before the committee urging larger appropriations for the civil components. Lastly, some of my esteemed colleagues presented pleas.

The more prominent of the propositions urged that would occasion the added expense I just indicated are:

An increase in the enlisted strength of the Regular Army from 118,750 to 165,000.

Before enumerating the others, I might say that General MacArthur laid the greatest stress upon this item. He gives it highest priority.

The others are:

The first increment of 5 annual additions of 400 commissioned officers.

A larger amount for the repair and preservation of military posts and stations.

A larger amount on account of fixed defense.

An increase of approximately 16 percent in the total amount estimated for the National Guard, including 5,000 additional enlisted men.

An increase for active training of Reserve officers.

An increase for extending the camp training of Reserve Officers' Training Corps students.

An increase in the number of citizens' military training camp trainees.

Provision for conducting the national matches.

Mr. Chairman, unquestionably each of these propositions has merit. Our problem was twofold. First, the money to finance them. Your committee was absolutely opposed to assuming responsibility for exceeding the President's Budget.

I may say that this bill is within a half million dollars of the Budget, although providing almost everything that was asked for by anyone interested in national defense.

Second. The committee's position of the past that a proper balance must needs be maintained between personnel and matériel with only so much money to go around and within which the Army's portion must be found. Of course, it must be borne in mind that the latter is a matter not wholly within the jurisdiction of your committee.

Every single proposal is within the law, and in some respects well within the law. Unless the law be rewritten in conformity with the thought I expressed at the outset of my remarks to accommodate our military preparation to a restricted pocketbook, we shall be confronted continually with demands unfounded upon a well-ordered and balanced military budget.

We have resorted to compromise to solve our dilemma. We have carefully examined the Budget recommendations with view to effecting adjustments within the total thereof that would occasion no hurt and at the same time finance, in large measure, but to a lesser extent in some instances, the demands I have mentioned which are extraneous to the Budget and which have been stressed the most. In consequence of that course the measure we bring to you is within the total of the military chapter of the Budget and at the same time will—

First. Meet every demand of the National Guard.

Second. Provide 14-day training for 20,000 instead of 16,000 Reserve officers.

Third. Provide 42 days at camp for Reserve Officers' Training Corps students.

Fourth. Permit of resumption of the national matches upon a slightly reduced scale.

Fifth. Allow the Air Corps to order 97 more planes than would be possible under the Budget.

Sixth. Permit of a larger expenditure than would be possible under the Budget upon the upkeep of military posts charged to the Quartermaster.

Of course, we could not find the money to finance the increases advocated in the enlisted forces of the Regular Army and the National Guard. Whether or not they should be made, wholly or in part, taking all things into consideration, I am not prepared to say. These two proposals alone would involve something like $23,000,000. Our proposal is to provide indefinite appropriations, vesting discretion in the President as to whether or not all or any part of the increases advocated should be made. Owing to the President's expressed wish that his Budget be substantially adhered to, it would seem particularly appropriate at this particular time to allow the President to choose between added enlisted strength and added expense.

Therefore, this bill, unless the President elects to increase the enlisted forces of the Regular Army and the National Guard, will not occasion the withdrawal of a single dollar from the Treasury during the fiscal year 1936 beyond withdrawals permissible under the Budget.

If you will turn to page 8 of the report you will find on that page and on page 9 the details of the procedure contributing to that result.

I see no occasion to elaborate on many of the items embraced by that statement. The first five items relate to the War Department here in Washington. As to them, our action results in a net reduction of $7,712.

Dropping down to the reduction of $96,780 under "Pay of the Army", you will see by turning to page 156 of the hearings that it is planned to have 76 medical officers drawing flying pay next year. The Navy only has two medical officers with flight orders. There is no rhyme or reason for the Army's liberal policy, and the committee has included in the bill a provision limiting the number to five, or three more than the Navy has.

While on this question of flying pay it will be recalled that last year a provision was inserted in both the Army and Navy appropriation bills limiting flying pay to nonflying officers above the grade of captain to the rate of $1,440 per annum. Many nonflying captains in the Army, owing to the slow rate of promotion, receive flying pay well in excess of $1,440. The result is as to that group that they are drawing more flying pay than nonflying officers senior to them as well as nonflying officers of their own rank. In order to correct that situation we have amended the provision at present operative so as to make $1,440 the maximum rate for all nonflying officers.

Turning to page 9 of the report, the first increase of $5,000 is small but quite important. It was quite well established by the various inquiries made at the last session and subsequently respecting military and naval aviation that it was essential that a number of aviation technicists should be developed in the interest of better production and procurement. This increase, which was asked of the Budget and refused, is in keeping with the recommendations growing out of such inquiries.

The increase of $500,000 under "Barracks and quarters" is the first item we meet with of the increases urged upon the committee that did not have Budget support. Of the Budget estimate for "Barracks and quarters" but $383,800 is allocated to the maintenance and repair of buildings which the Quartermaster General must look after. These have a value of $176,500,000. The Budget allowance is less than one-fourth of 1 percent. Even with the increase the committee is recommending the amount is ridiculously low. Of course, it may be that some reconditioning funds may be allotted from recovery funds, but that is entirely problematical at this time.

Then we come to the first sizable amount we have been able to utilize in financing some of the proposed increases. I refer to the $3,000,000 decrease shown under the Air Corps.

When the Budget went to press it was understood that the approved Air Corps estimate would be adequate for the procurement of 547 airplanes for the Regular Army and 25 for the Organized Reserves, the latter to be financed out of the appropriation for that component. It has since developed, based upon more recent probable cost data, that the estimate is no more than sufficient to buy 450 planes for the Regular Army and 19 for the Organized Reserves. The procurements estimated happen to be identical with the estimated number of washouts during the fiscal year 1935 (hearings, p. 550, pt. I). Hence, if predictions be accurate there will be no gain at the end of the fiscal year 1936 over the number—1,367—of serviceable planes estimated to be on hand at the end of the present fiscal year.

On the basis of 1,854 as the lawful allowance, exclusive of the National Guard, of serviceable planes and planes undergoing overhaul, the plane shortage on July 1 next and a

year thereafter will be 487. The shortage under the Baker Board allowance will be 782.

The committee is advised that all of the reduced number of planes will not be delivered prior to July 1, 1936, and that therefore $3,000,000 of contract authorization might be substituted for a like amount of appropriation. This the committee has done, coupling with the authorization, however, an additional authorization of $4,686,753, which, it is understood, will finance the cost of the numbers—547—and types of planes, including spare engines, which the Budget intended should be procured for the Regular Establishment. Under this course there will be at least some gain over attrition. In no other respect has the committee touched the total of the estimate for 1936.

While on the Air Corps I shall take occasion to mention two other changes we are recommending. We are proposing to pinch off a little sooner than otherwise would happen the lighter-than-air activities in the Army, apart from free balloons. There is $601,142 in the Budget on account of lighter-than-air projects (hearings, p. 601, pt. I), exclusive of pay of military personnel. Twenty officers and 611 enlisted men are engaged with this activity. The lighter-than-air equipment is listed on page 590 of the hearings, part I. The committee's action is directed at reconditioning and prolonging the life of a number of relatively small semirigid airships. The enlisted personnel and the funds, in the committee's judgment, would be better employed in the heavier-than-air branch.

The current appropriation act requires the transfer from the Regular Army to the National Guard of 76 airplanes of the observation type, together with $155,582 of the 1935 appropriation for the Air Corps for the maintenance and operation of such planes. To date 32 planes have been transferred. The National Guard does not desire any more. Therefore, the committee has inserted in the bill a provision that will render further compliance unnecessary.

I may say that the recent disaster which we had to one of our great rigid airships out on the Pacific Ocean had nothing to do with the committee's judgment in this matter. Long before this disaster, which very fortunately took the lives of but two men, our committee decided that these were nonessential and that the Army could get along without the great dirigibles which have been so expensive to the United States and which have cost so many lives. Our committee decided we would refuse to appropriate one single dollar for these dirigibles and balloons that have been such a miserable failure in the Army and Navy of the United States, unless this House demanded a policy to the contrary.

Mr. BLANTON. Will the gentleman yield?

Mr. PARKS. I yield to the gentleman from Texas.

Mr. BLANTON. One of the reasons that forced the committee to that conclusion was testimony of high officers to the effect that dirigibles are most vulnerable, and that any little bomber can put them out of commission.

Mr. PARKS. I think the gentleman, as usual, has stated the matter correctly.

Mr. JONES. Will the gentleman yield?

Mr. PARKS. I yield to the gentleman from Texas.

Mr. JONES. Does not the gentleman think, then, that helium should be released for commercial usage, or for use by foreign governments?

Mr. PARKS. Of course, my opinion in reference to that matter would not be of any great value. The gentleman knows that a few years ago, and I think his State is the only State that produces helium, we had quite a contest in reference to confining the helium to these balloons or dirigibles. Of course, it has been of great value because of its nonexplosive character, but just what value it would have as a commercial project I am unable to say. If we abandon the use of these dirigibles, the Government will have no use for the helium, and it may be released.

Mr. JONES. The only reason that the exportation of helium was embargoed, and the only reason it was not released for commercial purposes, was because it was considered a national-defense measure.

Mr. PARKS. Yes.

Mr. JONES. If dirigibles are to be abandoned, it seems to me there should be no objection to releasing the helium for any commercial use to which it may be put or for use by any other government. We will still control the supply. The gentleman understands that other nations have wanted to purchase it for use in their dirigibles, of which they seem to have made somewhat of a success. The gentleman remembers that much of the terrorism over London during the war was caused by air raids during the night by dirigibles. If the use of dirigibles is to be abandoned by this country, I wondered if the gentleman had any reason to advance why the helium should not be released for commercial, scientific, or other use.

Mr. BLANTON. Of course, the subcommittee that handles the War Department appropriation bills cannot formulate a policy on this matter for the Congress. After all, the Congress itself must formulate the policy, and the Congress has not yet formulated or expressed a policy.

Mr. JONES. I understand that; but Congress has adopted a policy to limit the helium to military and naval uses.

Mr. BLANTON. I am talking about the use of dirigibles. The Congress has not yet adopted a policy with reference to disuse of dirigibles.

Mr. JONES. It was largely at the instance of the gentleman's committee, the Naval Committee, and the legislative committee that a limitation was put on helium that it should be used only for military and naval purposes. The gentleman's committee, by abandoning that program, has seen fit to change the policy or to recommend this change, and it follows if the gentleman recommends the change, at least the question of removing the restriction should be gone into.

Mr. BLANTON. This committee merely provides the money for projects authorized by Congress. The policy, after all, must come from the legislative War Department committee through a bill passed by the Congress.

Mr. JONES. I agree to that proposition; but the gentleman knows that much of the legislation arises by virtue of questions that are brought up in connection with the appropriation. For this reason I wondered if the gentlemen in deciding that this policy should be abandoned, and when they considered recommending to the House the abandonment of a policy that carried as its corollary the restriction, did not feel they should go into the question of releasing those restrictions along with it?

Mr. BLANTON. I think that should come from the legislative committee, of which the gentleman from South Carolina [Mr. McSWAIN] is chairman.

Mr. CARTER. Will the gentleman yield?

Mr. PARKS. I yield to the gentleman from California.

Mr. CARTER. The gentleman has announced a policy of the Appropriations Committee relative to their attitude in regard to Army dirigibles, as I understand the situation. Does the same attitude and policy prevail in reference to Navy dirigibles?

Mr. PARKS. No. I only turned aside to explain that that was my own idea; but I do not think the Appropriations Committee has undertaken to lay down a policy, if you might term it such. They simply declined to make any appropriation at this time for these dirigibles. Of course, you may draw your own conclusions. Congress is the only one that has a right to lay down a policy.

Mr. JONES. The gentleman is correct in that position; but I thought he had some testimony before his committee on this particular subject, and I wondered if they voluntarily made any suggestion as to that policy.

Mr. PARKS. Not as to helium gas.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. PARKS. I yield to the gentleman from Florida.

Mr. WILCOX. I was much interested in the gentleman's statement and his reference to the tabulation of figures on page 9 of the report with respect to the appropriation for the Air Corps. Do I understand from the gentleman that it has been necessary to reduce the number of planes to be contracted for under that item?

Mr. PARKS. No; let me explain what we did. We were advised they could not expend that amount of money within the next year, so we then provided for a reduction of $3,000,000. They can proceed to contract for these planes and obligate the Government for the expenditure of the money, but they will not need the money until after another session of Congress meets. This does not interfere at all with the program and it would be simply appropriating money that would lie idle for a year.

Mr. WILCOX. And it does not mean a reduction in the number of planes for the Air Corps?

Mr. PARKS. Not at all.

Mr. DUNN of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. DUNN of Mississippi. I am not meaning to be presumptuous at all in this inquiry, but does the United States Government own the various helium plants, including, for instance, the one at Fort Worth, Tex.?

Mr. PARKS. I do not think the Government actually owns the plant, but I shall have to ask somebody who knows more about that than I do. The gentleman from Texas [Mr. LANHAM] has always taken a great deal of interest in this matter and was instrumental in having the Government adopt helium and we have made an annual appropriation for it; but whether the Government actually owns the helium plant I do not know.

Mr. DUNN of Mississippi. I asked the question because I have been personally concerned in the operation of these plants in the State of Texas, although I live in Mississippi.

Mr. SNYDER. Mr. Chairman, if the gentleman will permit, I may say that the Government owns the plant at Fort Worth and it is operated by the Bureau of Mines.

Mr. PARKS. I thank the gentleman for the information.

NATIONAL GUARD

And speaking of the National Guard, the next increase of any consequence in the schedule of money changes we have proposed relates to that activity.

In several respects the Budget is unsatisfactory to the National Guard, and, after hearing General Leach and the National Guard Association, your committee unanimously concluded that there was ample basis for the Guard's position. We are all agreed, I hope, that this component must have an efficient, effective status.

You will find on pages 20 to 23 of the report a rather full explanation of the changes we are recommending affecting this most valuable body of citizen soldiery. I shall enumerate for you the projects we have increased and the amount by which each has been increased: Compensation of caretakers, $544,140.

I may say to you here that the Government has $125,000,000 of property in these armories with very few caretakers. The report that came to us was that men like Dillinger and his crowd had broken into these armories and had stolen machine guns, ammunition, and revolvers. They met with very little resistance because of a lack of caretakers to protect this $125,000,000 of property. We thought this was a very small outlay of money and I think the House will readily agree we ought to have somebody there to take care of this property.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. KVALE. Such an incident occurred a day or two ago in the gentleman's own territory.

Mr. PARKS. I thank the gentleman for his contribution.

Mr. BLANTON. And if my colleague will permit, that occurred after this bill was marked up. They broke in and stole a number of rifles, and a lot of ammunition.

Mr. PARKS. That is true.

Attendance upon military service schools	$200,000
General expenses, including maintenance and operation of motor vehicles	30,826
Armory drill pay	510,006
Articles of the uniform	475,000
Musical instruments	5,000
Miscellaneous quartermaster equipment and supplies	48,013
Ammunition	200,000
Purchase of:	
Horses	140,000
Tanks	475,000
Helmets	121,540
Total	2,749,525
Subtract for a lesser amount than estimated of receipts from surveyed property	75,000
Net increase	2,674,525

The increase for caretakers will provide employment for approximately 1,000 men at $50 per month each. The increase is urged because of the thefts that have occurred, particularly of firearms from armories, and also to prevent or check the spread of fires. These additional men, while primarily for protecting State and Federal property, will be occupied in the care and preservation of such property.

The increase respecting service schools will enable more officers and enlisted men to be sent to Regular Army service schools. Manifestly this is of paramount importance to the efficiency of the National Guard. This item, it will be recalled, was increased last year by the Congress, at the instance of the committee, in order that one National Guard officer from each State might be sent to the gas school at Edgewood. The Budget estimate would care for about 144 officers and 105 enlisted men.

The general expense and armory drill pay items are related. The Budget provides for 46 armory drills. These two amounts will take care of the added expense of providing two more, or 48 all told.

The increase of articles of the uniform will provide a total for that purpose of $1,225,000. The shelves in the warehouses practically are bare, the committee is advised; so much so, in fact, that a portion of the appropriation proposed to be available immediately will be used for the purchase of clothing, shoes, and quartermaster supplies.

The increase of $48,013 will be augmented by free issues from the Regular Establishment to the value of $101,987, not contemplated when the Budget was prepared.

For ammunition, with this increase, there will be available a total of $1,400,000. This year the guard is operating almost entirely with P. W. A. money, and under the pressure for economy it has drawn rather heavily upon the not too generous supply that was in the possession of some of the States.

The increase for horses will permit of the purchase of approximately 1,000 animals. The estimates provide for foraging 5,500 horses during the next fiscal year.

The increase for tanks grows out of the action of the Congress last year in outlawing motor-propelled vehicles of wartime vintage. This left the National Guard's 15 tank units without equipment. This money will provide each of these units with one of the new tanks adopted by the Regular Army and possibly more if some of the equipment, not immediately essential, were omitted from those supplied the National Guard.

Lastly, the additional amount of $121,540 is to enable the guard to be outfitted with helmets in lieu of the present style campaign hat. This change is advocated by the National Guard Association. Owing to the estimated lesser cost for maintenance and replacement, the National Guard Bureau estimates that the cost of completely supplying the guard with a helmet would be wholly amortized in less than 4 years and after the fourth year would result in an annual saving of $54,460 (hearings, p. 411, pt. I).

Mr. Chairman, these several increases, in conjunction with the indefinite appropriation we are proposing to enable the President, at his discretion, to add 5,000 men to the guard, would create an expenditure program for the guard of $5,126,125 in excess of the Budget estimate.

I shall be both surprised and chagrined to hear from any quarter a request for a single penny more. In that I am sure I voice the sentiments of every member of the subcommittee which framed this measure. The only really nonessential item, in my judgment, is the helmet item. The money is made available for the substitution if it be determined to make the change. If not, the money can be used to advantage in buying other needed equipage.

ORGANIZED RESERVES

For the Organized Reserves the Budget contemplates summer camp training for 16,000 Reserve officers, which is the number provided for by the current appropriation.

In all respects, save 14-day training for Reserve officers, the Budget would seem to be quite liberal, considering the great importance at this time of holding down ordinary expenses of Government. The committee believes that the number to be given 14-day training should be increased from 16,000 to 20,000, and is providing for the latter number in the accompanying bill. The Reserve Officers' Association is urging thirty thousand 14-day trainees.

We have a total of 88,107 active Reserve officers—hearings, page 463, part I. Of this number 59,708 are of the "arms." It is vitally more important that this group should have training than the group attached to the "services." In practice, of the total given training 90 percent or more are officers of the "arms."

It should not be lost sight of that on December 31 last the number of Reserve officers in charge of the C. C. C. camps was 5,848. When the C. C. C. enrollees are doubled there will be need to use approximately twice as many Reserve officers. To the extent that rotation is practiced, as it is in some corps areas, some 12,000 or more Reserve officers will get this sort of active duty during the fiscal year 1936. It is not in any sense military duty, but as testified by The Adjutant General a year ago the experience materially increases the value of Reserve officers to the Government, since it gives them valuable training in mobilization processes and leadership.

Assuming that the entire number of assignable Reserve officers are so situated that all will be able to devote the time to take active duty training, which is a wild assumption, and considering the fact that 16,000 are receiving training this year and will not be eligible for training next year, 20,000 trainees will come within giving active-duty training for the 2 years to all but 26,308 of the group charged to the "arms." Continuing the 20,000 program next year the prospects are that all who will be able to respond to the call for training will have been given training over a 3-year period. If handled properly, such a program of training would give each assignable officer of the "arms" two camps during each 5-year-enrollment period.

It should be borne in mind that the committee's action conforms with the recommendation of the War Department to the Bureau of the Budget that training be provided for 20,000 Reserve officers.

RESERVE OFFICERS' TRAINING CORPS

The chief source of supply of Reserve officer material is the Reserve Officers' Training Corps. The law contemplates that advanced-course students of senior units shall be sent to a 42-day training camp. The Budget provides for but 28 days. In practice, students go to camp between their junior and senior years. The estimate contemplates that there will be 7,200 of them. The additional amount necessary to extend the camp period to 42 days is $137,958.

The committee believes that the military training a 28-day camp would sacrifice and the bad psychological effect it would have upon students at present enrolled, who either this year or in the coming years may be participants in this training, more than outweigh the importance of effecting a saving of $137,958, and it has restored that amount to the bill.

NATIONAL MATCHES

The last military increase applies to the national matches.

By act of February 14, 1927—United States Code, Supplement VII, title 32, section 181a—it was provided that there should be held an annual competition, known as the "national matches", for the purpose of competing for a national trophy, medals, and other prizes to be provided, together with a small-arms firing school, which competition and school should be held annually under such regulations as might be prescribed by the Secretary of War. Pursuant to that law $500,000 was appropriated annually up to and including the fiscal year 1932. Since then the matches have not been held and appropriations have been confined to carrying out the provisions of the National Defense Act charging the Secretary of War with the responsibility of promoting rifle practice among able-bodied male citizens, which is accomplished through the National Board for the Promotion of Rifle Practice. The Board organizes the riflemen of the country into clubs and for their instruction maintains target ranges, provides ammunition, rifles, range equipment, and instructors.

The national matches proved a genuine incentive to riflemen to become expert marksmen. To be selected as a competitor in the national matches was the ambition of all devotees of small-arms firing. Selected teams from civilian clubs, from the Army, Navy, and Marine Corps, the civilian components of the Army, police teams, and so forth, formerly congregated at Camp Perry, Ohio, and engaged in shooting competitions at various ranges with different weapons and in different firing positions. The urge for their revival has been very strong ever since their discontinuance. This year the committee is assured that by practicing most rigid economy it will be possible to conduct the matches with an appropriation of $350,000. It has yielded and has included that amount in the accompanying bill.

NONMILITARY

Now, dropping down to the nonmilitary in the schedule of money changes, you will first see a reduction of $195,000 applying to the flood-control project, Sacramento River.

This is a cooperative project. Under the law Federal expenditures are required to be matched by contributed funds. It was because such contributions were not coming forward in proportion to Federal funds previously appropriated that it was unnecessary to provide any appropriation for the present fiscal year. In 1934 the contributions only amounted to $301,295.60. According to the Budget, it is estimated that they will amount to $805,000 during the fiscal year 1936.

The Federal appropriation recommended in the Budget for 1936 is $772,256. It appears, however, that unused Federal funds on July 1 next will give a total availability of Federal funds of $1,000,000. Since the Budget has estimated contributed funds at $805,000, the committee has reduced the estimate by $195,000 to bring the amounts that will be available from the two sources into balance.

SOLDIERS' HOME

The increase of $80,000 for the Soldiers' Home is coupled with a legislative proposal. Owing to the provisions of the Permanent Appropriation Repeal Act, 1934, the United States Soldiers' Home, situated in the city of Washington, is required after the present fiscal year to operate within appropriations annually made by Congress, except that the Home, by the terms of such act, intentionally or not, was left free to use the interest which it receives upon moneys to its credit on deposit in the United States Treasury. Next year this interest, it is estimated, will amount to $80,000.

The Budget estimate for the maintenance and operation of the Home for 1936 is $719,349. The estimate has had Budget scrutiny and has been examined by your committee. However, besides this amount, under existing law, the Home would be permitted to expend, without such scrutiny or examination, an amount approximately 11 percent of the total of the estimate. The committee can see no logic in such an arrangement and has increased the Budget estimate by $80,000 and is proposing an amendment requiring such interest, effective July 1 next, to be appropriated annually.

PANAMA CANAL

The last item in the list of money changes shows a reduction of $1,100,000. The Panama Canal, independently of the Panama Railroad Co., sets aside annually out of funds available to it for maintenance and operation a reserve for replacements and repairs, which it is free to use without action by Congress. There was a balance in this reserve fund on June 30 last of $5,148,394. Since June 1930 the largest annual withdrawal was $1,845,347. The Budget contemplates that the Canal administration shall use $1,000,000 of this reserve fund for objects usually appropriated for in addition to the amount of the Budget estimate. Partly to finance the increases it is proposing, the committee's

recommendation touching the Panama Canal contemplates the use of the further sum of $1,100,000 of this reserve fund.

That completes, Mr. Chairman, all, I think, I need say at this time respecting the money changes made by the committee and of the mode of financing the increases that have our recommendation.

I should like, briefly, to draw attention to two or three matters touching commissioned personnel.

RETIREMENT OF OVER-AGE OFFICERS

No phase of the Military Establishment needs correction more than the officer personnel. As pointed out in the committee's report on the 1935 appropriation bill, at that time 2,816 young men had entered the Army from West Point since 1920 and not a single one of them had gotten beyond the grade of first lieutenant. It was because of that intolerable situation that the committee's proposal was adopted directed at the retirement of a limited number of over-age officers, thus giving some of the West Point graduates an opportunity to move up the scale before over age should overtake them, if it had not already done so. The result of that action will about double for the present fiscal year the normal average annual attrition rate of approximately 300. Details respecting this matter of separations are given on pages 117–119 of the hearings, part I.

Until there is legislation providing for the orderly advancement in rank of Army officers based upon an appropriate age in grade arrangement, the committee believes that this piecemeal fashion of reaching the matter should be continued, which, as previously stated, had the approval of the Congress a year ago. The provision, therefore, is renewed under "Pay of the Army" on pages 9 and 10 of the accompanying bill.

The Department takes the position that this mode of procedure will be no longer workable because the same yardstick is applied in determining the physical fitness of the youngest officer in a company grade—all grades, in fact—as to the oldest officer therein. As a general proposition, that procedure negatives the theory of gradation of essentially military officers. Section 1245 of the Revised Statutes (U. S. C., title 10, sec. 931) provides:

> When any officer has become incapable of performing the duties of his office, he shall be either retired from active service or wholly retired from the service, by the President, as hereinafter provided.

"Office", as used in the law, it is submitted, does not mean the particular job to which an officer may happen to be assigned. It has reference to his rank or grade. In this connection, in an Attorney General's opinion it was held that to be "incapable" an officer must be either no longer responsible for his own actions or subject to infirmities or disabilities which make the reasonable performance of his military duties impossible for him. "Military duties," as there used, it is further submitted, comprehends all classes of military duty that may attach to any rank or grade.

Of course, this is not an ideal approach to the problem, and the proposal no doubt will meet with opposition from those potentially subject to its application, but the course has a very wholesome effect upon that large group of West Point graduates who are marking time growing old in the grade of first lieutenant. As to expense, the difference between active pay and allowances and retired pay of officers over age in grade will more than cover the active pay and allowances of a replacement second lieutenant. Possibly it would be well to couple with the provision a requirement that a certain proportion of the resulting vacancies shall be filled by Air Corps training center graduates.

In this connection I might say that a bill has been presented by the War Department looking to the correction of the stagnated promotion situation in the Army. Hearings have been held upon the bill in another body, and, I understand, the bill, with certain amendments, is about to be reported. I just want to say this: That bill insures promotions, but it does not forcibly take anyone off the active list. The method of accomplishment is liberalized grade distribution. Over-age officers, many absolutely unqualified for field duty or general detail, will be permitted to remain on the active list until automatically retired for age by operation of law and will be advanced in rank, although true, with little advancement, if any, in pay, because the pay they are now receiving is all out of proportion to what it would be if there were a proper flow of advancement through the several grades.

By providing for promotion of officers through elimination of officers found unsuited for general detail, it is demonstrable that in the great majority of cases the saving between active and retired pay would meet the cost of new material coming in at the bottom. In my judgment the bill to which I have reference is not the proper solution to the Army's personnel problem. It is not in the interest of acquiring an efficient organization of commissioned officers.

One of the best informed men who ever sat in this House upon military matters is our beloved colleague from South Carolina, Mr. McSWAIN, who is Chairman of our Committee on Military Affairs. I earnestly express the wish and the hope that he will give this matter his attention and work out a solution, even if it costs more, that will give us a list of active officers of ages commensurate with their grades.

I wish to address myself now to another personnel subject.

The committee has been urged to lift the 12,000 average limitation upon commissioned officers. The authorized officer strength is 12,403. The motive primarily is to make it possible to increase the number of officers attached to the Air Corps. Owing to the virtual standstill of flying equipment, it being estimated that airplane washouts during the fiscal year 1936 will equal accretions, it would seem unsound to add to flying personnel already too numerous for the flying equipment available. Furthermore, the committee doubts if the House would wish to add more than one-fourth of the entire authorized Air Corps strength—1,485—of flying officers at one time, which would constitute a hump for many years to come. The proposal does not have the approval of the Chief of the Air Corps.

As previously suggested, the committee is not aware of any reason why the Air Corps cannot get its quota in proper increments through the medium of the arrangement again proposed forcibly to retire over-age officers. The vacancies thus created in excess of normal attrition would be more than adequate to accommodate an Air Corps increment of the proper size.

NEED TO INCREASE NUMBER OF WEST POINT CADETS

In this connection it should be stated that the time is fast approaching when separations for age, without special stimulus, will be well in excess of available West Point material. This is apparent in the age table on pages 109–110 of the hearings, part I. In order to be prepared for that situation the number of appointments to West Point immediately should be increased. The committee would have provided for one additional appointment in the accompanying bill if the rules permitted. The additional annual cost, if this were done, when completely effective, would be $863,870. For the first year, one-half of that amount probably would suffice. That amount could be added to the accompanying bill, as presented, without exceeding the Budget. It should be further stated, in connection with this matter, that the Chief of Staff indicated to the committee that he would be "perfectly willing" to drop his advocacy of an immediate expansion in commissioned officer strength if provision were made to increase the number of cadets at West Point.

Mr. Chairman, that concludes all I feel called upon to say at this time about the bill. I do wish, however, before taking my seat, to express my deep gratitude to my colleagues on the subcommittee who have labored long and diligently with me in the consideration and preparation of this measure. We had no party or other kind of division in our committee; nothing but the very closest cooperation and teamwork. I wish publicly to express to them my keen appreciation of their splendid constructive aid and support.

I thank you for your patience.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PARKS. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Does the bill appropriate for any additional National Guard personnel?

Mr. PARKS. The National Guard want 10,000 additional personnel. We have provided for 5,000 additional this year if the President shall agree to it; in other words, it is in the discretion of the President. We not only provide for 5,000 additional for the National Guard if the President shall approve it, but in addition to that, we provide for 165,000 men of the Regular Army and 14,000 officers if in the discretion of the President this should be done. In other words, the President being the Commander in Chief of the United States Army, we felt that with the Budget in the condition it is, we could very well trust the President of the United States to increase the personnel if he saw fit to do so.

Ordinarily, Mr. Chairman, this is a measure that is a very controversial one. This year the committee has been most fortunate in having not only men of splendid character and splendid ability, but men who were anxious to work for the public good.

We have on our side of the table the distinguished gentleman from Texas [Mr. BLANTON], the distinguished gentleman from Pennsylvania [Mr. SNYDER], the distinguished and able gentleman from South Carolina [Mr. MCMILLAN], and the distinguished gentleman from California, a man who is very greatly interested in national defense [Mr. DOCKWEILER], and we are extremely fortunate in that on the other side of the table we have the able, patriotic, and diligent leader of that committee on the Republican side, the gentleman from Ohio [Mr. BOLTON], and with him the distinguished gentleman from New Jersey [Mr. POWERS]. I want to say to you gentlemen that as rare as the breed is, there is not a man on earth that can go into that committee and find out whether the distinguished gentleman from Ohio or the distinguished gentleman from New Jersey is a Republican. We have labored together shoulder to shoulder and I may say to you that while we do not agree on every item in this bill, you are going to find two as patriotic men as ever stood in the well of this House when they discuss this measure.

But I have not told you yet where the brains of the committee are. I have not told you the man who does more to shape the national defense than any man in the United States, from the Chief of Staff down. We have as the clerk of this subcommittee our distinguished friend, Mr. Pugh. He has a character as pure and sweet as that of any woman and he has a disposition that will attract anybody on earth to him.

But above all that, he is one of the ablest men I ever knew in my life. When Jackson fell at Chancellorsville, Lee is reputed to have said that Jackson had lost his left arm, but Lee had lost his right arm. If Mr. Pugh goes out of the service of the committee, the committee will not only lose both of its arms but also its head. [Laughter and applause.] We owe him a debt of gratitude.

Now, gentlemen, one other thing I want to say. I might say that I am a pacifist, but I believe in national defense. [Applause.] The United States Army would be of no value if we had a million men and no guns. It would be of no value if it had 100,000 guns and no soldiers. Every war from the beginning of time has been won by man power. If I had my way, I would give the country every single soldier that they wanted. [Applause.]

In the last 4 or 5 years the man at the head of our Army has measured up to the men who have previously been at the head of the Army.

I want to give another cadet at West Point to every Member of Congress. I hope when this bill comes back from the Senate it will give us another cadet for each Member of Congress so that we can have a proper number of officers.

The Chief of Staff said to me:

> You know, 4 years from now, if we do not recruit our officers, we will not have enough to head a parade.

General MacArthur says if you will give another cadet at West Point for each Member, that at the end of 4 years he will have all the officers he needs for 165,000 men.

Mr. BLANTON. Will the gentleman yield?

Mr. PARKS. I will.

Mr. BLANTON. And in doing that the institution is prepared now without extra cost to train another cadet for each district?

Mr. PARKS. That is right.

Mr. MAVERICK. Will the gentleman yield?

Mr. PARKS. I will yield to the gentleman.

Mr. MAVERICK. Does not the gentleman believe that we have veterans, graduates from military colleges, who are all ready to go into the Army as officers?

Mr. PARKS. That may be true, but as I recall American history we have had only two or three great generals who did not come from West Point.

Mr. MAVERICK. How about General Funston and George Washington?

Mr. PARKS. There was no military college, no West Point when George Washington was at the head of the Army.

Mr. MAVERICK. How about General Wood?

Mr. PARKS. I want to give you my opinion of General MacArthur. I think he is one of the greatest soldiers that America has every produced. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. BLANTON. If the officers who have been great, who did not have the advantage of going through West Point, had been given the advantage of training there, would they not have been that much greater officers?

Mr. PARKS. The gentleman has stated the whole case. Suppose Nathan Bedford Forrest had had a West Point education. I do not reflect on any man who did not have the opportunity to go to West Point, but I do say that the greatest soldiers this world has ever known were graduates of West Point. I asked General MacArthur what he thought of West Point as a training school for officers. He replied that if West Point had given only two men, Lee and Grant, to the country it would have justified every dollar that the American Government has ever spent upon it, and I agree with him.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. MAY. I am interested in the statement of the gentleman to the effect that he is a pacifist, although he qualified that by an immediate statement that so far as he is concerned, he would give to the United States Army all the men that is needed, and all the money that is needed. Lest the gentleman be misunderstood, I take it that he believes as I do, that adequate preparation for war is the surest guaranty of peace.

Mr. PARKS. I think the gentleman is right. I was here in 1921. I went down to the Pan American Building and there saw and heard the representatives of the great nations in that disarmament conference. I listened to them as they talked about disarmament, the day after we buried the Unknown Soldier out yonder in Arlington. I heard them say, "We are not going to have any more war." I saw them shake hands across the table, and then go back home and begin to build up their armies just as they are doing today. We went out to sea and saw them sink battleships that cost nearly $50,000,000, that a sailor's foot had never touched, and we thereby left ourselves impotent and unable to defend ourselves today. Go talk to the men who know, if you want to see where we are. Go talk to the man our President has sent across the sea to discuss with those men over there what they are doing. I say to you that today you are on a volcano, abroad and at home. We cannot longer deafen our ears or blind our eyes. One hundred and sixty-five thousand men! Not enough to put down a strike or quell a riot. I do not want to build up any great Army. Just as the gentleman from Kentucky [Mr. MAY] has said, the surest way to maintain peace, as the great Teddy Roosevelt said, "is to speak softly and carry a big stick." You can heed the voices of the men of our Army. I admire them, all that I have known, and never from the day that our Constitution was written, and from even before, did the men who wear the uniform of the American soldier ever fail us in time of need. [Applause.]

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. ANDREWS of New York. I have been interested in the gentleman's remarks about increasing the enlisted strength of the Army to 165,000 men. I think we are all interested in the provision on page 10, which makes such an increase discretionary with the President.

Mr. PARKS. Yes.

Mr. ANDREWS of New York. I am wondering if the gentleman would support an amendment which I assume will be offered by some member of the Committee on Military Affairs, and which would make that provision mandatory?

Mr. PARKS. The committee discussed that at great length, and here is what we thought about it. We are not running wild in turning over everything to the President, as much as we admire him and as great as we think he is, but as the Commander in Chief of the Army, if he believes that he can so handle his Budget as to pay for 165,000 men, we think we ought to trust him with it. That is our attitude.

Mr. ANDREWS of New York. The gentleman is aware of the provisions of a bill reported favorably by the Committee on Military Affairs, after a unanimous vote, to increase the enlisted strength of the Army in five annual increments of 10,000 each, the cost of which would be not over $10,000,000 a year.

Mr. PARKS. The committee thought that while under the National Defense Act we are authorized to increase the Army and provide for it in this appropriation, if the Committee on Military Affairs today should bring in a new bill directing the building up of this Army, we would be perfectly willing to bring in an appropriation that would cover it, but as our Budget is in such distress we felt we ought to leave the matter in the hands of the President.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Yes.

Mr. THOMASON. Did I understand the gentleman to say this bill carries $500,000 less than the Budget estimate?

Mr. PARKS. Yes.

Mr. THOMASON. Then in view of the fact that the Secretary of War, the Chief of Staff, and men like Newton D. Baker, General Pershing, as well as the House Committee on Military Affairs, believe in an increase of 50,000 enlistments, spread over 5 years, why, inasmuch as the bill has a leeway of $500,000, can we not take care of that number of men for this year?

Mr. PARKS. Here is what we have done. The gentleman knows that the Panama Canal is in business, and that it makes money. They have a reserve fund I think of $3,000,000, which they have not been able to spend. We are taking out of that reserve fund $1,000,000 to help care for this Budget.

In addition to that, as I said a moment ago to the gentleman from Florida [Mr. WILCOX], we have taken $3,000,000 off of the fund because they cannot spend it this year. We authorize them to go ahead and contract for those planes, but they are not able to spend the cash, so we let them go ahead with it and will appropriate next year.

Mr. WILCOX. Will the gentleman yield?

Mr. PARKS. Gladly.

Mr. WILCOX. I am very much interested in the development of the National Guard. I know the gentleman is interested in providing the National Guard with certain observation aviation. Was that provided for in this bill?

Mr. PARKS. Yes. Last year, I think, we provided for the planes for the National Guard. This year about the only thing we have done in addition to what we did last year was to give them two more drills. Last year they had 46 and this year they get 48.

Mr. WILCOX. There has been no increase in the provision for observation aviation, has there?

Mr. PARKS. I do not think there has been any increase. That is my recollection.

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. BOLTON. Mr. Chairman, I yield myself 15 minutes.

Mr. BOLTON. Mr. Chairman, after the statement of the able chairman of our subcommittee, I question whether it is necessary for me to go into the details of the bill, because he has explained the situation very well to the Membership of the House. There are a few observations, however, that I should like to make about the bill, and I am going to confine myself to two or three subjects only.

At the outset I desire to say that I and my colleague on the minority side appreciate the very great courtesy that the chairman and majority members of this committee have extended to us. Our hearings have been rather long. We have worked arduously, but during all of our activities there has been real harmony between us. As the chairman said, there were many times when we did disagree on various subjects, and there are one or two items in the bill that I personally am rather disappointed that the committee has not acted upon otherwise. Just the same, the result of our actions is incorporated in the bill, and I can say that I think the bill as a whole is a rather good presentation of the requirements of the War Department under limitations of the Budget.

Let me explain our problem. The War Department presented to the Director of the Budget estimates for the activities of the War Department for 1936 amounting to $80,000,000 in excess of last year's appropriation bill. Those estimates were cut by the Director of the Budget by approximately half, or $40,000,000. So that the estimate was presented to us $40,000,000 less than requested by the War Department but, on the other hand, approximately $40,000,000 greater than the Congress appropriated last year. Our problem was to fit the requirements of the War Department into that reduced Budget.

The War Department requirements fall into two great heads. One, the matter of personnel, and the other the matter of equipment. May I say right here I dislike to disagree with my chairman, but I believe he said that after all was said and done, war was won by man power. I call attention to the fact that, at least in modern warfare, war is largely dependent on fire control, and by rifles or artillery. There was a great statesman who once said we could raise an army of a million men overnight. That statement, I believe, was pretty well disproved in the last war. We know that we had sufficient man power, but it was the matter of training, matériel, and equipment which caused the delay to the United States Army 17 years ago.

First, I want to comment on the matter of personnel and then go to the equipment or matériel portion of our bill.

Although the National Defense Act calls for enlisted strength in our Regular Army of 280,000 enlisted men and 18,000 officers, Congress has for several years held appropriations down to permit of only 12,000 officers and 118,750 enlisted men, in addition to which there are approximately 6,400 Philippine Scouts provided for. Throughout the testimony, both of the Chief of Staff as well as other officers of the War Department, from the Annual Report of the Secretary of War, and the recent report of the Baker board, great stress and emphasis is laid on the necessity of increasing the enlisted strength of the Army to 165,000 men. This feature has been called to the attention of your committee many times by General MacArthur and, in fact, he has been emphatic in his statement that this increase is the most imperative of all the requirements of the Army today.

In the hearings, tables are shown indicating the strength of the Army as constituted today, but it may be interesting to note in connection with those that of our total strength there are in the continental United States approximately 91,000 enlisted men and 10,500 officers, whereas in the Insular Department, or the Philippines, Hawaii, and Panama, we find enlisted strength of approximately 35,350 with an officer strength of 2,320; this in addition to the 6,364 Philippine Scouts in the Philippines. However, of these figures we find in the United States a tactical, or field force of only approximately 50,000 men and 10,000 officers, a strength which

the Chief of Staff comments upon as being less than three times the number of men on the metropolitan police force in New York City, where there are approximately 21,000 policemen on duty. The detective force of the Federal Government today amounts to practically 23,000 people, whereas the whole Regular Army of the United States is less than three times that number.

The war strength of a division is today considered as 20,000 men. At present we have in continental United States 3 skeletonized divisions and 6 weak brigades, averaging 6,000 and 2,000 men, respectively, 1 division being located in the East, 1 in the Southwest, 1 on the western slopes, and none in the central portion of the United States. The increase so much desired in enlisted personnel would permit of bringing a fourth division in the Central States and putting the Regular Establishment in much better position to meet any contingency. The committee is fully in accord with the request of the War Department and of the staff in this matter, but the Director of the Budget has seen fit to reject this proposal, which was originally submitted with other War Department estimates sometime ago.

Testimony has been given that the increase desired of 46,000 men might well be handled over a 4-year period. The committee has considered the appropriation of an additional amount to cover the first increment of 12,000 men, but, realizing the necessity of keeping within the Budget allotment, has made an indefinite appropriation for this purpose instead of directly appropriating the amount required for the initial increase. In my judgment, it is regrettable that Congress has not taken definite action in this respect, but under the circumstances the committee has certainly indicated its belief in this requirement, and it is desired to see this policy put into effect.

I, for one, believe such action is most desirous in these times of internal dissension, but when we consider that in case of difficulties our Regular Army stands between us and danger until the larger forces of the country can be mobilized, we should realize the necessity of having at least a well-organized, if meager, force ready for action. I heartily agree with the recommendations of the Chief of Staff, and trust that action may be forthcoming in the not distant future whereby our Army is on the footing desired.

I have spoken of the military personnel of the Army, the proper provision for the pay of which has been taken care of in the current bill on the basis of reservation of full pay. In addition, we have a large personnel of civilians employed by the Army—23,345 with our military establishments, 19,528 with our nonmilitary establishments, the latter class being largely connected with activities under the direction of the Engineer Corps or the Panama Canal. In all, the personnel connected with our Military Establishment approximates 177,500 individuals. The current bill carries appropriations amounting to over $141,000,000 for pay of the Army, over $70,000,000 for pay of the civilian employees in both military and nonmilitary establishments, or a total of $211,500,000 out of the entire appropriation is required for the pay of those connected with our military establishments.

In addition to the above we have a National Guard, who, in addition to the allowances made to them by the States, are paid by the Federal Government for drill and for their period while in camp. The expenses carried in the current bill for pay of 48 National Guard armory drills is estimated at $13,828,000, and for expenses at camps of instruction and field training at $5,375,000, which should be taken into consideration when estimating the total pay roll of our military establishments. Further than that are the Organized Reserves, the estimate for which this year amounts to approximately $6,000,000, making another addition; consequently, we find that a very large part of the appropriations for the War Department are made up of pay for services.

While commenting on the strength of the Army in addition to our regular forces we find the National Guard provided for at a strength of approximately 180,000 and a Reserve Corps with officers on active-duty roll of approximately 85,000. In both instances the quota enrolled today is materially less than that designed in the National Defense Act.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I shall be very glad to.

Mrs. KAHN. Is not the ratio of our Army to our population almost laughable compared with the ratio of army to population in other nations of the world? Ours is almost like a toy army.

Mr. BOLTON. Yes; but I do not think the gentlewoman from California wants to see the Army of this country on the same basis as the Army of France, or the former Army of Germany.

Mrs. KAHN. Not at all, but I would like to see it bear a fair proportion to the population. It seems to me a standing army of 165,000 to 168,000 men is not too large to provide for; and this should be done by Congress without delegating its powers to some other authority. It seems to me it is our duty to exercise this power ourselves rather than to make another delegation of power.

Mr. BOLTON. I am very much inclined to agree with the lady.

Mrs. KAHN. How much would it cost to appropriate for such an army as that recommended by the General Staff and as desired by the committee?

Mr. BOLTON. Approximately $21,000,000; and the Chief of Staff has testified that he would be glad to have that increase in four increments; in other words, over a 4-year period.

Mrs. KAHN. It could be done over a 4-year period; it need not be done at once.

Mr. BOLTON. Or it could be done through the provisions of the Thomason bill which has been referred to and which calls for the increase over a 5-year period.

Mr. THOMASON. And the cost of which would be only $5,000,000 additional a year.

Mr. BOLTON. Yes; according to the testimony of the Chief of Staff. However, with an indefinite appropriation the President has the right to increase the number of men as he sees fit up to 165,000 men. On the other hand, if the committee had carried this $21,000,000 in the bill, this increase would not be possible unless the President should instruct the Secretary of War to increase the Army. So it is really six one way and half a dozen the other way.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. WADSWORTH. I call the gentleman's attention to the language on page 10 regarding this discretionary appropriation. It reads:

> Together with such additional sums as may be necessary under this and other appropriations contained in this act to defray the cost of increasing in the discretion of the President—

And so forth.

If the President were to decide to increase the Army over and above the number provided for in the pay item, would he have to decrease some of the other items carried in this bill in order to do so?

Mr. BOLTON. If I understand the gentleman, the wording of the indefinite appropriation is for the purpose of allowing the President to increase the Quartermaster Corps and other supply corps proportionately.

Mr. WADSWORTH. But where would he get the money?

Mr. BOLTON. From the indefinite appropriation; from the Treasury, of course.

Mr. WADSWORTH. If it does not inconvenience the gentleman from Ohio—and I assure him my inquiry is a friendly one——

Mr. BOLTON. I know the gentleman's interest in the War Department.

Mr. WADSWORTH. The appropriation made by the Congress for the support of the standard departments of Government are all specific. Surely the President could not take any money appropriated for the State Department, for the Treasury Department, or for the Department of Agriculture and use it for the increase of the Army. It would seem,

therefore—and I want this clarified, in my own mind, at least—that the only moneys which the President could use, if he decided to increase the Army, must be taken from emergency appropriations.

Mr. BOLTON. Yes; I assume that is exactly where they would come from—from the $4,000,000,000 that is now under discussion.

Mr. WADSWORTH. Will the gentleman yield further?

Mr. BOLTON. I shall be very glad to.

Mr. WADSWORTH. May I take the liberty of calling the attention of the gentleman—perhaps it has already been done—but at least to call the attention of the Members of the House to the fact that if the President is to depend upon emergency or temporary appropriations for money with which to increase the Army of the United States, then the instant those appropriations lapse, or this 2-year period during which the $4,000,000,000 is to be expended comes to an end, the Army drops downhill right away, and we will have accomplished nothing except as a temporary measure during the period while the President is using emergency moneys. So we are not changing the military policy of the United States by adopting this amendment, except for the moment.

Mr. BOLTON. Except this: In my judgment it would seem that the policy of the President in increasing the Army in this way would almost be a mandate to the next Congress to increase the regular War Department appropriation bill to meet the increased personnel.

Mr. McMILLAN. Mr. Chairman, if the gentleman will yield, that was just in line with a question I was going to ask the gentleman, if undoubtedly it would not be a mandate to the Seventy-fifth Congress to have this increase taken care of in the regular annual appropriation bill for this Department.

Mr. WADSWORTH. My own view is that the Congress should issue the mandate. [Applause.]

Mr. BOLTON. I am not in disagreement on that.

Mr. PARKS. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. PARKS. I am sure the gentleman must have misunderstood the statement of the gentleman from New York, because almost the first line in the bill contradicts the statement the gentleman has made. This does not come out of any emergency fund, but it comes out of this common fund in the Treasury not otherwise appropriated, and certainly would not have to come out of any emergency fund.

Mr. BOLTON. That is quite correct; but, as I understand the situation in the Treasury today, we are faced with a deficit.

Mr. PARKS. Well, those things are imaginary. [Laughter.]

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. SHORT. Does not the gentleman from Ohio—in fact, do not Members of the House generally—feel that it would be much wiser, cheaper, and better in every way, instead of doubling the number of men in the C. C. C. camps of the country, to double the size of our present Army?

Mr. BOLTON. I would not want to go quite as far as that, but I think it would be very fitting to give some of the men of the C. C. C. camps permanent employment in the Regular Army.

Mr. SHORT. I may say to the gentleman from Ohio that I asked this particular question of Gen. Douglas MacArthur when he appeared before the Committee on Military Affairs, and his answer was an argument in favor of increasing the size of the Army instead of increasing the number of men in the C. C. C. camps.

Mr. BOLTON. I may add that throughout the testimony of General MacArthur he was most concerned with increasing the Army, as was the Secretary of War, and as is recommended by the Baker Board.

Mr. SHORT. It would cost the Government only one-third as much to maintain a man in our standing Army as it does to maintain a man in the C. C. C. camps. In addition, men would receive better training and better discipline in the Army, and the country would have the added value for protection in case of emergency.

Mr. BOLTON. And I may say to the gentleman from Missouri that while I am not informed as to the views of the Chief Executive, the committee felt it wiser to give the President this opportunity in this manner than to override the Budget.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. RICH. Did the Chief of Staff of the Army recommend an increase in the personnel of the Army?

Mr. BOLTON. He did; yes.

Mr. RICH. Why did not the committee make a recommendation to Congress stipulating certain increases rather than placing it in the hands of an individual?

Mr. BOLTON. Because it has been the practice of the various appropriations committees during this administration to abide by the Budget figures insofar as was possible.

Mr. RICH. Then it was a question of not having the money that caused the gentleman not to recommend an increase in the Army personnel?

Mr. BOLTON. Exactly. The item covering the increase to 165,000 men was stricken out by the Director of the Budget and disallowed.

Mr. RICH. Then we can find $4,000,000,000 to appropriate for anything that we seem to need in case of an emergency without taking the recommendation of the Army for an increase in their personnel in order that we may have the proper protection that we should have?

Mr. BOLTON. That might be inferred.

Mr. COLDEN. Will the gentleman yield?

Mr. BOLTON. I yield to the gentleman from California.

Mr. COLDEN. Is not the indifference of the public with respect to military preparedness largely due to our geographical isolation and the fact that we have no fear from our immediate neighbors rather than from any pacifist propaganda that may be put out in the country?

Mr. BOLTON. The gentleman may be correct, but I believe that the public today are realizing more and more the value of our Regular Establishment. The Regular Army, of course, is our first line of defense in case of attack from a foreign nation, and it also is our first line of defense in case of internal trouble.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield myself 10 additional minutes.

Mr. WOODRUFF. Will the gentleman yield?

Mr. BOLTON. I yield to the gentleman from Michigan.

Mr. WOODRUFF. Will the gentleman tell the Committee how many of the 118,000 of enlisted personnel are engaged in nonmilitary duties?

Mr. BOLTON. As I explained before, we have about 35,000 enlisted personnel in our oversea possessions. We have approximately 50,000 men in the various tactical units. The balance are engaged in various capacities in the Medical Corps, Quartermaster Corps, and so forth; but they are all enlisted men.

Mr. WOODRUFF. I know when we go to the War Department, as we frequently do, we always see some of the enlisted personnel in uniform on duty in the various offices. There must be a large number of the enlisted personnel of the Army doing nonmilitary duty, and, as a matter of fact, I for one do not believe that a large number of the enlisted personnel of the Army or the Navy should be engaged in anything other than the duties of that department, so far as activity is concerned.

Mr. BOLTON. I dislike to disagree with the gentleman, but this subject has been before the committee ever since I have been a member of the committee. I think the record shows the number which are engaged in civilian work, but my belief is you will find there is very, very few.

Mr. HOEPPEL. Will the gentleman yield?

Mr. BOLTON. I yield to the gentleman from California.

Mr. HOEPPEL. Unless we employ these enlisted men for the duties which the gentleman has indicated, in time of war

we would have to take the entire civilian population to the battle front.

Mr. BOLTON. That is very true in the case of enlisted men that have military duty to perform which may be considered a civilian duty, such as messengers, chauffeurs, and so forth. The War Department did use a number of enlisted men as clerks in days gone by, but I think I am safe in saying that has been largely done away with.

Mr. WOODRUFF. I for one am glad to hear that, and I hope we will totally eliminate that activity among the enlisted personnel.

Mr. MAVERICK. Will the gentleman yield?

Mr. BOLTON. I yield to the gentleman from Texas.

Mr. MAVERICK. I want to bring up the point that there are certain clerical forces that have to be with the military forces in time of war, but what does the gentleman think of Army labor being employed for maintenance purposes, such as plumbers, carpenters, plasterers, and so forth, depriving men who have been working at those trades from 10 to 25 years of what they thought was a gainful occupation?

Mr. BOLTON. Under the bill there are many mechanics which are carried and attached to the War Department; men that do exactly the work the gentleman is speaking of.

Mr. LUCKEY. Will the gentleman yield?

Mr. BOLTON. I yield to the gentleman from Nebraska.

Mr. LUCKEY. Attention was called to the smallness of our Army a few moments ago, and I would like to find out what is the comparison in the case of our Army with other nations—say, England, France, and Japan?

Mr. BOLTON. I have not those figures at hand, but, of course, it is considerably more.

Mr. MOTT. Will the gentleman yield?

Mr. BOLTON. I yield to the gentleman from Oregon.

Mr. MOTT. What increase for the National Guard is provided?

Mr. BOLTON. In personnel?

Mr. MOTT. Yes.

Mr. BOLTON. There is no increase, except there is the same indefinite appropriation carried in the bill permitting the President to increase up to 10,000 extra, if the President sees fit to do so.

Mr. MOTT. What increase, if any, is provided in the way of training of Reserve officers?

Mr. BOLTON. The Reserve officers' training camps were cut by the Director of the Budget to 16,000 trainees. The committee has increased that to 20,000, as recommended by the War Department.

Mr. MOTT. And what is the number at the present time?

Mr. BOLTON. Sixteen thousand.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. ANDREWS of New York. Referring to a previous question of the gentleman from Michigan [Mr. WOODRUFF], in testifying before the Military Affairs Committee, General MacArthur confirmed the fact that of the 118,000 enlisted strength of the Army only 88,000 are within the confines of the United States, and that the entire Regular Army, as such, could be seated in the Yankee Stadium in New York. Of the 88,000 in the United States, only 57,000 are actually with regular tactical units, and they comprise in strength approximately the same number of men as the New York City police force.

Mr. BOLTON. I may add to that comparison that, as I understand it, we have in our entire detective force all over the United States 23,000 men, and our Regular Army, subject to field duty, is about two and a half times that detective force.

Mr. WOODRUFF. That is the point I was going to make. Of the 118,000 enlisted men in our regular service, there are available in this country today, for actual military service, less than 60,000, and I make the point only for the purpose of showing how pitiably small our Regular Army is when we consider the size of this country and the problems that face us from time to time.

Mr. BOLTON. Correct, but the gentleman from Michigan overlooks the fact that the United States Army today comprises the Regular Army, the National Guard, and the Organized Reserves; and the National Guard of 180,000 men today is very efficient.

Mr. WOODRUFF. I understand that; and I may add in connection with the National Guard that nothing has been said about the material for the National Guard.

Mr. BOLTON. If the gentleman will permit, I am coming to that subject in a moment.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. I yield.

Mr. CULKIN. Will the gentleman tell me what appropriation is provided in this bill for maneuvers, if any?

Mr. BOLTON. I am pleased that the gentleman has brought that up. There is a figure, I think, of $195,000 carried in the bill for maneuvers this summer. This augments and supplements the figure carried last year for maneuvers of the heads of tactical units which were carried on in New York with such success. This year the War Department wishes to supplement these activities by having the troops themselves work under the men who were trained under the general officers last year.

Mr. CULKIN. Is there any specified area mentioned in the bill for these maneuvers?

Mr. BOLTON. No.

I want to touch a moment on the material or equipment side of the bill.

It is the duty of the committee not only to meet the expenses incident to the service of those attached to the Regular Army but in making available funds for the proper equipment and supplies of that body. In this field, while the Army, Guard, and Reserves are taken care of in part, Congress has during the past few years rather been dilatory in its duty, or at least has not kept step with the requirements which the forces of our establishment, and the demands upon it for keeping in first-class condition have made. Equipment and material is always an important item in the production of an armed force, and without proper equipment forces are not able to function as might be desired or expected.

Insofar as the efficiency of the Army is concerned, a report from the War Department indicates the Army to be in good condition within the limits of available appropriations. The present bill provides funds for continuing the training of the Army as has been conducted in the past, and has provided funds for maneuvers as well as ammunition for practice purposes, and in addition has appropriated a specific amount for field exercises whereby the experiment of last year of having the tactical heads of the various units of one field Army act together under one command, augmented this year by the presence of actual troops.

In equipment and supplies for the troops, funds are provided sufficient to carry on activities as heretofore, and in many instances improved equipment has taken the place of that previously issued. Increases in the cost of subsistence of the Army as well as in other activities of supply are very clear and represent a large part of the increase in this year's bill. In the Quartermaster Corps, for instance, there is an increase of 65 percent in the cost of food and fodder for animals, and this increase in varying amounts is indicated throughout all the bill where matériel or supplies are concerned.

Plans in the War Department call for modernization of equipment for our field forces through mechanization and motorization. Some modernization in our mechanization program has been made, although the amount is overly small in comparison to the total program. The mechanization is being accomplished insofar as funds will permit as rapidly as possible.

The bill presented to us after deducting appropriation for pay increases the previous appropriations by approximately $39,000,000. Of that amount approximately 75 percent is allocated to matériel betterment, which is an indication of the importance given to this requirement but is indicative

of the relatively small amount of the total bill devoted for this very important purpose.

It is on the matter of supplying matériel, however, that I wish to call the particular attention of Congress. As stated before, appropriations for these two necessities for the successful operations of an army have been seriously cut during the past few years, not permitting the keeping up or replacement of wear and tear which might be expected, but, further, of replacing matériel used. It is true that the appropriations of the War Department have been augmented by P. W. A. funds, but of the large amount placed at the disposal of the War Department we find a great portion of this utilized for construction or housing purposes. Approximately $100,000,000 has been allocated to the War Department from P. W. A. funds out of $385,000,000 requested for military purposes. This amount by the P. W. A. might be compared with the request of the Navy Department for practically $420,000,000 from P. W. A., of which $318,000,000 has been granted to date.

The General Staff has developed a plan for the mechanization of the Army, which at present contemplates an expenditure of approximately $31,000,000. For this purpose some funds have been made available in the appropriation bills of the last 2 years, and in addition $6,000,000 has been allotted by the P. W. A. This year's bill carries an appropriation of $3,500,000 for this purpose, which is approximately an increase of $1,000,000 over last year's appropriation. It is significant to note, however, that at the end of the year 1934 there remained a balance necessary to complete the present mechanization program of the War Department of approximately $23,000,000.

Similarly in motorization, the War Department program for extending motorization to new units or activities, a program which to complete will require approximately $23,000,000, and in addition $9,000,000 to replace worn-out vehicles, in all a total of $32,000,000. Of this, $10,000,000 has been allotted by the Public Works Authority, permitting approximately 25 percent of the program to be met but leaving a large amount required for completing the program.

Hand in hand with equipment or matériel is the importance of maintaining our establishments in proper condition. Very conservative estimates indicate the Government has invested in grounds, buildings, barracks, roads, and so forth, under the Quartermaster Department, approximately $400,000,000, and in Government arsenals a sum of approximately $130,000,000, which includes machinery—a total of well over $530,000,000. The requirements at a most conservative depreciation charge of 2 percent per annum would indicate appropriations of at least $10,000,000 for this purpose alone, which ratio has not been maintained anywhere near proper ratio for several years. True it is that P. W. A. funds have augmented the meager appropriations made by Congress, but still this feature of our Military Establishment is causing grave concern. It appears to be false economy to slight or overlook these activities, as the longer they are allowed to go in disrepair or lack of condition, the greater the expense is when the conditions must be corrected. Glaring examples of this are apparent at many of the Government arsenals, as well as the posts and barracks throughout the country. In the past 2 years the P. W. A. has allotted something over $60,000,000 for construction purposes in the Army, but a great portion of this money has been utilized for new construction and only a small portion made available for maintenance so necessary.

Similarly in the matter of reserves, a policy of cutting appropriations in time of financial difficulties has made itself apparent during the last 2 or 3 years. Under the National Defense Act certain requirements for reserves to properly equip, supply, and maintain the large force of men in time of emergency was called for and both the Ordnance and Quartermaster Departments have attempted to meet this requirement, constantly hampered, however, with limited funds placed at their disposal. When it is realized that in ammunition with the loss to Government from deterioration and lack of proper care because of lack of funds amounting to approximately $4,000,000 a year, it will be seen what false economy our desire to hold down appropriations for this purpose means. The War Department requests for sufficient funds to meet the requirement of keeping our war reserves in proper condition and up to date have been constantly cut by both the Director of the Budget and by Congress, and the result has been very readily shown in the deterioration losses.

Under existing law sufficient reserves for emergency purposes in case of war are called for, and the Department has attempted to comply with these requirements, but because of lack of funds has been able to do so only in part. Reference has been made to the fact that many supplies for the C. C. C. enrollees have been supplied by the Quartermaster Department from reserves, thereby creating an unbalancing of those stocks on hand in that department. Similarly, in the Ordnance Department, where the requirements for our operations in times of war demand the tremendous reserves, because of lack of funds, ample facilities or care has not been possible for these reserves.

It is unnecessary to call the attention of Congress to the time necessary to supply ammunition or matériel in times of war, as the experience of 15 years ago clearly indicates the desirability of being up to date and ready to meet such emergency. Under the National Defense Act the Assistant Secretary of War is charged with the responsibility of a close survey and contact with industry for the purpose of utilizing private plants for the purpose of supplying essenial matériel in times of need. It is felt that this activity might go further in closer cooperation with industry through the use of educational orders or the active enlistment of certain industries in this problem, whereby the necessity for carrying of these tremendous reserves might be obviated by the preparedness of industry to produce War Department requirements within a short space of time.

An excellent example of what I have in mind is the procedure today under the Chemical Warfare Department, where a certain amount of essential matériel is produced annually by the Edgewood plant, but where a close cooperation with private industry makes it possible for the Chemical Warfare Section to figure with certainty on increased production in times of necessity and in line with Army requirements from those plants. It is needless to go into a discussion of the necessity of proper master jigs, dies, gages, and so forth, in order to make such a suggestion possible with industry. It is essential, however, that these facilities be provided and that Congress appropriate ample funds for this purpose.

The matter of war reserve has been mentioned, and the situation at the suggestion of Congress has been carefully studied by the Department. I still believe that a closer cooperation between Industry and the War Department is most desirable and could be effected to the distinct saving of the Government and to the distinct benefit of both the Government and industry. The so-called "educational orders" recommended last year, whereby a certain amount of money spent over the next 10 years with industry for the development of plant and machinery to meet military requirements of matériel within a comparatively short time, would save the Government from the necessity of carrying the tremendous reserves which are now called for, and would not only be of benefit to industry through an opportunity to meet in part Government requirements but would place at the disposal of the Government plants fully equipped and able to perform their part in times of necessity. A continuation of the study for this purpose is highly recommended, and I hope that some day legislation calling for educational orders will be adopted.

Last year I commented upon the necessity of being prepared to supply matériel and requirements of the Army and Navy promptly in times of emergency. Our experience during the past war has indicated full well the many delays and problems incident to proper production and the unnecessary expenses to which we are apt to go without proper preparation. It is unnecessary to go through that same period of adjustment again, provided proper planning is given in times of peace, and while the office of The Assistant

Secretary of War is constantly in touch with industry and while the Ordnance Department has its offices throughout the country for this very purpose, it is still believed that closer cooperation and closer activity between the Government and private industry would greatly overcome this difficulty. A study made last year of War Department requirements as well as a knowledge of those requirements by industry indicated that production should be accelerated by 2 or 3 months if closer attention were paid to this feature. No one denies the ability to finally produce our requirements in times of peace but in times of war it is essential that those requirements be met as promptly as possible, as, however great an army or the number of men called to the colors, it is impossible to handle these men efficiently or with any degree of success unless they are properly equipped. Equipment cannot be secured with the same degree of ease as manpower, and to be successful there must be a well-balanced program of both men and matériel.

Less than a year ago the Baker Board, composed of a group of citizens and civilians headed by former Secretary of War Baker, made their report with reference to the aviation situation of the Army. The report called for, among other things, an increase of planes in the Army to a total of 2,320; recommending the increase of flying hours to 300 per officer and a substantial increase among the Reserve officers. The aircraft program of the Army is rapidly being brought to the requirements of the Baker Board and has been augmented by a substantial appropriation from the P. W. A. Owing, however, to rising costs the full number of planes authorized by the Director of the Budget for purposes during the coming fiscal year was not found possible, and because of this the Appropriations Committee has recommended contract authorization to meet this difference between the number recommended and the number that could be provided with the funds authorized.

Reference has been made previously to the size of the National Guard at the present time. The necessity of bringing up the National Guard to full efficiency in matériel and equipment was emphasized more than once before the committee, and in the judgment of the committee was believed the proper policy to follow instead of attempting to increase the number of personnel at the present time. The bill carries ample funds to meet all of the requirements listed as essential for the maintenance of the guard on an efficient basis. Owing to the efficiency of the National Guard Bureau during the past year a saving was made for the National Guard through the substitution of motor vehicles in place of animal-drawn vehicles, and today with moneys still available the motorization program of the guard, insofar as transportation is concerned, will be practically completed. There still remains the problem of motorizing the artillery of the National Guard, and funds for this requirement have not been contemplated in the bill. On the whole, however, the guard is in a high degree of efficiency. It may be of interest to know that during the past 18 months the National Guard throughout the country has been of very valuable service in meeting local difficulties arising out of labor troubles. In many States the units of the guard have seen many months' service, with the result that their equipment, particularly clothing, is in desperate need of rehabilitation. Funds for this purpose are carried in the current bill. The example of the guard during the past trying months has been a splendid one of efficiency and service, and the value of this organization has been definitely demonstrated.

The Organized Reserves today aggregate approximately 85,000 officers on the active list. The bill under discussion carries appropriations for 14 days' training of 20,000 Reserve officers. When it is taken into consideration that approximately 6,000 officers have been on service with the C. C. C. camps for the past year, and an additional number will be essential with the proposed doubling of enrollees in this service, it will be seen that 10,000 to 12,000 additional officers will be given an opportunity for active duty. The R. O. T. C. contemplates 7,200 students for a 6 weeks' course of training, and in addition the same number of enrollees is contemplated as last year at the citizens' military training camps.

An interesting feature of the hearings of the Appropriations Committee was in connection with C. C. C. activities and the proposal to double these activities during the coming year. While it is not directly a duty of the War Department, yet the War Department has been charged with the duty of feeding, clothing, and housing these men and general supervision of the camps. The War Department is ready and agreed to assume this continued responsibility, but in so doing it is, of course, desirable to know as far in advance as possible what the plans for this development are. In connection with this activity the War Department has successfully made use of Reserve officers, having utilized the services of approximately 6,000 during the past year, and with the increase of camps and number of C. C. C. enrollees will undoubtedly double that number. Heretofore the officers called for duty for C. C. C. activities have been of company grade, that is, captain or lieutenants, but it is understood in case of the requirement of additional officers attention will be given to those of the Reserve of the rank of major or even lieutenant colonel, with a view to utilizing the experience and ability of those higher officers and giving them an opportunity for the training and service which is so desirable.

Commenting upon the nonmilitary activities contained in the appropriation bill, these are confined almost entirely to the activity of the Engineer Corps and rivers and harbors and flood-control work and the operations of the Panama Canal. This year the soldiers and sailors' home has been placed under the jurisdiction of the War Department Appropriations Committee through the change in permanent and definite appropriations made last year by legislation. It is interesting to know that the river and harbor and flood-control appropriation covers almost entirely maintenance activities to the sum of approximately $33,000,000. In this connection it is desirable to call attention to the fact that requests are made for maintenance of projects which have been created by the authority of the P. W. A. and from P. W. A. money, but which were never authorized or considered by the Congress. Reference is made to this fact as with the tremendous sums being spent by the P. W. A. for this type of construction, the country should fully understand that the initial cost, tremendous as it is, is not the full cost of these improvements, but that annually there will be heavy charges to properly maintain them. This applies not only to river and harbor and flood-control activities but also to the creation of the many blocks and dams which are being authorized by the P. W. A. in its program.

While the amount is comparatively small this year, it is but the beginning, and might well be subject to the careful scrutiny of Congress. In the past, when river and harbor legislation was presented to Congress, it carried with it not only a recommendation for the original cost of the project but also the annual estimated maintenance cost. The actions of the P. W. A. in appropriating these vast sums for this type of work means an added and continuing burden on the Federal Treasury in order to maintain it. It might be of interest to call attention to Congress that in the past 3 years there has been allocated to the Chief of Engineers for river and harbor and flood-control work the vast sum of $346,000,000, of which $69,000,000 is for expenditure for the fiscal year of 1936 and $14,000,000 for the fiscal year of 1937, the plans having been already allotted to the Engineers and being in the process of expenditure.

Mr. COLDEN. Will the gentleman yield?

Mr. BOLTON. With pleasure.

Mr. COLDEN. What is the amount appropriated this year as compared with the appropriation for last year?

Mr. BOLTON. It is $4,000,000 greater this year than last year, and that is mainly for maintenance.

Mr. THURSTON. Will the gentleman yield?

Mr. COLDEN. I will.

Mr. THURSTON. Do the hearings contain tables showing the amount allocated the past 2 years for the regular establishment of guards and reserves?

Mr. BOLTON. Not in this bill. I have figures for last year for military activities and nonmilitary. I will put them in.

These do not include P. W. A. projects.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. BOLTON. With pleasure.

Mrs. ROGERS of Massachusetts. I understand there is a shortage in the clothing in the Army, and especially for the National Guard. If that appropriation should be increased would it not help in the way of employment? People could be put to work in our cotton and woolen mills and in our hose and shoe shops.

Mr. BOLTON. We have increased the sum by $500,000 at the request of the National Guard. And it may be interesting to note that this has been considered necessary because of the months of service the National Guard has had all over the country during the past 2 years. It is desirable and necessary that not only clothing but other equipment be furnished.

Mrs. ROGERS of Massachusetts. How many of the C. M. T. C. will be trained this year?

Mr. BOLTON. The bill calls for $1,000,000, and the same number will be trained as last year, 14,000.

Mrs. ROGERS of Massachusetts. That is not what was recommended by the War Department?

Mr. BOLTON. No.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. Yes.

Mr. CULKIN. The gentleman stated in regard to disbursements for river and harbor purposes by the P. W. A. that they carried no amount or estimate for the maintenance feature.

Mr. BOLTON. That is correct.

Mr. CULKIN. And those are carried in this bill?

Mr. BOLTON. Yes; the annual maintenance charge.

Mr. CULKIN. Can the gentleman tell what are the total disbursements for P. W. A. for river and harbor projects since its inception, and I mean by that not only the money already expended but the money that would have to be expended to complete the projects.

Mr. BOLTON. That amount is carried in the hearings. I think it is $346,000,000 for river and harbor and flood-control projects.

Mr. CULKIN. And those projects never had the approval of Congress.

Mr. BOLTON. Some of them did, but not all.

Mr. CULKIN. How much had the approval of Congress?

Mr. BOLTON. I cannot answer that.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BOLTON. Yes.

Mr. COLDEN. Did the gentleman state there is no provision in the bill whatever for the completion of projects now under construction for rivers and harbors under the War Department?

Mr. BOLTON. Not under the War Department, no. Mr. Chairman, I appreciate that Members have been compelled to listen to a rather rambling discussion. The bill is not only interesting, but I think, as I said at the beginning, it is fairly complete within the funds allowed by the Director of the Budget. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. POWERS].

Mr. POWERS. Mr. Chairman, I have only a very limited time to discuss with you the War Department appropriation bill for the fiscal year of 1936—a limited time to set before you the salient features of a bill which your committee spent weeks of painstaking effort to prepare.

It is impossible for me in this limited time to be complete. I can only hope to give you in outline this measure's most important points.

First of all, however, I want to pay tribute to our chairman, my colleague and friend, the gentleman from Arkansas, Mr. TILMAN PARKS, for the capable and efficient manner in which he conducted these hearings. I also wish to compliment my friend and colleague, Mr. BOLTON, of Ohio, the ranking minority member of the committee, for the assistance he gave in the preparation of the bill. To the other members of the committee—Mr. BLANTON, of Texas; Mr. MCMILLAN, of South Carolina; Mr. SNYDER, of Pennsylvania; and Mr. DOCKWEILER, of California—I wish to say that never during my more or less brief membership of the War Department Appropriation Committee has such a spirit of friendliness, patriotism, and cooperation been displayed as by them during the past weeks.

Your entire committee has worked diligently. I believe that as a result of our efforts we are presenting to you today a War Department appropriation bill which I think you will consider one of the finest ever presented to the Congress of the United States.

The bill itself calls for $378,699,488 appropriation, of which $268,103,969 will go to the Regular Army; $33,487,323 to the National Guard; $6,372,178 to the Organized Reserves; $1,000,000 to the citizen's military training camps; $3,461,204 to the Reserve Officers' Training Corps; and $491,054 for conduct of the national rifle matches.

This is the essence of our bill; the groundwork of our measure.

I believe if the Members of this Congress will take the time to read General MacArthur's remarks they will be generally enlightened upon the problems that confront the military branch of our national defense. They will also be satisfied that the general's ideas are sound and feasible. They will also find that practically all of the general's recommendations for additional funds at this time are incorporated in the bill which you have before you for consideration today.

No one in this Congress has a higher regard for, nor a deeper appreciation of, the Regular Army than I. However, I wish to stress particularly, in the brief time given me, the National Guard and the civilian components of the Army as they are treated in this bill.

The National Guard Bureau, ably headed by Maj. Gen. George E. Leach, its chief, has been granted a most generous appropriation. You will note that in this bill 48 drills have been restored. This bill also permits the following increases for the National Guard over the Budget estimate: For caretakers, $544,140; for attendance at military-service schools, $200,000; for articles of uniform, $475,000; for ammunition, $200,000; for horses, $140,000; for tanks, at least 19 of which are to be purchased, $475,000; and for helmets, $121,540.

In our appropriations we have provided sufficient moneys for the training of 20,000 Reserve officers. This is 4,000 in addition to the number suggested by the Budget. The committee feels that by training this number of Reserves, and that with approximately 6,000 being assigned at the present time to Civilian Conservation Corps units, together with the fact that plans are now in progress for doubling the Civilian Conservation Corps, which will mean an assignment of an additional 6,000 Reserves, the question of proper training of such officers has been correctly and adequately handled.

The training period for the Reserve Officers' Training Corps, as suggested to your committee by the Budget, was 28 days. This your committee increased to the usual 42 days. The amount asked for the citizens' military training camps, of $1,000,000, which will take care of 14,000 trainees, has been incorporated in this bill.

In addition, your committee has undertaken a new departure in providing the sum of $350,000 for resuming the national rifle matches which will be held at Camp Perry, Ohio, next summer. This is most important. These matches have been authorized and provided for in prior legislation, but no appropriation has been made for them since 1932. In making this allotment your commttee feels the Government is performing its proper function in fostering and sponsoring competition which cannot but tend to raise the efficiency of our national civilian marksmen.

I am laying particular stress upon these civilian units of our national defense. They are necessary to our national welfare. They are imperative for the preservation of our national unity.

Many subversive organizations throughout the country are making strong and vicious attacks upon our civilian units. They know that under our present system our Regular Army is too small to protect our country in a crisis. The Regular Army of today in war time would be the foundation upon which a vigorous, effective, and impregnable machine of war would be built. The civilian units are the material which would be largely used in this construction. They would be called upon, and would be found willing and eager, to serve as the nucleus for the formation of such a mighty defensive and offensive military machine that our Nation would be practically invincible.

These subversive organizations know all this, and for that reason, through false propaganda, through deceit, through misrepresentation, they are attacking our civilian units. Many of these organizations are influenced by Communists, either directly controlled and subsidized by them, or are the unthinking and irresponsible dupes of Communists.

Communists within this country make no secret of their plans to overthrow our Government and establish the bloody rule of an American Lenin at such time as it may be done without effective protest from our citizenry. These civilian units are our bulwark against such a catastrophe, because the Communists know that as long as this country is adequately protected by a responsible and highly organized military force they must give up their "red" vision of a government of despair by force, and must content themselves with merely dreaming their vicious dreams.

These civilian units cannot be neglected. They must receive their full and due consideration in the scheme of our national defense. Anyone, any Communist group, or anyone influenced by such a group, who attacks our civilian units is attacking patriotism, love of country, and our American ideals.

We, your committee, have finished our deliberations on this bill. It is in your hands now. My hope is that you may see eye to eye with us, and may put the stamp of your approval upon this measure. [Applause.]

Mr. PARKS. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, on January 28 last I invited your attention to the difficulty experienced by small businesses, both manufacturing and commercial, in their efforts to secure credit. I called attention to the seriousness of the situation and included in my statement a factual summary of the findings and the recommendations included in the report of Dr. Theodore N. Beckman, consulting expert of the United States Bureau of the Census, based upon his study of credit problems of small commercial enterprises.

Small manufacturing and commercial establishments are the backbone of American industry and commerce. They are the balance wheel to our economic order. Ninety-seven percent of all manufacturing establishments in the United States employ less than 250 wage earners each and almost 75 percent employ less than 21 persons each. In the field of distribution about 85 percent of all wholesalers do less than $500,000 worth of business annually and employ approximately one person to each $20,000 of sales. Retail and service organizations will show that more than 85 percent are small establishments. After 4 years of depression, these concerns found their continued existence threatened with extinction. Their capital structures were being depleted to a dangerous point. Many of them had already collapsed, and others with large unfilled and bona fide orders were on the verge of bankruptcy.

The Seventy-third Congress enacted legislation which made industry and commerce look forward with new hope. With increased orders and renewed activity, they sought credit from the banks from which they had always borrowed. These sources of credit were no longer available to them. Security requirements were so rigid as to leave the man helpless and distracted. Indeed, had they been able to meet these requirements, they would have had no need for credit.

I am proud of the work I did in securing the adoption of a law which permitted the Reconstruction Finance Corporation and the Federal Reserve banks to make such loans. The failure of this legislation to provide the required relief is now a matter of history. During its present session Congress has attempted to give additional assistance by further amending the Reconstruction Finance Corporation Act, but I am assured through the experience of firms in my own district within the past few days it has been clearly indicated to me that this will not give the needed relief. The requirements of the Reconstruction Finance Corporation are still too stringent. We must go further. We must not think of this question in terms of relief but we must think of it in terms of recovery. Industry and commerce do not ask for relief but they do rightfully demand that the Federal Government take immediate steps to assist it to recovery by the enactment of such legislation as will remove the dangers and conditions which it has been forced to face during recent years.

I cannot accept that school of thought which believes that the dole will bring about recovery. The expenditure of billions of dollars to provide sufficient employment, either governmental or otherwise, to meet the bare necessities of life, will not effect recovery. We must start the wheels of machinery and the flow of commerce and then trade will take care of recovery. Workingmen must have sufficient wages to purchase other than the bare necessities. Full-time employment is required in productive, self-supporting enterprise. Thousands of small American manufacturers, wholesalers, and retailers, as well as service establishments, are ready and want to give this employment if they can secure the working capital to do so. We must, therefore, be concerned with providing the source from which this intermediate and long-term credit can be had in order to give impetus to employment.

There is no cure-all for our present economic difficulties. Nevertheless I do believe that there is no other single piece of legislation we can possibly conceive that will do more to bring recovery than one which provides a means for small business and industry to secure under proper and reasonable safeguards the credit with which to purchase raw materials, to meet pay rolls, to replenish stocks, to expand their output, and to market their products.

Mr. McLEAN. Will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. McLEAN. Will the gentleman tell us what relationship those loans will have to recovery, if the small business man, to whom the gentleman refers, is still subjected to foreign competition?

Mr. KOPPLEMANN. That is a question that is far afield from the matter I am presenting to the House at this time.

To this end I have prepared and am introducing today a bill establishing an intermediate industrial credit corporation, which shall have a minimum of 12 branch offices and 1 branch office in such State or territory where it is found necessary. The bill provides that it shall be administered by a board of nine directors, appointed by the President and confirmed by the Senate, who are experienced in the fields of intermediate and long-term credit and who at the same time understand the problems of our smaller industrialists, wholesalers, retailers, and service establishments. This board, under my bill, cannot be controlled by the bankers. The intermediate industrial credit corporation will have a revolving fund of $1,100,000,000, $100,000,000 of which will be in capital stock subscribed to by the Treasury of the United States and $1,000,000,000 to be obtained through the sale of its debentures or bonds.

Under reasonable and proper safeguards outlined in the measure, and with the elimination of hampering regulations in the making of applications and the granting of loans, it is authorized to loan sums up to $500,000 to smaller manufacturers, commercial, and service establishments either directly or by rediscounting loans made through financial institutions.

Mr. BEITER. Will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. BEITER. The gentleman suggests loans to small business men, manufacturers, and so forth. Does he not think it would be well to also include hospitals and colleges?

Mr. KOPPLEMANN. The purposes of my bill are directly concerned with assisting industries, business, and trade for economic recovery and consequent employment. Your query would be better covered by other legislation.

This bill eases up credit restrictions by granting loans secured by mortgages on plant and equipment, by warehouse receipts, shipping documents, and other evidences of probability of repayment of the loan when due up to a maximum of 75 percent of the appraised value of the security offered for the loan, thereby assuring reasonable and businesslike treatment of applicants. It shall by this means establish a permanent national credit policy that will prevent the recurrence of the conditions now facing these establishments.

The bill also stipulates the maximum amount of interest that may be charged, so that those concerns already in difficulty through the need of credits shall not in addition suffer because of exorbitant rates of interest.

Mr. LORD. Will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. LORD. I want to ask the gentleman if these proposed bonds are going to be free from tax? Will they be tax-free bonds?

Mr. KOPPLEMANN. That would be a matter for consideration when the committee studies my bill.

Mr. LORD. Would it not be well to determine beforehand that they are not tax free?

Mr. KOPPLEMANN. That is a matter that can be taken under consideration by the House when my bill is presented to it.

Mr. CULKIN. Will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. CULKIN. The gentleman has given this subject of loans to industry deep thought and consideration. Can the gentleman tell the committee why it was that the provision made in the last Congress did not work?

Mr. KOPPLEMANN. The quickest answer to that is that it is in the hands of bankers whose understanding of the troubles and difficulties of industry and business is not sympathetic, and therefore loans have been withheld that should have been made.

Mr. CULKIN. May I call the gentleman's attention to the fact that that bill had dual phases to it? One was the Federal Reserve and the other was the Reconstruction Finance Corporation.

Mr. KOPPLEMANN. That is correct.

Mr. CULKIN. Why did not the R. F. C. phase of it work?

Mr. KOPPLEMANN. For the same reason I have just given.

Mr. CULKIN. The attitude was unsympathetic in both instances?

Mr. KOPPLEMANN. That is right.

Mr. McLEAN. Will the gentleman yield further?

Mr. KOPPLEMANN. I will.

Mr. McLEAN. I have observed that the gentleman is very much in the confidence of the Democratic Party and has attained positions of prominence on many of the committees. No doubt the gentleman can give us some of the ideas of the present administration. All of this program that he has advanced so far calculates plans for loaning money to people. What plan has the gentleman for small industry paying this money back so long as the small industry is unable to compete with foreign producers?

Mr. KOPPLEMANN. That is, in effect, similar to the question that was propounded to me a moment ago. I would ask my good friend from New Jersey to read my bill, and I am sure that he will agree with me that while it is not a cure-all, as I have said in my statement a few moments ago, it does offer a tremendous relief, and to my mind is one measure that stands out in this respect.

Now, I only have a few minutes to close.

May I add that this general type of legislation has been enacted to assist farmers through the Farm Credit Administration; to assist home owners through the Home Owners' Loan Corporation; and to assist large enterprises through both the Reconstruction Finance Corporation and the Federal Reserve System. But we have utterly failed to give help to the small industrialist and merchant, that group which comprises one of the most important in our economic structure.

Remedial laws, necessary as they are, do not constitute the only type of legislation which the people of America are looking to Congress to enact. The crisis has been passed. We are on the forward road. What the people want now from Congress is the assurance that there shall never be again a return to the chaos that came upon us in the last several years. So far as law can give that assurance the Nation expects it from us.

The faith of the people in our administration has been constantly increasing since the day we first took hold. There seems to be a complete trust on the part of the Nation that the Roosevelt administration, supported by Congress, will give the people the real things they are praying for.

My bill is not only concerned with the immediate needs of business and industry, in order that they may expand their operations and replace men on the pay rolls. The motive underlying my measure is one which looks many years into the future and calls for the enactment of a law for which I believe the business of the Nation and the people will be ever grateful. [Applause.]

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I have asked for this time today for the purpose of making due and proper reply to a communication recently received from Mr. Samuel Untermyer. The gentleman in question is one of the outstanding international lawyers of America and I am somewhat loath to cross swords with him. The issues, however, are so vital to America and to the district which I represent that I am emboldened to do so.

On January 16, I charged on the floor of the House that a meeting held at Graystone, Mr. Untermyer's palatial home on the Hudson, was for the purpose of resuscitating the corrupt Kreuger Match Trust and obtaining for it the American match market. In that speech, while not questioning the personal integrity of Norman H. Davis, our itinerant Ambassador and all-time internationalist, I vigorously contended that the part he played in this conspiracy against an essential American industry was improper and in an economic sense disloyal to America. As a result of that discussion, Mr. Untermyer has written me the letter in which he takes exception to my statements concerning himself and Mr. Davis. He states that the charge that the meeting had anything to do with the tariff on matches is the "purest, most unadulterated fiction." With characteristic energy he protests most vigorously against my giving the meeting held at his summer home a political complexion. I will endeavor to give the House a birdseye view of this situation so that they may be able to give due weight to Mr. Untermyer's protest and to the propriety of Mr. Norman H. Davis lending his prestige, gained from official connection with the administration, to this situation.

In 1927 and 1928 Ivar Kreuger, through certain American banks and brokerage concerns, sold $350,000,000 in worthless securities to the American people. As a preliminary to the sale of these securities the houses of issue caused the personality of Kreuger to be ballyhooed by the American press. Kreuger was represented as an industrial Napoleon who was in every sense an empire builder. After the banking houses and investment concerns had the people Kreugerized they proceeded to unload these fraudulent securities. Time went on and it appeared that Kreuger was the greatest swindler in the history of the world. Preliminary to his death he had corrupted and made venal many of the republics of the south, as well as most of the countries of Europe.

He is said to have committed suicide in Paris with a pistol furnished him by the head of the Paris police. Over in France, when the Government permits a swindler to run loose and he wipes out the savings of a considerable portion of their people, governments are overturned, and rioting ensues. Here in America we are more passive and conventional, so that when the Kreuger empire fell the houses of issue formed protective committees for the alleged purpose of recouping the losses of the investors. That was the ostensible purpose of the proceeding, but, as a rule, these outfits victimize their investors anew and through receiverships and high-priced attorneys absorb what salvage is made. There is no question in my mind that an action would lie against these houses of issue in this instance for outrageous misrepresentation of the earnings of the Kreuger concern. It was important, therefore, that the houses of issue should have some buffer between them and the sorrowing investor, and in this case the conventional practice was followed.

Kreuger protective committees were formed, ostensibly for the purpose above set forth. It was really for the purpose of lulling the investor into fancied security until the statute of limitations had run against his right of action. Into this picture stepped the virile international lawyer, Mr. Untermyer. He is familiar with bankruptcy proceedings, as the records of the United States Supreme Court will attest. His retainer was ostensibly to salvage something for the widows and orphans who had been defrauded, but his real, grim, fighting purpose was to represent the houses of issue and to enable them to ward off and thwart the results of the threatened litigation by the unhappy investors.

As part of the scenery of this situation, Mr. Norman H. Davis was formally installed in Ivar Kreuger's room of silence in Stockholm. I am frank to say that I do not believe that Norman H. Davis had any real knowledge of the far-flung corruption of the Kreuger regime when he got into this picture.

The next act of this drama transpired at the palatial Untermyer home, Graystone-on-the-Hudson. Here he entertained at lunch on November 10, 1934, some 24 empire builders, 15 of whom came from England, Sweden, and other European countries. This gathering included Mr. L. A. Steinhardt, United States Minister to Sweden, and Mr. Norman H. Davis, as represented by Price, Waterhouse & Co., a firm of international accountants. I charged in my remarks to the House on January 16, to which Mr. Untermyer took exception, that one of the purposes of this meeting was to write a tariff for the match industry of America.

Let us consider the personnel of this outfit. There was present Mr. Jacob Wallenberg, director of the Swedish Match Trust and member of the Davis committee. There was present Mr. Kinnersly, of Lazare Freres, London, an international banking house. There was present Mr. Fred Ljungberg, who is the managing director of the Swedish Match Corporation. He was at one time the managing director of Trummer's, Ltd., of London, for many years the principal export house and world distributors of matches. Mr. Ljungberg yearns for a successful invasion of the American match market and the necessary destruction of our own industry. There was present Mr. Assar Gabrielsson, administrator of the Kreuger interests. It will be seen that the international type was largely dominant in this gathering.

As a result of this meeting a statement as to its purpose was prepared and published in the New York Times, in which these big names were paraded. Mr. Untermyer says the tariff was never mentioned at this conference, although a short time afterward the treaties with Finland and Sweden began to be negotiated. Obviously, the only thing America had to give in this conference was tariff concession. The control of these concerns is international and these 15 empire builders would not have crossed the sea for the sole purpose of enjoying lunch with Mr. Untermyer. Without the American market being opened to the Swedish Match Trust, which includes the International Match Corporation, no possible advantage could come to this group of international promoters. The gentlemen at this conference were selected for their knowledge of the world markets, yet Mr. Untermyer would have us believe that the world markets were not even discussed or considered.

It strains the credulity of a lowly Congressman like myself to believe this even when it comes from the lips of such a distinguished internationalist as Mr. Untermyer. The purpose of that meeting, I again make bold to assert, was to obtain tariff concessions from the United States to the end that the corrupt Kreuger empire might be rehabilitated by getting access to the American match market. With world conditions as they were, it was the one avenue of escape for the houses of issue from the results of their fraud upon the American people. So I again assert with all the force of which I am capable that one of the purposes of this meeting was to steal the American match market. I am content to leave this question of veracity to all and sundry who have reached the mental age of 12. While I am on that subject of internationalists, may I suggest that the internationalists in Europe are not so vocal and blatant as our international breed here in America. Incidentally, there is a decent loyalty to their home country and to the localities where their industries are located on the part of the average Frenchman or Englishman. Over there capital is not permitted to take flight to some foreign area where labor may be had for a song. These groups who are always ready to sell America short or stab it in the back industrially would find short shrift in Italy, France, or England.

This whole proceeding brings out in all its nakedness the futility and absurdity of Congress delegating blanket and plenary powers to the administration to negotiate trade treaties. This group of internationalists who are conspiring against the American match industry would be brought to book by the Ways and Means Committee of the House. This would be true whether the majority of the committee were Democrat or Republican. These treaties written in the dark, with the springs of action hidden, cannot be for the benefit of America. Our standards of living are so much higher that no one except an idealist or a lawyer under retainer could honestly consider that we had any common ground of adjustment.

Let me give you an illustration of this. On February 11 of this year there appeared before the Committee for Reciprocity Information, in connection with the negotiations of a reciprocal trade agreement with Finland, Mr. George K. Hourwich, an attorney representing the Irving Trust Co. of New York, trustees in bankruptcy for the International Match Corporation. This gentleman is not a match manufacturer, is not an importer of foreign matches, nor did he represent any group of importers. He is a Wall Street lawyer representing the Irving Trust Co. of New York, an outfit of international bankers. He said before the committee:

> Perhaps we are immodest, but we are of the opinion that the trustee in bankruptcy of the International Match Corporation is in better position to express an impartial judgment as to what should be done in the case of match tariffs and a reciprocal trade treaty in respect to Finland than anyone else, for the very good reason that while the estate in bankruptcy has wide-spread foreign investments, it also has very extensive investments in the American match industry.

The gist of the witness' evidence is that the international bankers should write the tariff laws and make the treaties because they, in their own humble opinion, know more about what is good for the people of the United States than Congress does. Mr. Hourwich, after having given this cheerful appraisal of his client's technique, continues, concerning the investors in the International Match Corporation:

> These investors represent a cross section of the United States probably as good, if not better, than any other outside foreign interference. It was organized by Ivar Kreuger, but managed, directed, and controlled by the trustee in bankruptcy. Creditors' committees cooperate with the trustee. It is wholly American and wholly independent.

The usual definition of perjury is "a deliberate misstatement of a material fact." Mr. Hourwich perjures himself when he says that the International Match Corporation functions entirely independently of any outside foreign influence and that it is wholly American and wholly independent. The fact is that today the Swedish Match Co.,

which is a corporation controlled 100 percent by Swedish capital, is by contract exclusive export sales representative of the match products made by the International Match Corporation. Before the Ways and Means Committee of the House this perjury would not have been tolerated. Under the present auspices this Wall Street lawyer simply sends a fat bill to his clients, thus commercializing deliberate perjury. I do not intend to permit this perjured statement to go unnoticed. I am going to call this evidence to the attention of the proper authorities and see that a certified copy of this record is sent to them. At least this discussion should have the effect of sending the whole question to the bar association where Mr. Hourwich practices.

There is not a single American factor to the International Match Co., except the money received from the unfortunate American investor, which has been long since dissipated. The International Match Corporation is dominated by foreign influence. Through this Wall Street attorney they come asking for a reduction in tariff on an American product, for the benefit of foreign production. This glib attorney continued:

> The position which we hold is that the match tariff, in respect to Finland, should be reduced 50 percent, and that from such reduction Russia and Japan should be excepted.

This testimony of Hourwich's before the Committee on Reciprocal Relations is the fruit of the conference at Mr. Untermyer's home on November 10, 1934. The whole aim of this group was to save the American houses of issue who had foisted the worthless Kreuger securities on the American people. To do this they were willing, and it was their avowed purpose, to throw American industry and American material men to the foreign wolves. Its purpose was and is to revive the dead Kreuger "empire" and to rear it anew upon the ashes of the American match industry.

I am extremely pessimistic about the possibilities of the American investor being reimbursed or recouped. Even if the American match industry is thrown into the scales and more of our citizens are compelled to walk the streets, nothing will come to the American investor. The money received for this purpose will go to the creditors of the Kreuger organization, which indebtedness runs into hundreds of millions of dollars. There will not be a sou marquee for the deluded American investor.

I have endeavored to give you a picture of this situation in all its implications. The Kreuger debacle was one of the contributing causes of the depression. It should not now be permitted to destroy a growing American industry. So I say to Mr. Untermyer that I cannot apologize, and I express the hope that he will devote his remaining days to the restoration of America rather than the advancement of foreign groups. I trust that Norman H. Davis, with his background of service, will see the evil of his ways and his duty to America and withdraw from this unhappy situation in which he has placed himself.

It is indeed time that disloyalty to America should be called by its right name and those whom America has fed should cease to bite her hand. [Applause.]

Mr. PARKS. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, on last Thursday my colleague, the gentleman from Texas [Mr. BLANTON] stated in the RECORD, and I quote:

> Regardless of claims continually made to the contrary, but by persons not in favor of stopping immigration, I have reliable information and statistics to show that there are now over 20,000,000 aliens in the United States, and that of these 20,000,000 there are at least 10,000,000 of these aliens who are here unlawfully.

Mr. Chairman, I have been endeavoring to secure official statistics to verify my colleague's statement, or otherwise. I have those figures.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I cannot yield until I complete my statement. I will be very happy to yield to the gentleman at the proper time.

Mr. BLANTON. I was going to furnish the gentleman certain data.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. After I have completed my statement.

The United States Census Bureau advises me that official compilations of the facts secured during the 1930 census show that in continental United States in that year there were exactly 14,204,149 foreign-born persons of all ages, regardless of color, race, or nativity, and no more. My colleague overestimated only about 5,795,851, and he failed to account for the naturalized foreign-born.

The Census Bureau further informs me that of these 14,204,149 foreign-born persons in the United States in 1930, more than half of them, or 7,919,536, were at that time naturalized citizens of the United States, according to official records of that enumeration of our population.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman should not make a challenge on the floor of the House to a Member to give him information when he refuses to yield. The gentleman refused to yield to my colleague from Texas [Mr. DIES], and he has refused to yield to me. The gentleman should leave our names out of his statement and not challenge us if he will not yield.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I wish to finish my statement before I yield.

Mr. FOCHT. I would just like to inquire whether they were unnaturalized foreigners.

Mr. DICKSTEIN. The total foreign population as appears from the census figures was 14,204,149.

Mr. FOCHT. Are they unnaturalized?

Mr. DICKSTEIN. No. I will come to the next point in a moment if the gentleman will just permit me to finish my statement.

Mr. DIES. I would like to give the gentleman accurate information.

Mr. DICKSTEIN. I have the figures.

Mr. DIES. I was going to tell the gentleman why.

Mr. DICKSTEIN. I shall be glad to answer the gentleman's question if the gentleman will wait a moment. I think I shall cover the very point the gentleman is getting to.

The Census Bureau also states that when the 1930 census was taken there were only 6,284,613 foreign-born persons who had not become naturalized and were therefore aliens. Here, again, my colleague overestimated the number of aliens, he said "aliens", by 13,715,387. But my colleague failed here to take into account those aliens who in 1930 had already indicated their purposes by filing their declarations of intention to become citizens as soon as our laws would permit them to do that.

Now, Mr. Chairman, further figures I received from the Census Bureau show that out of that 6,284,613 unnaturalized foreign-born population in 1930, there were 1,266,419 who had already filed their declaration of becoming citizens, and in the cases of only 499,853 persons do the official census records fail to show whether the persons counted were naturalized, first-paper holders, or unnaturalized aliens. This leaves, Mr. Chairman, only 4,518,341 persons shown by the 1930 official census to be actually aliens who have not taken any steps toward becoming citizens of the United States. My colleague stated there were only 20,000,000. I wonder where he secured his reliable information and statistics.

That is not all, Mr. Chairman, the Immigration and Naturalization Service of the Department of Labor has advised me that since the compiling of the 1930 census figures, the number of foreign-born persons and of aliens in the United States has actually decreased since the 1930 census was taken, and I am pretty sure my friends will agree with me.

Mr. BLANTON. No; we do not agree.

Mr. DIES. Does the gentleman want me to answer that?

Mr. DICKSTEIN. Yes.

Mr. DIES. We must take into consideration the number of aliens we have no record of. The gentleman recalls there are any number of aliens of whom we have no record.

Mr. DICKSTEIN. I appreciate that; but do all of us take into consideration that it is a fact that there has been an excess of the number of aliens who have departed from the United States since 1930 over the number of aliens who have

been admitted to the United States since 1930 to the total of 229,363?

Mr. DIES. Legally?

Mr. DICKSTEIN. Legally; that is correct. It has been estimated that perhaps 251,384 aliens have died in the United States since the 1930 census was taken.

There have been 507,127 aliens in the United States naturalized as citizens since the 1930 census was taken.

It is estimated that perhaps 150,000 aliens have acquired United States citizenship through the naturalization of their parents since the taking of the 1930 census.

Altogether, Mr. Chairman, these figures and estimates given me by the Department of Labor, based upon their officially known facts, would seem to show that the number of unnaturalized aliens in the United States at the present time is not far from a total of 5,146,739, and perhaps 1,546,739 of these have now taken out their first papers or their declarations of intentions to become citizens of the United States.

This would leave a total of approximately 3,600,000 unnaturalized aliens without first papers toward citizenship who are now in the United States. That, Mr. Chairman, is a long way from the figure my colleague gave you—he said 20,000,000.

Now, of course, Mr. Chairman, this does not take into account any estimates of the aliens who are here without lawful status under our immigration laws.

My colleague informed you there were 10,000,000 of them. I do not know where he got his figures, because I have not found any way to estimate that. However, I cite you to the fact that the 1930 census indicated a total of only 499,853 persons who did not indicate to the census enumerators whether they were citizens or first-paper applicants for citizenship or aliens outright. It may be assumed that a large part of these were unlawfully here.

If these 499,853 persons of foreign birth were all here unlawfully, which I doubt very much, I fail to see how any estimate of ten million could be arrived at to indicate the number of aliens unlawfully here at the present time. I will be quite generous, I think, when I concede that there may be 1,000,000 now here unlawfully. I do not concede that figure; but I say if I do concede that figure, then I would be quite generous.

I have some figures from the Immigration and Naturalization which may throw some light on this question of aliens now unlawfully in the United States.

In 1927 there were about 23,447 seamen who deserted their ship in United States ports; in 1930, there were only 9,117 deserting seamen, while in 1934 only 972 seamen deserted here.

In 1927, 1,906 stowaways were found on ships arriving at United States ports; in 1930 there were only 1,048 stowaways, while in 1934 the number of stowaways dropped to only 425.

Mr. Chairman, I just desire to read into the RECORD the tables I have prepared, which illustrates just what I have been speaking about this afternoon:

From the Bureau of the Census

All foreign-born (regardless of age, race, color, or nativity), 1930 census	14,204,149
All foreign-born (naturalized citizens), 1930 census	7,919,536
All foreign-born (first papers taken)	1,266,419
All foreign-born (status not stated)	499,853
All foreign-born (aliens—that's all)	4,518,341
All foreign-born (unnaturalized alien)	6,284,613
All foreign-born (regardless of status), 1930 census	14,204,149

From Immigration and Naturalization Service, Department of Labor

All foreign-born (unnaturalized alien), 1930 census	6,284,613
Foreign-born naturalized since 1930 census	507,127
Foreign-born unnaturalized alien died since 1930 (estimated)	251,384
Foreign-born acquired citizenship through parents' naturalization since 1930 (estimated)	150,000

From Immigration and Naturalization Service, Department of Labor—Continued

Excess of foreign-born alien departures from the United States over the foreign-born alien arrivals into the United States since 1930	229,363
Total deductions to be made since 1930 census	1,137,874
Total foreign-born (unnaturalized alien), 1934 (estimated)	5,146,739
Personal calculations from above:	
Total foreign-born (first papers taken) in 1934	1,546,739
Total foreign-born (unnaturalized alien—that's all), 1934	3,600,000

Mr. BLANTON. Mr. Chairman, will the gentleman yield right there for one question?

Mr. DICKSTEIN. I shall be pleased to yield if it is to be a question.

Mr. BLANTON. In 1932 did the gentleman know that Bruno Hauptmann was in the United States, or did anybody else connected with his committee know that he had come here illegally? And there are just thousands of aliens unlawfully in the United States like Bruno Hauptmann of whom the gentleman does not know anything.

Mr. DICKSTEIN. If the gentleman wants an answer, he should confine his question to the issue before us now.

Mr. BLANTON. I think that is a very pertinent matter.

Mr. DICKSTEIN. I will answer that question at some other time. I would like to confine myself to my statement to the House. Now, the gentleman wishes to ask a question. What is the gentleman's question? I do not want a speech; I want a question.

Mr. BLANTON. I said, are there not aliens here like Bruno Hauptmann that the gentleman knows nothing of?

Mr. DICKSTEIN. I have no use for Bruno Hauptmann or any alien who is illegally in the country. If the gentleman would work with me, we could bring out legislation that would destroy the very evil the gentleman makes speeches about here year in and year out.

Mr. BLANTON. And if the gentleman would work with me we would give 12,000,000 jobs back to that many Americans and take them from that many foreigners.

Mr. DICKSTEIN. Now, I shall depart from my prepared statement if the gentleman wants to debate that.

A year ago I had a bill before this Congress that would deport alien gunmen, dope-peddlers and the like; yet the gentleman from Texas voted against that bill. That bill was not intended to open up the doors of immigration at all; it simply tried to clear up a situation in this country which has grown up in the last 30 years whereby aliens in this country who have committed a number of misdemeanors could not be deported because they had not been convicted of a crime involving moral turpitude or convicted of a felony. The bill I brought up for consideration last year would deport just such aliens, but the gentleman from Texas voted against it.

Mr. BLANTON. I am going to get time of my own in a few minutes and tell all about those makeshift excuses of bills, and I will answer the gentleman in my own time.

Mr. DICKSTEIN. Mr. Chairman, I ask that I be not interrupted until I have completed my statement.

This committee brought out a bill last year to remove from the shores of this country, from California, Illinois, and Texas, a number of Filipinos, totally about 30,000, who seemed to be unable to establish themselves as self-supporting; they are stranded and in that way may seem to be undesirable and want to go back to the Philippine Islands. The Resident Commissioners for the Philippine Islands came before the committee and begged for that legislation.

The Department of State and the Department of Labor and all other patriotic organizations endorsed the bill which provided a means to let them go back home and stay home, but the gentleman from Texas voted against that measure.

Then I brought out an identical bill this year and the gentleman last Thursday objected to it being given preference for immediate consideration. This is all a matter of record. I am not quarreling with the gentleman, I am

simply presenting the record. There is nothing personal in my remarks.

Mr. DIES. I think the gentleman will agree that there are a number of aliens in this country illegally who ought to be out of the country.

Mr. DICKSTEIN. I agree with the gentleman.

Mr. DIES. I think our committee has found that to be a fact time and time again.

Mr. DICKSTEIN. There is no question about the gentleman's statement.

Mr. Chairman, under the 1917 law we can repatriate any alien who finds himself stranded in the United States within 3 years after his admission. The committee unanimously reported another bill and I am sure the bill would repatriate to their own native countries 200,000 or more people who are now on the relief rolls of the big cities of this country. In other words, 1½ months' relief given to them from public funds would send them back to their native country and make them stay there. Under the 1917 act this must be done within 3 years after entering, but we struck out the words " within 3 years ", giving these persons an opportunity to get out immediately.

Mr. DIES. Will the committee agree to fix it so they cannot reenter the United States?

Mr. DICKSTEIN. We have done just that.

Mr. DIES. In the act of 1932 the gentleman provided that aliens who are driven out of the country or who are deported may reenter.

Mr. DICKSTEIN. I agree with the gentleman. I had that in mind, and with the consent of the departments and the committees I have safeguarded that very thing. They cannot return. I think the gentleman will be assured of that point if he will read the last three lines of that bill, H. R. 3472.

This bill was unanimously reported and it had the support of patriotic groups. When I got it to the floor of the Congress the gentleman from Texas objected to its immediate consideration and also objected to the bill when it was called up on the Consent Calendar yesterday.

Am I to be understood as trying to open the doors to immigration? I have never attempted to open the doors; on the contrary, I want to keep them closed as tightly as does the gentleman from Texas. But I do not want any American citizen to be prevented from uniting his own wife and their own children in his home on American soil.

In all fairness to the House and in fairness to the committee, may I say that we cannot bring restrictive legislation to the floor of this House and then have people object to its consideration, particularly people who pose as restrictionists.

Yes, the gentleman from Texas may have all the time he wants, but the fact of the matter is the RECORD shows, and I say this without fear of contradiction, that every constructive restrictive legislation that has been brought to this Congress has been objected to by the gentleman from Texas. Why? He made a charge against me in the CONGRESSIONAL RECORD last Friday in the form of extension of remarks. He probably could not have done this if I were on the floor because I would have had something to say. The gentleman stated he had introduced a certain bill to suspend all immigration for 10 years. Mark you, he charges me, and I would not do this against the gentleman from Texas [Mr. BLANTON], that I was the one who killed the legislation because I had the deciding vote.

Mr. BLANTON. Well, is that not so?

Mr. DICKSTEIN. No.

Mr. BLANTON. I was told that by members of the gentleman's committee. Ask my colleague the gentleman from Texas [Mr. DIES], who was a member of the committee, if the gentleman from New York did not cast the deciding vote against our restriction bills.

Mr. DICKSTEIN. It was not true, so the gentleman owes me an apology and he owes the House an apology.

Mr. BLANTON. Will the gentleman leave it to the gentleman from Texas [Mr. DIES], who was on the committee?

Mr. DICKSTEIN. That vote was on the bill of the gentleman from Texas [Mr. DIES]. The gentleman owes me an apology.

Mr. DIES. That was on a bill introduced by myself, which provided for a reduction in quota to 60 percent and undertook to do what the gentleman from New York always said he wanted to do.

Mr. BLANTON. And his vote killed it?

Mr. DIES. That is true.

Mr. DICKSTEIN. May I say that there was a bill introduced by the gentleman from Indiana [Mr. SCHULTE]. There was also a bill introduced by the gentleman from Texas [Mr. DIES]. These two bills were considered together. They were H. R. 4114 and H. R. 8222.

Mr. Chairman, those two bills dealt with some pretty difficult problems. The Secretary of State presented certain facts to the committee that there were certain negotiations pending to consummate a number of treaties with South America. The bill purporting to fix a quota for Mexico was introduced by the gentleman from Indiana [Mr. SCHULTE], and the bill introduced by the gentleman from Texas [Mr. DIES] attempted to reduce the quota to 60 percent. The Department of State, through the personal appearance of the Secretary of State himself, made representations to the Democratic Members, asking them to withhold action, so that your humble servant did not report the bills out.

The two bills were beaten by one vote in committee and I was simply carrying out a message from the American people through the Secretary of State to carry on the administration work in that Congress.

Mr. DIES. In order to get it accurately, is it not a fact that the opposition came largely from the Secretary of Labor and from Mr. MacCormack, as well as from an Under Secretary of the State Department? I do not think the Secretary himself, either by letter or testimony, opposed the bill. I know the gentleman wants to be accurate.

Mr. DICKSTEIN. The gentleman knows I have been trying to be accurate.

Mr. DIES. My bill, which was endorsed and supported by practically all organizations in the United States, would have accomplished what the gentleman stated he wanted to accomplish, which was, among other things, the reuniting of families.

Mr. DICKSTEIN. I want to be as fair as I can. I am not quarreling with anyone who expresses an opinion on this question.

I have the same right to express an opinion as any other Member of the Congress, and I am not quarreling with anybody.

Mr. DIES. But is the gentleman for excluding——

Mr. DICKSTEIN. In all the years I have been here I have tried to keep peace with the world, including the gentleman from Texas [Mr. BLANTON].

Mr. DIES. Is the gentleman in favor of excluding all new seed immigration, if we reunite families?

Mr. DICKSTEIN. I am in favor of reuniting families.

Mr. DIES. Is the gentleman in favor of excluding all new seed immigration?

Mr. DICKSTEIN. To a great extent; yes. Practically to a very large extent; but let me call your attention to one thing here.

In 1932 only 35,576 immigrants came to the shores of the United States and, against that number, 103,295 went back. So there were three aliens who went back for every one that came into this country. Therefore, you do not need any restriction in that situation.

Mr. DIES. But the gentleman is not taking into consideration illegal entries. Illegal entries are not taken into account in the figures of Mr. MacCormack, which the gentleman is reading from. The gentleman is reading from Mr. MacCormack's figures, is he not?

Mr. DICKSTEIN. No; I am giving some personal figures where I personally made a check-up in the last 10 days.

Mr. DIES. But the gentleman is not stating that his figures take into account illegal entries?

Mr. DICKSTEIN. No.

Mr. DIES. And the gentleman knows that in 13 years 500,000 alien seamen alone deserted various steamships and surreptitiously got into the United States.

Mr. DICKSTEIN. The gentleman and I agree that we do not want any smuggled aliens in this country, and so far as that goes I am prepared to bring out any bill to stop smuggling in some way or other. The gentleman knows this, and he was kind enough to say a word for me about 2 years ago when I presented a resolution to this Congress, and then even my good friend BLANTON voted for that resolution.

Mr. BLANTON. I did that under the gentleman's promise that he would give me a hearing on my bill that would stop immigration and then, after you gave me a hearing, you chloroformed it. [Laughter.]

Mr. DICKSTEIN. Wait a minute—the gentleman from Texas will admit that I gave him that hearing.

Mr. BLANTON. Yes; the gentleman did that, and then killed my bill in his committee.

Mr. DICKSTEIN. And the gentleman made a most fiery speech about oxen and about the cowboys and everything else, and told us about conditions on the Rio Grande. It was fine and I enjoyed it, but the committee unanimously refused to report his bill. Does the gentleman charge me with that?

Mr. BLANTON. Oh, I said nothing about oxen and cowboys, but only about stopping aliens, and my friend the gentleman from Texas [Mr. DIES] was helping me on it, and I am sure he was not a part of the unanimity.

Mr. DICKSTEIN. For the gentleman's information, I have the original roll call here, so please let us not dispute that. [Laughter and applause.] The gentleman is wrong. It was unanimous, and the gentleman again owes me an apology, because the gentleman has stated to this House that I was responsible for killing his bill that would stop immigration for 10 years, and that is not a fact.

Mr. BLANTON. If it were unanimous, then the gentleman controls that committee even to a greater degree than I gave him credit for doing.

Mr. DICKSTEIN. In 1934——

Mr. DIES. I want to correct the gentleman there.

Mr. DICKSTEIN. If it is an honest correction, I will take it.

Mr. DIES. I think the gentleman needs to be corrected in that respect. The gentleman says the committee voted unanimously to do what?

Mr. DICKSTEIN. If the gentleman will sit down, I will answer.

Mr. PALMISANO. Mr. Chairman, may I raise a point of order?

The CHAIRMAN. The gentleman will state it.

Mr. PALMISANO. If this roll call was secret——

Mr. DICKSTEIN. It is not going to be made public.

Mr. BLANTON. Why not make it public?

Mr. DIES. I think it ought to be read here.

Mr. DICKSTEIN. I do not want to violate the rules of the House. If the gentleman will just be patient——

Mr. DIES. I will say now that there never has been a vote on the Blanton bill.

Mr. DICKSTEIN. If the gentleman will please wait a minute, I will answer.

Mr. DIES. I want the gentleman to clarify it.

Mr. DICKSTEIN. I will clarify it. I would not do an injustice to anybody, and if I am wrong in any statement here, I want to be corrected.

After a public hearing on several bills and joint resolutions, all dealing with the general subject of general immigration restriction, including H. R. 4114, H. R. 8222, and H. R. 109, and several others introduced during the Seventy-third Congress—

The Committee on Immigration and Naturalization, by regular action, concentrated serious committee consideration to H. R. 4114 and H. R. 8222, and eliminated from further committee consideration all other general restriction bills and House joint resolutions, including H. R. 109, which my colleague from Texas [Mr. BLANTON] had introduced and advocated before the committee in public hearings.

The committee, therefore, eliminated from consideration all other bills, including H. R. 109, and confined consideration to only two bills, namely H. R. 4114 and H. R. 8222. Since both of these bills had been opposed by both the Department of Labor and the Department of State before the committee, both in public hearing and in executive session, I think the Committee on Immigration and Naturalization did the wise thing when by regular action it decided to not report them to this House.

As to the details of the vote on these two bills, I may say that the vote was taken in executive session, and I do not propose to publicly disclose the details of how the votes were cast. I am sure every Member of this House will be satisfied when I say that the official record of the committee on each of these two bills shows that the vote of the committee on March 12, 1934, was against reporting them to the House.

There were a number of bills before the committee, and we unanimously agreed to put all the other bills in "the dead house", if that is the proper term, and take up House bill 4114, which was the Dies bill, dealing with all the questions.

Mr. DIES. That is right.

Mr. DICKSTEIN. This bill dealt with all the questions we found in all the bills, except complete restriction.

Mr. DIES. I will say to the gentleman that that is an accurate statement.

Mr. DICKSTEIN. And the bill of my friend from Texas [Mr. BLANTON] was for complete restriction. It did not even attempt to unite families. That is correct, is it not, I will ask the gentleman from Texas [Mr. DIES]?

Mr. DIES. I think it was for 10 years.

Mr. DICKSTEIN. For 10 years a complete restriction; in other words, cutting off mother from father, and mother from child, and almost putting a high fence around the United States by some of the wood we find around the gentleman's district.

Then we took up the bill numbered 8222, which is the Schulte bill.

The committee had already disposed of all the other bills by having them laid on the table.

I am not going to disclose the confidential vote, but for the information of the gentleman I have made this statement.

Now, let me get back to my argument. What about restriction?

In the last 5 years no immigrants have come in except those who came to close family ties, like children of American citizens, wives of American citizens. There is no new seed immigration coming in, or, if there is, it is very small, indeed. They have to establish the fact that they have enough money to take care of themselves for the next 5 years.

What is all this clamor about restriction when you have practically every restriction you want under the present law?

Mr. DIES. To be fair, that is the result of the administrative action in which the Department strictly construed the public charge provision. And also there is the fact that there is more than 500,000 alien seamen alone that have come illegally into the United States.

Mr. DICKSTEIN. The gentleman has served with me in Congress, he has served with me on the Committee, and I claim that he cannot maintain or say that I have been unfair in my conduct.

Mr. DIES. Except I do not think the gentleman is bona fide in favor of restriction, and I do not blame him; he represents a district where 80 percent are opposed to it. We might as well be frank about it.

Mr. DICKSTEIN. Suppose I told the gentleman that there is not a family in my district that has a relative on the other side. The only difference between the gentleman and myself is that I am not a professional restrictionist.

I repeat that appeals from my district in behalf of relatives abroad are less numerous than appeals which I get from citizens residing in other districts.

Mr. DIES. The gentleman always votes against anything in favor of restriction.

Mr. DICKSTEIN. If the gentleman will wait a moment and give me a chance to answer his question—I am not asking to change the public-charge clause. I am not asking you to open the doors, but I am going a step further than some restrictionists in this House by saying let us clean the house first within. There are thousands of aliens here that ought to be removed. [Applause.]

Mr. DIES. Yes; there are 3,500,000 illegally in the country, but the gentleman is not offering to exclude them, he is not in favor of that, he is in favor of their becoming American citizens regardless of how they came into the country.

Mr. DICKSTEIN. I will answer the gentleman in a moment. We have a number of people that entered the United States 10 or 15 years ago whose names were mispelled on what is called a "certificate of arrival." Now they cannot find that certificate, so that they can be deported at any time because the statute of limitations does not apply.

We have a number of such cases where there is no record of the entry, and they are subject to deportation.

These people, the most of them, have been married to American women, raised American families and American children, children that are going to school, and it is this kind of people that I want to give the right to remain in the country and be a part of the community, because every community respects them.

I sincerely believe it is good social policy to permit these law-abiding aliens, who cannot now take even the first step toward becoming American citizens, to take advantage of some procedure which will make it unnecessary for them to pay the steamship companies large amounts of money for passage abroad and at the same time permit them to adjust their immigration status so that application for naturalization is possible.

This will keep in America an entire family, the greater part of which may be American citizens, without the loss of time and money a long trip abroad seeking an immigration visa today would require. But I am with both gentlemen from Texas, and I am ready to deport every racketeer that you can pick up. I will go further than that. I am ready to go as far as any of you will go to clean house right within our own country. I propose to leave the quota alone or even cut it.

Mr. DIES. What about the provisions for cutting it 60 percent, and using 40 percent of the quota for the purpose of reuniting families, and then excluding from the United States all aliens who enter in violation of law? I do not mean technical defects, but aliens who were smuggled in across the borders. What about that?

Mr. DICKSTEIN. If the gentleman will present a bill excluding aliens who were smuggled across his border into Texas, he can have a hearing on it tomorrow.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PARKS. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. DICKSTEIN. Bring a bill in before this committee that will relieve this country from smugglers and dope peddlers and gunmen, and I am with you. I have been begging this Congress to give me a chance to present such a bill before this House. Only a week ago that was done, and it was objected to.

Let us be fair about it. The Committee on Immigration has not had a day on the calendar in 9 years. In 9 years the Committee on Immigration has not had a call on Calendar Wednesday for consideration of bills under the general rules of the House. We have got to beg for our legislation when we report it out. We have either to go to the Committee on Rules, or we are out of luck, and then the Rules Committee has not given us a regular day in the last 5 years. So that the legislation which has been brought out was not controversial. It was something for the Government, something for the people.

I want to see that every American who is out of a job gets a job, but we gave you the opportunity when we brought out a bill that would repatriate some 300,000 aliens who have been here, who are ready to go back, and in signing their pauper's oath, they make it so they can never return. Why keep them on our relief rolls? Why keep them in our communities? Let them go if they want to, but no, my friend objected to it.

Mr. DIES. What friend?

Mr. DICKSTEIN. The gentleman from Texas [Mr. BLANTON].

Mr. DIES. Objected to what?

Mr. DICKSTEIN. To repatriating these people, to letting them go home. I hope it is not anything personal, although he may have his reason for it.

Mr. ROBSION of Kentucky. What is the reason advanced by anyone in opposition to a proposal of that kind?

Mr. DICKSTEIN. When my good friend from Texas [Mr. BLANTON] takes the floor, the gentleman may ask him that question.

Mr. BLANTON. I will tell the gentleman all about it in a few minutes. That was a foolish bill, and set a foolish precedent. It proposed for the United States to pay all of the expenses for 30,000 Filipinos to take a trip home. They would have come back, and many times more than 30,000 would have come with them when they learned that they could get their expenses paid back home. Of course, I objected.

Mr. DICKSTEIN. I give you my solemn word that I do not know. Everybody who appeared in the committee, including some of the gentleman's friends, honestly supported it 100 percent. In New York today we have at least 100,000 people on the relief rolls, who are prepared to go back home to their native country and stay there. The cost of a month and a half of relief would forever dispose of those aliens, so far as the money is concerned.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. Does the gentleman want to ask me a question?

Mr. BLANTON. Yes; because I know he will want to ask me a question when I have the floor and I want to yield to the gentleman. Referring to the bill which the gentleman said did not pass in the last session, did not that come to a vote of the House and did not the House defeat it?

Mr. DICKSTEIN. That is true.

Mr. BLANTON. The House defeated it by a decisive vote. Then it was not just the gentleman from Texas, but it was the Membership of this House who thought that was a bad bill.

Mr. DICKSTEIN. I want to answer that question, and I do not like to make such a confession, but I am going to make it. I really think that the Members of the House could not absorb all the fine restrictive features in that bill when consideration of it was taken up under a motion to suspend the rules. That was brought up in that way on the last day of the Congress. The bill contained a number of pages, and I say now that that was purely a restrictive measure. Under your present law you cannot deport an alien gunman, you cannot deport an alien smuggler, or you cannot deport a dope peddler. Under that bill, that could have been done. That bill did not permit additional immigration to this country and did not open any doors to let down the present restrictions imposed by the quota system we now have. In short, it was a restriction measure.

Mr. DIES. To be perfectly fair, it was not those provisions of the bill that we opposed. We opposed the provision that gave to the Secretary of Labor discretionary power to deport or not deport, as she saw fit. That was the part of the bill that we opposed and not the other provisions to which the gentleman refers. I think, in fairness, that that ought to be stated.

Mr. DICKSTEIN. I think you did not want the Secretary of Labor to afford relief to an innocent man or woman because of the fact that 10 or 15 years ago they crossed the border and came in here illegally. You did not want to place in the Secretary of Labor discretionary power to leave that man or woman alone, who otherwise had not committed any crime at all.

Mr. DIES. But that is not an accurate statement. Mr. MacCormack testified before our committee that not more

than 5 percent of all the deportation cases were hardship cases. In view of that fact, we were not willing to turn over to any official the deportation laws of the United States.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PARKS. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I shall refer to some excerpts briefly, and I ask unanimous consent to extend my remarks and to embrace those excerpts in the remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BLANTON. Mr. Chairman, I have no unkind feeling toward my friend from New York [Mr. DICKSTEIN]. Probably if I were in his shoes, I would feel on this question just as he feels, and probably I would vote and take action just as he has done.

There are 435 Members of this House, and the funniest thing about it is that no two of us are alike. We are different in our physiognomies, in our viewpoints, in our environments, many of us in our manner of living, many of us as to where we were born, and the various ideas that have been inculcated in us from childhood. Naturally, subjects arise here upon which all of us cannot agree.

I repeat what my friend from Texas [Mr. DIES] has said. He did not say it behind the back of my friend, the gentleman from New York [Mr. DICKSTEIN], because they are friends personally. My friend, the gentleman from Texas [Mr. DIES], for several years served ably on this committee of which the gentleman from New York [Mr. DICKSTEIN] is chairman. Mr. DIES has lately been promoted and placed on the great Rules Committee of the House. I wish to say for MARTIN DIES, of Texas, that all during his service on the Committee on Immigration and Naturalization he put in the very best that was in him. I served with his father here. He was an able representative of the people, and he made one of the finest speeches on this floor on the service of Congressmen that I have ever heard. His worthy son, our present colleague, MARTIN DIES, has performed valuable service on this committee.

All of his purposes and intentions were to stop immigration to this country; to save American jobs for American citizens. He learned to know well our friend from New York [Mr. DICKSTEIN] during that service. Did you not hear him tell the gentleman a moment ago that he did not believe he was really and heartily in favor of stopping immigration at all? That is the thing that impressed him from serving with the chairman of the committee during all these years. And I repeat that as my belief.

Now, the gentleman from New York [Mr. DICKSTEIN] made a very damaging admission a while ago. I want to quote the gentleman correctly, and any time that I quote my friend incorrectly, to show him how fair I want to be, I want him to know that I will yield to him any time I misquote him. The gentleman said: "There is not an alien in my—(his New York)—district who has a relative on the other side."

Is that not a damaging statement? Why, he has made it so easy for them, in collaboration with the Department of Labor and the Bureau of Immigration and Naturalization, that all foreign relatives of aliens in his New York district have been able to reunite in his district. That is "uniting families" gone to seed.

You will remember that he favored "uniting families", and that was another damaging statement the gentleman made. I took it down word for word as he spoke it, and you will find it in the RECORD, unless he changes it when he revises his remarks. When the gentleman from Texas [Mr. DIES] asked the gentleman from New York if he were in favor of stopping immigration to this country, the gentleman from New York [Mr. DICKSTEIN] said, "I am in favor of reuniting families." He certainly has been diligent and active in his district, where many aliens live. He has reunited them all, because he says not an alien in his—alien—district has got a relative across the water. They have all been able to come in.

Mr. MARCANTONIO. Will the gentleman yield right there?

Mr. BLANTON. Yes; I yield.

Mr. MARCANTONIO. Does the gentleman believe it wrong for families to be reunited, and un-American and detrimental to the economic welfare of this Nation?

Mr. BLANTON. No; I do not, if they will reunite in their own mother country. I do not want foreigners from other countries to do their uniting and reuniting in the United States. I would like for all of them to have a regular old-fashioned home-coming back in their native lands. I would wish them Godspeed.

This is the first opportunity I have had to thank the gentleman from New York [Mr. MARCANTONIO] for the faithful, loyal work he performed in trying to help my old friend and pal, Fiorello H. LaGuardia, who is now mayor of the city of New York. I am grateful to my friend for what he did for LaGuardia. And if he fills LaGuardia's shoes in representing LaGuardia's old district, he has a man's job to perform here.

I have no prejudice against people of foreign extraction. Many are my close friends. When I first ran for Congress away back yonder before the war, in one whole precinct settled by foreigners, I got one vote in that box against the old Congressman. That shows how loyal they were to the sitting Member. I tried my best to find out who that one voter was, so I could thank him. [Laughter.] The next election, 2 years thereafter, a former Member of this House ran against me, who was an able and vigorous campaigner—yet the tide changed and in that primary he got one vote and I got all the balance in that box. It just changed around over one election term. They became my loyal friends, and proved to be as good friends as a man ever had.

When I was a boy I lived in old Fayette County. Most of my associates there in school were children of foreigners. Old Fayette County was settled with foreigners. I played with them as schoolmates, went to dances on Saturday nights and danced with Bohemian and German girls many times until nearly daylight. [Laughter.] They were my good friends. I used to visit in their homes. They were good citizens. They were hard-working, thrifty, and enterprising. They paid their debts. Whether they made little or much they saved part of it. I have no feeling whatever against any foreigners who come to America lawfully and who have made such good citizens as many of them have.

But more aliens have come here from foreign countries than we can assimilate. More have come than we can provide with jobs, without depriving native Americans. We must call a halt. They are starving Americans. In our hour of necessity I have seen this Government vote billions of dollars for relief because 12,000,000 heads of families were out of jobs.

When it develops that criminal aliens like Bruno Hauptmann can come into this country illegally without my friend from New York knowing anything about it, and save from his wages $1,000 per year, it is time something should be done to stop it.

I called up Mr. Daniel W. MacCormack, Commissioner of Immigration and Naturalization, down at the Department of Labor, about an hour ago, and I said: "Back in 1932 did you or your office officials then know that Bruno Hauptmann was here in the United States? Did your Department of Labor then know he was in this country unlawfully?" He said: "No; never heard of it until he was apprehended for committing murder and various other atrocious crimes." There are thousands of criminal aliens just like Bruno Hauptmann who have come into this country unlawfully and are unchecked and unknown.

Commissioner MacCormack told me over the telephone about an hour ago that there are 16,000,000 aliens now in the United States, and that there are 40,000,000 people in the United States of "alien stock." He stated that we had no registration laws by which we could check the aliens that got into the United States illegally, and that no one had

any way of definitely determining the number of aliens here unlawfully. He stated that the last census showed that on April 1, 1930, there were 6,284,613 aliens in the United States, and they were ones who made returns to census enumerators.

Of course, all of us know that the aliens who made returns to our enumerators were aliens who got into the United States lawfully, for the ones who smuggled themselves into the United States unlawfully would not have made their identities known to census enumerators. Hence we know that on April 1, 1930, there were 6,284,613 aliens here who were lawfully admitted to the United States, and I have just as much grounds for guessing correctly as my friend from New York as to the number of illegal aliens there were then in the United States.

An alien is a foreign subject. An alien is one who owes his allegiance to a foreign country. An alien is not one who has taken out his papers to become a citizen of the United States. An alien is one who prefers not to become a citizen of the United States. An alien is one who owes no duty to the United States flag. An alien is one you cannot make fight to protect the United States.

The 6,284,613 aliens who made returns to census enumerators in 1930 were subjects of foreign countries. Why had they come here? Why, to get jobs, of course. They came here to find work. And they found work. And the jobs they were holding were American jobs that belonged to American heads of families. They got jobs by being willing to work for less than Americans were charging. And when they came here from foreign countries and got jobs, they took such jobs away from our own Americans.

I do not subscribe to all of this gossip we have heard that Daniel W. MacCormack, just because he was born in Scotland, is a foreigner unsympathetic with our laws and institutions and wanting to open the doors and let all foreigners into this country. That gossip is not worthy of belief. While I do not agree with the ways deportations have been handled, and the way undesirables have been allowed to come into this country, I have great respect for Commissioner MacCormack, and I admire the record he has made as a soldier. This idle, untrue gossip about him should stop. If we don't agree with him, and want to criticize the way he has handled deportations, and visiting anarchists, let us criticize, but we should do it fairly, and not do him an injustice. In many of the things he has done regarding deportations, he has been in perfect accord with our friend from New York, who has been promising him to pass a bill to give him full discretion on all deportations.

From page 85 of the hearings on the Department of Labor appropriation bill for 1936 I want to quote some of the testimony given by Commissioner MacCormack before the Committee on Appropriations. He said that out of 465 cases, representing a total of 546 deportable aliens—now, they were ones that were deportable that he had up under his investigation, and he admits that they were deportable—he says that " 439, or 80 percent, would immediately be eligible for return to the United States on a nonquota or preference visa issued at the instance of their citizen or legally resident relative " in accordance with the terms of the bill that my friend from New York had passed here in 1932.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield for a question without being excited about it?

Mr. BLANTON. Certainly; I never get excited. I do get out of patience when I have sat here in Congress 18 years waiting in vain for a bill that would stop immigration, that would save American jobs for American citizens. And I have seen all such bills die in the committee. I have waited all this time in vain for such a bill to be reported, and I am getting tired of it. Mr. Chairman, I yield.

Mr. DICKSTEIN. There should have been a quota law during the time that Columbus came to this country, or at the time he discovered this country. Had there been, I think we would be all right and in good shape. The gentleman would not be here himself.

Mr. BLANTON. Mr. Chairman, I yielded for a question——

Mr. DICKSTEIN. Let me ask the question—the gentleman says that a certain percentage of these people liable to deportation would be eligible for readmission. That is true.

Mr. BLANTON. I said under the bill the gentleman got through here in 1932. Mr. MacCormack stated that 80 percent of these deportable aliens that he had up for deportation could come back under the terms of the gentleman's bill. That bill should have been killed.

Mr. DICKSTEIN. And I want to give the gentleman the answer to it.

Mr. BLANTON. All right.

Mr. DICKSTEIN. What Mr. MacCormack said was accurately true; what this statement says is accurately true. There are a number of people who, technically, could be deportable, but who would, upon their arrival abroad, be entitled to exemption from quota restrictions because of marriage to an American citizen; so why deport them and let them come back? Why not legalize their entry right now? They are not criminals.

Mr. BLANTON. Mr. Chairman, that brings us right back to my friend's position—that he believes in uniting alien families. If he could unite all the alien families he wants to over here, we would have to buy Mexico and Canada, too, to take care of all the aliens.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I want to finish this first; then I will yield. You know the gentleman's position about uniting families reminds me of a big cowman once who operated in Texas, Oklahoma, New Mexico, and in Arizona. I told him that he ought to be the happiest man in the world, having cattle on a thousand hills and ranch lands everywhere; but he said he never would be happy until he could own all of the adjoining lands that were contiguous to his own. [Laughter.] My friend from New York [Mr. DICKSTEIN], the Chairman of the Committee on Immigration, who believes in uniting families, never will be happy until with respect to all the rest of the United States it is just like his New York district, where not an alien family has any relatives abroad, because all of the relatives of all aliens have been brought over and reunited in the United States.

Mr. DICKSTEIN. I was in favor of bringing them over before I came to Congress.

Mr. BLANTON. I have no doubt of that; the gentleman is consistent, because he has been in favor of bringing them over ever since.

Mr. DICKSTEIN. Not with the gentleman from Texas [Mr. BLANTON] around.

Mr. BLANTON. I am watching this alien situation with both eyes open constantly.

Mr. DICKSTEIN. Let me ask the gentleman a question.

Mr. BLANTON. I will let my friend ask me any question he wants to.

Mr. DICKSTEIN. I want to ask a pertinent question.

Mr. BLANTON. Certainly. Whether pertinent or not, the gentleman cannot ask me one that can embarrass me any on this matter.

Mr. DICKSTEIN. I am not seeking to embarrass the gentleman by any question.

Mr. BLANTON. All right; what is the question?

Mr. DICKSTEIN. I just want an answer, that is all.

Mr. BLANTON. Ask the question.

Mr. DICKSTEIN. In uniting families what blood relationship would the gentleman consider close?

Mr. BLANTON. I will tell my friend, I would consider the blood relations of Americans closer than the blood relations of foreigners, when considering this question.

Mr. DICKSTEIN. Let us not get away from that.

Mr. BLANTON. I am not going to get away from it. I am not in favor of uniting alien families right now. I am in favor of saving American jobs for American citizens. [Applause.] That is the thing of first and greatest importance to me. If we could at this time remove every alien from the United States and send him back home we would

have a job for every unemployed American in the United States.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a minute; I want to answer this question first. When I rang up Colonel MacCormack just before we began this debate he admitted that there was no way for anyone to check up and determine just how many aliens are now unlawfully in the United States. He admitted that all we could do was guess. I believe that I can guess just as accurately about it as can my friend from New York.

During the war I saw the liberty parade in New York. I sat in the mayor's grandstand at the juncture of Broadway and Fifth Avenue from 9:30 a. m. until 4:30 p. m., and all day long I saw an unbroken procession of foreigners marching 20 abreast parade down the street. They were all dressed in their native costumes. I saw that sight. As I have mentioned before, I did not know there were that many foreigners in the whole world. I am wondering just how our friend from New York is better prepared to guess than I am at the number of aliens who are here unlawfully. And I wonder if in carrying out his policy of reuniting alien families in the United States he would like to bring here from foreign countries all of the close relatives of all those foreigners I saw in that liberty parade in New York during the war.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret I haven't the time. This is a debate between the gentleman from New York [Mr. DICKSTEIN] and myself. He started it. I must finish it. I see he is on his feet. I shall have to yield to him first after I have answered his question. In the Seventy-third Congress, during the last session, there was pending before the gentleman's committee a bunch of bills—a whole stack of bills—all seeking to restrict and register the aliens in the United States and getting a check-up on them so that we could find out about these Bruno Hauptmanns.

That big stack of bills had been introduced by many different Members, all seeking to restrict immigration, and to deport aliens who had gotten into our country unlawfully. One of those bills was my own, which sought to suspend all immigration for 10 years. One was H. R. 4114 of my colleague [Mr. DIES], which he says sought to do just what the chairman of this committee has been protesting that he wants to do, yet has not done. One was by my colleague from Florida [Mr. GREEN], H. R. 2841, to provide for the registration of all aliens, and was a good bill and should have passed. One was H. R. 6964, by the gentleman from New York [Mr. BACON]. There were many, many of these bills, a whole stack of them, that were sent to the committee, of which our friend from New York [Mr. DICKSTEIN] was chairman.

Not a single one of those restriction bills did Chairman DICKSTEIN ever report to the House. He smothered them all in committee. First the gentleman said my bill was killed by unanimous vote; then when the gentleman from Texas [Mr. DIES] caught him on that, and made him admit that no vote was taken on it, the gentleman stated, "Oh, no." So, it is the committee chairman who owes me an apology. There was not any roll-call vote taken on my bill. The committee did not vote unanimously against it. They merely sidetracked it with the Dies bill. The actual fact was that they had a whole lot of bills there before the committee, including mine. A member of the committee, the gentleman from Texas [Mr. DIES] had one, and the committee usually gives the prominent members of its own personnel the right of way. They gave the Dies bill preference, and then killed it, and Chairman DICKSTEIN cast the deciding vote against it. So it was, after all, Chairman DICKSTEIN who cast the deciding vote against alien restriction.

I want to repeat the language which the gentleman used. I remember it word for word by heart. Chairman DICKSTEIN said they voted to put all those bills into the deadhouse. Oh, it was a deadhouse! It was a deadhouse, I will say to the gentleman from New York, because whenever he puts a bill in his "deadhouse" it never comes out.

Now, I want you to know just what kind of a bill it was, this Dies bill, H. R. 4114, that Chairman DICKSTEIN killed with his deciding vote last Congress. I quote its provisions as follows:

Be it enacted, etc., That from and after July 1, 1933, the quota in the case of any nationality for which a quota has been determined and proclaimed under the Immigration Act of 1924, as amended, shall be 40 percent of such quota, but the minimum quota of any nationality shall be 100.

SEC. 2. From and after July 1, 1933, no immigration visas shall be issued under subdivision (c) of section 4 of the Immigration Act of 1924 (U. S. C., title 8, sec. 204 (c)), but all the provisions of the immigration laws shall be applicable to immigrants born in any of the geographical areas specified in such subdivision as if each of such areas had at that time quota equal to 40 percent (but not less than 100) of the number of nonquota immigration visas issued, during the fiscal year ending June 30, 1930, to immigrants born in such area.

SEC. 3. That subdivision (a) of section 4 of the Immigration Act of 1924 (43 Stat. 153), as amended (U. S. C., Supp. VI, title 8, sec. 204 (a)), is amended to read as follows: "An immigrant who is the unmarried child under 21 years of age, or the wife, of a citizen of the United States, or the husband of a citizen of the United States, by a marriage occurring prior to January 1, 1933: *Provided*, That during the fiscal year ending June 30, 1934, nonquota immigration visas may be issued to otherwise admissible fathers or mothers over 60 years of age of citizens of the United States who are 21 years of age or over."

SEC. 4. That section 6 of the Immigration Act of 1924 (43 Stat. 153), as amended (U. S. C., Supp. VI, title 8, sec. 206), is amended to read as follows: (a) "Immigration visas to quota immigrants shall be issued in each fiscal year as follows: (1) 75 percent of each nationality for such year shall be made available in each year for the issuance of immigration visas to the following classes of immigrants: (a) Quota immigrants who are the fathers or the mothers or the husbands by marriage occurring after January 1, 1933, of citizens of the United States who are 21 years of age or over; and (b) quota immigrants who are the unmarried children under 21 years of age, or the wives, or husbands, or the mother, or the father, of alien residents of the United States who were lawfully admitted to the United States for permanent residence.

"(2) Any portion of the quota of each nationality for such year not required for the issuance of immigration visas to the classes specified in paragraph 1 shall be made available in such year for the issuance of immigration visas to other quota immigrants of such nationality.

"(b) The preference provided in paragraphs 1 and 2 of subdivision (a) shall, in the case of quota immigrants of any nationality, be given in the calendar month in which the right to preference is established, if the number of immigration visas which may be issued in any such month to quota immigrants of such nationality has not already been issued; otherwise in the next calendar month."

SEC. 5. The provisions of this act are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this act. An alien, although admissible under the provisions of this act, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this act, and an alien, although admissible under the provisions of the immigration laws other than this act, shall not be admitted to the United States if he is excluded by any provisions of this act.

Now, the foregoing is the Dies bill (H. R. 4114), which Chairman DICKSTEIN killed with his deciding vote in the last Congress, and that is the reason that in reply to questions asked today by Chairman DICKSTEIN as to whether he had been fair, the gentleman from Texas [Mr. DIES] said to Chairman DICKSTEIN:

I do not think the gentleman is bona fide in favor of restriction. He represents a district where 80 percent are opposed to it. The gentleman always votes against anything that is in favor of restriction.

Now, I want to put my friend from New York [Mr. DICKSTEIN] on notice now that tomorrow is the thirtieth legislative day of this Congress.

After tomorrow petitions may be filed to discharge committees. Day after tomorrow I am going to file at the Clerk's desk a petition to take my bill, which will stop immigration to this country for 10 years, from his committee. If we can pass this bill it will give us a chance to assimilate the foreigners that we already have before we let others come in. This will give us a chance to retake American jobs and redistribute them from foreigners back to American unemployed citizens. It will take this bill out of the gentleman's "death house" and put it on a live calendar in this House, where we can take it up and pass it.

The bill is a short one, and I am going to include it in my remarks. I want you to get a copy of the RECORD in the morning and read it. This is H. R. 2733, introduced by myself on the first day of this Congress, and reads as follows:

A bill to provide for the suspension of immigration of aliens into the United States

Be it enacted, etc., That for the period of 10 years beginning 30 days after the enactment of this act, the immigration of all aliens into the United States is prohibited.

SEC. 2. The Commissioner General of Immigration, with the approval of the Secretary of Labor, shall prescribe rules and regulations for the enforcement of the provisions of this act.

SEC. 3. The provisions of this act are in addition to and not in substitution for the provisions of the immigration laws, and shall be enforced as a part of such laws; and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this act.

I am going to give the Members of this Congress a chance to vote on that measure. If 217 of you day after tomorrow will walk up to the Clerk's desk and sign your "John Hancock" to that petition, you will let your people back home know that you are in favor of keeping American jobs for Americans.

How many of you are going to stand up and be counted on the question of stopping this immigration?

Mr. COLDEN. If the gentleman will yield, I will answer his question.

Mr. BLANTON. I regret I have not the time. I want to get these facts before you. How many of you are going to help us pass this bill?

Mr. ROBSION of Kentucky. I am going to sign the gentleman's petition, but I want to ask him a question.

Mr. BLANTON. You know, the gentleman from Kentucky served over in the Senate at one time, and they have a courtesy over there that whenever a Senator gets up they have to yield to him; and I would yield, if I had the time.

There is the Rio Grande down in my State that flows for many miles along the United States-Mexican border. The Rio Grande in lots of places is so shallow that you can wade across it. Aliens come across there by the thousands and are taking bread and meat out of the mouths of the little children of America every year. Aliens from all countries come across the Rio Grande. I want to stop that, and I am going to give you the opportunity to stop it. You cannot go back home and say that you did not have a chance to stop immigration. I know the rules of the House, I have studied them, and I have seen them applied for 18 years. If you walk up there Thursday and sign that petition to take this bill out of the gentleman's deadhouse and put it on the calendar, I will bring it up in this House in a way that you will have a chance to pass it, if you want to.

Mr. HOFFMAN. Does it take 218 signatures?

Mr. BLANTON. It requires 217 besides my own.

Mr. HOFFMAN. Not 145?

Mr. BLANTON. If a proposition is good, I have found that it is mighty easy to get 218 men to sponsor it. Of course, if it is not salutary and if you are like the gentleman from New York, who believes in the uniting of all foreign families over here, you will naturally not sign it?

Mr. HOFFMAN. I was born here.

Mr. BLANTON. If the gentleman had not been, I would feel just as kindly toward him. One of my colleagues here had to wait a few months before he had been here long enough to take the oath of office. He and I are good friends. We get along fine. I have nothing against him because he came from a foreign country. He is a very able Member of this House, but I want to stop aliens from coming in until we get American jobs back into the hands of Americans.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. BLANTON. I am sorry; I have not the time. I want to get Mr. MacCormack's statement in the RECORD. Back in 1917 we deported two of the most noted anarchists in the world, who had been causing much trouble in this country. They were both deemed dangerous anarchists. It took us a long time and cost us a lot of money to deport them. One of them was named Emma Goldman and the other Alexander Berkman. We put them back in Russia, where they belonged.

In my friend's subcommittee, when they got after Mr. MacCormack about letting her come back, here is what he said:

I am frank to say that the Strachey admission was at my own instance. The first of those cases was, as I recollect it, that of Emma Goldman. She applied for permission to come to this country to speak on literature.

A noted anarchist, deported from the country because she was an anarchist and a dangerous anarchist, and deported back to Russia, wanted to come back here and speak on literature. What kind of literature do you suppose?

We were given definite assurances that she would speak on literature and keep off the political subjects, and particularly subjects dealing with anarchism. I took the position—and on that position urged her admission—that it was very much better, as long as she was not going to discuss subjects which are prohibited to an alien under our law, to let her in than to give her the publicity for her books and writings which would attend her exclusion; and after discussion in the Department, it was agreed that that be done.

Emma Goldman had been a great figure, and so we let her into the United States.

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLANTON. I quote further:

She was a wild-eyed anarchist, but when she came into the United States we permitted her to move around freely. We held her down to a gentleman's agreement that we had with her and with the people who were sponsoring her stay, that she was merely a nice old lady who was traveling around the country telling her past experiences.

Then a Member asked Commissioner MacCormack:

How about Tom Mann?

Mr. MACCORMACK. There was a case of Tom Mann, a British Communist labor leader. He applied for admission into the United States to address a conference on peace—specifically on that—a conference against war, or something like that, it was called. I looked over the group of organizations participating in this peace conference, and I saw the usual group of labor organizations, parlor Socialists, and many serious organizations, all concerned in this conference. I inquired whether Tom Mann was going to talk communism or discuss anything that would be received with displeasure in this country. They said, "No; he was going to talk on peace." And again I urged that he be permitted to come in.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a minute, if I have the time.

In this connection I want to read you from our own hearings on this bill about what happened last summer in the general strike out in California.

We had before our subcommittee that framed this bill a very distinguished military man from California, Adjutant General Howard. I read from the printed report of the hearings, beginning at page 435. General Howard is testifying and telling about a strike called out in California and about the trouble it put them to. He said, and I am quoting from the hearings on this bill:

We immediately sent out a call and assembled about 5,000 of our troops on the San Francisco front and across the bay at Oakland and Berkeley.

The malcontents tied up the entire outside country so no food could be brought in and no gasoline for the trucks. We had out there a condition of absolute revolution for a period of 3 days.

At the same time, at Los Angeles, we had a similar strike and some longshoremen went out.

It was necessary, in making our demonstration in San Francisco, for us to pull the troops out of Los Angeles and take them to the northern city, which left the city of Los Angeles, a territory with well over 2,000,000 people, absolutely destitute of protection.

Of course, the city and county of Los Angeles wanted us to replace those troops, or get them back there.

The police department immediately added 1,200 policemen to their force. But you can imagine what 1,200 policemen would be able to do in a serious situation. That is about the size of a regiment of infantry.

They took charge of the situation insofar as that particular strike in that part of the State was concerned. But we were utterly helpless to go down there to help them.

We would have had to resort to the drafting of men. We would have had to resort to calling for volunteers and trying to get arms and ammunition, but, of course, they had no uniforms, to try to save the State of California, as we were really in a situation of revolution.

I think the question of national defense should be given consideration as a national proposition, and I should like to say something about our position as the frontier of the Nation on the west coast, in the case of any trouble with a foreign country.

Mr. BLANTON. Before you leave that subject, let me ask you this question: How many men were there who caused that trouble—that revolutionary condition? Approximately how many union men were there?

General HOWARD. In the neighborhood of 1,300.

Mr. BLANTON. Then 1,300 union men put California and the country to all that trouble and expense.

General HOWARD. Yes; there were only a very small number of actual agitators originally; less than 300, I should say.

Mr. BLANTON. That is a situation, in my judgment, that is ruining and menacing the whole world.

Mr. BOLTON. What has been done with those men?

General HOWARD. The ringleader, who went around in San Francisco with a bodyguard of 14 men, is now the president of the union. He is a citizen of Australia, and we have never been able to topple him from his high perch. He still controls things out there.

Mr. BOLTON. Has the Department of Labor taken any steps in reference to that matter?

General HOWARD. No, sir; we inquired during the trouble of the Department of Labor and the Secret Service as to what could be done with this man, because I wanted to pick him up. I was told it would be better to let him alone, because the Federal authorities were trying to get something on him.

Mr. SNYDER. You said he was the president of the union; what union is that?

General HOWARD. The Longshoremen's International Union.

Here is one other statement General Howard made:

I would say that at least 60 or 70 percent of the people who actually caused this trouble were not American citizens.

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret I cannot. I am going to use this 5 minutes myself.

Mr. DICKSTEIN. The gentleman promised to yield to me for a question, but he has not answered the last question I asked him—what is a blood relative?

Mr. BLANTON. Just now I am not concerned about blood relatives of foreigners. I am concerned about Americans and their blood relatives.

Mr. DICKSTEIN. I am concerned about Americans and what would the gentleman call a blood relative? I too am concerned about Americans—Americans who seek to have with them in America the members of their family by blood relationship. What would the gentleman call a blood relative?

Mr. BLANTON. I am calling attention to the fact that it is more important to our country to protect the rights of Americans and their blood relatives than it is to protect the rights of foreigners and their blood relatives abroad. Does that answer the gentleman?

Mr. DICKSTEIN. No.

Mr. BLANTON. It is a satisfactory answer to myself, and now I want to show you about deportations.

I am reading from page 88 of the hearings on the Department of Labor for the 1936 appropriation bill.

Mr. MacCormack says:

We have stayed deportation in approximately 1,200 cases of persons of good character who would be the beneficiaries of the legislation if enacted.

He means the bill he is expecting Chairman DICKSTEIN to pass. That is one I stopped. I want him to deport those 1,200 aliens. That is why I stopped his bill.

He is counting on the gentleman from New York to pass a bill to back him up in his arbitrarily refusing to deport 1,200 aliens who should be deported. I am here to tell him that he ought to obey the law as now written, and when the law required these 1,200 aliens to be deported, he ought to have deported them and not take the chance of the gentleman from New York passing a bill interfering with it—he ought to deport them.

Now, I did not start this debate. It was started by the gentleman from New York. I was going to talk about the war bill, but the gentleman from New York challenged me to debate, and whenever anybody challenges me to debate they get something started. [Laughter.]

I want to tell the gentleman that there are a lot of people in New York back of me who want to stop immigration. The American Federation of Labor wants immigration stopped. The Daughters of the American Revolution want immigration stopped. Are they patriotic?

Mr. DICKSTEIN. All those people whom the gentleman refers to want the bill for repatriation.

Mr. BLANTON. I am not going to vote for any make-believe bill. I want a real bill; I do not want to vote for any chicken feed put up to stifle real legislation. I never started anything yet that I did not finish. This is one of the things that I am going to finish with God's help.

Mr. DICKSTEIN. One question more—the gentleman had a petition filed in the past session of Congress to discharge the committee, and how many signatures did he get?

Mr. BLANTON. I did not have time then, but I will get them this time. The gentleman need not worry; we are going to take that bill out of the gentleman's "death house."

Mr. LUCKEY. Now, will the gentleman yield?

Mr. BLANTON. For a short question.

Mr. LUCKEY. Would the gentleman favor a law which would prevent a man from coming here or remaining here simply on account of the misspelling of his name?

Mr. BLANTON. When it comes to a law favoring anybody I want it to favor Americans and not foreign families. I am going to take care of the American family first.

Now, the following is the statement made by my colleague [Mr. DIES] today when he introduced another bill, H. R. 5921, that contains the identical provisions in his bill H. R. 4114 last Congress, which Chairman DICKSTEIN killed in committee with his deciding vote as chairman, to wit:

Mr. DIES. I have just introduced a bill that will not only end the organized and even subversive propaganda called attention to by the Dickstein Nazi committee, but will strengthen existing deportation statutes as urged by the Department of Labor, deport gangsters and racketeers convicted of possessing machine guns, permanently exclude aliens convicted of crime and lawbreaking, require eligible aliens to become citizens or depart, further restrict immigration by reducing the existing quotas 60 percent, and applying them to countries of this hemisphere, take care of law-abiding aged parents and near relatives of foreign born in this country by reserving the quotas for them, and deport aliens engaged in smuggling and bootlegging aliens into this country.

Last year's immigration statistics show an increase of 50 percent in quota immigration; that is, new seed immigrants, an 8-percent increase in total aliens admitted and a 60-percent decrease in alien deportations. During the last 10 years of quota restriction over three and a half million aliens have entered the United States, and our last census revealed the largest number of foreign born, over 14,000,000, the largest foreign-stock population, over 40,000,000, and the most aliens, nearly 7,000,000, in our history. While the alien departures reported by the steamships and railroads do exceed the alien arrivals counted by our immigrant inspectors, our alien population has continued to increase by surreptitious entries and by the atrocious, alien deserting seamen hole in our existing legislation that my bill would plug up.

The bill I have just introduced would also deport alien Communists by making any alien deportable who is a member of communistic organizations. Most of the leaders of indefensible strikes like the recent general strike on the Pacific coast are aliens with red records, and of such we have quite enough of our own naturalized and even native born without importing any more or permitting them to operate in this country, just as we have enough unemployed and dependents without importing any more or permitting aliens to swell their ranks. Each country should care for its own dependents, delinquents, defectives, and unemployed. Charity should begin at home, just as employment should.

Now, in closing, I want the gentleman from New York [Mr. FISH] to get this, and I am sorry that I could not yield to him, for he is always very kind to me.

The deportations in 1931 were 18,142. In 1932 they were 19,422. In 1933 the deportations were 19,865.

But since my friend from New York [Mr. DICKSTEIN] put into operation his policy of uniting of alien families, deportations dropped down from 19,865 last year to only 8,879 this year—less than half. Are you colleagues not concerned about this momentous question, America for Americans?

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies and gentlemen of the Committee, I listened with a great deal of interest to the speech of my friend, Mr. BLANTON, of Texas,

and I made a number of unsuccessful efforts to have him yield to me, as I desired to propound to him a question and to call attention to some pertinent facts that are now matters of history, relative to the question of restricting foreign immigration.

Mr. BLANTON. The gentleman from Kentucky can do it now in his own time.

Mr. ROBSION of Kentucky. The question that I desired to propound to Mr. BLANTON was, Why did his party the other day when we had up for consideration here in the House the President's so-called "$4,000,000,000 work bill", kill the amendment offered giving American citizens preference for the jobs to be provided by that large sum of money?

My friend from Texas says he is more concerned in providing jobs for American citizens than he is for foreigners. I am in full accord with him on this declaration, and this is now and has been at all times the policy of the Republican party.

My friend from Texas says there are 12,000,000 heads of families in this country out of employment. The President and the most optimistic of the Democratic leaders assert that the $4,000,000,000 work relief bill will provide employment for not more than 3,500,000 of these people out of work.

When the bill was up for consideration two most significant amendments were offered to it and were objected to and knocked out by the Democrats, who are in control of the House. As pointed out above, an amendment was offered to give preference in these work jobs to American citizens. I have never yet been able to understand why the Democratic majority in the House objected to that amendment and caused its rejection. Another good American amendment was offered proposing that preference in the expenditure of this money should be given for American products and American materials, and this amendment was objected to and its rejection brought about by the Democrats.

I understand that the Department of Labor contends there are more than 16,000,000 aliens in the United States that can be accounted for by the Department of Labor. There are other millions of aliens in the United States who were smuggled into this country. If they were smuggled into this country, they are subject to deportation. Mr. DICKSTEIN, Chairman of the Committee on Labor, declared in his remarks that there were between 200,000 and 300,000 aliens in this country who are deportable for one or more valid causes. We all know that there are millions of these aliens on relief in this country, and they entail a tremendous burden upon the taxpayers and relief organizations of our country. Instead of expending large sums to provide relief for them, it seems that a part of the money could be well spent in returning them to their own countries. Millions of these aliens have been in this country many, many years. They have failed to take steps to become naturalized.

During the World War it appeared there were more than a million able-bodied men within the draft age in this country from the allied countries. Due to the fact they were aliens, we could not force them into our Army or Navy, and the allied countries could not force them into their armies or navies because they were in this country. They remained behind the lines with good positions and jobs at high salaries and wages while American boys were in the camps or in allied countries serving and fighting for a pittance to preserve those allied countries.

I have always held to the position that no alien should be permitted to remain in this country and enjoy its privileges and opportunities unless he was willing to become an American citizen and put himself in position where in time of war he could be called to the colors to defend the country that had given him protection and support.

REPUBLICAN PARTY FOR RESTRICTION AND PROTECTION

I served under the Wilson administration. A large majority of the Republicans in the House and Senate and some Democrats tried to protect our country from the great influx of foreign immigration, but we were unable to accomplish anything. We had to wait until the Republican Party came into power in 1921, and it was then that the first real anti-immigration law was passed. It was passed by a Republican Congress and signed by a Republican President. It was in 1924 when a Republican Congress passed that wonderful measure further restricting foreign immigration and it was signed by a Republican President. It was said to be the "second Declaration of American Independence" and it was fought by the same Democratic leaders who have been for the last 2 or 3 years and are now trying to break down and destroy our immigration laws.

My position and the position of the Republican Party on this important issue, as I understand it, is not one of offense to any nation or any people; it is a matter of defense to our own country and our own people.

I wish it were possible that every man, woman, and child on the earth could have and enjoy a country like ours, with its liberties and its opportunities. Holy Writ declares that "He who provideth not for his own household hath denied the faith and is worse than an infidel." I am opposed to this country being filled up with people from foreign countries, because I feel it my duty as a Representative in Congress to provide for the household of America first.

WILL NOT PASS

My friend Mr. BLANTON, from Texas, says that Chairman DICKSTEIN, of the Committee on Labor of the House, has been throttling and killing bills against foreign immigration. Mr. DICKSTEIN is a very capable and splendid man. However, I do not agree with him on this important subject. I like the attitude of the gentleman from Texas [Mr. BLANTON]. The gentleman from Texas [Mr. BLANTON] says that he cannot get his bill out of Mr. DICKSTEIN's committee, and the insinuation is that the committee is badly packed. If it is packed, it was packed by the Democratic Party. I am willing to sign a petition to help bring this immigration bill out on the floor, that we may have an opportunity to discuss it and vote on it; but let me say this to the gentleman from Texas: His bill will never pass and become a law under a Democratic administration.

The powerful Labor and Immigration Committees of the House are against it, and I am sure that the Honorable James Farley, national chairman of the Democratic Party and the Postmaster General, is against it; the leadership of the Democratic Party is against it; and Tammany is against it; and these forces in the Democratic Party will never permit it to pass and become a law.

A bill similar to this, with some amendments, should be adopted, and I hope that the gentlemen from Texas and other Democrats who are like-minded will also bring out a bill and have these aliens who are deportable sent out of this country. If we should use some of this $4,000,000,000 for that purpose, the relief burden would be greatly cut down and there would be less unemployment and more jobs for American citizens who are out of work. I venture to say there are more than a million men who served this country on land or sea, in the air, or under the sea that are out of work and are walking the streets and highways looking for jobs that they cannot find.

The gentleman from Texas also takes the Department of Labor to task for not deporting people who are deportable and for pursuing a policy that is breaking down our immigration laws; and I repeat that my friend from Texas, in trying to get through an immigration law, is not only met with a lot of hostile leadership in Congress but is met with the powerful influence of the executive branch of the Government.

One of these days the American people are going to turn again to the Republican Party, that is the real champion of American labor, and measures will be passed that will relieve this country from the tens of thousands of Bruno Richard Hauptmanns and others who have been smuggled into our land.

KEEP OUT FOREIGN PRODUCTS

I am glad to cooperate with the gentleman from Texas and others to further restrict foreign immigration and to deport a lot of aliens. The gentleman from Texas says that he wants to do this in order to provide jobs for American citizens. That is a most laudable purpose, but my friend from Texas and other Democrats do not go far enough. It will

not do our working people much good to keep foreigners out of this country and send aliens back to their home countries where they will produce shoes, clothing, pottery, machinery, and hundreds of other articles in industry and agriculture—working long hours with low wages and using the materials and products of their own country to produce these articles and then dump them into our country. Restricted immigration and the protective tariff must go hand in hand. Why keep the Italians in Italy producing hats and other articles, the Swiss in Switzerland manufacturing watches, the Belgians in Belgium manufacturing cement and other articles, the Japs in Japan manufacturing pottery and silks, the people of India in India manufacturing jute and other articles under long hours and low wages of those countries and using the raw materials of those countries and ship them into our country in competition with our workers and our business people? America, with its codes providing for a decent wage and shorter hours, cannot compete with foreign countries that have no codes, insist on long hours and low wages. We should not permit anyone to come here to work so long as there is anyone in this country who desires to work and is unable to find employment; neither should we permit any products that can be produced in this country to be brought in from foreign countries. Therefore may I urge that my distinguished friend from Texas join with us not only in restricting foreign immigration and deporting aliens but stand with us for a protective tariff? If those two policies are adhered to, there will be very little unemployment, and the recovery of our country from this terrible depression will be assured.

Let me say to my friend from Texas that I am going to sign his petition, but he will not get it through.

Mr. BLANTON. If the gentleman signs and enough others sign to discharge the committee, I will pass the bill.

Mr. ROBSION of Kentucky. The gentleman will not get it through. The folks in control of the gentleman's party will not let it go through.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, the National Recovery Act, through its textile code, has abolished child labor in those sections of the country where it existed; it has aided in eliminating the payment of starvation wages by some concerns; it has brought about a better uniformity in the work week. These are gains toward stabilization and uniformity which everyone appreciates. But the codes have not brought about the thorough uniformity which is essential for peace in the great cotton textile industry, the second largest in the United States.

The minimum wage differential is $1 in favor of the South. Why there should be any differential has never been clearly established. But unfair as this is, it would not cause any great concern if this was the only differential which was tolerated in the code.

The report of the inquiry recently concluded by the Department of Labor shows there is a much wider discrimination. On the basis of a full 40-hour week, allowed under the code, the mill workers of the North earn from $1 to $5.64 more per week than they do in the South. The percentage of difference varies widely and ranges from 7.1 percent for section hands to 27.8 for loom fixers, and 30 percent for picker tenders. Most of the jobs in the northern mills pay 20 percent more than the same jobs in the South.

The Government study, made in August 1934, shows the average loom fixer in the North, for a full 40-hour week, earns $25.92, while in the South the average pay is $20.28. Female weavers in the North, according to the Government report, average $17.40 for a full 40-hour week, while the southern women weavers average $15.28.

Male weavers in the North average $17.68, and in the South, $16.04. Picker tenders in the North average $16.28, as compared to $12.52 for the same workers in the southern mills. Slubber tenders in the North get $19.52 per week, while in the South the average wage is $14.96. Speeder tenders in the North receive $16.08 for female operators, as compared with $14.12 in the South. Male speeder tenders in the northern mills average $18.16, while in the South they get $14.72.

Women spinners in the northern mills average $15.12, against $12.84 in the South. Warper tenders in the North get $15.96, while in the South the average wage is $13.32. Doffers in the North average $17.28 per week, while in the South they earn $13.96. Oilers average $14.48 in the northern mills and $12.60 in the southern plants.

Truckers, watchmen, and laborers averaged from 25 to 30 percent more in the northern mills than in the South.

In brief, it is estimated the difference in wages paid in the North amounts to $40,000,000 more annually than corresponding wages in the southern mills. This is $40,000,000 which southern manufacturers take out of the pay of their employees with which it is possible to shade prices below the price at which the northern competitor can sell. In the spirit of fair competition, this situation should not be permitted to exist with the sanction of those who form the codes.

We who live in the North appreciate the contribution to the Nation of the higher-waged employees. We would not for one moment have the situation reversed. Rather would we delight to see the position of the millions of toilers everywhere improved. We believe the wage differentials are worthy of more consideration than they have had in the past from the code authorities.

If the Government is to regulate an industry the regulations must be uniform. No section of the country should be given a distinct advantage over another section, as is permitted under the cotton-textile code. The present situation works to the disadvantage of both the manufacturer and the worker in the North. A worker can enjoy a higher wage scale, but if the firm for which he works is unable to sell to advantage, it of necessity means a curtailment in operations which will materially affect his earnings. The South has the natural advantage of being in close proximity to the cotton fields and lower fuel costs. It is entitled to no more than the natural advantages; certainly none derived through Government support.

Water will seek its own level. So eventually will industries which are in direct competition. Either the wage scales of the South must come up to the North, or those of the North will eventually descend to those of the South.

I believe it is infinitely better for every section of the country, and for the country, that the wage scales of the South shall be increased. It will mean more wealth and greater purchasing power in the South, and it will inevitably contribute to better conditions among the masses everywhere. For this patriotic reason, I hope the textile-code authorities will take cognizance of an opportunity to stabilize the textile industrial life on a higher and better scale, to bring about a uniformity in conditions which will generally promote happiness and contentment.

If the code officials are genuinely interested in improving the condition of the workers, they will move promptly to remove the present unfair discriminations. Bring the southern textile worker to a parity with his brother worker of the North and you will bring more sunshine to the South; you will help recovery by increasing the purchasing power of millions, and you will give every section of the country an equal opportunity to live.

Through uniformity will be established a more satisfactory situation for everyone. The code authorities are given the opportunity, if they will take advantage of it, of performing a real constructive work in harmonizing the industry on a uniform basis.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. KLEBERG. Being from the South, I am interested in the gentleman's discourse. I wonder if it ever occurred to the gentleman that possibly one of the best things to do in respect to any discrepancy as between wages paid in the North and in the South, in a desire to help labor, would be to have the industries of the North move down to the

South where there are cheaper fuel and better climate conditions?

Mr. MARTIN of Massachusetts. Oh, but we have a better class of labor in the North.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. PARKS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I know it is a fact every Democrat, Republican, Farmer-Laborite, and Progressive Congressman is receiving letters daily from his constituents telling him they are losing their homes. I also know it is a fact that unless this Congress does something to save the homes of the unemployed, thousands of homes will be sold by the sheriff. I received a telegram this morning from Pittsburgh, which I ask unanimous consent to have read by the Clerk.

The CHAIRMAN. Without objection, the Clerk will read the telegram.

There was no objection, and the Clerk read as follows:

PITTSBURGH, PA., *February 19, 1935.*

Congressman DUNN,
Washington, D. C.:

Pittsburgh H. O. L. C. applicants need relief at once. We are in H. O. L. C. office tonight; after 3 weeks now H. O. L. C. functioning. Our situation desperate. All facing immediate sheriff-sales evictions. Will stay in office until relieved. Act in behalf of your unfortunate constituents at once.

SMALL HOME AND PROPERTY OWNERS' PROTECTIVE ASSOCIATION OF ALLEGHENY COUNTY.

Mr. DUNN of Pennsylvania. Mr. Chairman, it is the duty of the Federal Government to provide enough money to extend loans to those who are in need of financial assistance. Many men and women who have applied for loans have not received assistance from the Corporation because they could not guarantee the officials of the said institutions that they would be able to pay the principal and interest on the money which they desired to borrow in order to save their homes. I maintain it is the duty of the Federal Government to prevent the homes of the people from being sold by the sheriff. This also includes the farmer and the business man who owns a small business establishment.

I do know that, if Congress at this session will appropriate sufficient funds to the Home Owners' Loan Corporation, every home in the United States will be saved. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, since addressing the House before on this subject I have followed the advice of my friend from Texas [Mr. BLANTON], and have been to the Emergency Relief Administration and interviewed Mr. W. I. Myers, Director; I have interviewed Mr. Harry L. Hopkins, Emergency Relief Director; I have interviewed his assistant, Col. Lawrence Westbrook; I have communicated with Norman Monaghan, Director Emergency Crop and Feed Section of the Farm Credit Administration. From all of this effort no results have been accomplished, and the condition in North Dakota remains unchanged.

On February 12, Senators and Congressmen from the drought States met representatives of the A. A. A., the F. E. R. A., and the F. C. A. in the caucus room of the old House Office Building.

Colonel Murphy represented the A. A. A., Col. Lawrence Westbrook represented the F. E. R. A., and Mr. Estgate represented the F. C. A.

Some interesting facts were established, but no change in the present system of relief was agreed to. The facts established were: Up to January 31, 1935, the A. A. A. had purchased 8,200,000 head of cattle. That 20,000,000 bushels of seed wheat had been purchased and was stored in 600 elevators throughout the drought area.

One hundred and twenty-five million dollars had been allocated to the purpose of human relief and that this amount was about gone. That this department was not responsible for the distribution of feed, except in amounts not involving over $25 and that applications in excess of this amount came under the jurisdiction of the Emergency Crop and Feed Loan Section of the Farm Credit Administration, and that the office in charge of this distribution for Michigan, Wisconsin, Minnesota, and North Dakota is located in the city of Minneapolis, Minn., and that one L. J. Paulson is regional manager.

The Farm Credit Administration denies that they are responsible for the presence of L. J. Paulson as such manager, but admits that his authority is derived from Norman Monaghan, Director of Emergency Crop and Feed Loan Section of the Farm Credit Administration.

Here are the statistics of loans in the various Western States:

Year	State	Families served	Amount in money
1933	North Dakota	18,616	$395,000
	South Dakota	33,329	706,000
	Minnesota	36,535	1,035,000
1934	North Dakota	38,340	1,460,265
	South Dakota	60,742	2,641,000
	Minnesota	111,570	5,052,000

That 60 percent of all the relief of this character in the United States had gone through the Minneapolis office. That the hay on hand and stored around in the various States had been paid for by the Government.

There are two obstructions to the granting of emergency relief that all officers representing the various administrations agreed were still in force and were no part of the acts creating the administrations but were merely regulations. Those two obstructions are:

First. When the feed loans are granted under the authority of the Emergency Crop and Feed Loan Section, Farm Credit Administration, nondisturbance agreements are required to be signed by all mortgagees regardless of whether the mortgage refers to the livestock to be fed or not.

This regulation gives machine companies and others a chance to line the farmer up. Most of the mortgagees have wanted to do this for a long time, and this regulation permits them their golden opportunity. Some will not release unless the farmer will pay them some money on the claim. Of course, the farmer has no money, and they know it; and if the farmer cannot pay money, the mortgagees, like the International Harvester Co., demand that the farmer surrender the machinery upon which they hold a mortgage. The Farm Credit Administration claims that this regulation was made so that the machinery would be left for the farmer to use. As the rule has worked, it has had the opposite effect. It has given the machine companies an opportunity to clean up on the farmer, who, rather than see his livestock starve, gives up the machinery, when, under the law of most States, he is protected in the possession of the machinery. When these nondisturbance agreements cannot be obtained the livestock is left to starve.

The Federal Emergency Relief Administration announces that no such agreements are asked for; that they advance the feed on plain notes. That is true; but, remember, the F. E. R. A. does not handle any feed except in cases where the amount asked for is not more than $25.

This confuses the public to have one bureau say nondisturbance agreements are necessary, and then the next bureau announce that this statement is all wrong and no such agreements are required.

The next bar to getting feed for suffering livestock is that there are only two places where this can be done. First, to apply to the emergency crop and feed section of the Farm Credit Administration for a feed loan, or second, to apply to the Federal Emergency Relief Administration where the amount involved is not over $25.

Should the application be for more than $25, then the Farm Credit Administration under the emergency crop and feed section requires that waivers be obtained, but it is not necessary to borrow elsewhere; should the amount asked for

not exceed $25, then the Emergency Relief Administration does not ask for waivers or nondisturbance agreements to be signed, but if your livestock is not mortgaged, this division requires the farmer to get credit by mortgaging his livestock. He is told to go to some Agricultural Credit Corporation and make a loan. The amount he can borrow is so pitifully small that, with hay averaging $20 per ton and alfalfa $26 per ton, he cannot secure enough feed to last him more than a few days. If his loan is rejected, and it is quite often done, he is without any avenue of escape whatever. Besides this it takes weeks to get one of these loans passed, and in the meantime the livestock dies.

My principal criticism is that there is no one responsible head to which any farmer can go. There is too much division of responsibility. There should be an immediate reorganization of the entire set-up. Secondly, the rules and regulations should be changed to meet the emergency situation.

For all of these reasons I have asked in a resolution now before the Committee on Rules that the Speaker of the House appoint a committee of five to interview these various departments with the hope of having the rules and regulations changed without any congressional action, and, in the event of the failure of the committee to accomplish this objective, that the committee recommend to Congress such appropriate action as they deem necessary to make relief effective.

That, in reference to human relief, the committee review the complaints coming to Members of Congress and attempt to secure effective service or recommend the dismissal of local administrators who fail to take appropriate action in the cases complained of.

At this point I desire to include in my speech various exhibits supporting the statements made in the speech.

On January 15, through messages received from various commercial clubs of North Dakota, we learned that the Emergency Feed and Seed Division, Minneapolis, Minn., demanded that the farmers give them security on the 1935 crop for all prior advances of feed and seed. I obtained the original documents which were going out from the offices of local emergency feed and seed directors. Both Congressman LEMKE and myself took this matter up with the Farm Credit Administration, and on the 21st of January Governor Myers advised WILLIAM LEMKE by letter that the farmers were not required to give any such mortgage, and he further wrote that this position had been telephoned to the Minneapolis office.

I supposed that would settle all the trouble, but the complaints kept coming in, and since the 21st day of January thousands of mortgages have been placed of record in North Dakota in violation of the instructions issued by Governor Myers.

I have endeavored to determine who is responsible for this, and I now place the responsibility on L. J. Paulson, manager of the Feed and Seed Loan Division of the Farm Credit Administration. If he received the communication from Myers on the 21st of January, why would he write the following letter on the 28th of January?—which reads (exhibit 1):

We have for consideration your supplemental application for an emergency seed loan dated January 22. We have been informed that you have refused to execute a renewal of the seed loan which you obtained from this office. If you are not willing to cooperate with us in placing your past due applications in good condition, we see no reason why you should receive consideration from this office.

This letter was directed to R. J. Augabirgh, Rugby, N. Dak.

I am advised that as late as Saturday (Feb. 16) that in one county alone in North Dakota 300 mortgages went on record in 1 week, mortgaging the 1935 crop for all prior advances for feed and seed.

Nathaniel P. Patzen, Carrington, N. Dak., writes (exhibit 2):

I have no work, and if I ask for work they do not give me any. I have nothing to pay my bills and no money. I am 58 and my wife is 60. I have nothing on which to live. I will give you a deed to my house if you can get me something so I can live for the next month.

Chester Moffit, Dunn Center, N. Dak., writes (exhibit 3):

Hay is $22 per ton. Bran and shorts $31.50, and cottonseed cake $52 per ton. We were over to Peterson's place and he has lost all of his horses, but he has four cows and chickens. He is hauling straw from an old straw pile—on a wheelbarrow from a straw stack 8 years old. He was told by relief officers at Killdeer he could get no feed, because his stock wasn't mortgaged. Another of my neighbors was turned down for feed because a mortgagee had a mortgage on a piece of machinery and would not release.

It really does not accomplish results by making complaints to the Emergency Relief Administration here in Washington, because they in turn refer the matter back to the administration of North Dakota. Here is a sample of what is done:

We are today forwarding this correspondence to the Seed Emergency Relief Administrator for his information and appropriate action in the hope that something may be done to assist your constituents.

Mrs. Albert Brandt, of Sanish, N. Dak., writes (exhibit 4):

We have no feed for our stock. The Government has hay piled up as high as stables here, but we can't get it. They say that we must mortgage our livestock, and we can't get a loan. We got an old-age pension from North Dakota this year, and the total amount for the year was $3.10. If the feed is not given to the farmers, it will be rotten next summer.

A case from Benson County—The International Harvester Co. had a mortgage on a plow, but before they did sign up an agreement they demanded the return of the plow. At the same time they also took the rest of the machinery on which they had a mortgage, being a wagon and a grain binder. They could not haul the binder through the snow, so they took off the bull wheel and left the rest. This farmer writes (exhibit 5):

You can see all they wanted was to break up the machinery so that it could not be used. Then they signed the nondisturbance agreement. I have had no crop for 3 years and have six children.

His application for feed at the Minneapolis office was turned down.

Mr. Peter Friezen, of Cathay, N. Dak., reports (exhibit 6):

Under date of February 11, I saw five horses in a small creek next to the barn eating old straw. All five were skin and bones. One horse was down and couldn't get up. These poor horses, half starved, and they are within 20 feet of the Government hay stores. That is the God's fact. Only 20 feet from this good feed. I call this rotten. The mortgagees will not release their mortgages on machinery, and the Government will let the stock starve unless they get the release. For God's sake, see if you can't get this changed.

John Jones, of Golden Valley, N. Dak., writes (exhibit 7):

We cut our livestock down last fall to 3 cows, 4 horses, and 35 chickens, and 2 turkeys, and for these we thought we would get feed from the Government, and we executed the release, but they won't give us any. If we don't get any help, our stock will die from hunger. We lost 2 horses, 20 chickens, and 2 pigs already. If we don't get any help soon, we will lose everything.

Here is a report from McKenzie County in regard to human relief made by two women instructed to conduct an independent investigation (exhibit 8):

I have visited another place, and this case is terrible. There is a family of 12 (but 2 are absent at present), so there are 10 besides the parents, and all 10 are at the age to be in school, but have not attended school for nearly 2 years. Their name is Wing; the father's address is Charles Wing, Fairview, Mont. They live in a "dug-out", in a terrible condition. I was there yesterday and did not know that humans could endure such a life.

There is one room with dirt floor and dirt walls, like a cellar, then there are two beds in this room—common, wire beds with no mattresses. There is a small heating stove and a cook stove; this is the living room for 12 people. There is a tunnel running back about 10 feet, and at the end of this a room with two beds; in one corner some potatoes are stored. There is no ventilation of any kind. Mrs. Grzanie was with me and we went through this tunnel and saw the place by the light of matches. There was a member of the family asleep on one of the beds. There could not be any air fit to breathe in that place. There were several little children running around barefooted. The snow had melted around the door and the entrance was a pool of mud and water. These little children ran in and out, through the mud and water. These little children ran in and out through the mud and snow barefooted. I asked the parents if these children had any shoes. The father said, "Yes; they have shoes but no stockings."

The father has been sick for years and his pale, drawn face was evidence enough. This man has a terrible condition in his mouth, it appears to be a cancer. He has had this for several years and it is growing worse.

I could multiply examples by the hundreds where the complaints are now in my possession but more is unnecessary. I will be glad to furnish the committee appointed with full information in regard to everything said in this speech.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, with the hope that some of the Members will read the facts which the Prairie Committee has assembled.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota [Mr. BURDICK]?

There was no objection.

Mr. BURDICK. Mr. Chairman, under leave to extend my remarks in the RECORD I include the following radio address delivered at Washington for the purpose of electrical transcription:

OUR NATIONAL DEFENSE

Since Congress opened, my time has been almost entirely occupied with relief complaints coming in from the Northwest States. I realized that in the drought area the relief situation would be most desperate and therefore prepared as soon as I arrived here to do whatever lay in my power to strip the system of redtape and get relief out to the people.

My first official act was to introduce House Joint Resolution No. 15, asking for the immediate cancelation of all feed and seed loans heretofore made and those hereafter made and have these obligations recognized in the nature of national-defense expenditures instead of claims against the farmer. Such a resolution naturally drew much opposition because it calls for a cancelation of a debt, and in spite of the fact that most Members of Congress know that there must be a general cancelation of all debts, either directly or through the process of inflation, they cling to the old doctrine of rights fixed by contract.

This resolution is generally misunderstood, and I am not sure whether I shall be able to make it clear to the Congress. This cancelation is based upon an entirely different theory than the general cancelation of debts. This resolution maintains that food is our greatest national defense. This resolution states that armies and navies are wholly powerless as weapons of national defense when not supported by food. No major war in all our history was won except by the preponderance of food on the part of the successful party. In our unfortunate Civil War it was food that finally brought victory to the North. When Lee's army in Virginia surrended it was the lack of food that compelled that surrender. His soldiers were living on the shoots of trees, and their food supplies were exhausted. They still had men and guns, but no food. When the flower of the French Army marched into the heart of Russia and captured Moscow under the leadership of the great Napoleon it met no resistance. The Russians retreated before the advancing columns, but in retreating the Russians burned and destroyed all food and supplies and stores. Moscow was captured, but what of it? It meant nothing but the destruction of the greatest army that Europe had ever seen. In attempting a return to France with food destroyed, the French Army perished; and only a few stragglers ever reached their native land. For the next quarter of a century the bleached bones of men and horses once constituting the French Army could be seen strewn across the prairies of Russia, indicating by that trail of bones the course of the retreat. The army perished because there was no food.

In the great World War, food again won the victory. Germany surrendered before any single enemy set foot on German territory. Why, simply because the German people were starving because their food supplies had been consumed. Germany displayed the greatest army ever assembled in the history of the world. Her men were trained; she had the best guns; the best air fleet; the most modern equipment in the destruction of human life; she had an inexhaustible supply of men, but she overlooked the one strategic element—food.

We are about to be asked to appropriate a billion dollars for the maintenance of our Army and Navy. No American wants this country wholly unprepared in case of invasion. But what is the best way to defend this country? Can it be done by the building of more battleships costing as much as $20,000,000 only to become obsolete after a cruise around the world? Can we do it by maintaining a large standing army, engaged in no useful occupation, but merely waiting for the declaration of war to distinguish its men and officers? Can it be done by compelling people already overburdened with debt to carry annually another billion dollars in expenditures for our defense?

Why can we not profit by the lessons of history? Why can we not understand that if we follow the course of being content with our own possessions and refuse to wage war on foreign countries, to collect private debts, debts which this Government did not make or sponsor, that our national defense will not require this lavish annual expenditure? Why can we not understand that in the event of any defensive war that food again will be the final determining factor. It will not be our men or our guns—but our food.

Where is the mighty defense produced? It is produced on the farms of America, and besides that, most of the men who are called upon to be shot down in war have been produced on the farms. Can we afford, in days of great calamities, over which we have no control, and which lay waste great empires of our country because of drought or storms, to let our farms perish? Do we not owe a national duty to keep these food depots intact and in working order? When the droughts come the farmer still remains at his post. He is ready to produce when God Almighty will permit it. The farmer does not abandon his farm, but clings fast to the hopes of a better day to come. Should this Nation, then, under these circumstances, leave the farmer to protect himself the best he can without the help of the Government? If perchance we do furnish him seed and feed in his days of pestilence, shall this Government fasten a claim against his property for the support offered that will contribute to the loss of that business? Would it not be a more sane, a more logical, and more intelligent thing to do, if we would spend a portion of our billion dollars defense fund, in furnishing feed and seed to the farmers in their days of distress, as a means to keeping intact the greatest element of our national defense? The answer must be "yes", but who will understand this program? It will be laughed at and stormed at, until we are actually in some war of defense. Then the truth will come home to the people.

If we had 2 years' food supply on hand in this country segregated into a national defense account withdrawn from all markets, do you believe other nations would understand that we had the greatest national defense of any country on earth? If we had such a defense of food, and days of drought came, we would have a supply on which to draw. We would not be paying $1.02 for wheat and in the spring be compelled to charge the already bankrupt farmer $1.65 per bushel for the same wheat. If people were hungry, we could feed them from our defense fund. We would not then have to force families of six to live on $2 per week, as we are doing today. We would have no imaginary surpluses to deal with. We would not be compelling farmers to sign a contract in which they promise to refuse to raise all the wheat they can; we would not be shooting down our pigs and destroying the meat, when there are over 40,000,000 people in America who want meat and can not get it; we would not be plowing up a third of our cotton rows, while there are 20,000,000 people so abjectly destitute as not to be able to buy a shirt for themselves.

We would not be plowing under the material for clothing and at the same time appealing as Government agents over the radio to the rich people to save their old clothes so they may be given to the poor.

No; if this resolution were only understood and if we would follow the plain facts of history in reference to food, we would know wherein our greatest defense lies. We would be immensely glad and happy to spend some of our billions spent on armies and navies to keep the food forts of this country intact and in working order.

This resolution was introduced by me on January 3, the opening day of the Seventy-fourth Congress, and was referred to the Committee on Agriculture, where it still remains without a hearing.

This next official act of mine was the introduction of House Joint Resolution No. 83, introduced January 11, 1935, and referred to the Committee on the Judiciary, where it peacefully reposes without any hearing.

This resolution empowers the President to declare a 2-year period moratorium preventing foreclosures and execution sales of homes and business establishments within the territory of the United States. This concerns all debts financed by the Government directly or indirectly, or by the guaranty of the Government.

While we are striving to bring about our economic balance there is no one so blind to our situation as will make any other statement than that it will take time to make a recovery. We were 155 years getting into the situation where we owe three times as much as all of our property is worth, and it will take more than a few months to right the wrong. While we are all laboring, without party consideration, to the accomplishment of this task, we will only make the situation worse if we permit the Federal land bank, the Federal Land Commissioner, the Home Owners' Loan Corporation, the barnyard loan corporation, the feed and seed department of the Farm Credit Administration, the Reconstruction Finance Corporation, the intermediate credit banks, and the Agricultural Credit Corporations to rush in and force collections when people cannot pay, due to our general economic situation.

This act is particularly needed in the States serviced by these various organizations in the Northwest; Michigan, Wisconsin, Minnesota, and North Dakota are supervised from the Twin Cities. Since these institutions were set up, dating back to the days of the War Finance Corporation in 1922, the administration of them has been entrusted to reactionary bankers and men who are for the most part out of sympathy with the efforts of recovery and the financial plight of farmers, home owners, and business men. They have been reared in the school of foreclosures and dispossessions and of execution sales and are devoid of human sympathy and patriotic vision.

In a great many instances these Government finance agencies have been operated by banking racketeers, who have positively defrauded the United States Government to the advantage of institutions with which they were affiliated. They came into office under the Coolidge and Hoover administrations, and, for the most part, are still there under the Democratic administration. One of my main objects in taking the public platform advocating the election of Franklin D. Roosevelt was to rid the Northwest of these racketeers. But they are still there, and by this resolution I mean to curb their natural appetite to foreclose and dispossess and drive business men and home owners out on the public roads and streets.

I will only incidentally particularize on the above statement, but later in the session I purpose to give a full history of these Government and semi-Government finance agencies located in Minne-

apolis and St. Paul and name the men in charge to show how they actually did defraud the United States Government.

I will state now that apparently no one can control these agents. Those who appointed them cannot control them and they become bigger than the Government. L. J. Paulson, of Minneapolis, is manager there of the feed and seed department of the Farm Credit Administration, and farmers all over the four States have sent complaints to me and other Members of Congress objecting to the demand being made by the Minneapolis office that farmers must give security on the 1935 crop for all prior advances of seed and feed. I made a speech on that subject in Congress on the 21st day of January—page 741 and following pages. I extended my remarks in the RECORD again on this subject on the 30th day of January. The Farm Credit Administration here assured my colleague, WILLIAM LEMKE, on the 26th of January, that no such requirement was demanded. They assured him further that the Department had sent out directions to Paulson to discontinue the practice. The result of all this labor and effort is that the farmers are still being required to give such mortgages. I have asked for the removal of L. J. Paulson, but he is still there on the job and the farmers are being coerced and sandbagged into giving these mortgages. The field men under Paulson have a new attack. They say to the farmers about as follows: "Of course, you do not have to give a mortgage on the 1935 crop for prior advances, but if you do not your chances of getting seed this spring will be jeopardized." This is a sore spot with the impoverished farmer, who has neither seed nor feed, and he feels that he is in no position to hold out longer and consequently gives a mortgage as requested.

I hope all farmers within the sound of my voice will stand up for their rights, and I assure you now that all of such mortgages are void and of no effect. You can set those mortgages aside in any court in the land, and my guess now is that this is what you will have to do this fall if you raise a crop. With those mortgages on your grain there will be nine Government men under each grain spout when threshing starts, and your local creditors will not get a red nickel. If your crop looks like anything, go into court and cancel these mortgages. Your local business men should help you do it.

Another example of the racketeering of the Twin City operatives of the Federal finance agencies can be found in the old War Finance Corporation. We must remember in this connection that the entire depression in the Northwest was precipitated on May 18, 1920, when the Federal Reserve Board at Washington voted such a rediscount rate as would compel the paying up of indebtedness. We all started to pay, as that was the command of the Federal Reserve Board. We all started selling at once, and in a few short months the price of all farm commodities dropped, and with that the bottom dropped out of the price of farm lands. Sheep in a few months fell from $11.50 per head to 50 cents per head.

By January 1922 it became apparent that very few local banks in the Northwest could stand up under the constant hammering for payments by their Minneapolis correspondents. The large banks in the Twin Cities also became distressed. These banks were linked up with the Federal Reserve bank, and, of course, some way out must be found. In February 1922 the War Finance Corporation was set up in Minneapolis. Under the act creating it, it was designed to loan money to the farmer to hold his cheap livestock and feed up his great stores of feed, but the War Finance Corporation was set up, with the racketeers of the Twin Cities in charge.

Officers of the big banks became officers of the War Finance Corporation, and instead of loaning money directly to farmers this Corporation devised the subtle scheme of buying farmers' notes that had already been executed some years before. These notes had been handed over to the big Minneapolis banks as collateral to loans, and the War Finance Corporation began a great scheme of buying these notes. You may ask what notes. The notes held by the big banks as collateral. As fast as the Government bought these notes the proceeds went into the big banks to retire what the country banks owned. The country banks received no money, the farmers received no money, but the big banks collected their debts against country banks by selling the paper to the Government.

When this scheme was launched in February 1922, the Twin City and Duluth banks owed the Federal Reserve Bank of Minneapolis $28,800,000, and in 5 months' operation, when there was no crop coming from the Northwest, these banks had paid up $28,600,000 of this indebtedness. It was accomplished through this scheme of having officers in the War Finance Corporation who were also officers and directors and friends of the big Twin City banks. The Government received all of these notes, and still have a great amount of them on hand which are worthless, and were worthless when sold to the Government, but most of the no good notes were refinanced through the barnyard loan racket, or some Government finance agency.

In later addresses I propose to show that the same men, for the most part, those friendly to the Twin City banks, are still in control, and that the Democratic administration either cannot get rid of them or actually permits them to remain in control.

What can the people of the Northwest expect? What about the barnyard loan of 1933 and 1934? That was another sandbag scheme to protect the big banks and corporations like the International Harvester Co. and other representatives of the inner circle.

The country banks of the Northwest were literally bailed out and left to close through this manipulation to save the banks of the great centers. This Government was cheated and defrauded in 1933 and 1934 through this same process by the same kind of men, but through a different agency—through the Crop Production Loan Division of the Reconstruction Finance Corporation. Who knows what the losses will be resulting from the operation of the barnyard loan?

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. ANDREWS].

Mr. ANDREWS of New York. Mr. Chairman, I beg that you return, if you will, to the subject matter of the War Department bill, which is before us, particularly to the section on page 10 thereof, which gives to the President discretionary power insofar as increasing the enlisted strength of the Army to 165,000 is concerned. As a minority member of the Military Affairs Committee, I would like to call to the attention of the House the fact that the gentleman from Texas [Mr. THOMASON], who is a member of the Committee on Military Affairs, reintroduced in January a bill, the substance of which is, to increase the enlisted strength to 165,000; to allow the President to call into active service annually 2,000 Reserve officers for service not to exceed 1 year; and to increase the regular authorized strength of the Air Corps to 1,514 officers, which would absorb approximately 380 officers of the Air Corps Reserve, a great many of whom have had training in the Regular Army and who have been placed on the inactive list. A similar bill was before the Military Affairs Committee last spring but too late for any action upon it by the House. Extensive hearings on this proposed bill were held by the subcommittee on Military Affairs, of which the gentleman from New York [Mr. FITZPATRICK] was then chairman. At that time there appeared before the committee Hon. Newton D. Baker, the war-time Secretary of War, Secretary Dern, General MacArthur, representatives of the American Legion, the Veterans of Foreign Wars, Daughters of the American Revolution, and the Reserve Officers' Association, all of whom gave their approval to this bill.

I do not believe it is necessary for me to remind the House to what degree our Army has dwindled in size. This has been covered in the debate of today. We hear a great deal about the Budget and about economy in the departments, and at the same time we know that a great deal of money is being spent and that a great deal more money is going to be spent later on in some manner over which we can have no control. I may simply state in connection with the proposal to increase the C. C. C. camps by 100,000, that the present figures for the maintenance of one man in a C. C. C. camp today, giving effect to the increase and taking advantage of the overhead, is about $1,250 a year.

On the other hand, the approximate figure of cost for an enlisted man in the Regular Army is between $800 and $900. We hear that more men are going to be absorbed into the C. C. C. camps. How much better it would seem to be to increase the enlisted personnel of the Regular Army by annual increments of 10,000 men at a cost of $400 a year each less than the cost of additional men in the C. C. C. camps. I believe it would be of advantage to the Members of the House before this bill is considered for amendment to review the provisions of the Thomason bill, H. R. 5232, which has recently been unanimously reported by the Committee on Military Affairs and which I understand will be brought before the House if its provisions are not included in this appropriation measure. I have not been able to find out exactly what the real function of the Committee on Military Affairs is. It seems to me that a unanimous report from the Committee on Military Affairs should have some weight with the Members of the House, particularly when that report represents the best thought of a war-time Secretary of War, of the present Secretary of War, and of the various patriotic organizations such as I have mentioned.

I think at this point, with the permission of the House, it is pertinent to read a statement sent by General Pershing to the House Committee on Military Affairs in connection with this bill. At that time General Pershing wrote:

APRIL 30, 1934.

Hon. JAMES M. FITZPATRICK,

Committee on Military Affairs, House of Representatives.

MY DEAR MR. CHAIRMAN: Although, as stated in my conversation with you, it is impracticable for me to appear before your committee, I appreciate the courtesy of your invitation and I am glad to

send you a brief summary of reasons for my strong approval of the provisions of H. R. 9136.

In general, this bill closely parallels by own idea, based upon experience, many times expressed while I was Chief of Staff, as to the minimum for Regular Army strength, below which we should not go. In the years that have elapsed since then the Army has been permitted to dwindle in size far below that number, although the necessity for maintaining an adequate army has grown more and more important.

There are certain fixed demands made upon the Army's strength which must be met regardless of its size. These include garrisons for our oversea possessions; the maintenance of an overhead of administrative and supply agencies capable of meeting peace-time needs and of providing a sound basis upon which to expand in emergency; and instruction for civilian components and maintenance of an essential school system. These demands consume a considerable portion of the Army's strength. As a result, the remainder of our establishment is so small and is spread out so thinly that the forces that can fairly be classed as available for internal emergencies are lowered to a dangerous level, and their usefulness as a nucleus of expansion for war is greatly diminished. Lack of personnel likewise impedes progress in modernization of which the Regular Army must serve as the chief exponent. The difference in the Army's efficiency and readiness for emergency that would be represented by the addition of some 40,000 or 50,000 enlisted men can therefore scarcely be over-estimated.

So far as the officers are concerned, it is obvious that under our professional-civilian system of preparation, in which I firmly believe, an adequate and well-trained corps of regular officers is the very foundation upon which the whole structure must be built. Not only must an efficient professional leadership be present in the initial stages of any emergency, but the manifold instructional, training, research, and administrative functions that devolve upon the permanent officer corps both in peace and war make this a matter of the utmost importance.

I am in complete accord with the proposal for acquiring additional officers by increments. With respect to utilization of Reserve officers during the period of acquisition, I believe that in general they should be rotated on this duty by relatively short periods, say for 6 months each, and that such use should, so far as possible, be confined to those recently graduated from our Reserve Officers' Training Corps institutions. Under these methods the invaluable training imparted would be wisely distributed and would longest effect the efficiency of the Officers' Reserve Corps. At the same time opportunity would be accorded the War Department to select from among these young men those best suited for permanent commissions.

Enactment of this bill into law would accomplish a most essential step toward providing the Regular Army with the means of fulfilling creditably the important missions assigned to it under the National Defense Act. It would also provide a reasonably adequate land defense establishment, though relatively insignificant as compared to foreign armies. World conditions as they exist today indicate the wisdom of the increase proposed. This bill has my unqualified approval.

Yours sincerely,

JOHN J. PERSHING.

I wish to remind you that approximately 7,000 young men are being graduated each year from the Reserve Officers' Training Corps in the colleges throughout the United States, many of them in your own districts. We have heard something said here today about additional appointments to West Point which may have seemed more important to you in your districts than the provisions of the Thomason bill for selection of 2,000 Reserve officers from among the Reserve Officers' Training Corps, and otherwise, for not to exceed 1 year's Regular Army service. I wish to remind you that many of these men just graduated from the Reserve Officers' Training Corps, and the colleges, are unemployed today. There are many more unemployed Reserve officers in your district today than there are candidates for additional appointments to West Point, remembering also that it would be at least 5 years before an additional cadet at West Point would be available for service. The bill of the gentleman from Texas [Mr. THOMASON] would rotate Reserve officers for a reasonable Regular Army training period in accordance with the recommendations of Generals Pershing and MacArthur. It seems to me this is a splendid way to absorb some of our unemployment, and at the same time to train many fine young men for officerships, among them chiefly those who would have the greatest expectancy.

I cannot see, with these strong recommendations to the Military Committee of the House—recommendations made by the war-time Secretary of War, by every patriotic organization in the United States, by the present Secretary of War, by the present Chief of Staff, and by the commanding general of the American Army in the World War—why we should give this discretionary power to the President instead of keeping it where it belongs and where it ought to remain—in the House, the body which has the power to declare war.

The Military Committee is charged with national defense—at least insofar as the Army is concerned. Your House committee has been in unanimous agreement in reporting the Thomason bill, and I assume proper amendments to this appropriation bill will be offered to incorporate in it the provisions of the Thomason bill. Such amendments will certainly deserve the support of any Member who does not want to see our Regular Army left in its apparent depleted organization and who at the same time should be interested in relief for the unemployed. [Applause.]

Mr. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I want to invite the attention of the House to two matters that I have projected before the House by means of bills that I have introduced.

First, I know of no problem more important today than the one regarding seed and feed loans. Realizing the need of farmers in my district for Federal aid, I took this matter up with interested Congressmen before coming to Washington. At meetings which we held in Sioux City, Iowa, and Omaha, Nebr., I called attention to the fact that hundreds of farmers in the Third Congressional District of Nebraska were entirely out of feed and due to the excessive droughts, they had no seed on hand for spring planting. I also called to the attention of the Representatives the fact that hundreds of these farmers had no money with which to buy this feed and seed and that an emergency existed which should be brought before the attention of the Government. Through Representative SHANNON, of Missouri, during the Sioux City conference, we sent a telegram to the Department of Agriculture bringing out these facts. We found that livestock was starving due to the lack of feed; that farmers had to drive many miles for hay and that the horses hauling their wagons became so exhausted they died on the road, due to lack of sufficient feed.

It is necessary that I call the attention of the Government to these conditions and although feed and crop production loan legislation was finally passed, nevertheless the hopeless conditions of our farmers have not been relieved.

In some parts of the district there has been an exodus of farmers to the towns and cities where they endeavored to secure necessities of life through charitable organizations. Many have lost their farms through no fault of their own and many who are still on the farms are faced with deplorable conditions in their endeavor to save their livestock as well as their homes. These farmers have been the victims of grasshoppers and drought for 5 years. They are sinking deeper into debt until the debt burden is intolerable. It is impossible for them to secure seed and feed to carry on their farming operations without the debt burden becoming so great that they can never hope to repay it.

Knowing these conditions to exist and feeling that Congress must determine some reasonable assistance to these farmers who for years has supplied the Nation with food, and, knowing their inability to pay the high prevailing prices for seed and feed, I introduced a bill in the House on February 12, House bill 5598, asking that feed grain and seed be provided to farmers with the provision that the same can be paid back bushel for bushel in kind and that in the event of another crop failure be paid for in work.

There are hundreds of farmers in the State of Nebraska who have no feed to start the spring work, or seed, or even money to buy the supplies, even the necessities of life. In one county more than 300 farmers met recently, urging Congress to give some attention to the actual conditions which exist in this drought area and urging the passage of some bill which would bring some hope to these farmers—some promise that the Government would make it possible for them to exist on their farms, their only homes and the homes of their fathers. These farmers do not believe it unreasonable to ask that they repay the Government bushel

for bushel in grain and seed which they would borrow at this time, and in case of a crop failure repay the seed and feed loan in honest labor.

From personal contact with these farmers of Nebraska, I should like to give you a few examples of conditions as they really exist—an observation of the future results of the present problem as it is related to the financial outlay and remuneration. I will add to these examples the words of a farmer who is in contact with these suffering farmers at this very moment:

Take the price of seed grain and the quantity required for each acre. It is plainly visible that the expense for feed and seed for the coming season is going to eclipse all other periods in the history of agriculture, notwithstanding the fact of the high prices of 1918–20, taking our economic condition for the two periods into consideration.

For example, it requires 2½ bushels of seed oats per acre. According to the present price of seed oats, this amount of seed oats will cost the farmer $1.90 per acre.

It requires 2 bushels of barley per acre. At the price of $1.25 per bushel, it would cost the farmer $2.50 per acre for barley seed.

These two items are the principal small-grain crops of our average farmer.

The average yield of these grains in Nebraska for a term of years is: Oats, about 27 bushels per acre; barley, about 25 bushels per acre.

In view of the fact that there is but a small portion of livestock left or produced on the farms, compared to previous years, to feed, it is reasonable to assume that the prices of grain that will be produced this coming season will be sharply lower or be comparable to crops-surplus years, should the reward of the coming season be a normal crop.

In this illustration we must deduct one-third of the entire crop for rent. This leaves 18 bushels of oats for the farmer's share. This 18 bushels of oats, figured at a price of 25 cents a bushel, equals $4.50 per acre. Deducting the cost of seed, or $1.90, would leave a balance of $2.60 per acre. From this amount should be deducted the cost of planting, harvesting, and threshing, estimated at $1.60 per acre. This leaves a sum of $1 as a balance left above the actual expense on the farmer's oats crop.

Barley can be figured on practically the same basis as oats, except there is a little more expense in raising barley, due to higher costs of threshing.

You can plainly see by this illustration that the farmer has for his net return on his small-grain crop a very small margin to pay for his portion of the pasture land and for his needs to carry his stock through to another season.

The question of corn should interest every Congressman who comes from a farming community. The price of seed corn in my district ranges from $4.50 to $6 per bushel. A bushel of corn will plant 8 acres—the cost per acre based on $5 seed is about 65 cents per acre for seed. Then there is the cost of preparing the ground, plowing, planting, and tending, and harvesting, which very conservatively means an acreage cost of $3 to $3.50.

With the average yield, for the illustration, of 27 bushels per acre the country over—there would be no question but what that would be termed as a surplus crop. Taking this for granted, it is reasonable to assume that the price of corn would take a decided drop and reach a low point.

Because of the elimination of considerable livestock and the fact that farmers were forced to sell or ship out much of this stock, there would be little livestock left to feed for market, and with these facts facing them these farmers feel that there will be a depression in corn prices.

Taking past experiences as a guide, many of these farmers feel that they must expect low prices for corn as compared with other grains.

From the 27 bushels per acre yield the farmer must deduct one-third to two-fifths for rent. This leaves the farmer or share cropper a net of 16 to 18 bushels per acre.

Assuming that the price of corn in the winter is at normal or, say, 25 to 30 cents per bushel, he has a return of $4 to $5.40 per acre. From this amount he must deduct the cost of expense, and has left $1 to $1.90 per acre. From this sum he must pay the balance on pasture, taxes, and many small items of expense that cannot be adequately enumerated, together with keeping his foundation stock through the winter season and have it in good condition for the coming crop season.

Careful consideration of the existing farm situation, based on close contacts with farmers who have been in the farming business for half a century, leads to the inevitable conclusion that the future for the farmer is discouraging.

Our farmers feel that there never has been a surplus of farm produce and that they are the victims of maldistribution. Because they felt it was the patriotic thing to do in the great depression, they joined hands with the Government by working harmoniously for those things which the Government felt was needed at that time. They signed the corn-hog contracts, but watched the destruction of livestock with horror. Our people have been cradled in the homes of thrifty pioneers—builders of a nation.

People who came from the more thickly populated parts of the Nation and went west to turn raw prairies into fertile fields of waving grain. They were taught early the sinfulness of food destruction. They felt that a greater power than ours would bring some punishment for this destruction of food at a time when humanity was hungry. They see in the ravages of the grasshoppers and the 5-year drought some of this punishment. They suddenly awakened to the reality that the grain and corn which they were told was too plentiful and had to be destroyed became so scarce that their little means were too small to buy it. They saw their livestock starving in the fields for want of this feed. Their reserve cash dwindled away; they face the reality of being unable to pay the mortgages on their homes, and they have seen their neighbors lose their homes because they could not pay these mortgages.

Those who have been able to weather the storm and hold on to small herds of livestock find they cannot buy feed and seed which costs more money than they can raise. They sense the coming of lower prices if the next grain crop is abundant. They have facts and figures indicating that they cannot raise this money no matter what their land will produce after the next planting. They do not want charity. They want to pay back in kind the things they borrow to plant in the ground.

These farmers are facing another planting time with no seed to plant and no money to buy. I appeal to you to give them the seed to plant another crop; feed to keep their livestock alive until another harvest. I plead that you allow them to pay back in the substance of our pioneers—pay you back in seed when you lend seed; pay you back in feed when you lend them the feed; and pay you back in honest labor when their lands do not produce the seed and the feed. Our people are facing another planting time. I wonder, what will the harvest bring?

Any discussion, at this time, of the feed and crop production loan problem which leaves unstressed the time element, leaves unsaid one of the most urgent things relating to the problem, for, truly, time has become very much of the essence.

We are at the threshold of another planting season—in fact, time for planting is already here in some sections of the country. Farmers must have their seed now, or soon, or might as well not have it at all so far as this year is concerned. Mere authorization is not giving these farmers—your farmers, my farmers—very substantial assistance. We must appropriate the money for the authorized use. Because of the time that it takes to get the money to the farmers following the time that the appropriation is made, it is already beyond the time when the money should be available. Why are we delaying this appropriation, or at least the completion of all preliminaries to the making of the appropriation pending the time that Executive approval is given to the authorization? I call upon all parties to this program, executive and administrative, as well as legislative, to be diligent before it is too late.

I now call your attention to the second proposition. I have introduced H. R. 5273 to place the Post Office Department upon a basis of efficiency and economy, and for other purposes. This is a companion bill to that introduced by Senator NORRIS on the same subject. It is stated in the bill that its purpose is to remove the Post Office Department in its entirety from the control and domination of partisan, political influences, and to place the same upon a basis of merit, efficiency, and economy. The bill proposes to place at the Post Office Department a Postmaster General whose tenure of office shall exceed the span of a single national administration and whose term of office expires independent of the termination of a national administration. It is further provided that the Postmaster General shall operate his Department as nearly as possible upon the merit system and in the appointment of officials, the selection of employees, and in the promotion of any such officials, or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Postmasters shall be appointed by the Postmaster General. Postmasters may be removed, or suspended, only for cause by the Postmaster General. Provision is made for the Postmaster General to call upon the Civil Service Commission to assist him in making rules and regulations for appointments and promotions in the Post Office Department and the Commission is directed to assist the Postmaster General in every possible way with a view to carrying out the intent and purposes of the measure.

This reform is designed to touch, primarily, 13,391 post offices in the country, known as Presidential offices, offices of the first, second, and third classes.

We can almost say that there is common assent to the proposition that as a matter of principle, this reform ought thoroughly to permeate this greatest business in the world. There is recognition of the fact that more businesslike administration of these offices, exempt from political cross fire, will do a great deal to eliminate annual postal deficits. If and when appointments and promotions in the Postal Service, up to and including postmasterships, are made upon the basis of merit and efficiency, the door will have been opened to careers in the Postal Service which may well challenge the ambition of every postal employee.

The concluding section of H. R. 5273 provides that "this act shall take effect and be in force on and after the first day of the fiscal year after its enactment." Another bill, introduced in this House 2 days following the introduction of H. R. 5273, in its opening declaration, defers the effective date of the proposed reform until January 1, 1938. Why the enforced delay? Why should the measure carry within itself the seeds of partial defeat of the professed objective? Why specifically reserve an intervening period of time of sufficient length to permit political spoilsmen to grab every Presidential office in the country, and, to that extent, establish a first lien upon the country's most important postmasterships for the balance of this generation?

Let us be sincere in our professions of the desirability, in fact, the necessity of this reform and work for its accomplishment at the earliest possible date, rather than to so sacrificially deny ourselves and the Postal Service these benefits over a 3-year period.

I ask you, therefore, to support the progress of H. R. 5273. [Applause.]

Mr. PARKS. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, this is an appeal for help in a cause which I believe is enormously important to the human race and to posterity.

The time to begin to erect safeguards against future involvement in wars is now, when we are at peace, not a year or two years hence, when it may be too late.

I have proposed an amendment to the Constitution of the United States, House Joint Resolution No. 167, which I believe offers the best possible preventive of war.

The text of the proposed amendment to the Constitution follows:

SECTION 1. Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum. Congress may by law provide for the enforcement of this section.

SEC. 2. Whenever war is declared, the President shall immediately conscript and take over, for use by the Government, all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 percent, based on tax values assessed in the year preceding the war.

My resolution has just two objects:

First. To give the people who have to pay the awful costs of war the right to decide whether there shall be war.

Second. To remove the profit incentive to war.

The first section of the resolution reserves to all of the people for all time to come, except in case of attack or invasion, when immediate action would be necessary, the right to a referendum on war, so that when war is declared it will be the solemn, consecrated act of the people themselves, and not the act of conscienceless, selfish interests using the innocent young manhood of the Nation as its pawn.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. DUNN of Pennsylvania. Does the gentleman believe that if his amendment is enacted into law we will see an end of war?

Mr. LUDLOW. I may say to the gentleman that I am positively convinced that it will be a very effective preventive of war.

Mr. DUNN of Pennsylvania. Would it not be an excellent thing if every nation in the world would enact similar legislation, leaving it to the people of a country to say whether or not there should be a war?

Mr. LUDLOW. I thank the gentleman for his contribution to the discussion. I think he is absolutely right. I think it would be a wonderful thing for humanity if what he suggests could be brought about.

The second section curbs the activities of those who encourage and create wars for financial profit. This is to be accomplished by taking the profit out of war.

The hearings before Senator NYE's committee furnish the most damning evidence of the activity of the munitions manufacturers in fomenting wars. On reading these hearings one has a sense of utter shame that there are creatures who call themselves business men who are such strangers to the common impulses of humanity that they eagerly, by bribery and chicanery whenever necessary, promote wars to slaughter their fellow beings for the sake of filthy dollars. The reader who gives his attention to the direct wording of this testimony must conclude that the offenses committed against mankind by these avaricious salesmen of woe and misery are in keeping with an offense that was committed nearly 2,000 years ago, when the beloved Savior of mankind was betrayed for 30 pieces of silver.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. BLANTON. I want to congratulate the distinguished gentleman from Indiana for bringing this important subject to the attention of Congress, and to the attention of the country. I deem it one of the most important subjects that is now before the people.

Undoubtedly, if the gentleman could take the profits out of war, there would not likely be any more wars. Selfishness, avarice, greed and lust for inordinate power, are the causes of war.

The gentleman from Indiana [Mr. LUDLOW] is one of the able and constructive leaders of this House, and with his influence and energy and pertinacity, I am hopeful of his getting early consideration and action on his measure. I promise him my support and vote for it.

While I am for his resolution, and will vote for it just as it is, may I not suggest that one thing further could be added to it which would make it complete, for if we want to take all the profits out of war, we must give the Government the right not only to take over all the property it needs but at the same time give it the right to take over

man power without restriction? During the war, respecting two brothers, one would be sent across the water as a soldier to fight in the trenches for $30 a month. The other brother would be exempt from draft and would be kept in the New Jersey shipyards as a skilled laborer and paid $30 a day.

Mr. LUDLOW. I thank the distinguished gentleman kindly for his very valuable support. I may say to the gentleman that the purpose and incentive of this resolution, as I conceive it, is to be a preventive of war. It was with that idea foremost in mind that I drafted it.

Mr. BLANTON. I think it is a good one.

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LUDLOW. Take the profits out of war and you will minimize the possibility of war, and that is what my resolution seeks to do.

I have proposed a constitutional amendment because a mere statute would not be permanent enough to accomplish the purpose. A statute might be repealed by the next Congress or the next day by the same Congress. Only a constitutional amendment will suffice.

CHILDREN SHOULD BE PROTECTED

To the statesman this resolution offers the highest opportunity for statesmanship. To the philanthropist this resolution offers the highest opportunity to show your love for your fellow men. To the mothers of the land this resolution offers the opportunity not to ask, but to demand, that the children who are your flesh and blood shall not be shoved into the horrible vortex of war to satisfy the merciless greed of interests that reap the dirty financial profits of war.

There is only one force that can put into the Constitution this amendment, which means so much to the future of the human race, and that is the force of public opinion. With other matters pressing hard upon Congress, this resolution probably will make no progress unless those who favor it get active and show to the lawmakers that it is supported and sustained by a great, wide-awake, Nation-wide manifestation of public sentiment. Parents must show that, while they are willing at all times to give their precious sons for the defense of the country they love, they are not willing that one American boy shall be sacrificed to carry out the inhuman schemes of the munitions manufacturers and professional war promoters.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I gladly yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. I would suggest to the gentleman that after his bill is in committee for 30 days that he place a petition on the desk and give me the opportunity to be the first one to sign it.

Mr. LUDLOW. I thank the gentleman for his observation. No two gentlemen in this House are more highly regarded or held in more affectionate esteem than the gentleman from Texas [Mr. BLANTON] and the gentleman from Pennsylvania [Mr. DUNN]. I am proud to have the support of both of them.

It seems to me that every veteran in America should be for this resolution, heart and soul, because the veterans know the meaning of the word "war." It seems to me that every church should be for it; likewise every peace society and every women's organization and every individual who wishes to do his part to safeguard the peace and security of the citizen.

Mr. DUNN of Pennsylvania. Those who have been through war and know about war from experience want no more wars.

Mr. LUDLOW. I take it that is one reason the distinguished gentleman from Pennsylvania is for this resolution.

Mr. DUNN of Pennsylvania. I am not an ex-service man. I lost my eyesight in the battle of life.

DEBT WE OWE TO HUMANITY

Mr. LUDLOW. In the present unsettled state of world affairs we owe to humanity of today, no less than to posterity, the adoption of this amendment. The agonized cries of war mothers whose sons sleep in the fields of France demand it, in order that they may know that their children did not die in vain. Eighty cents of every dollar wrung from the taxpayers for the regular expenses of government goes to pay for wars past and for preparation for wars to come. The depression through which we are passing, with its inconceivable vastness of human woe and its spiritual and moral let down, is a backwash of war. If statesmanship has not entirely vanished from the earth, now is the time to assert itself, lest these things may occur again.

This amendment is not a pacifist proposition, and it has no root in pacifist philosophy. It interprets the thought of every typical and true American as follows:

I am willing to die for my beloved country, but I am not willing to die for greedy, selfish interests that want to use me as their cat's paw.

If the people arise and bring about the adoption of this amendment, we will have the blessed assurance of peace for many years to come.

Conditions at this moment are ripe for the adoption of the amendment. Now is the time to press for its adoption. Now is the time to render a major service to humanity. Now is the time to remember our children and the children of posterity by securing the adoption of an amendment that will protect them from being dragged into unjustifiable wars.

WE DREAM AS WAR CLOUDS GATHER

More important than the momentous problems of recovery, more important than all other problems before this Congress, in my estimation, is the urgency of taking adequate steps to protect the United States from involvement in future wars.

"Again we dream as war clouds gather" declares that wise old warrior, Gen. James E. Harbord, in a newspaper article sounding a sharp warning of war.

If we keep on dreaming and do nothing, we will wake up sometime to find that we have been maneuvered into another war.

To declare war is the highest act of sovereignty. It is a responsibility of such magnitude that it should rest on the people themselves and should not be delegated to any man or any body of men. Under the present system whoever happens to be President of the United States has it within his power to so coerce Congress that he can lead the Nation into any war, as President Polk led us into war with Mexico primarily for the purpose of gaining territory to the southwest. It is unfair to expect the Members of Congress, after all of the atmosphere of war has been created, to resist the terrific pressure and propaganda for war, thus subjecting themselves to the taunts and charges of treason that are always hurled at those who do not go along with the leaders in such circumstances.

In the absence of a constitutional provision taking the profits out of war, there is always a danger that those who deal in instruments of death will force the Nation into hostilities for the sake of the fabulous harvest which those of their ilk expect when war comes.

WHY STATESMANSHIP FAILS TO PREVENT WARS

The amazing testimony brought out before the Nye Committee reveals forces at work which explain why statesmanship fails to prevent wars and why it will always fail unless reinforced by a constitutional provision such as I have suggested. A review of that testimony shows how little regard the dealers in destruction have for solemn covenants and with what ease they sidestep embargoes and treaties.

On May 8, 1934, Congress adopted a joint resolution prohibiting the sale of arms and ammunition in the United States to the South American belligerent nations, Bolivia and Paraguay, and on May 28, 1934, the President issued a proclamation forbidding such sale.

What did the munitions manufacturers do in the face of this proclamation?

On June 7, 1934, the office of the Du Pont Co. in Buenos Aires received an inquiry from its agent in Paraguay calling for quotations on 2,000 kilos of TNT, presumably for the Government of Paraguay. This Du Pont agent, whose name is N. E. Bates, also was serving as joint agent for the munitions products of Imperial Chemical Industries, Ltd. (a Brit-

ish company). Under a sales agreement between the two companies, Bates at once cabled Imperial Chemical Industries advising them of this prospective business so they could get in an immediate quotation. Then on the same day he wrote to the British company that Du Pont—

could not quote from this end owing to the embargo on munitions and military propellants decreed by President Roosevelt. In view of the fact that there is no similar embargo obtaining in England we suggested that you quote price to your office in Buenos Aires, who in turn would advise Ferreira (the agent in Paraguay).

Under the sales agreement between the companies, Du Pont receives a commission on all sales made by Imperial Chemical Industries in South America.

The intent of Congress and the President was that the United States should not aid either one of the belligerents in the merciless slaughter of human lives that was going on.

Now, how did the Curtiss-Wright Co. act in the same circumstances? Embargo resolutions were before Congress early in 1933 and that company in anticipation of the embargo began to take steps to circumvent it. It instructed its agent in Chile to ascertain whether airplanes manufactured in the Curtiss-Wright factory in Santiago, Chile, could be shipped at all times to the prospective belligerent countries.

C. W. Webster, president of that company, writing to the company's agent in Chile, said:

"This is in view of a possible embargo on the part of the League of Nations and the United States Government. In other words, would we be permitted to enter material into Chile for assembly and fabrication for such countries as Colombia, Ecuador, Peru, Bolivia, and so forth?"

The reply of the agent was that there seemed to be no objection to the manufacture of planes in Chile for export to other South American countries.

The period between May 18, when Congress passed the embargo resolution, and May 28, when the President's embargo proclamation was issued, was a lively time among munitions manufacturers. They were grabbing for a harvest of future deliveries, which resulted in an animated scrimmage to get contracts signed. On May 25, 3 days before the proclamation, the American Armament Corporation signed a contract with Bolivia for war materials valued at $2,043,000, or more than double the value of all earlier contracts between that company and Bolivia.

STATE DEPARTMENT UNJUSTLY ASSAILED

The effrontery of the munitions manufacturers, especially in their attitude toward the State Department's efforts to effect peaceful settlement of international disputes, has at times flared out in the most brazen manner. In 1928 L. Y. Spear, vice president of Electric Boat Co., wrote to Vickers:

It is too bad the pernicious activities of our State Department have put the brake on armament orders from Peru by forcing the resumption of formal diplomatic relations with Chile.

Think of that! Think of the hundreds, if not thousands, of fine young men who probably would have been slain, of the mothers' hearts that would have been broken, of the homes that would have been wrecked, of the wives that would have been made widows, and the children that would have been made fatherless if these armament orders had not been canceled and then examine your conscience to see whether you agree with this gentleman that the State Department was guilty of "pernicious activities" when it brought about the resumption of diplomatic relations between these belligerents! If the sons of munitions manufacturers were out on the firing line I do not think these manufacturers would look with so much disdain on the well-meant efforts of the State Department to bring about peace. I think that for once their fatherly instincts would get the upper hand of their love for profits. Can you imagine a more heartless communication than the one above referred to?

Similar to that outburst was one by Sir Charles W. Craven of Vickers (a British munitions concern) who, in a letter to the Electric Boat Co. in January 1933, expressed concern lest Geneva "or any other troublesome organization" should abolish the large submarines. Troublesome? Why? Because Geneva's peace activities were threatening to interfere with the sale of warships!

A mass of evidence was brought out showing that treaties solemnly entered into by nations to guarantee the peace and security of the world are but "scraps of paper" to avaricious munitions manufacturers. There is abundant testimony that armament firms in France, Great Britain, and the United States have flagrantly disregarded peace treaties and by their attitude have set themselves up as stronger than governments.

United Aircraft sales of airplanes and engines to Germany increased from $2,000 in 1931 to $1,445,000 during the first 8 months of 1934.

On March 29, 1933, Pratt & Whitney, a United subsidiary, signed an agreement with Bavarian Motor Works granting the German company the right to build air-cooled aircraft engines similar to those used in United States Army under a flat royalty of $50,000 a year regardless of the number of engines manufactured in the Munich plant. Reports from the European sales offices of American Arms Corporations in 1933 and 1934 told of an enormous increase in the contraband of arms and ammunition into Germany.

"GREASE", "PALM OIL", AND PLAIN GRAFT

The heinousness of the arms traffic as it is carried on in the world today; its unsavory nature and its violent antagonism to public policy, is conclusively demonstrated, I think, to all right-thinking people by the fact that bribery, graft, and other forms of corruption are its inseparable concommitants. In the recorded transactions these unholy expenditures are variously listed as "commissions", "protection" "grease", "the needful", "palm oil", and just plain "graft." In a letter to Vickers, Ltd., L. Y. Spear, vice president of the Electric Boat Co., said, in regard to munitions sales in the Southern Hemisphere:

The real foundation of all South American business is graft.

The Soley Armament Co., Ltd., a British firm dealing in second-hand war materials, wrote to A. J. Miranda, of the American Armament Corporation:

We fully understand that armament deals are not usually done without officials getting greased.

The testimony of this man Miranda is a glowing exposé of the practices of munitions salesmen in the use of "palm oil", "grease", and women of shady reputation to put across their deals. In negotiating with the American Armament Corporation to act as agent in the sale of arms of the Soley Armament Co., Ltd., of England, John Ball, of the latter company, wrote:

We fully understand that arms deals are not usually done without some officials getting "greased", but if any "palm oil" is required it has to be added to the price and as our prices are at least 50 percent less than factory prices on the same arms they will stand a lot of "grease" and still be cheaper than the manufacturers' prices.

PEDDLING "GREASE" IN SOUTH AMERICA

The disgusting and subversive use of graft to advance sales of implements and materials for human destruction is further shown by the following bit of illuminating testimony:

Senator BONE. Do you know whether the British Government, through this semiofficial arm of the Government, approves of peddling of "grease" by the organizations?

Mr. MIRANDA. I do not know, Senator. I would have no means of knowing that.

Senator BONE. Of course some of the stuff which comes out of Europe might be in that category, but is it not rather unusual for a semiofficial agent of the great British Government to talk so freely of "peddling grease", "palm oil", and so forth, in a sale of arms to other countries? Does it not strike you as being a free way to put it, between ourselves?

Mr. SWEETSER. They are taking conditions as they are.

Senator BONE. I know they are very practical men. Is that not right?

Mr. MIRANDA. They are practical men.

Senator BONE. And being practical men, they are going to do business in a practical way, and if they have to "grease" the boys and girls down there, they are going to "grease" them?

Mr. MIRANDA. There is a condition down there which they recognize, and which they have to give effect to, and they figure if they are going to do business down there they have just got to meet that condition.

Senator BONE. I wish you would amplify the statement you have just made about the condition which all practical men understand exists and all practical men meet. I am speaking of the

condition which exists in South America. Do you mean that the condition which exists requires those people to be "greased"?

Mr. MIRANDA. I guess they have been doing business that way for a great many years, Senator. Maybe the Europeans taught them to do business that way.

Senator BONE. Do you think the Europeans seduced and debauched the South Americans, or were the South Americans willing to meet them more than half-way?

Mr. MIRANDA. Let us give them an even break.

Senator BONE. It is 50-50, or something of the sort? Of course, we cannot work miracles, but enough "palm oil" and "grease" ought to work miracles, do you not think, if there is enough of it? Can you tell us, in this connection, whether the European operators down there resort to the use of "palm oil" and "grease"?

Mr. MIRANDA. Probably.

Senator BONE also asked Mr. Miranda if he did not remember what was said about the Vickers firm using women of doubtful character freely.

Mr. MIRANDA. Yes.

Senator BONE. Do they use women of doubtful character in South America?

Mr. MIRANDA. They do sometimes.

Senator BONE. Are the women effective?

Mr. MIRANDA. Not with me.

Senator BONE. I mean, with certain folks in South America?

Mr. MIRANDA. Yes; they seem to be.

A STARTLING ADMISSION

Mr. Miranda proved to be a witness of amazing candor. Before he left the stand, Senator BONE, in the role of inquisitor, sought to develop his ideas as to whether this race of armaments is not leading inevitably to war, and Mr. Miranda said very frankly that, in his opinion, it is.

Senator BONE. Then, unless there is a change in the attitude of the national governments, the big governments, and the people of the world generally toward this armament race, it will continue in its present form. That is right, is it not?

Mr. MIRANDA. I believe so.

Senator BONE. Just as a business man, divorcing, if you can, yourself from your own business, and just limiting it to that and talking to the men on this committee who are trying to find out all they can about this matter, to recommend or suggest to the people of this country what should be done—what in your opinion is going to happen if this race continues throughout the world? You do not have to confine your answer to the United States or any country, but just tell us what you think will happen to the world if this continues.

Mr. MIRANDA. I think an armament race naturally leads into war. After that, when they are thoroughly armed, they want to try it out.

Senator BONE. In other words, when the boys and girls are all ready, they want to go out and see what the thing they have got can do. Is not that right?

Mr. MIRANDA. That is the way I would understand it.

Senator BONE. The world was pretty thoroughly prepared in Europe in 1914, and they had to try it out. The world, of course, as you are aware, is now spending more money than it ever did in preparation for war. Just as a business man, Mr. Miranda, do you think that that can continue and leave a fair margin of economic and financial security for the nations of the world?

Mr. MIRANDA. I do not think so.

This is the testimony of a man who certainly ought to be a capable judge. It is the testimony of a man who knows. It is the testimony of a man whose business it is to sell implements of wholesale human destruction which devastate peoples and destroy governments. He deals with nations, and he knows the influences constantly at work leading up to hostilities; and no one is in a better position to judge with unerring accuracy the incentives to war. When he says the race of armaments cannot continue without threatening the peace and security of the world, he believes it, and he has reason to believe it.

The wide range of "commissions", running into large figures, implies that private munitions interests may be so powerful as to shape and control governmental policies. It was brought out that over a period of 11 years the Electric Boat Co., of New York City and Groton, Conn., which manufactures submarines, paid commissions totaling $766,000 to Sir Basil Zaharoff, a professional munitions dealer, of Europe, and an alleged relative of the royal family of Spain. It was shown that his services to the Electric Boat Co. were to "do the needful" in holding a Spanish contract against competition from German and Italian submarine companies. Millions on millions of dollars have been spent by munitions dealers as "grease", or "graft", to secure fat contracts, and the game has been conducted on so low a level that it is considered legitimate to supply arms and ammunition simultaneously to both parties of an international conflict, to be used in killing off each other. During the Chaco war the Du Pont Co., according to reports from its sales department, was actively soliciting business from both Bolivia and Paraguay. The same company during the Leticia controversy sold 88,000 pounds of TNT to the Peruvian Government and at the same time sold 340,000 pounds of TNT to the Atlas Powder Co., for shipment to the Colombian Government. By arming and equipping both factions to a controversy, munitions manufacturers drive away every prospect for peace and set the stage for war. What chance has the peaceful citizen who loves his home and family against such a deal as that?

A WORLD-WIDE RACKET

That the munitions game is a world-wide racket, with manufacturers and dealers pressing their advantages for sordid profit and with humanity as the victim, is shown by a long list of secret agreements unearthed by the Senate Committee whereby it is revealed that leading American, British, and German armament firms are closely associated in the sale of war materials throughout the world; that they split profits, protect each other's bids on contracts with Governments, and seek to create monopolies in various parts of the world.

The activities of the munitions traffickers are in the highest degree antisocial. Munitions firms are private corporations responsible to shareholders, who are chiefly interested in the prompt payment of large dividends. It is obvious that dividends can only be paid out of profits, and profits depend on the sale of war materials, and as long as this situation continues the lure of enormous gain will cause the traffic to go on regardless of its social consequences and of its destructive effects on mankind.

ONE SENSIBLE THING TO DO

There is one sensible way to minimize the possibility of war and that is to take the profit out of war. The owners of war properties, dreaming of fabulous profits to begin when war is declared, will have a rude awakening if the amendment I have proposed is adopted. They will find that on the declaration of war they will become the servants and not the masters of the state; that thence forth all their properties and resources will be used during the period of the war for the benefit of the state and for a nominal interest return of 4 percent on pre-war tax valuations, and that they will share with the rank and file some of the burdens and the sacrifices of war, which is as it should be.

There are some wars which as far as finite vision can discern are God-ordained and inescapable, such as the War of the American Revolution which was to enthrone in our social order great principles of human rights, and the War between the States, which was to write in blood and tears the fate of the institution of slavery, but history points out that a large majority of wars that have cursed the human race have been due to machinations and greed. It is to protect our children and our children's children and the remote generations of posterity for all time to come against a recurrence of these unholy wars that my amendment is directed.

Mr. PARKS. Mr. Chairman, I yield 25 minutes to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Chairman, this is the one hundred and twenty-sixth anniversary year of the birth of Abraham Lincoln. He was a humane man, of kindly temperament, upon whom a bloody war laid its burdens and whose life became a sacrifice to its passions and hatreds. I should like to take advantage of this occasion to voice some observations upon the influence that war exerts upon the personalities of great men who have been called upon to deal with its emergencies and its exactions upon the humanities that would ordinarily control their actions and their dealings with their fellow men. I call to mind today three men whose characters we have come to consider almost wholly in their status as war leaders and military commanders, each of whom in the peaceful paths of civic life would have attained distinction as men of humane and cultural inclinations, if not as statesmen of the highest order, concerned in the advancement of the welfare of mankind.

Seventy years have elapsed since the close of the War between the States. Two days are annually observed in many parts of the United States in commemoration of three of the leading characters of that war.

One is January 19, when a joint memorial is held to Robert E. Lee and to "Stonewall" Jackson. The other is February 12, when Nation-wide homage is paid to the memory of Abraham Lincoln. These men are extolled and the largest measure of every excellence is claimed for them, mainly because we have come to regard them as leaders either in the field or in an executive capacity in one of the most devastating civil wars the world has ever known.

More books and articles have been written concerning Abraham Lincoln than, perhaps, any other American. There are contradictions in these writings. Some authors are unsparing in their criticism, while others praise him beyond the just deserts of man.

I am reminded at this moment of the story so often told of the old lady who finally reached the presence of President Andrew Jackson. For years she had listened to the praise heaped upon him, until she was awed by the very sound of his name. Then one day she saw him, and her comment upon leaving his presence was, "Law, me, he is only a man after all."

Lincoln, Lee, and Jackson were, after all, only men; and as it has been in the past, so it will be in the future, all government and all functions of government will have to be conducted by mere men—men whom military experience often has exalted into heroic attitudes, in disparagement of their nobler and more humane propensities.

Let me give you a single instance in the life of each of these three men that identify them as magnanimous human beings, whose finer qualities were too often subdued to the inexorable exigencies of war.

First, let me say that at the time Jackson and Lee were called upon to take part in the War between the States, they were practically unknown, save and except as soldiers who had participated in the War with Mexico.

When Lee and "Jeb" Stuart were sent by President Buchanan to Harpers Ferry to quell the insurrection promoted by John Brown, after the seizure was made, Stuart entered the building occupied by Brown and exclaimed: "Why, it is old Osawatomie Brown! I had you in Kansas." John Brown responded: "Yes; but you didn't hold me." Then followed the trial of Brown, and his execution. It was the human quality in Stuart, the dashing cavalry leader, that prompted that kindly recognition of the fanatical zealot, John Brown.

A beautiful story in the life of Thomas J. Jackson is the one told when, as head of the State Militia of Virginia, he was called to preserve order. The night before Brown's execution he prayed in the hope that Governor Wise would commute the sentence of death. Jackson was comparatively unknown at that time, but shortly thereafter, from his firm stand on the field of battle, he became renowned, and always to be remembered as Jackson, who stood like a "stone wall."

In the case of Lee, what could be more striking than his self-effacement from public life after the great conflict. Offers were piled upon him to commercialize his name, but he set them all aside and accepted, instead, a professorship at a Virginia university at small pay.

One of the many instances which revealed the intrinsic character of Abraham Lincoln occurred in the debates between him and Stephen A. Douglas. Douglas, on one occasion, asserted, "All the slaves that ever left Africa are not worth a disturbance in a single State of this Union, let alone the Union itself." Mr. Lincoln's response was, "But, Mr. Douglas, is slavery right?"

Also, growing out of those debates, Mr. Lincoln drove his great truth home in such language as this:

> That is the issue that will continue in this country when these poor tongues of Judge Douglas and myself shall be silent. It is the eternal struggle between these two principles—right and wrong—throughout the world.
>
> They are the two principles that have stood face to face from the beginning of time, and will ever continue to struggle. The one is the common right of humanity and the other the divine right of kings.
>
> It is the same principle in whatever shape it develops itself. It is the same spirit that says, "You toil and work and earn bread, and I'll eat it." No matter in what shape it comes, whether from the mouth of a king who seeks to bestride the people of his own nation and live by the fruit of their labor, or from one race of men as an apology for enslaving another race, it is the same tyrannical principle.

A MESSAGE TO FUTURE GENERATIONS

One could discuss either Lincoln, Jackson, or Lee for an evening, indulging in generous platitudes that would be most pleasing to the ear, and yet that alone would convey no message of importance to the auditors.

I feel that these 2 days—the Jackson-Lee day and the Lincoln day—should continue to be observed, but every observance of the days should carry with it a message, to the present and future generations, of the horrors of war, especially of civil war. The message should be delivered, not with the thought of arousing sectional feelings or hatred of any kind, but as a forceful historical lesson to Americans of what their forefathers did to one another while engaged in that bloody civil conflict.

There seems to be a popular belief that in order to get a truly horrifying picture of war one has to go to some distant land. I believe it would be most effective if young Americans were taught that war anywhere is just what General Sherman said it was—hell—and that the savage instincts of men are aroused as easily in the breasts of Americans as in those of other races once they are in the midst of strife.

The way to give the American boy a true picture of war is to tell him what really took place in the conflict between the States. Tell him the whole truth, without the embellishments of pomp, circumstance, and glory. Tell him of the ruthlessness practiced by those participants who were branded as "irregulars." Tell him of John Morgan; tell him of Mosby; tell him of Quantrell, on the one side. On the other side, tell him of Hunter; and tell him of Jennison and Lane, of the "red legs" of Kansas. Tell him somewhat in detail of the raiding back and forth, where the raiders and their victims were all Americans, preying upon their fellow Americans, robbing, looting, killing, in the madness and savagery of border warfare.

When you have told him the story sufficiently on the side of those leaders whom military history conveniently designates as irregulars, tell him the story of the so-called "regulars."

Tell him of the terror-spreading and destructive marches of the regulars. Tell him the true story of Sherman's march to the sea. Tell it just as it was told by the participants. Tell him the story of that scathing war order, attributed to Grant and inspired by Stanton, the record of which was lost from the historical archives. According to legend the message to Grant's commander in the famous raid through the Shenandoah Valley was couched in the following ruthless terms:

> When you traverse the Valley, leave it so barren that a crow seeking to fly over it, will have to carry his rations with him.

Everyone seems to believe that a message of this kind was sent by Grant, although it has apparently not been preserved in its entirety by historians. As a verification of the fact that such an order was in fact carried out, we find this statement in The Shenandoah and Appomattox Campaigns, a book published by the Military Historical Society of Massachusetts:

> The victories of Winchester and Fisher's Hill, September 19 and 22, 1864, sent Early and his army "whirling up the Valley." Sheridan pursued as far as Harrisonburg and Mt. Crawford with his infantry, and Staunton with his cavalry. Thence retiring at his leisure, he swept the Valley bare with a cordon of cavalry stretching clear across it, from the Blue Ridge to the North Mountain, burning all the mills and barns, driving off all the horses and cattle and sheep, and leaving so little subsistence that it was said that a crow, seeking to fly down the Valley, would have to carry his rations with him.

In McMaster's History of the People of the United States this is said concerning Grant's order:

> New York Herald, October 1864, stated that Grant also required his order to be so carried out that a crow flying across the valley would have to carry his rations with him. In a letter to Halleck, written July 14, Grant said, referring to the pursuit of Early after his retreat from Washington:

"If the enemy has left Maryland, as I suppose he has, he should have upon his heels veterans, militiamen, men on horseback, and everything that can be got to follow to eat out Virginia clear and clean as far as they go, so that crows flying over it for the balance of this season will have to carry their provender with them." (Official Records, series 1, vol. 37, part II, pp. 300–301.)

In Sheridan's Personal Memoirs, he quotes from a letter of instructions from Grant, as follows:

In pushing up the Shenandoah Valley * * * it is desirable that nothing should be left to invite the enemy to return. Take all provisions, forage, and stock wanted for the use of your command. Such as cannot be consumed, destroy.

In another of General Grant's instructions to him, Sheridan quotes Grant as having said:

If the war is to last another year, we want the Shenandoah Valley to remain a barren waste.

In commenting on Grant's orders, Sheridan said:

The loss of property weighs heavy with the most of mankind; heavier often than the sacrifices made on the field of battle. Death is popularly considered the maximum of punishment in war, but it is not; reduction to poverty brings prayers for peace more surely and more quickly than does the destruction of human life.

Tell him of conditions in the South after the war as described by McMaster in his History of the People of the United States During the Administration of Abraham Lincoln:

In many parts of the South distress was great and growing greater, and especially in the track of Sherman's army. Official reports which came to its office told of women and children who walked 10, 40 miles for bread, and then got but a morsel or nothing; of naked beings crouching beside an old brick chimney, all that remained of what was once their home; of 10 counties in northern Georgia in all of which there was not growing as much food for man and beast as could be found on an ordinary northern farm.

The chief sufferers were the families of Union volunteers in southern Tennessee and northern Georgia, whose homes had been ruined by rebel armies or guerrillas.

Here is brought home to you, according to this historian, the devastating results of war as practiced by both the regulars and the irregulars.

THE LAW OF TOOTH AND TALON

Tell him of George A. Custer, a major in the War between the States. Custer is known to everyone as the hero of the last stand against the western Indians. Let it be known that this is the same Custer who, in the valley during the civil conflict, made the announcement that every member of Mosby's band caught by his men would be executed on the spot. Mosby's retort was:

For every one of our men executed under Custer's order, ten of Custer's men will be brought in and summarily executed.

It took a brutal counteraction on the part of Mosby to temper Custer's brutality and to cause him to withdraw his inhuman order.

Youth is easily deceived about war. The first places depopulated when war is declared are the universities, colleges, and high schools. The method of arousing the war spirit is always the same. The flag is waved. The bands play. Political orators come forth and talk of our country, right or wrong. Threatened with a foreign war or internecine strife, every citizen should be responsive to his duty, but he should not be rushed headlong into a conflict that may prove disastrous to American manhood and American ideals of "life, liberty, and the pursuit of happiness." This is especially true concerning the youth of our country.

The history of that ruthless conflict reeks with war's inhumanities that left their trails of blood and misery and poverty for generations afterwards.

Take General Sherman's seizure of Atlanta. He proposed that a truce be declared so that the removal of all civilians living in that city might be made in an orderly way. General Hood's answer was:

Your letter of yesterday's date * * * is received. You say therein, "I deem it to be to the interest of the United States that the citizens now residing in Atlanta should remove," etc. I do not consider that I have any alternative in this matter. I therefore accept your proposition to declare a truce of 2 days, or such time as may be necessary to accomplish the purpose mentioned. * * *

And now, sir, permit me to say that the unprecedented measure you propose transcends, in studied and ingenious cruelty, all acts ever before brought to my attention in the dark history of war.

In the name of God and humanity, I protest, believing that you will find that you are expelling from their homes and firesides the wives and children of a brave people.

General Sherman replied:

You style the measures proposed "unprecedented", and appeal to the dark history of war for a parallel, as an act of "studied and ingenious cruelty." It is not unprecedented; for General Johnston himself very wisely and properly removed the families all the way from Dalton down, and I see no reason why Atlanta should be excepted. Nor is it necessary to appeal to the dark history of war, when recent and modern examples are so handy. You yourself burned dwelling houses along your parapet, and I have seen today 50 houses that you have rendered uninhabitable because they stood in the way of your forts and men. You defended Atlanta on a line so close to town that every cannon shot and many musket shots from our line of investment that overshot their mark went into the habitations of women and children. General Hardee did the same at Jonesboro, and General Johnston did the same last summer at Jackson, Miss.

The above exchange was between ranking regular officers of both sides.

Mr. Jefferson Davis, in his book The Rise and Fall of the Confederate Government, gave the following account of Sherman's seizure of Atlanta:

General Sherman, desisting from any further aggressive movement in the field, returned to Atlanta, which had been formally surrendered by the mayor on September 2, with the promise, as reported, on the part of the Federal commander, that noncombatants and private property should be respected. Shortly after his arrival the commanding general of the Federal forces, forgetful of this promise, and on the pretense that the exigencies of the service required that the place should be used exclusively for military purposes, issued an order directing all civilians living in Atlanta, male and female, to leave the city within 5 days from the date of the order (Sept. 5).

Since Alva's atrocious cruelties to the noncombatant population of the Low Countries in the sixteenth century, the history of war records no instances of such barbarous cruelty as that which this order designed to perpetrate. It involved the immediate expulsion from their homes and only means of subsistence of thousands of unoffending women and children, whose husbands and fathers were either in the Army, in northern prisons or had died in battle. In vain did the mayor and corporate authorities of Atlanta appeal to Sherman to revoke or modify this inhuman order, representing in piteous language "the woe, the horror, and the suffering not to be described by words", which its execution would inflict on helpless women and infant children. His only reply was:

"I give full credit to your statements of the distress that will be occasioned by it and yet shall not revoke my order, because my orders are not designed to meet the humanities of the case."

Remember that this was a great general saying, in effect, that the humanities of the case must give way to military necessity. Those who knew William Tecumseh Sherman in private life, both before and after the war, said he was a humane man—a good Christian—an affectionate husband. His letters to his wife even from the fields of battle were models of conjugal tenderness and most interesting as evidencing a sympathetic nature. But war transformed him in the field into an inhuman engine of destruction to whom the ordinary humanities of life made no appeal—it was war did that.

Mr. John Wanamaker, in a publication known as "The Wanamaker Primer on Abraham Lincoln", issued in 1909, described the Secretary of War of that period, Edwin M. Stanton, as follows:

And Stanton, brusque, bitter, caustic, overbearing, insolent, abusive Stanton, who had called Lincoln an "imbecile", an "ogre", a "gorilla", and a "fool" was transformed into a loyal, devoted, stanch friend and admirer of his chief. Mind alone could never have mastered Stanton. It was the great heart and the great will in the White House that finally conquered his domineering Secretary of War.

STANTON'S COLD DEAL IN HUMAN FLESH

Andrew G. Curtin was Pennsylvania's great war Governor. On three different occasions he appeared before Secretary of War Stanton and appealed to him for an exchange of 30,000 southern prisoners for a like number of Union prisoners. Upon his last appeal, when he was accompanied by his Attorney General Meredith, Stanton grew impatient and even insolent, retorting to the Governor's appeal:

Do you come here in support of the Government and ask me to exchange 30,000 skeletons for 30,000 well-fed men?

To which Curtin replied in righteous indignation:

Do you dare to depart from the laws of humane warfare in this enlightened age of Christian civilization?

Here it is again. Pennsylvania's great humane Governor fighting for what he believed to be right, taking the humanitarian view that northern prisoners, many of whom were from Pennsylvania, should be permitted to come home, and Stanton, the Secretary of War, standing for his position that in war all things humane should give way to military necessity. These soldier boys were left to suffer, and many to die, in southern prisons owing to the expedient called "military necessity."

All honor to Curtin. Every child in the United States should be told about this great man and his humane impulses.

Lincoln also was a humanitarian. No better view of Lincoln on this subject exists than in a letter written by David Davis, in which he said:

Mr. Lincoln was advised—and I also so advised him—that the various military trials in the northern and border States, where the courts were free and untrammeled, were unconstitutional and wrong; that they would not and ought not to be sustained by the Supreme Court; that such proceedings were dangerous to liberty. He said he was opposed to hanging; that he did not like to kill his fellowman; that if the world had no butchers but himself, it would go bloodless.

The uncivilizing of man by war is graphically described by that great and good man, John N. Edwards, who was one of Shelby's soldiers. He said this, partly in apology but wholly in truth:

The guerrilla organization of Missouri needs a word in its defense, although its warfare was pitiless, its banner the black flag, and its battle cry the fearful monosyllable death. Composed of men driven to desperation by the unceasing persecutions of Federals and militia, they had been outlawed and hunted from county to county as rabid animals. Their scalps commanded a premium, and their mutilated bodies were denied sepulture. Revenge is believed by philosophers to be one of the strongest passions of the human heart, and when stimulated by grievous wrongs and fanned into flame within the bosoms of men having western ideas and developments, it naturally becomes cruel and unsparing.

It made honorable men desert the Army that they might lose the uncertainty of regular battle and have the grim satisfaction of knowing that death followed the shots of their own revolvers and the thrusts of their own knives. They accepted the black flag as an emblem, because it suited their ideas of murder—and having no hope themselves, they left none to their victims.

In an association composed of men driven from all natural feelings by numberless outrages, some crimes would creep in, and often innocent persons were killed and Southern families plundered; but as a general thing the leaders, like the gladiators under Spartacus, only shouted "Kill, kill!" upon the bodies of their persecutors.

AN EXCHANGE OF MILITARY "CIVILITIES"

The history of the War between the States is replete with orders and proclamations of retaliation between officers of the Regular Army of both forces. As an illustration, read this amiable exchange of brotherly love between Maj. Gen. John C. Fremont, commander of the Western Department of the Union Army, and Brig. Gen. M. Jeff. Thompson, commanding officer of the first military district of the Missouri State Guard, on the question of taking human life.

Major General Fremont on August 30, 1861, proclaimed:

All persons who shall be taken with arms in their hands within these lines shall be tried by court martial, and if found guilty will be shot.

The very next day, August 31, 1861, Brigadier General Thompson sent his endearing reply:

Therefore, know ye that I, M. Jeff. Thompson, brigadier general of the first military district of Missouri * * * do most solemnly promise that for every member of the Missouri State Guard, or soldier of our allies, the Armies of the Confederate States, who shall be put to death in pursuance of the said order of General Fremont, I will hang, draw, and quarter a minion of said Abraham Lincoln.

Sad, indeed, were the tribulations of Abraham Lincoln. After the issuance of Fremont's proclamation of August 30, 1861, Mr. Lincoln, on September 2, wrote to Fremont asking that he modify his proclamation. Mr. Lincoln said, speaking in terms he thought a military man would understand:

Should you shoot a man, according to the proclamation, the Confederates would very certainly shoot our best man in their hands in retaliation; and so, man for man, indefinitely. It is, therefore, my order that you allow no man to be shot under the proclamation without first having my approbation or consent.

These cases should suffice to demonstrate the ravages of war on the hearts of men, who in the ordinary phases of civil society and government would be dominated by humane impulses.

Every student of history in the South knows of the harshness of the orders of General Sherman as a commander. Very few realize that just a few weeks later, when confronted with the task of making terms of peace with Gen. Joseph E. Johnston in the field, Sherman's terms were far more liberal than those made by Grant with Lee. When Sherman's terms were sent to Washington for approval or rejection, Secretary of War Stanton, inflamed with war hatreds and prejudices, immediately proclaimed the rejection of the terms, and denounced Sherman as having surrendered, without authority, almost every issue for which the war had been fought.

The Chicago Tribune cried out and said: "To think that Sherman made such terms, knowing that Lincoln had been assassinated." But General Johnston did not know of Lincoln's assassination until after the terms of surrender were stipulated.

Stanton dispatched Grant to the field. Sherman was forced to recede, and new terms were made of the same kind as between Lee and Grant. Had Sherman's terms been approved, that awful blot upon American history—carpet-bag reconstruction—would have been averted. And in Sherman's memoirs it was revealed that in his original terms with Johnston he implicitly obeyed the directions of Lincoln.

Mr. Edward A. Pollard, in his Southern History of the War, said, concerning Sherman's terms with General Johnston:

Sherman's vivid vision of restoring "peace to the banks of the Rio Grande" did not take at Washington. The announcement there of the nature and terms of his conference with Johnston was the signal for the outpouring of such censure and denunciation as required all his military reputation to withstand.

In fact, Sherman had committed the unpardonable offense of attempting to substitute for the idea of subjugation that of a restored Union.

When you read about Lincoln, he is so frequently referred to as "Old Abe." But Abe Lincoln, when the assassin's shot ended his life, was only old in grief and care and the havoc of war.

There were three other memorable men of that period whose activities fill the pages of Civil War history. One was Frank P. Blair, a Kentucky-Missourian, who was a close friend of Lincoln's. He was a gallant soldier, and in civil life served with honor in both Houses of Congress. He was dead at 55.

Another was Stephen A. Douglas, a foremost statesman and political opponent of Lincoln. Upon Mr. Lincoln's inauguration as President, Mr. Douglas assured him of his hearty cooperation, went home shortly thereafter, and died at the early age of 48. And Lincoln was dead at 56.

The exigencies of public life and of war's responsibilities took their toll of these men long before they could claim the serenities and the awards of a life fulfilled with peaceful years and "old age superbly rising."

THE PROMISE OF THE PRINCE OF PEACE

In conclusion, I want to urge upon everyone here that if you expect ever to voice your opinions as to the folly of war, you must exercise that right at a time like the present—when peace reigns—for when war or rumors of war are in the air it is too late—the voice of peace is silenced; yes, even forcibly suppressed.

The War between the States was not the outgrowth of agitation of a day. It was 30 years or more in the making. And what have all the wars of the world ever gained for civilization, for humanity, for human welfare, or for the questions that we have been settling only by the bloody arbitrament of sword and gun?

The horrors of war are such that the sufferings and miseries endured by those involved, and the generations that follow them, remain indefinitely a cancerous growth in the

national polity. America, the land of peace and freedom, should be a solid phalanx against war. It is not a game or a tribunal to which our ideals of government "of, for, and by the people" are in accord. Nor is it in accord with our fundamental ideas of right and wrong.

In 65 years we will have reached the two thousandth anniversary of the birth of the Prince of Peace, whose gospel was peace and good will to all mankind. Let us hope that when that day is reached, we will have come to a full understanding of His message, and that organized war will have been banished from the world. And let us hope further that the great Republic of the United States of America, organized in the spirit of liberty and good will to all, will have been, not only a contributor, but a leader in the achievement of a new national and international order—the reign of universal peace and domestic tranquillity. The time to begin sowing the seeds of peace and good will is now—today—and it will be a glorious consummation if we shall be able to celebrate the second millennium of the Prince of Peace with the fruition of his gospel—a world at peace at last.

Mr. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, I was moved to ask for a few minutes when the gentleman from Indiana [Mr. LUDLOW] was speaking. Mr. LUDLOW gave a very carefully prepared talk—a talk that could only have been prepared over some period of time. I was struck by the fact he felt it would be out of order to introduce a bill in this House for the reason it would probably be held to be unconstitutional, and to get around that difficulty he introduced a resolution calling for an amendment to the Constitution.

This merely goes to show how rapidly things are changing. A speech that is prepared a day or two before is already obsolete by the time it is delivered here in the House.

I notice by the Washington Daily News today an article by an old newspaper friend of mine, Mr. Herb Little, in which he quotes Justice McReynolds to the effect that "the Constitution is gone"—a statement made with all finality.

It was my pleasure to serve in this House with the gentleman from Indiana in the Seventy-second Congress. I can well understand why he is still laboring under the illusion that things are still unconstitutional, because just about everything that we tried to enact into law during that session was simply dismissed by the Membership of this House on the assumption that it was unconstitutional.

I follow a practice, which I suppose most of the Members follow, of writing a news letter to the weekly newspapers in my district. Ten days ago I wrote such a news letter, and in that news letter I indicated that the Supreme Court would support the administration in its decision of the gold cases. I also outlined the reasons why they would come to this conclusion, despite the fact that such a decision would be clearly contrary to past decisions of the Supreme Court. I based it largely on the reasoning of Mr. O. W. Sprague, of Harvard University, who was the economic adviser of the Treasury Department a year ago. He made the statement that if there were only one hundred or two hundred million dollars involved in this decision the Supreme Court would find the law unconstitutional, but because there was about $100,000,000,000 involved the Supreme Court would not dare to find it unconstitutional.

I ask unanimous consent, Mr. Chairman, to extend my remarks by including that portion of my news letter which was in the nature of a prognostication as to the Supreme Court decision to be rendered.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The matter referred to follows:

THE GOLD DECISION

By Representative THOMAS R. AMLIE

WASHINGTON, D. C., February 9, 1935.—The probabilities are that the Supreme Court will render a decision in the so-called "gold-clause cases" before this letter is printed.

Following the Civil War and the development of the greenback movement, many corporations set out to sew up contract rights beyond the reach of the United States Congress. They provided that bonds were to be payable in gold dollars at $20.67 an ounce. There are in the United States today approximately $100,000,000,000 in obligations thus defined. It is the contention of the holders of these obligations that the reduction of the gold content of the dollar to 59 cents served to deprive them of 41 cents to which they were entitled as a matter of law.

In the light of past decisions on this subject there is very little question but that the claimants are right in their contention as to what the law is.

But if the Supreme Court should hold with these bondholders, it would result in writing up the public and private debts of the country by $69,000,000,000. It would add $10,000,000,000 to the public debt. The increased annual interest charge would amount to two and one-half billion dollars a year. A decision upholding the gold clause would in theory wipe out the value of nearly all common stock. But despite the significance of this decision the stock market has hardly shown a tremor.

Obviously, such a decision would not be permitted to take effect even if it were the law. Congress is prepared to enact legislation that would circumvent any such decision by the Supreme Court. That is to say, if a man who owes $100 had to pay $169 under such a decision, the Congress would impose a tax of $75 on the transaction and refund $69 to the payer.

Since this is the situation, the Supreme Court will probably uphold the constitutionality of the act. As Mr. O. W. Sprague, a Harvard professor who was economic adviser to the Treasury on monetary matters a year ago, observed, "If there were only one or two hundred million dollars involved, the Supreme Court would find the law unconstitutional. Since $100,000,000,000 is involved, the Supreme Court would not dare do so."

In either event the Supreme Court is bound to suffer a tremendous loss of dignity and prestige.

Mr. PARKS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HILL of Alabama, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5913, the War Department appropriation bill, had come to no resolution thereon.

AUTHORIZING THE USE OF PUBLIC PARKS, ETC., FOR THE SHRINE COMMITTEE

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 49 and consider the same. The resolution is identical with the resolution passed by the House on February 12.

The SPEAKER. Is there objection to the request of the lady from New Jersey? The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Senate Joint Resolution 49

Joint resolution authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington, D. C., 1935 Shrine Committee, Inc., and for other purposes.

Resolved, etc., That the Secretary of the Interior, the Secretary of the Treasury, the Commissioners of the District of Columbia, the Board of Education of the District of Columbia, and the Architect of the Capitol are hereby severally authorized to grant permits to the Washington, D. C., 1935 Shrine Committee, Inc., a body corporate organized pursuant to the provisions of chapter 5 of title V of the Code of the District of Columbia (hereinafter referred to as the "committee") for the use of any buildings, parks, rivers, waterways, reservations, sidewalks, or other public spaces in the District of Columbia, under his, their, or its control, respectively on the occasion of the sixty-first annual session of the Imperial Council, Ancient and Arabic Order of the Nobles of the Mystic Shrine, in the month of June 1935: *Provided*, That such use will inflict no serious or permanent injury upon any such buildings, parks, rivers, waterways, reservations, sidewalks, or other public spaces, or any portion, or the contents thereof, in the opinion of the person granting any such permit, in accordance with this authority: *Provided further*, That all stands, arches, or platforms that may be erected on the public spaces aforesaid, including such as may be erected in connection with any display of fireworks, shall be under the supervision of the said Washington, D. C., 1935 Shrine Committee, Inc., and in accordance with plans and designs to be approved by the Architect of the Capitol, the Engineer Commissioner of the District of Columbia, and the Superintendent of National Capital Parks, and that no person or corporation shall be authorized to erect or use any such stands, arches, or platforms without permission of said committee: *And provided further*, That any such buildings, parks, reservations, or other public spaces which shall be used or occupied, by the erection of stands or other structures, or otherwise, shall be promptly restored to their condition before such occupancy, and the said committee shall indemnify the United States or the District of

Columbia, as the case may be, for all damage of any kind whatsoever sustained by reason of any such use or occupation.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized to designate, set aside, and regulate the use of such streets, avenues, and sidewalks in the District of Columbia, under their control, as they may deem proper and necessary, for the purpose of said session, and to make and enforce such special regulations regarding standing, movement, and operation of vehicles of whatever kind or character, and all reasonable regulations necessary to secure the preservation of public order and the protection of life and property, from the 8th day of June 1935 to the 17th day of June 1935, both inclusive. Such regulations shall be in force during said period, and shall be published in one or more daily newspapers published in the District of Columbia: *Provided*, That the expiration of said period shall not prevent the arrest or trial of any person for any violation of such regulations committed during the time same were in force and effect: *Provided, however*, That no penalty prescribed for the violation of any such regulations shall be in force until 5 days after the date of publication.

SEC. 3. That the Public Utilities Commission of the District of Columbia is hereby granted authority to make such special regulations as in the opinion of said Commission may be necessary or desirable, regulating the standing, movement, and operation of taxicabs, street cars, busses, and other vehicles of conveyance under the regulation or control of said Commission, for the period commencing the 8th day of June 1935 and ending on the 15th day of June 1935, both inclusive.

SEC. 4. That the Secretary of War and the Secretary of the Navy are hereby authorized to loan to said committee such tents, camp appliances, trucks, motor equipment, benches, chairs, hospital furniture and utensils of all description, ambulances, horses, drivers, stretchers, Red Cross flags and poles, and other property and equipment, belonging to the United States, as in their judgment may be spared at the time of said session, consistent with the interests of the United States: *Provided*, That the said committee shall indemnify the United States for any loss or damage to any and all such property not necessarily incidental to such use: *And provided further*, That the said committee shall give approved bond to do the same.

SEC. 5. That the Secretary of War and the Secretary of the Navy are authorized to loan to the said committee such ensigns, flags, decorations, lighting equipment, and so forth, belonging to the United States (battle flags excepted) as are not then in use, and may be suitable and proper for decorations and other purposes, which may be spared without detriment to the public service, such ensigns, flags, decorations, lighting equipment, and so forth, to be used by the committee under such regulations and restrictions as may be prescribed by the said Secretaries, or either of them: *Provided*, That the said committee shall, within 5 days after the close of said session, return to the said Secretaries all such ensigns, flags, decorations, lighting equipment, and so forth, thus loaned; and said committee shall indemnify the United States for any loss or damage not necessarily incident to such use.

SEC. 6. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Parks Service, is hereby authorized to permit the use of any or all public parks, reservations, or other public spaces in the District of Columbia, including the Monument grounds and the Ellipse, for use by said committee for the erection of grand stands, reviewing stands, platforms, and other structures for reviewing parade or other purposes; and said committee is hereby authorized to charge reasonable fees for the use of the same provided such fees are used to aid in meeting the necessary expenses incident to the said session.

SEC. 7. That the Superintendent of National Capital Parks, subject to the approval of the Director of National Parks Service, is hereby authorized to permit the use of such public parks, reservations, or other public spaces in the District of Columbia, under the control of the said Superintendent of National Capital Parks, as in the opinion of said Superintendent of National Capital Parks may be necessary, for the use by said committee for the parking of automobiles, the temporary erection of tents for entertainment, hospitals, and other purposes; and the said committee is hereby authorized to charge reasonable fees for the use of the same provided such fees are used to aid in meeting the expenses incident to the said session.

SEC. 8. That the Commissioners of the District of Columbia are hereby authorized to permit said committee to stretch suitable overhead conductors, with sufficient supports, wherever necessary and in the nearest practicable connection with the present supply of light, for the purpose of effecting special illumination: *Provided*, That the said conductors shall not be used for the conveying of electrical currents after June 15, 1935, and shall, with their supports, be fully and entirely removed from the public spaces, streets, and avenues of the said city of Washington on or before June 25, 1935: *Provided further*, That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, who shall see that the provisions of this resolution are enforced; that all needful precautions are taken for the protection of the public; and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *And provided further*, That no expense or damage on account of or due to the stretching, operation, or removing of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia, and that if it shall be necessary to erect wires for illuminating or other purposes over any park or reservation in the District of Columbia, the work of erection and removal of said wires shall be under the supervision of the officer in charge of said park or reservation.

SEC. 9. That the Commissioners of the District of Columbia are hereby authorized to grant, subject to approval of said committee and under such conditions as they may impose, special licenses to peddlers, merchants, and vendors to sell goods, wares, and merchandise on the streets, avenues, and sidewalks in the District of Columbia during said session, and to charge for such privileges such fees as they may deem proper.

SEC. 10. That the Commissioners of the District of Columbia are hereby authorized to permit the telegraph and telephone companies to extend overhead wires to such points as shall be deemed necessary by the said committee, the said wires to be taken down within 10 days after the conclusion of the session.

SEC. 11. That the Secretary of the Interior and the Secretary of the Treasury are hereby authorized to assign to said committee for use and occupancy during said session such unoccupied public buildings or portions thereof in the District of Columbia as, in its discretion, may appear advisable: *Provided*, That any and all buildings so assigned shall be surrendered within 10 days after the close of said session: *Provided further*, That the said committee shall furnish a bond or other satisfactory assurance of indemnity against damage to said property while in its possession, incidental wear and tear excepted.

Mr. BLANTON. Will the lady yield?

Mrs. NORTON. Gladly.

Mr. BLANTON. The distinguished lady from New Jersey, who is the Chairman of the House District Committee, had her identical House resolution passed by the House in plenty of time to have had it substituted for the Senate resolution when the latter passed the Senate?

Mrs. NORTON. My understanding is that the Senate resolution was being acted upon about the same time that we passed the resolution in the House.

Mr. BLANTON. Was there any disposition on the part of the Senate to take up and pass her bill that was passed by the House?

Mrs. NORTON. If there had been, there was plenty of time to do so.

Mr. BLANTON. And the lady is unselfish enough to be willing to have the Senate joint resolution passed instead of her own and waive the courtesy that should have been extended to her as chairman of the House committee?

Mrs. NORTON. Yes. May I say that as far as the Chairman of the District Committee is concerned, she has no pride of authorship in this resolution; my purpose is to substitute the Senate resolution in order to give the committee on arrangements more time for perfecting their arrangements. There seems to be no good reason for further delay.

Mr. BLANTON. I think the lady from New Jersey is very unselfish. And I know that Shriners from every temple in the United States will appreciate her action.

They are going to put on another wonderful parade here next June. Their last one a few years ago was almost unanimously voted to be one of the most beautiful and colorful parades ever pulled off in Washington. The Iowa patrol mounted on pure white Arabian horses with their marching cohorts singing Out Where the Tall Corn Grows delighted all spectators from one end to the other of Pennsylvania Avenue.

On behalf of the Shriners of the United States I want to thank our colleague from New Jersey on her generous and unselfish action in expediting the final passage of this resolution.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

B. P. O. E. *v.* CIVIL LIBERTIES

Mr. AMLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. AMLIE. Mr. Speaker, about 2 weeks ago I received a letter sent out at the direction of the editor and executive director of the Elks Magazine, as well as a copy of the February issue of that publication.

The magazine was quite obviously sent because of an article by Mr. Samuel Crowther entitled "Are the Pinks More Dangerous Than the Reds?" I say this because there was really nothing else in the magazine other than this

article. The article was so misleading and contained such serious misrepresentations of fact that I felt called upon to write to the editor.

It was not my intention to give the matter further publicity, but it has come to my attention during the past week that the sending out of these letters and magazines, on the part of the Elks organization, is only a part of a Nation-wide program to curtail the civil liberties of the people, in which the B. P. O. E. seems to be taking an active part.

An article, ostensibly written by the local exalted ruler of the Elks, appeared recently in a newspaper in my district, seeking to create the impression that recent strikes and other activities of labor, directed toward the achievement of better living standards, are the direct result of communistic activities in the United States.

As every fair-minded person knows, such an assertion is absurd. To identify the activities of organized labor with the Communist Party is clearly just a cloak for an attack upon organized labor itself.

The Elks' writers assign altogether too much importance to the Communist Party. The September issue of the magazine Fortune has an excellent article on the Communist Party in America. It sets forth the fact that the Communist Party has only 26,000 recognized members in the United States.

On the other hand, we have probably in excess of 15,000,000 unemployed people in the United States. We had 11,500,000 unemployed people 3 years ago. It is, indeed, a striking commentary that 5½ years of acute economic depression should have led only 26,000 people to join the Communist Party. It shows that the instrument of the class struggle as a means of bringing about social and economic change finds but scant acceptance with the American people.

The forces of reaction in the United States are fully aware of this fact. The forces of reaction are also fully aware of the fact that the American people are coming to the point of demanding a new order of things, so that they may share in the abundance which America is capable of producing. For this reason the forces of reaction are busy at this time seeking to place the Communist brand on all those who advocate the application of intelligence and common sense to our economic problems. Such is the purpose of the article in the Elks Magazine; and to give his argument the color of reason, the author makes the wholly false and indefensible claim that there is no unequal distribution of wealth or income in the United States at the present time.

A few days ago I read in the February 12 issue of the Milwaukee Journal, page 14, a news item to the effect that the Milwaukee Elks Club is participating in a Nation-wide grand lodge campaign to petition Congress to enact legislation which would have the effect of signing away our civil liberties. It was also stated that as a part of its Americanization campaign a meeting would be held February 13 at the clubhouse in Milwaukee and that petitions would be circulated to be presented to Members of Congress on February 22.

Because the Elks' organization is lending itself to a reactionary campaign of misrepresentation, I insert herewith a copy of the letter to which I have referred. It refutes, at least, the statistical basis of the article contained in the Elks Magazine.

FEBRUARY 9, 1935.

Mr. JOSEPH T. FANNING,
Editor the Elks Magazine,
50 East Forty-second Street, New York City.

DEAR SIR: This will acknowledge receipt of your letter of February 6 and also copy of your February issue of the Elks Magazine.

In answer to your inquiry, I am not an Elk.

In reply to the obvious purpose of the letter and the magazine, I want to say that I have read the article Are the Pinks More Dangerous Than the Reds, by Samuel Crowther. In my opinion the article is altogether stupid and wholly ineffective insofar as the average reader of intelligence is concerned. The article develops the idea that the distribution of wealth in the United States is altogether reasonable; and that the arguments of the people who sound off about production for use and the redistribution of wealth, while their arguments may sound plausible, are none of them founded on fact.

I call your attention to a speech appearing in the February 8 issue of the CONGRESSIONAL RECORD, page 1714, by Senator BLACK, of Alabama. The following paragraphs appear in this speech:

"For a number of years up to 1929 the share of the national income going to the farmer and the wage earner has been rapidly descending, while the share of the national income going to those with incomes so large that they do not buy consumable goods has been rapidly increasing.

"This is illustrated by the fact that from 1909 to 1929 the farmers' share decreased 50 percent.

"During that same period the number drawing incomes over $25,000 increased from 40,000 people in 1921, to 102,000 people in 1929, and their total increase went from $2,000,000,000 to $8,000,000,000.

"In 1921 there were 21 people with an income of over a million dollars, and in 1929 this number had risen from 21 people to 513. The increase of income of those receiving over a million dollars has ascended from $49,000,000 in 1921 to $1,200,000,000 in 1929.

"A striking example of the difference between the small income families who buy the consumable goods of the Nation and the large incomes is that in 1929 one-tenth of 1 percent of the families of the United States at the top of the income list received as much income as 42 percent of the families at the bottom of the list. In other words, about 144,000 people received an income of about $10,000,000,000, and at the same time and in the same year 47,000,000 people received incomes of about $10,000,000,000.

"There is nothing strange about the fact that after 1929 the collapse of business occurred. Business had failed to distribute to its worker-purchasers a sufficient amount of income to buy its goods. Greed had reached such a point in 1929 that 513 people received as much income as 8,000,000 people."

The facts set up by Senator BLACK in his speech are all substantiated by a recent study entitled "America's Capacity to Consume", published by the Brookings Institution, of Washington, D. C. As everyone knows this is an eminently conservative research foundation.

I am sending you a copy of the CONGRESSIONAL RECORD for that date so that you may have the opportunity to read all of Senator BLACK's speech. In justice to the members of Elkdom I would suggest that you publish Senator BLACK's speech, giving it the same prominence that you have given Mr. Crowther's article.

Very sincerely yours,

THOMAS R. AMLIE.

LEAVE OF ABSENCE

Mr. GRAY of Indiana was given leave of absence for 1 week, on account of illness.

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the business on Calendar Wednesday tomorrow be dispensed with in order to give opportunity to continue the consideration of the War Department bill.

The SPEAKER. Is there objection?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 932. An act to postpone the effective date of certain restrictions respecting air mail contracts; and

S. 1144. An act to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Wednesday, February 20, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, Feb. 20, 10 a. m.)

Public hearings, room 445, House Office Building, on the following bills; H. R. 146, H. R. 2739, and H. R. 5265, authorizing short form of naturalization for certain veterans of World War. H. R. 5799, declaring a citizen of the United States who votes in a foreign country loses his or her citizenship. H. R. 5839, providing for the shortening of stay in this country of aliens for spreading certain propaganda.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

225. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal year 1935 in the sum of $166,590, and a

supplemental estimate of appropriation for the fiscal year 1935 to remain available until June 30, 1936, in the sum of $135,000, amounting in all to $301,590, for the Department of Justice (H. Doc. No. 100); to the Committee on Appropriations and ordered to be printed.

226. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal year 1935, amounting to $8,806.75, and draft of a proposed provision pertaining to an existing appropriation for the Navy Department (H. Doc. No. 101); to the Committee on Appropriations and ordered to be printed.

227. A communication from the President of the United States, transmitting an estimate of appropriation for the Navy Department for printing historical and naval documents, for the fiscal year 1936, amounting to $10,000, which is supplemental to the estimate of $10,000 contained in the Budget for the fiscal year 1936 (H. Doc. No. 102); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PARKS: Committee on Appropriations. H. R. 5913. A bill making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes; without amendment (Rept. No. 159). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1299. A bill giving jurisdiction to the Court of Claims to hear and determine the claim of the Cherokee Fuel Co.; with amendment (Rept. No. 160). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2126. A bill for the relief of Hugh G. Lisk; without amendment (Rept. No. 161). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2132. A bill to extend the benefit of the United States Employment Compensation Act to Frank A. Smith; with amendment (Rept. No. 162). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2157. A bill for the relief of Howard Donovan; with amendment (Rept. No. 163). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2185. A bill for the relief of the estate of Marcellino M. Gilmette; with amendment (Rept. No. 164). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2204. A bill for the relief of Robert M. Kenton; without amendment (Rept. No. 165). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2265. A bill for the relief of William Lyons; without amendment (Rept. No. 166). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2327. A bill for the relief of Chellis T. Mooers; with amendment (Rept. No. 167). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2353. A bill for the relief of the Yellow Drivurself Co.; with amendment (Rept. No. 168). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2386. A bill for the relief of the estate of Harry F. Stern; without amendment (Rept. No. 169). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2422. A bill for the relief of James O. Greene and Mrs. Hollis S. Hogan; with amendment (Rept. No. 170). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2443. A bill for the relief of Milton Hatch; with amendment (Rept. No. 171). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2449. A bill for the relief of Floyd L. Walter; without amendment (Rept. No. 172). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2464. A bill for the relief of C. H. Hoogendorn; with amendment (Rept. No. 173). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2473. A bill for the relief of William L. Jenkins; with amendment (Rept. No. 174). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2487. A bill for the relief of Bernard McShane; with amendment (Rept. No. 175). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2551. A bill for the relief of C. B. Dickinson; with amendment (Rept. No. 176). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2603. A bill for the relief of Anna Kotnyek; with amendment (Rept. No. 177). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2606. A bill for the relief of the estate of Paul Kiehler; with amendment (Rept. No. 178). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2663. A bill for the relief of Mrs. William G. Sirrine; with amendment (Rept. No. 179). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2679. A bill for the relief of Ladislav Cizek; with amendment (Rept. No. 180). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2680. A bill for the relief of Mary F. Crim; without amendment (Rept. No. 181). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2683. A bill for the relief of Henry Harrison Griffith; with amendment (Rept. No. 182). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2689. A bill to extend the benefits of the Employers' Liability Act of September 7, 1916, to Mary Ford Conrad; with amendment (Rept. No. 183). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2690. A bill for the relief of John B. Grayson; without amendment (Rept. No. 184). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 3797. A bill for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.; without amendment (Rept. No. 185). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 615. A bill for the relief of Meta De Rene McLoskey; without amendment (Rept. No. 186). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 2439. A bill authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N. J.; without amendment (Rept. No. 187). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 2501. A bill for the relief of Mrs. G. A. Brannan; without amendment

(Rept. No. 188). Referred to the Committee of the Whole House.

Mr. BEITER: Committee on War Claims. H. R. 1366. A bill for the relief of Stanley A. Jerman, receiver for A. J. Peters, Co., Inc.; without amendment (Rept. No. 189). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 255. An act for the relief of Margaret L. Carleton; without amendment (Rept. No. 190). Referred to the Committee of the Whole House.

Mr. DEEN: Committee on War Claims. H. R. 4147. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn; without amendment (Rept. No. 191). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs: H. R. 3911. A bill for the relief of Sarah J. Hitchcock; without amendment (Rept. No. 192). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 3365. A bill for the relief of Lily M. Miller; without amendment (Rept. No. 193). Referred to the Committee of the Whole House.

Mr. HARTER: Committee on Military Affairs. H. R. 5882. A bill for the relief of Claude Cyril Langley; without amendment (Rept. No. 194). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. Senate Joint Resolution 24. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital; without amendment (Rept. No. 195). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 492) granting a pension to Paul Chick; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 1158) granting a pension to George R. Miller; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 5685) granting a pension to Margaret M. Warner; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4434) granting a pension to Cordie Brandenburg; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 5316) granting an increase of pension to Cecelia A. Burns; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2924) granting a pension to Frances C. Liebman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2493) for the settlement of claim of the heirs of Richard H. Mahan and Eliza J. Mahan, his wife, formerly Eliza J. Nicholls, arising out of the confiscation of cotton during the Civil War, and for other purposes; Committee on Invalid Pensions discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PARKS: A bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

By Mr. BURNHAM: A bill (H. R. 5914) to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936; to the Committee on Coinage, Weights, and Measures.

By Mr. DICKSTEIN: A bill (H. R. 5915) to clarify Revised Statute 104 (U. S. C., title 2, sec. 194); to the Committee on the Judiciary.

By Mr. HOFFMAN: A bill (H. R. 5916) to authorize the conveyance by the United States to the State of Michigan of the former United States Lighthouse Supply Depot, St. Joseph, Mich., for State naval force purposes; to the Committee on Naval Affairs.

By Mr. LLOYD: A bill (H. R. 5917) to appoint an additional circuit judge for the ninth judicial circuit; to the Committee on the Judiciary.

By Mr. KOPPLEMANN: A bill (H. R. 5918) to provide for the creation of an Intermediate Credit Corporation for commerce and industry, to aid in financing small and medium-sized commercial and industrial establishments, and for other purposes; to the Committee on Banking and Currency.

By Mr. MILLARD (by request): A bill (H. R. 5919) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. WALTER: A bill (H. R. 5920) to authorize the conveyance of certain Government land to the Borough of Stroudsburg, Monroe County, Pa., for street purposes and as a part of the approach to the Stroudsburg viaduct on State Highway Route No. 498; to the Committee on Public Buildings and Grounds.

By Mr. DIES: A bill (H. R. 5921) to authorize the prompt deportation of criminals and certain other aliens, to guard against the separation from their families of certain law-abiding aliens, to further restrict immigration into the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. FULMER: A bill (H. R. 5922) to continue the Cotton Control Act, to exempt a limited quantity of cotton from the tax thereunder, to provide for the better administration of such act, and for other purposes; to the Committee on Agriculture.

By Mr. LEE of Oklahoma: A bill (H. R. 5923) to provide for cooperation by the Federal Government with the several States and Territories in meeting the immediate crisis in public education; to the Committee on Education.

By Mr. MEAD: A bill (H. R. 5924) to revise air mail laws and to authorize the Postmaster General to extend the air mail service; to the Committee on the Post Office and Post Roads.

By Mr. PIERCE: A bill (H. R. 5925) to add certain lands to the Malheur National Forest in the State of Oregon; to the Committee on Agriculture.

By Mr. RAMSPECK: A bill (H. R. 5926) to amend sections 1, 9, and 16 of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK: A bill (H. R. 5927) to provide for the construction of four vessels for the Coast Guard designed for ice-breaking and assistance work; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: A bill (H. R. 5928) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals, and for other purposes; to the Committee on Mines and Mining.

Also (by request), a bill (H. R. 5929) to promote the efficiency of national defense; to the Committee on Military Affairs.

By Mr. BURDICK: Resolution (H. Res. 119) for the appointment of a special committee of five or more Members of

the House on emergency relief legislation; to the Committee on Rules.

By Mr. LAMBETH: Resolution (H. Res. 120) authorizing the printing of additional copies of the report of the Federal Coordinator of Transportation for 1934; to the Committee on Printing.

By Mr. FULMER: Joint Resolution (H. J. Res. 176) authorizing the distribution of 500,000 bales of nontenderable grades cotton to the American National Red Cross and other organizations for relief of needy and distressed people; to be purchased on the cotton markets of the United States; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of North Dakota, regarding the immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Illinois, supporting antilynching legislation; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Nebraska, memoralizing Congress to purchase the Daniel Freeman farm in Gage County, Nebr., for the purpose of marking the filing of homestead no. 1; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Nebraska, regarding the production of a motor fuel to contain grain alcohol; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Arizona, memorializing Congress for an adequate appropriation for the United States Bureau of Mines; to the Committee on Mines and Mining.

Also, memorial of the Legislature of the State of Kansas, supporting House bill 2024; to the Committee on War Claims.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 5930) granting an increase of pension to Thomas G. Nesseth; to the Committee on Pensions.

By Mr. BACON: A bill (H. R. 5931) to authorize Lt. Comdr. Edward O. McDonnell, United States Naval Reserve, to accept certificate and Distinguished Service Cross from the Italian Government; to the Committee on Naval Affairs.

By Mr. CRAWFORD: A bill (H. R. 5932) granting a pension to Eleanor R. Gage; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 5933) for the relief of Addie T. Caughman and Grace Roberts; to the Committee on Claims.

By Mr. FOCHT: A bill (H. R. 5934) granting a pension to Edna B. Hartley; to the Committee on Invalid Pensions.

By Mr. GILDEA: A bill (H. R. 5935) for the relief of Jonathan A. Steiner; to the Committee on Military Affairs.

Also, a bill (H. R. 5936) for the relief of Charles J. Gallagher; to the Committee on Military Affairs.

Also, a bill (H. R. 5937) for the relief of Martha Palitis; to the Committee on Claims.

Also, a bill (H. R. 5938) for the relief of Harvey A. Wildermuth, alias William H. Berkey; to the Committee on Military Affairs.

By Mr. GRISWOLD: A bill (H. R. 5939) for the relief of the Barnhart Book Store (Allen W. Barnhart, proprietor); to the Committee on Claims.

By Mr. HALLECK: A bill (H. R. 5940) granting an increase of pension to Laura E. Boze; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 5941) for the relief of Francis F. Kingsley; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 5942) for the relief of Harold E. Smith; to the Committee on Claims.

Also, a bill (H. R. 5943) to correct the naval record of Edward Leslie Sanderson; to the Committee on Naval Affairs.

By Mr. KOCIALKOWSKI: A bill (H. R. 5944) for the relief of Roman Karp; to the Committee on Military Affairs.

By Mr. KRAMER: A bill (H. R. 5945) for the relief of George F. Anderson and Vera D. Anderson; to the Committee on Claims.

By Mr. LUCKEY: A bill (H. R. 5946) granting an increase of pension to Laura A. Smith; to the Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H. R. 5947) for the relief of Elsie Segar; to the Committee on Claims.

By Mr. MONTET: A bill (H. R. 5948) authorizing the Secretary of War to award a Distinguished Service Medal to Gaston J. Theriot; to the Committee on Military Affairs.

Also, a bill (H. R. 5949) for the relief of Agnes Putnam Booth; to the Committee on Claims.

Also, a bill (H. R. 5950) for the relief of Clifton Francis Roche; to the Committee on Naval Affairs.

By Mr. PETERSON of Georgia: A bill (H. R. 5951) granting a pension to Bertha C. Laux; to the Committee on Pensions.

Also, a bill (H. R. 5952) granting a pension to Frederick Joseph Trott; to the Committee on Pensions.

Also, a bill (H. R. 5953) granting a pension to Vonnie D. Bright; to the Committee on Pensions.

Also, a bill (H. R. 5954) granting a pension to William F. Clohessy; to the Committee on Pensions.

Also, a bill (H. R. 5955) granting a pension to Joseph M. White; to the Committee on Pensions.

Also, a bill (H. R. 5956) for the relief of the heirs of Sarah P. Nix; to the Committee on War Claims.

By Mr. RAMSPECK: A bill (H. R. 5957) for the relief of Lt. Thomas T. Mayo; to the Committee on Claims.

Also, a bill (H. R. 5958) to allow the Distinguished Service Cross for service in the World War to be awarded to Sgt. Samuel E. Swann; to the Committee on Military Affairs.

By Mr. REECE: A bill (H. R. 5959) granting a pension to Minnie Horner; to the Committee on Invalid Pensions.

By Mr. RICHARDSON: A bill (H. R. 5960) for the relief of Paul Henry Reeser; to the Committee on Naval Affairs.

Also, a bill (H. R. 5961) for the relief of Franklin Lewis Woodruff; to the Committee on Naval Affairs.

Also, a bill (H. R. 5962) granting an increase of pension to Catherine A. Wolf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5963) for the relief of Clarence Fies; to the Committee on Naval Affairs.

Also, a bill (H. R. 5964) for the relief of Carl F. Yeager; to the Committee on Military Affairs.

Also, a bill (H. R. 5965) granting a pension to Annie B. Pott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5966) granting an increase of pension to Matilda Ely; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5967) granting a pension to Florence G. Miller; to the Committee on Pensions.

By Mr. SCRUGHAM: A bill (H. R. 5968) authorizing the western bands of the Shoshone Tribe of Indians, as defined herein, to sue in the Court of Claims; to the Committee on Claims.

By Mr. STACK: A bill (H. R. 5969) for the relief of Thomas H. McLain; to the Committee on Claims.

Also, a bill (H. R. 5970) for the relief of Israel Rickter; to the Committee on Claims.

Also, a bill (H. R. 5971) for the relief of Charles Pine; to the Committee on Claims.

By Mr. SUTPHIN: A bill (H. R. 5972) granting a pension to Mrs. Vincent Applegate Clayton; to the Committee on Pensions.

By Mr. TAYLOR of South Carolina: A bill (H. R. 5973) granting a pension to Paul T. King; to the Committee on Pensions.

Also, a bill (H. R. 5974) for the relief of Thelma L. Edmunds, Mrs. J. M. Padgett, Myrtis E. Posey, Mrs. J. D.

Mathis, Sr., Fannie Harrison, Annie R. Colgan, and Grace Whitlock; to the Committee on Claims.

By Mr. UNDERWOOD: A bill (H. R. 5975) granting a pension to Elmer E. Finley; to the Committee on Pensions.

Also, a bill (H. R. 5976) granting a pension to Emma Blosser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5977) granting a pension to Alice M. Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5978) granting a pension to Fannie Brittingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5979) granting a pension to George W. Bowen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5980) granting a pension to Carrie Lane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5981) granting a pension to Debbie Klingler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5982) granting a pension to Mary Emma Bussard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5983) granting a pension to Josephine Farris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5984) granting a pension to William Conrad; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5985) granting a pension to Mary Whitcraft Conkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5986) granting a pension to Orlando Kildow; to the Committee on Pensions.

Also, a bill (H. R. 5987) granting a pension to Margaret Keeley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5988) granting a pension to Stella Littlejohn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5989) granting a pension to Willard Fulk; to the Committee on Pensions.

Also, a bill (H. R. 5990) granting a pension to John W. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5991) granting a pension to Surelda J. Gilpin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5992) granting a pension to Fannie Himes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5993) granting a pension to Mary M. Nichols; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5994) granting a pension to Maud E. Morrow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5995) granting a pension to Eliza McBroom Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5996) granting an increase of pension to Eliza Noble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5997) for the relief of Esther M. Frey; to the Committee on Claims.

Also, a bill (H. R. 5998) granting an increase of pension to Martha Buckingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5999) granting an increase of pension to Mary E. Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6000) granting an increase of pension to Margaret J. Cutright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6001) granting an increase of pension to Mary M. Devol; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6002) granting an increase of pension to Nancy Consolver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6003) granting an increase of pension to Delilah Coffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6004) granting an increase of pension to Ida S. Fasnaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6005) granting an increase of pension to Susanah Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6006) granting an increase of pension to Katherine Meyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6007) granting an increase of pension to Alatha Hickman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6008) granting an increase of pension to Nettie Huffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6009) granting an increase of pension to Anna Hudson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6010) granting an increase of pension to Mary A. Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6011) granting an increase of pension to Julia A. Hull; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1559. By Mr. ANDREWS of New York: Memorial of the Polish National Alliance of the United States, Group 347 of Niagara Falls, N. Y., requesting Congress to enact legislation commemorating the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

1560. Also, resolution adopted by the Board of Supervisors of Niagara County, N. Y., urging the Congress to enact legislation to preserve the scenic beauty of Niagara Falls; to the Committee on Foreign Affairs.

1561. Also, memorial of the Polish National Alliance of the United States, Group 689 of Buffalo, N. Y., requesting Congress to enact legislation commemorating the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

1562. By Mr. BERLIN: Petitions of Groups 1211 of Mammoth, 364 of Mt. Pleasant, 2213 of Monessen, and 2357 of Latrobe, Polish National Alliance of the United States of North America, all of the State of Pennsylvania, memorializing the Congress of the United States to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

1563. By Mr. BUCKLER of Minnesota: Petition of C. B. Crandall, South St. Paul, Minn., president of the Central Co-Operative Association (a Northwest States cooperative livestock selling agency), and its members, praying for the passage of an amendment to the administration farm-credit law providing for a reduction of interest rate on land-bank loans from the now 4½ to 3½ percent; to the Committee on Agriculture.

1564. Also, petition of George A. Malone, William and Myrtle Harding, of Bemidji, and about 700 other citizens of the communities of Bemidji, Turtle River, Tenstrike, Wilton, Solway, and Blackduck, Minn., praying for passage into law of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

1565. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, protesting against the provision of the Revenue Act of 1934 requiring publicity on income-tax returns and urging its repeal; to the Committee on Ways and Means.

1566. By Mr. DEMPSEY: Petition of the Legislature of the State of New Mexico; to the Committee on Ways and Means.

1567. By Mr. ENGLEBRIGHT: Senate Joint Resolution No. 1, California State Legislature, January 26, 1935, memorializing Congress to provide compensation, in lieu of taxes, for certain lands of the United States, within the borders of the several States; to the Committee on Ways and Means.

1568. By Mr. GUYER: Petition of citizens of Kansas City, Kans., praying for an old-age-pension law; to the Committee on Labor.

1569. By Mrs. KAHN: Petition of employees of the Reece Button Hole Machine Co., San Francisco, Calif., opposing any measure designed to limit further by statute the working hours per week in industry; to the Committee on Labor.

1570. By Mr. KRAMER: Resolution of the City Council of Sacramento, Calif., relative to air mail transportation on the Pacific coast route; to the Committee on the Post Office and Post Roads.

1571. Also, resolution of the Congress for Permanent Rehabilitation, Los Angeles, relative to carrying out of the Federal Emergency Relief Act, etc.; to the Committee on Appropriations.

1572. Also, resolution of St. Kevin's Holy Name Society, Los Angeles, Calif., relative to the religious situation in Mexico; to the Committee on Foreign Affairs.

1573. Also, resolution of Redlands Lodge No. 583 of the Benevolent and Protective Order of Elks, Redlands, Calif.; to the Committee on Foreign Affairs.

1574. By Mr. LEWIS of Maryland: Petition of certain citizens of Garrett County, Md., with reference to old-age-pension legislation; to the Committee on Ways and Means.

1575. By Mr. MEAD: Petition of Edison Post, No. 431, American Legion, Los Angeles, Calif., requesting that the present air mail law be permanently amended to provide that no restriction be made to any predetermined total mileage of routes or of miles flown, or to any formal designation such as "primary, secondary", and the like; to the Committee on the Post Office and Post Roads.

1576. By Mr. MILLARD: Petition of Dr. Errold D. Collymore, of White Plains, N. Y., and 771 other residents in the Twenty-fifth Congressional District of New York, urging the enactment of the antilynching bill; to the Committee on the Judiciary.

1577. By Mr. MURDOCK: Petition of the Uintah Basin Railroad League and the Moffat Tunnel League, praying that the Denver & Salt Lake Railroad be required to remain an independent line, or that it be alined with the Rock Island or Union Pacific system in order that it may ultimately be extended through northwestern Colorado and northeastern Utah to the Salt Lake Valley, etc.; to the Committee on Interstate and Foreign Commerce.

1578. By Mr. PETTENGILL: Memorial of the Legislature of the State of Indiana, for the improvement of the harbor at Michigan City, Ind.; to the Committee on Rivers and Harbors.

1579. By Mr. PFEIFER: Petition of Bricklayers' Union, Local No. 9, Brooklyn, N. Y., endorsing the McCarran prevailing rate of wage amendment; to the Committee on Labor.

1580. By Mr. ROGERS of Oklahoma: Petitions of certain citizens resident of the State of Florida in the counties of Alachua, Bradford, Clay, Columbia, Duval, Escambie, Hillsboro, Jackson, Lake, Lee, Leon, Liberty, Marion, Okaloosa, Polk, Putnam, Suwanee, Taylor, Wakulla, and Watton, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1581. Also, petition of certain citizens resident of the State of Kentucky in the counties of Allen, Ballard, Boyd, Calloway, Cumberland, Daviess, Fayette, Hancock, Harlan, Henderson, Jefferson, Letcher, McCracken, Marshall, Mercer, Muhlenberg, Ohio, Simpson, Trigg, and Whitley, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1582. Also, petitions of certain citizens, resident of the State of Mississippi in the counties of Attala, Alcorn, Bolivar, Benton, Chickasaw, Copiah, Coahoma, Covington, Clarke, Clay, Calhoun, Carroll, De Soto, Franklin, Grenada, George, Holmes, Humphreys, Jefferson Davis, Kemper, Lowndes, Lauderdale, Lee, Lawrence, Leake, Lamar, Leflore, Monroe, Marshall, Montgomery, Madison, Neshoba, Noxubee, Oktibbeha, Panola, Pearl River, Pike, Pontotoc, Prentiss, Quitman, Rankin, Sunflower, Tate, Tallahatchie, Union, Walthall, Washington, Winston, Yalobusha, and Yazoo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1583. Also, petitions of certain citizens, resident of the State of Alabama in the counties of Autauga, Baldwin, Barbour, Bibb, Blount, Bullock, Butler, Chambers, Choctaw, Clarke, Clay, Coffee, Colbert, Conecuh, Covington, Crenshaw, Cullman, Dallas, De Kalb, Elmore, Escambia, Etowah, Geneva, Greene, Hale, Houston, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Limestone, Lowndes, Macon, Madison, Marengo, Marion, Marshall, Mobile, Montgomery, Morgan, Pickens, Pike, Talladega, Tallapoosa, Tuscaloosa, Walker, Wilcox, and Winston, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1584. Also, petitions of certain citizens, resident of the State of Tennessee in the counties of Bradley, Cumberland, Clay, Crockett, Chester, Carter, Cheatham, Cooke, Carroll, Dickson, Davidson, Fayette, Gibson, Giles, Grainger, Houston, Hardeman, Hardin, Hamilton, Humphreys, Hickman, Lauderdale, Lake, Maury, Marion, Morgan, Obion, Polk, Rutherford, Roane, Sullivan, Shelby, Smith, Sumner, Trousdale, White, Wayne, and Weakley, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1585. Also, petitions of certain citizens resident of the State of Illinois in the counties of Alexander, Cook, De Witt, Effingham, Franklin, Gallatin, Hamilton, Johnson, Lawrence, Lake, Macon, Marion, Massac, Pulaski, Randolph, St. Clair, and Vermilion, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1586. Also, petitions of certain citizens resident of the State of Georgia in the counties of Barrow, Carroll, Chatham, Coffee, Crisp, Calhoun, Dawson, Decatur, Emanuel, Franklin, Fulton, Grady, Green, Hall, Habersham, Irwin, Johnson, Jefferson, Jackson, Laurens, Lamar, Morgan, Macon, Madison, Pickens, Pike, Rabun, Rockdale, Richmond, Taylor, Tift, Telfair, Troup, Thomas, Union, and Worth, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1587. Also, petitions of certain citizens resident of the State of Virginia in the counties of Dickenson, Giles, Grayson, Lee, Pulaski, Pittsylvania, and Wythe, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1588. Also, petitions of certain citizens resident of the State of Oklahoma, in the counties of Lincoln, McIntosh, and Sequoyah, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1589. Also, petitions of certain citizens resident of the State of South Carolina, in the counties of Anderson, Aiken, Beaufort, Edgefield, Greenville, Richland, and Sumter, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1590. Also, petitions of certain citizens resident of the State of Ohio, in the counties of Hamilton and Mahoning, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1591. Also, petitions of certain citizens resident of the State of Arkansas, in the counties of Ashley, Chicot, Crawford, Crittenden, Craighead, Conway, Crenshaw, Cross, Desha, Jefferson, Lonoke, Logan, Morgan, Mississippi, Phillips, Perry, Pulaski, Poinsett, St. Francis, Shelby, Union, and Yell, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1592. Also, petitions of certain citizens resident of the State of North Carolina in the counties of Buncombe, Brunswick, Columbus, Duplin, Iredell, New Hanover, Pender, Rutherford, Vance, Yadkin, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1593. Also, petitions of certain citizens resident of the State of West Virginia in the counties of Braxton, Grant, Harrison, Lincoln, Mineral, McDowell, Mason, Marshall, Summers, and Webster, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1594. Also, petitions of certain citizens resident of the State of Kansas in the counties of Crawford and Neosha, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1595. Also, petitions of certain citizens resident of the State of Texas in the counties of Bowie, Burnet, Cherokee, Clay, Coleman, Gonzales, Harris, Henderson, Hopkins, Houston, Jefferson, Kaufman, Lee, Leon, Liberty, Matagorda, Milam, Newton, Parker, Polk, Robertson, Sabine, Tarrant, Walker, Wharton, Wise, and Young, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1596. Also, petitions of certain citizens resident of the State of Missouri in the counties of Cedar, Jefferson, St. Louis, and Scott, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pension of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1597. Also, petitions of certain citizens resident of the State of Indiana in the counties of Henry and Posey, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1598. Also, petitions of certain citizens resident of the State of Louisiana in the parishes of Ascension, Allen, Bienville, Caldwell, Caddo, East Carroll, East Baton Rouge, Grant, Jackson, Livingston, Lincoln, Morehouse, Natchez, Natchitoches, Orleans, Pointe Coupee, Red River, Rapides, St. Mary, St. Charles, St. Landry, Sabine, St. James, St. Tammany, and Tangipahoa, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1599. Also, petition of certain citizens resident of the State of Arizona in the county of Coconino, numerously signed, urging the enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1600. Also, petition of certain citizens resident of the county of Lincoln in the State of Wyoming, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1601. Also, petition of certain citizens resident of the county of Allegany in the State of Maryland, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1602. By Mr. RUDD: Petition of Bricklayers' Union, Local No. 9, of Brooklyn, N. Y., concerning the McCarran amendment to House Joint Resolution 117; to the Committee on Ways and Means.

1603. By Mr. SANDERS of Texas: Petition of certain citizens resident of Tyler, county of Smith in the State of Texas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1604. Also, petition of certain citizens resident of De Berry, county of Panola in the State of Texas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1605. Also, petition of certain citizens resident of Pittsburg, county of Camp in the State of Texas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1606. Also, petition of certain citizens resident of the county of Rusk in the State of Texas, numerously signed, urging the enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1607. Also, petition of certain citizens resident of the county of Gregg in the State of Texas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1608. By Mr. SNYDER: Petition signed by John F. Petish, secretary, Polish National Alliance, Group No. 454, Uniontown, Pa.; memorializing Congress to enact legislation to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

1609. By Mr. STUBBS: Petition of the Kern County Bar Association of California, urging Congress to create two additional district judges for the southern district of California; to the Committee on the Judiciary.

1610. By Mr. TARVER: Petition of certain citizens resident of Ringgold, county of Catoosa in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per

month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1611. Also, petition of certain citizens resident of Acworth, county of Cobb in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1612. Also, petition of certain citizens resident of Austell, county of Cobb in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1613. Also, petition of certain citizens resident of Marietta, county of Cobb in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1614. Also, petition of certain citizens resident of Summerville, county of Chattooga, in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1615. Also, petition of certain citizens resident of Chickamauga, county of Walker, in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1616. Also, petition of certain citizens resident of Rome, county of Floyd in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1617. Also, petition of certain citizens resident of Waco, county of Haralson, in the State of Georgia, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1618. By Mr. TRUAX: Petition of W. M. Simmons and other citizens of Cleveland, Ohio, urging and demanding that Congress enact into law the old-age-pension bill sponsored and approved by Dr. J. E. Pope as embodied in House bill 2856; to the Committee on Ways and Means.

1619. Also, petition of Local Union No. 501 of the United Brick and Clay Workers of America, Uhrichsville, Ohio, requesting the Honorable ROBERT F. WAGNER, of the State of New York, to again introduce his labor-disputes bill in its original form at the convening session of Congress and urging their Senators and Representatives to support this bill in its amended form; to the Committee on Labor.

1620. Also, petition of F. H. Baril and other citizens of Lima, Ohio, urging that a bill be passed obligating the Government of the United States to pay every citizen of said Government whose record is free of habitual criminality and who has attained the age of 60 years a monthly pension of $200 until the end of his or her life, the sole conditions that he or she retires from all further business or profession for gain and agrees, under oath, to spend the entire amount of the pension within the confines of the United States during the current month in which it is received; to the Committee on Ways and Means.

1621. Also, petition of Local Union No. 19085, of the Hardesty Manufacturing Co., New Philadelphia, Ohio, requesting the Honorable ROBERT F. WAGNER, of the State of New York, to again introduce his labor-disputes bill in its original form at the convening session of Congress, and urging their Senators and Representatives to support this bill in its amended form; to the Committee on Labor.

1622. Also, petition of the Mahoning Veterans' Association, of Youngstown, Ohio, by their secretary, Carl E. Rook, memoralizing Congress to pass the necessary legislation to place the honorable discharged soldier who has reached the age of 60 on the same basis of pension as allowed by law to the Grand Army of the Republic veterans; a soldier with no dependents who is incarcerated in a Federal or State institution shall receive 20 percent of his pension during that period and those with dependents shall receive the full pension, 80 percent of which shall go to the dependents; to the Committee on Pensions.

1623. Also, petition of stockholders of the Wyandot National Farm Loan Association, by their secretary-treasurer, H. L. Wenner, Carey, Ohio, petitioning that the interest rate on all outstanding Federal land-bank loans be further reduced to 4 percent, as it is their opinion that a 1-percent margin on the large volume of Federal land-bank loans should provide sufficient earnings to pay all overhead and to set up an adequate reserve; to the Committee on Banking and Currency.

1624. Also, petition of S. White and numerous other residents of the District of Columbia, urging the passage of House bill 2856, the WILL ROGERS, of Oklahoma, old-age-pension bill (the Pope plan); to the Committee on Ways and Means.

1625. By Mr. TURNER: Petition signed by citizens of Lawrence County, Tenn., requesting the passage of the Townsend old-age-pension bill; also a Nation-wide Federal transactions sales tax; to the Committee on Ways and Means.

1626. Also, petition of citizens of Lawrence, Giles, and Dickson Counties, requesting the enactment of old-age-pension bill as sponsored by Dr. J. E. Pope; to the Committee on Ways and Means.

1627. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, relating to the cotton processing tax, so called, and for relief from the provisions thereof; to the Committee on Agriculture.

1628. By Mr. WOLCOTT: Petitions of William Kerr, of Bad Axe, Mich., and 148 other members of Verona Local, No. 159, of the Farmers' Union, urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1629. Also, petition of Abe A. Ruby, of Bay Port, Mich., and 49 other members of Pigeon Local, No. 124, of the Farmers' Union, urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1630. Also, petition of Frank Markel, of Richmond, Mich., and 49 other members of the Farmers' Union of Macomb County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1631. Also, petition of R. Patrick, of Deford, Mich., and 41 other members of the Farmers' Union of Tuscola County, Mich., urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1632. Also, petition of Harry C. Kennedy, of Port Austin, Mich., and 37 other members of Hume Township Local, No. 205, of the Farmers' Union, urging the prompt enactment of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

1633. By the SPEAKER: Petition of the National Air Reserve, Bloomington, Ill.; to the Committee on Ways and Means.

1634. Also, petition of the United Rubber Workers' Federal Labor Union, Akron, Ohio; to the Committee on Labor.

SENATE

WEDNESDAY, FEBRUARY 20, 1935

(Legislative day of Friday, Feb. 15, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 19, 1935, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 49) authorizing the use of public parks, reservations, and other public spaces in the District of Columbia; and the use of tents, cots, hospital appliances, flags, and other decorations, property of the United States, by Washington, D. C., 1935 Shrine Committee, Inc., and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 932. An act to postpone the effective date of certain restrictions respecting air-mail contracts; and

S. 1144. An act to further extend the time for constructing a bridge across the Missouri River at or near St. Charles, Mo.

CALL OF THE ROLL

Mr. GLASS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson
Austin	Cutting	Logan	Russell
Bachman	Davis	Lonergan	Schall
Bailey	Dickinson	Long	Schwellenbach
Bankhead	Dieterich	McAdoo	Sheppard
Barbour	Donahey	McCarran	Shipstead
Barkley	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gerry	Metcalf	Townsend
Brown	Gibson	Minton	Trammell
Bulkley	Glass	Moore	Truman
Bulow	Gore	Murphy	Tydings
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Walsh
Caraway	Hatch	Nye	Wheeler
Carey	Hayden	O'Mahoney	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	
Coolidge	King	Radcliffe	

Mr. LEWIS. I regret to announce that the junior Senator from Louisiana [Mr. OVERTON] is still detained from the Senate because of illness and that the Senator from New York [Mr. COPELAND] is absent because of illness in his family.

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present.

NATIONAL INDUSTRIAL RECOVERY ACT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 105)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Finance, and ordered to be printed, as follows:

To the Congress of the United States:

On May 17, 1933, I asked the Congress to "provide for the machinery necessary for a great cooperative movement throughout all industry in order to obtain wide reemployment, to shorten the working week, to pay a decent wage for the shorter week, and to prevent unfair competition and disastrous overproduction."

The National Industrial Recovery Act was passed by the Congress in June 1933, and the administrative machinery to carry it into effect was set up during the succeeding month.

It is worth remembering that the purpose of this law challenged the imagination of the American people and received their overwhelming support. Enforcement during the earlier life of the act was not a problem which gave the country concern, for the very good reason that public opinion served as an enforcing agency which potential violators did not dare to oppose. The immediate objective was to check the downward spiral of the great depression, and it met this objective and started us on our forward path. It is now clear that in the spring and summer of 1933 many estimates of unemployment in the United States were far too low, and we are therefore apt to forget today that the National Industrial Recovery Act was the biggest factor in giving reemployment to approximately 4,000,000 people.

In our progress under the act the age-long curse of child labor has been lifted, the sweatshop outlawed, millions of wage earners have been released from the starvation wages and excessive hours of labor. Under it a great advance has been made in the opportunities and assurances of collective bargaining between employers and employees. Under it the pattern of a new order of industrial relations is definitely taking shape.

Industry as a whole has also made gains. It has been freed, in part at least, from dishonorable competition brought about not only by overworking and underpaying labor but by destructive business practices. We have begun to develop new safeguards for small enterprises; and most important of all, business itself recognizes more clearly than at any previous time in our history the advantages and the obligations of cooperation and self-discipline, and the patriotic need of ending unsound financing and unfair practices of all kinds.

Hand in hand with the improving of labor conditions and of industrial practices we have given representation and consideration to the problems of the consuming public. And it is reasonable to state that with certain inevitable exceptions in the case of individual products there has been less gouging in retail sales and prices than in any similar period of increasing demand and rising markets.

The first codes went into effect in July 1933. Since then appromixately 600 have been added. The average age of these codes of fair competition which have been approved—90 percent of the coverable employments were under code—is less than 11 months, a brief time indeed for the definite achievements already made. Only carping critics and those who seek either political advantage or the right again to indulge in unfair practices or exploitation of labor or consumers deliberately seek to quarrel over the obvious fact that a great code of law, of order, and of decent business cannot be created in a day or a year.

We must rightly move to correct some things done or left undone. We must work out the coordination of every code with every other code. We must simplify procedure. We must continue to obtain current information as to the working out of code processes. We must constantly improve a personnel which, of necessity, was hastily assembled but which has given loyal and unselfish service to the Government of the country. We must check and clarify such provisions in the various codes as are puzzling to those operating under them. We must make more and more definite the responsibilities of all of the parties concerned.

This act, which met in its principles with such universal public approval and under which such great general gains have been made, will terminate on June 16, next. The fundamental purposes and principles of the act are sound. To abandon them is unthinkable. It would spell the return of industrial and labor chaos.

I, therefore, recommend to the Congress that the National Industrial Recovery Act be extended for a period of 2 years.

I recommend that the policy and standards for the administration of the act should be further defined in order to

clarify the legislative purpose and to guide the execution of the law, thus profiting by what we have already learned.

Voluntary submission of codes should be encouraged, but at the same time, if an industry fails voluntarily to agree within itself, unquestioned power must rest in the Government to establish in any event certain minimum standards of fair competition in commercial practices, and especially adequate standards in labor relations. For example, child labor must not be allowed to return; the fixing of minimum wages and maximum hours is practical and necessary.

The rights of employees freely to organize for the purpose of collective bargaining should be fully protected.

The fundamental principles of the antitrust laws should be more adequately applied. Monopolies and private price fixing within industries must not be allowed nor condoned. "No monopoly should be private." But I submit that in the case of certain natural resources, such as coal, oil, and gas, the people of the United States need Government supervision over these resources devised for the purpose of eliminating their waste and of controlling their output and stabilizing employment in them, to the end that the public will be protected and that ruinous price cutting and inordinate profits will both be denied.

We must continue to recognize that incorrigible minorities within an industry, or in the whole field of trade and industry, should not be allowed to write the rules of unfair play and compel all others to compete upon their low level. We must make certain that the privilege of cooperating to prevent unfair competition will not be transformed into a license to strangle fair competition under the apparent sanction of the law. Small enterprises especially should be given added protection against discrimination and oppression.

In the development of this legislation I call your attention to the obvious fact that the way to enforce laws, codes, and regulations relating to industrial practices is not to seek to put people in jail. We need other and more effective means for the immediate stopping of practices by any individual or by any corporation which are contrary to these principles.

Detailed recommendations along the lines which I have indicated have been made to me by various departments and agencies charged with the execution of the present law. These are available for the consideration of the Congress and, although not furnishing anything like a precise and finished draft of legislation, they may be helpful to you in your deliberations.

Let me urge upon the Congress the necessity for an extension of the present act. The progress we have been able to make has shown us the vast scope of the problems in our industrial life. We need a certain degree of flexibility and of specialized treatment, for our knowledge of the processes and the necessities of this life are still incomplete. By your action you will sustain and hasten the process of industrial recovery which we are now experiencing; you will lighten the burdens of unemployment and economic insecurity.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 20, 1935.*

REPORT OF ASSISTANT DIRECTOR GENERAL OF RAILROADS

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Interstate Commerce:

To the Congress of the United States:

I transmit herewith for the information of the Congress a letter from the Secretary of the Treasury, forwarding the annual report of the Assistant Director General of Railroads for the calendar year 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 20, 1935.*

(Note: Report accompanied similar message to the House of Representatives.)

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying paper, to the end that legislation may be enacted providing for an annual appropriation of $10,000 for the payment of the share of this Government in the expenses of the Pan American Institute of Geography and History, and requesting the President to invite the Pan American Institute of Geography and History to hold its second general assembly in the United States in 1935, and providing an appropriation of $10,000 for the expenses of such a meeting.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 20, 1935.*

(Enclosures: Report with accompanying paper.)

SENATE OFFICE BUILDING COMMISSION

The VICE PRESIDENT. The Chair appoints the Senator from Indiana [Mr. VAN NUYS] a member of the Senate Office Building Commission, to fill the vacancy caused by the expiration of the term of service of Hon. Phillips Lee Goldsborough.

BOARD OF DIRECTORS, COLUMBIA HOSPITAL FOR WOMEN

The VICE PRESIDENT. Under authority of the act of June 10, 1872, the Chair reappoints the Senator from Colorado [Mr. ADAMS] a director of the Columbia Hospital for Women.

BOARD OF DIRECTORS, COLUMBIA INSTITUTION FOR THE DEAF

The VICE PRESIDENT. Under authority of title 24, chapter 5, section 236, United States Code, the Chair reappoints the Senator from New York [Mr. COPELAND] a director of the Columbia Institution for the Deaf.

DISPOSITION OF USELESS RECORDS, INTERIOR DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, reporting relative to the disposition of useless records in accordance with House Report No. 1753, Seventy-third Congress, second session, which was ordered to lie on the table.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, Chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, the report of the Commission for the fiscal year ended June 30, 1934, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Old Age Pension Association of America in convention assembled at Orange, Tex., favoring the prompt enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Council of the City of Columbus, Ohio, favoring the enactment of appropriate legislation providing for submission to the people of the various States of constitutional amendments exempting from taxation and from sale on account of nonpayment of taxes every homestead to the extent of the first $3,000 valuation thereof, and also the enactment of legislation increasing inheritance, income, and public-utilities taxes, which were referred to the Committee on the Judiciary.

Mr. CAPPER presented petitions of members of the Salina Rifle Club and of the police department of Salina, Kans., praying for passage of Senate bill 3, to regulate commerce in firearms, which were referred to the Committee on Commerce.

Mr. MALONEY presented a petition of citizens of Bridgeport, Conn., praying for the enactment of legislation known as "The Workers' Unemployment, Old Age, and Social In-

surance Act", which was referred to the Committee on Finance.

He also presented resolutions adopted by Group No. 56, of Wallingford; Group No. 283, of Waterbury; Group No. 742, of Derby; Group No. 803, of Stamford; Group No. 1008, of Ansonia; Group No. 1194, of Meriden; and Group No. 1564, of Jewett City, all of the Polish National Alliance, in the State of Connecticut, favoring the enactment of pending legislation establishing October 11 of each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

Mr. NORBECK presented the following concurrent resolution of the Senate of the State of South Dakota, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 3

A concurrent resolution memorializing Congress for the passage of legislation relating to the furnishing of seed grain to farmers in the drought-stricken areas

Be it resolved by the senate (the house of representatives concurring), That—

Whereas the agricultural territory in South Dakota has suffered severe drought for the last 3 years, and that it will be necessary for the farmers of this State to secure aid in the purchase of seed grain for seeding purposes in the year 1935; and

Whereas the financial condition of the said agricultural district is such that the farmers are unable to pay cash for this seed grain, and there will be need for some settlement otherwise than by cash payment: Therefore be it

Resolved by the senate of the twenty-fourth session (house of representatives concurring), That we respectfully urge the Congress of the United States to enact such legislation as may be necessary so that the seed grain so furnished shall be paid for by a return bushel for bushel for the seed so furnished, and in addition thereto, that any handling charge expended by the Government of the United States shall be paid by such added amount of grain as will compensate the United States for such service; and be it further

Resolved, That the secretary of the senate be instructed to send a copy of this resolution to the South Dakota delegation in Congress.

ROBERT PETERSON,
President of the Senate.
W. J. MATSON,
Secretary of the Senate.

PUBLICATION OF PERSONAL INCOME-TAX RETURNS

Mr. FLETCHER presented the petition of the Sentinels of the Republic, protesting against the "inquisitorial publication of the personal incomes of citizens", which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Petition to the Congress of the United States protesting against the inquisitorial publication of the personal incomes of citizens

To the honorable Members of the Senate and House of Representatives:

We present this petition against the statute hastily enacted by the outgoing Congress requiring all persons filing personal income-tax returns in the Nation to give written statements of their private incomes for posting in United States post-office buildings or other public places.

The practice of no free nation requires such exposure of the private affairs of citizens to satisfy the morbid curiosity of the envious and of gossips.

Posting of the incomes of taxpayers will show an inaccurate, incomplete, tentative, and untrue picture of the financial standing of the taxpayer. The taxpayer has no opportunity to show the proportion of his income he is using to employ self-respecting citizens who would otherwise be on the dole, nor does it reveal his contributions to charity; nor show the other taxes he pays to his Federal Government, to his State government, to his county, and to his municipal government.

This act will encourage mendicants and high-pressure collectors.

The prescribed posting of incomes will enable unscrupulous competitors and business enemies to take unfair advantage of taxpayers.

Untold injury will be done not only to citizens of large means, but citizens of modest means will suffer even greater hardship, and many of them eventual ruin.

The man who has a small business will reveal his modest income and the losses which attend the development of his business.

Doctors, engineers, lawyers, and other professional men whose incomes vary, may appear as failures, although, in fact, they may be successful.

The publication of income-tax returns of elderly business and professional men will show up to their clients and patrons their small incomes.

Young men will be embarrassed in the development of new undertakings by the exposing of their limited income.

Most serious of all, citizens will be made the victims of criminal racketeers, kidnapers, and underworld gangs.

This inquisitorial law is, moreover, an outrage to the right of privacy of all income-tax-paying citizens of the United States.

Your petitioners, in the cause of freedom and for the dignity and protection of self-respecting citizens, respectfully petition you to repeal section 55 (b) of the Revenue Act of 1934 and to take such action prior to March 15, 1935.

SENTINELS OF THE REPUBLIC,
By RAYMOND PITCAIRN,
National Chairman.

GENERAL PULASKI'S MEMORIAL DAY

Mr. HASTINGS presented a resolution of the Common Council of the City of Wilmington, Del., which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress

Whereas a resolution providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski, is now pending in the present session of the United States Congress; and

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the Union, through legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States of America has by legislative enactment designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, to be General Pulaski's Memorial Day in the United States of America: Now, therefore, be it

Resolved by the Common Council of the City of Wilmington and State of Delaware—

SECTION 1. That we hereby memorialize and petition the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in the United States Congress.

SEC. 2. That certified copies of this resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Representatives from Delaware.

Passed by the council February 14, 1935.

Attest:
[SEAL]

DAVID HOLLETT,
Clerk of the Council.

Mr. TOWNSEND presented a resolution adopted by Group No. 71 of the Polish National Alliance of the United States of North America, of Wilmington, Del., which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

A resolution memorializing Congress of the United States to enact House Joint Resolution 81 and Senate Joint Resolution 11, directing the President of the United States of America to proclaim October 11 of each year as "General Pulaski's Memorial Day" for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski

Whereas the 11th day of October 1779 is the date in American history of the heroic death of Brig. Gen. Casimir Pulaski, who died from wounds received on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of West Virginia, Illinois, Michigan, Tennessee, Indiana, Wisconsin, New York, Nebraska, Texas, Minnesota, Delaware, Maryland, Arkansas, New Hampshire, Pennsylvania, Missouri, Ohio, and other States of the Union, through legislative enactment designated October 11 of each year as "General Pulaski's Memorial Day"; and

Whereas it is fitting that the recurring anniversary of this day be commemorated with suitable patriotic and public exercises in observing and commemorating the death of this great American hero of the Revolutionary War: Therefore be it

Resolved by the Group No. 71 of the Polish National Alliance of the United States of North America, That the Group No. 71 of the Polish National Alliance of the United States of North America, with local headquarters at No. 900 Chestnut Street, city of Wilmington, and State of Delaware, respectfully memorialize the United States Congress to enact legislation which will provide for the effective carrying out of the provisions of the said resolution, whereby the President of the United States of America would be authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United

States on all governmental buildings on October 11 of each year and inviting the people of the United States to observe the day in schools and churches or other suitable places, with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

SEC. 2. The secretary of the Group No. 71 of the Polish National Alliance of the United States of North America is hereby directed to transmit a copy of this resolution to the Chairman of the House of Representatives Judiciary Committee, Washington, D. C., to the Chairman of the United States Senate Library Committee, and to each of the United States Senators and Representatives in Congress from the State of Delaware.

GROUP NO. 71 OF THE POLISH NATIONAL ALLIANCE
OF THE UNITED STATES OF NORTH AMERICA,
By JULIAN LENKIEWICZ, *President.*
JOSEPH LENCZEWSKI, *Secretary.*
TEODOR OLSZEWSKI, *Treasurer.*

REPORTS OF COMMITTEES

Mr. DIETERICH, from the Committee on the Judiciary, to which was referred the bill (S. 481) authorizing the filling of vacancies in certain judgeships, reported it without amendment and submitted a report (No. 129) thereon.

Mr. BILBO, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 4983) to authorize a transfer of forest-reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes, reported it without amendment and submitted a report (No. 130) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the joint resolution (H. J. Res. 140) to provide for the completion of the publication of the writings of George Washington, reported it with amendments.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 43) for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg boulevard connecting the present Lincoln Memorial, in the city of Washington, with the battlefield of Gettysburg, in the State of Pennsylvania, reported it with an amendment and submitted a report (No. 131) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, reported it with an amendment and submitted a report (No. 132) thereon.

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (S. 1616) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto, reported it with an amendment and submitted a report (No. 133) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 271) for the relief of James Foy, reported it without amendment and submitted a report (No. 134) thereon.

ADMINISTRATION OF CODES UNDER THE N. R. A.

Mr. HARRISON, from the Committee on Finance, to which was referred the resolution (S. Res. 79) for an investigation of certain charges concerning the administration of industrial codes by the National Recovery Administration (submitted by Mr. NYE and Mr. MCCARRAN on the 14th instant), reported it with an amendment and submitted a report (No. 128) thereon; and, under the rule, the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FRAZIER:

A bill (S. 1942) to repeal the act entitled "An act to grant to the State of New York and the Seneca Nation of Indians jurisdiction over the taking of fish and game within the Allegany, Cattaraugus, and Oil Spring Indian Reservations", approved January 5, 1927; to the Committee on Indian Affairs.

By Mr. ASHURST (by request):

A bill (S. 1943) to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking; to the Committee on the Judiciary.

By Mr. MALONEY:

A bill (S. 1944) for the relief of Ensign Stanley Harrison; to the Committee on Finance.

By Mr. JOHNSON:

A bill (S. 1945) granting an increase of pension to Mrs. Ernest Edwin Dailey; to the Committee on Pensions.

By Mr. ADAMS:

A bill (S. 1946) to provide for the construction of the Big Thompson Canyon Highway; to the Committee on Post Offices and Post Roads.

By Mr. WHEELER:

A bill (S. 1947) granting a pension to Frank Casey; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 1948) for the inspection of vessels propelled by internal-combustion engines; to the Committee on Commerce.

A bill (S. 1949) authorizing the President to order David J. Fitzgerald before a retiring board for a hearing of his case, and upon the findings of such board determine whether he be placed on the retired list; to the Committee on Military Affairs.

By Mr. HARRISON:

A bill (S. 1950) for the relief of Julius Crisler; to the Committee on Finance.

By Mr. MCNARY:

A bill (S. 1951) providing for a survey of the Skipanon River, Oreg.; to the Committee on Commerce.

By Mr. CAREY:

A joint resolution (S. J. Res. 62) relating to emergency cattle agreements under the Agricultural Adjustment Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 63) giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes incident to said encampment; to the Committee on the District of Columbia.

WORK-RELIEF PROGRAM—AMENDMENT

Mr. BYRD submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 117) making appropriations for relief purposes, which was ordered to lie on the table and to be printed, as follows:

On page 2, line 6, to strike out "$4,000,000,000" and insert in lieu thereof "$1,000,000,000."

AMENDMENT TO STATE, JUSTICE, ETC., DEPARTMENTS APPROPRIATION BILL

Mr. SHEPPARD submitted an amendment proposing that $60,000, or so much thereof as may be necessary, shall be made immediately available for all the purposes specified in Public Resolution No. 4, approved February 13, 1935, for the conduct of an engineering investigation, study, and report to the Secretary of State to determine the feasibility and best means of effecting the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international diversion dam near El Paso, Tex., etc., intended to be proposed by him to House bill 5255, the State, Justice, etc., Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

HEARINGS BEFORE COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. CONNALLY submitted the following resolution (S. Res. 87), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Public Buildings and Grounds, or any subcommittee thereof, hereby is authorized, during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense

thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

WORK-RELIEF PROGRAM

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nevada [Mr. McCARRAN] in the nature of a substitute for the amendment of the committee. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 7, beginning in line 13, to strike out all of section 6 of the committee amendment and to insert in lieu thereof the following:

SEC. 6. The President is authorized to prescribe, and shall give full publicity to, rules and regulations necessary to carry out the purpose of this joint resolution: *Provided, however,* That (a) such rules and regulations shall stipulate that the rates of wages paid to all laborers and mechanics employed by any contractor or subcontractor or by the public officer in charge for the United States or for the District of Columbia, for work done under this joint resolution, whether by contract or otherwise, involving the expenditure of any money appropriated by the resolution, need not be uniform throughout the United States but shall not be less than the prevailing rates of wages paid for work of a similar nature in the city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia; (b) rules and regulations prescribed under this section shall not abrogate any existing law.

Mr. McCARRAN. Mr. President, for a short time I shall address myself to the pending amendment to the pending House Joint Resolution 117. The pending amendment has been printed and is now in the hands of Senators. The amendment recommended by the committee and now in the bill as a committee amendment, as compared with the amendment which I had the privilege to offer in the committee and now offer before this body, is a matter for the consideration of Senators.

However much we may favor legislation that looks into the future, however much we may be willing to lend ourselves to the will and dominance of the executive department, however much we may admire the Executive—and no one admires him more than I do—there are certain cardinal principles which we as the representatives of sovereign States are bound to recognize and bound to perpetuate so far as our ability to do so is in keeping with the general trend of the times.

For nearly half a century America, working through its toiling masses, has gone forward for the benefit of the toiler. For nearly half a century labor, in its most lowly form and in every form, has striven to keep itself abreast of the times so that the American standard of living might be American in the first place and progressive at all times. We are now confronted with something which, I do not care how it may be regarded, challenges that which has been accomplished through the efforts of hundreds of thousands of toilers in this country for the past half century. I say it challenges that effort because, no matter how Senators may regard it, the pouring of $2,000,000,000 into the employment of labor in this country, the employment of 3,500,000 toilers, means something in the labor life of the Nation.

We are told—and I hope I do not misquote the record; I shall quote it just as favorably to the other side of this question as I possibly can—that $50 a month is to be an average wage. If $50 a month is to be an average wage, who is to receive less than $50 a month and who is to receive more?

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. McCARRAN. I yield.

Mr. LONG. I wonder if the Senator is familiar with the statistics which were compiled by the American Federation of Labor from Government bulletins and reports showing the amount necessary to enable a family to live in respectability at the present time.

Mr. McCARRAN. I think I am familiar with the statistics, and I think perchance every Senator here is familiar with them, because they have been available to each of the Members of this body.

Mr. LONG. My understanding is that those statistics show that even the prevailing wages existing are around $800 a year below the average amount necessary for respectable living for a family. If we are to reduce these wages below that average, it looks as though we are sinking further into the mire.

Mr. McCARRAN. The estimate, as testified to by those who came before the Senate Committee on Appropriations, is that each one taken off direct relief should receive $600 per year, or $50 a month, on an average. The amendment now pending does no violence to the purpose of the Executive if he proposes to limit the individual income to $50 per month.

The amendment now pending seeks only to carry into the future the benefits which have been acquired and established by the toil and struggle of the past. It does not seek to tear down the average of $50 a month. It only seeks to maintain a standard of wage, so that the American laborer who, by reason of being out of employment, is forced into employment taking him off relief, may look in the face his fellow employee who is working on a private job, and say, "I have not torn down your standard of wage; I have been forced into this condition; but, being forced into it, I at least have enough manhood left in me that I will not tear down that which supports your family."

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Texas?

Mr. McCARRAN. I yield.

Mr. CONNALLY. Has the Senator contemplated the fact that the greater the number of people employed, the higher will be the wage and the greater the protection to the wage structure? Is not the greatest threat to the wage structure the fact that there are eleven or twelve or fifteen million men without employment? The purpose of this joint resolution is to spread employment and employ more of them, and withdraw them in a sense from competition with the man who has a job.

Mr. McCARRAN. That is exactly what my amendment proposes to do. In reply to the learned Senator from Arizona [Mr. HAYDEN], who propounded to the Senator from New York [Mr. WAGNER] yesterday a question in which it was asserted that this amendment would require a greater appropriation, I put the simple illustration: Will 10 men doing a job for 1 day cost more than 1 man will cost for 10 days if the scale of wages is the same? If we have $2,000,000,000, and we propose to put men to work, can we not as well put more men to work, and do the work in a shorter time, and divide the $2,000,000,000, as we can spread it out and give only a little to a few?

Mr. President, there is nothing in the amendment which would destroy the efficacy of the program which we are told someone has in mind. I wish I could name that "someone." After three weeks of investigation in the Committee on Appropriations, with the record that has been placed in print here before the Senate, I wish someone would advise the members of the committee as to who has a program in mind. I am willing, however, to cut right through the labyrinth of guess and say that a far-sighted Executive whom I admire has it in mind, if no one else has it in mind. I would rather put it that way than to criticize anyone, because surely somebody arrived at the total of $4,880,000,000 through some process of thinking not as yet disclosed.

Enough of that. What we desire to do is not to tear down the wage structure of America. If we shall tear down the wage structure of this country, we will have done more harm than 10 times $5,000,000,000 would do in the way of good if poured out of the Federal Treasury.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. CONNALLY. The Senator from Texas no doubt was obscure in his question awhile ago.

Mr. McCARRAN. I am sorry I did not understand it.

Mr. CONNALLY. The point to which I was trying to direct the Senator's attention was this: Is it not true that the greatest threat to the wage structure is the millions of

unemployed men competing for jobs at any price at which they can get them?

Mr. McCARRAN. The Senator's statement is correct.

Mr. CONNALLY. Every time the Government removes one of those men from competition with those who are employed, no matter what the wage is, so long as he is given a job and put to work, are we not adding to the strength of the wage structure rather than destroying it?

Mr. McCARRAN. If the Senator had eliminated one parenthetical phrase he used, "no matter what the wage is", I should say "yes"; but the Senator did not see fit to do that. The maintenance of the wage structure is essential. It is essential not only to those who are employed in private industry but to those who go off direct relief and into work relief, because they immediately come into competition in every way with those who are engaged in private industry; and I will tell the Senator why.

Mr. CONNALLY. I was trying to direct the Senator's attention to the fact that those men are removed from competition. When they have been put to work on a job, in a sense they have been removed from competition with the man who has a job; but so long as they are idle they are possible strike breakers, they are possible competitors with the men who have jobs, who are employed, and they are possible competitors for a lower wage.

I wished to see if the Senator had thought of those things.

Mr. McCARRAN. I have thought of them. I have thought of them very carefully; but, of course, I cannot agree with the statement made in every respect. I agree that an army of three and a half million men out of employment constitute a competition with those who are employed, and I agree that there should not be a system of dole in this country. I am not for the dole. I am for work and for work relief; but I say that system of relief, that system of governmental policy should not come in competition with private industry.

Mr. STEIWER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Oregon?

Mr. McCARRAN. I yield to the Senator.

Mr. STEIWER. I desire to refer to the suggestion just made by the Senator from Texas [Mr. CONNALLY], which, if I understood him correctly, was that placing the unemployed laborer upon work relief would tend to enhance the wage-scale generally, because it would remove that laborer from competition with the man who has a job.

It is obvious that the suggestion is quite contrary to the purpose of the President, because the President's proposal is to allow a subsistence or security wage, and he declared to Congress in a very clear and well-phrased message that one of the objects of such a wage is to induce the laborer to go back into private employment whenever employment is offered him. So such a man is in the highest sense a competitor for jobs with those who have positions, and if the Presidential policy is to be carried out he will remain so. Therefore I desire to suggest, in further answer to what the Senator from Texas [Mr. CONNALLY] has said, that there is in the President's program no theory of general enhancement of wages due to noncompetition.

Mr. McCARRAN. I thank the Senator from Oregon.

Mr. CONNALLY. Mr. President, will the Senator from Nevada permit me to reply briefly to the Senator from Oregon?

Mr. McCARRAN. Certainly.

Mr. CONNALLY. In other words, the Senator from Oregon contends that a man who has a $50-a-month job is a greater competitor for a vacant job than a man who has no job, and is hungry, and is ready to work at $25 a month if he cannot do better. The great threat to the employed is the army of eleven or twelve or fifteen million men without any job, potential strike breakers, willing at any time to take a job at any wage in order to feed their wives and families; an army greater than that which was employed during the World War, greater than that which Genghis Khan or any of the conquerors led out of the wild wastes of Asia in attacking the civilization of the West. That is the threat to employment.

Mr. STEIWER. Mr. President, will the Senator from Nevada yield to me further?

Mr. McCARRAN. I yield.

Mr. STEIWER. I merely desire to apologize to the Senator from Nevada. I did not anticipate that I would so arouse the Senator from Texas, or I should not have interrupted the Senator from Nevada.

Mr. McCARRAN. Very well.

Mr. President, addressing myself to the thought which has been aroused by the Senator from Texas——

Mr. CONNALLY. The Senator does me too much honor when he insinuates that I aroused a thought.

Mr. McCARRAN. I never could do the Senator from Texas too much honor, because honor is always due to him. I wish to say that he may have thought of the matter from one angle, and some others may have thought of it from another angle. A man who is taken off direct relief, where he receives approximately $24 a month, and is given $50 a month, is still a competitor with the man who receives $150 a month, if we carry out the thought of the learned Senator from Texas. He is not content, either; so discontent will prevail unless there is maintained a wage scale and a wage standard for the man who is receiving $50 a month.

Someone who may not have thought this subject out may say, "How can you maintain a wage standard that is in keeping between a man who receives the $50 a month and one who receives $150 a month?" The answer is that the wage scale may remain the same. A man who has a trade, a craft—I do not care whether the word "union" be used or not—whose standard of wage has been fixed at a dollar an hour, using that as an illustration, will work during the month sufficient hours for him to earn $50. Who will take his place? Another goes in when he has earned his $50, and thus we employ two where only one would be employed. After the second one has earned his $50 another one will be brought in.

It may be said, "That will put a stop to all progress on these various projects." Not at all. That is not the case with private projects and private industry. There is a turnover of the employees in private industry. Why not a turnover of the employees in Federal industry?

The more we cut down the hours of labor—and in that direction I have gone along with the learned Senator from Alabama [Mr. BLACK], and I am going along with him again, and afford opportunity for employment of those who are out of employment—the more we give employment and the greater number we employ.

Therefore, with $2,000,000,000 of Federal money in our hands, we can well afford to bring in all the philosphy, all the splendid arguments, all the things thought out, by the author of what is known as the "Black bill", as they were presented before the Senate during the last session, and have been presented before the Committee on the Judiciary during the past 3 weeks. We can bring that philosophy in and employ more men with $2,000,000,000, and as it is found that the $50 a month average is not in keeping with that which will be afforded to them by private industry, so they will be absorbed into private industry, so they will go out of work relief into private industry.

But, Mr. President, if we say that the standard of wage in this country in Federal industry, on Federal projects, is to be an average of $50 a month, then we invite private industry to say to the man who is earning only $50 a month, "You are getting only $50 a month over there. Come over here and we will give you $75 a month."

The learned Senator from Texas says that an army of unemployed men constitute potential strike breakers and the like. What are we going to do; tear down the scale of wage by the dint of Federal influence, and thus create a condition conducive to strikes? Or are we going to tell the Federal Government, are we going to tell the world that America, a greater guardian of labor than any other nation, has said to its toiling masses, whether in or out of employment, "We recognize the toil, the struggle, the strife you have gone through for 50 years and, recognizing that and determined to maintain a standard of American living, we will write into

this law that which will maintain a standard of American living, and that which will say to industry, 'You cannot use the Federal Government to tear down the wage scale of this country. You are not going to use the money of the taxpayers to tear down that which has been accomplished through a struggle of half a century.'"

Mr. President, that is all that is sought by this amendment. There is not a word in the amendment which takes from the efficacy of the pending joint resolution. There is not a word in the amendment which interferes with the President going forward with his program. Whether one is for the program or against it, whether one is going to vote eventually for it or against it, he can, with propriety to himself and with a notice to the world that American labor is not to be torn down, vote to attach the amendment to the joint resolution, and hold it there.

Though it should ultimately mean the defeat of the measure, I would rather go down to defeat, even though I were an everlasting advocate of the joint resolution—which I am not—I would rather go down to defeat with the flag flying and, as Americans, standing for an American standard of living, than I would to vote this amendment down and say to the world, "We are going to tear down the wage scale of America", and thus give the 90 percent of our people who are toilers provocation to ask, "What in God's name is government made for if it is not to maintain the life of its citizens?"

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. COSTIGAN. If I follow the argument of the Senator from Nevada, the purpose of his amendment is twofold: First, to widen employment.

Mr. McCARRAN. That is correct.

Mr. COSTIGAN. Second, to maintain existing, prevailing, American standards of wages.

Mr. McCARRAN. The Senator is correct.

Mr. COSTIGAN. The argument impresses me as unanswerable.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. McCARRAN. I yield.

Mr. BLACK. I desire to be sure whether or not I understand fully the Senator's amendment. If I have correctly understood it, it is the Senator's idea that the amendment, if adopted, would still give to the employee, in the aggregate, a smaller amount than he would receive in private industry.

Mr. McCARRAN. It is not in the joint resolution, but it has been inferentially read into the measure by the record and testimony before the committee.

Mr. BLACK. Perhaps my question was not entirely clear. The views of the President as expressed in his message were that we wanted to make the pay on public projects of such a nature that it would induce those who were engaged in them to go into private industry at a higher wage when opportunity afforded.

If I understand the Senator's amendment, it would be in exact accordance with that viewpoint, and I want to see if I understand it. The Senator does not propose, for instance, to require that where a monthly wage in private industry is $150, the Government should employ a man and give him $150 a month?

Mr. McCARRAN. Not at all.

Mr. BLACK. So that if the Senator's amendment were adopted it would still be in line with the employees on public projects receiving a smaller amount, in the aggregate, than they would receive in private employment, but he would preserve the hourly scale——

Mr. McCARRAN. The wage structure.

Mr. BLACK. The daily scale, or the weekly scale, or the monthly scale. So that the effect of the amendment, according to his idea, would still leave the same inducement to go into private industry. The man, in other words, would receive less in the aggregate, but the Senator's amendment would, according to his idea as expressed, preserve the hourly, daily, weekly, or monthly standard?

Mr. McCARRAN. That is correct.

Mr. BLACK. So it is not, then, as I see it—and I understand the Senator is making that argument—against the idea that it would still leave sufficient inducement to employees to go into private industry if a man should receive employment.

Mr. McCARRAN. Mr. President, that is exactly what I have in mind. The Senator has expressed it even better than I myself could have expressed it.

Mr. BONE. Mr. President, will the Senator yield?

Mr. McCARRAN. If I may go on with one thought, I will then yield to the Senator, for what I am about to say is in keeping with the thought expressed by the observation of the Senator from Alabama.

This amendment if adopted would keep that inducement ever present whereby one who had come off the relief roll—and remember that we are going to draw only from those on relief—on received relief employment would still have another step of advancement, which would be to go into private employment; always keeping those three steps in mind, first, taking off of direct relief, where they now are, three and a half million men who are getting $24 a month; second, stepping them up to $50 a month; and then each one, still having in mind that his neighbor is drawing $150 a month, would have the chance to enter private industry when the opportunity afforded. That is the idea I have in presenting and in furthering this amendment. So that, while the President may carry out his $50-a-month plan he will not tear down the wage structure of this country, because the $50 a month will go to the individual on a scale of wage in keeping with his employment. He will probably not be employed the full month. He may be employed only a few hours or a week or 2 weeks, but his scale of wage will be the same; and he will always have in mind the place where a similar scale of wage is maintained in private industry to which he can go and get a full month's pay. That is the object and purpose of this amendment.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. McCARRAN. I yield.

Mr. COUZENS. Is it not a fact that under the committee amendment the President fixing a wage scale lower than the prevailing wage might require men working for contractors and doing like work, to work on different scales of wages?

Mr. McCARRAN. I am trying to catch the Senator's question. I hope I have it. That might be true. I may not have caught the Senator's question correctly.

Mr. COUZENS. As I read the committee amendment—I am not talking about the Senator's amendment——

Mr. McCARRAN. Yes; I understand.

Mr. COUZENS. I think the committee amendment is in such form that it is impossible of operation. In other words, if under this measure the President should let any of the work to a contractor and fix the wage, and I am employed by the same contractor, I may get 50 cents an hour and you employed also by him receive a dollar an hour.

Mr. McCARRAN. That is correct.

Mr. COUZENS. That seems to me to be a ridiculous situation and one which should not be permitted to exist.

Mr. McCARRAN. That is not all.

Mr. GLASS and Mr. BONE rose.

Mr. McCARRAN. Mr. President, I will yield to the Senator from Virginia and then to the Senator from Washington, if I may be permitted, first, to follow up the thought of the Senator from Michigan [Mr. COUZENS]. That is not all. The man on one side of the street may be getting $1 an hour or 50 cents an hour, and the man over here engaged on a Federal project may be drawing only $50 a month, and both of them doing the same line of work.

Here is still another suggestion in keeping with the Senator's very pertinent observation. Under the provisions of this measure, we have to use $50 a month as the average. I do not use the term "average" all the time, but I recognize that that is what it is, an average of $50 a month. Suppose a Federal project is let to contract and in the contract the provision is made that the workers shall not receive more

than an average of $50 a month in order to carry out the spirit of this law, and then suppose, after going through the labyrinth of inquisition which is provided, or conjecturally provided by the amendment reported by the committee, it is found that the contract is tearing down the scale of wages. What is going to be done with the contract? How are we going to get men to enter into a contractual relation with the Government for the construction of a project under such a condition? Their wage scale may be changed at any moment, and what becomes of the project? Are we going to allow this $2,000,000,000 to go into the construction of projects which will be only half constructed or never completed?

I think I promised to yield first to the Senator from Virginia.

Mr. GLASS. I yield to the Senator from Washington.

Mr. BONE. I do not want to divert the Senator from Nevada from his argument, but there is one thing which is disturbing some lawyers in this Chamber, and that is the provisions which are found in so many State laws and so many city charters—I suspect that every lawyer here is very familiar with them—which require such political subdivisions in the letting of public contracts to require of the contractor that he shall pay the prevailing scale of wages for the work performed in that community. Manifestly, if we are going to undertake to require the junking of all those statutes and the set-up of law which exists in many States, in mine for example, and I suspect in many other States, I do not know just where we would be.

I do not attempt to make an argument on the question. I should like to have the Senator, who is an able lawyer, express some opinion about that, because, in my judgment, that is going to be a disturbing factor.

I doubt if there is a sizable community in my State—and I will mention the cities of Seattle, Takoma, and Spokane, which are large cities, as an example—which would not be confronted with that sort of legal problem, and I suspect their city councils, their city attorneys, would have difficulty getting around that obstacle. The charters of those cities—and they all operate under charters—require that in the letting of contracts for the doing of work for them, the contractors shall agree to pay the going, prevailing scale of wages, and rather by common consent, with which I suspect the Senator from Nevada is familiar, that has been regarded as the union scale. I do not know of any other reasonable standard that can be set except that set by organized labor. I so regarded it at the time of my connection with a public body there, as I suppose most other lawyers have. I should like the Senator, if he can, to say what he thinks we might run into in the disbursement of these funds in connection with charter and statutory requirements of the character I have mentioned.

Mr. McCARRAN. I will attempt to answer the question; but I hardly suppose I can answer it, really, because I think it is almost unanswerable. It might perhaps be answered by saying that it will lead to one or both of two contingencies; that no projects may be commenced or undertaken under this appropriation which are within a community having such laws or regulations. That is the first contingency.

Mr. BONE. Would we have to abandon that statutory requirement?

Mr. McCARRAN. I can only answer that conjecturally. You would either abandon it or not get the benefit of these moneys.

Mr. BONE. I should like to have some of the other lawyers in this body advise us whether in their own States there are not legal requirements of similar character? I think we ought to examine that phase of this proposed law very carefully, because certainly we are going to run head-on into it, and unless such laws are abandoned or repealed and such charter provisions are stricken out there are probably hundreds of communities in this country which cannot get any of this money, and we had better advise ourselves carefully about that before we complete the consideration of this subject. I know cities in my State could not get money under this provision—at least I think they could not—and therefore I should like to get the Senator's views on the point suggested.

Mr. McCARRAN. The same situation prevails in other States, and, what is more, the condition might arise wherein a municipality would say, "We will set aside these laws because this is a Federal appropriation", or for some other excuse, and then employ men at $50 a month, with ensuing mental war or turmoil between the two classes, the one working for a municipality under one set of legalized wages, and the other working for the Federal Government under another set. There would be confusion.

I now yield to the Senator from Virginia. I apologize to him for not having yielded to him sooner.

Mr. GLASS. Mr. President, I do not now care to interrupt the Senator.

Mr. McCARRAN. Mr. President, with what are we dealing? It has been asserted or whispered around that this amendment is for the purpose of thwarting the objectives of the President, that it is for the purpose of undermining the policies of the President. As the author of this amendment I deny any such policy or purpose. It is for the purpose of augmenting the policies of the President, presuming that his policies are as broad and as splendid as everyone hopes those policies may be. It is for the purpose of writing into this proposed law a something which will guide the President onward, so that in keeping with the message he sent to us this morning he may build up rather than tear down, and we cannot build up anything greater or more worthy than to build up the toiling masses of this country.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Colorado?

Mr. McCARRAN. I yield.

Mr. COSTIGAN. As suggested by the able Senator from Nevada, the President, in his persuasive recommendation to the Congress this morning to continue the National Industrial Recovery Act, warned us against industrial and labor chaos. I take it that the purpose of the Senator from Nevada is to avoid that chaos.

Mr. McCARRAN. That is correct.

Now, Mr. President, I will leave the amendment with the Senate, with the hope that America, through the voice of the greatest deliberative body in the world, will say to the world that we recognize the toilers of this country, and that we propose that the wage scale for which they have struggled and for which they have gone through wars shall be maintained by the greatest appropriation bill that was ever heard of in the history of the world.

Mr. BYRD. Mr. President, when President Roosevelt came into office he faced a people who had lost confidence in the capacity of the Hoover administration to lead them out of the wilderness of mounting public debt, unbalanced budgets, and bad business. He found many of the banks of the Nation on the very brink of the pit of popular distrust. The President met this dangerous and tragic situation with wise and dramatic decision. He closed all the banks and announced that only those which were sound would be permitted to reopen.

The people responded to confident leadership, and substantial improvement in business has come slowly. This is recognized by wholly impartial studies as the new year's activities get under way. The improvement appears in an increase in industrial production, a reduction in the number of the unemployed, and a substantial rise in the price of all basic and farm commodities. And yet there are still 10,000,000 men out of employment and the President asks us to increase our public debt nearly 20 percent by appropriating nearly $5,000,000,000 in excess of our revenue for the construction of public works in order to give jobs to about one-third of these unemployed.

If this legislation shall be passed we will commit the United States to furnish jobs to the 3,500,000 on relief rolls now unemployed until, as the President says, they shall be absorbed by the rising tide of employment in private industry. It is a continuing obligation not only for this year, but for the

years to come. It will require huge additional appropriations for some time in the future. Many of the employables now on relief rolls do not have jobs even in normal times.

Mr. President, we are entering the second phase of our recovery; we are now beginning the sixth year of our war against the depression. The time has come when temporary and emergency legislation should yield to sound principles of gradual but substantial reductions in public spending, increasing our markets abroad, and giving confidence to private enterprise to go forward. There is a limit to the credit of even the richest nation in the world. The preservation of that credit is vital to the ability of this Government to preserve its power to serve the helpless and the needy and to give to all its citizens the security of just and orderly government.

All agree that the good credit of the United States is the foundation upon which any structure of recovery must be built. The President preserved that rock of our salvation when he restored confidence in the banks, for it is through the banks that the Government is enabled to market its billions of obligations. Today the banks hold about one-half the Government bonds. A decline of a few points in Government bonds would embarrass thousands of banks. The credit of the United States has remained unimpaired for a long time. It is unimpaired today. It must remain unimpaired in the long succession of tomorrows. It will not remain unimpaired long if we continue to spend in one budget nearly $9,000,000,000, when our income is little more than $4,000,000,000.

Another appropriation like this one will begin to weaken the confidence of investors who must buy Government bonds to finance this huge spending program. If we embark upon the policy of guaranteeing those out of work a job until absorbed by private industry by means of a costly public-works program such appropriations must continue beyond this pending budget.

Mr. President, in the latter part of 1929, when the signal gun for the depression was fired from Wall Street in the collapse of values, the Federal debt was $16,000,000,000. When President Roosevelt assumed office the debt was not quite $21,000,000,000. This administration had no responsibility for that debt. But President Roosevelt on March 10, 1933, expressed his apprehension that the continued deficits added to our debt were alarming, and that only a rigid economy could stop us on the road to national bankruptcy.

And yet, Mr. President, if the pending joint resolution shall be made law and this huge sum shall be spent, our national debt will be in excess of $34,000,000,000, more than twice the amount we owed when the collapse of our mad inflation under Harding, Coolidge, and Hoover startled us like a clap of thunder. It will be $9,000,000,000 more than the peak of the war debt.

With this $5,000,000,000 added we shall have spent in less than 6 years $18,000,000,000 more than our income. Our Federal appropriation bill as proposed for 1 year is nearly 5 percent of our total national wealth. It is one-fifth of the total gross income of the Nation for 1933. It is double—twice—the total cash income for 1932 of all the farmers of the United States. It is nearly five times the total net incomes returned by all corporations for 1932. It is nearly three times the total net taxable incomes of individuals for 1932. A tax of 1 percent on products of manufacture would yield the Government only $250,000,000. Therefore, we are spending this year a sum equal to the yield of a sales tax of 36 percent on products of manufacture.

These comparisons do not include the constantly mounting local and State taxes. In 1932 our States, counties, cities, and other subdivisions spent $9,562,615,000. Since then such expenditures have been increased so that if the pending measure shall be passed there will be spent next year by all governmental units and subdivisions nearly $20,000,000,000, which will be at least 40 percent of the total gross income of the Nation.

Mr. President, will $34,000,000,000 of Federal debt be the maximum? It will not be if this joint resolution shall be passed, because the course we are pursuing—borrowing money for public expenditures and increasing our enormous deficit each year—will chill the confidence of business men in the future prospects of reasonable profits, even though the credit of the Nation can stand the strain.

We remember the shock to the country some years ago when Congress first appropriated a single billion dollars and Thomas B. Reed, the then brilliant Republican Speaker of the House of Representatives, defended such action by saying that this was "a billion-dollar country." We have gone far and fast since then, and, if this measure shall be passed, the first item we must write in our future appropriation bills is more than $1,000,000,000 for interest alone on our public debt, an amount more than twice as great since the depression began.

I think in the present stage of our fight against the depression recovery can come only by: First, the assurance of a gradual reduction in governmental expenditures, so that within a reasonable time we shall have a balanced budget; second, conduct of government within an income that will not require excessive increases in Federal taxes; third, constructive efforts to regain our still diminishing foreign markets; fourth, assurance that individuals may develop a business without the fear of competition in that business by the Federal Government, or undue interference with the reasonable control of his business so long as he acts with a decent regard for the rights of others.

Business men must have faith in the future before they will venture; they cannot have faith unless they have good reason to believe that taxes will not absorb their reasonable profits; they cannot feel secure unless they believe that the currency will be sound and fairly stable; they will not invest freely new money unless they have confidence that the Government will protect them in their right to the property they own and their privilege to use that property in gainful pursuits.

Under our profit and loss system recovery depends on the will to work and upon the investments of those who have capital. Such men and women must not fear the unreasonable and excessive increase of taxes. But they know that such increase is inevitable if organized minorities combine to become organized majorities with the political power to raid the Treasury. This is the grave danger that threatens our democracy in the proposal in other pending legislation to add to our present pensioners more than 3,000,000 persons over 65, to guarantee by the measure before us a Federal job to three and a half million more; to appropriate millions of dollars more for the relief of the indigent and dependent children; and to establish an increasing army of Government employees to administer the bureaus that will distribute the Government money.

It is not fanciful to predict a day when those now being placed on the public rolls to receive cash benefits from the Treasury may consolidate with existing pensioners and employees and form a body of political influence that will control the Congress in more and more liberal appropriations to the members of such groups. Should that day come, the ultimate end will be the inability of the taxpayers to carry the load, and the impairment of the credit of a Government unable to balance its Budget or to sell its bonds at par.

Moreover, foreign markets for our exportable surplus of many products are necessary for genuine recovery. High taxes must be absorbed by the price of the product sold; must be added to the price; hence the higher the taxes paid in this country and the more we must get for our product in the foreign country, the greater will be the difficulty of meeting foreign competition.

Mr. President, some of us forget that the Government has no magic treasure chest. The Government must get the money it spends in two ways—either it must collect it in taxes or it must borrow it. Ultimately the taxpayers and the consumers must sustain the tremendous burden of government. The Government, when financing a majority of its annual expenditures by borrowing, sells tax-exempt bonds; hence the money so invested not only adds to the public debt but is withdrawn from the body of wealth from which the Government must obtain the income upon which to live and func-

tion. The very money the Government borrows reduces the taxable values from which it may gather taxes.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Virginia yield to the Senator from Idaho?

Mr. BYRD. I yield.

Mr. BORAH. Has the Senator the figures showing the amount of taxes—city, county, State, and National Government—which we are now paying?

Mr. BYRD. I have. I am coming to those figures.

Mr. BORAH. Very well.

Mr. BYRD. Mr. President, as our Federal debt mounts, hand in hand go enormous increases in the debts of our States and subdivisions. In 1932, the latest figures available, the debt of the States, cities, counties, and other subdivisions was $17,576,839,000. Add to this the increases made since then, and with our Federal debt, if this measure shall be passed, I confidently predict on July 1, 1936, a total indebtedness of all units of the Government of at least $55,000,000,000. Not only must this debt be ultimately paid, together with interest, but we are establishing a refuge for the rich of the country so to invest their property as to escape the inevitable confiscatory taxation which will apply to all taxable classes of property.

I do not approve that the Government should follow the broad and easy road to extravagant expenditure that leads to destruction. The price of the impairment of credit by a Government is often currency inflation that may get out of control and ruin the prosperity and happiness of millions.

Mr. President, we live in a rich country. We have spent vast sums, but we still have the opportunity to curtail expenditures without cutting off the relief necessary by a sympathetic regard for the needy and to bring the Budget gradually into balance.

It is true that the reduction of relief expenditures must be gradual; but the approach to a balanced Budget will inspire the confidence needed to encourage business to absorb many of the unemployed and thus to relieve the Government of some of its burden.

Ambitious plans for great public works and social service should await recovery.

Assurance of a new policy of prudent economy will do more to revive business and absorb the unemployed than will further expenditures on public works. The time has come to put our house in order. The defeat of this proposal to expend $5,000,000,000 on unknown projects, many of no immediate necessity and of doubtful permanent value, will do much to restore confidence to those business men anxious to go forward.

The defeat of this measure will be a direct assurance to the Nation that the Government is determined to maintain the credit of the United States above reproach.

The defeat of this measure will be a proclamation to the world that the period of acute economic emergency in this country is over and that we are now turning calmly from the treatment of the crisis to making our recovery sound and permanent.

The defeat of this measure will be an assurance to business men—impatient to go forward—that the administration will protect their property from destructive taxation. The defeat of this measure will signify that we now approach the time and the task of rebuilding new and firm values out of the destruction wrought by the economic storm.

We must build this time upon the unyielding rock that will withstand the storms of the future, for Government under our Constitution is worth all that our fathers did to establish it and all we can do to maintain it.

I agree with the eloquent declaration made by the President that no one can be permitted to go naked or unhoused or unfed. I shall vote for a sufficient sum to continue the relief, but that relief should be efficiently administered; the lists should be purged of those not deserving. We should not continue to see, for example, a majority obtaining relief riding to the relief depots in automobiles. It is possible and practical to require useful work of most of those obtaining relief without embarking on a vast Public Works program with the obligation to continue to give a job to three and one-half million people for an indefinite period to come. This can be done for at least one-fifth the cost as compared to the public-works program.

Congress has not been advised as to the character of the expenditures proposed but a vast Public Works program accomplished in a short time is inevitably wasteful, cumbersome, and difficult to execute.

It is not possible to bring the public-work jobs to the unemployed. It is not possible to have a public works to absorb in each little community the unemployed therein, especially the various trained workers. The Government will find itself moving thousands from one place to another in order that the worker may find the appropriate work. Assume that the gigantic task is fairly successful and that three and a half million men are employed after delays and discussions and difficulties; many of the works accomplished will be unnecessary for the immediate present; will be the building of things not now vitally needed. Many projects will be anticipated in construction for many years and will lessen the orderly building necessary for the regular operation of certain building trades. In other words, by the construction in a short period of time of the public works we shall need a long period in the future, the proposed program will be followed by a period of stagnation in heavy construction which will nullify the temporary benefits obtained.

The way to permanent prosperity is the difficult path of economy and efficiency in Government and the balancing of budgets of States and the Nation. The people must be encouraged to go the way of independence, industry, economy, and self-reliance. Business is ready to resume its forward march once it can be assured that the currency will remain sound, that the Budget will be balanced in a reasonable time, and that economy and efficiency will inspire the Government.

Mr. President, I offer an amendment to the pending joint resolution, to be considered at the proper time, reducing the $4,000,000,000 appropriation therein proposed to $1,000,000,000. If the amendment shall be adopted, there will be available $1,880,000,000 by reason of the fact that $880,000,000 is transferred from existing appropriations.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. DAVIS. Mr. President, I favor the amendment offered by the Senator from Nevada [Mr. MCCARRAN] relating to the prevailing wage-rate clause.

My own life experience, especially during the period I served as Secretary of Labor, has convinced me that in the community where the prevailing wage of the community was not paid on Government work the wage standards of that community were broken down.

It is impossible to maintain two wage standards, the security standard and the prevailing standard. If a security standard is adopted, it may soon become the prevailing wage.

It is easy to organize the unemployed who are not thinking of wage standards so much, as they are methods whereby their families can be fed. The unemployed forget for the time being what they are doing not only to their fellow workmen but to themselves as well. They are breaking down the wages of their fellowmen, and they will ultimately find that they have bartered away their work for a pittance, the security wage.

It is easy for a contractor to bring labor into a community and by paying an insufficient wage make the imported labor thereby become a public charge. That is the peril in the pending joint resolution unless we adopt a prevailing-wage proviso.

Many employers in private industry would use the security wage level as a club over their own workers and beat down the wage level to the security level.

We will find that we get what we pay for. If the public-works laborer feels that he is being cheated by being discriminated against, he will do some cheating himself. He is pretty likely to give the service he is paid for and no more; that is, he is likely to take 3 hours to do 1 hour's work.

America demands a certain wage, Europe and Asia another. We must maintain a barrier in the form of protective tariff in order to keep the low-wage standards of foreign countries from becoming the wage standards of American workers. We also know that foreign workers cheat because they are paid low wages just as we will find American workers will cheat if they are pressed down to a low-wage standard.

It is not national economy to make a man work for what he feels is less money than he is worth and less money than his fellow workers are receiving for exactly the same kind of work in private industry.

It will be demoralizing to pay the security wage with thousands of unemployed outside every factory gate. The workers who have jobs will be pressed down to low levels under the threat of discharge unless they agree to accept a security standard.

Prior to the passage of prevailing-wage law, the Government itself, in allowing contractors to pay low wages on Federal projects, did much to destroy the buying power of the country. Prior to passage of the prevailing-wage law contractors used to bid on Federal projects. The bids were high enough to allow contractors to pay the prevailing wage, but instead of doing so they scoured the country for cheap labor. In many instances the wage actually paid was 50 percent of the prevailing wage. After the job is done, many are left in the communities to become public charges.

The prosperity of the country depends upon the welfare and the prosperity of labor. To strike a blow at the welfare of labor in the form of a threat to cut down the wage levels of the country is to deliver a blow at the very foundation of our national economy.

If labor prospers, we have a healthy state; if labor is oppressed and placed on a substandard pittance, we will have suffering both social and economic.

The Federal Government has a special responsibility toward helping to maintain wage levels in industry. When the Government cut salaries of Federal employees, industry followed suit and began wholesale wage cutting. Not only did industry cut wages, but so did other units of government—States, counties, and municipalities.

If the Federal Government takes a step toward penalizing workers with low standards of pay, we cannot hope to see industry taking a reverse stand and pay higher wages which would help restore purchasing power. The theory of recovery, we all agree, is that based on a restoration of purchasing power, and failure to adopt a prevailing-wage amendment is action directly against restoration of buying power of our people.

The opponents of the prevailing wage are sincere in their belief that wages paid workers on public projects would be so low—that is, at a "security" wage level of $50 per month—that workers would be attracted into private industry instead of on public-works rolls; that is, provided, of course, that industry effects some sort of economic recovery.

Just the reverse would be true. If the Government paid a low wage, business would soon force its standard down to that level. The aim of the administration of having industry attract workers would thereby be defeated, because there would be no attraction. Security wages would become prevailing wages.

Mr. President, I had somewhat of an experience along this line in the panic of 1892–96. Pittsburgh developed what is known as "Highland Park." The iron and steel masters of that day had agreed that they would contribute 50 cents for every 50 cents contributed by the city government. The work in the parks was at the rate of a dollar a day. The wages of the ironworkers were reduced from $5.50 a ton to $3.25 a ton, and the wages of common labor were reduced from $1.75 a day to as low in some instances as 95 cents a day. Will not this happen again in this country if we fail to adopt the McCarran amendment?

During the mad competition in the coal industry, employers—not so much the coal operators themselves, but employers in other industries—helped to force down the miners' wages from $7.50 a day to $3 a day. They did it with the hope that they would be able to reduce the wage of the common laborer in and about that particular community, where miners received that wage, and they did so; and so, as the miners' wages were forced down other wages were forced down to lower levels.

So, Mr. President, if we do not adopt the McCarran amendment, there is not a bit of question in my mind that these 10,000,000 idle men who are seeking work, crowding around factory gates, if the Government adopts this $50-a-month plan, will be asking their workers to work for similar wages. Let not the Government move in the direction of destroying the buying power of the American people. Let us move in the direction of maintaining and upholding the standard of the American worker, for by doing so we make ourselves prosperous.

Mr. SCHALL. Mr. President, I am thoroughly in accord with the practical sentiments expressed by the Senator from Pennsylvania [Mr. DAVIS].

Several weeks ago in the Senate Chamber we were asked to vote our adherence to the World Court and the League of Nations. As Senators, we returned our answer. It was "no." Today, by some strange necromancy or new-deal political juggling, we are again at grips with that European scheme, which President Roosevelt has determined to foist on the United States. Why is President Roosevelt attempting, by every form of subterfuge, to force the United States into the League of Nations and the World Court?

At the close of the last session, when no one was looking, Miss Perkins jammed through Congress a resolution appointing a labor commission of the League of Nations. Coming, as it did, at the eleventh hour and in the rush of adjournment, it was passed unnoticed.

For the past 12 months the labor representatives of the League of Nations and these Roosevelt-appointed representatives have been in conference arranging, as is the intention, to level the standards of living in the world. The League of Nations has complained bitterly over the fact that the workingman in the United States is being paid a wage twice that given in European countries. The complaint is based on two points: First, that an opportunity to secure a living wage in the United States causes many of the best European workmen to leave their native countries and settle in the United States. Thus, the United States always has a surplus of the finest workmen of the world. Secondly, so long as workmen are permitted to receive wages which will provide them with bathtubs, automobiles, radios, and other luxuries, these workmen are encouraged to believe in personal freedom. As long as personal freedom exists in the United States this country will be unconquerable and will continue ever on its way to economic supremacy.

So the League of Nations explained to the Perkins labor commission from the United States that the standards of living in the United States must be reduced, first, to keep the workmen of Europe at home, and, secondly, because as long as men believe they have freedom they will not knuckle to the yoke of the League of Nations.

After some investigation our labor delegates were told that if the people of the United States were put on an average wage of $50 a month they would soon be subservient, because if the Government started to pay a minimum wage of $50 a month, that minimum would of necessity immediately become the maximum. Such a plan, it was pointed out, should meet with the favor of all the big international bankers operating in the United States, because it would reduce the wages of all those in their employ to $50 a month.

Here we have the League of Nations bill before us in this $5,000,000,000 relief bill. We are told 3,250,000 persons are to be employed at a wage of $50 a month. This is what England, France, Germany, and Italy pay their carpenters, bricklayers, painters, plasterers, and other artisans. As a result of placing almost 4,000,000 persons on this wage scale, all other wages will at once begin to tumble, and within 6 months practically no one in the United States will be receiving more than $50 a month for any kind of work whatever.

We defeated the attempt to put us in the World Court and thus lower our standard of living; and yet within less than a fortnight we are confronted with the identical program that was to be put over on us by this foreign aggregation. Is this administration the handmaiden of the League of Nations? Was the new deal simply a subterfuge to put us in the World Court? It would seem as though orders to Congress were coming direct from Europe by way of the White House.

Mr. REYNOLDS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson
Austin	Cutting	Logan	Russell
Bachman	Davis	Lonergan	Schall
Bailey	Dickinson	Long	Schwellenbach
Bankhead	Dieterich	McAdoo	Sheppard
Barbour	Donahey	McCarran	Shipstead
Barkley	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gerry	Metcalf	Townsend
Brown	Gibson	Minton	Trammell
Bulkley	Glass	Moore	Truman
Bulow	Gore	Murphy	Tydings
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Walsh
Caraway	Hatch	Nye	Wheeler
Carey	Hayden	O'Mahoney	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	
Coolidge	King	Radcliffe	

Mr. LEWIS. I announce the absence of the junior Senator from Louisiana [Mr. OVERTON] on account of illness, and of the senior Senator from New York [Mr. COPELAND] on account of illness in his family.

The PRESIDING OFFICER. Ninety-three Senators having answered to their names, a quorum is present.

IS THIS THE SENATE?

Mr. LONG. Mr. President, since being here last week I have seen some news reports, emanating from this city and from Miami, Fla., from two members of the Cabinet, Mr. Farley and Mr. Ickes, relative to the investigation of Mr. Farley I have requested.

Mr. Farley has said from Florida that he has no worry, that he is being "whereased" by a Senator. Mr. Ickes has made some comment relative to the matter to indicate that the report that he ever investigated Mr. Farley was untrue. He says he never has investigated him, and that if there is anything in the files that touches Mr. Farley it came in by accident.

Mr. President, Mr. Ickes undertakes, it seems, to make another defense of Mr. Farley by saying that he had always found him to be a very good man. It seems that the spirit of the valentine season has gone up into the political sphere, so that there is political wooing among Cabinet members at this late day. The valentine to affect politics is just a little late.

In order that matters may be kept within their proper confines and course, I wish to state to the Senate that I have some more data which have come to my attention, which I think would be of some concern to the Senate.

Let me repeat, before I present these additional data, that I have said on the floor of the Senate, first, that when a $50,000,000 railroad loan was pending before the Reconstruction Finance Corporation the granting of that loan was used by Farley in order to influence the attitude of politicians in the State of West Virginia in a campaign involving the election of a United States Senator; and I take the responsibility of stating that I can produce the proof of that in an investigation.

I have said, second, that Farley and his organization have been soliciting funds from employees of the United States Government in violation of the law; and I take the responsibility of saying that I can prove that allegation.

I have said, third, that in connection with the awarding of contracts for Federal buildings there have been irregularities and favoritism in the awarding of the contracts and in the handling of jobs after the awards on account of and due to the fact that materials were being furnished by a concern in which Farley was interested; and I take the responsibility of asserting that the facts can be adduced to prove that allegation.

I have said more than that, and I will not take the time to reiterate it, submitting to the Senate laws, three statutes in particular, which have been violated, and another law which has been violated in the soliciting of campaign funds from those on the Federal pay roll. I have submitted proof showing, no. 4, that the stamps and printing plants of the United States Government have been used irregularly and contrary to law.

Mr. President, I hold in my hand a copy of a New York newspaper containing a photograph. This is the New York Herald-Tribune of February 16. I understand this to be a Republican newspaper. I understand it to be hostile to the national administration. Therefore, I would not present even the photograph from it if I had not taken the pains to cause further investigation to be made as to the verity of the article.

There appears here a photograph of the office directory of a building in which is located Mr. James Farley's business office in the city of New York. There is an office, no. 1701 of this particular building at 205 East Forty-second Street. It shows that in room 1701 are the following, in this same office:

Alda Holding Co.

In this office of Mr. Farley, 1701, the Alda Holding Co.

Leo Bishop.
W. E. Beattie.
Darrow Holding Co.

In these days of drives against holding companies, in one little pigeonhole wherein there is the space to somewhat accommodate the manifold functions of Farley, we find holding companies inside holding companies, and on top of holding companies, holding companies to the front of us, holding companies to the rear of us, holding companies to the left of us, holding companies to the right of us.

Let us go on with this.

Darrow Holding Co.

That is two holding companies we have already found.

John A. Eliot.
James A. Farley Holding Co.

Somebody take that down for the benefit of the order. [Laughter.]

James A. Farley Holding Co.
Flax-Li-Num Insulating Co.
Harry B. Finnegan.

He is the brother-in-law of the Postmaster General.

General Builders Supply Corporation.

That is another one of Mr. Farley's companies.

Harry Hahn.
The John Holding Co.

This is the fourth holding company we run across in this one little pigeonhole one must go through to get to the realms of inner secrets of the benevolent brotherhood. [Laughter.]

The John Holding Co.

[Laughter.]

E. A. Jova.
John P. Kane Holding Co.

[Laughter.]

This is Farley's office, gentlemen of the Senate. For the benefit of those who have come in since I started, this is the office of James Aloysius Farley, Postmaster General of the United States of America in the year of our Lord 1935. [Laughter.]

John P. Kane Holding Co., J. P. Kane, Arthur Luley, C. E. McCartney, John A. Philbric Corporation, John A. Philbric, Jr., Joseph M. Philbric, Samuel Schiff, Albert Siebert, T. C. Wood Holding Co., Theodore C. Wood.

And there is contained in this newspaper, Mr. President, the photostatic reproduction to verify as far as the camera's eye can speak at one glimpse, that the publication here is true and correct, and that the facts and figures as to these various concerns exist.

Mr. President, I was somewhat hampered in my undertaking to make this investigation without exciting very much comment. I undertook to mosey around among the public and to see certain people that I thought might be willing to tell me some of these things, and I found out that when Mr. Roosevelt became elected President of the United States that they began to pile on and organize and take in and consolidate and put in here, consolidate this and shove it in here, get something else and put it in here. I was told that upon investigation these facts would be developed which later were printed. I was told by the same persons that these persons were partners of Farley in various and sundry businesses, and that they had consolidated so many enterprises which had concern in bidding under Government awards and in participating in the benevolent participation of public funds by the Government; that numerous consolidations were required, and that everyone of them was put right in Farley's office at room 1701, 205 East Forty-second Street.

I therefore undertook to get a little proof from sources regarded as friendly to this administration, and I think we will all admit here—I know no one will dispute it—the leading friend of this present national administration is the New York World-Telegram newspaper of the city of New York. That is the administration's most dependable friend. So after having communicated with them in an effort to find out whether or not they were going to make known some data that I had been given to understand reposed in their files, and not having received very positive answer to it, I inquired of them whether or not there might be some reasons why they thought it best not to submit matters. I received still less satisfactory replies. But on yesterday or day before, I believe it was yesterday, we have the New York Telegram, page 1—the first time they printed this they had just a little 1-column head, but in the second or third edition of this same newspaper they have a 3-column head—New York World-Telegram of Tuesday, February 19, 1935, reading as follows:

Farley firm's high bid won; lower offer is thrown out.

This is not the first time this kind of data has been printed in this same newspaper.

Aldermanic inquiry asks papers in work-relief contract—ordered by T. R. A.—Commissioner acted after ruling made by Hopkins.

Inasmuch as other Members of the Senate have just as much recourse to this newspaper as I have, and no doubt most of them have read it, I will merely state the substance, and then ask to have the article printed at the conclusion of my remarks. But it is this, that the Farley firm bid high and there were lower bidders. Three of them, I think it was, or maybe only two, or maybe only one—I do not know which it is—I do not remember the article so very well, but I can read it if I am requested to. However, these bidders were all certified by the N. R. A. and followed the N. R. A. certificates in the bid, that they had complied with everything required of them, and they filed their bid and Farley's bid was high by, I think it was, $4,800. What did they do? After they had filed these accredited certificates they went back and took a review and they found some hookum or crook that they said did not comply with something else back there, and that Farley was entitled to the bid, and so Farley got the bid.

This news article undertakes to show—and I think that it completely shows—the fraud in the awarding of that bid, but I would prefer that these matters be read by the Senators, and for that cause send to the desk and ask to have printed at the conclusion of my remarks this article from which I just quoted in the New York World-Telegram of Tuesday, February 19, 1935.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. LONG. Mr. President, there is further data on Mr. Farley. Mr. Farley is a man of considerable capacity. He is a man that you have to admire. I admire the gentleman in lots of ways, because of the singular fact that he knows his purpose and quarrels not with himself as to method or motive.

There was in a certain district of the United States, of which I have letters and documents, photostatic, to prove my statement; a certain gentleman who was to be appointed United States district attorney. He was in Washington, D. C., along in the month of April 1933, undertaking to close out matters for the party and for Mr. Farley. There was a man down there whose name I have here the original photograph to show—he was under indictment for having used the mails to defraud. This gentleman who expected to be appointed United States district attorney for that district, hied himself to the city of Washington, D. C., along in April and May, and was appointed in June to the office of United States attorney. He wired back to this man under indictment, whom he had told he would go to Washington and undertake to squelch his case—he wired him back while he was here in Washington completing the details for that appointment as United States attorney—this man appointed United States attorney some 30 or 60 days later wired this man under indictment as follows:

Case continued to May 15. Must have $1,000 I wired you about Saturday. Wire it now, and I don't mean maybe.

All right. I just put a pin down there, and let us see what happened to that. Well, he wired him $1,000. Here is the telegram. Let us see if Brother Farley gets in on that case in writing? Yes; here is a letter from Brother Jim writing this man under indictment.

So-and-So—that is this man who was to be appointed district attorney and who was appointed United States district attorney—

* * * handed to me today your generous check in the amount of $1,000, contribution to the National Committee to assist in clearing up the deficit. I want you to know that I am personally very grateful to you for your generous assistance in giving this money to my good friend—

So-and-So—calling him by his name—

I do hope some time that I may have the opportunity of expressing my thanks in person.

Sincerely yours,

JAMES A. FARLEY.

So this gentleman who was to be appointed the United States attorney, and who came to Washington, acting under Mr. Farley, wired the gentleman that he wanted the thousand dollars, and he did not mean maybe, got the thousand dollars, and Farley sent his grateful acknowledgments. That I have for proper proof whenever the committee may feel that proof on this man is justified. And the committee will do, of course, Mr. President, the generous thing. It will be a very generous thing if the committee sees fit to allow this proof. We all have to admit that. And I wish to say that when the committee does allow the proof to come that I will be there with the proof without any question whatever. You need not worry about who will summons the witnesses. I want to say to the gentlemen when this committee is appointed I will hand in the names of the men to be summonsed, just like I did the last time I had anything to do with one of this kind of skin games that I was given information about. I will hand in the names of the witnesses, and I will take the responsibility, so help me, that they will testify what they have written and previously told to me and to others, some of which I have produced.

Well, I do not need to go back to North Dakota to look up Governor Langer. I understand that he did, so far as the Government's case was concerned, solicit $170 from employees of the Government, and I understand that Langer was convicted and is on his way to the penitentiary. But right here I have a photograph, over the signature of James A. Farley, of Washington, D. C., soliciting funds in this District, and I have it over a letterhead after the election and long after he became Postmaster General wherein the solicitations went out and remittances were made. I wonder if he is going to plead " injured innocence ", something like he did in the case of the letter that was sent to Upton Sinclair,

as to which it was claimed that some stenographer signed his name and he did not know anything about it? I suppose he has been busy looking up and returning this money since he has heard of these charges, but all who believe that can contribute to my campaign next time I run for public office. [Laughter.]

So, Mr. President, we come down to the written, incontrovertible proof as to the case of Mr. Farley. Well, he is a man of monstrous proportions and capacity. [Laughter.] He knows no limit. He is a gentleman who is only naturally called upon to fill important functions. Here is an article in the St. Louis Post-Dispatch. I do not know how this article escaped the notice of so many of us; probably because it was published after the last campaign. It says here:

"Boss" Pendergast admits calling on Postmaster General Farley to stop prosecution of Johnny Lazia.
United States district attorney was called off by superiors.

The Post-Dispatch prints on the front page the letter which was written to Mr. Farley, which, they say, resulted in the calling off of the prosecution in Kansas City. The letter, dated May 12, 1933, reads as follows:

JAMES A. FARLEY,
Postmaster General, Washington, D. C.
MY DEAR JIM: Jerome Walsh and John Lazia will be in Washington to see you—

They always go to Jim. They have got a department of justice right next to a peanut stand, somewhere over on the Avenue, somewhere down the line there, through one of those offices, they have a little anteroom which they call the department of justice, some little place down there about two doors behind the second alley. What are you going to mess with that kind of a place for? How long have you been here?

Here is something that will tell you how to get around to do business. A lawyer is supposed to know his business. The thing, Mr. President, that disgusts me with the members of the bar is that at least a third of them have not found out yet how to approach matters in connection with the administration of justice in the United States at this late day and time.

It is due to the Congress to inform these recalcitrant members of the bar as to how to go about these functions. Now, I am going to do my part of it—

Jerome Walsh and John Lazia will be in Washington to see you about the same matter that I had Mr. Kemper talk to you about.

Not talk to Mr. Cummings, not talk to the United States attorney, but talk to Farley about these things.

Now, Jim, Lazia is one of my chief lieutenants, and I am more sincerely interested in his welfare than anything you might be able to do for me now or in the future. He has been in trouble with the income-tax department for some time. I know it was simply a case of being jobbed because of his Democratic activities. I think Frank Walsh spoke to the proper authorities about this. In any event, I wish you would use your utmost endeavor to bring about a settlement of this matter. I cannot make it any stronger, except to say that my interest in him is greater than anything that might come up in the future.
Thanking you for any and everything you can do, I remain,
Sincerely, your friend,
T. J. PENDERGAST.

Now, what happened? I want Senators to understand that when it comes to the St. Louis Post-Dispatch, particularly to its cartoonist, I do not owe them anything. I can say that this is an authority that is at least independent of anything that I might have any connection with. This newspaper says that the two gentlemen saw Mr. Farley, and that Mr. Farley put a stop to the prosecution, killed it as dead as a doornail, but that one morning the grand jury walked into the court room, and the foreman of the grand jury got up in open court and announced that they had proceeded and had the information upon which this man should be indicted, and demanded the right to indict him. Whereupon the judge of the court instructed the grand jury that they had a right to indict him regardless of anything that came out of Washington, D. C.; and they did indict him, and tried him, and convicted him, notwithstanding the fact that the prosecution had been called off.

No doubt other Members of the Senate had a chance to see this article before I had, and I am not going to read from this article any further. I am merely going to ask that this article of November 30, 1934, from the St. Louis Post-Dispatch may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. LONG. Mr. President, is it all right to try to defend this on the ground of politics as affecting the Democratic Party? Every time you catch a horse thief he is going to try to defend himself on the ground that some angel of public welfare is being attacked. They are even trying to hide Farleyism behind my friend from Tennessee [Mr. MCKELLAR]. They are trying to say that he is a partisan of Farley's. They are trying to intimate here that he might raise his right hand or fail to raise his left if it were to the interest of Farley to prevent an investigation. They have tried to say that it is an attack upon the Democratic Party and that the Democratic Party, as such, is trying to prevent this investigation from being held; in other words, they are trying to utilize unsoiled characters and parties and have them act as the bulwark and rampart of defense behind which to hide the corruption and the slime of Farleyism in these United States. They say that to demand an investigation is to attack the party. They say that an investigation would be in aid of the Republicans. I tell you at this time, Mr. President, that I know of no witnesses to be called by me to prove these charges except pre-convention Roosevelt Democrats, men who were for Roosevelt before Chicago or for the principles which Roosevelt announced before Chicago, for we did not go there to win a victory in order to have a monstrous figure of plunder, of grab and take, sit and dispense the functions of government even into the realms of justice itself, even to the extent of such acts as are shown to be without the slightest consideration, without the slightest understanding of morals in government, as is shown to be the case in connection with this man Farley.

Mr. President, there is another statute from the United States Code, Annotated, pages 475 and 476; 208 Criminal Code, section 118, as amended, reading:

Political contributions, solicitation. It is unlawful for any Senator or Representative in, or Delegate or Resident Commissioner to, Congress, or any candidate for, or individual elected as, Senator, Representative, Delegate, or Resident Commissioner, or any officer or employee of the United States—

That gets them all—

or any person receiving any salary or compensation for services from money derived from the Treasury of the United States—

Listen to this—

to directly or indirectly solicit, receive, or be in any manner concerned in soliciting or receiving any assessment, subscription, or contribution for any political purpose whatever from any other such officer, employee, or person.

Mr. President, there is not a man within the sound of my voice who has heard the proof I have furnished, unless it be a forgery inside and out, topside and bottom, but knows that that statute has been violated, as well as another statute which I have heretofore read from this floor. There is not a Senator here who does know that men are on their way to the penitentiary or are in the penitentiary for violating these statutes. Even a former Member of the United States Senate, Mr. Joseph R. Burton, of Kansas, was compelled to resign from the Senate because of a violation of the statute. Mr. Burton had been elected by the people. I have always believed that a man elected by the people is entitled to higher consideration than a man who owes his office to an appointment, and so I should think the Senate regarded the case against Mr. Burton at least as strong as it would regard the case against Mr. Farley; but Mr. Burton, who owed his election by reason of the sovereign people of his State, and came here and took his seat in the United States Senate, was convicted of violation of the statute, and by reason of the fact that he had violated the statute he was not only

forced to resign his seat in the Senate but was sent to the county jail in St. Louis and served a sentence of 6 months.

I want to know why the difference between Farley and Burton. I want to know why the difference between Farley and Governor Langer. I want to know why it takes days of proof of North Dakota and in Kansas to fix upon one the guilt of having solicited or received contributions from Federal employees, and yet we have the papers thrust in our face that they resent such an imputation of prosecution or effort to investigate Mr. Farley, not for something that is denied, but for something as to which we have the proof here in black and in white.

Either tear up the law books, either take the men and pay their families whatever damage has been done them by reason of convictions for these previous violations, either send Governor Langer a pardon tonight—men who were elected by the people of their States—or do not come here and tell us that we must not investigate the man who has been placed practically upon a throne higher today than any dictator occupies in any European country, and who says, "There is no law for me. There is no right for me. My power, my control of the judiciary, my control of public funds, my monstrous pugnacity toward the form and toward the substance of law, my gainly ponderance, my walk, my manner, my demeanor, defy the administration or the enforcement of the law that I happen to find it to my interest not to observe."

Then it is said, "Do not investigate it." Mr. Ickes comes out and says he never knew that his Department was investigating Mr. Farley. On top of that kind of proof the political balance hangs and starts to swing from Ickes to Farley and from Farley back to Ickes.

This thing is not smiled on by the Democracy. I deny that. Down in the old State of South Carolina it was the Democrats who began to sound their disapproval of this kind of business long before it had gone to this stage of corruption now so broadly known and so generally admitted. Long before it approached that stage a Democratic journal of South Carolina, one of the leading newspapers of that State, sounded a warning to the Nation and to the Democrats of what they could expect from the kind of practices in which Farley was indulging in that State and in other States. We do not depend upon Progressives or Republicans to warn us. Here it is from the Democrats trying to do a service to the Democratic Party. I had this book brought in the other day. It is a bound volume of the newspaper called "The State." It is a pretty big newspaper down in South Carolina, I understand. Someone said it is about the biggest newspaper down there, the State. It is dated Friday morning, February 24, 1933. It says:

A plan loaded with TNT. The bitterest detractor—

The editorial goes on to say—

The bitterest detractor of Claud N. Sapp, chairman of the South Carolina Democratic Party, could not be so unjust as to accuse him of lack of frankness. He scorns the use of finesse. In substantiation of that claim for him, we reproduce here that which was printed in the news columns of the State yesterday:

"Plans for a central 'board' to dispense Federal patronage in South Carolina were disclosed yesterday by Claud N. Sapp, State Democratic chairman.

"Sapp said he would ask United States Senators E. D. SMITH and JAMES F. BYRNES to confer with him in Washington March 4 on a definite program for handling patronage. He said arrangements would be made for 'joint action' by the Senators and State party leaders.

"James A. Farley, national Democratic chairman, will be asked to sit at the conference on account of his position as arbitrator of patronage.

"Sapp said the numerous applicants for local and State positions under the incoming administration should secure endorsement of local Democratic officials before filing applications.

"The Democratic Party is not 'selling' jobs, he added, but said it was decided that those seeking positions should be willing to contribute substantially according to their means to retire the party deficit."

In other words, he said the Democratic Party is not selling these jobs, but those who are willing to ask for these jobs "should be willing to contribute substantially according to their means to retire the party deficit." I continue the quotation appearing in the editorial:

"Sapp quoted Farley as saying support of the State Democratic organization would be necessary for appointment to more remunerative and important posts, such as marshals, district attorneys, and Federal collectorships.

"He said postmasterships, rural mail routes, and inspectorships would be handled through Congressmen in conjunction with the central group."

I read now from the editorial proper after having quoted that part of the statement:

While the shade of Mark Hanna doubtless nods in approval of the excellent plan for raising three-quarters of a million dollars to wipe out the party deficit, we can imagine its frown of disapproval at the appearance in public of a pictured Truth so unattractively naked.

We are in no way personally concerned in patronage distribution. The State never has had nor now has the least inclination to take part in the distribution of patronage. It has in the past studiously avoided appearing in such role and could not be persuaded to assume such part.

Therefore in this matter we are, in a way, merely side-line observers. But as such we cannot escape memory of political history, nor can we dissociate ourselves from deep, inherent concern for the good name of the Democratic Party.

I ask that the editorial may be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit C.)

Mr. LONG. Then the editorial goes on to condemn and to say:

We warn you that such a policy as this means polluting the party, means polluting the administration of the Government. We warn you—

Said this journal, a Democratic journal, and called upon the stalwarts of Democracy and the rank and file of Democracy throughout the length and breadth of this land to put their heel down and stamp out this very incipient breed of Farleyism before its tentacles reached into every nook and corner of the country and into the very activities of the Government.

We warn you—

Said this Democratic journal—

you the white, you the colored, you the Democrats, you the Republicans, you the private men, you the public men. We call upon you as Democrats not to let the pollution be spread throughout this country in the fair name of the Democratic standard.

What happened to that warning? What has been the result of it? This has been the result—that we come here with these public contracts being let, with every kind of expected fraud warned against and warned of, and here we have the Farley Co. at 205 East Forty-second Street, with some twenty-odd concerns in one little office, and six or seven of them holding companies, so they may hold the various and sundry material men and contracting supply individuals who were to share in that work. We come here with witnesses ready to take the witness stand to show that loans up in the millions of dollars—$50,000,000—that were supposed to be used to stimulate the lifeblood of employment and activity in business and in agriculture—were withheld and used in order to club into line certain important political personages to the support of an employee of the R. F. C. We come in here with letter proof that there was a contract in which a firm bid low, and the bid was rejected. Another firm bid low the second time, and the entire project was canceled. Then the project was reinstated and another firm bid low, and again the bid was canceled. The fourth time a concern buying the materials from Farley bid low and they got the contract; and after the contract was awarded their specifications were changed without competition, so that through the Farley firm there might be furnished a cheaper grade of stone than the building originally called for, as to which there was open competition, as to which they had failed to get the contract three straight times, and got it the fourth time only by being able to have the specifications changed after the award, without competition.

That is what we come in here with. That is what we come in here asking an investigation about. That is what we present to the world. Those are the facts that we expect

to bring witnesses to testify to under oath. Those are the facts that the letters and documents are expected to prove.

It is said that this is a political feud between Huey Long and Jim Farley. It is said that this is a political proposition. Well, who is going to come here and present anything without its being said to be a political feud? It does not make any difference who presents it; if a Republican presents it, he is going to be called a feudist; and if any other Member of the Senate should call for an investigation of Farley, they would be able to show wherein he has been disappointed by something Farley has done. There is no Member of the Senate who will propose an investigation of Farley, so far as I know, that they will not say has a consideration.

Yes; I consider it a mark of honor—it is one of the few marks of honor that have been hurled at me by some of my enemies and critics—I consider it a mark of honor that there is a feud between Huey Long and Farley, and all that Farley represents. There is a feud between HUEY LONG and the practice of violating the law with impunity, and assessing employees, when a statute forbids it to be done. There is a feud in regard to allowing contracts to be awarded and an officer of the Government having an interest in materials sold to those who are awarded contracts to be paid for out of the Public Treasury that he is directly and indirectly administering them. There are statutes against it, four of them in number, and all four have been violated by Mr. Farley, if I understand the law at all. There is a feud against Farley using the funds of the Reconstruction Finance Corporation to browbeat people borrowing that money in order to restore business, so that they have to take certain positions in the election of United States Senators.

Who is concerned about the Senate? Who is concerned about the purity of elections in the Senate? Do I understand these newspapers that are defending Farley to say that any one of the 96 Members of the United States Senate will stand idly by and silently listen and know that the head of a department of the Government is telephoning in senatorial elections, demanding that those who are receiving loans from the Government shall change their political positions and vote for one senatorial candidate instead of for another? Is that the way the United States Senate is going to be composed tomorrow? Is that the way the United States Senate will have its Membership elected in the coming election? Will that be the fate of the $4,800,000,000 boodle fund, Mr. President? Will it mean that instead of Farley ringing up and saying, "There is a loan of $50,000,000", he will ring up and say, "There is a loan of $100,000,000"? Will it mean that the Members of the Senate—whose honor for the body and whose honor for their States and for themselves is higher than any political advantage they may now or hereafter enjoy—will accord that fate to a body whose prerogatives and whose honor and whose respect and whose functions they should be the first to uphold?

Is this the forum where Webster and Clay and Calhoun and Benton sat? Is this the forum wherein there resounded the words "Liberty and union, now and forever, one and inseparable"? Is this the body to decline to investigate the political monster who, with the use of millions and billions, undertakes to designate who may actually sit here in the days and years to come?

Sad day for the Senate, sad day for the country, sad day for the party, sad day for the politics of the country when there is a hesitation, when there is an obstacle against going into the practices of this demon of filth, if one-tenth of 1 percent of the things here photographed are true!

There is a feud; yes; there is a feud. I announce, in honor to everything for which I have ever stood, that as to these practices—and these practices are Farley—as to these acts and conduct—they are his conduct, if this proof is correct—there is a feud with everything I represent, with everything for which I have ever fought, with every light I have ever followed, with every person I have ever admired. There is a feud between such institutions and persons and Farley and what Farleyism stands for in this country today.

I have not presented any groundless charges. I have presented these things from the files; I have presented them from the photographs; I have presented them from the admissions.

What are we to do before the Committee on Post Offices and Post Roads? It seems that somebody has a misconception there, or else I have. Are we to go before the Committee on Post Offices and Post Roads and have a hearing as to whether or not we are going to have a hearing? Are we to summon witnesses before that committee to see if they will testify, and try out the case in order then to try out whether or not we will try out the case? What is to be the procedure? I am asking for the ordinary regular procedure, for that which precedent has controlled in the past.

I said here some days ago that I withdrew entirely the proposition I made that the Senator from Tennessee [Mr. MCKELLAR] and myself should be eliminated from any committee of investigation. Over the objection that had been made I withdrew that suggestion entirely, and stated that I expected this resolution to take its regular and normal course; and I expected the committee that is appointed to investigate, without the elimination of myself or the Senator from Tennessee, to be constituted in accordance with what has been the custom heretofore established in this body. I shall take the responsibility, when that is done, of bringing before the Senate the evidence necessary, if given a respectable chance, which I know I shall have, to do it. That is all we are asking for now.

Are we to go before the Committee on Post Offices and Post Roads, in the face of this showing, to try out over a period of several days the question of whether or not we shall have a hearing? I do not understand that procedure. I read in the newspapers that it was expected that Mr. Farley and I would go before the Committee on Post Offices and Post Roads in the city of Washington, and that there we would have a hearing between Mr. Farley and myself. Naturally you might expect the ponderous gentleman to walk in there, claqued by his employees and those seeking employment, cheered and hurrahed and lauded. I have participated in those scenes many times. In the case of the hearings I used to conduct against big men and concerns, I would be the only man there who would be cheering for my position. I am used to that kind of thing. I sat on the railroad and public service commission of my State for 7 or 8 years when I was the only man in the whole room maintaining a position for the common, ordinary devil in my State. I sat there for 5 or 6 years so lonesome that you would have thought I was chloroformed. [Laughter.] I know what that is.

I remember the day they brought the gambler Bradley into the Senate Committee on Finance, and I remember the hurrah and the claque that they gave him when they brought him there. Why, they made him a big man. I had made certain statements on the floor of the Senate, and the Senator from Michigan [Mr. COUZENS] wanted to see whether or not they could be substantiated.

Lo and behold, they came before the committee, and the statements required no substantiation. They testified to it themselves, amid a hurrah. "What of it? What of it? What are you going to do about it? What is the law between us?" But they never brought that thing out on the floor of the Senate, and they allowed that charge to be determined, in its result, favorably to the position which I took.

So it is in this case. If we have an investigation here in the city of Washington, if we have an investigation by a committee composed in the customary way, I shall take that responsibility. The procedure of referring this matter to the Committee on Post Offices and Post Roads is entirely new so far as I understand the precedents of the Senate. It is necessary, however, I understand, and we are willing to do whatever has to be done. I think we have made out the case, but we should like to know whether the committee is going to decide to try the case in advance. We should like to know whether the committee is going to decide that it is going to try it first, or what is going to be the procedure. We

should like to know. I may look at some of these matters differently from the way the committee will look at them. I do not discredit the motives of any member of the committee nor of its distinguished chairman.

My friend the Senator from Tennessee seemed to think I was reflecting upon him the other day when I was suggesting the elimination of his name and my own. I was not reflecting upon him; I was defending him from similar statements made by the newspapers. I was undertaking to eliminate both him and myself from the insinuations which might be made, which I knew would be made.

I should like to know at the earliest date what we are supposed to do. I know they want to "hush-hush" this case. I know they want to make the ponderous form of Farley stand out anew.

Somebody tells me that a legislature down in one of the Southern States has passed a resolution commending Mr. Farley. Well, I have had some experience with legislatures. The year before I was elected Governor of my State I could not get a man to introduce a certain resolution. Out of 100 men, not one man wanted to take my resolution on the floor of the senate. Twelve months later the same thing was unanimously adopted by the legislature, receiving, I think, 88 out of 88 votes. I know something about legislatures.

I am not trying this case before legislatures, or impugning their honesty. I am trying this case before the United States Senate, and before the Members of the United States Senate. I am not trying the case before the Democratic Party, of the highest council of which I am a member. I am not trying it there. I am asking that Senators, formed into a committee, may see this evidence and may hear these facts, and that they may call upon me for the proof.

EXHIBIT A

[From New York World-Telegram, Tuesday, Feb. 19, 1935]

FARLEY FIRM'S HIGH BID WON—LOWER OFFER IS THROWN OUT—ALDERMANIC INQUIRY ASKS PAPERS IN WORK-RELIEF CONTRACT—ORDERED BY T. R. A.—COMMISSIONER ACTED AFTER RULING MADE BY HOPKINS

By S. Burton Heath, World-Telegram staff writer

The aldermanic relief investigating committee is inquiring into the history of a work-relief cement contract awarded to Postmaster General James A. Farley's General Builders Supply Co., although another company was low bidder, the World-Telegram learned today.

The records of Commissioner of Purchase Russell Forbes had been subpenaed by the aldermanic committee, it was discovered when an attempt was made to learn from them why the company of which the Democratic national chairman formerly was head, and of which his brother-in-law now is president, received the contract.

From other sources it was learned, however, that awards to the low bidders on 84,000 bags of cement were canceled by order of the T. E. R. A., acting by direction of Emergency Relief Administrator Harry Hopkins, who is in position to enforce his ruling by withholding a grant of 50 percent of the purchase price.

The ruling was based upon the claim that the low bidder had violated the code of the cement industry by giving a lower price than was fixed by it.

The reaward of five contracts involved paying of $52,861.20 for the 84,000 bags instead of the $47,880 which the low bids aggregated. This added $4,981.20 to the cost of materials for these work-relief jobs. If the city had not yielded to the pressure and reawarded the contracts, however, it would have lost $23,940, the Federal 50-percent grant, and perhaps another $11,970, the State grant.

From July 1 to October 16 the City Building Co. was awarded five contracts on which it was low bidder, at prices ranging from 55.8 to 62 cents per paper bag, and the Nassau Brick Co. was awarded one contract for 8,000 bags at 58.4 cents.

CEMENT CODE VIOLATED

On October 24 T. J. Forde, T. E. R. A. purchasing agent, notified the city purchasing department that the National Industrial Relations Board had complained that seven bids were in violation of the cement code and should be rejected, or if they had been awarded already, the orders should be canceled.

A week previously Col. G. A. Lynch, administrative officer of the N. I. R. Board, had telegraphed to Commissioner Forbes asking that he reject any bid, or cancel any order at a price below the code price of 62.93 cents a bag, delivered, which was what Mr. Farley's company and others had bid.

He was informed that, since all the bids in question were accompanied by proper certificates of compliance with the code, the city had no grounds for action.

Colonel Lynch then referred the matter to Mr. Hopkins' office at Washington and to the T. E. R. A. office here, and word was passed on that unless the contracts were canceled the Federal grant would not be forthcoming. The contracts then were canceled.

DELIVERIES ALREADY MADE

When they were reawarded, the Farley company qualified for 20,000 bags, Candee, Smith & Howland for 20,000, Locust Builders Supply Co. for 40,000, and J. P. Duffy and E. B. Simpson for 2,000 bags each.

Deliveries already had been made by the City Building Materials Co. on three contracts involving 64,000 bags, so these had to be reinstated and the work relief division wound up with 64,000 bags of cement more than it needed, at 62.93 cents a bag.

The companies which received the reawards after the low bidder had been forced out were selected by drawing lots on each contract among the companies which had bid 62.93 cents a bag.

Alderman A. Newbold Morris today introduced a resolution into the board of aldermen approving the projected United States Senate investigation of Mr. Farley's business connections and requesting the aldermen to give whole-hearted support. The resolution requests Purchase Commissioner Russel Forbes and State Engineer Arthur S. Tuttle to turn over their records to aid the inquiry. It was not expected that the Democratic majority in the board would permit the resolution to be adopted.

EXHIBIT B

[From the St. Louis Post-Dispatch of Nov. 30, 1934]

"BOSS" PENDERGAST ADMITS CALLING ON POSTMASTER GENERAL FARLEY TO STOP PROSECUTION OF JOHNNY LAZIA—UNITED STATES DISTRICT ATTORNEY WAS CALLED OFF BY SUPERIORS—INVESTIGATION OF FLAGRANT INCOME-TAX EVASIONS BY KANSAS CITY RACKETEER RESUMED ONLY WHEN GRAND JURY PROTESTED IN OPEN COURT—W. L. VANDEVENTER FILLS IN DETAILS—TELLS OF TELEPHONE MESSAGES AND LETTERS FROM DEPARTMENT OF JUSTICE IN WASHINGTON TELLING HIM TO HALT PROCEEDINGS

(By Spencer B. McCullough, a staff correspondent of the Post Dispatch)

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KANSAS CITY, MO., November 30.—Thomas J. Pendergast, the most powerful political personality in the State of Missouri, admitted today to the writer that he wrote the urgent personal letter, which appears in adjoining columns, beseeching Postmaster General Farley to stop the prosecution of his friend and lieutenant, John Lazia, for Federal income-tax evasion, which had already begun.

Lazia, an ex-convict and deputy political boss, was the dispenser—for a price—of protection for gambling and other illegal resorts, who rose to power through his control of votes of the North Side Italian colony here and who was machine gunned to death July 10 last.

"Boss" Pendergast's admission more than confirms the reports prevalent from the inception of the investigation of Lazia's large and unreported income by the intelligence unit of the Internal Revenue Bureau that secret influences were at work to thwart the Bureau. It also goes far toward explaining the strange sequence of events which almost resulted in actually saving the reputed head of Kansas City's underworld from any prosecution at all.

PROSECUTION BEGUN IN 1933

The prosecution which was begun in March 1933 by United States District Attorney William L. Vandeventer, who issued an information charging Lazia with criminal tax evasion, was thereafter halted by orders from the Attorney General's office to Vandeventer, and was resumed in the following September only when a member of the Federal grand jury protested in open court against the stoppage and was advised by Federal Judge Otis that the grand jury had no superiors in Washington and could proceed with the investigation independent of the Department of Justice.

An indictment and conviction resulted, but Lazia was killed while his appeal was pending.

SIGNIFICANT CHRONOLOGY

Pendergast's effectiveness may be judged by the significant chronology of events which follow:

The intelligence unit of the Bureau of Internal Revenue, in the ordinary course of its work, discovered evidence of income of about $125,000 unreported by Lazia, and in due time laid its evidence before the district attorney. The information holding Lazia to the grand jury was based on this evidence.

As is customary, Lazia was immediately informed and invited to explain the unreported income. He at once declared his willingness to make any cash settlement the Government demanded if that would save him from prosecution and asked for time.

Within a few days, early in April, Vandeventer received instructions by telephone, confirmed by a letter from the Attorney General's office in Washington, that Lazia desired to present explanations and was to have hearings. A series of meetings followed between Vandeventer and the intelligence unit men on the one side and Lazia and his attorneys on the other, without any satisfactory result so far as Vandeventer was concerned. Lazia admitted failure to return income but insisted what he had not returned was deductible, he having paid it to other persons; while he told where some of the $125,000 had gone, he steadfastly refused to name the recipient of the bulk of the money, which was what the Government men most wanted.

On April 13 Vandeventer received another letter from the Attorney General's office, of much the same nature as the first, and later another letter. The tenor of all these was the same—to sus-

pend prosecution until the taxpayer had had further opportunity to explain his return.

On May 10 one of the numerous conferences was held and nearly broke up in a row. Vandeventer and the intelligence unit men were unyielding in their demand for satisfactory explanation of Lazia's income, and he and his attorneys on their part intimated unfairness and persecution.

Lazia's representatives at this conference included Jerome Walsh and George H. Moore, former collector of internal revenue at St. Louis. Acting on advice of counsel, Lazia refused at this time to sign a waiver which would have constituted an agreement that any information he might give would not guarantee him immunity from trial.

PENDERGAST'S LETTER

It was two days later, or May 12, that Pendergast wrote his moving appeal to Farley. Of course Vandeventer knew nothing of this. But on July 7 he was surprised, in view of the stop orders previously received from Washington, to find in his mail from the Attorney General's office a list of cases in which he was urged to proceed diligently with prosecution, which list included Johnny Lazia. He at once wrote to the Attorney General's office to inquire whether this letter of July 7 superseded the former ones. He was quickly informed that the exemption of Lazia still held.

While the Intelligence Unit men continued their investigation and there were more conferences, there was no change in the situation until the next grand jury was impaneled in the following September. Vandeventer laid before the grand jury such matters as his duties required and also reported to them the state of the Lazia case, including the fact that further prosecution was held up on orders from his superiors in Washingon.

Following Judge Otis' advice to the grand jury, Vandeventer reported the state of affairs personally to Attorney General Cummings and asked for instruction in the light of the new turn which the case had taken. Cummings instructed him to give the grand jury every assistance possible.

Even before the information was filed efforts were made to hamper the investigation, and did not cease until Lazia was convicted. When internal-revenue agents first began investigating his income, a year before the filing of the information, one of them, Harry Beach, was assaulted and beaten badly as he entered his apartment 2 days after Lazia had been informed his income was under scrutiny. Others received threats against their lives, and the offices of the Service in the Federal building were broken into and searched.

Lazia was sentenced on February 28, motion for a new trial was subsequently overruled, and the underworld leader was killed while his attorneys were perfecting an appeal.

"BOSS" PENDERGAST AMAZED

Pendergast, interviewed by the writer in his second-story office at the quarters of the Jackson County Democratic Club, expressed amazement when told of the letter he had written to Farley. He manifested a lively interest in the source from which it came and expressed his opinion of the reporter's informant in characteristic and unmeasured terms.

Then, leaning forward in his chair, his naturally ruddy face flushed, countenance earnest beneath his gray hat, he exclaimed:

"Yes; I wrote it. I stand by it, too. I'd do it again, and I'll stand by it.

"I asked Mr. Farley to help Lazia in an honorable way. Other citizens have been accorded the privilege of having their incomes adjusted in a perfectly legitimate way without going to court.

"Lazia offered to pay without argument. Why should he have been made an exception of? It was a plain case of political persecution."

Pendergast, whose smoke-filled outer office was thronged with men waiting to see the boss, ranging from well-dressed professional men to applicants clad in shabby clothes, spoke in a straightforward fashion. Occasionally lapsing into vernacular, he apologized when his vigor led him to use expressions more common to political halls than drawing rooms. He remarked that he was a college alumnus, and that he talked precise English when occasion required.

Before the letter was introduced into the interview he had reaffirmed his loyalty to Lazia. He said he had expressed publicly at the outset of the prosecution, and that he had gone down the line for him—without results.

As he read the copy of the letter, he declared "those are my words, all right—I'll stand back of it."

"Let me tell you something," Pendergast exclaimed in conclusion, "and that is that whenever I get to the stage when I accept the help of an organization—no matter if it is composed of Jews or Italians, anybody—and then won't go to bat for it in an honorable way, I ought to have my head cut off.

"I don't shirk responsibility."

VANDEVENTER'S STATEMENT

Vandeventer, a Republican, whose term as United States district attorney expired January 1, 1934, but who was retained as a special prosecutor to conduct the case when it was finally allowed to proceed, talked to the writer freely when asked about his experiences during the investigation of the case.

"The first thing that had not happened in other income-tax cases I had handled," Vandeventer said, "was when I got a telephone call from the Attorney General's office less than 8 weeks after the information was filed instructing me not to proceed with the case until further orders, that the taxpayer had expressed a desire to furnish income data.

"A few days later, on April 3, 1933, I got a letter from Sewall Key, head of the tax division, in the Attorney General's office, requesting me to proceed no further until authorized to do so by his office. It explained that Lazia's counsel had been told his figures could be presented either to the legal department at Washington or in Kansas City in my presence and in the presence of Treasury Department agents and the agent in charge of internal revenue. Lazia's attorneys elected to hold the conferences in Kansas City."

DELAY AND MORE DELAY

Vandeventer said that he notified Key that attorneys for Lazia had requested a postponment of the intial conference because they were to be out of town and that on April 13, Key replied that "it is to be understood, of course, that further action in the case will await the outcome of the conference."

A conference was finally held on April 25, Vandeventer recalled, with the Government agents giving, the aggregate amount of funds established at that time by their investigation, totalling about $78,000. Lazia's attorneys then demanded an itemized list of funds which the Government claimed passed through his hands.

This conference was arranged after City Manager McElroy had served as an intermediary for Lazia.

"We got together again on May 10," Vandeventer recalled, "but the conference only lasted about 30 minutes and broke up when Lazia's counsel accused the agents of prejudice and tried to get them disqualified. They objected when I tried to cross-examine Lazia concerning the items which were to be explained and finally decided to submit a written explanation. The written itemized explanation was not satisfactory to us and I introduced it in evidence at the trial."

Vandeventer disclosed that the next letter he received was from Pat Malloy, then an Assistant Attorney General, enclosing an affidavit forwarded by Lazia's counsel demanding the removal of a Government agent on the ground of prejudice. He was not removed.

"Another development came on July 7", Vandeventer disclosed, "when I got a list of income-tax cases for 'immediate prosecution' from William Stanley, Assistant Attorney General. Lazia's name was on the list and I thought we were at last going ahead, but when I wrote inquiring whether it superseded my instructions to hold off until further notice I was informed that it did not.

"That left me powerless to do anything although the Intelligence Unit men had compiled a mass of evidence for presentation to the grand jury. I was forced to inform the jury, when it inquired, that I was powerless to act and later, in open court, I detailed my instructions.

"It was the jury, not I, that finally brought Lazia to trial. Early in September it had been investigating matters concerning gambling and income-tax evasions, and when it came in the court room one juror stood up.

"This man told Judge Otis that there was a matter that had not been presented to it, that it had been informed I could not present it and he wanted to know if it could go ahead and conduct its own investigation.

"Judge Otis just looked at me. I told him frankly that I had been directed by my superiors to refrain from prosecution until further orders, that Lazia desired an opportunity to submit some more data.

"The judge told the jury that my attitude in obeying my superiors was proper, but he pointed out to the jurors that they are not 'your superiors', and told them they could investigate anything they saw fit. Well, they went ahead and investigated, vigorously. I wired direct to Attorney General Cummings, informed him of the situation, asked him what position I should take. He telegraphed me to 'render every assistance possible.' I went ahead and prosecuted."

EXHIBIT C

A PLAN LOADED WITH TNT

The bitterest detractor of Claud N. Sapp, chairman of the South Carolina Democratic Party, could not be so unjust as to accuse him of lack of frankness. He scorns the use of finesse. In substantiation of that claim for him, we reproduce here that which was printed in the news columns of The State yesterday:

"Plans for a central 'board' to dispense Federal patronage in South Carolina were disclosed yesterday by Claud N. Sapp, State Democratic chairman.

"Sapp said he would ask United States Senators E. D. SMITH and JAMES F. BYRNES to confer with him in Washington March 4 on a definite program for handling patronage. He said arrangements would be made for 'joint action' by the Senators and State party leaders.

"James A. Farley, national Democratic chairman, will be asked to sit at the conference on account of his position as arbitrator of patronage.

"Sapp said the numerous applicants for local and State positions under the incoming administration should secure endorsement of local Democratic officials before filing applications.

"The Democratic Party is not 'selling' jobs, he added, but said it was decided that those seeking positions should be willing to contribute substantially, according to their means, to retire the party deficit.

"Sapp quoted Farley as saying support of the State Democratic organization would be necessary for appointment to more remunerative and important posts, such as marshals, district attorneys, and Federal collectorships.

"He said postmasterships, rural-mail routes, and inspectorships would be handled through Congressmen in conjunction with the central group."

While the shade of Mark Hanna doubtless nods in approval of the excellent plan for raising three-quarters of a million dollars to wipe out the party deficit, we can imagine its frown of disapproval at the appearance in public of a pictured truth so unattractively naked.

We are in no way personally concerned in patronage distribution. The State never has had nor now has the least inclination to take part in the distribution of patronage. It has in the past studiously avoided appearing in such role and could not be persuaded to assume such part.

Therefore in this matter we are, in a way, merely side-line observers. But as such we cannot escape memory of political history, nor can we dissociate ourselves from deep, inherent concern for the good name of the Democratic Party.

The State does not know whether Mr. Sapp "got Mr. Farley right" in this matter. If so, it does not know whether Mr. Roosevelt has delegated these powers, extraordinary and plenipotentiary, to the national chairman. If so they exceed the powers held by any other Democrat in modern times and have been paralleled by only one Republican, Mark Hanna.

Neither does the State know what any one of the many Democratic Senators think of the somewhat indefinite part it seems they are to be invited to take. But we do know one thing, and that is this: A mere suggestion by the spokesman or spokesmen for the administration that applicants for offices, from the lowly postmasterships on up, must coincidentally send their checks to help "take care of the deficit" will raise a storm the like of which the Democratic Party has not faced certainly in 75 years. Democrats will resent it, and it will furnish the opposition with inexhaustible cases of ammunition.

The position of Mark Hanna was really stronger than this. When he "fried out the fat", he paid for all of it in special privilege. Here a dozen may "pay in hopes", when but one can be benefited.

Morally, we can't see the Atlantic Ocean, nor anything wider than Cocktail Branch, between collecting cash from applicants for offices by a Republican State boss of patronage (as has been charged and denounced in several Southern States) and in requiring an army of hundreds of thousands of candidates to "come across" with contributions to the party chest before they can hope for favorable consideration of their applications. One fund may go into a private pocket; the other may go into a public chest, but the principle of coercion by the political powers that be is the same—fixed, immutable.

WORK RELIEF

The Senate resumed the consideration of the joint resolution (H. J. Res. 117) making appropriations for relief purposes.

Mr. BANKHEAD. Mr. President, I shall confine my remarks to the business before the Senate. I hope to make a brief analysis of the two proposed wage plans involved in the pending controversy, the security wage plan and the prevailing wage plan, and to demonstrate to the best of my ability the effect of the two plans if put into practical application in the administration of the proposed program.

I wish to preface my remarks with the statement that I am a friend of organized labor, and my record both in industrial business and as a Member of the Senate will confirm that statement. I appreciate the efforts of the representatives of organized labor to protect themselves at every point along our march toward better conditions for them, and I realize and applaud them for remaining upon the watchtower to prevent, if they may avoid it, the enactment of any injurious legislation which might have a tendency to strike down the prevailing wage scale which has been built up under many difficulties and many hardships and struggles.

Mr. President, I regret that I do not find myself in accord with the conclusions organized labor has reached as to the effect of the President's program in applying what is known as the "security wage" in a work program for the relief and the betterment of the unemployed who are now upon the direct relief rolls of the Government.

The Committee on Appropriations gave most careful consideration to the pending joint resolution and to all its aspects. We were in session for more than 2 weeks, and I think it may be safely stated that more time was given to the consideration of the question now pending before the Senate than to any other phase of the measure.

I reached the conclusion, after the most careful consideration and deliberation, that the plan which is proposed by the President, which is known as the "security wage scale", would have no injurious effect upon the prevailing wage scale; but, on the contrary, in my deliberate judgment, the adoption of this program will have a tendency to strengthen and better the wage scale. Having reached that conclusion, there is nothing for me to do in voting upon this question and taking my position upon it but to vote for that program which my mature judgment has led me to believe will be ultimately to the benefit and welfare of the working people of this country, and for the existing wage scale in industry.

The program of a security wage scale has been worked out upon the basis of a 6-hour day and a 5-day week, with an average wage scale for that length of time of work so as to give approximately an average of $50 a month to those upon the relief rolls, instead of $24, on the average, which they are now receiving.

Mr. President, if that plan shall be changed as has been proposed, so that the prevailing wage scale will be put into operation by reducing the number of hours or the number of days the relief workers who enter upon employment under this program will work, let us see what the result will be.

If we pay the prevailing wage scale, which is estimated to be around $100 a month, on an average, there will be one of two results. First, we must increase the appropriation by more than $2,000,000,000 in order to continue this program over a year, as the administration contemplates doing, and that, of course, would result from staggering employment and from doubling the amount paid out for labor each day, so that we would bring to a termination this program in 6 months, under that arrangement, rather than have it continued for a year.

I have heard no really serious advocacy of increasing this appropriation by $2,300,000,000, as it is estimated will be necessary in order to operate this plan under the staggering-of-employment system and the payment of prevailing wage scales to all those taken from the relief rolls and given work under the program.

Suppose the appropriation shall not be increased; what will be the situation? The workers on the projects will work only 2½ days a week, or 3 hours a day for 5 days in the week. That, of course, would result in waste in the long drawing out of the completion of projects. It would greatly impair the contract system. It would prevent many contractors from taking contracts, with their overhead, with their machinery and their equipment standing idle for all of the week except 2½ days, or working only 3 hours during those days when they were at work.

It would certainly, in any event, very greatly increase the cost of all the projects carried on under a contract system, and it seems to me that it would really prevent the use of the contract system in large measure in the construction or operation of any of the projects contemplated under this program.

Mr. President, the real, crucial question here is whether a security wage scale will bring down the prevailing wage scale in industry throughout the country. That is a subject to which we have given most careful thought, and it seems clear to me for many reasons that it cannot possibly have that effect.

In the first place it is axiomatic that, with a growing demand for labor, with millions of men taken out of the labor pool, there can be no tendency to decrease wages in the normal lines of work. As the number of unemployed increases, the tendency toward a reduction in the wage scale naturally develops and becomes accentuated. But when laborers become scarcer, when they are drawn into work, when they are taken out of the field of distress and dangerous competition, naturally the effect upon the wage scale is to tend to tighten it and strengthen it.

There is a further consideration to which I think not sufficient attention has been given, and that is the effect upon the employment situation in the industries of the country. We must take into account the fact that for every person engaged in employment there is a reaction and a response in the matter of indirect employment. Economists differ as to the number of indirect employees who are given work as the result of direct employment. They estimate that it varies from one direct to from one to four or five indirect.

We must consider, when material and supplies and equipment are called for—and under this program $2,000,000,000 are to be spent for purchases of that type—that beginning back with the production of the raw material, the transportation to the factories, the manufacturing processes, and the distribution to the places of use require always an increased number of employees in regular lines of work. So, Mr. President, if this program should be considered on the basis that one direct employment gives only one indirect employment, we cannot neglect the great factor that if we employ three and one-half million men in direct employment we are, one to one, providing employment in an indirect way for three and a half million more men.

What effect will that have upon the prevailing wage rate? If we bring about greater operations in the manufacturing and producing plants of the country, naturally more labor is required. Whether or not the scale of one to one is taken, it is certainly clear under any theory that the expenditure of $2,000,000,000 a year for manufactured material, with three and a half million men directly at work using it, will at least give employment in industry, in an indirect way, to 2,000,000 employees. So it seems to me clear that the stimulation of industry, the increased demand for employment in industry, will inevitably prevent any reduction in the prevailing wage scale.

That idea is thoroughly underwritten and guaranteed by the Russell amendment to the joint resolution, which the committee adopted. It is there provided, as we know, that if there is any tendency toward, or if, in fact, there develops, any decrease in the wage scale anywhere in the country, it is the duty of the President to stop it and to put in prompt operation the prevailing wage scale on all this work.

Many of us recall that when the C. C. C. was put into operation there were predictions that the wages paid to the young men in the forests—$25 a month, I believe—would result in a reduction in the prevailing wage scale. That condition did not develop. That opinion upon that subject proved not to work out in practical operation.

We also recall that it was predicted, when the Economy Act was passed, that it would have the effect of reducing the wage scale in industry. Figures compiled by the Department of Labor and presented to the committee proved that such a fear was unfounded, and that in fact since the Economy Act was passed there has been a constant and steady, though slow, increase in the average wages paid under the prevailing wage scale. Under the Russell amendment we have an absolute assurance, a positive guaranty, that the prevailing wage scale will not, as a result of this program, be decreased.

With the logic of the situation confirming the proposition, with the mandatory provision in the statute that it shall not have that effect in practical operation, and with the confidence which all of us have in the man who is to be given unlimited power and authority under this measure, it seems to me that we should not have any real fear; that we should not be apprehensive about how this program will be carried out in practical effect. If we can trust the President, whom we all know to be a friend of labor; if we take the assurances that have been brought to us from him; if we consider the mandatory provisions given to him also in the Russell amendment; if we stop to realize that there will be so many men withdrawn from the field of idleness and put to work, and so many more men who will be called into regular lines of work in industry—then, so far as I am concerned, my judgment is clear, and I shall cast a vote of confidence in the President, knowing that he will see to it that labor is properly protected and the wage scale in this country is not permitted in any way to suffer.

Mr. GLASS. Mr. President, if there is to be no further discussion of this amendment, I should like to have a vote on it.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McGILL in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Reynolds
Ashurst	Couzens	Lewis	Robinson
Austin	Cutting	Logan	Russell
Bachman	Davis	Lonergan	Schall
Bailey	Dickinson	Long	Schwellenbach
Bankhead	Dieterich	McAdoo	Sheppard
Barbour	Donahey	McCarran	Shipstead
Barkley	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gerry	Metcalf	Townsend
Brown	Gibson	Minton	Trammell
Bulkley	Glass	Moore	Truman
Bulow	Gore	Murphy	Tydings
Burke	Guffey	Murray	Vandenberg
Byrd	Hale	Neely	Van Nuys
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Walsh
Caraway	Hatch	Nye	Wheeler
Carey	Hayden	O'Mahoney	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	
Coolidge	King	Radcliffe	

Mr. LEWIS. I again announce that the junior Senator from Louisiana [Mr. OVERTON] is absent because of illness, and that the senior Senator from New York [Mr. COPELAND] is detained from the Senate because of illness in his family.

The PRESIDING OFFICER. Ninety-three Senators have answered to their names. A quorum is present.

Mr. COUZENS. Mr. President, I wish to say a few words in regard to the so-called "McCarran amendment." I have in my hand the N. I. R. A. codes for the electrical industry, for the builders' supply industry, for the cement industry, and for the iron and steel industry. I have picked those out for the reason that, in all probability, those industries will supply the majority of the material for the contract work, and even for work that is done by the Government, on the basis of an hourly wage in connection with the building to be undertaken under this proposed law.

There seems to be no reason why these codes should be entered into, under the authority of the President, in order to protect the profits of industry and the wages and hours of the employees who are fortunate enough to come under the codes, and at the same time take three and a half million of our citizens who are least protected, who have no organization, who have nobody to represent them, should be compelled, under the pending joint resolution, to labor without a code and with no protection whatsoever with respect to the wages or salaries they may receive in their respective crafts.

Now let me take the cement industry. The code for the cement industry, which undoubtedly will play a very large part in connection with the use of the money appropriated by the pending joint resolution, contains a penalty for violating prices. The price agreements are listed; the prices are fixed for the different points of consumption, and, where the commodity goes from the place where the price is fixed to another place, the seller is required to add the cost of freight. The code provides a minimum wage of from 30 to 40 cents an hour, dependent upon the location of the plant. It will be observed that on page 345 of the code authority, wages are fixed dependent upon what are assumed to be the living conditions in the respective locations. Then, on page 336 of the code, it will be found that provision is made under article 9 for the posting of open prices so as to maintain market stabilization.

I submit, Mr. President, that if it is desirable under the N. I. R. A. to protect the profits of the industry and stabilize the cost of cement, to fix a minimum wage and maximum hours, there can be no justification for not giving protection to the persons who are going to be employed under the pending measure.

I will now take up the builders' supply code. It even provides for open prices, which means, in substance, that the seller posts his price, and therefore gives notice to the rest of the trade of the prices for which he is selling his commodity. He is also prohibited by the code from selling below cost. A minimum wage is fixed and maximum hours of work are established. Again I submit that as the builders' supply code approved by the President assures a profit to the builders' supply industry, assures a minimum wage for the employees,

and assures a maximum of hours of labor, there is no justification for ignoring such procedure in the enactment of the pending joint resolution.

Now take the code for the electrical industry, which is another industry which will undoubtedly benefit a great deal by the passage of the joint resolution. They entered into a code approved by the President August 4, 1933. That code provides for minimum wages of from 33 cents to 40 cents per hour. It fixes a maximum time of employment. Also on page 3 it provides for a uniform accounting system and against any article being sold at less than cost. So the electrical industry is protected by a code assuring the producers of a profit, assuring the workers of a minimum wage, and assuring them of maximum hours.

So, Mr. President, I again assert that there is every justification for putting into the pending joint resolution protection for the workers who will be employed directly by the States, municipalities, or the Federal Government by contractors. There is no justification for requiring three and a half million distressed workers to give $2 of service for $1 pay. There is no provision in connection with the expenditure of the $4,880,000,000 against requiring these distressed workers to give twice as much for the pay they get as may be given by those employed in private industry.

I do not conceive this joint resolution to be an effort to get the most possible for our money at the expense of those in distress. No one can justify a wasteful expenditure of money, especially public money, but no one can justify the Federal Government getting $4,000,000,000 worth of work done on the basis of taking money out of the pockets of the workers who are to perform the work.

It is equally true that there will not be as much building, there will not be as much work done for the same amount of money under the McCarran amendment as under the so-called "Russell amendment", although a different condition might prevail if it is contemplated that the Russell amendment may work itself out after some period of time, but as we start out and as the responsibility upon us seems to dictate we should make provision for the care of these workers. As I have said, there is no justification for requiring a man to give $2 worth of work for $1 worth of pay. No one has ever suggested, and I do not suggest, that industry be required to give $2 worth of cement for $1 of pay; neither do I suggest that the iron and steel industry or the building-supply industry be required to give $2 worth of material for $1 of pay; and yet, Mr. President, we have that exact situation now confronting us. We either say by our vote, which I hope is soon to be taken, that we are going to declare a policy authorizing the Federal Government to require from the distressed workers $2 worth of work for $1 worth of pay or that we are going to protect them.

The whole N. I. R. A. philosophy, based on the codes which I hold in my hand, is that destructive competition, the selling below cost, the grinding of the workers, the employment of child labor, the sweatshops shall be eliminated, and that such practices shall be prohibited.

All I ask is that the Senate do for the 3,500,000 people, whom the President says he is going to put to work, the same that they do for the industries—to do at least as much for them as we are doing for iron and steel, for cement, for copper, for building supplies, and other materials which are going to be paid for out of these appropriations. I should be ashamed of the Senate if they did not carry out their determination that these 3,500,000 men in their great distress shall not be taken advantage of under existing circumstances.

Mr. BORAH. Mr. President, those who oppose the amendment offered by the Senator from Nevada [Mr. McCARRAN] have not made plain to me one proposition which seems to me ought to determine the question. It is asserted that the payment of this amount of $50 per month will not affect the wage scale of the regularly employed. I do not see how it is possible to avoid that effect.

We are appropriating a very large sum of money which is to be utilized in large measure for the employment of labor. If we have a wage scale for that large number of people whom we are going to employ with the public money and another wage scale for those who were employed by private industry, it seems to me there must necessarily be an interaction between the two propositions, and that the low scale will inevitably have a tendency to bring down the scale of wages of those employed in private industry. If it should have that effect, then the very object and purpose of the legislation would be defeated.

The legislation is designed to bring about recovery. It is recovery legislation. But there can be no recovery if the wage scale of the country is lowered. The entire question of recovery in this country depends upon the question of restoring purchasing power to the masses—not purchasing power to the few but purchasing power to the millions. Anything which lowers the purchasing power of millions of workingmen or anything which threatens to lower that purchasing power retards recovery. I say anything which threatens to lower purchasing power will retard recovery for the very reason that when a man's wage is threatened he immediately begins to curtail purchases. He reduces expenditure at every point.

If we take a certain amount of money out of the Treasury of the United States and so utilize it as to bring down the wage scale of the great body of workers, we thereby diminish the purchasing power of that body of workmen; and by doing so we defeat the very object which we have in mind, that of bringing about recovery.

No one has undertaken, as it seems to me, at least not satisfactorily to me, to demonstrate that that will not be the effect of the $50 relief wage upon the wages of $100 or $125 which may be paid elsewhere. If that cannot be answered, then the question must necessarily be answered in favor of the amendment offered by the Senator from Nevada. Otherwise, as I have said, we defeat the very object of the legislation, and that is to bring about recovery.

It has been stated that it would not bring down the wage level. It certainly was not demonstrated in the hearings. There were no facts presented in the hearings upon which we could reach that conclusion. I really doubt very much if after reflection anyone can satisfactorily conclude that it will not have an effect upon the wage level of the United States.

It is said that it would require a larger appropriation. Let us assume, in the first instance, that it would require a larger appropriation. What we are after is recovery. What we are seeking to do is to bring about a better condition economically and financially in the country. If we invest $4,500,000,000 and fail to bring about that which we desire, it would be infinitely better to appropriate $1,500,000,000 more if we could do so upon a reasonable basis that would bring it about. But it does not necessarily follow that we must have a larger appropriation. These men may be employed for a less number of hours, but paid in accordance with the established rate of wages for the hours they labor.

It seems to me, therefore, that the McCarran amendment is in harmony with the very object and purpose of the legislation. It seeks to accomplish exactly what the legislation itself seeks to accomplish. It ought not to be treated as inimical to the plan for recovery.

I believe, too, the point made by the able Senator from Michigan [Mr. COUZENS] is unanswerable. We are providing protection all along the line by actual legislation for the others who may be affected by the N. R. A., and it stands to reason, therefore, and it is an element of justice as well, that we should not leave the law blank as to the interests of the unfortunate people who now have no employment.

Unless there can be some facts submitted to us in answer to what seems to me an inevitable result, and that is the lowering of wages throughout the country, I shall have to support the amendment offered by the Senator from Nevada.

Mr. ROBINSON. Mr. President, having in mind all that has been said on this very important subject, it seems to me the proponents of the McCarran amendment have overlooked the fundamental principle which runs through the joint resolution. The purpose of the legislation is twofold. It is

not only to increase purchasing power, although that is one of the primary objects. Its other important purpose is to enable the Government to absorb into the labor system of the country, temporarily, a large number of workers, approximately 3,500,000, who without the legislation may have no employment at all.

I am sure every Senator who hears me will concede that if the President can be trusted to expend approximately $5,000,000,000 for the purposes just mentioned, he can also be trusted not to administer the fund so as to undermine and destroy the structure of the labor system of the country, the maintenance of which, as already stated, is one of the fundamental purposes of the legislation.

The Russell amendment, for which the McCarran amendment is in effect offered as a substitute, expressly provides that if it shall be discovered that the rates of pay fixed under the joint resolution have the effect of bringing down employment remuneration in private enterprise, readjustments in the rates will be made so as to avoid that result. I know the amendment has been criticized. Nevertheless, it recognizes the desire and the necessity of preventing a lowering of labor standards in private employment.

There is a thought which I should like to emphasize in the hearing of my good friends who take a contrary view of this subject, and that is the fact that for more than a year, at different periods, we have been resorting to the principle of work relief. In neither the Civil Works Administration nor any other spheres of activity in which the Government supplies the funds for unemployment relief have we sought to establish the standard compensation prevailing in private employment; and I do not believe that anyone who hears me will contend that while 4,000,000 men were at one time engaged under the Civil Works Administration, that process resulted in a lowering of general labor standards. Quite naturally, with nine or ten million workers in the country out of employment, one might expect that measure of competition from them, as against those who are employed, to affect in some way the compensation of workers; but I submit in all candor to those who hear me that during the period of the depression, since we began efforts to reduce unemployment by various methods of work relief, labor standards have been well maintained. They have not been reduced. On the contrary, they have been properly exalted, either through a reduction in hours or through an increase in compensation, or both.

If 4,000,000 men at work under the Civil Works Administration did not lower the well-established standards of employment in private industry, and if nine or ten million totally unemployed do not accomplish that result, how can it be fairly said that the temporary absorption of the unemployed who are able and willing to work inevitably will prove disastrous?

There is another thought: Our destitution relief rolls are enormous. Everyone in the country who is out of work seems to prefer Government employment to private employment. I do not refer now merely to those who are seeking Federal offices. Their number is legion. They advance with measured tread, in organized ranks. Their ambition is laudable; but, manifestly, the Government cannot take into its bureaus and into its departments everyone who would like to be there. Also, it is manifest that the task of affording employment is gigantic. If we establish by law the prevailing wage rate for those who come into the service of the Government under a work-relief system, we shall have great difficulty in ever terminating it, even though business should revive, and enterprise be ready and willing to absorb the unemployed.

There is not one word in this measure that fixes a standard of wages. The language is:

> The President is authorized to fix the rates of wages of all persons compensated out of the funds appropriated by this joint resolution and may fix different rates for various types of work, which rates need not be uniform throughout the United States.

Is it proposed to attract to the rolls of those who are seeking relief in the cities millions more who now live in the country, who carry on their activities in farming and other similar engagements, by assuring them rates of wages which do not exist for them, and rates of wages which perhaps are not justified? Is it proposed to add to the number of those who are dependent upon Federal assistance in order to earn a livelihood by making it so attractive to them that they will not wish to seek an opportunity of carrying on their own activities, or private activities under others?

In many localities of the United States, if we should require by law the payment of the rate of wages fixed according to union standards—and that is what this means, if it means anything—we shall be paying many laborers twice as much as they ever earned in their lives during a period of prosperity; and if Senators imagine that such employees will be willing or anxious to go back to private employment when the Government is guaranteeing them twice as much as they can earn according to their experience, I think the Senators will find themselves mistaken.

Do not forget that there is one great task which is before us, and that is relieving the Federal rolls of those who, for one reason or another, cannot be employed. Do not forget, also, that this is a measure of relief. One of its objects, among others, is to sustain the morale—the courage, if you please—of the millions who are willing and able to work, but who, through no fault of their own, have not found the opportunity to do so. If we make public employment more attractive than private employment, we shall have public employment constantly increasing, and we shall be unable to carry the load incident to destitution relief.

I know there is opposition to the principle which underlies this joint resolution. I know there are some who think and who say that the United States has now come to the time when we ought to discontinue all forms of relief for the unemployed. There are some who assert that we are not justified in creating this large additional burden on the Federal Treasury under present conditions.

I think work relief is preferable from every standpoint to destitution relief. I prefer wages to doles. We should be careful not to respond to the great influence, which we recognize and respect, and which, if it succeeds, may create a condition under which we will not only have in the early future 3,500,000 persons on the Government work-relief rolls, but in other years we will have that same number seeking to remain there, using every influence that exists to maintain themselves, and millions standing behind them and around them seeking also to get upon the Government employment rolls.

Mr. President, fairly considered, the Russell amendment safeguards against the dangers which some believe exist in the original provisions of the joint resolution. The President of the United States is just as much interested as is the Senator from New York, or the Senator from Nevada, in maintaining fair standards of wages and improved working conditions. He and his administration have done more for the cause of labor, for the advancement of the interests of those who earn a living by toil, than has been accomplished in any comparable period under any other leadership.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly I yield.

Mr. McCARRAN. Would the Senator be willing to have an amendment adopted which would provide that the part of the $2,000,000,000 which is to be applied to the purchase of commodities to go into these works should be expended at a rate of 50 percent of the cost of production?

Mr. ROBINSON. Certainly not.

Mr. McCARRAN. One more question.

Mr. ROBINSON. I will answer the Senator's question, but the Senator ought to give me an opportunity to do so.

Mr. McCARRAN. The Senator said, "Certainly not." I assumed that was his answer.

Mr. ROBINSON. But that is not all the answer. The Senator may proceed to ask his second question.

Mr. McCARRAN. Then, the Senator wants to reduce the price of blood as against the price of the commodities which are going to involve that blood.

Mr. ROBINSON. Mr. President, that is an illustration of the character of argument on which the Senator from

Nevada seems to rely. Does the Senator think that I would advocate compelling or trying to compel a producer to sell his commodity for 50 percent of what it cost to produce it?

It must be remembered that the theory asserted by the Senator from Nevada, that something is being taken away from these relief employees, is a fiction. Nothing is being taken away from the 3,500,000 men proposed to be employed. Today they are walking the streets of the great industrial centers. Tonight they will pillow their heads in restless beds because they have no chance to earn a livelihood for themselves and their dependents. Yet it is said that in fixing a wage below the prevailing wage established by organized or union labor a gross injustice would be done to men who otherwise would continue to suffer. I rest the case on the unfairness and unsoundness of the argument implied in the statement of my friend the Senator from Nevada.

Mr. GLASS. Mr. President, I should like to ask the Senator from Arkansas just one question, whether he can conceive of anything that would be more disastrous to labor than acceptance of the proposition presented by the Senator from Nevada?

Mr. ROBINSON. I think it would be harmful to labor, although I know many of the leaders of labor do not so regard it.

Mr. GLASS. I do not want the Senator from Arkansas to misunderstand me. I refer to the last proposition presented, to require everybody who furnishes any part of $2,000,000,000 worth of material to furnish it at 50 percent below cost.

Mr. ROBINSON. Certainly. That would undermine the wage system of the country.

Mr. GLASS. Of course it would.

Mr. ROBINSON. But I say again that it is a fiction to assume that in giving 3,500,000 people employment, something is being taken away from them.

Mr. GLASS. We would be giving them a hundred percent more than they are getting now.

Mr. ROBINSON. Absolutely.

Mr. MURPHY. Mr. President, I should like to ask the Senator from Arkansas whether, in his opinion, it is probable that the President, in fixing a wage for skilled labor, such as is usually represented in labor unions, would be likely to fix a wage less than the scale.

Mr. ROBINSON. I should expect rather that he would not do so, but I should think that he would have in mind all the conditions which prevailed at the time with respect to skilled labor.

Mr. MURPHY. I was struggling for a distinction between the prevailing wages and wages as fixed by labor unions. Evidently the Senator from Nevada has in mind that the prevailing wage would be the union wage.

Mr. McCARRAN. Not necessarily.

Mr. MURPHY. Not necessarily?

Mr. McCARRAN. Not necessarily.

Mr. MURPHY. It is prescribed that the President shall fix the prevailing wage, because it is provided here that a hearing shall be held if it is found that the rate of wages paid is affecting adversely or is likely to decrease the prevailing rate of wages.

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. MURPHY. Yes; if I have the floor.

Mr. COUZENS. The Senator from Arkansas read only the first sentence of section 6, and that cannot be read alone. The second sentence of section 6 must be read in connection with the first. In answer to the question of the Senator from Iowa, I understood the Senator from Arkansas to say that it was contemplated, or that he thought it might be, that the President would establish the prevailing wage. From a reading of the second sentence of section 6 of the amendment of the Senator from Georgia, it is seen that it plainly says that it is contemplated that the President shall fix the wage below the prevailing wage, because after that shall have been ascertained he is then to establish the prevailing wage.

Mr. ROBINSON. I think that is true, and I think it is well understood that in his message the President announced himself in favor of a scale of compensation which would be lower than what we may term to be the prevailing wage, and I think that is the justification for the appropriation, in a large sense, of this very great sum.

Mr. RUSSELL obtained the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield to the Senator from Nevada.

Mr. McCARRAN. In order that the Senator from Georgia, who has the floor, may be advised, I desire to respond to the Senator from Arkansas. I do not care to have him yield unless he desires to yield to me for that purpose.

Mr. RUSSELL. I have no objection to yielding to the Senator from Nevada for that purpose.

Mr. McCARRAN. I thank the Senator. The Senator from Arkansas takes exception——

Mr. ROBINSON. Oh, no.

Mr. McCARRAN. Oh, yes; very much so.

Mr. ROBINSON. I did criticize the Senator's argument, but I took no personal exception.

Mr. RUSSELL. Mr. President, in order that I may protect my right to the floor, I wish to ask whether in yielding to the Senator from Nevada I will lose the floor.

The PRESIDING OFFICER. The Senator does not lose the floor when he yields to the Senator from Nevada, under the custom of the Senate.

Mr. RUSSELL. Very well. I yield to the Senator.

Mr. McCARRAN. I thank the Senator. I propounded my question to the learned leader of the majority in seriousness, and not in the spirit of fiction or in the spirit of frivolity. I am wondering what is the greatest thing to be conserved in America today by this, the greatest appropriation Congress has ever been asked to make. Is it to conserve profits to those who produce material which will be purchased by a billion nine hundred million dollars, or is it to conserve the wage structure of this country, which has been builded up through half a century.

Mr. ROBINSON. Mr. President, if the Senator is addressing his question to me, and wishes an answer——

Mr. McCARRAN. He certainly is.

Mr. ROBINSON. I undertook in the very beginning of my remarks to say what I thought were the two fundamental purposes of the proposed act; and of course, there was nothing in what I said or in what I thought, I can inform the Senator, which would justify the conclusion that I am trying to conserve profits.

Mr. McCARRAN. I take it from all the Senator has said that we are not daring to tear down the profits of industries which will furnish $1,900,000,000 of materials. That would not be dared here; but we can tear down——

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McCARRAN. If I may finish my sentence.

Mr. ROBINSON. Yes; certainly.

Mr. McCARRAN. We can tear down with impunity that which has been builded through a half a century of struggle by those who toil.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I now yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator asked if I would favor requiring material men to furnish their materials at 50 percent of cost of production. Of course that cannot be done. There is no way in which that can be accomplished. In the second place, if we did that we would accomplish more harm than good to labor, because the producers of material could not continue indefinitely to operate at a loss of 50 percent of the cost of production.

Mr. McCARRAN. Mr. President, may I interrupt there?

Mr. ROBINSON. Certainly.

Mr. McCARRAN. But slavery could afford to come into existence. Is that it?

Mr. ROBINSON. No, no; I do not think slavery has anything to do with this; and if the Senator wishes to imply

by that suggestion that I am advocating slavery, or ever did advocate or ever will advocate it, I can see the futility of any effort I may make to discuss the question with the Senator.

Mr. RUSSELL. Mr. President, my remarks will be very brief. I will conclude in a few minutes and will then yield the floor and the argument between the Senators can then be resumed.

Mr. COUZENS. Mr. President, will the Senator yield to me to ask a question of anyone on the other side of the Chamber? Will the Senator yield to that?

Mr. ROBINSON. Ask it on both sides of the Chamber.

Mr. COUZENS. I am asking it on the other side because that side is in control. Will the administration or the Senators in their seats now be willing to adopt an excess-profits tax, taking all above 3-percent return on capital investment? If the Senators will agree to that, I will not argue so much; but I submit that there has not been a single tax proposal in the last 2 years to help liquidate these enormous expenditures which are being made today.

Mr. BANKHEAD. Mr. President——

Mr. RUSSELL. I decline to yield further now. If we are to get a diversity of views on taxation the argument will be interminable.

Mr. ROBINSON. I have no objection to limiting profits on construction under this resolution.

Mr. RUSSELL. I would not undertake to speak for every Member on this side, but, speaking for myself, I have supported every increase in income taxes in the higher brackets of both corporations and individuals, including those offered by the Senator from Michigan, and I approve the theory of an excess-profits tax.

Mr. President, from listening to the discussion of the proponents of the McCarran amendment I must conclude that there is a very great misconception of the theory and purpose of the pending legislation. This is not a public-works bill. If this bill were designed solely and entirely to provide for public works that were necessary and would serve a useful purpose to the Government of the United States all the argument in favor of the prevailing wage amendment would be most appropriate. I assume no voice would be raised in objection. But, Mr. President, this joint resolution now under consideration is not primarily a public-works measure but a relief measure, and any public works that are undertaken in connection therewith are merely incidental, in an attempt to salvage something of permanent value out of the expenditure of funds that are to be paid in wages. This is a great effort to raise the morale, to give a sense of security, to give bread and meat and clothing, if you please, to three and a half million citizens and their families, who are now on the relief rolls or are receiving a dole. We hope a beneficent effect will be experienced by all lines of business.

Mr. President, if we were to adopt here an amendment providing that the prevailing rate of wages shall be paid in all the undertakings launched under this bill, what report would you make or what explanation would you give to the six and a half million unemployed in this country today who are not on the relief rolls but who have suffered from this depression, and who in some instances have demonstrated a higher courage and more patriotism than thousands of those who have taken refuge on the relief roll? They are looking for jobs. How could you satisfactorily explain any such injustice to all of those who are unemployed and have no jobs, but have maintained their self-respect, who have suffered in silence, and have not sought the support of their Government by applying for relief. If the prevailing wage is to be paid, all of the unemployed should be provided for. Work should not be confined to those on relief rolls.

If we are to change this from a relief measure to a program of public works by adopting the prevailing wage amendment, we should immediately triple or quadruple this appropriation and thereby afford employment to the ten and a half million people in the United States today who are out of employment. Simple justice would demand it.

As I view this proposition, as a matter of administration, it would be almost impossible to carry out the purposes and intent of this bill if the Senate should adopt the amendment offered by the Senator from Nevada. As one simple illustration, it has been proposed, and it appeared in the evidence submitted to the Committee on Appropriations, that funds would be taken from those provided by this joint resolution to carry on the Civilian Conservation Corps for another year. If the amendment of the Senator from Nevada be adopted, it will then be necessary to pay each and every young man in the Civilian Conservation Corps the prevailing wage for woodsmen, whatever that might be, wherever they may be located. That is only one illustration of the obstacles and difficulties you are inviting if you tie the hands of the President in the administration of this huge fund.

Mr. President, the desire to maintain the existing wage structure in this country is not confined to the Senator from Nevada and those supporting his amendment. I am desirous of maintaining the existing wage in this country. The desire to preserve the existing wage scale inspired this amendment which was offered and adopted in the Committee on Appropriations. As this measure came over from the House there was not one single word in it affecting wages in any way. There was no provision about any security wage or prevailing wage or a fixed wage of any nature. The pending amendment which I offered was designed and intended to protect the existing wage schedule in this country. I believe that it does protect the wage structure. At the same time we leave the President's hands untied and free in his efforts to give some kind of a job—if not a job that pays a high wage—to those who are on the relief rolls, and if possible to reach out to some of the other six and a half million unemployed who are not now drawing relief.

This amendment affords ample protection to the existing wage scale, and yet permits the President to place the greatest possible number in gainful employment. It will give men a job and all that goes with it, in comparison with the condition that obtains today among the unemployed, who are living off of grocery orders and often inadequate supplies they are obtaining from the relief administration.

I repeat, there was nothing in the original joint resolution that affected wages one way or the other. This amendment, as adopted by the committee, authorizes the President to fix the rate of wages and to fix different rates for various types of work, which rates need not be uniform throughout the United States. The effect of this is to empower the President to fix such rates as he deems proper, so as to permit the greatest good to the greatest number in the expenditure of this fund, with the protection afforded the existing scale by the remainder of the section.

It is conceivable, Mr. President, that there might be projects far removed from any center of population, where men would be put into something in the nature of cantonments to carry on some public works. In that case I think the President would be wholly justified in saying that those men should be paid a lower rate of wages or compensation than those engaged in employment in the cities. The first paragraph of the amendment authorizes the President to do that.

We now come to the part of the amendment designed to protect the prevailing wage structure wherever it might exist in the United States, and I say that I am as much concerned in protecting and defending that wage structure which has been established through years of effort and trial as the Senator from Nevada or any other Member of the Senate. And make no mistake about it, the President will see that the existing wage scale is not damaged or destroyed. He is labor's champion. I am convinced that most of the criticism directed today at the President of the United States is inspired by those who resent the concern which he has always shown to protect the rights of labor and the militancy with which he has fought for shorter hours and higher rates of wages for those who toil.

The second section of this section provides:

In the event the President * * * shall determine * * * that the rate of wages paid is affecting adversely or is likely to

decrease the prevailing rates of wages paid for any work of a similar nature in any city, town, village, or other civil division of the State in which the work is located, or in the District of Columbia, the President, or the official or agency designated by him, shall immediately fix the rate of wages at an amount not less than the prevailing rate of wages paid for work of a similar nature in such locality.

The last clause provides that all contracts which may be entered into for public construction shall protect the prevailing rate in the same manner that is provided by the preceding clause of the amendment.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McCARRAN. Will the Senator kindly enlighten the Senate from his experience as to how long he thinks it would take one of these investigations to go through to the President? From his experience, does he not believe that the entire sum would be expended long before it would ever reach either the President or the administrative authorities?

Mr. RUSSELL. Mr. President, the amendment which was accepted in committee is just as definite as is the amendment offered by the Senator from Nevada. The amendment offered by the Senator from Nevada, which proposes to fix wages at the prevailing rate, can lead to controversy or an investigation to determine what is the rate, and it can take just as long as an investigation to determine whether or not the prevailing rate of wages is being affected. So there is certainly no difference of that character to quibble over between the two amendments.

The amendment offered by the Senator from Nevada provided no machinery nor standard by which you may fix what is the prevailing rate of wages, and there will be just as numerous investigations to determine what is the prevailing rate of wages if the amendment offered by the Senator from Nevada is adopted as there will be under the committee amendments.

Mr. President, if the Members of the Senate have sufficient faith and confidence in the President of the United States to vote him approximately $5,000,000,000 in a joint resolution of this kind, with scarcely any limitations, I certainly feel we should have confidence in him to protect the prevailing rate of wages under the amendment adopted by the committee.

There has never been a man in the White House who has shown the concern in the welfare of labor and the improvement of living standards that the present President has manifested. For one I am wholly content to leave this matter in his hands. He will respect the definite and mandatory injunction which this section contains. It does not leave it to his discretion if prevailing wages are adversely affected, but in that event immediately increases to the prevailing rate the wages paid in the community where the work is being conducted. I am convinced that the committee amendment will protect the existing wage structure, and at the same time it is not calculated to hamper the President's laudable objective of abolishing the universally condemned dole system.

Mr. COUZENS. Mr. President, I do not charge that the Senator from Georgia [Mr. RUSSELL] is not in sympathy with the maintenance of wages for employees, nor am I to be diverted by eulogies of the President of the United States. I have just as much respect and regard for the President of the United States as has any Senator on the other side of the Chamber. However, I recall in the early part of 1933 we passed the infamous emergency economy bill and in that measure we left it to the President to fix compensation for injured war veterans. I apologize for making reference to myself, but I was one of 13 who stood on this side of the Chamber late that evening and insisted that the Congress would hang its head in shame within a year for passing such a measure.

In less than a year not only did every Member of this body hang his head in shame because of the treatment the veterans received, but they came in here and revised that act. The bill we then passed was later vetoed by the President, but it was enacted into law over his veto.

I am not so simple as to believe that the President of the United States can do all of these things we assign to him. The simplicity of the Senators who passed the Economy Act in 1933 was pathetic. They believed the President of the United States was going to adjust the veterans' compensation; but what happened? Some ruthless satellite went down the lists of compensation for veterans and slashed them unmercifully so that not only did every Senator hang his head in shame at the result but the United States itself rose up in protest against the manner in which the World War veterans were treated by the edict of a satellite working for the President.

The Senator from Georgia may not charge me of any lack of sympathy and admiration for the President because I want to fix by statute, rather than to pass on to some unknown satellite, the question of the fixing of wages all over the United States and then determine whether they interfere with the prevailing standard of wages.

I listened with interest to the pathetic speech of the Senator from Arkansas [Mr. ROBINSON] wherein he spoke about these workers going to bed at night and laying their heads on their pillows and crying for work. I am just as sympathetic for those men as is the Senator from Arkansas; but, with all due respect to the argument that the amendment is proposed for the purpose of maintaining wage scales, with which purpose I concur, I still reiterate that that is only one phase of the controversy as to whether we shall pay the prevailing wage or whether we shall have some miserable security wage.

Mr. President, the Government of the United States, which is endorsing profits in every industry, which is protecting profits in every industry, should be the last to attempt to grind out of the workers every penny it can get because of their distress. As I have pointed out, notwithstanding the desirability of maintaining wage scales, there is no justification for the great United States compelling these men who are going to bed at night and laying their heads on their pillows and crying for work to give $2 worth of work for $1 in money.

The Senator from Arkansas did not answer that proposition. The Senator from Arkansas took the position that because of the utter distress of these 3,500,000 workers we are justified in taking them by the throat and saying: "Get down to work and produce $2 worth of work for $1 of pay." I hope the Senate will not sanction any such philosophy.

Mr. STEIWER. Mr. President, I listened attentively to the arguments presented this afternoon in opposition to the McCarran amendment. I was particularly impressed by the statement made by the Senator from Arkansas [Mr. ROBINSON] and that just concluded by the Senator from Georgia [Mr. RUSSELL]. I cannot escape the conclusion that those arguments leave much to be desired. I feel that it may be my duty to detain the Senate briefly in order to call attention to certain facts which were developed by the committee and which are before us now for our consideration in connection with this controversy.

In the first place the committee having jurisdiction of the joint resolution has never voted favorably upon the so-called "security wage." The committee, in the first place, voted for a proposal made by the Senator from Nevada [Mr. McCARRAN] similar to, if not identical with, the proposal now pending before the Senate, and which provided for a prevailing wage. Subsequently the committee reconsidered its action in connection with that matter and finally voted for a so-called compromise which is written into the joint resolution as section 6 and referred to here as the Russell amendment.

Not only is it true that the committee never voted for the subsistence or security wage, but I think I am correct in stating to the Senate that the best authorities to whom we are privileged to look upon this question have unanimously taken their stand against the so-called "security wage."

I might digress to say that it takes a little stretch of the imagination to call this proposal a security wage. I have no quarrel with the phraseology; but it is a known fact that

the proposal is for an average wage of $50 per month, and that it is calculated to be just about one-half between a dole on the one hand and a prevailing wage upon the other. It is, therefore, no more a wage than it is a dole. It seems to partake of both. It might very properly be called either—that is to say, either a starvation or a security wage, or a superdole, or it might properly be designated by any other phraseology in the twilight zone between wage and dole.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Montana?

Mr. STEIWER. I do.

Mr. WHEELER. The Senator from Georgia [Mr. RUSSELL] stated that the adoption of this amendment would make it necessary for the Government to pay the prevailing rate of wages in the Civilian Conservation Corps. I am not at all sure that it would. I am wondering whether or not the Senator from Oregon has looked into that matter.

Mr. STEIWER. No, Mr. President; I have not.

Mr. WHEELER. Of course, if it would, I think we should provide in the joint resolution that nothing in this amendment should apply to the Civilian Conservation Corps.

Mr. STEIWER. I am in agreement with the Senator. I think it might well be excepted, if in fact the amendment would apply to those recruited to the Civilian Conservation Corps. I had not heard that argument presented until today. It occurs to me, in answer to what the Senator is now suggesting, that the McCarran proposal, as presently before us, may indeed apply to those people and to others; and it may have some relation to the suggestion that under an authorization now pending before the House of Representatives the President may recruit the Army from 118,000 up to a figure around 180,000, and pay the soldiers thus recruited under this fund. I can well see that if it is the intention to enlarge the Army in that way, the McCarran amendment in unqualified form might operate restrictively. I did not at this moment, however, intend to address myself to that subject.

Mr. President, I had stated that those to whom we have the best right to look for guidance in this matter are unanimously in favor of the prevailing wage. Here upon this floor we have heard the very clear statement of the junior Senator from New York [Mr. WAGNER]. We have heard also the statement made today by the senior Senator from Pennsylvania [Mr. DAVIS]. These two Senators more than any others in our midst have had opportunity to have first-hand knowledge, and from their very long experience, I think, have a better right to an opinion than most of us might have.

We find, too, from the hearings that Mr. Green, who appeared before the committee with the entire executive committee of the American Federation of Labor, in voicing the judgment of labor, gave to the committee his unequivocal and most positive statement that, in his judgment, based upon his experience and the experience of his organization, this so-called "security wage" would operate adversely upon the prevailing wages in the country.

What does the record show in behalf of the contentions before the Senate at this time? Let me read very briefly—because I desire to proceed rapidly—what is said by these gentlemen who have so thoroughly a right to an opinion.

First, I read from the statement made by Mr. Green, as follows:

> We have found from experience that it is impossible to establish and maintain wage standards in any community, and the proposal advanced by those who support the relief wage is that there shall be established in each locality two wage standards, a relief wage, and a standard wage. That is economically impossible.

He said also—I read now from page 30 of the supplemental hearings:

> There are very few workers employed steadily. Their earnings are meager and just as sure as you establish a relief wage, down will come our wages in every community. It followed the imposition of the Government reductions of wages of employees. Every city, every village, every community in the country reduced the wages of city employees. Private employers used it as an argument to reduce wages. "Our Government has cut down the costs and we must do so."
>
> Now, as soon as you restored the rate of pay of Government employees, 44 cities have followed the action of Congress and restored rates of pay to city employees.

Mr. President, I read this not only because it expresses the judgment of a man well qualified to have a judgment but also because it answers the suggestion made upon this floor yesterday, I think, by the Senator from Arizona [Mr. HAYDEN], who stated that there had been received by the committee certain evidence tending to show that, following the passage of the so-called "Economy Act" in March 1933, there had been no reduction in wages in private industries. I merely wish to impress upon the Senate that, although it is true that there is evidence to that effect in the RECORD, there is also evidence to the contrary, and that a number of industries in this country—I am told that the United States Steel Corporation was one—sought to take advantage of the situation at the time of the 15-percent cut to bring about a cut in the pay of their own employees.

I think I should add at that point that if it be true, as I think it is, there was no substantial reduction in the rates of pay in this country following the passage of the Economy Act, the reason for that is that the salary reductions did not become effective until July 1, 1933, and at that time our Government was already organizing the industries of this country under the codes, and there was being carried forward with the almost universal cooperation of all the business executives of the country and with the approval of almost the entire public in the country, a great move to stabilize wages upward. The labor organizations were increasing their hold, and, under the new impetus given by Government aid, wages were being brought up to a higher standard. Notwithstanding that, in some instances advantage was taken of governmental action, and in the cities and towns of this country, as Mr. Green points out, employees had their salaries cut almost universally on account of the leadership of our Government in reducing Federal salaries.

What is the controversy that is involved here, Mr. President? It is not a money controversy, as I think all Senators now know, because the advocates of the prevailing wage are reconciled to a shorter day or a less number of hours per week. They are entirely reconciled to the idea that, if the President feels that $50 per month is the average that should be paid, he may keep within that figure, even after the wage standards are raised, by the mere expedient of cutting down the number of hours.

Mr. RUSSELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Georgia?

Mr. STEIWER. I am glad to yield.

Mr. RUSSELL. For the benefit of the RECORD, the Senator made the statement that certain persons were satisfied "if the President felt that $50 per month was the maximum that might be paid." I do not think that is exactly a fair argument. I think that is the average wage.

Mr. STEIWER. Fifty dollars per month is, of course, an average; but the point I seek to make is that there is no controversy involved here that affects any substantial number of dollars. Therefore, the Senators who have assumed that it is necessary to increase the appropriation in order to adopt the McCarran amendment and the prevailing wages I think are in error. The amendment merely involves the number of hours, but sustains the prevailing wage standards.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. Yes.

Mr. GLASS. Will the Senator be good enough to point out any word or sentence in the joint resolution which affects the number of hours that one may work?

Mr. STEIWER. Oh, no, Mr. President; that is not in the joint resolution.

Mr. GLASS. But that is what the Senator is now saying.

Mr. STEIWER. I did not intend to be so understood. I thought the Senator from Virginia knew well enough my views with respect to the unrestrained inclusiveness of the joint resolution not to impute to me any thought that there is in the joint resolution any restriction on the number of hours. The pending amendment would, however, result in less work hours.

Mr. GLASS. I heard the very clear and impressive testimony of Mr. Green, head of the American Federation of Labor, and he said he would be willing to forego the provision with respect to the prevailing rate of wages if we would put into the joint resolution a provision which would reduce the number of hours. It has not been put into the joint resolution, however.

Mr. STEIWER. I do not wish to dispute the understanding of the chairman of the committee, but I do not recall that Mr. Green told the committee that there should be written into this measure any provision reducing the number of hours. As I recall—and I shall read, a little later, the testimony which Mr. Green gave—he merely made a number of different calculations, based upon different assumptions. I think there were four altogether.

He made them on the assumption of different hours of work per month, and he calculated for the committee how it was entirely possible within the limits of the appropriation to care for the total number of men which the President suggested, namely, three and a half million laborers, under a prevailing wage, by the mere expedient of cutting down the number of hours.

Mr. President, the calculations made against the prevailing wage were made after the committee had agreed to the prevailing-wage requirement. The administration forces, speaking through Mr. Hopkins' office, and Mr. Gill, assistant administrator, made certain calculations, which were published in the newspapers, and which afforded the basis of the arguments for some few days against the prevailing wage.

The contention that was made by these gentlemen was that the prevailing wage would result in a total cost of $6,340,000,000 for 1 year.

This stupendous sum was so staggering that the proponents of the prevailing wage wavered for the moment, and did not know which way to turn. They were in that frame of mind at the time the committee reconsidered its action in voting for the prevailing wage.

The country in the meantime had read these figures, and newspapers in many places in the United States contained editorials protesting against the prevailing wage on account of the enormous cost. I remember seeing in the New York Times, the Baltimore Sun, and various other papers, protests against the stupendous sum of $6,340,000,000 per annum.

When this calculation, made in the Federal Emergency Relief Administration, was examined by the committee, it was found that the figures were arrived at by assuming an average hourly wage of 80 cents per hour. I do not intend to detain the Senate now to discuss that assumption, except to say that if Senators are sufficiently interested in arriving at the integrity of the calculation to look at the testimony before the committee in the supplemental hearing, they will find that there is not a shred of support for the idea that 80 cents an hour is the average hourly wage in this country.

On the contrary, the weighted average hourly wage, Nation-wide, is 55.7 cents an hour, and the average P. W. A. wage is 59 cents an hour. It was demonstrated that the assumption of 80 cents an hour was made by Mr. Gill in the belief that the major part of this work would be on building construction in the cities, and it was established that only a small proportion of the work could be in construction of that kind, and Mr. Gill admitted that the major part would not be in that sort of construction.

Mr. Green made the statement that the estimate of 80 cents an hour could only be justified on the theory that these men, or a major portion of them, would be placed upon building projects. The evidence disclosed that, so far as anyone knows as to the character of the contemplated projects, there will be numerous works relating to soil erosion, reclamation of arid lands, construction of roads, elimination of grade crossings, and things of that kind, and that in all this great category of work there will be a great percentage not of building artisans but of common laborers.

The evidence before the committee also showed that the average hourly wage for common labor is 40 or 45 cents. I wish to call attention, without any discussion at all, to the map which appears between pages 4 and 5 of the hearing. This map discloses that in the various parts of the United States the average rate per hour for common labor runs from a minimum which is between 10 and 19 cents to a maximum which is something over 50 cents an hour. Therefore, Mr. President, it was absolutely demonstrated, in my judgment, not only in a controversial way but completely beyond a chance of successful refutation, that there is no justification for the theory of 80 cents per hour as the average hourly wage in this country, and therefore no justification for the figures of cost, namely, $6,340,000,000, arrived at by Mr. Gill.

It was pointed out by Mr. Green that there was not even a justification for taking the Public Works Administration average, because the character of work that was likely to be underaken was such that even the P. W. A. average could not properly and logically be employed.

The calculations made before the committee would indicate that if there be any difference at all in dollars between the proposal for a security wage and the proposal for the payment of prevailing wages upon these projects, that difference would be a very small one, indeed.

Mr. DICKINSON. Mr. President——

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from Oregon yield to the Senator from Iowa?

Mr. STEIWER. I yield.

Mr. DICKINSON. I call attention to the fact that in section 6 it is provided:

> In the event the President, or such official or agency of Government as he may select—

And so forth. I am wondering whether or not that will not lead to the setting up of a multiplicity of agencies for the settlement of labor disputes.

For instance, we find under the emergency administration now a National Labor Board, for which $222,000 has been used; a National Labor Relations Board, for which $1,027,000 has been used; a National Steel Labor Relations Board, for which $58,500 has been used; a National Longshoremen's Labor Board, for which $25,000 has been used, and several other boards. I am wondering whether or not, with the authority set up here, it would not be the policy to establish a special adjustment labor board for practically every major labor dispute there might be. It is my judgment that the labor interests of the country are not very well satisfied, because usually these boards lead simply to a continuous delay, and I believe that is involved in the amendment now being considered.

Mr. STEIWER. It may be, Mr. President; yet I should rather not present this argument on that theory. I should rather present the argument on the theory that the President would make the wisest disposition possible, that in carrying out the provisions of the so-called "Russell amendment" he would proceed in the way most suitable to the occasion.

I do not want to suggest that any advantage would be taken of this proposal by any administrative agency. I do want to suggest, when I get to the discussion of the Russell amendment, that in that amendment there are some inherent difficulties, not on account of any maladministration, but inherent difficulties in the amendment itself of such a character that the amendment should not be agreed to.

I wish to read briefly from Mr. Green's statement with respect to this matter of costs, so that every Senator who desires to know what this calculation is, who has not had opportunity to familiarize himself with the testimony, may see that I am justified in the statement which I have made that there is not necessarily any money involved in this controversy.

I read from page 32 of the hearings, where Mr. Green made the following statement:

The testimony of Mr. Gill was assuming that the wages paid in accordance with the local prevailing wage rate would average 80 cents per hour. This estimate is based upon the wage rate determined by the local wage committees of the F. E. R. A. I think he made that plain. The estimates coincide with 80 cents, as reported by the Bureau of Labor Statistics, in building construction only. There is no justification in this assumption, unless the appropriation is to be devoted exclusively to the construction of buildings, and I take it for granted that the construction of buildings will be the least amount of work performed under this relief measure. The greatest amount will be soil erosion, reclamation, grade-crossing work, the building of roads, and work of that kind, where a large number of men who are classified as common laborers will work.

Now, permit me to skip to the bottom of the page, where I read as follows:

Assume now that the workers were paid 59 cents per hour, but they had a $50 per month maximum wage.

I desire to interrupt my reading to say that the result would have been the same, but I think this is the language that the chairman of the committee had in mind when he interrupted me a little earlier in my remarks. The result would have been as calculated by Mr. Green, if he had said $50 per month average wage, because it is the average wage that is contemplated in the Presidential proposal for a security wage. So that the qualification made by Mr. Green would have been correct in any event, though I think that he was in error in using the word "maximum." I continue——

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. STEIWER. I yield.

Mr. GLASS. The point I had in mind was the very explicit statement of Mr. Green in his testimony that the whole matter could be determined by an adjustment of the hours of labor.

Mr. STEIWER. That is true, Mr. Chairman.

Mr. GLASS. And that is what he said.

Mr. STEIWER. That is true; and the excerpts which I now read make perfectly clear, I think, the point that Mr. Green was stressing before the committee. I proceed:

They would then work 84.7 hours per month and would use a proportionately smaller amount of material, or $104,000,000 worth. Thus, the monthly labor and material cost on this basis would be $279,000,000 and the total yearly cost would be $3,348,000,000, or below your estimate.

This brings us now to the third assumption which Mr. Green made:

There is no justification, however, in assuming the average hourly rate on P. W. A. projects to apply fully under the present proposal. The work on soil erosion, elimination of grade crossings, land reclamation, etc., would require a larger proportion of common labor and would reduce the average rate to a smaller figure. I do not think it would be over 30 or 40 cents an hour, and in the South less than that. I do not know just what the rate for common labor may be. I am using that in general terms.

Hourly earnings on F. E. R. A. work-relief projects approximate 40 cents per hour. Those are the facts we found. If we assume an hourly wage rate of 40 cents with our 3,500,000 workers on a 130-hour month, we would have a monthly wage bill of $182,000,000. The material cost of $160,000,000 brings the total monthly cost to $342,000,000, and on a yearly basis the cost would be $4,104,000,000, giving them full 130 hours a month.

Mr. President, I desire to digress from the material I am reading to say that in the calculation of the Federal Emergency Relief Agency the assumption for hours of labor was 130 hours per month, which is, of course, substantially equivalent to 30 hours per week, so that this assumption which Mr. Green makes, and which I have just now read, is based upon the same number of hours as was contemplated in the Federal Emergency Relief organization in working out the basis for cost of this bill.

The fourth proposal that Mr. Green suggested to the committee was the fourth alternative, found at page 35. He there says this:

Now, then, if at the prevailing rates—we assume a $50 monthly maximum wage on the 40-cent hourly base—then the total hours per month would be 125, reducing material costs to $153,600,000 and making the monthly total cost $328,600,000 and the yearly total $3,943,200,000, which is well within the proposed appropriation.

I need not detain the Senate longer with a discussion of that kind. I earnestly commend these hearings to the Senate, and suggest the careful reading by those who have not had the opportunity to do such reading, of the testimony of Mr. Gill and of Mr. Green, and I feel most positive that substantially all Senators will come to the conclusion that by the mere expedient of cutting down the hours by maintaining the prevailing rate that the whole operation contemplated by the President may be kept within the appropriation, and, therefore, that there is no money necessarily involved in the discussion.

Let us then see what is involved in the discussion. It is this, and I read from page 4 of the hearings, where Mr. Gill has introduced into the record a memorandum which had been prepared in the relief administration to afford an argument against the prevailing wage and to prove that the prevailing wage would cost the total of $6,340,000,000. He concludes this memorandum and the argument which it seeks to support, with this language:

Thus for $3,060,000,000 the Government would receive but 50 percent of the benefit that it would receive from the $4,000,000,000 program and with the inevitable loss of efficiency working men half time, it is safe to say that this loss would be considerably in excess of 50 percent.

Mr. President, I am not going to argue the philosophy upon which that statement was made, except to say that it does violence to the theory of the President, it departs from the idea of relief, it ignores the thing that is in the hearts of most of us, and it puts this endeavor on a Shylock basis, indicating that our Government seeks to go out in a distressed labor market to bear down, to grind down, to subtract from the wages of distressed laborers, and to obtain the maximum amount of value for the expenditure made. If any Senator here seeks to support that or to justify it, of course that is his privilege. To me it is an unthinkable thing.

Mr. President, what are the arguments against the Russell proposal to which the committee finally agreed? I feel that the point made by the Senator from Michigan is well taken. It is unjust to suspend the antitrust laws, and through codes to insure to industry its profit in the sale of $160,000,000 per month of materials to the Government, and at the same time to hold labor down to a mere subsistence or a starvation wage.

It is equally unjust and equally unfair, if we leave the corporations entirely out of consideration, to pay to one laborer a prevailing wage under a P. W. A. project, to pay to another laborer more than a prevailing wage under a P. W. A. project, to pay to other laborers—three and one-half million distressed laborers—a so-called "subsistence or security wage", to provide others with destitution relief, and thus have 3 or 4 or 5 kinds of categories or 3 or 4 or 5 classifications of distressed people in this country. Such a plan would give the highest wage to the strong, the lowest to the weak, and by governmental action at the same time we assure the profit to the materialman.

I hold in my hand a clipping from the New York Times in which it is stated that certain projects in and near New York City are built under contracts which require more than the prevailing wage in that area. Those contracts are the ones relating to the Bayonne Senior High School, the general post office, the marine hospital at Stapleton, and the Boulevard Garden housing project in Queens. I am told that in other areas of the country, under the provisions of the Bacon-Davis Act, the P. W. A. is paying the prevailing wages. Now we are permitted to contemplate the payment, under this resolution, to three and a half million men of the so-called "subsistence or security wage." It is most obvious that the laborers upon the building projects, these organized artisans who are getting prevailing wages and more than prevailing wages, are the fortunate members of the family at this moment. They are not on relief rolls. So we are to say, if we take the amendment offered by the committee, that the

weak are to receive the distress wages, the strong to receive more than the prevailing wage in their community.

What is provided in this committee amendment? The first paragraph of section 6 merely authorizes the President to fix wages under certain conditions. There is nothing new in that, Mr. President. I mean by that that it does not add anything to the authority delegated to the President by this joint resolution. It does not broaden the powers of the President, which are already conferred upon him by section 1 of the joint resolution. It merely restates something in a special way which is already given to him in a general way by the discretionary authority conferred upon him. That language, I take it, is wholly unnecessary, and might very well be left out of the amendment, but I make no quarrel with that proposition. If I am right, however, it means that the whole meaning of this proposition is in the second paragraph.

In the second paragraph it is provided in effect that if the President or somebody else shall determine after investigation that the rate of wages is affecting adversely or likely to affect adversely or likely to decrease the prevailing wages, the President shall then immediately fix the rate of wages in accordance with the prevailing wage.

Let us see just what that is worth to the worker in the event the President finds that a security wage is having the effect of cutting down the prevailing wage in the area. Let us see just how it will work if we find that this legislation, proposed in the name of relief, is distroying the buying power of the laborers of this country. If we find it is subtracting buying power of labor, inevitably it will result in injury to the whole country.

The Senator from Georgia [Mr. RUSSELL] a little while ago made a statement which I wrote down and which was to the effect that the determination of what is the prevailing wage will take just as long as an inquiry to determine whether or not the wage paid is adversely affecting the wage scale, and so forth. I hope I am quoting him correctly.

The testimony before the committee discloses that in all the counties of the United States, with some few exceptions, wage boards have been set up by the Federal Emergency Relief Administration and that for a year they have been making inquiry concerning the subject of prevailing wages; that with respect to more than 3,000 of the 3,300 counties in the United States they have already established the rate of prevailing wage. It is a known fact. Therefore the determination of what is the prevailing rate, to use the language of the Senator from Georgia, has already been made. It would not take any time at all. The information is already here in the National Capital. It is exhibited to some extent by the map at page 4 of the hearings to which I alluded earlier in my remarks.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Georgia?

Mr. STEIWER. I yield.

Mr. RUSSELL. The Senator from Oregon well knows that the investigation was not in anywise to be binding and is not made so by the amendment offered by the Senator from Nevada. It might be evidence to be submitted as to what the prevailing wage amounts to in any locality, but it certainly is not made conclusive by the amendment offered by the Senator from Nevada. It is merely evidence to be considered as to whether or not the prevailing wage is being paid.

Mr. STEIWER. That is true. It is not binding upon the President and yet there is nothing in the world to prevent the President accepting it if he desires to do so. It seems to be the best information available from any quarter, and was made by one of the administration's own agencies. I see no difficulty in the acceptance of the schedule of prevailing wages by the President under the provisions of the McCarran amendment.

I have just pointed out that there will be no time lost in making determination of what is the prevailing rate, but let us see what happens if the President should inquire whether the wages he is paying under the security system are breaking down the standard wage scale.

In the first place, how is he going to determine that the wages which he is paying may be affecting adversely the wage scale in the community or that they are likely to decrease the prevailing rates of wages paid for similar work? The President already has the figures on the prevailing wage scale. That is one thing, but when he seeks to ascertain whether something else which he is doing is affecting the prevailing wage scale, then he must invade the field of private industry everywhere and by proper inquiry ascertain what his wage scale is doing to the wage scale of private industry.

The Senator from New York [Mr. WAGNER] discussed the matter so clearly that it is not necessary for me to allude to it further. I was impressed with his judgment in the matter and I accept his statement that it offers to the President an immensely difficult task, the determination of which would take months, if it could be made at all. It might be quite possible, under the requirements of the joint resolution and within the contemplation of time that is in mind, that the President, in many localities, could not conclude that inquiry at all. If he could do it, in the language of the Senator from New York, it would merely enable us to cry over spilled milk.

In this very important matter we might well hearken to the advice of the Senator from New York [Mr. WAGNER], the Senator from Pennsylvania [Mr. DAVIS], the president of the American Federation of Labor, and those others who tell us that it is the experience of labor leaders in our country and a part of the history of the labor movement that a depreciated wage cheapens and degrades and tears down the standard wage. In the language of Mr. Green, it is economically impossible for the two standards of wages to exist in a community at the same time.

If we proceed on that assumption, then it seems to me perfectly clear that the right thing to do is to provide for the prevailing wage, leaving the President unrestricted so far as hours of labor are concerned so that he may by proper order fit the hours of labor and the prevailing wage to the all-over necessities of the situation and handle this great problem of employment in such a way as will bring the cost within the appropriation made by Congress.

There remains, from my standpoint, only one other little task. Most respectfully I disagree with the conclusion which the Senator from Arkansas [Mr. ROBINSON] reached in his statement that payment of prevailing wages would result in the payment of wages two times as great as the laborers were receiving in prosperous times. He first said five times as great and then corrected that statement and said two times as great. Upon that score I would suggest that Senators examine the record which is before them in the hearings of the committee. They will find there is no justification for the belief that the prevailing wages in most areas of the country, as found by the Federal Relief Administration throughout the United States, are two times as great as the wages paid in times of prosperity to the labor of the country. Senators will find they are not comparable to the high wages of better times. They are not unduly high. I wish they were higher.

When we bear in mind that from March 1933 until last fall the cost of living in this country, according to the records of our Government, increased 12.8 percent, we might well be justified in the hope that wages could be higher. They are not the wages of prosperous times. Wages in the South for common labor vary from between ten and twenty cents an hour to between forty and fifty cents an hour. I do not know what justification the Senator from Arkansas had for the statement which he made, but I respectfully insist it is not correct.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. STEIWER. Certainly.

Mr. ROBINSON. What I said or meant to say was that by the process of taking workers from the country to the city and giving them the prevailing wages we would be paying them twice as much as they heretofore received, and I think that is true.

Mr. STEIWER. Does the Senator mean twice as much as they have heretofore received on the relief roll?

Mr. ROBINSON. No; I mean twice as much as their customary wages.

Mr. STEIWER. I thank the Senator for the explanation.

Mr. ROBINSON. I thought I made that clear, but it may be the language I employed was not clear.

Mr. STEIWER. I thank the Senator for the explanation. I shall not pursue that matter further, Mr. President.

I desire to conclude at this point; but I wish to conclude with the statement that, in my judgment, the prudent, safe, and conservative thing for this body to do is to hold up the hands of labor, to maintain the wage scale by the adoption of the McCarran amendment, and not to permit the risk of experimentation with two standards of wages, where there is no experience save the experience of regret and misfortune, where there is no established proof that our Government will be able to maintain those two standards without taking away from American labor some of the scant buying power which it now enjoys; for if it should have the effect of subtracting from the buying power of labor, we would find that this joint resolution, instead of doing good and stimulating the business of the country, would in a most radical way do injury which Congress would find it most difficult for us to repair.

Mr. GLASS. Mr. President, I desire to present a request for unanimous consent. I expect to ask the Senate to recess in a few moments, after we shall have had a brief executive session.

I ask unanimous consent that the Senate shall vote on the so-called "McCarran amendment" and all other amendments to this particular section of the joint resolution not later than 1:30 o'clock tomorrow afternoon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. McNARY. Mr. President, I had hoped I could agree to the proposal made by the Senator from Virginia. I have just been advised that one of the Republican members of the committee desires to discuss this amendment. I wonder if 2 o'clock would be satisfactory to the Senator from Virginia?

Mr. GLASS. Yes.

Mr. McNARY. Can there be an understanding with regard to a division of time?

Mr. GLASS. The chairman of the committee, who has not consumed any of the time of the Senate——

Mr. NORRIS. Mr. President, I suggest to the Senator from Virginia and also to the Senator from Oregon that they reach an agreement about limitation of the speeches and not fix a definite hour for closing the debate. That always turns out to be very unsatisfactory.

Mr. McNARY. I have no objection to that being done.

Mr. NORRIS. I have no objection to a limitation of the speeches that shall be made from now on.

Mr. ROBINSON. Mr. President, I understood the Senator from Virginia merely to ask to have a time fixed for voting on this amendment.

Mr. McNARY. That is all.

Mr. ROBINSON. The Senator from Nevada [Mr. McCARRAN] has stated to me that he would be glad to see that done, and there are other Senators who would like to know when the vote is to be taken.

Mr. NORRIS. If the time should be limited, whether or not other Senators would address the Senate at all would depend upon what took place in the debate.

Mr. GLASS. I have made no effort in the world to restrain or curtail debate. I myself have consumed none of the time of the Senate in discussion, and I do not now want to curtail debate. I have made a very industrious effort to ascertain whether any other Senators wanted to speak, and I was assured——

Mr. NORRIS. I should not have any objection if the Senator would amend his proposal so as to provide that no Senator shall speak more than once or longer than 15 minutes on this amendment. In fact, I should not care if the limitation were not longer than 10 minutes.

Mr. GLASS. I should not agree to a proposal of that sort. After other Senators have spent in excess of hours in speaking on the subject, there may be some of us over here who would like to speak a little more than 10 minutes.

Mr. NORRIS. Very well. I am not crowding the matter; but, on the other hand, let me say to the Senator from Virginia, there are other Senators who have not spoken who do not want to take the chance of having the time limited to 1 o'clock and letting some one Senator take all the time. There are two sides to this proposition.

Mr. GLASS. I withdraw the request.

Mr. NORRIS. I was trying to compromise the matter.

The VICE PRESIDENT. The request is withdrawn.

TRANSFER OF FOREST RESERVATION LANDS IN MISSISSIPPI

Mr. ROBINSON. Mr. President, I understand that the Senator from Mississippi [Mr. BILBO] wishes to present a matter.

Mr. BILBO. Mr. President, earlier in the day House bill 4983, to authorize a transfer of forest reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes, was favorably reported from the Committee on Agriculture and Forestry. I ask unanimous consent to have that bill considered at this time and put upon its passage.

The VICE PRESIDENT. The bill will be read.

The Chief Clerk read the bill (H. R. 4983) to authorize a transfer of forest reservation lands in Forrest and Perry Counties, Miss., to the State of Mississippi or to the War Department, and for other purposes, as follows:

Be it enacted, etc., That if any of the lands purchased or to be purchased by the United States under the provisions of the act approved March 1, 1911, as amended (U. S. C., title 16, secs. 513–521, inclusive; Supp. VII, title 16, secs. 513–521, inclusive), within the limits of townships 1, 2, and 3 north, ranges 9, 10, 11, 12, and 13, in Forrest and Perry Counties, State of Mississippi, are determined to be chiefly valuable and necessary for a National Guard encampment and related military purposes, the Secretary of Agriculture, with the consent and approval of the National Forest Reservation Commission established by section 4 of said act of March 1, 1911, may, and he hereby is, authorized to convey full title to said lands to the State of Mississippi or the War Department of the United States: *Provided*, That there is paid into the Treasury of the United States, or made available by transfer on the books of said Treasury, sums of money equal to the full amounts expended by the Department of Agriculture for the purchase of said lands, and the money so paid into or transferred on the books of the Treasury shall be available for expenditure by the Secretary of Agriculture for the purchase of other lands under the provisions of said act of March 1, 1911, as amended.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McNARY. Mr. President, I did not get the purport of the request of the Senator from Mississippi.

The VICE PRESIDENT. The Senator from Mississippi asked unanimous consent for the present consideration of the bill which has just been read.

Mr. BILBO. I will state to the Senator from Oregon that this is an agreed bill between the War Department and the Agricultural Department. It has all been agreed to, and the bill passed the House by unanimous consent.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McNARY. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

ADDITIONAL COPIES OF HEARINGS FOR COMMITTEE ON EDUCATION AND LABOR

Mr. HAYDEN. From the Committee on Printing, I report back favorably, without amendment, Senate Resolution 83, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read Senate Resolution 83, submitted by Mr. WALSH on the 15th instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Education and Labor be, and is hereby, empowered to have printed for its use 500 additional copies of the hearings held before a subcom-

mittee of said committee relative to "Investigation of the relationship existing between certain contractors and their employees in the United States", Seventy-third Congress, second session.

STATUES OF CAESAR RODNEY AND JOHN M. CLAYTON

Mr. HAYDEN. From the Committee on Printing, I report back favorably, with amendments, Senate Concurrent Resolution 5, and ask for its consideration at this time. It refers to the printing of the proceedings in the rotunda of the Capitol upon the acceptance of the statues of Caesar Rodney and John M. Clayton, presented by the State of Delaware.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The VICE PRESIDENT. The amendments of the committee will be stated.

The amendments were, on page 1, line 4, after the word "Printing", to strike out "three thousand five hundred" and insert "two thousand two hundred"; in line 9, after the word "which", to strike out "five" and insert "two"; in line 10, after the word "and", to strike out "one thousand one hundred and fifty" and insert "five hundred"; in line 12, after the word "thousand" to strike out "eight" and insert "five"; in the same line, after the word "hundred", to strike out "and fifty"; and on page 1, after the word "and", to strike out "Representatives" and insert "Representative", so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound, in such form and style as may be directed by the Joint Committee on Printing, 2,200 copies of the proceedings in Congress together with the proceedings at the unveiling in the rotunda of the Capitol, and such other matter as may be relevant thereto, upon the acceptance of the statues of Caesar Rodney and John M. Clayton, presented by the State of Delaware, of which 200 shall be for the use of the Senate, and 500 for the use of the House of Representatives, and the remaining 1,500 copies shall be for the use and distribution of the Senators and Representative in Congress from the State of Delaware.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

The amendments were agreed to.

The concurrent resolution, as amended, was agreed to.

EXECUTIVE SESSION

Mr. GLASS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

NOMINATIONS SUBMITTED AND NOMINATION WITHDRAWN

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees or ordered to lie on the table.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

The calendar is in order.

THE CALENDAR

IN THE MARINE CORPS

The legislative clerk read the nomination of Richard P. Williams to be brigadier general in the Marine Corps.

Mr. KING. I ask to have that nomination go over.

The VICE PRESIDENT. The nomination will be passed over.

The legislative clerk read the nomination of John H. Russell to be major general in the Marine Corps.

Mr. BLACK. I ask to have that nomination go over.

The VICE PRESIDENT. The nomination will be passed over.

THE JUDICIARY

The legislative clerk read the nomination of John J. Boyle to be United States attorney, western district of Wisconsin.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered.

That completes the calendar.

RECESS

Mr. GLASS. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, February 21, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 20 (legislative day of Feb. 15), 1935

ASSISTANT SECRETARY OF AGRICULTURE

Milburn L. Wilson, of Montana, to be Assistant Secretary of Agriculture, to which office he was appointed during the last recess of the Senate, vice Rexford Guy Tugwell.

FOREIGN SERVICE OF THE UNITED STATES

TO BE CONSUL GENERAL

John P. Hurley, of New York, now a Foreign Service officer of class 3 and a consul, to be a consul general of the United States of America.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Capt. William Emanuel Goe, Infantry (detailed in Quartermaster Corps), with rank from July 1, 1920.

TO FINANCE DEPARTMENT

First Lt. Samuel James Adams, Infantry (detailed in Finance Department), with rank from January 4, 1925.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONELS

Lt. Col. Philip Bradley Peyton, Infantry, from February 7, 1935.

Lt. Col. Karl Truesdell, Infantry, from February 7, 1935.

TO BE LIEUTENANT COLONELS

Maj. John Arner Robenson, Cavalry, from February 7, 1935.

Maj. Joseph Page Aleshire, Cavalry, from February 7, 1935.

TO BE MAJORS

Capt. William Louis Morrison, Infantry, from February 1, 1935.

Capt. Thomas Raphael Phillips, Coast Artillery Corps, from February 1, 1935.

Capt. Oliver Edward George Trechter, Infantry, from February 6, 1935.

Capt. Richard Allen Gordan, Field Artillery, from February 7, 1935.

Capt. John Lee Autrey, Signal Corps, from February 7, 1935.

TO BE CAPTAINS

First Lt. John Creel Hamilton, Cavalry, from February 1, 1935, subject to examination required by law.

First Lt. John Joseph Breen, Ordnance Department, from February 1, 1935.

First Lt. Mark Rhoads, Signal Corps, from February 1, 1935.

First Lt. Joseph Kittredge Baker, Cavalry, from February 2, 1935.

First Lt. Frederick Pearson, Infantry, from February 4, 1935.

First Lt. Charles Frederick Colson, Infantry, from February 6, 1935.

First Lt. Albert Walker Johnson, Cavalry, from February 7, 1935.

First Lt. Willard Ames Holbrook, Jr., Cavalry, from February 7, 1935.

First Lt. Auston Monroe Wilson, Jr., Coast Artillery Corps, from February 11, 1935.

TO BE FIRST LIEUTENANTS

Second Lt. James Oliver Stephenson, Infantry, from February 1, 1935.

Second Lt. George Mulick Reilly, Infantry, from February 1, 1935.

Second Lt. Cornelius Zane Byrd, Infantry, from February 1, 1935.

Second Lt. Charles Randolph Kutz, Infantry, from February 2, 1935.

Second Lt. Normando Antonio Costello, Infantry, from February 4, 1935.

Second Lt. John Nicholas Stone, Air Corps, from February 6, 1935.

Second Lt. Phineas Kimball Morrill, Jr., Air Corps, from February 7, 1935.

Second Lt. Philip William Merrill, Infantry, from February 7, 1935.

Second Lt. Thomas Richard Lynch, Air Corps, from February 11, 1935.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

To be brigadier general, National Guard of the United States

Brig. Gen. Lewis Scott Davidson, Texas National Guard.

To be brigadier generals, Adjutant General's Department, National Guard of the United States

Brig. Gen. Walter George Robinson, Adjutant General's Department, New York National Guard.

Brig. Gen. William Irwin Rose, Adjutant General's Department, Massachusetts National Guard.

Brig. Gen. Thomas Jackson Grayson, Adjutant General's Department, Mississippi National Guard.

PUBLIC HEALTH SERVICE

The following-named assistant dental surgeons to be passed assistant dental surgeons in the United States Public Health Service, to rank as such from February 5, 1935:

Oscar Mikkelsen

Mark E. Bowers

These officers have passed the examination required by law and regulations of the Service.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 20 (legislative day of Feb. 15), 1935

UNITED STATES ATTORNEY

John J. Boyle to be United States attorney, western district of Wisconsin.

POSTMASTERS

KANSAS

Philip W. Heath, Abilene.

Etta Le Ford, Argonia.

William F. Decker, Newton.

NEW MEXICO

Clotilde C. Montes, Bernalillo.

Leo M. Fay, Socorro.

PENNSYLVANIA

John P. Doherty, Latrobe.

WITHDRAWAL

Executive nomination withdrawn from the Senate February 20 (legislative day of Feb. 15), 1935

POSTMASTER

NEW YORK

Phelps Smith to be postmaster at Paul Smiths, in the State of New York.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 20, 1935

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Great and marvelous are Thy works, Lord God Almighty; righteous and true are Thy ways, and holy is Thy name! We thank Thee for the divine secret of opening wells of inner comfort and vitality. We praise Thee that their strength abides after the fashion of the world frays and fades. Blessed Redeemer, Thou who art the water of life and the bread of heaven, do Thou ever keep us in the folds of infinite peace. O gentle One, whose soft touch fell upon the upturned foreheads of little children and who opened wide Thine arms to shelter the poor and neglected, enfold our country in Thy merciful care. Father in Heaven, preserve the health of our Speaker and the entire Congress; give vigor to their minds, and shower upon all homes blessings of happiness, the essence of heavenly love. In our Savior's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed joint resolutions and bills of the House of the following titles:

On February 13, 1935:

H. J. Res. 58. Joint resolution for defraying the expenses of the American section, International Boundary Commission, United States and Mexico; and

H. J. Res. 88. Joint resolution making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes.

On February 18, 1935:

H. R. 2874. An act granting the consent of Congress to the State highway commission to construct, maintain, and operate a free highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.;

H. R. 3057. An act granting the consent of Congress to the State of Oklahoma to construct, maintain, and operate a free highway bridge across the Arkansas River south of the town of Sallisaw in Sequoyah and Le Flore Counties at a point approximately 15 miles north of Keota in the State of Oklahoma;

H. R. 3465. An act permitting the laying of pipe lines across New York Avenue NE., in the District of Columbia;

H. R. 3891. An act to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at Conway, S. C.; and

H. R. 3983. An act to legalize a bridge (known as "Union Street Bridge") across the Dan River at Danville, Va.

On February 19, 1935:

H. R. 2030. An act authorizing the States of Washington and Idaho to construct, maintain, and operate a free highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 1190) entitled "An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LOGAN, Mr. CONNALLY, and Mr. DAVIS to be the conferees on the part of the Senate.

REPORT OF FEDERAL COORDINATOR OF TRANSPORTATION

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 120

Resolved, That there be printed 2,000 copies of House Document No. 89, current session, entitled "Report of the Federal Coordinator of Transportation, 1934", for the use of the House document room.

The resolution was agreed to; and a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

PATRONAGE IN WESTMORELAND COUNTY, PA.

Mr. BERLIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BERLIN. Mr. Speaker and Members of the House, I have heard from Members of this body epithets hurled at some of the departmental heads such as "insolent", "discourteous", and "arbitrary", with particular reference to the question of patronage.

I note in the press of a few days ago that the President characterized certain Members of the House as "soreheads" because they are seeking some patronage justice under this administration.

If newspaper reports are to be believed, the President of the United States has entered this word-calling contest. Without meaning the slightest reflection on the Chief Executive, I might observe that his efforts might well be directed toward elimination of some of the high-handed, imperious, arrogant, and insulting bureaucrats with which many of the governmental departments are unfortunately infested, and I shall name one who should be eliminated.

Like vermin these overbearing and scornful department heads are destroying the morale of the Government service. I referred a moment ago to the elimination of some of this vermin. I would like to direct particular reference to one J. J. Cleland, who holds the post of census supervisor of the Fourth Pennsylvania District.

The agricultural census has been long delayed due to the inactivity and indolence of this parasitic bureaucrat in charge. Appointments are now being made for the staff of enumerators, which should have been made last December. It has been the understanding and it has been the practice, but apparently only in part, to permit Congressmen to select the enumerators.

JANUARY 9, 1935.

Hon. WILLIAM M. BERLIN,
House of Representatives, Washington, D. C.

(Women are also eligible for this appointment)

DEAR CONGRESSMAN BERLIN: Please give me immediately the names of 21 men whom you wish to appoint as agricultural census enumerators in Westmoreland County. Will you please, also, furnish the names of alternates in case any of the men you recommend do not meet the requirements or might later give up the work?

It will be necessary for these men to be either farmers or acquainted with farm work and also be residents of the district in which they will work.

I am listing below the district having the greatest number of farms to be enumerated, and it would be preferable to select men from these districts.

Then followed the list of districts and then the letter concluded:

Where two locations are mentioned, the one having the largest number of farms is listed first and we prefer appointment from that district.

I shall appreciate your prompt attention in this matter, as it is imperative that this operation get under way.

Very sincerely yours,

JAMES J. CLELAND,
District Supervisor.

Practical politics are, or should be, operated along the lines of decency and fair play. At least those used to be the fundamentals, but they seem to have been disregarded lately.

When this administration came into power in March 1933, it called on Congress to cooperate to the fullest extent in legislation in order to formulate and execute an economic recovery program. I have stood by Franklin D. Roosevelt on controversial legislation when it was impolitic to do so—at times when some of his own party wheel horses deserted him, lashed by the fear of political consequences.

Therefore, Mr. Speaker, I think I can comment with some degree of accuracy on the matter of administrative cooperation. However, it is getting so that a premium is put on irregularity. Those who cooperate and go down the line get shelved into the discard with reference to patronage appointments; while others who support the administration only when the whim pleases them, get the benefit of all the administration's consideration. I should like at this point to recite some painful facts concerning a patronage problem in my district.

On January 9 I was requested to name 21 candidates for appointment as farm census enumerators by letter. Three days later I sent in the names of the candidates from my district whom I thought would make competent and conscientious public servants.

On January 24, nearly 2 weeks later, I wired to ascertain the status of these candidates. I am referring now to the office of the aforementioned J. J. Cleland, district supervisor. But being merely a Congressman, I was not honored with a reply from Mr. Cleland. Failing to acknowledge receipt of a letter or wire is an unpardonable business sin and a practice which is rude, discourteous, injudicious, and perverse.

On February 6 I was able to get in touch by phone with the secretary of the great man—Cleland—not him, but his secretary. I was informed that my list of candidates had been received and that in addition a list had been received from Washington other than the one I sent. I was further advised that appointments would be made from both lists.

After talking with Mr. Cleland's office I called the Census Bureau and talked with Mr. Austin, the Director. That was February 7, the next day. He said that he had nothing to do with the matter and that John Dickinson, Assistant Secretary of Commerce, had furnished the Washington list. Get this clear in mind: Although I was asked to name the candidates in accord with the practice and understanding, and although I had stood by the President straight down the line, along comes a bureaucrat from the Department of Commerce and sends in a list of candidates to be acted upon. And Cleland's office informs me that the Dickinson list would furnish most of the final appointees, regardless of the fact that I had sent in a full list. I am told unofficially that only 7 out of my 21 nominations were accepted, and they were satisfactory to my political enemies.

Dickinson, as some of you may know, is from Pennsylvania, but he is not from my district. What does he know about the qualification and eligibility of persons for census enumerators from Westmoreland County? By what right does he interfere in my district without solicitation or request, and why should he take orders from my political enemies when I am the one who has by my voice and votes supported this administration?

I suppose these dictatorial, arrogant, domineering, overbearing, despotic, and venomous bureaucrats will proceed with their little scheme of putting the skids under the courtesy due a Member of Congress—a Member who has gone all the way down the line for the President. I have talked with Members of the House who tell me that all of their candidates have gone through to final appointment without interference or delay. Why this unjust discrimination? Am I to be penalized for supporting the administration? It certainly looks that way.

Cleland's action has been so despicable, unwarranted, and impertinent that he should be removed immediately. I learned a few days ago that he was in my district conferring with two politicians relative to census appointments. One of these politicians was the campaign manager of one of my opponents in the last primary. Neither person with whom he conferred is of any political consequence, yet he confers with them on appointments and takes names from the Dickinson list in preference to the names which I had furnished

him. Evidently he had definite orders to appoint no friend or supporter of mine.

How long are we to tolerate the insolence of these bureaucratic Bourbons, these stuffed shirts, these self-created Napoleons of politics?

Cleland's action has been carried on with such undisguised contempt and notorious insolence that his services should no longer be needed in this census work and he should be dismissed immediately.

Furthermore, Dickinson has—in the vernacular of the street—"butted into" a question of no concern to him and he should be reproved. These bureaucrats have enough to do if they will tend to their own knitting instead of going out of their way to make life more miserable for hard-working Members of Congress. Dickinson should keep hands off patronage matter.

The administration should inform us as to whether or not it places a premium on disloyalty. It looks suspiciously that way. If party treachery and irregularity mean success in patronage matters, the administration should say so. If loyalty to the President and his program in the face of grave political consequences is being rewarded with insulting treatment, sneering negligence, notorious discourtesy, the House should be so advised.

The administration is forgetting that political success rests on fair play, is making a serious error in allowing the bureaucrats to interfere with the understanding and the wishes of Members of Congress.

I should like to repeat a paragraph from the letter of James J. Cleland, District Supervisor of Census, which I have already placed in the record:

> It will be necessary for the men to be either farmers or acquainted with farm work and, also, be residents of the district in which they will work.

I should like to call the attention of the House to two specific cases in which this requirement was not complied with in the case of census enumerators.

One, a man by the name of Hotchkiss, of the city of West Newton, and also one Earl Moran, formerly a druggist of the third-class city of New Kensington, who has not lived in Westmoreland County for the last year, but has lived in the adjoining county of Allegheny. Neither one of these appointees has ever lived on a farm or knows anything about rural life.

These enumerators certainly were named without compliance with the requirements asked by the district supervisor. It looks as if discrimination, irregularity, and favoritism are being shown. The facts speak for themselves.

Recently the President indicated his willingness to investigate patronage complaints where specific arrangements of irregularity were shown.

I desire to call the attention of the House to the case of Richard Copeland, formerly aeronautical inspector in charge of department work at Newark. Mr. Copeland was my appointee and served for almost a year with the Department of Commerce. He is the son of Hon. Charles D. Copeland, President Judge of Westmoreland County, Tenth Judicial District of Pennsylvania. During the last general election in Pennsylvania Judge Copeland was charged with failing to cooperate with the entire State Democratic ticket. Following the election those opposed to the position that Judge Copeland had taken politically avenged with young Richard Copeland as the victim. After Richard Copeland had been placed with the Department of Commerce and had been in active duty for several months, a call was made from my office to Mr. Rex Martin, assistant director of aeronautics in the Department of Commerce, regarding the fitness and the ability and the possibility of Mr. Copeland being retained in the Department. At that time Mr. Martin stated that there would be no question of Copeland being retained, as he was the oustanding employee who had been employed since the beginning of this administration, and was a young man with a very bright future. While he was associated with the Department Richard Copeland was given five successive appointments. He was appointed January 3, 1934, for a 3-month period; reappointed April 3, 1934, for a 3-month period; and then was given three successive 2-month appointments bringing him to January 2, 1935, when he was dropped.

You will notice that this last appointment extended over the election period. At this time I should like to read excerpts from the letter written to me by Judge Copeland, father of the appointee. The letter is dated January 9, 1935.

> SIR: I received a letter under date of January 7 from the Honorable Ewing Y. Mitchell, the Assistant Secretary of Commerce, Washington, D. C., in relation to my son's temporary position in the Bureau of Air Commerce, which appointment Richard desires to have made permanent.
>
> In this letter Mr. Mitchell, inter alia, states:
>
> "* * * With this condition prevailing there was not, in my opinion, any reason why the Department of Commerce or I should be placed under the suspicion of having assisted a Congressman to collect a bribe of $1,000 for securing the appointment.
>
> "It is true that Congressman BERLIN did come into my office and tell me in very plain terms that if your son were appointed to this position you would pay him $1,000.
>
> "At the conference at which the application of your son was considered, as well as other applications for similar positions, I called attention to the conversation I had had with Congressman BERLIN, and it was unanimously agreed by those present that your son should not be appointed. * * *
>
> "* * * when a Congressman makes such a statement to a public official, who is charged with the responsibility of making the appointment there is no other course open to the official in question than to decline to have anything to do with the transaction. * * *"
>
> Judge Copeland's letter continues:
>
> "You know that it is a lie, and that I never made a statement that I would give you $1,000, or a penny for his appointment. Your lie has got both myself and Richard in outrageously wrong with the Department of Commerce, and unquestionably spoiled Richard's chance to have his temporary appointment to the Bureau of Air Commerce made permanent."
>
> So that there may be no misunderstanding hereafter between us, I never want you to speak to me again, nor darken the door of either my home or my office.
>
> Now that you understand our relations hereafter, I am
>
> Respectfully,
>
> CHARLES COPELAND.

To this letter I replied as follows:

> JANUARY 10, 1935.
>
> Hon. CHARLES D. COPELAND,
> *Greensburg, Pa.*
>
> SIR: I have read your letter and carefully noted its contents.
>
> I note you are somewhat peeved, and that you are a very poor loser on matters which you are entirely responsible for, but which you now wish to place on my shoulders.
>
> At least I am very glad to have the letter, which I shall read into a speech which I shall make on the floor of the House within the next few days.
>
> Sincerely yours,
>
> W. M. BERLIN.

In my reply to Judge Copeland you will note I make the statement "for matters which you are entirely responsible for." I refer in that statement only to the judge's political activity which was entirely responsible for his son's being released from the aeronautical service.

I wish to call particular attention to the passage of Judge Copeland's letter stating that Ewing Y. Mitchell, the Assistant Secretary of Commerce, charging me with saying that I told him (Mitchell) that I would receive $1,000 from Judge Copeland if his son received the appointment.

Such a statement is false; such inference has absolutely no basis in fact or suggestion by the remotest and most vicious distortion of any conversation which I had with the Mr. Mitchell.

Needless to say, the episode has served to bring discredit upon young Richard Copeland, and to charge me with the commission of a crime. As previously indicated, Richard Copeland was an able and conscientious worker, and I will add in my own behalf that nothing could be farther from the truth than the malicious and false charge that I had anything to do with soliciting, or offering a bribe.

I wish to call to the attention of the House the further fact that Assistant Secretary Mitchell did not bring his malicious charge until after this able and experienced aviator, Richard Copeland, had received five temporary appointments. Why did he not bring this charge before the Board

or to his superiors prior to the time that the political powers of Pennsylvania wish to punish Judge Copeland by having his son discredited and discharged?

I am inserting in this record my affidavit that Mitchell's statement to Judge Copeland was an untruth.

DISTRICT OF COLUMBIA,
City of Washington, ss.:

Before me, a notary public, in and for the said District of Columbia personally appeared WILLIAM M. BERLIN who, being duly sworn according to law, doth depose and say that he did not, either before or during the periods of any of the temporary appointments of Richard Copeland in the Department of Commerce, represent to Ewing Y. Mitchell, Assistant Secretary of Commerce, or to any other person, that the father of the said Richard Copeland, or any other person, would give to the said William M. Berlin, directly or indirectly, any sum of money, or any other thing of value as compensation or reward for the assistance rendered or to be rendered by the said WILLIAM M. BERLIN in assisting to secure the temporary appointments held by the said Richard Copeland in the said Department of Commerce.

WILLIAM M. BERLIN.

Sworn to and subscribed before me this 20th day of February, A. D. 1935.

[SEAL] DAVID J. SHAW, *Notary Public.*

My commission expires February 14, 1937.

I regret that it has been necessary to bring this matter to the attention of the House but the situation has been so distressing and has impugned honesty, sincerity, and good faith not only of young Richard Copeland but also of myself, that I am taking this opportunity to place in the RECORD the documents I have read.

Mr. Speaker, I wish to serve notice at this time, as a regular on the Roosevelt team, that I have long been chasing flies and wild pitches for this administration without once getting a chance at bat, and if I am to continue from this time on, I am going to demand my regular turn.

PROPOSAL TO GIVE THE VETERANS WHAT IS ACTUALLY OWING THEM

Mr. ANDREW of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the bonus.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANDREW of Massachusetts. Mr. Speaker, I have introduced in the House today a soldiers' bonus bill, giving veterans the option of obtaining for their adjusted-compensation certificates a cash surrender value, consisting of their adjusted-service pay, plus compound interest for the 16 years since the war ended.

I submit this bill as an attempt to solve a very perplexing and annually recurring problem. It will not satisfy all of the disputants of the so-called "bonus issue" or meet all of the differences of conflicting opinion in regard to it. It presents, however, a solution, dispassionately conceived, and is intended to be fair and just both to the veterans and to the rest of the country.

As one who helped to frame the original Adjusted Compensation Act of 1924, and who twice voted for it over Presidential vetoes, I think the following correctly summarizes the motives which prompted its provisions. Congress in that year belatedly recognized that the soldiers, sailors, and marines who had taken part in the World War had been underpaid as compared with civilian workers during the war period, and with those who had furnished the Government with supplies. It was, therefore, agreed to award these veterans an extra dollar per day for their home service during the war and up to July 1, 1919, and an extra dollar and a quarter per day for their oversea service during the same period. This would have been a great godsend to most veterans if it could have been paid to them at the difficult moment of their discharge, but that time had long since passed and their situation was very different in 1924.

The country was then in the full swing of great prosperity. There was little unemployment and an atmosphere of extravagance was everywhere prevalent. It was believed by a majority of both Houses of Congress, and by a large proportion of the veterans themselves, that it would be more helpful to the veterans and to their dependents, if, instead of paying them their bonus at such a moment in cash, the amount in question were allowed to accumulate at 4-percent compound interest, and they were given a certificate in the form of a paid-up insurance policy based on the accumulated total (more than two and a half times the originally proposed adjusted-service credit). This much greater maturity value of his certificate would be paid to the veteran at the end of 20 years, when, presumably, he and his growing family would be in greater need of financial help, or to his wife or heirs at the moment of his death, if that unfortunate event should occur during the intervening time.

In this way the so-called "adjusted-service certificate" came into existence. It was designed to provide the veteran, as I have said, more than two and a half times the extra dollar a day for home service, and the extra dollar and a quarter for oversea service, agreed upon as adjusted pay, but to give it to him at a later period in his life when it was believed that it would be more valuable to him and to his family than the much smaller sum would be in 1924.

With the passage of time, conditions in the country have changed in a way and to a degree that no one contemplated in 1924. The era of prosperity has made way for a period of profound depression and unemployment, poverty, and debt. A large majority of the veterans have been forced to the conclusion that their adjusted pay would be far more helpful to them now than it would have been in the past, or than it might ever be in a dubious future. They want their adjusted pay now. After all, it is their adjusted pay, and I, for one, think that they should have the privilege of getting what is owing to them without further delay.

To accomplish this purpose I have prepared this bill. It proposes to give to every veteran who holds an adjusted-service certificate the option of exchanging it immediately, if he so wills, for cash. It provides that upon surrendering his certificate he may receive in cash at once his adjusted-service credit ($1 for each day of home service and $1.25 for each day of oversea service) together with accumulated interest at 4 percent compounded annually from the date that the war ended, November 11, 1918. From this total must be deducted, of course, what he may owe on account of what he had already borrowed on his certificate. All of these provisions seem to me fair and just, however difficult it may be for the Government to find the necessary money at the moment. I cannot see how Congress would be justified in offering the veterans less in cash, or, indeed, in offering them more than is here proposed, namely, their original extra pay, to which is added accumulated compound interest for the approximately 16 years since the war ended.

This means a very heavy burden thrown on the back of a Government that is already heavily burdened with expense and debt. If all of the certificate holders were at once to turn in their certificates in exchange for cash, it would cost the Government during the coming year, I am told, the formidable sum of $1,300,000,000. This, however, is scarcely to be expected, as a considerable number of veterans would doubtless prefer to retain their certificates for the sake of their greater eventual value, and for the insurance benefits which they provide. Moreover, it must be borne in mind that the Government, by acquitting this debt at the present time, would wipe off a heavier obligation that would otherwise have to be met within a few years. It should also be noted that the bill here presented would require a cash payment by the Government of approximately a billion dollars less than that required by the proposals which contemplate the immediate payment of the full face value of the certificates, with readjustments of interest. At a time when the Government seems able to spend billions for many other purposes it is difficult logically to argue its inability to pay off the present value of an obligation which more than a decade ago was officially recognized as a debt to the veterans.

The following is the text of the bill:

A bill to give veterans holding adjusted-service certificates the option of immediate payment in cash of their adjusted-service credit with compound interest dating back to the armistice

Be it enacted, etc., That the World War Adjusted Compensation Act, as amended, is hereby further amended by adding the following sections:

SEC. 509. At the option of the person to whom an adjusted-service certificate has been lawfully issued and upon the filing of an application and the surrender of all rights and title to the adjusted-service certificate, payment shall be made to such person of a cash surrender value which shall be the amount of the adjusted-service credit (as defined in title II of the World War Adjusted Compensation Act and at the rates prescribed, $1 for each day of home service and $1.25 for each day of oversea service, and computed according to the provisions of said title II) together with interest at the rate of 4 percent per annum, compounded annually, from November 11, 1918, to the eleventh day of the month in which payment is made less the amount of any loan lawfully made on the certificate and any interest due and accrued: *Provided*, The gross amount payable without considering deductions shall not exceed the maturity value shown on the face of the certificate.

SEC. 510. The Administrator of Veterans' Affairs is authorized and directed to promulgate regulations for carrying into effect the purposes of this act including regulations providing for the redemption of adjusted-service certificates held outside of the adjusted-service certificate fund. All regulations so made shall have the force and effect of law, and all decisions, as to law and as to fact thereunder, made by the Administrator of Veterans' Affairs, shall be final and conclusive for all purposes and shall not be reviewable by any other officers of the United States nor by any court of the United States or any political subdivision thereof.

SEC. 511. The adjusted-service certificate fund, in addition to the other purposes for which it now may be used, is hereby made available for any payments to be made under the provisions of this act.

SEC. 512. There is hereby authorized to be appropriated out of the general funds of the Treasury such amounts as may be necessary to carry out the provisions of this act.

SEC. 513. The period during which applications may be filed for the benefits provided in the World War Adjusted Compensation Act, as amended, is hereby extended from January 2, 1935, to January 2, 1940.

PROHIBITION OF IMMIGRATION

Mr. WHELCHEL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to incorporate a copy of a bill which I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHELCHEL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following bill which I am introducing relative to immigration:

Be it enacted, etc., That, beginning with the date this act becomes a law, and for a period of 5 years thereafter, all aliens are prohibited to enter the United States of America; and

It is further provided in this act, that regulations for the enforcement of same be prescribed by the Commissioner of Immigration; and

It is the purpose of this bill, and on being enacted into a law, to, and the same does hereby, repeal any and all law or laws or parts of laws in conflict therewith.

I want to call attention, in particular, to that portion of the bill prohibiting aliens from entering upon the soil of the United States of America for a period of 5 years. This may seem to be of too long duration, but it will do more, in my opinion, to help the situation of unemployment than any one thing that can be offered the American people.

It is useless for me to take up the time and the space necessary to show that an army of thousands and thousands of foreign people have been entering the United States every year and every time an alien enters upon our soil, it precludes some American citizen of the rights and privileges enjoyed by such alien. I can be fair and I have nothing but the kindest feeling for foreign people, but they have a country of their own and during these stressing times, when American people need every job that can be developed for them, it is a great injustice to have this influx of aliens coming into our country each year, which can only tend to make the situation of unemployment more acute.

I want to make one other observation in regard to this bill I am introducing today, and that is: Crime for the past 10 years has been on a decided upgrade. Our newspapers are full of crimes that in bygone days would have chilled the blood of every American to know that such was being perpetrated on our shores; and, as I said before, I can be fair to foreign people, but I invite you to go to the root of some of the most dastardly crimes that the world has ever known to have been committed, and I venture to say that 9 times out of 10 you will find the instigator of the crime to be a person foreign-born and in no sense an American at heart.

I believe the two worst evils that America is facing today are the unemployment situation and the crime wave that has swept this country. The crime wave of today is appalling and is absolutely gnawing at the very heart and vitals of this Nation. In the past few days evidence has been brought to light, in the trial at Flemington, N. J., that absolutely startled the American people, showing that, irrespective of the defendant's guilt or innocence, he entered upon the soil of our Nation illegally.

I invite you to make an investigation for yourselves and you will find the statement that I have made to be true, and that is: Stop immigration to this country entirely for 5 years and you will bring to a halt some of the evils that we have been suffering, namely, unemployment and the utter disregard for law and order.

COMMUNISM

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I made over the Columbia Broadcasting System on Tuesday evening, February 19, 1935:

At the outset of my remarks I want to make it clear that I am not a Fascist, ultraconservative, reactionary, or Bourbon who is opposed to progress or meeting changing economic conditions with new ideas. That is what the Communists, left-wing Socialists, radical college professors, and pink intellectuals would have you believe. I am a Lincoln Republican, who believes in popular government and has faith in our free institutions and in the American people. I was an ardent follower of Theodore Roosevelt, and stood for social and industrial justice back in 1912, just as I still advocate it today.

I believe in liberalism, which is nothing more than the right of the people to govern themselves, and which was the fundamental political faith of Abraham Lincoln. I not only have faith in the people, but also in our representative and constitutional government, which is the fairest, wisest, most honorable, and best form of government devised by the mind of man. Naturally I loathe and abhor communism and all other forms of foreign dictatorships that seek to undermine and destroy our free institutions, both from within and from without.

I have not spoken over the radio on communism for 3 or 4 years, and my purpose in speaking this evening is merely to present the facts concerning recent communistic activities here and in Soviet Russia. I am no alarmist and do not anticipate a Communist revolution in the United States tomorrow at dawn or the next year or in our generation, if the American people are kept informed of the aims and purposes of the Communists. They are so utterly destructive of our free institutions and our liberties that there is no room whatever for communism in the United States when the facts are known. We are still a free country, and we propose to keep it free from all forms of alien dictatorships of the left or of the right.

What is it that the Communists seek to impose upon the American people? (1) Destruction of all forms of religion and teaching hatred of God; (2) destruction of private property and inheritance; (3) using the Communist International, with headquarters at Moscow, to spread revolutionary propaganda and to incite strikes, riots, sabotage, and industrial unrest in all noncommunist nations; (4) to promote the bitterest kind of class hatred; (5) to develop a class or civil war in order to obtain the ultimate objective; (6) a soviet dictatorship under the red flag with a world capital at Moscow.

The best method to fight these principles and objectives of communism is not through force but rather by education and pointing out the tragic failure of communism in Soviet Russia.

The Communist Government of Russia is an absolute despotism based upon fear, a huge and bloodthirsty spy system backed by armed force and violence. There is no liberty of speech, or the press, or of assembly. There is nothing but suppression of the rights and liberties of the individual, the control of the people through fear, regimentation, and the bread ticket. The impoverishment, undernourishment, and often starvation of a disarmed and terrorized people is the order of the day.

That is the record of 17 years of communism in Soviet Russia. In 1933, 6,000,000 Russians starved to death in a country that used to be the granary of Europe, but due to strict censorship the facts are only now seeping out; and even now millions of other poverty-stricken and helpless Russians are on the verge of starvation and will be liquidated in the dreadful agony of slow starvation because of the horrible collapse of the communistic experiment.

The proof of the pudding is always in the eating thereof. All any fair-minded man has to do to witness the abject and fearful failure of communism is to cross the border from any of the secessionist States formerly part of Russia into Soviet Russia today. In the secessionist and capitalistic States of Finland, Estonia, and

Latvia the peasants' houses are clean and kept in good state of repair, and the people are well-clothed, well-fed, free, and contented. Across the border in communistic Russia the houses are dilapidated, badly in need of repair, the people are dirty, poorly clothed, undernourished, miserable, and fear driven. There you have the real contrast between a communist and a capitalist state. Every diplomat I have discussed this issue with, whether representing our State Department or a foreign nation, has confirmed these facts.

We have nothing to do with the form of government in Soviet Russia, but in view of the fact that the Communist International at Moscow and the Communists in the United States, all of whom take their orders from the Moscow International, are spreading revolutionary propaganda here and seeking to impose communism upon us, we have a right and a duty to find out the facts as to how it works in Russia and expose its tragic and horrible failure.

If this story of misery, suffering, impoverishment, undernourishment, starvation, and destruction of religious and civic rights and liberties of the people can be carried over the radio to free American people back home, there will be no compromise with communism and no fear of its spread among the American people.

That it has spread since I was chairman of the House committee to investigate communist propaganda and activities in this country back in 1930, must be obvious to all who read the newspapers. There has been hardly an important strike in which Communist agitators have not taken a leading and aggressive part. Sometimes these strikes are planned and instigated by the Communists and in others skilled Communist strike agitators rush in wherever there is an industrial sore spot, to help fan the flames. The object of the Communists is not to win the strike but to spread class hatred, a revolutionary spirit, and communistic principles.

Communists either led or fanned the flames in all of the following strikes, and in numerous instances blood was shed and people killed: The longshoremen's strike, which ended in a general strike in San Francisco; the Imperial Valley strike among the fruit-growing industries in California; the truck drivers' strike in St. Paul and Minneapolis, which ended in a general strike and resulted in martial law; the Toledo auto workers' strike; the packing industry strike in Chicago; the textile industry strikes in Rhode Island, Massachusetts, New Jersey, and Connecticut; the milk, taxi, and fur strikes in New York; the coal strikes in Kentucky, West Virginia, and Pennsylvania; the relief workers' strikes in Arizona and Oklahoma; the agricultural workers' strikes in New Jersey; and the share croppers' strike in Tennessee, Arkansas, and Alabama. In addition, the Communists are responsible for numerous smaller strikes and disorders throughout the country.

The larger strikes, violent though they have been, are merely forerunners of what to expect in the near future, with a huge loss in the pay roll, in economic stability, and an increase in class hatred and communism. That communism feeds on depression and unemployment is self-evident, as well as on any form of discontent, such as strikes, riots, or industrial unrest.

The American Federation of Labor is to be commended for consistently and steadfastly fighting communism and defending our free and democratic institutions. But in some States and localities the Communists have and are boring from within, and the American Federation of Labor will soon have to grapple with the Communists and Communist sympathizers within their own ranks and weed them out before they become a dangerous element and menace to the American Federation of Labor program.

It is difficult to estimate the exact number of Communists and Communist sympathizers in the United States. In 1931 the House investigation committee estimated the total number as 600,000, based on the votes cast throughout the Nation and considering that 70 percent of the Communists were then aliens. On the same basis today I would estimate the number of Communists and Communist sympathizers as about double, or 1,200,000. The Communist vote last November in California showed a heavy increase. Miss Anita Whitney, running for State comptroller, polled 100,800 votes. Leo Gallagher, of the Communist labor defense committee, for a judicial position, polled over 200,000 votes. In New York City the Communist vote increased in 2 years from 25,000 to 50,000. These are merely indications that communism is growing in different parts of the United States.

In California, Harry Bridges, an alien Communist sympathizer, who led the dock workers strike as head of the strike committee of 50, and who also is head of the International Longshoreman's Association, a part of the American Federation of Labor, in a recent meeting for the election of officers of the State Federation of Labor of California, polled approximately 20 percent of the vote for the Communist faction.

The growth of communism and left-wing socialism, its half-brother and sister, is more rapid and extensive in American colleges than in any other sphere of Communist activity. It is a sad and tragic commentary on American life and our institutions that in edifices of learning the younger generation of Americans should be taught that everything is wrong, rotten, corrupt, and oppressive in free America and everything peaceful, beautiful, humanitarian, and prosperous in Soviet Russia.

Our leading universities, such as Columbia, New York University, College of the City of New York, Chicago, Wisconsin, California, Washington State, North Carolina, Pennsylvania, Oberlin, Harvard, Wesleyan, Smith, and Vassar are the worst offenders and are honeycombed with Socialists, near-Communists, and Communists teaching class hatred, hatred of religion, and hatred of American institutions, including the American flag.

There are many other small schools and colleges equally subversive in their teaching. The League of Industrial Democracy, which attacked Mr. William Randolph Hearst for his exposure of communistic teaching in American colleges is nothing but an out-and-out Socialist organization, devoted to the destruction of the profit system, and advocates socialism and diluted communism. Prior to the World War it was known as "the Intercollegiate Socialist Society", but now, for propaganda purposes, it hides behind a false name and a camouflage front to attain the same objective.

There are a number of Socialists, left-wing Socialists, near-Communists, and Communist sympathizers in the Federal service at Washington, appointed by the President, and holding important and often key positions. Most of these do not believe in either our industrial or political system, and use every opportunity to undermine them.

Only recently photostatic copies of receipts for contributions by the three Federal officeholders to the Communist Veterans Rank and File Committee, and signed by Harold Hickerson, a well-known Communist, were presented by me in the House of Representatives. I know of nothing more contemptible or vicious than to have Government officeholders contribute to Communist propaganda and activities which has for its main purpose the inciting of strikes, riots, industrial unrest, and the destruction of our free American institutions. All three have admitted the donations.

One, Mr. Gardner Jackson, of the A. A. A., has walked the political plank, but Mr. Robert Marshall, Chief of the Forestry Division of the Indian Bureau of the Interior Department, drawing a salary of $5,600, not only admits contributing to Mr. Harold Hickerson on a number of occasions, one donation being for $100, but admits he voted a Socialist ticket in 1930 and 1932, and says he sees no reason he should not contribute to any cause he wants.

Every Communist sympathizer or, more particularly, contributor, drawing a salary from the Federal Government which he or she is seeking to undermine, should be dismissed immediately. However, that is more than can be expected under an administration that is honeycombed with radical college professors, governmental daydreamers, economic magicians, business wand wavers, industrial snake charmers, agricultural rabbit producers, destroyers of crops and birth controllers of pigs, free-trade crystal gazers, and visionaries and "brain trusters" of all kinds extraordinary, fantastic and extravagant with money belonging to the American people but not elected by or accountable to them.

Why should the "brain trust" or the chief advisors of the President worry if some of the Federal officeholders are exposed as contributors to communism, when many of them are Socialists and at heart sympathetic to communism?

The alien-deportation laws should be strengthened and enforced. Miss Perkins, the Secretary of Labor, should be required to deport aliens in accordance with existing laws, which she has flagrantly failed to do. A number of Communists, active in the San Francisco strike, were deportable, but nothing was done. It is a disgraceful situation, and the entire blame rests upon the present administration and the attitude of the Department of Labor. If alien Communists do not like our country, our laws, our ways, or our institutions, all they have to do is to go back home. If, however, they insist on staying and spreading Communist poison and revolutionary propaganda against our institutions and urging the overthrow of our republican form of government by force and violence, then they should be immediately deported and the Congress should enact even stronger laws and see to it that they are enforced and not evaded and nullified by Miss Perkins, a member of President Roosevelt's Cabinet.

Instead of deporting alien Communists, the Department of Labor has recently admitted four well-known foreign Communists, Thomas Mann and John Strachey, of England; Henry Barbusse, of France; and Willie Musenberg, of Germany; as temporary visitors into the United States to spread revolutionary communism and tell the American people that democracy, self-government, and our free institutions are failures, and to urge the overthrow of our economic and political systems and our republican form of government.

Why should any of these Communists from Europe be admitted as visitors to lecture in the United States when we have laws that call for the deportation of such alien Communists?

Thomas Mann is an outstanding Communist labor agitator in England and does not seek to hide the fact. John Strachey and Henry Barbusse are both professed Communists and have written books on communism. Willie Musenberg is a notorious German Communist. It is an outrage to welcome them as guests. What possible reason, alibi, or excuse can Miss Perkins have for admitting such visitors? There are undoubtedly many others, including Emma Goldman, the anarchist who was deported 15 years ago, who have been permitted to return to the United States under the regime of Miss Perkins.

One of the reasons given for recognizing Soviet Russia was that we could then deport the Russian Communists back to their native land, where they could enjoy the lack of freedom of speech, the oppressive laws, and miserable wage scales that they have been accustomed to in the past. But what has happened? Few, if any, Russian Communists have been deported, and evidently the Department of Labor is not planning to deport them. Can it be the Soviet Government will not take them, or is it that Miss Perkins refuses to carry out the intent and purposes of the laws passed by Congress?

The recognition of Soviet Russia should be withdrawn, as it was a gigantic hoax perpetrated upon the American people by the President and the "brain trust." Propaganda emanating from the "brain trust" promised American business men and southern cotton growers a billion dollars' worth of trade with Soviet Russia, provided we granted recognition. The northern and eastern

industrialists were seduced by the mere dangling of the juicy trade plum before their eyes, as were the Members of Congress from cotton States who were promised that the Soviets would buy $200,000,000 worth of cotton annually. Lenin was right when he said the capitalists would commit economic suicide for temporary profit. Even the religious element of the South, the Baptists and Methodists, who were opposed to having anything to do with the godless communists, were betrayed by the cotton bait.

Now that the Soviet Government has repudiated its promise and pledges and, according to Mr. William Green, president of the American Federation of Labor, continues to spread revolutionary propaganda in the United States through the Communist International at Moscow, refuses to reimburse American citizens for the property which the Communist state confiscated in Russia, or to settle its debts to the United States, and does less trade with us now than before recognition, why erect a big embassy at Moscow and spend American dollars to continue the farce of recognizing diplomatically a country that is unfriendly and seeks to interfere with our domestic institutions and does not keep its promise?

Recognition was put over by a hoax, perpetrated by the "brain trust" on the American people, and is just another of the dismal failures of Democratic promises and experiments. At least we should save one-half of the $1,250,000 appropriated for the construction of an American embassy at Moscow, which was designed for a personnel and staff of 70, now reduced to 25, and apply the balance or so much thereof as is necessary toward the construction of an American legation in Finland, a country that is friendly and has kept its promises and paid its debts.

In conclusion, I concur with the part of the McCormack investigating committee report, submitted on February 15, recommending that Congress make it an unlawful act for any person to advocate changes in a manner that incites to the overthrow or destruction by force and violence of the Government of the United States. This recommendation was one of the major recommendations of our committee 4 years ago. The McCormack committee further states in its report, that "This committee confined its investigation to that period of time following the thorough inquiry made by the special committee, of which our colleague, Mr. FISH, of New York, was chairman. The inquiry made by Mr. Fish's committee was profound and comprehensive. In making its recommendations, this committee also gave consideration to the report made by the special committee above referred to."

In addition, our committee recommended that Congress strengthen the deportation laws and give the Department of Justice adequate power to investigate all revolutionary activities and that the States enact election laws to keep the Communist Party off the ballot, as it is merely a section of the Communist International taking all its orders from Moscow, and not in any sense an American political party.

Communism is a world problem and encircles the globe. Less than 2 months ago, two American missionaries, Mr. and Mrs. John C. Stam, were butchered by Chinese Communists.

Communism reaches into every sphere of human activity, and its destructive and bloody web entangles all nations, including our neighboring Republics of Mexico and Cuba. It is a menace to civilization and no country and no people can afford to ignore it. The best way to combat it is to ascertain the facts and give them to the public.

Let the American people, as Lincoln said, know the truth and the Nation will be safe.

NATIONAL INDUSTRIAL RECOVERY ADMINISTRATION (H. DOC. NO. 105)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with accompanying papers, referred to the Committee on Ways and Means and ordered printed:

To the Congress of the United States:

On May 17, 1933, I asked the Congress to "provide for the machinery necessary for a great cooperative movement throughout all industry in order to obtain wide reemployment, to shorten the working week, to pay a decent wage for the shorter week, and to prevent unfair competition and disastrous overproduction."

The National Industrial Recovery Act was passed by the Congress in June 1933, and the administrative machinery to carry it into effect was set up during the succeeding month.

It is worth remembering that the purpose of this law challenged the imagination of the American people and received their overwhelming support. Enforcement during the earlier life of the act was not a problem which gave the country concern—for the very good reason that public opinion served as an enforcing agency which potential violators did not dare to oppose. The immediate objective was to check the downward spiral of the great depression, and it met this objective and started us on our forward path. It is now clear that in the spring and summer of 1933 many estimates of unemployment in the United States were far too low, and we are therefore apt to forget today that the National Industrial Recovery Act was the biggest factor in giving reemployment to approximately 4,000,000 people.

In our progress under the act the age-long curse of child labor has been lifted, the sweatshop outlawed, millions of wage earners have been released from the starvation wages and excessive hours of labor. Under it a great advance has been made in the opportunities and assurances of collective bargaining between employers and employees. Under it the pattern of a new order of industrial relations is definitely taking shape.

Industry as a whole has also made gains. It has been freed, in part at least, from dishonorable competition brought about not only by overworking and underpaying labor but by destructive business practices. We have begun to develop new safeguards for small enterprises; and most important of all, business itself recognizes more clearly than at any previous time in our history the advantages and the obligations of cooperation and self-discipline, and the patriotic need of ending unsound financing and unfair practices of all kinds.

Hand in hand with the improving of labor conditions and of industrial practices we have given representation and consideration to the problems of the consuming public. And it is reasonable to state that with certain inevitable exceptions in the case of individual products there has been less gouging in retail sales and prices than in any similar period of increasing demand and rising markets.

The first codes went into effect in July 1933. Since then approximately 600 have been added. The average age of these codes of fair competition which have been approved—90 percent of the coverable employments were under code—is less than 11 months—a brief time indeed for the definite achievements already made. Only carping critics and those who seek either political advantage or the right again to indulge in unfair practices or exploitation of labor or consumers deliberately seek to quarrel over the obvious fact that a great code of law, or order, and of decent business cannot be created in a day or a year.

We must rightly move to correct some things done or left undone. We must work out the coordination of every code with every other code. We must simplify procedure. We must continue to obtain current information as to the working out of code processes. We must constantly improve a personnel which, of necessity, was hastily assembled but which has given loyal and unselfish service to the Government of the country. We must check and clarify such provisions in the various codes as are puzzling to those operating under them. We must make more and more definite the responsibilities of all of the parties concerned.

This act, which met in its principles with such universal public approval and under which such great general gains have been made, will terminate on June 16, next. The fundamental purposes and principles of the act are sound. To abandon them is unthinkable. It would spell the return of industrial and labor chaos.

I therefore recommend to the Congress that the National Industrial Recovery Act be extended for a period of 2 years.

I recommend that the policy and standards for the administration of the act should be further defined in order to clarify the legislative purpose and to guide the execution of the law, thus profiting by what we have already learned.

Voluntary submission of codes should be encouraged, but, at the same time, if an industry fails voluntarily to agree within itself, unquestioned power must rest in the Government to establish in any event certain minimum standards of fair competition in commercial practices and, especially, adequate standards in labor relations. For example, child labor must not be allowed to return; the fixing of minimum wages and maximum hours is practical and necessary.

The rights of employees freely to organize for the purpose of collective bargaining should be fully protected.

The fundamental principles of the antitrust laws should be more adequately applied. Monopolies and private price fixing within industries must not be allowed nor condoned.

"No monopoly should be private." But I submit that in the case of certain natural resources, such as coal, oil, and gas, the people of the United States need Government supervision over these resources devised for the purpose of eliminating their waste and of controlling their output and stabilizing employment in them, to the end that the public will be protected and that ruinous price cutting and inordinate profits will both be denied.

We must continue to recognize that incorrigible minorities within the industry, or in the whole field of trade and industry, should not be allowed to write the rules of unfair play and compel all others to compete upon their low level. We must make certain that the privilege of cooperating to prevent unfair competition will not be transformed into a license to strangle fair competition under the apparent sanction of the law. Small enterprises especially should be given added protection against discrimination and oppression.

In the development of this legislation I call your attention to the obvious fact that the way to enforce laws, codes, and regulations relating to industrial practices is not to seek to put people in jail. We need other and more effective means for the immediate stopping of practices by any individual or by any corporation which are contrary to these principles.

Detailed recommendations along the lines which I have indicated have been made to me by various departments and agencies charged with the execution of the present law. These are available for the consideration of the Congress and, although not furnishing anything like a precise and finished draft of legislation, they may be helpful to you in your deliberations.

Let me urge upon the Congress the necessity for an extension of the present act. The progress we have been able to make has shown us the vast scope of the problems in our industrial life. We need a certain degree of flexibility and of specialized treatment, for our knowledge of the processes and the necessities of this life are still incomplete. By your action you will sustain and hasten the process of industrial recovery which we are now experiencing; you will lighten the burdens of unemployment and economic insecurity.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 20, 1935.*

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY (H. DOC. NO. 107)

The SPEAKER laid before the House the following further message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying paper, to the end that legislation may be enacted providing for an annual appropriation of $10,000 for the payment of the share of this Government in the expenses of the Pan American Institute of Geography and History and requesting the President to invite the Pan American Institute of Geography and History to hold its second general assembly in the United States in 1935, and providing an appropriation of $10,000 for the expenses of such a meeting.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 20, 1935.*

(Enclosures: Report with accompanying paper.)

REPORT OF ASSISTANT DIRECTOR GENERAL OF RAILROADS, 1934 (H. DOC. NO. 106)

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce, and ordered printed:

To the Congress of the United States:

I transmit herewith for the information of the Congress a letter from the Secretary of the Treasury forwarding the annual report of the Assistant Director General of Railroads for the calendar year 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *February 20, 1935.*

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT WITH RESPECT TO RICE

Mr. DRIVER, from the Committee on Rules, submitted the following privileged report (No. 196), House Resolution 121:

House Resolution 121

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 5221, a bill to amend the Agricultural Adjustment Act with respect to rice. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage, without intervening motion except one motion to recommit, with or without instructions.

WAR DEPARTMENT APPROPRIATION BILL, 1936

Mr. PARKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes.

Mr. BOLTON. Mr. Speaker, may I inquire as to the amount of time that has been consumed in general debate?

The SPEAKER. The gentleman from Arkansas has consumed 2 hours and 52 minutes; the gentleman from Ohio has consumed 1 hour and 43 minutes.

Mr. BOLTON. What limit does the gentleman propose to put upon general debate this afternoon?

Mr. PARKS. Mr. Speaker, I have requests for nearly 5 hours. I think we can cut that down because we want to conclude this bill at least by Friday night. I thought we might be able to conclude general debate by 3 o'clock, but it appears it will not be possible. I really think it would be just as well to run on until about 5 o'clock with general debate, if that is agreeable to the gentleman on the other side.

Mr. BOLTON. It will be understood that general debate will be completed today?

Mr. PARKS. Yes; regardless of whether the speeches must be cut down or not.

Mr. BOLTON. May we have a definite understanding to that effect?

Mr. PARKS. Mr. Speaker, pending the motion, I ask unanimous consent that general debate continue until 5 o'clock this afternoon.

The SPEAKER. Is the gentleman's request that general debate should be concluded at that time?

Mr. PARKS. The request is that we continue in general debate not later than 5 o'clock this afternoon. If we can conclude earlier, we shall be glad to do it.

The SPEAKER. The gentleman from Arkansas [Mr. PARKS], pending his motion, asks unanimous consent that general debate be continued until a time not later than 5 o'clock this afternoon. Is there objection to the request of the gentleman from Arkansas?

Mr. RAMSPECK. Reserving the right to object, may I inquire of the gentleman from Arkansas [Mr. PARKS] whether it is the intention to commence reading the bill today?

Mr. PARKS. Of course, if we do not conclude general debate before 5 o'clock, we will not begin reading the bill until tomorrow. If the gentlemen who have asked for time should fail to claim that time and we should conclude general debate by 3 or 4 o'clock, we will read the bill.

Mr. BOLTON. I have requests for about 1 hour on this side.

Mr. RAMSPECK. May we have an understanding with reference to how far the House will proceed with reading the bill this afternoon in the event general debate is concluded before 5 o'clock, so that the Members will be advised whether it will be necessary to be on the floor?

Mr. PARKS. I do not think there is any possibility of the bill being read this afternoon, considering the requests for time that I have now.

Mr. BOLTON. I suggest that we do not proceed beyond the first paragraph this afternoon, if we should reach the reading of the bill.

Mr. PARKS. That is agreeable to me.

The SPEAKER. Is the time in general debate to be equally divided by the gentleman from Arkansas and the gentleman from Ohio?

Mr. PARKS. Yes, sir.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. PARKS].

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Arkansas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 5913, the War Department appropriation bill, with Mr. HILL of Alabama in the chair.

The Clerk read the title of the bill.

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this bill calls for something like $318,000,000 of direct appropriations for military activities, an increase of approximately $49,000,000 over the bill that was passed a year ago and which is now in effect. It calls for $40,000,000, approximately, less than was asked by the War Department of the Bureau of the Budget.

The committee was unanimous, as I understand it, in agreeing that the Army should be raised from a strength of 118,750 to a strength of 165,000. There has been a feeling on the part of the committee, as I understand it, that this increase should come in increments rather than all come at once; that perhaps it should come at the rate of approximately 11,000 per year. This will require, as I understand it, approximately $23,000,000 or $24,000,000 altogether.

Instead of meeting this situation as the committee believed it should be met, this bill, on page 10, provides that the President may make this increase if he sees fit. It is true, of course, that the President would not have to make the increase if the money were carried directly in the bill if he did not see fit. The language of the bill, nevertheless, is this, beginning with line 14 on page 10:

> Together with such additional sums as may be necessary under this and other appropriations contained in this act to defray the cost of increasing at the discretion of the President and in such increments as he may deem necessary from time to time the enlisted strength of the Regular Army from an average of 118,750 to an average of 165,000 enlisted men.

In the situation of the country, and with the tremendous requirements of personnel for the Air Corps, there is no question, I think, in the minds of close students of the Army situation, but what an increase should be made. The thing that I do not like about the situation is this: I believe that if we are going to appropriate money to provide for an increase in the Army, we should appropriate it and not leave it in an indefinite way as to how it should be done. It has been intimated—but I will not say from what source—that the funds to pay for this increment will be found out of the relief appropriation that was passed here a couple of weeks ago. Is the appropriation for the enlisted force of the Army a regular annual appropriation which we should meet as a regular annual appropriation or is it something imaginary which we should leave up in the air to be paid out of a pool of funds which we have turned over to the Executive? Under the Constitution the Congress is supposed to make the regular annual appropriations.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Certainly.

Mr. SNELL. What was the gentleman's reference; under what?

Mr. TABER. Under the Constitution.

Mr. SNELL. Have we one at the present time?

Mr. TABER. Four members of the Supreme Court held that the Constitution was dead. As far as I am concerned, the Constitution is not dead.

Mr. SNELL. In previous appropriations for the Army we have never left it to the decision or discretion of anyone; we have made definite appropriations for so many men, have we not?

Mr. TABER. Congress heretofore always has met its responsibility and said how much money the Army should have.

Mr. SNELL. And this is a new phase in our procedure, leaving to the President to say how much should be used along this line.

Mr. TABER. This is just another delegation of authority to cover the face of the Executive so that nowhere in the bookkeeping directly will it appear that the Budget has been increased $5,000,000, $6,000,000, or $7,000,000.

Mr. SNELL. This is another thing which will come out of these indefinite funds that no one can tell anything about.

Mr. TABER. That is the situation with reference to all of our appropriations at this particular time.

Mr. SNELL. But this is a specific instance.

Mr. TABER. Yes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLANTON. The gentleman from New York knows the very high regard I entertain for him and the very high regard that I think all Democrats here entertain for him, and I think he is fair. As an old experienced member of the Committee on Appropriations the gentleman knows that if we had made a definite appropriation for 165,000 enlisted men in the Army that the President would not have been forced to expend it unless he wanted to.

Mr. TABER. That, of course, is so. The situation is just this—everybody on this committee agreed unanimously that the Army personnel should be increased; and while the President would not have to increase it if he did not want to——

Mr. BLANTON. He is the Commander in Chief, is he not?

Mr. TABER. He is the Commander in Chief.

Mr. BLANTON. In peace time as well as in war?

Mr. TABER. Nevertheless, my understanding is that he would increase it, and my understanding is that either he would pay for it directly out of a charge on the Treasury or out of one of these relief appropriations. Now, it has been intimated by some that we might get some real benefit for the country out of these relief appropriations by leaving it this way and letting the enlisted men be paid for out of the relief appropriation and not have it all hung up in the Treasury, but I do not believe that that is the way to do business. I think that the Congress ought to perform its constitutional function and appropriate the money that it ought to appropriate to meet the situation that the country faces, and that it ought to go along and appropriate the funds that are necessary to provide for 25 percent of this increase from 118,750 up to 165,000.

Mr. BLANTON. Is it not a fact that we in this bill—and the gentleman is a member of the Appropriations Committee, which reported the bill out unanimously—have provided that the Commander in Chief, the President, may, if he sees fit, increase the Army to 165,000 men. We have provided the money for it in this bill, have we not?

Mr. TABER. The situation is this, that we have provided it in an underhand way and not right in the open where everybody can go to the Treasury books and see just exactly what has been done.

Mr. BLANTON. I think that we have provided for it right out in the open. The bill specifically authorizes the Presi-

dent, in his discretion, to increase the personnel of the Regular Army to 165,000 enlisted men, and appropriates sufficient money for him to do that; and it authorizes the President, in his discretion, to increase the National Guard 5,000 men, and appropriates sufficient money to pay for it. But it leaves it to the President.

On this point I quote from page 8 of the committee report the following:

> As regards an increase in the enlisted strength of the Regular Army and the National Guard, the bill (pp. 10 and 49) makes it possible for the President to recruit all or any part of the 46,250 increase advocated for the Regular Establishment and of the 5,000 increase urged by the National Guard Association, and authorizes such additional expenditures as the exercise of such authority might entail. It seems particularly fitting at this particular time to allow the President to choose between added enlisted strength and added expense.

I do not believe in indefinite appropriations. And I do not believe in lump-sum appropriations. But if we had made a specific appropriation covering the full 165,000 enlisted men, the President as Commander in Chief of the Army, coupled with his authority as the Chief Executive, would then determine whether he wanted to enlist this full strength authorized, and if he decided against doing it, he would not have done it, and would not have had any use for the money, and the specific appropriation would have been left unspent.

Mr. TABER. We have provided the authority where it can be done, but it will not show in the Budget. I do not believe in doing business that way.

Mr. BLANTON. Regarding the other provision in this bill, that if the Commander in Chief, the President, sees fit to enlarge the National Guard and increase its members 5,000, the money is provided in this bill to do that very thing, yet he decides whether the increase will be made and whether the money will be spent.

Mr. TABER. I think that is correct, and I think the provision is subject to the same criticism. I believe we ought to go ahead and increase the National Guard this year the 5,000 members that the committee seems to feel it should be increased at this time. It is unnecessary, in my opinion, to attempt to build it up by 10,000 in one year. I think the 5,000 that the committee suggested would be right. We ought to provide the funds so that he who comes from among the taxpayers of the country may see just exactly what the situation is and may see how much money we have appropriated, instead of trying to cover up the amounts we are taking out of the Treasury.

I want to call the attention of the Congress to just the situation that is faced. If we go on covering up all of these appropriations as much as we can, the Budget does not mean a thing. It was suggested by a Member yesterday that the Budget had come to be an imaginary thing instead of something actual. Perhaps that has come to be true, because the Budget does not seem to mean anything any more; nevertheless, I think we ought to try as far as we can in the Congress to make it real.

Mr. PERKINS. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New Jersey.

Mr. PERKINS. Is the gentleman advocating open appropriations openly arrived at?

Mr. TABER. Yes; of course. I appreciate that is not the popular thing to do. It is not popular to come right out in the open, hands up, and tell just exactly what the situation is; but I think we ought to do it, and we ought to meet our responsibility just the same.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. TABER. There is one other thing I want to call attention to in reference to this situation.

Mr. MAY. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. MAY. As I understand the gentleman's statement, it is that the committee was unanimous in their belief that the appropriation should provide for 165,000 men.

Mr. TABER. The committee was unanimous in its belief that the Army should be increased to that number, not that the appropriation at this time should provide for that number but that it should provide for the first increment of 11,000 to that end.

Mr. MAY. But the matter of whether it shall be that or not is still in the hands of the President exclusively?

Mr. TABER. It is in the hands of the President exclusively, regardless of what we may do.

Mr. MAY. But the appropriation is not there unless he wants to put it there.

Mr. TABER. That is it, but I do not think we ought to do business that way. I think we should provide for just what we are to do.

Mr. Chairman, I want to call attention to another situation also. I understand there will be a very large deficiency recommended here in connection with War Department operations and military activities. Until I see just exactly what they are I am not going to say whether I believe they are needed or not, because I think we should get to the bottom of things as far as we can and know what we are talking about before taking a position. The application for funds from the P. W. A. by the Army ran to $443,000,000. Of this amount approximately $100,000,000 has been allotted and obligated. I understand we are going to be faced with additional expenditures for seacoast defenses, especially the fire-control lay-out and for new construction for the Army, including airplane housing, hangars, barracks, and all that sort of thing, which will run to about two or three hundred million dollars. How much of this is to be required for 1936, either through a direct appropriation as a deficiency or through the P. W. A. or relief funds, I do not know, but I expect it will run $100,000,000 to $125,000,000. I feel we ought to call attention to those things as far as we can as the bill is passing along.

Mr. Chairman, I am in hopes that when the proper time comes this House will take care of its obligation and provide the funds which it thinks will be required for the Army in the line of personnel and in the line of the National Guard appropriation directly.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, I want to take the opportunity this morning of calling the attention of the committee to the so-called "publicity clause" in the Internal Revenue Act of 1934, known popularly throughout the country as the "pink slip" section.

On February 8 I introduced a bill, H. R. 5536, which has been referred to the Ways and Means Committee to repeal this section of the Internal Revenue Act of 1934, known as "section 55 (b)." I want to make an appeal to the Members on a nonpartisan, nonpolitical basis to join together with the American people in repealing this very obnoxious, unfair, and un-American section of this bill. I say it is nonpartisan and nonpolitical because this section was never recommended by a member of the administration, it was not recommended by the Treasury Department, and it was not recommended by the Internal Revenue Bureau of the Treasury Department. I may say for the benefit of the new Members who were not here last year that this section 55 (b) slipped into the bill in the Senate during the closing days of the last Congress. The bill came over here to the House in the form of a conference report, and the conference report was adopted during the closing days of the session without debate, without a roll-call vote, or without any discussion on this particular feature.

After I introduced the bill for the repeal of section 55 (b), in order that Members may know the legislative situation, I addressed a letter to the Chairman of the Ways and Means Committee asking for a hearing. I received a reply, in which the gentleman from North Carolina [Mr. DOUGHTON] explained the somewhat congested calendar before his committee. Today I have addressed another letter to him asking that he send this bill that I have introduced to repeal this "pink slip" section to the Treasury Department for a report. I hope and trust that the Treasury Department and the Bureau of Internal Revenue will approve of the repeal

of this section. I shall look forward to their recommendations with great concern and interest. Such a report ought to be required, but in any event it is the duty of the Congress itself, to meet the issue out of its full sense of its responsibility to the people.

Mr. Chairman, at this point I ask unanimous consent to insert in the RECORD the correspondence which I have had with the Chairman of the Ways and Means Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The correspondence referred to is as follows:

FEBRUARY 14, 1935.

The CHAIRMAN COMMITTEE ON WAYS AND MEANS,
House of Representatives.

MY DEAR MR. DOUGHTON: With a view to the certain and outright repeal before March 15 next of subsection (b) of section 55 of the Revenue Act of 1934 (the so-called "pink slip" section), I desire earnestly to request a hearing by your committee on H. R. 5536, which was introduced by me on February 8.

I deem it essential that representatives of the administration, including the Secretary of the Treasury, be invited by your committee to such hearings, and I earnestly hope you will see fit to call for their appearance so that their viewpoint on the proposal may be gained.

This is urged because of the tremendous importance of the principle involved—whether the relationship of the private citizen to his Government on matters pertaining between them alone shall be publicly exposed, and whether such knowledge shall be published for the use of individuals who cannot possibly justify any social right to it. And it is my personal belief that most private citizens, irrespective of means, and whether they pay taxes or not, are rebelling at the principle involved in the invitation to snoopery contained in the present publicity provision, and are seriously concerned and disquieted to know just how far the Government may go in the future in removing the protection of personal rights.

I do not think I need give a summation of the reasons in opposition to the "pink slip" section. However, I will say that most of the complaints I have received have been from people of modest means, small business men and the salaried or wage classes. As a numerical proposition it is natural that they should come from this group. It is an ironic commentary, so far as catching the big fellow in tax evasions is concerned, that of the total individual returns to be filed next March roughly 90 percent will come from those whose net incomes range in the three lowest classes, $1,000, $2,500, and up to $5,000. And it is therefore particularly this group who will have their private affairs, their small businesses, salaries, and wages held up to their business competitors, and to sharpers and the snooping fraternity in general. And this, strangely enough, whether they ultimately pay a tax or not. So far as the salaried and wage classes are concerned, the present provision amounts to the publication of what they receive.

Publication of the pink slips will give no sound index to anything and will create no real knowledge for the Government's use. But it will create knowledge that may be used for the harassment of private citizens by business competitors, sharpers, and the criminally ingenious.

Again respectfully urging that hearings be held on the bill, and that the administration officials be asked to be present, to the end that repeal may be recommended and acted upon well in advance of March 15, I am,

Yours very truly,

ROBERT L. BACON.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 18, 1935.

Hon. ROBERT L. BACON,
House of Representatives, Washington, D. C.

MY DEAR MR. BACON: Yours of February 14 has been received and given attention.

As you know, our committee is now busily engaged in the consideration of the economic security bill, one of the important measures of the administration. It will perhaps take a week or 10 days yet to get this bill ready to report to the House.

In this connection will state also that we have promised the proponents of the bonus legislation that they would be given consideration just as soon as the economic security bill is out of the way, so I do not see how it would be possible to take up the bill referred to at this time.

With best wishes, I am,

Very truly yours,

R. L. DOUGHTON.

FEBRUARY 20, 1935.

The CHAIRMAN COMMITTEE ON WAYS AND MEANS,
House of Representatives.

MY DEAR MR. DOUGHTON: This will acknowledge your letter to me of the 18th advising me that the business before your committee does not promise any immediate prospect for hearings to be held on the bill I introduced (H. R. 5536) for the repeal of the so-called "pink slip" section of the Revenue Act of 1934.

May I not advance and strenuously urge the request that you refer my bill to the Secretary of the Treasury for an immediate report of the administration's views and its recommendations? I feel that the Treasury could make its report and give its attitude on the bill promptly; and if this is the case, it may develop that your committee, after receiving the report, might find the opportunity of giving the bill formal consideration.

You will recall that the "pink slip" section was not in the 1934 revenue measure as reported to the House, and that the general subject of publicity for income-tax returns covered merely a few pages of testimony before your committee. While I cannot portray the temper of the House on the subject, I personally believe there are more than ample votes to force repeal, and I also do not consider that it would be necessary for your committee to spend a great deal of time on the subject.

There is a steadily rising tide of resentment against the "pink slip" section. The importance of the principle involved is gaining increasing recognition among citizens generally, taxpayers and nontaxpayers, and therefore I trust you will refer the bill for repeal to the Secretary of the Treasury with the request that he make his report and recommendations at the earliest practicable time.

May I not also request that I be advised of the nature of this report if and when received?

With best wishes, sincerely,

ROBERT L. BACON.

Mr. BACON. Mr. Chairman, I have been unable to discover any valid reason or any social reason for this section of the Revenue Act of 1934.

On March 15 all of the citizens affected, to the number of many millions, will be making out income-tax returns, and whether they pay any income tax or not, they will have to make out this pink slip disclosing their gross income, their deductions, their net income, their total exemption, and the the tax paid, if any. As I have said, whether they pay a tax or not, they will have to disclose their gross and net income, and I maintain that there is a vital, American, and natural principle involved, and that vital American and natural principle is the right of privacy of the citizen, which his Government should be duty-bound to keep inviolate.

This requirement of section 55 (b) can serve no useful purpose, and the Treasury Department, I am confident, will state to the Ways and Means Committee that it in no wise helps in catching the few who may be tax evaders. On the contrary, it will put at a great disadvantage many thousands of our citizens who are engaged in small commercial enterprises.

The only people who can possibly be interested in this information will be a man's competitors or the idle and malicious curious. Credit is a delicate thing, and the credit of many men may be destroyed by the disclosure of this information to the public, and when I say "disclosure" I am informed that unless this provision is repealed, it is the intention of the Treasury, and their only alternative, to furnish these lists with thousands and thousands of names to the press of the country.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield to the gentleman from California.

Mr. COLDEN. I should like to ask the gentleman from New York why there should be any distinction between income taxes and other taxes, since in practically all other instances the tax rolls are open to the public; and is it not also a fact that there is a popular belief that a great many people are evading the income tax?

Mr. BACON. I am informed, so far as evading the income tax is concerned, that this provision in the law will not help the Treasury at all, and I think the gentleman will find that the Bureau of Internal Revenue will testify to this effect. A previous Secretary of the Treasury so definitely declared to the Ways and Means Committee when he appeared before the committee in opposition to the continuance of the 1924 publicity clause, which then required only the publication of the tax paid and not the amount of gross and net income. So far as the other question the gentleman has asked is concerned, when a man pays his municipal tax it has nothing to do with his business.

Mr. COLDEN. It has to do with his property.

Mr. BACON. It has to do with his real estate, perhaps, but when you force a small business man to disclose to the

world his gross income and his net income, particularly in view of the requirements of the N. R. A. codes, any competitor could easily reconstruct that man's personal business, and the only people that this information will be of interest to will be a man's competitors or a man's creditors.

Mr. COLDEN. The gentleman stated that the municipal tax would only show his real estate. It would also show his personal assessment and wealth.

Mr. BACON. But it does not show his business.

There is no reason for this requirement and it can serve no useful purpose. As I have said, the Treasury has stated it will not help in any way to catch tax evaders.

This information is all available to the Treasury. It is available to the Members of this House through the Ways and Means Committee of the House or the Finance Committee of the Senate. This information can be made available to the States and municipalities even if this provision is repealed.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. BACON. I yield to the gentleman.

Mr. SNELL. Did I understand the gentleman to say that the present Secretary of the Treasury is opposed to this publicity clause?

Mr. BACON. I said he did not recommend it in the last Congress. I have no information as to what his present attitude may be.

Mr. SNELL. If the present Secretary of the Treasury is really opposed to the provision and communicated his stand to the present Ways and Means Committee, I would think that would probably produce action on the gentleman's resolution, and without that I doubt if the gentleman can get action.

Mr. BACON. I have suggested to the Ways and Means Committee that the bill be referred to the Treasury Department for its opinion and recommendations, and I hope this will be done.

Let me now touch upon one other matter and one other group of people who will be interested in looking at these returns when they are published in the papers.

The first group that will scan them carefully will be the racketeer, the gunman, and the possible kidnaper. In each small town throughout the country they will be interested in knowing whether a man could profitably be blackmailed or whether a kidnaping could possibly yield results. There is a fear going throughout the country because of this threat.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. BACON. Yes.

Mrs. KAHN. May I say that I have received dozens of letters from women who have their own incomes who are very fearful of this situation, because they fear their children may be kidnaped if the fact is divulged that they would be capable of paying a ransom. I have received dozens of such letters.

Mr. BACON. There is no doubt about that.

Another group who will be very much interested in this information will be those citizens who prey on defenseless widows and others by trying to sell them fake securities. Those who make up "sucker lists" will be greatly aided.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. BLANTON. If the sensational newspapers throughout the country would quit playing up the Bruno Hauptmanns as heroes and would let them be taken out and hanged when they commit various crimes, the widows to whom reference is made would not need to have any further fears about kidnaping.

Mr. BACON. The gentleman may be right.

In closing I want to mention the effect this publicity will have on many, many fine law-abiding citizens who have met with financial reverses during these years of depression. They are bravely trying to recover and keep up their courage. To parade their misfortunes before the curious and the gossip will serve only to hurt their credit and break down their morale and unfairly humiliate them.

I simply want to bring this important matter to the attention of the House. [Applause.]

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, it would be presuming, as an introduction to the remarks I desire to make at this time, to analyze or criticize the very able address made by the gentleman from Ohio [Mr. HARLAN] on February 14, in which he suggested a change in our method of procedure in Congress, copying to a certain extent the British system of admitting Cabinet members on the floor of Parliament.

I do not agree with the gentleman's conclusion along the line of his address any more than I do with his conclusions in regard to the tariff, in which we have had some pleasant disagreements, but I shall briefly comment on the argument he made.

He said, and I quote from page 1962 of the RECORD:

> However, under our Constitution as it now exists, there appears to be adequate power in Congress to restore our Government to health.
>
> To accomplish this purpose we must devise a system that will give us, first, adequate executive power; second, continuing legislative control over the use and abuse of that power; third, congressional leadership in the national interest.

Now, my difference with the gentleman from Ohio on that score is this, that in my judgment we have already extended much too great power to the executive branch of the Government over legislative matters, and it has been done at the request of the Chief Executive of the Government.

Second. I cannot for the life of me see, when we grant that power, how we are going to get additional control over the executive branch. Having given away our constitutional right, he now asks us for additional control over the Executive.

Further than that, he says very distinctly that congressional leadership is needed. I agree to the latter; and I further say that we should recognize congressional leadership and not give away our rights to the Executive.

Further, he says that the Government is in ill health. I think that is very evident—there is no question about that.

Mr. Chairman, I wish to say that in all of my 20 years' service in this House there never has been, in my judgment, a lack of congressional leadership. I came here in the Sixty-third Congress, when there were such great leaders as Champ Clark, Oscar Underwood, Finis J. Garrett, James R. Mann, Frederick H. Gillett, Julius Kahn, John F. Fitzgerald, and men of that type. They were constructive leaders and cooperated with the administration. That is a great feature—to have a legislative body and have cooperation with the Executive; not a dictatorship. There were great leaders at that time, and under their leadership we passed through the crisis of the World War.

During 6 of the 8 years of the Wilson administration the Democratic Party controlled the House, and the last 2 years the Republican Party was in power. Whether we approved of all the legislation or not the fact remains that there was cooperation between the executive and legislative branches at a time when brains were both needed and tested. It may not be quite in keeping to name individual Members since that time, as it would necessitate too personal reference to our present associates. I particularly disagree with my friend from Ohio in his estimate of the Seventy-second Congress. Aside from the fact that there was no distinctive majority in either branch and that the House was controlled by the Democratic Party, it would seem to me that as I review the past 20 years the Membership of the Seventy-second Congress was as well balanced as could be expected of the average congressional Membership. Possibly a source of criticism against that Congress arises from the fact that the Chief Executive foresaw the pending world crisis as a result of the depression and failed to receive the cooperation of the then Speaker of the House and his advisers. If that is the attitude of mind of the gentleman from Ohio, I am in harmony with it.

That Congress passed the original Reconstruction Finance Corporation measure at the recommendation of the President. It is the one constructive piece of permanent recovery legislation which so far has been enacted, and in spite of its having been inspired by a Republican President it remains on the statute books. This of itself indicates that there was outstanding Executive leadership not enforced through the power of an abject majority, and that this legislation was passed because of the recognized merit of the proposition submitted by the Chief Executive. There was not only a wide Executive power, but a definite legislative control not seen since the present administration came into authority.

Now, the gentleman found much fault—I do not have time to go into the details, but the gentleman has found much fault with the Membership of the Seventy-second Congress, saying, "It was a mob." Many of us were here during the Seventy-second Congress, and I submit that we had most excellent leadership. The difficulty of the situation in the Seventy-second Congress, which I think the gentleman recognizes, was the evenness of the division of the parties. Further than that, the gentleman makes very distinct reference to the tax bill of 1932. Let me quote his language, where he speaks about a mob:

> The President of the United States, on the most critical issue that any President could act, the revenue bill, refused to lay down a policy to this House, and we went in about 435 different directions.

Let me, in reply to that, quote from the President's Budget message delivered to this House in December 1931. The President said:

> I recommend that Congress provide for an increase in taxation for a definite limited period, upon the general plan of taxation which existed under the Revenue Act of 1924. The Secretary of the Treasury has prepared recommendations along this line.

On January 13, 1932, the Secretary of the Treasury came before the Ways and Means Committee and presented concrete proposals for revenue legislation. These are set forth in the hearings, and I will not take time to reiterate them. The committee saw fit to disregard the Secretary's recommendations and adopted instead a general sales tax. The Secretary of the Treasury then said that his Department would support such a tax. However, when the bill was before the House, the manufacturer's excise tax was stricken from the bill, and the Ways and Means Committee was then forced to bring in other proposals for raising the approximately $500,000,000 which the sales tax would have produced. It will be recalled that the committee then recommended many of the taxes originally proposed by the Secretary of the Treasury, and they were included in the bill as finally enacted.

The President, both in his message to Congress and through the Secretary of the Treasury, offered vigorous and constructive leadership in the enactment of the 1932 revenue bill. Since March 4, 1933, the Treasury has been silent on financial matters.

It is easy to make any kind of general criticisms, but the tax legislation of the Seventy-second Congress is a matter of record. The President advised. Congress failed to follow his advice. The present occupant of the White House orders and Congress subserviently obeys.

In spite of the most profligate expenditures in the history of the country, particularly in peace times, no constructive suggestions of tax legislation have emanated from either the Treasury or the White House. Instead of manfully facing the present-day situation, a second budget system has been set up, and a tremendous burden for future generations has been created, and is mounting steadily by the extravagance of the present time. I therefore say that the last administration offered a very constructive program of financial legislation, but unfortunately the present administration has failed to follow a similar course.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain tables.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TREADWAY. Let me recall to your mind the recovery program offered by President Hoover in his message at the beginning of the Seventy-second Congress.

In his annual message to Congress on December 8, 1931, at the opening of the Seventy-second Congress, the President laid down a broad legislative program for bringing about recovery. Emphasizing that the first step in such recovery should be an effort to "reestablish confidence and restore the flow of credit", the President suggested specific proposals designed to meet these needs by "strengthening financial, industrial, and agricultural life."

On January 4, 1932, the President amplified his views in a special message, in which he laid down eight subjects requiring immediate action. These were:

First. Strengthening of the Federal land-bank system to aid farm credits.

Second. The creation of a Reconstruction Finance Corporation to furnish credit otherwise unobtainable.

Third. The creation of a system of home-loan discount banks to revive employment by new construction and to mitigate the difficulties of securing renewals of mortgages on homes and farms.

Fourth. Liberalization of the discount facilities of Federal Reserve banks.

Fifth. The development of plans to assure early distribution of deposits in closed banks.

Sixth. Strengthening of the transportation system to restore confidence in railway bonds.

Seventh. Revision of the banking laws in order to better safeguard depositors.

Eighth. Government economy, coupled with an adequate increase in Federal revenues and a restriction on the issuance of Federal securities.

This program is the answer to those who say that the previous administration had no constructive suggestions for combating the depression.

As everyone knows, it was impossible for the President to secure the enactment of all the measures he proposed in view of the political set-up of the Congress at that time. In the House there were 221 Democrats, 211 Republicans, 1 Farmer-Laborite, and 2 vacancies. In the other body, there were 48 Republicans—many of whom were Republicans in name only—47 Democrats, and 1 Farmer-Laborite.

The one outstanding measure among those which were enacted into law was the act creating the Reconstruction Finance Corporation. This measure was originally to have had a life of only 1 year, but it has since been extended several times, including the recent 2-year extension provided by the present Congress. Not only has it been continued in operation, but its lending powers have been greatly enlarged.

The Reconstruction Finance Corporation is the most successful and most helpful of all the recovery agencies, and is the only one, perhaps, that will not cause a great burden of taxation on the people. The previous Republican administration may well be proud of having sponsored this recovery measure, which the present administration has taken over.

Referring to the history of this legislation, I may say that in his message to Congress on December 8, 1931, the President proposed that the R. F. C. should be placed in a position to "facilitate exports by American agencies; make advances to agricultural credit agencies where necessary to protect and aid the agricultural industry; to make temporary advances upon proper security to established industries, railways, and financial institutions which cannot otherwise secure credit, and where such advances will protect the credit structure and stimulate employment."

The law which was enacted substantially followed these recommendations.

Now, let me say a few words about members of the Cabinet taking a place on this floor. It cannot be better illustrated than by what would happen if the present Cabinet were occupying seats here. The Secretary of State was a very distinguished Member of this body. He understands perfectly well the procedure here and the manner best calculated to convince Members. The Secretary of Labor is a very thoughtful and forceful speaker. The Secretary of the

Treasury has not the ability of expression. The Postmaster General is an astute politician. The Attorney General is undoubtedly an able pleader. Except for the Secretary of the Treasury, all those Cabinet officers would have a marked personal influence on the action of the House, and the great prestige or position of the Secretary of the Treasury would add to his influence here.

A portion of this influence is now exercised through the appearance of these members of the Cabinet or their chief assistants before congressional committees. If it were proper to disclose what transpires in an executive session, I could give you very definite illustrations of the influence that the Cabinet exercises over the Ways and Means Committee on important legislation.

Mr. HARLAN. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. HARLAN. The influence the gentleman is talking about now in connection with different committees is rather a subterranean influence, a secret influence. Does the gentleman not think that since that influence is inevitable, in all events, it would be far better to have that influence open on the floor of the House, subject to public criticism and questioning, than to have the condition that exists now?

Mr. TREADWAY. I will meet the gentleman's position to a certain extent. I think that it is a mistake to invite members of the Cabinet into the executive sessions of committees. I myself have opposed that procedure in the Ways and Means Committee, and I insisted last year at one time that we should have reporters—stenographers—present to take down statements made by Cabinet officers. I go that far with the gentleman, but I do not agree that here is the place for them to use open or secret, subterranean, or any other kind of influence. We should be, in my judgment, an independently acting body in this room.

Mr. MILLARD. Will the gentleman yield for a short question?

Mr. TREADWAY. I yield.

Mr. MILLARD. Did I understand the gentleman to say that the gentleman from Ohio said the Seventy-second Congress was the lowest of all time?

Mr. TREADWAY. No. The gentleman said "mob." I think that was the word.

Mr. MILLARD. And did he not say it was the worst legislation of all time?

Mr. TREADWAY. Well, I did not quote that expression. I do not think he went quite that far.

Mr. MILLARD. Has the gentleman forgotten that Mr. Garner was Speaker of the House at that time?

Mr. TREADWAY. I have made several quotations from the gentleman's speech.

Mr. BLANTON. Will the gentleman yield?

Mr. TREADWAY. Briefly.

Mr. BLANTON. I am in favor of keeping Cabinet officers out of committees and off the floor of the House, but is it not a fact that always, in the entire history of Congress, there are two committees, namely, the Ways and Means Committee and the Rules Committee, which have been considered quasi-political committees, to carry out the will of the administration?

Mr. TREADWAY. I think there is a great deal of truth in what the gentleman says. That is still further illustrated by the attitude of the majority of this Congress in depriving the Ways and Means Committee of three places on that committee for the minority that previously we have had, irrespective of the proportion between Republicans and Democrats in the House. I thoroughly disagree with that. Where there is a quasi-political representation a level should be maintained between the parties from Congress to Congress.

Mr. BLANTON. Mr. Chairman, if the gentleman will permit a further interruption, I think it would be safer always if the minority were larger.

Mr. TREADWAY. We will endeavor to have it so. It is not any fault of ours that the minority is not larger.

Mr. BLANTON. If the minority dwindles down any lower it might give even smaller representation on these committees.

Mr. TREADWAY. My answer to that is that if you purchase the electorate through billions of expenditures, I do not see why it will not be lower.

Mr. BLANTON. That is a liability to those of us in office now.

Mr. TREADWAY. Is is an asset to the Democratic Party at the present time.

Mr. BLANTON. Practically every person in my district who got relief voted against me solidly in the last primary. Those who got $25 were angry because they did not get $50 per month.

Mr. TREADWAY. I do not believe we will get very far on this line of conversation, so let us get back to our main subject.

It is very much more in keeping with our institutions and with our system of government, to my mind, not to follow the English system. There may be favorable features in it; nevertheless, our system has worked during the entire history of this country. Further, the gentleman from Ohio stressed the point that England "had weathered the storm." Let me call attention to two very outstanding reasons why England has weathered the storm. One particular reason is that they repudiated an indebtedness to this country of $4,700,000,000. If we can repudiate our debts in the same way, perhaps our financial structure will be better, but so far this country has wanted and has tried to pay its bills. I do not know whether we will be able to do so indefinitely, but we have lived up to our financial obligations with foreign countries. Another reason is that England has placed discriminating duties upon imports and favors her own colonies. She has imitated our method of assessing duties. Ours are not discriminatory, but England's are discriminatory in behalf of her own colonies. These are the two outstanding reasons, in my judgment, why the gentleman's remark was correct, that England has weathered the storm.

Now, these are only passing comments calling the attention of the House to the very able statement, historically and logically made by the gentleman from Ohio; and, of course, I do not expect my remarks to be adjudged as reaching the type and quality of those made by the gentleman from Ohio in the address to which I have referred.

I wish now, Mr. Speaker, to refer to another address of the gentleman from Ohio. He is two up on me until I get through here today. We have passed it along from day to day, but I felt that he was two up on me until this morning. The other speech he made on February 8, at which time he spoke at length regarding the tariff on wrapper tobacco, which is grown rather extensively in my district.

The gentleman was particularly critical of the present tariff of $2.27½ per pound, which, he averred, was two or three times the domestic cost of production.

Of course, the natural inference from the gentleman's remarks is that the domestic producer receives as a profit the difference between the cost of production and the amount of the tariff. Such a supposition is wholly false, since the average price received by the domestic grower is often less than the cost of his production.

Relative to the amount of the present tariff, I want to say that the gentleman's own party, in the Underwood tariff law of 1913, provided a duty of $1.85 per round on wrapper tobacco, at a time when the American cost of production was probably half what it is now. Certainly the Democratic Party could not be accused of giving unnecessary protection to a domestic commodity, particularly when the whole policy of the Underwood law was to reduce tariffs and to allow greater foreign competition in the home market.

The gentleman from Ohio suggests that a tariff of $1.10 per pound on wrapper tobacco would be adequate. As a matter of fact, such a rate would put the domestic producers completely out of business; but he is entirely willing to do that.

In substantiation of my statements on this subject, I wish to read at this point a telegram received by me under date

of February 13 from Mr. Charles M. Arnold, of Southwick, Mass., a prominent Connecticut Valley tobacco grower and an official of the Connecticut Valley Tobacco Growers' Association. The telegram is as follows:

Average cost of 1934 shade crop, green in the bundle, 68 cents per pound. Packing charges will add 35 cents per pound to the price. Net selling cost in the bale will average $1.03 per pound. Forty-five percent of shade grown sells for 45 cents per pound or less. Figure of $1.03 does not include shrinkage of 10 percent from green weight nor does it include any selling or insurance expenses. You can see that that part of the crop that competes with Sumatra costs approximately $2 per pound. The 45 percent sold at 45 cents or less is used on 2-for-5-cent cigars and does not compete with Sumatra. We are asked to compete with the selected 10 percent of all Sumatra produced and the protection of $2.27½ is the equal of the cost of our tobacco that competes. Call your attention to the fact that 75 percent of all cigars produced and consumed in 1934 were wrapped with domestic wrappers, of which 63 percent alone were wrapped with Connecticut Valley tobacco. The 45 percent sold at 45 cents represents a tremendous loss, which must be borne by the 55 percent which costs $2 per pound. The profit, if any, is in the tobacco costing $2 and needs protection.

It will thus be seen that the present tariff affords no more than adequate protection for the American producers of wrapper tobacco.

In connection with this matter, let me call attention to the remarks made by the present Vice President of the United States when he was a member of the Ways and Means Committee. I quote from the record of the hearings on the tariff bill of 1930, at page 3567:

Mr. GARNER. * * * I think that to displace the tobacco farmer in this country is monstrous because, as you displace the tobacco farmer, he must go into some other occupation—farming in something else.

Speaking for myself alone, I would rather see the entire internal revenue tax taken off cigars than to put out of business the farming industry—producers of tobacco.

The gentleman from New York [Mr. CULKIN], during the remarks of the gentleman from Ohio, on February 8, called attention to the fact that Sumatra tobacco is produced by forced and indentured labor.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Massachusetts.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. HARLAN. Does not the gentleman realize that the higher we place the tariff on Sumatra wrapper, thus reducing its consumption, that automatically we reduce the consumption of the Wisconsin, Ohio, and Pennsylvania tobacco that is used for fillers and binders, because they will not blend with any other kind of tobacco except Sumatra?

Mr. TREADWAY. The gentleman is incorrect in that statement because filler tobacco is grown in all the tobacco areas of this country. It is not confined to Sumatra wrappers, alone, but I want to bear down on his remarks about Sumatra tobacco. I recall very well going down to the Treasury Department a few years ago with other Members and calling attention to a provision of the tariff act, section 307, which prohibits entirely the importation of goods produced by forced or indentured labor. This is exactly the type of labor that produces Sumatra tobacco, although today it may not be absolutely prison labor, because the Minister to the United States from the Netherlands agreed that no longer would they use forced labor. They admitted that up to that time they had used forced labor, but claimed they would not do it again. But, whatever kind of labor it is, it is coolie labor, nothing else; it is practically slave labor. Those people get from 15 cents to 24 cents a day, whereas our workers in the tobacco fields get $4.20 a day. Now, if the gentleman from Ohio wishes this type of cheap labor to supplant our laborers in the Connecticut Valley, I cannot go along with him.

What are the producers of tobacco in the Connecticut Valley going to do if they are put out of business by the forthcoming trade agreement with the Netherlands? The gentleman from Ohio will say, "Let them grow something else." But that would amount to jumping from the frying pan into the fire.

The soil of the Connecticut Valley, which is so well adapted to the raising of tobacco, can be used alternately only for potatoes and vegetables, and certainly the domestic market is already glutted with these products. The same thing is true in other lines. When one group of producers is put out of business, they must necessarily compete with producers in some other industry, and there is no net advantage to anyone.

There is still another angle to destroying the American production of wrapper tobacco, which is that when that is done this country will be absolutely at the mercy of the producers in the Dutch East Indies. They will then have a monopoly and can charge the American cigarmakers exorbitant prices for their product. Just a few years ago we had this experience with the British rubber monopoly. The only way this Dutch monopoly can be controlled is by insuring a substantial domestic production of wrapper tobacco.

The whole policy behind these trade agreements was expressed by Secretary Wallace in his testimony before the Ways and Means Committee when the reciprocal tariff measure was under discussion. The gentleman from New York [Mr. REED] asked the Secretary if he would favor lowering the tariffs on the things Germany produces and ships to this country in competition with our own products. Secretary Wallace's reply was as follows (hearings, p. 57):

If Germany can produce them more efficiently than we can, it would be of benefit to our consumers, and our consumers certainly represent the eventually dominant interest in our population.

In other words, according to the Secretary, we should not produce a single article in this country which we can buy cheaper somewhere else. Where would this country be today if that policy had been followed for the last 150 years? It is difficult to imagine. It is certain that we would never have reached our present state of development, because without the protective tariff, industries either would never have been able to gain a foothold on this continent or they would have had to compete upon such a basis as to make our present standard of living impossible. How fortunate it was, then, that the Democratic leaders in the early days of the Republic, such as Jefferson and Jackson, did not share the viewpoint of the present leaders.

The gentleman from Ohio speaks of the tariff as being "built upon the human desire to grab what you can for yourself, and let the devil take everybody else." Those are his own words, taken from page 1816 of the CONGRESSIONAL RECORD. Elsewhere in his remarks of that day he said:

The only man that cares anything about the tariff is the man who is getting the graft.

I wonder why the gentleman is himself so concerned about the tariff. Why is he so anxious that the administration's present policy be maintained? The answer is to be found in his own remarks. While he criticizes others who have a selfish interest in tariff duties, he is very much interested in expanding the sales of three large manufacturing concerns in his city who do a large export business, and it does not matter to him that in securing greater foreign markets for these industries a number of other American industries will have to be sacrificed and the workers engaged in those industries thrown out of employment.

He would like to see a certain electric refrigerator company sell more of its product to Europe, even though the increased sales must be effected at the expense of the domestic cutlery or shoe industry. He would like to see a certain cash-register company sell more of its product to Japan, for example, but he is not concerned with the fact that Japan will have to be given an equivalent concession or opportunity in the domestic market, perhaps at the expense of the American textile industry.

It would be very interesting to see what would happen if perchance Germany should begin to build electric refrigerators and cash registers more cheaply than they are produced in his home city of Dayton. Would he then be willing to let Germany supply the domestic market for these products in order that the American farmer could sell more pork to Germany?

To my mind the tariff should extend its benefits to all the people and should not be sectional in operation. It should be a national system. The present policy instituted by the Democratic administration of killing off one industry to help another is not only sectional and un-American but it is unsound and short-sighted.

The gentleman from Ohio made one statement on February 8, page 1815, that I particularly want to challenge. He said, and I quote his very words:

When we adopted the Smoot-Hawley tariff bill there were thousands of factories went to Canada. They went because of the retaliatory tariff.

That statement is no more a fact that a lot of other statements which have been made about the Hawley-Smoot tariff from time to time. It is nothing more than loose talk without any basis of fact to substantiate it.

I have in my possession a report of the Secretary of Commerce on the subject of American Branch Factories Abroad, which was submitted to the other body in response to Senate Resolution 138, Seventy-second Congress. On page 9 of that document (S. Doc. 120, 73d Cong.) is a table showing that in 1932 there were 521 American manufacturing establishments with investments of $50,000 or more in Canada, represented by some 806 foreign units. The great majority of these units were established long before the Tariff Act of 1930 was enacted.

In order that the trend of the branch-factory movement may be observed, I shall include in the RECORD at this point the complete table, taken from pages 8 and 9 of the report, which shows the number of units established in each year.

American branch factories in Canada

Year	United States companies	Labor	Foreign units	Investment
1879	1	14	1	$58,273
1880	1		6	63,210,510
1884	1	103	1	562,285
1887	1	143	1	387,285
1889	1	48	1	837,000
1891	1	70	1	350,000
1892	1	3,806	3	16,865,000
1896	1	33	1	68,400
1897	1	203	1	350,000
1899	1	700	1	10,886,888
1900	3	78	10	370,459
1901	2	439	3	2,718,441
1902	2	2,575	2	4,165,349
1903	4	1,012	4	5,179,496
1904	5	6,010	8	65,364,038
1905	10	8,679	15	11,279,385
1906	6	1,022	7	5,450,077
1907	8	386	10	3,139,112
1908	8	1,065	10	10,801,823
1909	3	164	4	307,127
1910	14	3,973	34	29,207,648
1911	12	1,401	15	20,722,157
1912	17	1,787	25	16,460,279
1913	7	766	7	2,466,283
1914	12	1,502	13	7,663,447
1915	5	439	5	1,089,101
1916	16	2,523	18	7,366,435
1917	9	874	9	3,539,063
1918	8	1,959	27	12,293,939
1919	14	6,349	20	29,921,997
1920	18	1,208	19	6,567,615
1921	13	1,015	14	3,965,264
1922	13	1,561	13	11,947,519
1923	13	1,809	17	9,328,049
1924	12	1,213	14	8,297,179
1925	12	842	15	2,538,776
1925	13	646	14	2,943,742
1927	15	997	16	3,983,405
1928	14	2,066	22	11,412,929
1929	38	4,370	48	25,686,934
1930	35	2,246	42	15,704,479
1931	26	1,468	27	5,824,431
1932	31	859	36	7,546,146
No date given	52	861	246	12,162,346
Total		69,374	806	460,989,111

In the foregoing table, 27 foreign units of American factories are shown to have been established in Canada in 1931 and 36 in 1932. I invite attention to these figures in connection with the remarks of the gentleman from Ohio that "thousands of factories went to Canada" after the adoption of the Hawley-Smoot tariff of 1930. Even allowing for factories of less than $50,000 capitalization, which are not included in the foregoing table, the gentleman's statement is still a gross exaggeration.

So much for the actual figures. Now, as to the reason why even this small number of branch factories were established.

The gentleman from Ohio assumes that every time an American branch factory is established abroad it is done solely to avoid retaliatory duties against American products imposed on account of the Hawley-Smoot Act. This is not wholly true. It will be observed in the foregoing table that the branch-factory movement had attained large proportions even before the outbreak of the World War. Thirteen foreign units were established in 1914, just after the tariff had been reduced in the Underwood Act of 1913. In the year of our greatest prosperity, 1929, when our foreign trade reached its peace-time peak, some 48 branch factories were established in Canada. These facts would seem to indicate that while foreign tariffs, whether retaliatory or not, may be a factor in the establishment of branch factories abroad, they are not the only factor, and in many cases not even a major consideration.

In a previous report on branch factories (S. Doc. 258, 71st Cong.), the Department of Commerce gave various reasons for the development of this movement. I quote the following extract from page 4 of that document:

Since the armistice a constantly increasing proportion of our foreign investments have gone into branch plants, established primarily to exploit foreign markets and to overcome certain sales obstacles like tariffs, transportation, lack of service facilities, national sentiment, and patent provisions. The manufactured products involved in this phase of the movement represent to a marked extent the results of American methods and inventions calculated to meet the peculiar economic conditions in the United States in the way of labor saving, greater comfort, etc. When American manufacturers started to produce agricultural implements, shoe machinery, cash registers, telephones, automobiles, and electric refrigerators in Europe and certain British dominions, it was done largely because it was believed that the foreign markets could not be sufficiently expanded by exporting the American product.

Speaking of the establishment of American factories in Canada, the report, on page 3, says:

Although it is quite true that since the war the tendency toward the establishment of branch manufacturing plants and operation of public utilities has been more pronounced than toward the exploitation of natural resources in underdeveloped parts of the world, we cannot ignore the fact that the movement of American industry to Canada had reached a considerable development before the outbreak of the war, and that some important American industries had started to branch out in Europe. In the case of Canada it may be stated that the tariff obstacle against the movement of goods across the border, on the one hand, and the strong pull of proximity, similarity of taste, standard of living, and of language, on the other, have served to hasten the expansion of American industry beyond the national frontiers.

While the report refers to tariffs as a factor in this movement, I call attention to the fact that no reference is made to "retaliatory" tariffs.

I want to say here and now that I hold no brief for American manufacturers who establish factories abroad. However, lest it be assumed that this movement has a tendency to displace American labor, I want to quote an extract from the Senate Document No. 120, to which I have previously referred, and which contains the report submitted by the present Secretary of Commerce, Hon. Daniel C. Roper.

On page 3 of that report this statement is made:

The employment figures should not be interpreted as representing the amount of potential American labor displaced. As explained on pages 17–20 of Senate Document No. 258, Seventy-first Congress, third session (American Branch Factories Abroad), there is nothing to justify the assumption that, in the absence of such branch factories, there would have been an equivalent exportation of the corresponding products from the United States. In addition, it must be considered that employment in the United States is created by the demand for the semimanufactured products used in assembly operations as well as for industrial equipment and certain raw materials. The net balance cannot be ascertained, even approximately, without an intensive analysis of our export trade in relation to the development of foreign branch-factory production and with full consideration of the economic conditions in our foreign markets as well as in the competing countries.

In view of all this evidence, I think the statement made by the gentleman from Ohio with reference to the branch-factory movement falls pretty flat.

There is one other statement of the gentleman from Ohio to which I wish to refer. In his remarks on February 8, page 1765, he said:

The difference between the tariff and all these other raids upon the Treasury—and I have not mentioned all of them—is that the tariff comes directly out of the pockets of the people, while the other grabbers take from the Treasury first and then tax the people. The tariff lays its burden directly on the backs of agriculture and labor.

I think all I need to say in answer to this statement is that the policy of protection has become pretty definitely established in this country. Even the South, which for so long favored a policy of free trade, is now preponderately in favor of what Henry Clay was once pleased to call the "American system." If the present administration tampers too much with the tariff it will soon find out where the people stand on the subject.

For the gentleman from Ohio to stand on the floor of this House and make the statement that he did is beyond my comprehension.

If the gentleman wants to know the attitude of agriculture and labor toward the tariff, he will find it in the hearings on the 1930 law. The farmer and the laborer know on which side their bread is buttered. They know that the domestic market is the largest home market on the face of the earth. They know that we consume in this country 90 percent of what we produce. The farmer realizes full well that the American workingman, who is the highest paid in the world, is his best customer and that he will be prosperous in proportion to the prosperity of the workingman. At the same time, the workingman knows that as the farmer is prosperous, the more demand there is for the products of his labor.

Of course, when we get to discussing this subject we get back to the reciprocal tariff agreements. I have not the time this morning to debate this question further, but I want to assure my friends of the House that unless they decide I am making a nuisance of myself in talking tariff matters that I will later have something to say about reciprocal tariff agreements.

Is it not delightful to read in the press within a day or two in reference to the pleasant time the Secretary of State, Mr. Hull, had with Mr. Bennett, the Minister from Canada, in New York last week, at which time Mr. Bennett acknowledged that our tariff rates were too high. I am not going to ask for Mr. Bennett's opinion on our tariff rates. I am coming to the American Congress. Nor am I going to willingly sit in and have Mr. Hull and Mr. Bennett write the law which governs my people.

According to another press clipping, these gentlemen who came here from Brazil the other day sailed for England as soon as they got all they wanted out of Mr. Hull. They have gone over there to get a better market for Brazilian cotton. That has been the greatest cotton market in the world, and under the reciprocal deal our Brazilian friends are going to make a new arrangement with Great Britain whereby Brazilian cotton may be shipped to England instead of American-grown cotton.

I am going to keep up this pleasant interchange of remarks with the gentleman from Ohio, although possibly now we are about even. In a day or two the gentleman will come back again with another speech, and then that will give me further opportunity.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. In line with what the gentleman has just stated, I should like to call attention to this article which appeared in one of the Ohio dailies. It reads like this:

WASHINGTON, *February 6.*

Convinced that the Roosevelt administration's negotiations of reciprocal trade agreements between the United States and foreign governments constitutes a threat to many important Ohio industries, Congressman A. P. LAMNECK Tuesday called a meeting of the Ohio congressional delegation for next Friday to consider a course of action.

The gentleman in his letter stated:

You have probably noticed a reciprocity trade agreement has been made between Brazil and the United States Government covering quite a number of items. Other agreements with other nations are in contemplation which might seriously affect products in Ohio—such as cement, glass, pottery, coal, and tobacco. This, to me, indicates that we should give this matter our immediate attention. I am, therefore, suggesting a meeting in my office to discuss this very important subject.

This notice was sent to all the Democratic Members from Ohio.

Mr. TREADWAY. The difficulty with the notice is that nobody knows about the subjects being considered. They make the agreements behind closed doors. The gentleman does not know what industries of Ohio are being considered behind locked doors in these conferences with foreign countries.

Mr. JENKINS of Ohio. It indicates that the Democratic membership from Ohio are wide-awake to the fact that the reciprocal trade agreements are not popular in Ohio.

Mr. TREADWAY. I am glad to hear that.

Mr. KNUTSON. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The other day I got hold of a publication called the "Boston Marine News." In that publication there is a column devoted to a list of ships arriving in the port, together with their cargoes. I was very much interested to note that one ship brought over 97,000 tons of anthracite from Russia. Can we not produce our own anthracite?

Mr. TREADWAY. The Democratic Party put an excise tax on that commodity 2 years ago.

Mr. KNUTSON. I should also like to call attention to the fact that in the same column there is listed 200,000 barrels of crude oil brought in from Venezuela.

Mr. TREADWAY. And also the gentleman will recognize the fact that if we make an agreement with Belgium, cement will also come in.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from North Carolina.

Mr. DOUGHTON. I may say to the gentleman from Minnesota [Mr. KNUTSON] that, with all his talk about imports, he should put into the RECORD some of the agricultural commodities that have been exported out of the country as a result of these agreements.

Mr. KNUTSON. If I could find where we were exporting any agricultural products, I should be glad to put them in.

Mr. DOUGHTON. Everybody else knows it, whether the gentleman does or not.

Mr. KNUTSON. I cannot find where we have exported any agricultural products.

Mr. TREADWAY. Mr. Chairman, I thought I was yielding to the gentleman from North Carolina [Mr. DOUGHTON] to ask me a question, but it seems he got into an argument with the gentleman from Minnesota [Mr. KNUTSON].

Mr. DOUGHTON. This is about the fourth or fifth installment the gentleman has delivered to the House in regard to reciprocal trade agreements. I want to remind the gentleman that there will be an answer in due time to all of these wild statements which he has made.

Mr. TREADWAY. Wild statements? No. They are matters of record.

Mr. DOUGHTON. Absolutely. They are wild statements.

Mr. TREADWAY. Oh, no. I have made no wild statements. I will be delighted to have the answers which the gentleman refers to, and I will be ready for them with another answer.

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. MCSWAIN].

Mr. MCSWAIN. Mr. Chairman, yesterday on account of pressure of committee duties, I was unable to be on the floor. On page 2278 of the CONGRESSIONAL RECORD of yesterday I read these remarks made by the distinguished gentleman from Arkansas, the Chairman of the Subcommittee on Appropriations having charge of the bill now under consideration.

I want to give another cadet at West Point to every Member of Congress. I hope when this bill comes back from the Senate it will give us another cadet for each Member of Congress so that we can have a proper number of officers.

The Chief of Staff said to me:

"You know, 4 years from now, if we do not recruit our officers, we will not have enough to head a parade."

General MacArthur says if you will give another cadet at West Point for each Member, that at the end of 4 years he will have all the officers he needs for 165,000 men.

Mr. Chairman, I think that we all should scrupulously observe the proposition that legislative committees control matters of policy and that the Appropriations Committee merely supplies the funds with which to carry out the policies prescribed by the legislative committees. I do not see how we will ever function properly as a representative body unless we observe these limitations.

If there is anyone in this House who thinks that there should be another cadet allowed to each Member of Congress, to be appointed by him to the Military Academy, he has a perfect right to introduce a bill which will be referred to the Committee on Military Affairs.

I can assure every Member of this House that such a bill, if introduced, will receive prompt and fair consideration; and, while I am personally opposed to the policy, I will say now that if a majority of that committee orders such a bill favorably reported to this House, I will be the voice of that committee and, if it wishes me to report it, will report it and I will support it with all the ardor I possess as the agent of that committee with respect to such a bill.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. DELANEY. Was the gentleman asked at any time to recommend such a proposal?

Mr. McSWAIN. No, indeed. No one has ever asked me to introduce a bill to that effect.

Mr. DELANEY. In other words, the Committee on Appropriations suggested this legislation?

Mr. McSWAIN. Yes; as indicated in the language quoted.

Mr. PARKS. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Certainly.

Mr. PARKS. Did I understand the gentleman to say that this had never been suggested to him?

Mr. McSWAIN. I may say that the gentleman from Arkansas asked me how I stood on it, and I gave him my personal views; but the gentleman from Arkansas has never asked me to introduce any such legislation, and neither has the gentleman from Arkansas himself introduced any such legislation.

Mr. PARKS. I would not be so presumptive as to suggest it to my distinguished friend, but I will tell the gentleman what I will do. I will offer such an amendment to this bill, if the gentleman will not make a point of order against it.

Mr. McSWAIN. Oh, yes; but the gentleman ought to know that it would be my duty to make a point of order against it, so that the matter may be considered deliberately by the 25 members of the legislative committee; and I will do my duty, as will all members of the Committee on Military Affairs.

Certainly I will make a point of order against it, and if the gentleman were in my position, he would make a point of order against it. I know the gentleman too well. The gentleman is too scrupulous of the rights of the body he represents on any committee of which he is the voice and the spokesman to do otherwise, and I commend him for his zeal and his loyalty. I will not mention any other body by name, at the other end of the Capitol—and I shall not assume that this will be done at the other end of the Capitol—because I would assume that the Members of that body are going to abide by the law, just like the members of the Appropriations Committee of this body are abiding by the law, and the only reason they did not put the provision in this bill was because there was no authority of law for it, and they assumed, of course, that if it were in the bill, someone would probably make a point of order against it. They were obeying the law, and I am going to presume that the Members of the other body will obey the law, and not disregard the law.

Furthermore, I am going to presume that the legislative body of the Senate of the United States, headed by the distinguished Chairman from the State of Texas, will protect the rights of the legislative committee of that body, as it is my duty and as it is your duty to protect the rights of the legislative committees in this body.

Mr. Chairman, I ask unanimous consent at this point to extend my remarks by including a letter written by me today to the President of the United States upon this subject, following an interview had with him yesterday upon the subject.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., February 20, 1935.

Hon. FRANKLIN D. ROOSEVELT,
President of the United States,
The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: Referring to our conversation yesterday concerning the United States Military Academy, beg to hand you page 179 of the report of the Secretary of War for the year 1934, from which it will appear that the information that there were only 800 cadets at the Military Academy was about 33⅓ percent incorrect. In addition to the 863 cadets in the Academy on June 30, 1933, which was after commencement about June 15, 1933, when the graduating class was commissioned, there was admitted on or about July 1, 1933, 417 new cadets, making a total of 1,297 cadets.

I also enclose for your information page 174 of the report of the Secretary of War for the year 1934, with regard to additions to the Officers' Reserve Corps for that year. The total number of additions was 10,291. The graduates from the R. O. T. C. units, being second lieutenants, were 6,347. I respectfully submit that hundreds if not thousands, of these fine young men in the R. O. T. C. would be happy to apply for a commission as second lieutenants in the Army. It seems to me too clear for argument that there could be found at least 250 fine, upstanding, and choice young officers from these 6,347 who would certainly be equal to, if not superior to, the lower half of the 250 graduates of the Military Academy.

I believe it is the consensus of opinion of educators and of retired officers of the Army that it would be a serious mistake to have more than one-half of the officer personnel of the Army derived from the graduates of the United States Military Academy. I believe you will agree with this most heartedly. At present the officer personnel of the Army is made up as follows:

Graduates U. S. Military Academy	4,572
Enlisted men, U. S. Army	533
Civil life, including officers appointed from civil life after Spanish-American War, and from time to time thereafter, by including very few from civil life since July 1, 1920—if interested I should be glad to furnish a break-down as to the	3,665
Emergency officers, World War, commissioned July 1, 1920	3,364
Volunteer officers	163
Total	12,297

I try to consider these problems of national defense affecting all the instrumentalities and agencies and forces of national defense, military, naval, aeronautical, and industrial in something of a systematic and orderly relation. In other words, I try to work out a sort of philosophy of national defense. I have been working on this for 18 or 19 years. I admit that I am making very slow progress.

With very great respect, I am

Yours truly,

J. J. McSWAIN.

Mr. McSWAIN Now, you will observe that in the quotation the implication from the remarks of the Chief of Staff is that unless this authority is granted to increase the number of cadets at the Military Academy, we will have a shortage of officers, and that there is no other adequate source from which officers may be drawn.

Mr. PARKS. Mr. Chairman, will the gentleman yield?

Mr. McSWAIN. Certainly.

Mr. PARKS. I know the gentleman intends to be entirely fair and the gentleman is fair; I may have been just a little unfair to the Chief of Staff in the language I used. I do not mean to say that the Chief of Staff stated this was the only way to supply them, but he did say that if we would add one cadet this would supply the necessary officers, and

while the genleman is quoting me correctly I probably was just a little bit inaccurate in my statement.

Mr. McSWAIN. Very well, I thank the gentleman.

I want to submit that the Reserve Officers' Training Corps in the universities and colleges of all your States are turning out every year young men who are commissioned in the Reserve Corps, and last year 6,347 such young men, after a 4-year training course, were commissioned as second lieutenants, and I submit that there is no man under the sun who can say that the lower half of the graduates of the Military Academy are superior to the upper 250 of the practically 7,000 annual additions to the Reserve Corps of the United States from our military schools, colleges, and universities.

Why, take the corps area commander down at Atlanta, Ga., Gen. George Van Horn Moseley, himself a graduate of the Military Academy, a distinguished soldier and a former deputy chief of staff, recently going around through the C. C. C. camps, inspecting them, as was his duty—and I have been with him on some of these inspections, and I will say he is a most magnificent officer and a splendid gentleman—what did he discover? He discovered, in command of one of these camps, a Reserve officer who got his military training in a little Presbyterian college in my district that seldom has over 400 students, with one or two Regular Army officers detailed there as instructors in military tactics. General Moseley was so impressed by his intelligence, by his soldierly bearing, and by his manifest manhood that he asked for an extension of his tour of active duty for him and took him to his corps area headquarters as one of his two aides, and neither one of the two aides of General Moseley is a graduate of the Military Academy. His regular Army aide is not a graduate of the Military Academy, but was a World War emergency officer, and is a graduate of Wofford College at Spartanburg, S. C.

Mr. BOLTON. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. BOLTON. I may have misunderstood the gentleman, but I understood him to say that the Reserve officers at the military camps were given military training.

Mr. McSWAIN. No. I said this officer at the C. C. C. camp had received 4 years of military training in the little Presbyterian college at Clinton, S. C., that seldom has a student body of more than 400 all told.

Now, what is the true situation in regard to the Army of the United States? We have an attrition now of about 400 officers a year, especially since the class B board has gone to work for the last year.

The graduates from the Military Academy numbered last year about 250, and that left 150 vacancies at the bottom of the list.

Prior to that there had not been a vacancy in the last few years that was available to anybody except graduates from the Military Academy that I have heard of. Certainly, there have been only a few.

Now, I am only asking for what is fair and right—that the officer personnel of the Army shall be 50 percent from civilian sources and the ranks and 50 percent from the Military Academy. Then, they would be matched against each other in friendly rivalry, and we will see after a generation which is the best source of officer material.

Mr. BLANTON. Will the gentleman yield?

Mr. McSWAIN. I yield.

Mr. BLANTON. Does the gentleman think that training at West Point will not make fine officers?

Mr. McSWAIN. No; I did not say that at all. It does make good officers, but so do our Reserve Officers' Training Corps units in our military schools and colleges.

Mr. BLANTON. There have been Members of Congress without any university training who have been most valuable Members. But had they had university training, they might have been more valuable. If these civilian officers had training at West Point they would be that much more valuable.

We can put another cadet for each district at West Point with the present set-up. They are able to carry on without enlarging it. If the gentleman is willing to bring in a legislative bill authorizing it, we will make the appropriation. The appropriation would have been made in this bill if we had had legislative authority for it. We could not do it because the gentleman's committee has not passed legislative authority.

Mr. McSWAIN. The committee could not do it because no bill had been introduced.

Mr. BLANTON. Is the gentleman in favor of it?

Mr. McSWAIN. I am not; and I think I can convince the gentleman that it should not be done. Take the training at the university and college Reserve Officers' Training Corps units in Texas. Those poor boys ought to have a chance to get in the Army of our country.

Mr. BLANTON. If these same poor boys could go to West Point and get a technical military training, it would make better officers out of them. I have sent many poor boys to West Point. And I have sent many poor boys to Annapolis, and all of them have made good.

Mr. McSWAIN. The gentleman says it will not require any additional money.

Mr. BLANTON. I said they could take care of them with the present equipment set-up.

Mr. McSWAIN. Once you get this extra cadet and there will be a demand here for more money, and do not forget it.

Now, I was at West Point the other day, and when the morning gun sounded at a quarter to 6 I jumped out and put on my clothes and went through snow and ice to inspect. When General Connor—a splendid officer and gentleman—came for me at a quarter of 10 and said, "Come on and let us inspect", I told him I had already made the rounds. I saw them shaving; I went to breakfast with them, into their classrooms, and talked to their officers and teachers. One of the questions they asked was, "When are we going to get the new barracks?" I can see no space for new barracks or other buildings on that rocky promontory at the bend of the Hudson River. They do not now have sufficient barrack room for this additional number of 531 cadets.

Mr. BLANTON. But the gentleman was very proud of everything he saw there at West Point.

Mr. McSWAIN. Certainly I was; but I am proud of our schools back home and of our R. O. T. C. units, and the gentleman is proud of the schools in his State. I am proud of the Citadel at Charleston, S. C., from which comes Gen. Charles P. Summerall, one of the greatest combat officers of the World War, nobody excepted, in our own or allied armies; also Maj. Gen. John A. LeJeune, superintendent of the Virginia Military Institute.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. McSWAIN] has expired.

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I believe it is the duty of the opposition party and members of the party individually to make observations on the various messages sent here by the President of the United States. I do not speak in any other capacity except in my own individual capacity as a Republican Member of this House. A few years ago when the N. R. A. legislation was submitted I supported it, as did most of the Members on the Republican side, and as far as I know, no Republican has tried to block it, to hamper it, or to destroy it. If my recollection is correct, just as the President said in his message today, the purpose of this law challenged the imagination of the American people and received their overwhelming support. I know in my district we had gigantic parades. The Republicans participated. I remember in the city of Newburgh, the largest Republican city in my district and also the President's district, the Young Men's Republican Club asked me if I would get them a baby elephant to parade with them. Of course, Members of Congress are asked to get all kinds of things, and that was not unusual. I could not find a baby elephant in the State of New York, but one was found in the State of New Jersey; but that is not unusual either, because you can find almost anything in the State of New Jersey.

Mr. POWERS. Even Republicans.

Mr. FISH. Yes. And I am proud of them. So the Republicans went along and supported the N. R. A. legislation in that emergency, hoping and trusting that by giving this enormous temporary power to the President that millions of American men and women would be put back to work. We even hoped that the 10,000,000 unemployed would be provided with permanent jobs by placing this gigantic power in the hands of the President as he requested. If the President had succeeded in putting all those millions back to work and reemploying American labor, I do not believe any Republican or I myself would have had the right, in spite of the expenditure of $15,000,000,000, to criticize the President or the N. R. A. for its failure to carry out its main purpose, to reemploy American labor. But in view of the fact that the President has sent a message to Congress today asking for an extension for 2 more years of the N. R. A. and praising the N. R. A. to such an extent that, in my humble opinion, it is nothing more than sheer propaganda, I am compelled to raise my voice. It is sheer propaganda. It might just as well have been issued by some of the numerous Democratic publicity agents, who are paid out of the Treasury of the United States, for consumption by the people back home. The President infers, at least, that no one has the right to criticize the N. R. A. and that any one of the opposition who does criticize it is a carping critic. I challenge that statement of the President and I challenge the statement in this message that 4,000,000 Americans were put back to work. The American Federation of Labor, a nonpartisan body, says that there are 2,000,000 more unemployed today than there were a year ago; yet you have the President sending this message to Congress, which will be read all over the country, which is, I say, sheer propaganda to deceive the people back home and to try to make them believe that the N. R. A. has accomplished what it set out to do, to reemploy American labor.

As I have said before in this House, the only thing that counts with all legislation is its success in accomplishing its objectives, just as the only thing that counts in war from the time a man puts on a uniform and takes up a rifle is success in battle. Not a single Republican would dare stand here and criticize the N. R. A. if it had accomplished what we hoped it would do when we supported it on a nonpartisan basis 22 months ago. But the fact is that there have been more and larger strikes under the N. R. A. than during the past 10 years.

I, for one, am opposed to the extension of the N. R. A. for 2 years without drastic modifications. The N. R. A. has all but strangled the small business man, and it has hampered and harassed business generally. It has helped to destroy business confidence, so that there is a dark cloud of fear and uncertainty hanging over the country today. Business men go to sleep at night with a headache and awaken in the morning with a hang-over. What is needed more than anything is the restoration of business confidence and a cessation of drastic regulations, ukases, and Executive orders and various complicated codes. If I had my way, I would scrap the whole N. R. A., except to have one general code on fair competition and maintain the child-labor provisions and the restrictions against sweatshop hours and wages. The President has harped here and everywhere else on the question of child labor, so that the people back home, who naturally cannot follow all legislation and who are not as intimate with it as we are, believe that the N. R. A. has wiped out child labor, when, as a matter of fact, child-labor laws have been passed and are in operation in most of the States of the Union.

Practically all of the States of the North, including the great industrial States, such as my own, have child-labor laws. The only place where it is not in operation, generally speaking, is in the South, yet the President's message is permeated with child-labor-law sentiment and for what purpose except for political propaganda. I am 100 percent for the child-labor law. I should like to see the Congress enact a Federal child-labor law in this session of Congress in order to do what should be done in the Southern States; but I do not propose to remain silent even if the President of the United States tells the people back home that the main reason for the N. R. A. is that it has done away with child labor when the States throughout the Union have enacted child-labor laws long before this.

Mr. RANDOLPH. Will the gentleman yield?

Mr. FISH. I yield.

Mr. RANDOLPH. In my State the N. R. A. has been a real aid to the rehabilitation of the coal industry from the standpoint of both employer and employee, the little producer and the big producer. In many cases it has been the salvation of the industry.

Mr. FISH. All I can say to the gentleman is that I am not familiar with the coal industry, but from what I read in the papers, the coal industry is about as badly hit as any industry in the United States, and there are more unemployed in the coal industry in proportion, than in any other industry. I cannot yield further.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield 3 additional minutes to the gentleman from New York.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. FISH. I cannot yield; I have not the time.

If the gentleman raises the question that the N. R. A. has brought prosperity to his State and the coal industry, all I can say is that it is in line with the rest of the arguments of this administration; that we are having Rooseveltian recovery. We are not having any recovery. There is more unemployment in the coal industry and practically every other industry. We will have Roosevelt and ruin if we keep on with unsound, unworkable, and socialistic legislation. That is what has destroyed public and business confidence and retarded recovery, and until business confidence is restored there will be no increase in employment and there will be no prosperity. Business should be given a breathing spell instead of being stifled and regimented almost to death. The time has come to replace experiments and expediency with sound common sense, based on the experience of the past when we had a prosperous country. I saw in the newspapers only yesterday a report of the New York Central Railroad. I refer to the New York Central Railroad because it is a well-managed railroad leading into the greatest city in the world. This railroad's annual report published a few days ago shows that the road lost several millions of dollars more last year than in the previous year. Railroads are the main barometer of prosperity. If they show an increase in traffic and commerce, we know it is because of a general increase in prosperity. The increase would be shown by the annual reports of the railroads, and that is why I used a railroad as an example, and the New York Central in particular, because I know of no railroad that is better or more economically run.

I voted for the N. R. A. on a voluntary and temporary basis in a great emergency, hoping it would work out; but what do we find, we who supported it on this side and never hampered it in any way? We find that it was backed by force, and coercion, enforcement agents, spies, and jail sentences; that the Blue Eagle had become a Soviet vulture backed by force and coercion, and the time has come at least for the Republican Members of Congress to speak out and tell the truth without fear or favor. I know there are many Democrats who feel the same way but who, for party and political reasons, do not dare speak out; but when the President intimates that no Republican should criticize it without being termed a carping critic, I say to my fellow Republicans: It is your duty to criticize, and to criticize constructively and fearlessly. [Applause.]

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield the gentleman one-half minute to ask him a question to see if I understood him. Did I understand the gentleman to say that he thought the Blue Eagle was a Soviet vulture?

Mr. FISH. I said the Blue Eagle which started out on a voluntary basis was rapidly becoming a Soviet vulture backed by force, coercion, and jail sentences.

Mr. PARKS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I may say to the distinguished gentleman from New York, who has gotten to be one of the

Republican leaders and a mouthpiece of his party on the floor of the House, that this was a poor time to inject cheap politics into debate on a national defense bill. I recall in 1898 when a man who bore the gentleman's identical name, if my memory serves me right, was the first man to fall on the field of battle in the Spanish-American War. The gentleman from New York comes from a distinguished family, the members of which always have been regarded as patriots; and to think of all men on the floor of this House, when this country is in distress, following an administration that he supported, that he should choose this time to come here and make such a statement.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Certainly.

Mr. FISH. What I want to know from the gentleman is if it is treason to tell the truth?

Mr. PARKS. No. I say to the gentleman that he ought to have selected some other time to come here and raise his voice against his Nation than to select a time when we are trying to pass a bill to protect the American people and the American Republic; and the gentleman himself is a man who was a distinguished soldier. He should have been the last man to have come here and made the speech he did make on this floor.

I challenge every statement the gentleman made; and I may say further that, with the exception of a few biased, partisan, unreasonable men, the people of the country thank God that we have a leadership that is keeping the keel of this ship level today.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. PARKS. Certainly.

Mr. PETTENGILL. Does the gentleman realize that 2,200,000 young men and women become of age every year, become potential wage earners? So that in addition to the N. R. A. giving employment to 4,000,000 people, we have absorbed that increase in the growth of our population.

Mr. PARKS. I thank the gentleman.

Mr. PETTENGILL. Mr. Chairman, I should like to change the subject for a few minutes in order to discuss the recent decision of the Supreme Court.

When the resolution to abrogate the gold clause was before the House in June 1933 I voted "no." I said at the time that if the resolution was limited to obligations of private borrowers I would vote for it. But as it repudiated the gold clause in bonds given by the United States itself, I could not vote for it.

I thought, both as to the constitutionality and the morality of our action, there was a vital distinction between Government bonds and private bonds. The parties in private bonds enter into the bargain knowing that Congress, a third party, has the power to regulate the value of money, and to do anything incidentally necessary to the exercise of that power. In the case of Government bonds, however, Congress has two powers—one, to borrow money on the credit of the United States, the other, to coin money and regulate the value thereof. Both of these are sovereign powers. Both are of equal dignity. Neither overrides the other. How, then, could the second power be exercised to undo what had been done under the first? If it could, the second power could destroy the first by destroying the credit or faith of the borrower—the Government of the United States—upon which alone the power to borrow depends.

This distinction between Government and private bonds has just been upheld by the United States Supreme Court. Eight of the nine judges—Justices Hughes, Brandeis, Stone, and Roberts of the majority, and McReynolds, Butler, Van Devanter, and Sutherland of the minority, all agreed that the Government could not repudiate its own contracts. Only Justice Stone of the majority held that it had the legal power to do so, although he held that—

> This does not disguise the fact that its action is to that extent a repudiation of its undertaking. As much as I deplore this refusal to fulfill the solemn promise of bonds of the United States—

And so forth.

All nine judges agreed that repudiation had occurred in the promises of the United States of America. Repudiation is an ugly word.

The majority held that the holder of the Liberty bond, although the contract had been broken, had not proven what his damage was. Justice Hughes said:

> The action is for breach of contract. As a remedy for the breach, plaintiff can recover no more than the loss he has suffered and of which he may rightfully complain. He is not entitled to be enriched. * * * The question of value, in relation to the transactions legally available to the plaintiff, would require a consideration of the purchasing power of the dollar which the plaintiff has received. Plaintiff has not shown * * * that in relation to buying power he has sustained any loss whatever.

Mr. Chairman, I think this brings us to a momentous decision. Can we nationalize gold, change the statutory value of gold, declare the gold clause against public policy, and do so with honor? We can. There is no necessity for repudiation, if that is ever necessary. The way is clear for establishing a great principle, based on reality, truth, and honor. In the future, even more than in the past, we can reestablish the credit of the Nation and the faith of its citizens in their Government. We may yet need that credit and that faith.

We can establish the principle that the dollar should have relationship, not to a certain weight of a single metal, gold, an unstable commodity in itself, but to what that dollar may be exchanged for in terms of all commodities. It was this distinction which broadly separated the majority and the minority of the Court. The minority held to the view that money is something in itself, without reference to the commodities which it can buy. In so holding, the minority divorced themselves from reality.

We can untie money from gold—and an ounce of gold can no more remain constant in value than a ton of gold—and more, with the prestige of the Supreme Court of the United States at our command, we can free men's minds from the money illusion, the superstition that a gold dollar is an unchanging yardstick of value. We can create a yardstick of value more sound, more honest, and more stable than gold itself. By doing that we cannot only place the credit of the United States upon unshakable foundations but we can begin to bring into use—some day world-wide, let us hope—the greatest boon ever created by statute, a monetary unit of uniform purchasing and debt-paying power, fair to creditor and debtor alike.

We can make a beginning toward this great end in whatever legislation may be enacted with respect to the jurisdiction of the Court of Claims to entertain suits by bondholders of the United States. We can provide that the measure of damages in such suits shall be the difference, if any, between the purchasing power of dollars when the Government bonds were issued and the purchasing power of the same number of dollars when the breach, if any, occurred. We can predicate our action upon Justice Hughes' own words, "a consideration of the purchasing power of the dollar."

Here is the way of justice, of fair dealing, of honor. This would remove for all time the Supreme Court's stigma of repudiation with reference to the gold clause in our bonds, or any other action which may be taken in the future with respect to regulating the value of money. It would, in my judgment, be a moral accomplishment of immeasurable significance in reestablishing confidence. It would be a firm foundation upon which to build recovery.

The formula for computing damages in such suit would be something as follows:

Multiply the number of dollars stated in the obligation by the decimal obtained by dividing the purchasing power of the dollar when borrowed by the purchasing power of the dollar when due.

Example: Obligation, $1,000. When borrowed the purchasing power of the dollar is 121. When due, it is 110. Divide 121 by 110 equals 1.1, which times $1,000 equals $1,100; amount due, $1,100, will buy substantially the same amount of commodities which $1,000 bought when the bond

was issued. Result, the lender has received back the same purchasing power he loaned. Neither borrower nor lender has bee nenriched. No faith has been broken. No repudiation has occurred.

Differences of opinion may arise as to what index of purchasing power in terms of commodity values should be used. Let us grant that none is perfect, but almost any of those in general use is better than gold itself because you have the benefit of the law of averages, the fact that 800 commodities, as a whole, are not so apt to fluctuate in value as one commodity—gold or silver or copper, and so forth. It is worth noting here the indisputable fact that from 1920 to 1930 the American gold dollar, not the Roosevelt dollar, but the orthodox gold dollar worshipped by all the Brahmins of banking, changed in purchasing power more than did the inconvertible greenbacks issued during the Civil War.

It is also open to dispute as to whether society can wholly stabilize the general price level of commodities, but if not, and the level rises or falls, we can pay the holder of Government bonds dollars which will restore to him the same purchasing power he loaned.

In practical effect at this time it is not likely that many Government bondholders would ask to have their damages measured by the suggested yardstick, for it is almost certain that the present purchasing power of the currency dollar is greater—not less—than when most of the bonds now due were issued, say in 1917 to 1919. But the principle would have been established. Faith would have been kept. The cloud of repudiation would have been removed. Our national escutcheon would again be bright.

The principle, when established, will operate constantly to educate the public. States may then adopt the same principle in providing the measure of damages for the breach of money contracts by private parties.

It would, in addition, be a powerful brake on too great inflation—too great a cheapening of the dollar. As such, it would be a mighty assurance to loan money payable 10 or 20 years from now with confidence that it would be repaid in the same purchasing power as when loaned.

To amend the law of the Court of Claims by denying all Government-bond holders any redress whatever against any cheapening of the dollar due them without recognizing some rule of damages such as suggested by the Supreme Court would, in my judgment, be an act of repudiation and national dishonor.

We can here harmonize all that has been done with our money in consonance with national honor and with the purpose of the President to achieve a medium of exchange which will have, over the years, " less variable purchasing and debt-paying power for our people."

We can harmonize the practical necessities of money in the modern world with the declaration by Thomas Jefferson that " the honest payment of our debts and the sacred preservation of the public faith " is the " touchstone by which we try the services of those we trust."

We can turn the adverse decision of the Supreme Court of the United States into a guidepost toward credit and honor and faith in the plighted word.

As an appendix, I attach in parallel columns excerpts from my remarks in the House on June 7, 1933, CONGRESSIONAL RECORD, Seventy-third Congress, first session, page 5220, and excerpts from the Supreme Court decision:

PETTENGILL	SUPREME COURT
In my mind a far different case is presented by the gold clause in the case of railroads, industries, municipalities, or private individuals. With respect to them it can be argued with great force that the contracting parties loaned and borrowed the money in the light of the knowledge that Congress, in the exercise of its constitutional powers, might thereafter change the statutory value of the gold dollar or make some other medium a legal tender for the payment of such private obligations.	The (Liberty) bond in suit differs from an obligation of private parties, or of States or municipalities, whose contracts are necessarily made in subjection to the dominant power of Congress.
PETTENGILL—continued	SUPREME COURT—continued
It has never been held, so far as I know, that the United States can directly repudiate its own contract entered into with one of its citizens. * * * Can Congress in the exercise of its governmental function destroy rights given by it in its business capacity as a borrower of money? Can the sovereign exercise sovereign power to render void a sovereign's promise? I do not think so. I believe the Supreme Court will hold this bill goes beyond the constitutional power of Congress.	The question is whether the Congress can use that power (to regulate the value of money) so as to invalidate the terms of the obligation which the Government has theretofore issued in the exercise of the power to borrow money on the credit of the United States. * * * There is a clear distinction between the power of the Congress to control or interdict the contracts of private parties when they interfere with the exercise of its constitutional authority and the power of the Congress to alter the substance of its own engagements when it has borrowed money under the authority which the Constitution confers. * * * The argument is that the Government cannot by contract restrict the exercise of a sovereign power. But the right to make binding contracts * * * attaches to sovereignty.
The " first line of defense " of this Government is not its Army and Navy. No. The very preservation of the Government has depended, and may well depend again, upon the credit of the Nation, out of which alone comes the sinews of war.	The Constitution gives to the Congress the power to borrow money on the credit of the United States, an unqualified power, a power vital to Government, upon which in an extremity its very life may depend.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. PARKS. I yield.

Mr. RANDOLPH. In further response to the gentleman's statement with reference to the coal industry, I may state that we have 25,000 more men at work in this industry today in West Virginia than we had at the time the act became a law.

Mr. PARKS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, the worthy chairman of the subcommittee handling this bill [Mr. PARKS], and the able gentleman from this side of the House [Mr. BOLTON], and some other members of the subcommittee have interpreted the bill in such a splendid manner that I shall not attempt to pursue further along that line. It would be merely a repetition to do so.

I shall endeavor to make my contribution by bringing to you from the pages of recorded history statements concerning national defense from six of the great Presidents of the United States.

It was most interesting to check the attitude of the different Presidents since George Washington on the question of national defense. I feel sure that it would be of interest to many Members of the House to have quotations from most of the Presidents, but I shall confine my remarks to a quotation from six of the Commanders in Chief of the Army of the United States.

I quote George Washington from his eighth annual address delivered before Congress December 7, 1796:

> The institution of a military academy is also recommended by cogent reasons. However pacific the general policy of a nation may be, it ought never to be without an adequate stock of military knowledge for emergencies. Whatever argument may be drawn from particular examples superficially viewed, a thorough examination of the subject will evince that the art of war is at once comprehensive and complicated, that it demands much previous study, and that the possession of it in its most improved and perfect state is always of great moment to the security of a nation. This, therefore, ought to be a serious care of every government, and for this purpose an academy where a regular course of instruction is given is an obvious expedient which different nations have successfully employed.

I further quote Washington from Senate Journal, volume 2, page 397, as of March 1, 1797:

> Observe good faith and justice toward all nations. Cultivate peace and harmony with all.

From Andrew Jackson I quote the following, taken from his farewell address of March 4, 1837:

But no nation, however desirous of peace, can hope to escape occasional collisions with other powers, and the soundest dictates of policy require that we should place ourselves in a condition to assert our rights if a resort to force ever become necessary. * * * Fortifications of this description cannot be too soon completed and armed and placed in a condition of the most perfect preparation. The abundant means we now possess cannot be applied in any manner more useful to the country, and when this is done and our naval force sufficiently strengthened and our militia armed we need not fear that any nation will wantonly insult us or needlessly provoke hostilities. We shall more certainly preserve peace when it is well understood that we are prepared for war.

Next, I take pleasure in quoting from Abraham Lincoln's first message to Congress, December 3, 1861:

I recommend that adequate and ample measures be adopted for maintaining the public defenses on every side. While under this general recommendation provision for defending our seacoast line readily occurs to the mind, I also in the same connection ask the attention of Congress to our great lakes and rivers. It is believed that some fortifications and depots of arms and munitions, with harbor and navigation improvements, all at well-selected points upon these, would be of great importance to the national defense and preservation. I ask attention to the views of the Secretary of War, expressed in his report, upon the same general subject.

Mr. Chairman, I come now to the fiery Teddy, and I quote from Theodore Roosevelt's seventh annual message to the Congress:

As a Nation we have always been shortsighted in providing for the efficiency of the Army in time of peace; but it (the Army) is too small. There are not enough officers and it is impossible to secure enough enlisted men. We should maintain in peace a fairly complete skeleton of a large Army. A great and long-continued war would have to be fought by volunteers. But months would pass before any large body of efficient volunteers could be put in the field, and our Regular Army should be large enough to meet any immediate need. In particular it is essential that we should possess a number of extra officers trained in peace to perform efficiently the duties urgently required upon the breaking out of war.

I further quote from his fifth annual message to Congress the following:

There should be an increase in the Coast Artillery force, so that our coast fortifications can be in some degree adequately manned.

Mr. Chairman, I quote that for the benefit of the gentleman from California [Mr. DOCKWEILER].

The fifth or sixth President which I quote at this time on military preparation and national defense is none other than Woodrow Wilson. I quote from President Wilson, House Document 803, as follows:

But until these things are believed of us we must be ready with the hand of force to hold others off from the invasion of any right which we hold sacred * * *.

If asked, "Are you ready to defend yourselves?" we reply, "Most assuredly, to the utmost"; and yet we shall not turn America into a military camp.

Again I quote from his speech delivered before the Manhattan Club in New York City, Hotel Biltmore, November 4, 1915:

I would not feel that I was discharging the solemn obligation I owe the country were I not to speak * * * of the urgency and necessity of preparing ourselves to guard the rights and privileges of our people.

I further quote from President Wilson when he spoke to the Naval Advisory Board at the White House on October 6, 1913:

I think the whole Nation is convinced that we ought to be prepared, not for war, but for defense, and very adequately.

The last quotation is none other than that of Franklin D. Roosevelt, from the Washington Star of December 29, 1933:

Back of the threat to world peace lies the fear and perhaps even the possibility that 10 percent of the people of the world may go along with a leadership which seeks territorial expansion at the expense of neighbors and which are unwilling to reduce armament or stop rearmament even if everybody else agrees to nonaggression and to arms reduction.

I also quote from President Roosevelt, taken from the Washington Star of December 14, 1933, as follows:

The danger to world peace certainly does not come from the United States of America. As a Nation we are overwhelmingly against engaging in war.

Mr. Chairman, I quoted the last because I believe that all of the Members of the House are heartily in favor of continuing peace. But today on the borders of some eight countries, as I have counted them, there are armed forces ready to go to war, and since human nature has not changed since the days of the Assyrians, the Babylonians, the Romans, and the Greeks, it is only fitting and proper that we as Members of Congress should give full consideration today to the Army bill which is now before us. I am sure if you will take the time to read the hearings of the committee you will find that they were most conservative in their estimates when they prepared this bill.

In closing may I say that while I am interested in preparation for war and in national defense, the thing I am most interested in at this particular hour has to do with what the gentleman from New York who preceded me on the floor referred to. I am interested in putting the men and boys of this Nation back to work. That is the thing I am interested in. I feel if we could furnish to the men and boys constructive avenues of employment where their time and minds would be taken up, this question of national defense would not be the critical question it is today. If the boys and men throughout the Nation had been fully occupied and employed for the last 5 years—and I refer to the men and boys of our Nation as well as in other parts of the world—the question of national defense would not be as critical as it is at this time. Therefore I feel that we should set up an economic and social structure which is solid. In other words, we should hurry up the Senate and get that $4,800,000,000 bill out, so that we can put the men and boys to work until such time as private industry will set up its machinery and put them to work.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am not going to discuss the Frazier-Lemke refinance bill today; I shall do that on another occasion. I shall discuss the future of America—America self-contained and self-maintained. I shall discuss H. R. 3803, a bill that I introduced, which, if enacted, will protect the American farmer and the American laborer from agricultural and manufactured products produced in foreign nations by peon labor and human slavery. This bill has for its object the development of our domestic markets rather than the chasing of the elusive rainbow of international trade. This bill will maintain the American standard of living against foreign competition. It will establish the American doctrine—buy, eat, drink, wear, and use American-made commodities. This will make us independent as far as possible of foreign diplomacy and foreign intrigue in seeking consessions in international markets.

This bill provides that the American farmer and the American manufacturer shall be protected by a tariff fixed annually that will give them a price for their products, equal to the cost of production plus transportation and handling charges; plus 6 percent at the point of competition with any foreign agricultural or manufactured product or article or any foreign competing substitute. It makes the cost of production of American products the yardstick by which the amount of the tariff is determined. In addition it provides for a 20-percent ad valorem duty on all imported noncompeting agricultural or manufactured products or articles or noncompeting substitutes, thus developing our domestic markets, maintaining our standard of living and at the same time protecting the consuming public.

Under the provisions of this bill the Tariff Commission is directed to ascertain the average yearly domestic cost of production plus transportation and handling charges plus 6 percent on all American agricultural or manufactured products and on all other American articles or products, and to fix the tariff on any foreign competing agricultural or manufactured product or other foreign competing article or product, so as to give the American producer a price equal to such cost of production. It provides that the cost of production shall include a reasonable return upon the

value of property and equipment, management, labor, taxes, insurance, necessary current expenses, and depreciation. This is fair to the consumer as well as to the producer.

We are aware that there is a battle on between the Secretary of State, Mr. Hull, and the President's adviser on foreign trade, Mr. Peek. Reading between the lines, we know that Mr. Peek feels that the Secretary of State is trading away American domestic agricultural markets to foreign nations, attempting to get an outlet for the goods of our international manufacturers. Those of us who represent agriculture naturally sympathize with Mr. Peek, but our conclusion is that they are both wrong—that they are both chasing a will-o'-the-wisp. Our better judgment tells us that this international trade is nothing more nor less than a hallucination, and that it makes little difference whether Mr. Peek or Mr. Hull succeed in trading away American markets for foreign trade concessions. "American domestic markets for Americans" is our slogan. Let the devil take the international trade. It has meant nothing short of humiliation, loss, and wars to us in the past.

We have no objection to that part of the international trade that is the natural result of our civilization and of our intercourse among nations, that which comes to us naturally and necessarily, but why go horse trading? Especially when we know that we are the poorest horse traders in the world and always get the short end of the stick. We usually trade away two or three good young colts and get in return a few old worthless plugs. That has been our record. Why attempt to dispose of our natural wealth, our natural resources, and our labor to foreign nations that do not want them and do not need them? Why not conserve and use these resources and this labor for our own people who need them and give only as much for international trade as foreign nations want or need and are willing to take without horse trading?

It is time that we realized that we cannot successfully and to the advantage of our people trade away our domestic agricultural market to foreign nations any more than we can successfully and to the advantage of our people trade away our domestic manufacturing markets. Whenever we attempt to trade either one at the expense of the other the Nation as a whole suffers. Why try to sell more of our resources and labor and American genius to foreign nations that already owe us twenty-six billions, that they are either unable or at least will not pay us—that they have already short-changed us? There is neither sense nor justice to the American people in such a policy. If we would spend one-half of the time and money that we are so foolishly spending in an effort to revive international trade, which is dead and buried forever, in developing our domestic markets and bringing about a more equal distribution of our wealth and of our normal consumption, then we would be much further ahead.

Our total foreign trade is only 6 percent of our total commerce, and if we eliminate the interlocking international manufacturers, it is only 3 percent. Why eternally attempt to increase the 3 percent and forget all about the 97 percent? During this depression we have lost less than 4 percent of our volume in agricultural, mineral, and manufactured production through the collapse of foreign trade, but we have lost from 45 percent to 55 percent of manufactured goods in our home market. Why waste our time on the 4 percent when we ought to pay attention to the the 55 percent? Again, the excess of our exports over our imports at present amounts to less than one-half of 1 percent of our total commerce. Why try to get concessions from foreign nations in order to increase that one-half of 1 percent in place of developing our domestic market? Why not pay more attention to again raising our standard of living to where it used to be, and ought to be, and develop our own markets?

The trouble is, we are getting altogether too internationally minded. Our Secretary of Agriculture seems to be suffering from an international disease. In his hallucination he is attempting to restrict the production of American agriculture and barter away the farmers' domestic market to foreign nations for a mess of pottage. He is woefully misinformed as to the part foreign trade should play in our national life. In his speech before the Grange convention at Hartford, Conn., he stated, in substance, that he favored unrestricted production, provided our imports exceeded our exports sufficiently to service the foreign debt. Since he was talking to farmers, we have a right to assume that what he meant was that the farmers of America are to pay what foreign nations owe us because of the loans we made to them during the war. I feel that as far as the American farmer is concerned, Mr. Wallace would make a better Ambassador to France than Secretary of Agriculture. He says America must choose between nationalism and internationalism, and then proceeds to make the choice for us—internationalism. I am confident when the American people once fully understand his policy they will choose, and they will choose nationalism, America for Americans.

Under this international policy, the tariff is to be reduced and the American domestic market opened to the peasant farmers, serfs, and peons of other lands. The products of the tropics are to be substituted for those of our own temperate zone. The farmers are told that it will be necessary to abandon 40,000,000 acres of farm land in order to get more foreign trade for our international bankers and international manufacturers.

From the Department of Commerce reports we find that during 1934 we imported agricultural products and substitutes therefor, which would require more than 49,000,000 acres to produce. In other words, in place of reducing our agricultural acreage 40,000,000, we ought to increase it by 49,000,000. In 1934, we imported animals and animal products in excess of $50,800,000; vegetable food products and beverages in excess of $462,860,000; and inedible vegetable products in excess of $215,765,000. In addition, we imported textile fibers and maufactured goods, including cotton, flax fiber, and so forth, in excess of $245,403,000; wood and paper in excess of $165,388,000.

The items given above are all in direct competition with our American producers, and practically all in direct competition with the American farmer—with our grain, livestock, dairy, poultry, truck, fruit, and cotton industries. All of these products could have been and were, as a matter of fact, economically and efficiently produced by our own farmers, but many of them were permitted to waste on the farm because of the low prices, high transportation charges, and importation of these foreign products.

If these American products had been protected by a tariff based upon American cost of production sufficient to measure the differences between our standard of living and the standards of the exporting countries, so many of our farmers would not now be on a disguised dole system. It is ridiculous that we should import millions of pounds of meat, and at the same time ask our farmers to restrict their production of hogs and cattle and, under the triple A, to pay them less than the cost of production for the part that they do produce.

For specific examples: In 1934 we imported meat products in excess of $12,812,000, in addition to 57,679 head of cattle, and dairy products in excess of another $10,865,000. During the same period we imported fish products in excess of $23,000,000, and other edible animal products in excess of $1,250,000, all in direct competition with our livestock, poultry, and dairy industries. Again, during the same year, we imported over $36,000,000 worth of hides, over $14,000,000 of leather and leather manufactured products, $40,000,000 of furs and fur manufactures, and $20,000,000 of animal and fish oils, and other fats and animal products.

Again, in 1934, we imported over $30,000,000 worth of grain and grain preparations, while under the triple A we restricted the American farmer's production of wheat, corn, oats, barley, rye, flax, rice, and other farm products. In 1934 we imported over 7,700,000 bushels of wheat from Canada, in addition to the 7,350,000 imported in bond for export. We imported 2,916,440 bushels of corn, 5,161,690 bushels of oats, and 6,579,767 bushels of barley. During the last 2 years we imported about 16,000,000 bushels of rye from Poland and, in addition, approximately $5,000,000 worth

of hay, straw, and feed crops from Canada. At the same time, the farmers of this Nation are asked to allow their lands to lie idle and pay taxes on them, so that we may import these products in order to stimulate trade for the international manufacturers and bankers.

Our truck and vegetable farmers are also put at the mercy of foreign producers. In 1934 we imported over 47,000,000 pounds of natural and over 80,000,000 pounds of canned tomatoes and about 170,000,000 pounds of tapioca and tapioca preparations. The list shows everything from potatoes and tomatoes to peas and beans, all of which could have been, and should have been, successfully produced on our own farms. The importation of these vegetables, especially winter vegetables, will now be greatly increased, because the farmers' market in these products has just been traded or sold to Cuba under a trade agreement, and in exchange Cuba will permit the importation of a few automobiles from the American manufacturers. Under that trade agreement, the potato producers of the Red River Valley of the North and of the State of Maine and other States will soon find themselves put out of business, as they cannot compete with the low standard of living and wages of Cuban labor.

Our fruit growers are put in the same predicament. In 1934 we imported over $34,000,000 worth of fruit and fruit preparations, all of which could have been and should have been produced in our own orchards. We also imported in excess of $10,200,000 worth of nuts, the larger amount of which were of the kinds that we have been for years growing successfully and efficiently in this country. Under the trade agreements now in process of negotiation with the Latin-American Republics and with Italy and Spain, these fruit growers' domestic markets will be further traded away in order to find an outlet for a few more automobiles and other articles produced by the international manufacturers.

We come now to sugar and related products, of which we imported in 1934 over $120,000,000 worth. The United States now has over a million acres in sugar beets and cane, and last year produced an average of 3,275 pounds of refined sugar per acre at a cost of less than 4 cents per pound in the bag. The truth is that our own sugar producers broke the monopoly enjoyed by foreign producers, and have in fact brought down the price of sugar to the consumer. Our farmers now produce from 20 to 25 percent more sugar per acre than the sugar-beet farmers of Europe. In place of destroying or restricting the sugar production, we should increase it. We should expand it from two to three million acres, rather than reduce it below 1,000,000 acres. We should produce 100 percent of our domestic consumption, in place of only 25 percent. The only reason Cuba can sell in our market, and bring distress to our sugar farmers, is because of her low standard of living and starvation wages. A reasonable tariff on sugar protects both the producer and the public from exploitation.

And yet we are informed that the Secretary of Agriculture feels that the beet-sugar industry in the North is a hothouse plant and that the sugarcane industry in the South is commercially unsound. Therefore sugar production in the United States must forever be limited to 25 percent of domestic consumption. All this so that our international manufacturers, such as the International Harvester Co., the automobile industry, and the like, can sell their products to foreign nations at the expense of American agriculture.

In 1934, we imported millions of dollars worth of alcohol and beverages. If we must drink, why not use American beverages? If we must have wine and other liquors, why not use those made from American products? We also imported gum, resin, balsam, drugs, herbs, leaves, roots, and so forth, to the extent of $12,000,000. Our people can, and ought, to produce practically all of these. They are a legitimate source of farm income. Why not keep that twelve million in the United States? Do Florida, Texas, California, and other fruit and winter-vegetable-raising States wish to surrender that market to Cuba, Mexico, Italy, Spain, and other foreign countries? I am confident they do not, and I am equally confident that such surrender would be injurious to all the people of this Nation.

To the flaxseed growers of this Nation, may I state that last year we imported over 13,000,000 bushels of flaxseed, and in addition, we imported linseed, tung, and perilla oils to the extent of millions of dollars, all used in varnishes and paints. Therefore, in place of reducing our flax acreage, we should increase it by 2,000,000 or 3,000,000 acres, because the imports of 13,000,000 bushels will be more than tripled when we again have a sufficient medium of exchange so that we can paint our homes and buildings. The farmers producing flaxseed must not be sacrificed in order to get trade for the international manufacturers. And yet, at this very moment, our State Department is negotiating a trade treaty with the Argentine, which has for its purpose the reducing of the tariff 31 cents per bushel on flax. In other words, the State Department is now engaged in selling our domestic flax market to the Argentine. I may suggest that the States of North Dakota, Minnesota, South Dakota, and Montana will be heard from on this subject, in no uncertain terms, when the secret negotiations that are now being conducted by the State Department come to light.

There is no intelligent reason why we should get from foreign countries, including the Tropics, these hundreds and millions of dollars worth of farm products, which we can grow successfully and beneficially here. We have the land, the rainfall, the heat, the sunshine, the farmers, the skill, and the knowledge. Shall we surrender to the low standards of living of other lands and other peoples?

The trouble is not so much with overproduction of agricultural products—with overproduction of cotton and wheat—as with a maldistribution and underconsumption. If we would develop our own market, thousands and millions of our population could use more cotton—more clothes. Millions still go to bed without mattresses, without sheets, and without proper bedding, while millions are wearing cast-off, second-hand, germ-infested, disease-laden clothes. Why not develop our domestic markets rather than chase the elusive rainbow of international trade? Why always go back end forward? Under these conditions, it is foolish to talk of overproduction. The remedy is not by surrendering our markets to foreign countries. Markets once surrendered are seldom, if ever, recovered—and especially in this age of keen competition and substitution.

Our foreign trade has not added to the wealth or benefit of our people. In fact, it has sapped our resources. In 38 years we sold $26,000,000,000 more to foreign nations than they have been able to pay for. If this $26,000,000,000 had been distributed to the people of this Nation, we would not now have 25,000,000 on public charity. Unfortunately, our foreign trade no longer represents goods, but largely represents trading in international debts. In 1933, 41.8 percent of our total foreign trade represented trading in debts and not goods.

In 1934 we imported $610,800,000 worth of agricultural products, practically all of which trade should have gone to the American farmer. Not satisfied with the damage already done, our Department of State has a signed treaty with Cuba, and negotiations have been announced as in progress with Haiti, Colombia, Brazil, Costa Rica, Salvador, Guatemala, Honduras, and Nicaragua, in South and Central America, and with Belgium, Sweden, Spain, Switzerland, The Netherlands, and Finland in Europe, further trading away our domestic markets. When the 1934 Tariff Act was up, I stated on the floor of this House that the object of that act was to form trade agreements with foreign nations in such a way that the balance of trade would be against us, in a sufficient amount to take care of the $26,000,000,000 that the European people owed us, and to give a foreign market to a few international manufacturers. In other words, the object was to protect the $15,000,000,000 that our capitalists have invested in foreign countries and, in addition, to get back for our Government the $11,000,000,000 that our international bankers bet on the wrong horse in Europe before we entered the war, and which they have juggled onto the shoulders of

Uncle Sam. This at the expense of the American investor, who invested at home, and at the expense of American agriculture.

From the above it is clear that while on the one hand our Department of Agriculture asks the farmers to reduce production, and pretends that it will help to advance the price, another arm of the Government trades away the American agricultural market and imports the very articles in question, at the lowest possible price, thus setting the bottom level to which all the domestic products are related.

In conclusion, I will state that I favor a tariff that will protect all American products, industrial or agricultural, at a price equal to the cost of production, plus transportation and handling charges, plus 6 percent at the point of competition. Such a tariff will protect the American farmer and manufacturer—would protect the American wage-earner and the American standard of living, and would be fair to the consuming public. It would make America self-maintained and self-contained. [Applause.]

Mr. PARKS. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. DOCKWEILER], a member of the subcommittee in charge of this bill.

Mr. DOCKWEILER. Mr. Chairman, the price of liberty is eternal vigilance. Patriotism is not expressed only in time of war, when the young manhood of the country goes forth and sacrifices its life to defend the home fires and their families. Real patriotism must continue in the off years when we are not in warfare.

I construe real patriotism as that virtue that keeps eternal vigilance during times of peace. There must exist in a nation, in order that it may survive through history, a spirit of militancy. This is the spirit that keeps a republic.

Mr. Chairman, as a member of the Subcommittee on Military Expenditures of the Appropriations Committee, I feel I have been honored by the House in being placed in a position where I can serve my country in the same manner that I might serve it were I commanded by my President, the Commander in Chief, to go forth and defend the Nation in times of emergency.

I consider it my duty to spend my energies as a Member of this Congress to do all those things that will preserve the state of national defense in this Republic to that standard that will insure for us a continued peace.

For the first time since 1921 the Congress is beginning to pay a little more attention and to spend a little more money in the Military Establishment of our country. I had hoped, and I still hope, that this Congress may be known and be outstanding for the fact that it will be the national defense Congress of the last two decades. I say this in contradistinction to a Navy Congress. The last Congress was the great Navy Congress in which we determined, as a matter of policy, that we would rebuild our Navy to treaty strength and reassume our position in the family of nations that we are entitled to, and thereby gain the respect of all the members of the family of nations.

Up to now it is my view that the Military Establishment in this country has been allowed to sink into a low state and a low condition, and I hope this Congress will be productive of rehabilitating the Military Establishment throughout this great land of ours and in our possessions; and we are on the road, Mr. Chairman, because of things that have developed in the last 10 years, or, I might say, since the great World War holocaust.

I am pleased to know that this bill provides for many field exercises which are so important in maintaining the morale and the high standing of our military establishment. We provide, for the first time in many years, for Army railroad artillery exercises. We provide in this bill sufficient money for maneuvers at the Panama Canal and its departments. We provide in this bill for maneuvers in the Hawaiian Islands and the Philippines and all of their respective departments. This pleases me, because what good is it to have scattered throughout the country segments or separate establishments without being able to bring all of that great body of the Army, subdivided as it is into Infantry, Cavalry, and the like, into some sort of maneuvers at the same time and in one place, so they may coordinate their efforts?

As a member of the subcommittee I would have been willing to vote for an established Army that would have been equivalent to the Army called for under the National Defense Act, first enacted in 1916 and subsequently amended and supplemented in 1920. This would have been an Army of 280,000 men. Of course, we could not hope for this. This will have to remain an ambition.

I would have been one of the members of the committee who would have appropriated a sufficient sum to establish immediately an Army to the number of 165,000 men. This number was asked for by General MacArthur, but, in deference to the President and to the Budget and to the knowledge that many other departments are seeking increased appropriations, I was willing to go along with the committee and give to our President the right to increase the Army, if he saw fit, to 165,000 men during the next annual periods.

I hope he takes heed of the terms of our bill. I realize, as was brought out in the testimony of the subcommittee, that for every man that is added to our Regular Army there is an additional cost of $809.86 per annum. But, my friends, our present established Army of 118,750 men does not exceed the combined police forces of New York City, Philadelphia, and Chicago. Imagine an established Army of that number protecting this great Republic and its possessions.

We are now, as I understand it, on the table of relative strength, sixteenth among the family of nations, so far as our Regular Army is concerned.

We have provided in this bill a sufficient sum to place a guard at every one of our armories throughout the United States that at present has no guard.

We have experienced in California, my State, several thefts of Army goods, small arms, and just the other day I read in the press that some notorious bandits had been able to break into the armory at Beaumont, Tex., and steal therefrom a good many rifles and 1,600 rounds of ammunition. We feel that that should not prevail any longer, and that all of our armories should be protected by sufficient guards. It costs a considerable sum to do this.

But, my colleagues, from San Diego to Seattle, in which span a good many Eastern States could be placed, we have there Washington, Oregon, and California, and some coast defenses. Defending the city of San Diego is Fort Rosencrans, with a few old rifles and mortars, all of which were manufactured during the Spanish-American War and were placed there immediately after the Spanish-American War.

The same type of guns and the same type of carriages to hold the guns are placed at Fort MacArthur, defending Los Angeles, with a few rifles and a few mortars.

The same situation obtains at San Francisco, except for a recent emplacement there of one battery.

The same situation is at Columbia River and in Seattle and all up and down the coast.

We have only these coast defenses for our Government, which were put there away back in the days of the Spanish-American War, and, so far as I know, very little has been added to them.

Now, what have you got there? You have hundreds of millions of dollars invested in these places.

All of our submarines, all the submarine destroyers, all of the light craft in the Navy are stationed at San Diego. In my recent visit at that port, just before coming to Congress, I went over this establishment, where there is located not only what I have mentioned but the naval training school, the great naval hospital, and the great naval stores, yet there at Point Loma the few rifles that point out to sea are not able, with their present range, to completely make that semicircle to care for the approach of an enemy vessel. Some of those guns could not extend up above the prominence of Point Loma. There is, so to speak in Army terms, a complete blank space, where any vessel of an enemy could nestle and rest and remain out of fire and fire upon our base.

Mr. HOEPPEL. Will the gentleman yield?

Mr. DOCKWEILER. I decline to yield until I have finished my statement. The same thing exists at Fort MacArthur. I have been over that whole plant several times. I have had it explained to me. Our firing arrangement is obsolete. Our guns are completely exposed. Anybody in an airplane can look down and see everything there is to be seen at Fort MacArthur or San Diego. Now, having invested hundreds of millions of dollars in San Diego alone—I may say the entire great fleet, every one of our capital ships, all of our 10,000-ton and 8,000-ton cruisers, ride at anchor at Los Angeles Harbor. There we have only 2 railway artillery rifles, and, as I recall, 8 disappearing rifles and 16 mortars. There we have millions of dollars which we have already spent. The entire fleet, the pride of this Nation, is there at those harbors, with little or no coast defenses. I asked General MacArthur: "Do you intend in this Budget to spend any money this year upon these coast defenses on the Pacific coast or on the Atlantic coast?"—and he said: "No; we have not asked for any. We have not asked for any more money than is required to keep what we call a 'caretaking establishment' there." All this caretaking establishment can do is to grease the guns and keep them from getting rusty.

We have but one battery of antiaircraft guns on the whole Pacific coast, including Alaska, and that is located at Fort MacArthur. Four antiaircraft guns on the whole Pacific coast, and that is the only battery of such kind or character of defense west of the Mississippi. Your fleet is just as strong as its base. We all know that no enemy can attack us as long as it cannot establish a base. At San Francisco, Seattle, and Bremerton the fleets are no stronger than the bases that they must retire to for protection and provisions. If we were ever in trouble, this fleet would leave the coast and go to sea. The fleet is of no use to the Nation if it cannot go out and seek the enemy. One of the catastrophes of the World War, from the naval standpoint, you may say, was the fact that Germany could not use her fleet, which was bottled up in the North Sea. It could not get out, so of what avail was it to spend millions of dollars on it? What good would our fleet be if it could not get out? It would have to stay home to defend the base. So we need these additional expenditures, and I had hoped that General MacArthur would ask for them, but he did not. With the $4,000,000,000 that we anticipate appropriating, we can do a great deal of good as far as national defense is concerned. If I had my way, the President would spend 10 percent of that at this time as he spent almost 10 percent of the $3,000,000,000 appropriated in the last session of Congress on naval construction. I would ask the President to spend 10 percent of this sum in rehabilitating our military establishments and our arsenals throughout this country. Some of them are in a sad plight. I wish you could have seen the picture presented to us in the committee, where the roofs were falling in upon the stores of ammunition in various places and soldiers were barracked in houses that were not fit to live in. Of course, it would cost about $400,000,000 to bring our establishments up to what they should be.

Mr. CARPENTER. Will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. CARPENTER. Can the gentleman give us the figures that are appropriated for maintenance under item 12 in this bill?

Mr. DOCKWEILER. I do not recall item 12.

Mr. CARPENTER. Referring to the committee hearings on page 262, the estimate for 1936 was $383,800. I understand the committee increased that amount. Then I call attention to a question asked by the gentleman from California of General Bash on page 264:

> Mr. DOCKWEILER. Before passing from the item for the maintenance and repair of the buildings, during the last 2 years there seems to have been a greater decrease from the previous year. Is that because they have had some P. W. A. money with which to meet this situation? I see that the reduction this year amounts to $216,445, as compared with last year.
>
> General BASH. Very little P. W. A. money was available for that purpose. This figure, under project 12, which is a vital figure in the appropriation, was dropped from $3,403,437 in 1933 to $1,338,073 in 1934; to $600,245 in 1935 and to $383,800 for 1936.

Now, I understand the committee increased that appropriation $500,000?

Mr. DOCKWEILER. That is right.

Mr. CARPENTER. What I am trying to get clear in my mind is this: Is the appropriation increased to $500,000 or is it eight-hundred-thousand-and-odd dollars?

Mr. DOCKWEILER. I do not recall those figures sufficiently to answer the gentleman's question.

Mr. CARPENTER. Does the gentleman think there has been enough allowed to take care of this repair work which the gentleman just mentioned in the posts all over the country?

Mr. DOCKWEILER. There should be, but it is impossible to appropriate it in this one annual period. All of our investments in barracks and arsenals amount to about $400,000,000.

We have allowed less than 1 percent.

Mr. CARPENTER. One-quarter of 1 percent.

Mr. DOCKWEILER. I said less than 1 percent because I did not remember the exact figure. We have allowed less than 1 percent to maintain these in a state of repair.

Mr. CARPENTER. Does the gentleman think that a sufficient amount?

Mr. DOCKWEILER. No, I do not think so; I am convinced it is not; and I wish the President would spend some of the Public Works money in rehabilitating these places.

Mr. Chairman, I am as convinced as I am standing here that if this Nation had spent $500,000,000 two years before the advent of our entrance into the World War on Military and Naval Establishments we never would have been in that war and we never would have spent and lent $37,000,000,000 to prosecute that war, and we never would have lost the lives of hundreds of thousands of men, and brought bereavement to mothers, wives, and children of this country. I am as convinced of that as I am standing here; we would not have been drawn into the World War, drawn into that vortex, had we spent just $500,000,000 two years before.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. I cannot yield.

What is the answer today? How can we save these young men who are growing up, patriotic young men who want to do their duty; how can we save the mothers of these young men from heartaches; how can we save the wives; how can we save this Nation another such holocaust and period of suffering; how can we save ourselves the millions of dollars of pensions we shall have to pay through the years, because the first cost of war is but a fraction of the eventual cost; how can we save these things except by continued vigilance in the maintenance of our national defense to at least a conservative and decent degree so as to establish in the family of nations that respect to which we are entitled as one of the first nations of the world?

Now, Mr. Chairman, for a moment I wish to touch a subject that is very vital to us on the Pacific coast; and what I have to say now is not said in the spirit of jingoism at all. I do not want to be misconstrued in what I say, because the people I shall talk about, the nation I shall talk about, has done me no harm; no single individual of this nation has done me any harm. As a native Californian, I have studied the situation intensely, and my remarks will be spoken purely in an objective spirit; I think I can treat this subject objectively. During my span of life I have seen the first Japanese immigration into our western coast; I have seen them expand until we found it necessary for purposes of self-preservation to pass exclusion laws in California, Oregon, and Washington, and then finally to come to Congress and ask for similar enactments. But, Mr. Chairman, we have many fine Japanese in my State. In some of our rural schools three-quarters of the pupils are Japanese, and they make splendid scholars and are making splendid records, and are growing up to be good citizens, and are good citizens. Of the 100,000 who live in my State, there are many who are citizens of this country, because they were born in this country. Why, in that short space of time these children have grown up, attained the age of 21, and they go to the polls and vote like good citizens, like you and like

me. Mr. Chairman, I do not speak a word against them; I direct my remarks, as I would were it Germany, or any other nation, to a spirit of imperialism and militarism which has developed in Japan to the extent that those in control of government there today have caused a perfect union with the great industrialists of that country. They are going the same route Germany went. I remember very distinctly when our great President, Woodrow Wilson, in his declaration of war against Germany, drew a distinction between the German people, those wholesome people who loved family and loved the things of peace—he drew the distinction between the peoples and the imperialistic government of Germany that plunged those people into warfare; and so I draw that same distinction today, because in and out of Japan are many peace-loving Japanese.

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield 5 additional minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. So I want it understood that what I have to say is clearly objective. It was not until 1911 that we in this country enacted the first espionage law. That law was repealed and a new one enacted in 1917. I have it before me. It forbids the people of any nation, or our own people, for that matter, going upon a military reservation, taking pictures, making plans and photographs, and doing those things that might hurt our national defense, and giving them to another nation. We have that splendid law. I have analyzed it within the last few days; and I think it takes care of every situation that might be mentioned. But we do not provide a sufficient sum of money for the Intelligence Department of the Navy or of the Army to prosecute their activities so as to stop the espionage that takes place in this country, and that I know takes place on the Pacific coast.

Why, when our fleet went to the Hawaiian Islands for war practice last summer it was followed all along that trip by a Japanese oil tanker. Our fleet never goes out to target practice but what you will find a Japanese oil tanker out there at or near the practice grounds, or some Japanese fishing boats around. Our fleet went down to the Panama Canal last year and there some Japanese fishing boats bobbed up.

Mr. Chairman, we ought to do something about this situation. Do you suppose Japan would stand for that? Let us exercise the law we have, which is a perfectly good law. Let us forbid these things and spend some money on the Intelligence Service. We are not spending anything, so to speak, except for a few military attachés around the world. Let us defend ourselves against the nationals of every other country who are engaged in espionage. I remember, when Charles Lindbergh made a trial trip across the Aleutian Islands and over to Japan, by mistake he happened to fly over what they considered a fortified area. They detained him and threatened arrest. Why, you would have no chance to do the things in any foreign country that the nationals of Japan do out in California, Oregon, and Washington.

I do not know whether any good can come of this, because I am convinced that the fortifications we have on the west coast and every danger point is plotted and mapped and that the home office in Japan has the information. This information has been obtained through the years since 1911. The reason the act of 1911 was passed was because of these very acts of espionage that had occurred and had been disclosed. Mr. Chairman, at this point I ask unanimous consent to insert in the RECORD a brief report made by the committee of the House which reported that bill.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOCKWEILER. Mr. Chairman, I hope that this Congress will pay some attention to the rehabilitation of our Intelligence Division by giving it some money to spend, so that we may checkmate and offset the information that other nations might secure as to our national defenses throughout this land. The nationals of other countries fly airplanes from our private air fields around Los Angeles and thereabouts. They fly over our fortifications, which are completely exposed. Why, Mr. Chairman, you can buy photographs of our fortifications at San Pedro in the ordinary photograph shops in Los Angeles.

Something should be done about this matter. The American Legion and the Organized Reserve officers have plead with me to stop this business. Why should we disclose everything we have? [Applause.]

[Here the gavel fell].

Mr. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. POWERS].

Mr. POWERS. Mr. Chairman, on January 16 of this year House Resolution No. 54 was introduced by the gentleman from Idaho [Mr. WHITE]. The resolution reads as follows:

Resolved, That whenever during the remainder of the present session of Congress a Representative having no more than 2 employees in his clerical force, nor no more than 2 employees on or for the committee of which he is chairman, shall file with the Chairman of the Committee on Accounts of the House of Representatives a statement showing the necessity for an additional clerical assistant to enable him to discharge the duties of his office, such Representative may appoint 1 assistant clerk to be paid from the contingent fund of the House of Representatives at the rate of $1,800 per annum until the end of the present session of Congress.

This afternoon in the very brief time allotted to me, I want to call the attention of the committee to a condition which exists in my office, and which exists, I am sure, in many other offices here in Washington. At the present time we are receiving at the rate of 150 pieces of correspondence per day. I have 2 employees in my office drawing the entire allowance, and I also have 1 employee in my home office in the city of Trenton. The latter employee is paid out of my own pocket. My office works every night until 7 or 7:30, and many nights until midnight. It is getting to the point where it is almost impossible to take care of the teriffic and heavy correspondence promptly and properly. I cannot see why the House does not have courage enough to appropriate money for this particular item, particularly in view of the fact that we are appropriating money for many other items that I do not believe are quite as necessary or important.

Mr. BOLAND. Will the gentleman yield?

Mr. POWERS. I yield to the gentleman from Pennsylvania.

Mr. BOLAND. Is it not a fact that the Senate has appropriated money for the purpose of adding additional help in the offices of the Senators?

Mr. POWERS. I may say to the gentleman from Pennsylvania [Mr. BOLAND] that last year the Senate appropriated money for three additional clerks. This year they have passed practically the same resolution for one additional clerk and will probably pass several others before the session is over as the correspondence increases.

I hope that the gentlemen on the Democratic side will take enough interest in this particular problem to see that the Committee on Accounts is told just what the situation is and to see that the Committee on Accounts really give us some action on this particular resolution.

Mr. MAVERICK. Will the gentleman yield?

Mr. POWERS. I yield to the gentleman from Texas.

Mr. MAVERICK. How much time has the gentleman to study legislation and things like that?

Mr. POWERS. I may say to the gentleman from Texas [Mr. MAVERICK] that I have no time to study legislation at this particular moment.

Mr. MAVERICK. I have the same amount of time. I want to say that in my office we work the same way as mentioned by the gentleman from New Jersey. It is not a 30-hour week. I am not afraid for my constituents to know that I have one clerk getting $150 a month and I want him to get more. He is a man that can help you out. The men on the other end of Pennsylvania Avenue, when they want something, they simply press a button and have a statistician come in and help them write a speech. It seems that we are afraid that our constituents may think we are spending too much money, but the cost of legislation is infinitesimal in

comparison to the amount of money spent at the other end of Pennsylvania Avenue. We should get busy and get this extra clerk so that we can give our constituents the service to which they are entitled.

Mr. POWERS. I thank the gentleman from Texas for his contribution.

Mr. MERRITT of New York. Will the gentleman yield?

Mr. POWERS. I yield to the gentleman from New York.

Mr. MERRITT of New York. If the gentleman representing the district he does requires an additional clerk, I am sure, representing the State of New York at large, and being one of two Representatives at large from that State, I should be entitled to three clerks.

Mr. POWERS. I do not question that at all.

Mr. MAVERICK. But the gentleman would like to have one more?

Mr. MERRITT of New York. At least one more.

[Here the gavel fell.]

Mr. PERKINS. Would it not be more practical to pass a resolution giving each Member of the House an additional clerk rather than to rely upon representations to the Committee on Accounts?

Mr. POWERS. That would be fine.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. POWERS. I yield to the gentleman from Pennsylvania.

Mr. BOLAND. Is it not a fact that the ranking minority member of the Committee on Accounts was very much opposed to this measure?

Mr. POWERS. I cannot say that.

Mr. BOLAND. I understand that to be true.

Mr. POWERS. I do not know that as a fact.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. POWERS. I yield to the gentleman from Missouri.

Mr. COCHRAN. As a member of the Committee on Accounts, I may say that this matter has been disposed of by the Accounts Committee, but since that time there has been a clear indication that a majority of the Members of this House are in favor of the resolution. Regardless of my own feeling in the matter, when the committee meets tomorrow, it is my purpose to move that this matter be reconsidered, because I believe that in view of the attitude of a majority of the Members of this House the Accounts Committee should at least permit the resolution to come to the floor of the House and be voted on. [Applause.]

Mr. POWERS. I certainly thank the gentleman for his statement.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. POWERS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I am sure no Member of this House desires at any time to complain about the correspondence that comes to his office. In other words, we should not complain, we should welcome it.

Mr. POWERS. We do, I am sure.

Mr. RANDOLPH. And in view of the conditions in the Congress with which we are faced because of emergency legislation, we all know that our mail has almost doubled or trebled and what the gentleman states about his office force working at night is true in my own case. I represent a district which extends almost to within an hour's drive of Washington, D. C., and in addition to the 100 or 125 letters which I receive daily, I sometimes have as many as 50 visitors from my district, which is nearby. I am sure it is ill-advised economy for this Congress not to furnish each of us with an additional clerk in times like these, and I may say further that I am certain that this extra clerk will help every one of us give that fine cooperation and help to our constituents which they rightfully deserve. They have a right to expect prompt attention to matters they bring before us as their Representatives.

Mr. POWERS. I thank the gentleman.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. POWERS. I yield to the gentleman from Pennsylvania.

Mr. SNYDER. May I make this observation in all fairness to the other end of the Capitol: The State of Wyoming, I notice, has a population of 256,000 and has 2 Senators, each of whom has 6 clerks. This means 12 clerks for these 2 Senators to take care of a population of 256,000. Many of us in our own congressional districts have 256,000 or more people for two clerks to take care of. I am not complaining about the Senators having these clerks, because I think they need them, but I do think that the hour has come when even our constituents back home expect us to put on sufficient help so that we can get out our correspondence and deal with the various departments in a proper way.

Mr. POWERS. And give our constituents the service to which they are entitled.

Mr. RANDOLPH. If the gentleman will permit, may I say in connection with the duties of the Senators in answering the letters of their constituents, we know it is a fact that a Member of the House is a little closer to his people than the Senator, without intending any reflection, of course, upon senatorial contact with their constituencies, but on this account we receive a large number of letters which would otherwise go to the Senators. Our campaigns of each 2 years instead of each 6 years, as in the case of Senators, bring us before the voters more often.

Mr. POWERS. I thank the gentleman for his statement.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. POWERS. I yield.

Mr. TRUAX. I may say that my State of Ohio has two Congressmen at large, of which I happen to be one, and our situation today is that instead of answering a great many letters personally we are forced to send out form letters, which, naturally, do not give satisfaction to our office or to our constituents.

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I want to again call the attention of the committee to this question of an increase in the Army.

Reference has been made several times by committee members on both sides of the aisle to the language employed on page 10 of this bill which, after itemizing certain appropriations, says:

> Together with such additional sums as may be necessary under this and other appropriations contained in this act to defray the cost of increasing, at the discretion of the President and in such increments as he may deem necessary from time to time, the enlisted strength of the Regular Army from an average of 118,750 to an average of 165,000 enlisted men.

May I say for the benefit of the committee that the House Committee on Military Affairs, by a unanimous vote, has said they thought the Army ought to be increased up to 165,000. May I also add that the statements of the chairman of the subcommittee, the gentleman from Arkansas [Mr. PARKS], as well as the ranking minority member of the committee, the gentleman from New York [Mr. TABER], have left the impression that the subcommittee on military appropriations is also unanimously for an increase in the Army.

I believe, too, that I voice the sentiment of an overwhelming majority when I say this House is for an increase in the Army. Why, then, not be frank about it, and instead of leaving it to the discretion of the President, say in plain and explicit language what we think ought to be done?

I have very good reason to believe that the President would welcome a direct appropriation in this bill to take care of the situation.

Mr. MEAD. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MEAD. Would the gentleman favor it to the extent of presenting an amendment?

Mr. THOMASON. I expect, when the time comes, to offer an amendment which I hope will be held to be germane, and which I think will take care of this situation, because we have the authority for increasing the Army up to 270,000 men and 18,000 officers.

At the beginning of this session, I introduced a bill which was introduced at the last session by my colleague from Texas, Hon. Clark Thompson. I am entitled to no credit for reintroducing the bill, because he gave a great deal of thought and consideration to it. I claim no originality about it. I am sorry he is not now a member of this body so he could give this measure his personal attention. That bill was later taken under consideration in the Committee on Military Affairs and, after several changes and amendments, was given a unanimous favorable report.

At this point, Mr. Chairman, I ask unanimous consent that I may incorporate in my remarks the bill H. R. 5232.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOEPPEL. Will the gentleman yield?

Mr. THOMASON. I will yield to the gentleman from California.

Mr. HOEPPEL. Do I understand that the gentleman is going to offer that bill as an amendment to this bill?

Mr. THOMASON. No; but the substance of it, by increasing the appropriation to take care of more men.

Mr. HOEPPEL. Would the gentleman also favor the increase of pay of the C. C. C. men?

Mr. THOMASON. I prefer not to mix the two. I am in favor of the C. C. C. camps, but you can get men to serve in the Army for about half what it costs to maintain the men in the C. C. C. There are several thousand young men who have gone through the C. C. C. camps and who would like to enlist in the Army.

Now, I am brushing aside the question of military preparedness, although we do need an adequate Army. This increase could be justified at this time on the basis of providing employment for a lot of deserving young men, and also giving them training and discipline they need.

Mr. BIERMANN. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Iowa.

Mr. BIERMANN. I agree with the gentleman that we want an Army adequate for our needs, but what are the needs of a country in time of peace that we should add 50,000 men to the Army?

Mr. THOMASON. I do not profess to be an expert on military affairs, but I think the best answer is that one we have so often heard, that in time of peace we should be adequately prepared for war. Our surest guaranty of peace is for other nations to know that we are able to defend ourselves, if need be.

When I read the testimony of those men who do know the situation, and they say unequivocally that we do need an adequate Army in this country and that we now have only about 60,000 men in the combat branches of the Army, I feel that this would not be an unreasonable increase.

Mr. BIERMANN. Will the gentleman yield further?

Mr. THOMASON. I yield.

Mr. BIERMANN. The United States for some 15 years has been spending more money on its Army and Navy than any other nation has ever spent in peace times in all recorded history. Now we are asked to increase the appropriation of last year by $62,000,000, and the gentleman is coming here and asking us to add 50,000 to the number of the Army. Is it not fair to know against what nation we are preparing and for what emergency we are preparing?

Mr. THOMASON. May I say to the gentleman from Iowa that we are preparing against no nation. I am sure the gentleman is in hearty accord with what I say, and that is that this country will never enter upon a war of aggression. We want no one else's country, but we expect to defend our own to the last drop of our blood.

Mr. BIERMANN. I fully agree with that.

Mr. BOLTON. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. BOLTON. I wish to ask the gentleman from Iowa [Mr. BIERMANN] with reference to his statement that we have been spending for the past several years more than any other nation in the world, if he has figured that out in the ratio of the wealth of this country to the wealth of other nations or the population of this country to the population of other nations?

Mr. BIERMANN. No. Has my distinguished friend from Ohio done that?

Mr. BOLTON. No, I have not; but I think it is perfectly obvious.

Mr. THOMASON. I cannot yield further. I think it is rather apropos to the statement of the gentleman from Iowa to say that we rank seventeenth in military preparedness among the nations of the world.

Mr. COCHRAN. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. COCHRAN. Before the depression did we not have a very large turn-over in our Army, and now when there are no jobs on the outside our men are remaining in the Army and we are getting no new blood in the Army?

Mr. THOMASON. That is true. The testimony adduced before the committee will show that not only did the Secretary of War, who I assume speaks more or less for the President, say that this increase is needed and justified, not only did Gen. Douglas MacArthur, the Chief of Staff, say the same thing, not only did General Pershing say the same thing, and his letter was placed in the RECORD this morning by the gentleman from New York [Mr. ANDREWS], but in addition to that, a man who I once remember, when he was first appointed Secretary of War, was branded throughout the country by the press as a pacifist, but who, I will undertake to say in my humble judgment and opinion, was the greatest Secretary of War this Nation ever had, Hon. Newton D. Baker, says it is needed. [Applause.]

[Here the gavel fell.]

Mr. PARKS. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES. Mr. Chairman, the founders of our Republic showed their appreciation of the importance and necessity of maintaining and preserving those liberties and rights so dearly purchased by treasure and blood by setting forth in the preamble of the Constitution of the United States that one of the purposes for which the Union was formed was " to insure domestic tranquillity, provide for the common defense ", and the power, ways, and means to carry this purpose to full fruition was vested in Congress by the Constitution (art. I, sec. 8) in these words:

> The Congress shall have power to * * * provide for the common defence * * * to raise and support armies * * * to provide and maintain a navy.

In spite of the declarations of our forefathers, and heedless of the expressed duties and powers imposed upon Congress by the Constitution; disregarding the admonition of the Father of our Country that " a free people ought not only to be armed but disciplined, to which end, a uniform and well-digested plan is requisite "; and forgetting the bitter cost of unpreparedness for every war in which our country had participated, no action to provide a uniform and well-digested plan for the common defense was taken until the year 1916, and then only after being spurred into action by a President who was elected to a second term because " he kept us out of war."

So acute had the situation become in 1916 that the greatest lover of peace and the most vigorous exponent of democracy and champion of human liberty and happiness—Woodrow Wilson—felt impelled to go to the country and inform the people of the true situation and ask their support in arousing Congress to action in the face of an impending world-wide conflagration. In a series of dramatic, well-reasoned, and eloquent speeches in New York City, Pittsburgh, Cleveland, and the Middle West he called for public support for a well-trained citizen reserve of at least 400,000 men who had received sufficient training in basic fundamental military drills, in the care and use of arms, in organization and tactics, and in personal hygiene and camp sanitation, so as to be ready at a moment's notice for duty in case of a national emergency. He praised the Regular Army, but called attention to its weak numerical strength. He spoke in highest terms of the efficiency and availabil-

ity of the National Guard, but insisted that without industrial preparedness and a vast citizen reserve we could not cope with a national emergency. Said he:

> The characteristic desire of America is not that she should have a great body of men whose chief business is to fight, but a great body of men who know how to fight and are ready to fight when anything that is dear to the Nation is threatened.

And again,

> Under new world conditions we have become thoughtful of the things which all reasonable men consider necessary for security and self-defense on the part of every nation confronted with the great enterprise of human liberty and independence.

Acting under the spur of public opinion and the guidance of Woodrow Wilson and his civil, military, and naval advisers, Congress enacted the National Defense Act of June 3, 1916, providing a uniform and well-digested plan for the common defense. This act was further amended in 1920 after the close of the World War in keeping with the lessons of that war and our duties to the Nation under the then changed conditions. The plan briefly presented is this:

First. A Navy second to none.

Second. The Army of the United States, which consists of (a) Regular Army, (b) the National Guard while in the service of the United States, and (c) the Organized Reserves, all of sufficient strength to preserve a balanced force and program for national security.

Owing to our isolated geographical location, our Navy is considered the first line of defense. This country should have a navy second to none on the high seas. The National Defense Act contemplates as a minimum requirement a Regular Army of 280,000 enlisted men. We now have approximately 118,750 enlisted men in all branches, barely more than 40 percent of the authorized minimum strength. These men are scattered from China to Puerto Rico and from Alaska to the Canal Zone. We would not equip and place three infantry divisions of the Regular Army in the field in 30 days in case of an attack on this country by a foreign foe. The combined police forces of New York City, Chicago, and Philadelphia outnumber the Infantry of the Regular Army available for duty in this country. Our Regular Army is composed of excellent material, both officers and enlisted men; but their chief function today and in case of a national emergency is to furnish instructors, material, and leadership for the vast citizen army to be raised by voluntary enlistment and draft.

The National Guard is the first-line defense for our land forces. It is a dual force in that, while it is primarily a State force, yet it is also subject to call and/or draft by the President in a national emergency.

The Constitution provides that Congress shall have power:

> To provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions; to provide for organizing, arming, and disciplining the militia and for governing such part of them as may be employed in the service of the United States, reserving to the States, respectively, the appointment of the officers and the authority of training the militia according to the discipline prescribed by Congress (art. I, sec. 8).

The National Defense Act authorizes as a minimum requirement 800 enlisted men for each Senator and Representative in Congress, which places the authorized minimum number at 424,800 enlisted men. Today we have approximately 175,000 enlisted men in the National Guard. The Federal Government furnishes the pay and equipment and prescribes the discipline for the National Guard, while the States furnish the men, appoint the officers, and provide armories, drill areas, and storage facilities for the property. The total appropriation by the Federal Government for the National Guard of the United States averages approximately $33,000,000 per year. This is approximately 28 cents per capita per year. It is the cheapest insurance for national security that this country has.

The National Guard may be used by the States for executing laws, suppressing insurrections, repelling invasions, and for the aid and assistance of citizens in disaster, and to protect property. Your attention is invited to the fact that within recent years this country has been visited by storms and floods which swept away whole cities, destroying homes and lives. It was men of the National Guard of this country who were first to reach the scene of disaster. Before the skies had cleared or the rain ceased, or the rumble of the storms had disappeared, these men in khaki were moving with tents, blankets, and supplies to aid the stricken people. Order was established, first aid administered, and relief given to a harassed people. This is what the National Guard is doing in peace. They are trained and ready to serve you in war.

Finally, your attention is invited to the fact that for a period of 6 years not one single lynching occurred in my native State after the prisoners had been placed in the hands of civil authorities, due to the proper use of the National Guard. The National Guard has been very effective during the past year in aiding civil authorities in protecting life and property in the strike-torn areas of this country. In the last analysis it proved to be the final bulwark of law and order in this country during the period of the economic depression through which we have just passed, because time and again civil authority failed to cope with the situation.

The Organized Reserves consist of approximately 89,000 officers at this time. There is no enlisted reserve worthy of the name. Being purely voluntary, the numerical strength constantly fluctuates and the number who receive training each year depends upon the annual appropriations allotted for this work. It is essential that we encourage the building of a strong Organized Reserves and give it proper support in order to have a reservoir of officers available for duty in case of a national emergency.

It is not contemplated that our national defense system be used for wars of aggression but for defense only. Ours is not a militaristic Nation. Our love for individual liberty and freedom for private enterprises is too strong for this country to become militaristic. Then, too, we are too heterogeneous. We have never waged a war for conquest. You gentlemen would think our whole citizenship could and should subscribe hearty support to such a policy as I have set forth for the defense of our country, but, sad to relate, they do not. There are enemies within our own gates. The greatest danger to our national security lies within our own borders.

Opposition to our national defense system can be classified in three general groups:

First. In the first class are those splendid men and women who conscientiously believe that the path to peace is paved by disarmament and by treaties and international agreements to abolish war as an instrument of national policy. In this group we find the clergy, many leaders in educational thought, and certain idealistic political leaders and their followers.

Second. In the second class we find the socialistic and communistic groups who are opposed to our democratic form of government and who would like to see their ideas of human conduct prevail at any cost.

Third. Finally, in the third class we find those who are opposed to any kind of protection and who refuse to bear arms under any circumstances and the criminal element.

I have profound respect for the first group because they are conscientious, patriotic citizens according to their views. We know that even though they abhor war yet when their country is invaded, or its institutions are threatened they are willing to sacrifice their lives, their fortunes, and their honor for its safety and security, but I would remind them the policies of nations are dictated by the policies of its leaders. Human nature is much the same today as it was when Adam was driven from the Garden; when the ancient Egyptians and Assyrians swept into Canaan in their chariots like a swarm of locusts, destroying and pillaging the countryside, and carrying the people away into captivity and slavery; and when Attilla and his Huns swept into central and southern Europe like a pestilence devouring civilization with fire and sword. It is a melancholy truth that avarice and greed, love of power, and the desire for economic supremacy play a dominating part in the affairs of nations. Not yet have we reached the stage in the development of human affairs and international intercourse when treaties of amity

and understanding can supplant armies and navies. The League of Nations, the International Court, and the Briand-Kellogg Pact are all noble gestures, and they voice the aspirations of mankind for peace, but they have not abolished war. The World War, the Shanghai affair, and the conquest of Manchuria have all shown the impotence of treaties and pacts to prevent the violation of territory and conquest of a defenseless nation for economic gain by a ruthless imperialistic nation.

Washington said:

> To be prepared for war is one of the most effectual means of preserving peace.

And nothing is more true today than his observations with reference to our duties and obligations to other nations when he said:

> I cannot recommend to your notice measures for the fulfillment of our duties to the rest of the world, without again pressing upon you the necessity of placing ourselves in a condition of complete defense, and of exacting from them the fulfillment of their duties toward us. The United States ought not to indulge a persuasion that, contrary to the order of human events, they will forever keep at a distance those painful appeals to arms with which the history of every nation abounds. There is a rank due to the United States among nations which will be withheld, if not absolutely lost, by the reputation of weakness. If we desire to avoid insult, we must be able to repel it; if we desire to secure peace—one of the most powerful instruments of our prosperity—it must be known that we are at all times ready for war.

For the second group I have nothing but profound contempt. They are willing to take from others without giving anything in return. They commit crimes far greater than war to further their own selfish ends. War is more honorable than rapine and plunder. The world is not yet ready to abolish democracy for socialism and communism. Not yet are we ready to divorce individual liberty and private initiative and embrace a communal state and collectivism; not yet will we surrender the right to worship God according to the dictates of our own conscience and abolish family life for active atheism and the shameless adultery of free love. God forbid that we should renounce freedom of honorable business conscience and a moral order founded upon decency and righteous conduct for a social and political state of nothingness.

The third and last group should be abhorred by all decent thinking and righteous citizens. A man who is unwilling to bear arms for his country under any circumstances, even when invaded by a foe, should not be permitted to enjoy its beneficent privileges. A man who is not willing to lay down his life for his country is not fit to live in it. The criminal element is opposed to defense because it runs counter to their lawless desires. They know that when civil authorities are unable to suppress insurrection, preserve order, enforce the laws, and protect private and public property the armed forces of the State and Nation can and will do so. [Applause.]

To summarize: We need for the Regular Army 14,000 officers and 165,000 enlisted men; for the National Guard the minimum requirement of officers and enlisted men as prescribed by the National Defense Act, which calls for 800 enlisted men for every Member of the National Congress; an Organized Reserves of 120,000 officers. All these forces should have the proper armament and equipment necessary to provide for the national security. We need additional planes for observation and combat, tanks, and other equipment modernized and motorized in keeping with the progress of the Nation.

In the realm of national security there is no place for partisanship. Our national defense does not belong to any particular race, class, nor creed, but it is the priceless heritage of a free and untrammeled citizenship. [Applause.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. STARNES. I yield.

Mr. MAY. One of the lessons we learned from the World War was that we sacrificed a large number of our young men because they had had no military training and we had not the time to give them military training.

Mr. STARNES. I thank the gentleman for his contribution.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. STARNES. Gladly.

Mr. McFARLANE. During the course of his remarks the gentleman mentioned something about this country being attacked. Does the gentleman have in mind that we would be attacked by land forces or in all probability by air forces?

Mr. STARNES. My answer is that the backbone of every Army has been a land force. I care not if the heavens be filled with airplanes to obscure the sun, or if there were enough battleships to bridge every ocean. In the last analysis it takes men to occupy and to hold positions. [Applause.]

Mr. McFARLANE. If the gentleman will yield further, does not the gentleman believe at this time that we are more in need of adequate defense in the air than we are in need of expanding our land forces?

Mr. STARNES. I do not.

Mr. MEAD. Both arms of the service fulfill a need.

Mr. STARNES. It is all right to have both; yes.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. STARNES. I yield.

Mr. OLIVER. In order that the Members may know how well qualified the gentleman from Alabama is to speak on this subject, let me say that the gentleman served with signal distinction during the World War. Nothing is more encouraging than to find those gallant sons who served in the World War advising our people of the wisdom of adequate preparedness. They are the young men who bared their breasts to the enemy and had indelibly impressed on their minds the picture of what the gentleman from Kentucky [Mr. MAY] has just referred to and whose advice and counsel our people will always respect and deem it wise to follow.

Mr. STARNES. I thank the gentleman from Alabama.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I want to direct my remarks for a very brief interval to the matter of the "pink slips" spoken about today by the gentleman from New York.

I feel especially qualified to speak without fear of being criticized, because this year I am merely ashamed to have it known how small my income tax will be, if any; so it cannot be said that I am speaking from the wealthy person's standpoint or that of one who will be annoyed by those who might wish to impose upon him. I want to cite to you what a delicious morsel of gossip this publicity made when we allowed it once heretofore.

One of the most important newspapers in my vicinity, when the returns became matters of public property, the following morning published the incomes of the 16 Congressmen from Massachusetts. It was those persons whose incomes were first exposed to the view of the public. Seemingly the incomes of the Members of Congress themselves are the most interesting to the people who wish information of this sort. If they are so much interested in you, from some of the questions I have been asked the last day or two, I think perhaps they would also like to know how much you have subtracted from your returns for expenses. I have never had any thought of doing it, but am told that some Congressmen deduct quite a goodly deal for what they call legitimate expenses pertaining to the office. I hope every one of you gentlemen here who favor publicity will get all you can desire out of this feature.

I think we should look back and read the debates in 1909—as I have taken the trouble to do—when the income-tax amendment was passed in the Congress. At that time the people were assured that publicity would never be allowed. One principal argument made against the measure at that time was because of its inquisitorial nature, but assurance was given that only the Federal officials, and not our neighbors, would have access to these returns.

I want the Democratic Party—and I want to be forceful in my request—to live up to its former representations and see to it that this publicity feature is removed from the

present law. When, in 1912, my first year in the Massachusetts Legislature, we were urged to ratify this amendment, our able Democratic orators forcefully stated that this tax must be used only in time of war or dire distress and that no publicity for the benefit of the general public would ever be thought of or permitted. I was one of those won over to vote for ratification of the income-tax amendment, which today is odious enough in its inquisitional and complicated ramifications. Many States have not yet adopted it as part of their own method of raising money. I have stated in the RECORD several times before that in those years when we received two and a quarter billion dollars of revenue from the income tax, one of the greatest experts in this country on income-tax matters said, "Yes, and it cost the individuals and the corporations $400,000,000 just to make the returns." This is in itself a sufficiently severe indictment against this tax. Do not let us make it more unpopular. It is the goose that has laid, and will continue to lay, golden eggs. Let us try to make it as little odious as possible.

When the gentleman from New Jersey on my left said we need more clerks to answer our correspondence—and I presume much of this is now in relation to "pink slips"—the thought came to me that I would enjoy reading some of the replies the Congressmen are making with reference to this subject. Evidently they wish to send different sorts of answers to different constituents rather than use a form and mimeographed letter.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. Seemingly there is great objection to sending out mimeographed letters, because constituents having different viewpoints should receive different explanations. You would like to address your reply, I suppose, merely to those who are sympathetic or to those on the other side of the question. I have occasionally indulged in using mimeographed letters, so called, and thought I was getting along pretty well, but now I see that it is perhaps advisable, for my own benefit, to write one sort of letter to one class of people and a different one to another class.

I have pleaded here before and I plead here today that the business man, who is really paying the taxes, be not subjected to any more of this sort of thing than is absolutely necessary and in line with what the gentleman from New Jersey has set forth.

I have begun to be deluged with protests and appeals from those who fear injury from the so-called "holding company bill." I listened last Sunday evening, as doubtless many of you did, to a forceful address by one of the most popular and able Members of this House, who informed the people of the country that holding companies were actually to be abolished in 5 years. Of course, this has started a lot of letter writing and we shall have plenty of protests. Some of us recognize that, perhaps, there may be, after all, certain holding companies that are really good, whose activities are really honest, and that a lot of really honest people have made investment in them and now fear with good reason that their investments are in jeopardy. You, on that side of the House, are responsible for these reform measures, and are now asked by the gentleman from New Jersey to allow us ample opportunity to explain ourselves and answer these various communications. As I have said, I should indeed like to read some of the letters that Congressmen are writing relative to these subjects. Are you evasive?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman.

Mr. MAY. I understood the gentleman from Massachusetts to say in opening his statement that the embarrassing thing to him was exposing the small amount of tax that he would pay on his income of last year under his return.

Mr. GIFFORD. I made that confession; yes.

Mr. MAY. I was just wondering if that was an admission on the part of the gentleman that for 2 or 3 years before that time he had had a large income?

Mr. GIFFORD. No; it was not. I had a deficiency assessment that was not pleasant this past year, but, unfortunately, my income has been used in real-estate taxes on property that yields little income, and, evidently, will not do so for sometime, if these threatened reforms continue to frighten purchasers.

I am a little embarrassed as to how to reply to my people in their anxiety over the doings of Congress. When are these attempted reforms going to end? When are you going to resort to the usual processes of law and natural causes and only punish people who do things wrongfully, rather than revamp the old machinery, until honest men shall not dare to proceed lest great losses and danger of penalties be inflicted upon them? You have refused up to date to follow the usual course and I am in extreme doubt about when this sort of thing is going to end.

Does the gentleman care to pursue his inquiry further?

Mr. MAY. I should like to ask the gentleman in what manner and when this question is going to come up, so that we may vote on the question of disclosure of income-tax returns. I am inclined to vote against publicity with respect to them.

Mr. GIFFORD. Mr. Chairman, I think there is an awakening of conscience on that side of the aisle, and I do hope the Ways and Means Committee will entertain a hearing and give a decision on the matter so that it may come up in the House before the fateful day arrives when our neighbors may have the pleasure of gossiping about our returns.

Mr. MAY. Has the gentleman asked the Committee on Ways and Means to do this?

Mr. GIFFORD. The committee has been importuned by many who are asking that this be done. I am simply one of a somewhat timid minority. We seldom criticize, and I feel that I should apologize for our timidity, because you know, in the old days when you were in the minority, we continually heard violent speeches and speeches of ridicule from that side. What a change has taken place. Why are we so considerate of you?

On this side we have been very, very polite and very patient, but the time must come when perhaps you should be made to endure a little real plain speaking. I expect occasionally to indulge myself in that direction as a real duty owed by a member of the minority.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, on January 17 I stated to the House that it was my purpose when this bill came to the floor to offer an amendment that I offered in 1933, and which became a part of the Army appropriation law curtailing the activities of the clothing factory at Philadelphia.

I also referred to criticism directed at me by the chairman of the select committee who investigated Government competition with private business, Mr. SHANNON, and another member of the same committee, Mr. RICH, of Pennsylvania, in the last issue of the CONGRESSIONAL RECORD of the Seventy-third Congress, and which I did not have an opportunity to answer.

I was criticized because I refused to advocate the passage of the bill known as the "cost-accounting bill." I stated then and I state now that you can enact all the cost-accounting bills you desire but you cannot take the Government out of business if you continue to appropriate money ordering Government departments to manufacture their supplies, thus competing with private business.

I am glad I made the speech. I was going to prepare an amendment to this bill and promised to offer it to the gentleman from Pennsylvania [Mr. RICH] so that if he desired he could offer it, as he is opposed to the Government competing with private business and this activity is in his State. I offered the bill to the gentleman from Pennsylvania [Mr. RICH] this morning, but he did not care to present the amendment.

The reason I am pleased that I made the speech January 17 is that the committee took notice of my remarks and

you will find in the hearings on this bill some dozen or more pages in reference to the operation of that factory.

My amendment offered in 1933 provided that not more than 10 percent of the appropriation could be used in that factory unless it could be shown that the goods could be manufactured at a less cost than they could be by private industry. It required that bids be advertised for.

The Army proved that it could be done cheaper, for they continued to operate the factory.

I am pleased to notice, however, that the Army has reduced the number of articles formerly manufactured at this factory from about 100 to 25.

Now, after reading the testimony in the hearings, starting on page 225, I have come to the same conclusion that the chairman of the select committee [Mr. SHANNON] came to when the District appropriation bill was before the House. At that time he referred in a speech to the appropriation for the tourist camp of the District of Columbia, and said that such a policy would not be tolerated by any other city in the Nation. He said (see page 672 of the RECORD):

This is purely a business venture where a public agency is levying on private industry.

Continuing, he said:

I do not wish at this moment to raise a point against this particular item, for the reason I believe the gentlemen who considered the bill were honest in their belief that it should be included in the appropriation.

If the chairman of the select committee, Mr. SHANNON, can take this position, I feel I can also do so without being criticized. The hearings clearly demonstrate that every member of the subcommittee feels this factory should be left alone. This includes members of both parties.

While I favor the Government limiting its competition with private business, there are certain activities I would not vote to discontinue, especially when it deals with our national defense.

I do not propose to offer the amendment, because it is demonstrated beyond question that the War Department would be very much embarrassed if this factory were closed. I am convinced by the statement of War Department officials that this factory works in the interests of the taxpayers.

Here is what the Quartermaster General said in part. He was answering a question of a member of the subcommittee.

Mr. SNYDER. My final question is this: It is said that upon the breaking out of the World War the Government was handicapped because of the lack of a certain yardstick to be used in the manufacture of war equipment. Do you think that was the case?

General BASH. Yes, sir; it was largely the case. It is true that even at the outbreak of the World War there was a small amount of manufacturing at the Philadelphia depot, then as now, but the activities of that depot were on a limited scale, and the facilities of the depot, or the possibility of its use for those very vital requirements, as a yardstick, were not taken advantage of to the fullest extent. I feel very definitely and very positively that, above all other things, the great value of that depot to the War Department or to the Nation is that, through practical experience in manufacturing vital and critical articles required at the outbreak, or immediately upon the occurrence, of war or a similar emergency, the depot has been enabled to gain an intimate knowledge of every manufacturing process or expedient, which they could not obtain in any other way. By having our trained civil-service personnel, or key men, in the depot, who themselves are competent to supervise the manufacture of any of the critical items of clothing or equipage, we are enabled to know what the cost of any contract ought to be. That is because we would know just as much about the business as the contractor would, and if he comes, in response to an advertisement, with a bid that is inflated in price, we can turn it down, and we can know, in turning it down, that we have a good reason back of us, because we can get together every item that enters into the cost of manufacturing any garment, and be able to tell exactly what it ought to be.

Mr. COCHRAN. We all know of the hundreds of millions the Government lost by reason of inexperience in getting supplies during the World War. This looks like the Army is going to profit from that experience.

When I think of the information brought out by the Senate investigating committee now in session as to the tremendous profits made by the Du Ponts and how the shipbuilders went into a huddle and were going to refuse to bid upon any of our new warships if the Congress provided that any of those ships should be built in a Government yard, I can see the necessity for our navy yards, arsenals, and this clothing factory. That is why I will not offer the amendment.

[Here the gavel fell.]

Mr. BOLTON. I yield the gentleman 5 additional minutes.

Mr. COCHRAN. I have always supported Government navy yards and arsenals, and I will always be for navy yards and arsenals, because they are a part of our national defense and something that we cannot under any consideration dispense with. Anyone who reads the statements in the hearings, I am sure, will be convinced that in some instances it is absolutely necessary that the Government compete with private business. I repeat, I for one, want to eliminate, as far as possible, competition with private industry; but I also want the Government protected. I do not want the Government to be required to pay more for that which it must buy than I would pay as a private individual. The only way we can find out the reasonable cost for the great quantity of goods that we must buy for our Army, for our Navy, and for the C. C. C. camps, is by maintaining such a factory as is here maintained. They have a cost-accounting system there now that gives this information. The list of articles which can be manufactured at this factory, as set out at pages 225 and 226 of the hearings, is about one-fourth of what was being manufactured at the factory when I introduced my amendment in 1933. I am pleased to admit I have found through the hearings I would have made a mistake if I had offered the amendment. Solely upon my own initiative and without any request from anyone else, I have decided not to present it.

Mr. DORSEY. Will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. DORSEY. Important as this Philadelphia depot is to the national defense and as important as it is from an economical manufacturing standpoint and also as a yardstick, I suppose the gentleman has considered, in his very laudable position, that by closing that depot at this time, or by interfering with it, some 1,400 people will be put out of work, 534 of those being ex-servicemen?

Mr. COCHRAN. I may say to the gentleman that I intended to make a few remarks in that direction. I noticed where the American Federation of Labor endorsed this factory because it is paying wages in many instances in excess of those paid by many private manufacturers and because it is not a sweatshop, works reasonable hours, and employs American citizens. Further than that, I may say the testimony shows that if this factory were closed there is no place where those people now employed might secure employment.

Mr. BLAND. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Virginia.

Mr. BLAND. The statement was made by the gentleman that the shipbuilders went into a huddle. I wish to call the gentleman's attention to the fact that Mr. Ferguson, president of the Newport News Shipbuilding Co., who is now on the witness stand, or who has been for the last few days, has emphatically denied that his company was involved.

Mr. COCHRAN. I would like to ask the gentleman if they have also denied that after completion of a certain ship, where the profits were over 30 percent, they increased the price on another ship of similar design to the Government?

Mr. BLAND. I have not followed the evidence, but I think an explanation was made of it.

Mr. COCHRAN. Is it not a fact that if we had not manufactured similar ships in our navy yards we would not have known what it would cost to manufacture one of these ships?

Mr. BLAND. I have no doubt that is true, and I have no objection to any proper inquiry as to the proper cost of building the ship.

Mr. COCHRAN. I am glad to hear the gentleman say that.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. COCHRAN] has again expired.

Mr. PARKS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman and Members, in the discussion which has taken place thus far on this bill we have heard a great deal about finance, defense, and technique, but as yet not one Member has risen to express himself on the human aspects of the Army. The enlisted men, who comprise the majority of the service, it would appear, have not entered into the discussion, yet it is self-evident that no army can rise above the character and stamina of the soldier in the ranks.

The legislative branches of the War and Navy Departments include a large number of officers who are interested in and who do present the problems of the officers, but rarely, if ever, do we find these branches advancing the interest of the enlisted men, except in an indirect way where the interest of the officers must be built upon references to the enlisted man's problems.

In the committees of Congress, moreover, we have four officers on duty with the committees who can and do advance the interest of the officers. This is, of course, natural, and no one can justly be criticized for advancing the interest of his own group. However, as very few, if any, of these officers have had enlisted experience, and as the most of them do not undertsand or are not sympathetic toward the plight of the enlisted man, the recommendations coming from the departments in too many instances have a selfish background and reflect an attitude of apparent unconcern toward the problems of the enlisted man. As the Army and Navy would not exist except for their enlisted personnel, it appears that as a matter of equity the enlisted men should have equal representation in the discussion of legislation before the committees of Congress.

As a former enlisted man I have the highest regard for the officers under whom I served, and my remarks are not advanced from a standpoint of prejudice, but in the interests of justice to the enlisted men of the services. General MacArthur, the Chief of Staff, in every instance where he has been approached, has shown the fullest measure of sympathy toward the problems of the enlisted men. However, unless the enlisted men have a spokesman, it is self-evident that other members of the General Staff and those in the legislative branch may be prone to ignore the enlisted man's problems. In several instances which occurred in the office of the Judge Advocate General, it has been noted that special delight was apparently taken by that office in discriminating against the enlisted men, even in violation of existing law. It is not my intention to criticize any individual in the War or Navy Departments, but merely the system which prevails wherein the voice of the enlisted man is suppressed and only the interests of the officers are advanced.

OFFICER AND ENLISTED PERSONNEL LOYAL

Notwithstanding that charges have been made by the Sons of the American Revolution and other patriotic groups that "inroads are being made by communistic forces in their efforts to cause mutiny in the Army and Navy of the United States", it is my belief that, although the enlisted man of the services has just cause for complaint because of discriminations against him by the Congress and his own officers, nevertheless he is faithful to his oath of enlistment, and, if called upon, will give the fullest measure of loyalty to the Government under every circumstance. In support of this contention I wish to read an extract from a letter received from a private soldier, who states:

I am writing you with reference to press reports of communistic activities in the military service and of some of the conditions that exist with reference to enlisted men of the Army. At the outset, I will say that communistic activities are almost nil and that during my entire service I have only personally known one man that allegedly had communistic connections, and this man has been discharged and was not allowed to reenlist. The point that I want to make is that it is astounding how these men carry on under such adverse conditions and that the Army is not a fertile field for such activities; but thanks to the background, training, patriotism, and sense of duty of the enlisted man, such is not the case.

ARMY ENLISTED PERSONNEL UNDERPAID

In order to show the discriminations in pay received by the Army personnel in comparison with civil service, I wish to read from a letter I have in my hand:

Grade 10 of the Civil Service Classification Act provides salaries for civilian personnel from $3,500 to $4,900 per year. The most of the men in the Finance and Quartermaster Departments performing similar service receive less than $100 per month. I personally know of one of these men holding the grade of staff sergeant whose monthly base pay is $72, plus $10.80 for longevity for 12 years' service, plus approximately $12 ration allowance, giving a total pay of approximately $90 per month. This man is chief clerk and cashier of a disbursing office, whose disbursements are 98 percent C. C. C., with average monthly disbursements of more than $650,000. This office writes over 17,000 checks, principally C. C. C. allotment checks, with an office force of 24 clerks (principally temporary civilian employees). These clerks, when hired, knew nothing of regulations, laws, etc., relating to Government disbursements, and it was necessary to teach each clerk as hired, and in order to carry on efficiently it was necessary to work from 7 a. m. to 10 p. m. daily for a long period.

I mention these facts so that Members of Congress may know that the Army is loyal and conscientious in the performance of duty, notwithstanding that in many instances the men are overworked and inadequately paid.

I wish to call attention briefly to some of the many discriminations and adverse conditions which confront the enlisted man and especially to glaring inequities proposed in impending legislation.

One is the present recommendation of the War Department that enlisted men in the active service and warrant officers suffer a deduction of 25 cents per month from their pay for the purpose of building up a reserve fund for the maintenance of the United States Soldiers' Home here in the city of Washington. In my opinion, legislation of this kind is distinctly class legislation and is absolutely discriminatory in view of the fact that there is now on hand in the United States Soldiers' Home fund a total of approximately $3,000,000. I will not go into the history of the Soldiers' Home, but I will state that up until 1908 a deduction of 12½ cents per month was made from the pay of enlisted men for the maintenance of the United States Soldiers' Home. It was then found that the fund was more than adequate, and, as a result, legislation was enacted repealing the deduction of 12½ cents per month from the pay of enlisted men.

Subsequent to the World War the Soldiers' Home was filled to capacity by World War veterans who had contributed absolutely nothing to the maintenance of the Home from their monthly pay. There are today 271 of such World War veterans in the home. The maintenance cost for this large group of World War veterans is charged against the accumulated savings which were deducted from the pay of enlisted men of the Regular Service prior to 1908. As these World War veterans would not have entered the Service except for the World War, the cost of their maintenance should be charged against the Veterans' Administration; and, if this had been done, the United States Soldiers' Home fund would have been increased rather than reduced.

To be more specific, under the War Department's proposed legislation, enlisted men of the active service are to be called upon to defray the expense of maintenance of World War veterans in the Soldiers' Home. Their maintenance is a just charge against the Veterans' Administration, but not a just charge against the monthly pay of the already underpaid $21-per-month enlisted man of the active service. The War Department shows its unsympathetic attitude toward the warrant officers in this same legislation by proposing that 25 cents per month also be deducted from the pay of warrant officers, many of whom are not entitled to entry to the Soldiers' Home under existing laws and regulations.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I yield for a brief question.

Mr. McFARLANE. Can the gentleman tell us what this contribution by the enlisted men will amount to annually?

Mr. HOEPPEL. At the present strength it will amount to approximately $350,000 annually. If the proposed increase in enlisted personnel materializes the enlisted men of the Army will suffer an enforced contribution of approximately $500,000 annually from their already inadequate pay of $21 per month.

Further evidence of unfairness on the part of the War Department toward the enlisted men is that, under a ruling of the Judge Advocate—not by an act of Congress—retired

men who had deductions made from their pay throughout the years of their service for the maintenance of the home now, as members of the home, must pay $15.75 per month for their maintenance. There are 211 of such individuals now in the home. It is palpably unfair to deduct from their pay during their active service for the maintenance of the home and now, in their age and retirement, make them pay while they are in the home. There are 1,435 members in the home today, and only 211 are forced to pay for their maintenance, and these are the very individuals who contributed to the upkeep of the home, whereas very few of the 1,200 others at the home contributed for this purpose.

There are today 465 individuals in the home who had no war service and the most of whom never contributed to the upkeep of the home during their active-service days. Therefore the proposal of the War Department to deduct 25 cents per month from the pay of the active-service enlisted men for maintenance of the home, and the further requirement of the War Department that such enlisted men, if they should retire and enter the home, must pay while they are members of the home, is indeed unfair, considering that the most of the men in the home never contributed to its upkeep and do not now pay for their maintenance.

"WHY PICK ON THE SOLDIER?"

Another evidence of a lack of sympathy on the part of the War and Navy Departments toward the enlisted men of the services is that after July 1 of this year the only individuals who will suffer under the provisions of the economy act will be the enlisted men, since pending legislation provides that the reenlistment bonus authorized by law will be withheld during the fiscal year 1936.

The editor of Our Army, a periodical devoted to the interest of the Regular Army, speaking editorially, states:

WHY PICK ON THE SOLDIER?

An appeal to the American people to end the discrimination under which the Regular Army enlisted men suffer in comparison with members of the sister service—the United States Navy.

One-half of the Army enlisted strength is restricted by law to $21 a month pay, while another law automatically promotes every sailor in the Navy to $36 after he serves his first 4 months.

Speaking further, the editor states:

When the Civilian Conservation Corps was started, $30 a month was decided upon as a minimum to be paid men enlisting in that organization. Some C. C. C.'s get $45. This is paid to them without reductions. The minimum is $9 more than the private's pay, which, in addition, has reductions.

Since I have brought up the question of the C. C. C., I will state that, in my opinion, it was the efficient handling by the Army personnel in the development of the C. C. C. which made this organization the success that it is. However, if an enlisted man and a member of the C. C. C. are both killed while on duty and their deaths result from the same cause, the widow of the enlisted man will receive only $22 per month pension while the widow of the C. C. C. enrollee will receive $45 per month. This is another discrimination against the enlisted man.

Referring further to the lack of sympathy for the enlisted man on the part of the War Department, I call attention to the fact that the War Department has issued regulations prohibiting the promotion of enlisted men about to retire which, in one instance that I know of personally, will force an enlisted man, after 30 years of honorable service, to retire at not more than $66.37 per month. If an officer is examined for promotion and found to be physically disqualified, the officer is retired at an increase in rank and pay. It is my contention that the rule applied in the case of an officer should also be applied in the case of an enlisted man, and therefore I must disagree with the War Department's procedure which prevents enlisted men from attaining higher grades on retirement. Of course, if vacancies existed and the men were not qualified for higher grade, the policy of the War Department would be justified, but there is positive and definite stagnation of promotion in the grades of enlisted men, which fact the War Department apparently fails to recognize.

RETIRED PERSONNEL DENIED GOVERNMENT EMPLOYMENT

The War and Navy Departments, which should be sympathetically inclined toward the retired personnel, appear to consider that a retired officer and a retired enlisted man have no rights or privileges and that their interest should be disregarded. Other departments in Government appear to have the same attitude.

Notwithstanding that some enlisted men are retired from the active service with as low as $20 to $30 per month, after having served 16 to 30 years, we find here in Washington various Department heads discriminating against such individuals and discharging them from Government employment because they are in receipt of retainer or retired pay. In spite of the fact that many of these men are entitled to disability civil-service preference, because of war service and age, the Department of the Interior is discharging such individuals from Government employ, which is contrary to every sense of justice. It is, moreover, absolutely contrary to the consideration which European governments extend to their enlisted men of long service, who are given mandatory preference in Government employment. Here in Washington, enlisted men of long service, notwithstanding that they have civil-service disability preference, are discharged, apparently to make way for those with political preferment.

DISCRIMINATION DISGRACE TO DEMOCRACY

Even in death, the War Department policy seems to be unsympathetic toward enlisted men. I have here a letter from the widow of a retired soldier who lived only 9 months after his retirement. It was his wish, and that of his widow, that he be given a military burial. Notwithstanding that his burial took place in Baltimore, adjacent to Fort Meade, it was necessary for his widow to pay $30 for the purpose of securing a firing squad from the fort to participate in the burial services. His widow writes that if her husband had belonged to the C. C. C., rather than having served honorably 30 years and during the World War, it is very likely the firing squad would have been furnished to her without cost.

I have in my hand another letter showing the discriminations exercised against enlisted men. The individual concerned retired from the service in 1915. At the commencement of the World War he volunteered for service and was sent overseas. He was discharged from the hospital because of wounds received in action, but—here is the sad comment—although all other veterans of the World War, even including the millions who never left the United States, were granted the bonus of $60 per month on discharge from the service, the enlisted man I refer to was returned to the retired list and denied the $60, notwithstanding that he was wounded in action and that he volunteered for service during the World War.

Another discrimination or evidence of lack of sympathy on the part of the War Department and Veterans' Administration is that pertaining to enlisted men discharged from active service in time of peace because of disability. I have one such instance in mind now where a veteran was discharged from the Army in October totally disabled. He applied for pension, but up to the time he wrote me recently this totally disabled enlisted man had not received one single cent of pension. Under existing Veterans' Administration laws, if this enlisted man, who is totally disabled, was discharged because of expiration of term of service, and not because of disability in line of duty, notwithstanding that his disabilities are recognized as service connected, he is not entitled to hospitalization or domiciliary care by the Veterans' Administration.

These facts are known to the Veterans' Administration, but as yet no legislation has been recommended to correct such monstrous discrimination against a disabled soldier.

If an officer, after 1 day of commissioned service, becomes disabled in service, he is retired with three-quarters of his pay and allowances. If an enlisted man has served 29 or more years and is almost ready to be retired because of disability incurred in line of duty, he is not retired at three-quarters of his pay but is classed as a similarly disabled recruit and eligible for a small pension. This is certainly

discriminatory and should be corrected by providing that enlisted men of long service, becoming disabled in service, are entitled to retirement privileges for disability under the same conditions as apply to officers of the service and to civil-service employees.

Since I have referred to the Veterans' Administration, I wish to state that, under existing law, a retired man, even though he may have served in three wars, is not considered to be a " veteran " in the administration of certain provisions of law and is not entitled to hospitalization and domiciliary care under the Veterans' Administration on an equality with the veteran of 90 days' service or less. Even though an enlisted man may actually be a veteran of three wars, still, in the extension of hospitalization and domiciliary care under the Veterans' Administration, it is held that he is not a " veteran " and, therefore, these benefits are not applicable to him in the same manner as to the veteran of an emergency enlistment.

He is a " veteran ", however, after he is dead, as existing law so recognizes him in providing for the payment of a pension to his widow. In other words, although not so recognized while alive, after his death he is recognized as a war veteran.

WAR DEPARTMENT WILL NOT FOLLOW EXISTING LAW

Existing law provides that the enlisted man, when placed on the retired list, shall be entitled to three-quarters of the pay of his rank and allowances. Allowances for quarters, subsistence, and clothing for an enlisted man in active service living separate from troops are approximately $62 per month. The retired enlisted man today receives only $15.75, which more nearly represents one-quarter of the allowances to which he is entitled than the three-quarters which is prescribed by law.

It is my opinion—and no Member can deny the justice of this—that an enlisted man, whether he be retired or in active service, requires approximately the same amount of funds to subsist himself when living separate from troops. Officers traveling under orders without troops receive $150 per month for subsistence, while retired enlisted men receive only $15.75 per month for subsistence plus quarters and clothing. It is self-evident that no man can provide himself with quarters, subsistence, and clothing in the city of Washington or any other city on $15.75 per month only.

Notwithstanding that this figure is inadequate, the War Department has consistently opposed an increase in allowances to retired enlisted men. Certainly no Member of Congress would consider that the War Department is justified in withholding from retired enlisted men an increase to at least $30 per month for clothing, subsistence, and quarters, which would then be only one-half of what is today received by enlisted men in active service.

Concluding my remarks, it is my opinion that if we are to maintain the morale of the armed services, it is necessary that we consider and correct the various injustices which today apply in respect to the enlisted man, active and retired. If it is true that " the Army marches on its stomach ", it is equally true that efficiency and loyalty are obtained by treating justly each and every component of the armed services.

I have introduced legislation to correct many of the discriminations just recited, and I do hope that if this legislation comes before the House, my colleagues will favorably consider such legislation in the interest of giving a square deal to the enlisted man as well as to the officer. The enlisted man of the armed services is asking only for justice, and if we are to expect the fullest measure of unselfish and faithful service, it is incumbent upon the Navy and War Departments and upon the Congress to correct the discriminations which now exist.

Mr. PARKS. Mr. Chairman, I yield 12 minutes to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, many editorials are being written relative to the extension of the N. R. A. and numerous inquiries are being made regarding section 7 (a) of this act which deals entirely with labor. I represent a district that is practically 100-percent unionized in all industries and believe that Members of Congress should have an interpretation of this important section.

A part of the President's message, which he sent to Congress today, reads as follows:

In our progress under the act the age-long curse of child labor has been lifted, the sweatshop outlawed, millions of wage earners have been released from the starvation wages and excessive hours of labor. Under it a great advance has been made in the opportunities and assurances of collective bargaining between employers and employees. Under it the pattern of a new order of industrial relations is definitely taking shape.

FEDERAL LABOR LAW

For the purposes of our discussion let us refresh ourselves with the text of section 7 (a) of the National Industrial Recovery Act, which is as follows:

Every code of fair competition, agreement, and license approved, prescribed, or issued under this title I shall contain the following conditions:

(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing and shall be free from interference, restraint, or coercion of employers of labor or their agents in the designation of such representatives or in self-organization, or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(2) That no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

UNDERLYING IDEAS

The ideas underlying this section are very simple. The worker is treated as a free person. He is accorded the right to associate with fellow workers, to join or refrain from joining any labor organization. He is protected from the acts of aggression of his employer. His helplessness as an individual in bargaining with his employer is recognized.

This section seeks to equalize the bargaining power of employers and employees by permitting the latter to pool their strength, for theoretical freedom of contract can exist only between equals. The statute recognizes the evils resulting from the present inequalities of bargaining power and proposes as a legislative remedy a regime of collective bargaining.

Having permitted industry to unite through merger and consolidation into powerful corporate units, and having encouraged business to form trade associations covering entire industries, Congress sought to effect an economic balance through collective bargaining and the free association of workers in labor organizations. Only in this way could the workers achieve even a meager sense of security.

HISTORICAL ANTECEDENTS

From the spirited opposition to the inclusion of this provision in the National Industrial Recovery Act, and the difficulties experienced in its administration, and from the attacks that have been leveled against the National Labor Relations Board for attempting to carry out this statutory mandate, one would imagine that section 7 (a) constituted an innovation in the legal control of labor relations, that it had sprung from the minds of Congress, and that it was lacking in historical antecedents. On the contrary, there are many phases of this section which are deeply rooted in our statutory- and common-law experience. Its immediate progenitors were: (a) The statement attached to the proclamation of President Wilson establishing the National War Labor Board in 1918:

RIGHTS TO ORGANIZE

1. The right of workers to organize in trade unions and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by the employers in any manner whatsoever. * * *

3. Employers shall not discharge workers for membership in trade unions nor for legitimate trade-union activities.

(b) Section 2, subdivision 3, of the Railway Labor Act of 1926:

Representatives, for the purposes of this act, shall be designated by the respective parties in such a manner as may be provided in their corporate organization or unincorporated association, or by other means of collective action, without interference, influence, or coercion exercised by either party over the self-organization or designation of representatives by the other.

I could go on indefinitely and quote from many other authoritative declarations and statutes. For example, the Norris-LaGuardia Act of 1932, section 2, subdivision (p) and (q) of section 77 of the 1933 Amendments to the National Bankruptcy Act, and many others.

I am not taking the position that section 7 (a) does not take us into new territory; my analysis will show the contrary. I am, however, seeking to show that section 7 (a) was the orderly and logical culmination of the efforts on the part of the Federal Government to free the laboring man from the restrictions imposed by employers and to afford same the opportunity to associate freely with his fellow workers for the betterment of working conditions and the improvement of his status in our economic system. Section 7 (a) primarily creates rights in organizations of workers. There are four aspects of this section 7 (a) to be considered:

First. The section recognizes and establishes the right of employees to organize and bargain collectively through representatives of their own choosing. The statute in this regard merely codifies common-law doctrines of long standing. As was said by Chief Justice Hughes in *Texas & New Orleans Railway Co.* v. *Brotherhood of Railway Clerks* (281 U. S. 548):

> It has long been recognized that employees are entitled to organize for the purpose of securing the redress of grievances and to promote agreements with employers relating to rates of pay and conditions of work.

Mr. Chairman, I ask unanimous consent to insert in my remarks an address delivered by Francis J. Haas, former member of the National Labor Board and at present a member of the Labor Advisory Board of the N. R. A., which deals entirely with this question and simplifies it in such a manner that every Member of Congress will fairly understand it.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The address referred to is as follows:

SIX QUESTIONS AND ANSWERS ABOUT SECTION 7 (A)

No doubt you have all heard it said that section 7 (a) needs clarification, that on certain points it needs interpretation. Now I hope that if there is any confusion about section 7 (a) I will not add to it this morning. Personally, I don't see the point about confusion in section 7 (a) or the claim that it needs clarification. In my opinion, the only difficulty about section 7 (a) is that it is so clear.

In order to give definite and precise limits to our discussion this morning, I shall propose six questions and confine my answers and comments to those six questions.

1. What is section 7 (a)?
2. What is it for?
3. How does it work?
4. What benefits does it secure?
5. How has it fared under N. R. A.?
6. What is the outlook for it?

First, what is section 7 (a)?

The answer is found, of course, in the act itself. It is section 7 (a). The heart of it is "That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization, or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection."

Frankly, this is a labor section. The President, in signing the act, referred to it as the "new charter." He said, "Workers, too, are here given a new charter of rights long sought and hitherto denied."

The first essential feature about section 7 (a) is that it places no restriction on workers in choosing their representatives. It does not require them to choose their bargaining agents from a limited group, for example, fellow workers on the pay roll. It leaves them as free as all outside to select whatever person or persons or organization they want. Likewise, it leaves them entirely free to use any method they want—membership cards, acclamation, or ballot—in selecting their representatives. In a word, it is a worker's section, and the employer has nothing to say about the representatives to be selected or the method of selecting them. This feature is all important, for unless we keep it in mind we will not be able to discuss the company-union movement intelligently. The typical company union requires, as you undoubtedly are well aware, the representatives to be chosen from fellow employees on the pay roll, and of course, the law lays down no limitation of any kind. It gives unrestricted freedom of choice. For that reason, the company union, in its common acceptation, is illegal.

Furthermore, section 7 (a) outlaws discrimination. The word "discrimination" means making a distinction. Prescinding from agreement on the union shop, for the employer to make a distinction between workers because of union affiliation, whether they are prospective workers or those on his pay roll, is definitely illegal. When it can be shown that the purpose of such discrimination is to frustrate or to destroy self-organization, that action is a violation of law.

Now, there are different forms of discrimination. There is discrimination in hiring, in promoting, in demoting, in laying off, and in discharging workers. It is evident that the most effective kind of discrimination that an employer can practice is to discharge or lay off an employee. Certainly a labor union cannot exist if the employer is free to dismiss employees who join the union and especially those who are active in promoting union organization in the establishment. Sometimes the employer who is so minded need only dismiss one or two, and the movement stops there. The "public example" is enough.

Consequently, anything that is in motive discrimination, either as to promotion, reduction of force, or discharge, is unlawful. This interpretation has been followed consistently by the National Labor Board from the time of its establishment, August 5, 1933, and by its successor, the National Labor Relations Board, down to the present time. When it can be shown on evidence that the employer has discriminated against employees because of union activity, he is found to have violated the law, and he is ordered to reinstate them to their former positions. From a practical standpoint, the prohibition of discrimination is the heart of section 7 (a).

If I may digress for a moment, section 7 (a) is very democratic, inasmuch as, excepting the union-shop agreement, which is arrived at by collective bargaining, it requires the employer to refrain from making any distinction between his workers, because of membership or nonmembership in a union. Neither the old National Labor Board nor the National Labor Relations Board holds that an employer is not free to reduce his force because of reduction in business; that he must keep a man who is clearly inefficient or insubordinate. But when it is proved before the Board or any of its regional boards that the motive was to break up organization, the employer is found guilty of an unlawful act and is obliged to reinstate the employee discriminated against to his previous occupation.

The next question is, What is section 7 (a) for?

The answer to this question is found in title I of the act. Title I declares it to be the policy of Congress, "to increase the consumption of industrial and agricultural products by increasing purchasing power." That was the theory the Congress adopted at the time the law was passed. It was the theory that the administration adopted when the act was signed. The President said: "The aim of this whole effort is to restore our rich domestic market by raising its vast consuming capacity."

You are aware, no doubt, that we are somewhere in the neighborhood of 40 billion dollars short of the national income that we had in 1929. We have the capacity, we have the plant, we have the materials to turn out far in excess of $40,000,000,000 more than in 1929. To get this result, the administration in June 1933, said—and it has not modified or reversed its position since—that to get recovery going and maintain prosperity, you must constantly increase the buying power of workers.

Section 7 (a), like the minimum wage provisions in the codes, is frankly for the purpose of increasing wages and shortening hours. Its central aim is that of the act itself, to increase the purchasing power of the largest consuming group, the wage earning population.

You might ask: "How can you increase buying power through this section of the act?" The answer is, that you will increase the purchasing power of workers by having them organized in unions, because the officers of those unions will, without fear of discharge, do the bargaining, and because they are free, will get a better bargain in the form of higher wages and shorter hours. That is not a theory, but a fact. We know that in the organized trades wages are higher and hours much lower than in the unorganized. That is the lesson of the last 50 years. The unorganized trades are the ones in which earnings are low and hours high. The organized are the ones in which earnings are high and hours low.

Increased purchasing power is effected by putting the worker on an equal bargaining level with the employer. The best way to bring this out is to compare the bargaining power of a steel worker, let us say in Gary, Ind., with the United States Steel Corporation. This man, standing alone, has no contracting power equal in any sense with that of the corporation. Suppose, just to fill out the picture, that this man would insist on dealing with the local superintendent in Gary. Suppose he goes up to the main office and says, "Let us sit down and bargain this thing out. I am not satisfied with 40 cents an hour, let us negotiate. I want shorter hours. I don't like some of the things my boss does." The man would not dream of doing a thing like this. He knows what would happen to him, he would find himself out of a job. Yet this is the end result of the process called individual bargaining. The actual fact is that in the overwhelming number of non-union establishments there is not any kind of bargaining at all. The worker is simply told what wages he is going to get and what hours he will have to work. The bargaining strength is all on one side, that of the employer.

Now in order to bring up the weak side of the wage bargain, the act says in effect, let this man have an expert bargainer. Let him

pick out somebody who can go into the foreman's office and who will have just as much knowledge of wage rates, trade conditions, and the rest, as the foreman has. Let him pick out this man freely. Above all, don't make him select as his representative somebody the steel company wants, someone on the pay roll, a company union man. Now that is the substance of the whole thing. When you have wage bargaining done that way, you have increased wages, lowered hours, and have given the worker some control over his job. That is the answer to the question: "What is section 7 (a) for?" It is to give that man in the steel industry, in the aluminum industry, and all along the line, contractual power approximating that of the employer, and the end result will be higher wages and greater consuming power.

The next question is, How does this thing work?

We have abundant experience to go by in answering this question. Before N. R. A., the workers in certain industries, through their union officials, bargained collectively with employers. In the printing trades, for example, the officers of the union went into conference with the newspaper publishers to work out a contract either for the entire industry or for a regional section. The negotiations lasted 2 or 3 days, perhaps a week, and finally the terms were put in writing and signed by the union and the publishers. A document of this kind was called a trade agreement. Sometimes it covered one city, sometimes several cities. The same thing was done in the pottery trades; in the clothing trades; in the textile industry; and in every trade or industry where there was organization. The representatives of the employers and the representatives of the employees went into conference, freely giving and taking, and worked out a trade agreement.

Since N. R. A. the same procedure has been followed. In trades where the unions were strong, the officials came here to Washington and, in cooperation with the Labor Advisory Board, bargained with the representatives of the industry and incorporated in the code, not the union agreement, but, in all cases, better terms than those in codes covering industries in which there were no unions. That is the way the thing has been done since N. R. A. I do not want to leave the impression, however, that there have been no trade agreements worked out independently of N. R. A. since June 1933. Actually there have been hundreds.

So far as the contribution of union organization to recovery is concerned, it is no secret that the codes of industries in which there is union organization are the codes that, from the standpoint of enforcement, are working the most satisfactorily. Take the average code embracing only unskilled, unorganized workers and you will find that the enforcement of labor provisions is almost nil. Take, on the other hand, the apparel, printing, and construction codes, codes which embrace workers more or less well organized. There you will find enforcement, and N. R. A. points to them with a feeling of accomplishment.

The next question is: "What benefits does collective bargaining under section 7 (a) secure?"

Of course the most important benefit is better wages and hours. Collective bargaining increases wages and shortens hours and in well-organized trades gives the worker something like a right to his job or a control over it, that is protection against unwarranted discharge. Now that is a most important benefit. But from a social standpoint or even from the employer's standpoint it yields another benefit that should not be overlooked. Collective bargaining prevents a tremendous amount of industrial waste. Where you have genuine collective bargaining you can do away with espionage, guards, blacklists, open-shop secretaries, counsel, literature, and office expense. You can do away with the cost of buying mayors, chiefs of police, and aldermen. With collective bargaining accepted, you don't have to do these things, because their purpose is to prevent collective bargaining. Let me give an illustration or two. A few years ago Miss Josephine Roche remarked that when she took over the property bequeathed to her by her father, she was short some 15 or 20 percent of control. She got busy and raised the money necessary for 51 percent control and then arranged to deal openly and frankly with the union. When she announced her plan to the board of directors, they replied, "You can't do that—look at the way the unions will raise your costs." She asked what the increase would be, and they gave her an estimate. She said, "That is nothing", and pointed out that it was less than the amount expended the year before to maintain the spy system and to fight the union. She said, "We will save all that," and, as I recall, the saving was considerably more than the increased labor cost.

One of the union officials in the shipbuilding industry told me the other day that he made a proposition to one of the shipbuilders. He said, "If you will deal with us, we will save you some real money. We will assure you that there will be no strikes; we will give you bona fide mechanics, and right off the bat we will save your company $30,000." The shipbuilder said, "How will you save us $30,000?" He said, "You are spending that much a month now because of the red scare that one Communist has spread through one yard alone, and you can be sure you won't have to spend that much at least." The saving of industrial waste is, then, one important benefit of collective bargaining.

Another important benefit that arises from the honest, candid acceptance of section 7 (a) is cooperation. I am not speaking generally now, but very definitely. It is a mistake to regard the union as a fighting machine only. It is a fighting machine; but the trade association is also.

The trade association has been found on occasion to be training its guns on the public by exacting unjust prices. The Department of Justice files have all too much evidence showing the extent of this evil. The union may be a fighting machine, but it does not have to be. That is not of its essence. It can and should be, and when honestly and sincerely dealt with is an outlet for union workers to promote the interests of the industry.

I recall a few years ago a case in Milwaukee where a union organizer, who had been a garment worker, proposed to an employer who was in difficulty a new way of routing work through the shop. The employer put it in, and it solved the most perplexing cost problem he had, so that he was able to stay in business and make money. I am not saying that at some later time the employer might not have thought of the scheme himself, but the fact is it was worked out by the union organizer.

Another very important benefit of collective bargaining is that it helps to educate workers. It gives them an opportunity to know what the industry can stand. There are cases where an employer cannot meet the demands that workers make on him. But can we expect them to take the employer's word for it It is different when the union officials tell them so. If the employer deals with the union officers frankly, they are not going to ask for things that are impossible. The National Labor Relations Board has had more than one case where the union, after the books had been shown to them, receded from what appeared to be unreasonable demands. In other words the workers got an education. The same thing applies to employers.

I don't want to philosophize, but to me, the great defect in the way we have been conducting business and industry for years is that employers in the highest positions of power, have been delegating, hiring out, the most important job they have with regard to wages and hours, and that is the job of thinking. There are other items in production besides labor, raw materials, credit and marketing, and these the employer carefully studies out. He has to think about them, study them and know them. But he has exempted himself from the important business of thinking about labor relations and especially the connection between wages and purchasing power. My complaint is that he has been hiring this job out (I don't want to make invidious comparisons) to $2,000 and $3,000 men.

I happen to know that the labor program in a dominant corporation in one of the basic industries was written by a subordinate. He was just told to get the thing ready, and his production, a very shabby performance, is the official statement on labor for that industry. Of course, the underlying ideas are those of the chairman of the board of directors, but they are the ideas of men entirely out of touch with working people and the requirements of our abundance economy. Not being willing to meet with the informed leaders of laboring people, and to spend as much time with them as with bankers, industrialists, mainly in the basic industries, have cut themselves off from an all-important source of information. They have prevented the elementary truth from getting to them, necessary alike for their own and for the workers' welfare, that there is no need of producing goods unless there are customers to buy, and that there can be no adequate buying unless there is adequate wages and adequate employment. As I see it, one of the great contributions that section 7 (a) can make is that it compels the employer to get educated.

Some weeks ago I had a rather striking illustration of this thing, going out to my home town, Racine, Wis. A strike was on there in a rubber-clothing factory. Perhaps you have read about it. It was one of those cases that the Associated Press picks up because unusual things are happening. Women strikers were picketing by throwing themselves on the tracks in front of freight trains coming out of the factory with finished merchandise. Now nobody runs over ladies with freight trains, and of course none of them was run over. The strike had been going on for some 8 weeks.

By chance I met a man who had been acting as mediator in the case, and he asked me to sit in with him. What I found was that the union officials had been dealing with a subordinate who was the general superintendent of the plant, but who had very limited authority. I suggested that the workers' committee try to meet with the board of directors of the company. The same afternoon, they succeeded in seeing the chairman of the board and the whole trouble was settled the next day. The final conference brought out the fact that whatever the explanation, whether the superintendent had been keeping the real situation from the board or whether the board did not want it, the board simply did not know it, and if it had known it a long and costly strike could undoubtedly have been avoided.

The next question is, How has section 7 (a) fared under N. R. A.?

I don't think it would be much of a job to show that the index of success of section 7 (a) under N. R. A. is about the same as the index of reemployment under N. R. A. The fact is, and there is no need of minimizing it, that since the act was passed, powerful employers have fought section 7 (a) tooth and nail. They have fought it in different ways. First, superintendents and foremen have "talked" with workers' committees instead of genuinely bargaining with them. In my experience of 9 months as a member of the National Labor Board, I found that to be the most effective way of evading the act. The union representatives came in, things were talked over with them, and they were told to come in the next day or next week. The following week they

were told that authorization had not yet come from the board of directors in New York, or that the chairman who had the final word was in Florida and could not be reached. And so the conferences were strung out and out and nothing was agreed to. There was more than one instance where this subterfuge was resorted to. The employer had no intention of coming to an agreement, but kept within the law by meeting and treating with the representatives of the workers.

Since June 1933 two main instruments have been used to defeat section 7 (a). They are the company union and multiple representation. The National Industrial Conference Board reported last fall from a 6-month study of 3,314 establishments, covering 2,585,000 employees, that the company union had increased from 14 to 45 percent and the independent union 4 to 10 percent.

There are many names for the company union, employees' representation plan, employees' welfare association, workers' council, and numerous others. In one case a chain-store company in Philadelphia organized its truck drivers into a "drivers' club." The name is not so important, and I shall call it what the act calls it—company union. So far as it is defended, the argument is made that employers should not be obliged to deal with anyone but people in the plant, because they are the ones who know plant problems. Outsiders are outsiders, and they don't know anything about mixing chemicals, fixing looms, matching patterns, or rolling steel. Only the people right in the shop know shop conditions. As a matter of fact, under a good many unions, in printing shops, for example, the shop committee under the shop steward, adjusts disputes peculiar to the shop. But the important fact is that he is linked up with outside union officials who can be appealed to for assistance in case the shop steward or the people under him feel that they are not being fairly treated. This outside connection means everything to the man or woman in the shop, and it is precisely for this reason that the employer does not want it to exist.

The company union is sometimes defended on the ground that it gives workers better wages and hours than they would otherwise have. The president of an oil company in a session I had with him sometime ago made this argument: "Look at our employees' representation plan. Compare our wage levels for 15 years with the unskilled levels in the same locality. We are way above them, by 15 or 20 cents an hour. The employees' representation plan has boosted our wages." Now in this company that was not the case. The company had to have superior workers, and the president innocently gave away his whole argument. He said, "We can't afford, in our refining plant, to have anybody but reliable men. A fellow that does not know the machinery and is not responsible might turn the wrong switch and blow up the whole place and kill hundreds of people. We have to have high-grade workers."

Now my point is that the company paid 15 or 20 cents more than the going hourly rates, not because of the bargaining aggressiveness of the company union, but because the company had to have superior workers and market conditions forced it to pay nothing less. The same is true of all company unions, in companies similarly situated.

Another device invented to frustrate the operation of section 7 (a) is the theory of multiple representation, sometimes called minority representation. The theory is that each minority group of workers, and indeed each individual worker, should bargain with the employer. Of course, it denies that the representatives of the majority should be the exclusive bargaining agency for the entire plant or section group.

Whatever might be said in favor of the ideal of having every group in a factory have its own representatives or of having the individual be his own representative, the fact is that in practice, multiple or minority representation completely disrupts collective bargaining and puts the workers under the employer's domination. It enables the employer to play one group against the other. He will, of course, get lower wages and longer hours from the most compliant and least militant group, that is, the company union. Especially when jobs are scarce, the outside union will have to come down to the terms that the company union accepts. The outside union not being able to show results to its members will soon disappear, and the employer will then have things his own way.

There are cases, too, where the employer will make concessions to the company union that he will not make to the outside union. Again the employer gets the benefit. The outside union is discredited before its members and the employer through the subservient company union, will have things his own way.

This latter scheme, however, is something that the employer has to use with the greatest care. I recall the case of a soup company employing some 1,800 workers that granted six holidays with pay to the company union and announced this fact through the officers of the company union to all of the employees, many of whom were union members. The bargaining committee of the outside union had been refused this concession from the management, and when the announcement of the pay for holidays was made there was a long and bitter strike.

From whatever angle you view it, multiple or minority representation can have no place in honest and sincere collective bargaining. The purpose is the opposite of collective bargaining, as it puts wage and hour control ultimately in the hands of management. Clearly it nullifies all that section 7 (a) endeavors to achieve in the way of increased buying power for workers.

Finally, what is the outlook for section 7 (a)?

The only way to make predictions is to look at what has happened up to now, especially since N. R. A. At present, only 1 out of every 10 wage earners is in a bona fide union. The relatively small gains made since N. R. A. have been made in the face of overwhelming opposition. In the last 18 months industrialists have devised numerous schemes and subterfuges to stop organization. They have in some cases, as the files of the National Labor Relations Board show, discharged their entire working force and rehired only those who agreed to drop their union membership. Again, they have in numerous instances financed and promoted company unions. One large insurance company has sent out standard company-union forms with instructions to employers showing them how to install the company union in their establishments. Also, they have concocted and ardently advocated the multiple-representation scheme, whose certain result, as I have already shown, is to render collective bargaining impossible and place workers in the complete control of the employer.

In the face of all this, the prospect for genuine self-organization to increase purchasing power of workers is not bright. To make matters still worse, another attack on collective bargaining is being made at present. It is the attempt to forbid by law "coercion" in promoting organization. Thus the United States Chamber of Commerce has declared for collective bargaining with the proviso that workers be permitted to organize without coercion from either employers or workers.

On the face of it this proviso is fair enough. Nobody wants coercion, and certainly no one wants violence. The trouble is, however, that if the coercion clause, usually worded, "without coercion from any source", is put into the law, it will breed a mass of legal complications and effectively block self-organization. Who is going to define coercion practiced by union officials? Is it coercion for a union organizer to go to a worker's home and use his ordinary powers of persuasion to get him to join the union? Although the same thing is done, and lawfully, in political campaigns, an unfriendly judge will interpret the organizer's act as coercion and issue an injunction to stop organization. On the other hand, if the union organizer exceeds the limits of peaceful persuasion by threatening or using violence, he can readily be restrained under existing laws. There are more than sufficient statutes to invoke to keep him within the limits of argument, and there is no need of putting the "coercion" clause in a labor statute, particularly when it will be used to thwart the whole purpose of the statute.

Those who are clamoring for the "coercion from any source" clause should be made to show their hand and say exactly why they want the clause in the law. Existing statutes can more than take care of the unlawful coercion which union organizers are presumed to be anxious to indulge in. The realistic person should recognize the "coercion" clause for what it is, one more device to obstruct self-organization. At present it constitutes one more attempt to block collective bargaining, and its purpose should be clearly understood.

To conclude, a wage contract is just and equitable only when the worker who enters it does what everybody else does who makes a contract—that is, gives free consent. Certainly there is no free consent under the arrangement prevailing in more than two-thirds of American industry, under which the worker is not permitted to bargain at all but is simply told what he is going to get.

The company union, with all its employer controls, is in no sense a remedy for this evil. In fact, it leaves the evil just where it was. Only when workers are represented by the persons they want to represent them—that is, by bargaining officials just as keen and alert as those the employer hires—can the individual toiler have something like freedom in the wage contract. Then the contract will be worthy of the name. Then the waste of industrial warfare will be eliminated, and through genuine cooperation of both parties we can hope to meet the great need of the American people, a constantly expanding volume of goods and services.

This is the meaning of section 7 (a), and, in an important sense, the meaning of the whole N. R. A.

Mr. BOLAND. Mr. Chairman, if we delve far enough into the past, we find that at one time the right to organize was denied to labor, that the formation of a labor union was regarded as a criminal conspiracy, and that collective bargaining for a standard wage was deemed price-fixing, and therefore an unlawful restraint of trade. Happily we have traveled far from those inhospitable precedents and the trend of judicial opinion long before the recovery act, was already favorable to union organization and collective bargaining.

Second, the provision establishes the right of employees to be free from three classes of acts on the part of employers, namely, interference, restraint, and coercion, insofar as they affect three phases of employee activity; namely, the designation of representatives, self-organization, and other concerted activities for the purpose of collective bargaining or other mutual aid or protection. In other words, this branch of the statute forbids at least nine sep-

arate acts on the part of employers and creates nine statutory offenses. This can be made clear by one illustration. Employers are prohibited from (1) interfering with the designation of representatives by employees, (2) interfering with the self-organization of employees, (3) interfering with other concerted activities for the purpose of collective bargaining, and so forth. The same is true regarding restraint and coercion. Frequently these offenses will overlap, but not necessarily so.

It is not difficult to sustain this branch of the statute. Again the Texas & New Orleans case, arising on almost identical language in the Railway Labor Act of 1926, is virtually conclusive. If we assume, as we must, that employees have the right to organize, to designate representatives and to bargain collectively, then obviously employers have no right and are under a duty to refrain from interfering with or restraining or coercing employees in the exercise of such rights. There are, moreover, many State statutory precedents preventing either physical or economic interference, restraint, or coercion.

Third, the provision prohibits the imposition of the requirement that employees as a condition of employment join a company union. The statute does not define the term "company union." I personally prefer the term "company-dominated union", since the statute does not appear to have been directed toward a resolution of the perennial controversy between vertical and craft unionism. A company-dominated union, typically is one which is initiated and created by the employer, in which the employer participates in its administration and operations, in which he is represented on all the committees, and either supervises, initiates, or participates in the decisions or exercises a veto power over them, in which the employer can veto all proposals for amendments in the organic charter of the organization, and in which he provides the organization with financial aid and comfort. In a word, a company-dominated organization is one which is lacking in independence, and which owes a dual obligation to employers and employees. It is an agent which possesses two masters. It attempts to sell the labor of its employee members to the employer member, and at the same time it receives compensation from the employer. It acts through representatives who are in the employ of the company, who are subject to discharge and discipline by the management at any time, who purport to represent employees and receive at the same time compensation from the employer for their activities presumably in the employee's behalf. To require an employee or one seeking employment to join such a union is to nullify the rights of self-organization and to make a mockery of collective bargaining.

Finally, the statute prohibits the imposition of the condition that employees shall refrain from joining, organizing, or assisting a labor organization of their own choosing. This in terms invalidates the "yellow dog" contract, by means of which employer successfully prevented unionization. A "yellow dog" contract typically bound the employee not to join a labor organization of his own choosing. A union organizer seeking to influence workers who had entered into such contracts necessarily attempted to induce their breach and thereby subjected himself to the injunctive process of the courts. The Norris-LaGuardia Act invalidates such agreements so far as enforcement in the Federal courts is concerned, and the Recovery Act goes further and outlaws the imposition of such conditions, whether by contract or otherwise.

IV. PROBLEMS OF CONSTRUCTION

In the administration and enforcement of section 7 (a), various ambiguities of language and deficiencies of draftsmanship have become evident and have caused difficulty. These will be enumerated and discussed briefly.

First. Collective bargaining: The statute, as we have observed, confers various rights on employees, but in the case of the right of collective bargaining, imposes no express obligation upon the employer to bargain collectively with the representatives of the employees. Unless this obligation is to be implied, the right conferred upon labor would be wholly negatory. Nevertheless, many employers have contended befor the National Labor Board that the statute imposes no such duty. They have argued that their obligation ended when they had made themselves available to the workers and had listened to their grievances and demands. Even assuming some obligation, what is its nature and content? It certainly implies more than merely receiving representatives and conversing politely with them. In my opinion, the statute required employers to enter into negotiations with the duly chosen representatives of the employees and to make every reasonable effort in good faith to reach an agreement. You will observe, as you read the statute, that this construction is based entirely upon what is implicit in the wording of the act and not upon any express provisions. To avoid unnecessary dispute, it seems to me that the statute should be revised, and the obligation of employers should be made express.

Second. Union as representative: Another question that has caused difficulty is whether a union as such can be designated as the representative of employees. Since the statute uses the plural, the contention has been advanced that only individuals can be selected as representatives. This construction seems untenable. The term is used generically and included organizations or legal entities as well as individuals.

Third. Contracts with unions: Assuming that a union can be a representative, is there any requirement that the employer enter into a contract with the union as such? A great number of strikes have occurred over this issue. Employers, while recognizing the rights of employees to organize, and their own obligation to bargain with the union as the chosen representative of their employees, have resisted the demand for a union contract. Workers have striven for union recognition and have contended that such recognition was not being accorded unless the employer actually entered into a contract with the union. Many compromise formulas have been contrived. I personally believe that the issue in most respects is an empty one and that a good deal of blood has been unnecessarily shed over it. I do not believe that there is any definite and affirmative obligation in the statute requiring the parties to execute a written agreement. The statute is satisfied if both parties, as I have said, exert every reasonable effort to reach agreement. The nature of the contract is properly the subject of negotiation and bargaining. Consequently, in my opinion, the statute neither requires nor prohibits a contract with the union. Following the law of agency, it is evident that the workers can designate any agent they see fit as their representative, and that contracts can be made by and in the name of their agent. For this reason it seems to me that collective agreements should be executed between the employer and the employees acting through and represented by their representative. If the latter is a union, that means that the contract may properly be made in the name of the union as representative of the employees of a particular company.

Choice of representatives: How are representatives to be chosen? The statute provides no express answer. The National Labor Board developed the secret-ballot election as an administrative device for the selection of representatives. Has the Board any power to require elections? It might be argued that this power is implicit in the statute as a necessary means of determining and designating representatives. By an Executive order, such power was expressly conferred upon the Board. The validity of that order depends upon whether it is such a rule and regulation as is necessary to carry out the purposes of the statute. To conduct reliable elections, cooperation of the employer is frequently necessary. The geographical location of the plant may be such as to require elections upon the company premises. Pay rolls or lists of employees are essential in larger plants to identify the voters. The Executive order does not, in terms, impose

any affirmative duty on employers to cooperate in the conduct of elections. It does prevent interference with the conduct of an election. Whether such a duty can be implied is one of the questions involved in the Weirton case.

Majority, minority rule: Assuming there has been selection of representatives through an election or otherwise, do the representatives speak for all the employees or merely for those who elected them? Stated differently, What are the rights of the minority? The President's order provided that the representatives shall represent all those who were eligible to participate in the election. This has been the position of the National Labor Board. The Recovery Administration, however, has ruled that the majority representatives merely speak for the majority, and that the minority is entitled to make separate contracts with the employer. The statute gives "employees" the right to organize and bargain collectively through representatives. Does the term "employees" mean any employees or group, or is it used generically to mean all employees? A literal construction would permit individual bargaining and the making of separate contracts with various groups. It is the opinion of labor experts that such multiple bargaining results in chaos and precludes effective collective bargaining. Since the statute gives employees, as a class, the right to bargain collectively through their representatives, it must be assumed that Congress intended the right to be exercised effectively. It must not be forgotten that in current industrial practice, a uniform wage scale prevails. Under a regime of individual bargaining, the wage scale is established by the employer alone. The management is both the executive and the legislative agency of the plant. Under collective bargaining, however, the conditions of employment are established jointly by the management and the workers' representatives. The majority representatives and the employer should constitute the joint legislative body to establish conditions of employment for all.

Proportional representation, if construed to require unanimous consent on the part of the groups represented, retains all the evils of multiple bargaining. It divides the workers among themselves where there are competing labor groups and destroys the unity of purpose which is essential to effective bargaining. Minority contracts permit the employer to play one labor group against the other and to use the more pliant group to destroy the more militant one. A series of separate contracts with varying rates would create an intolerable condition and sanction unfair competition among workers. In my opinion, therefore, the majority rule is the only feasible method of representation, is necessarily implicit in the idea of an election, and is consistent with our democratic institutions.

Closed shop: Does the statute outlaw the closed shop? Is the worker denied the right to choose his representatives if he is required to join a trade union? Clause 2 prevents the imposition of the condition that a worker join a company union. It does not expressly invalidate the requirement that he join a bona fide union. He may not, however, be required to refrain from joining a labor organization of his own choice. The wording of clause 2 therefore permits the construction that a worker can be required as a condition of employment to join a bona fide union. If the union bylaws do not prevent his joining any other organization, there is no impairment of his right to belong to an organization of his own choice.

It must not be forgotten that this statute was intended to increase rather than limit the rights of labor. There is nothing in the legislative history of the statute disclosing any intention to forbid the closed shop. Closed-shop agreements were in force in many industries. It would require fairly definite proof that Congress intended to invalidate effective collective agreements of long standing. Under all the circumstances, I believe it can be maintained that a closed-shop arrangement is in harmony with the requirements of the Federal law. The issue has arisen collaterally in recent State court cases determining whether a strike for a closed shop is legal justification for picketing, etc., and has been resolved both for and against the position taken here.

Discharges: Does the statute forbid discharges or discrimination for union activity? It seems to me that subdivision 2, fairly construed, prohibits discharge or other discrimination, although the language employed is "condition of employment." The question, however, is not entirely free from difficulty. A corollary of this problem is whether employers can be required to reinstate discharged employees, and further, whether they can be required to provide back pay for the period of discharge. The National Labor Board has ruled administratively that reinstatement may be required, and some of the compliance boards have required back pay.

Reinstatement of striking employees: Suppose during the strike an employer hires "scabs" and refused to bargain collectively with the representatives of the strikers. The National Labor Board, in accord with court decision, has ruled that a striking employee is an employee and thus is entitled to vote and to be represented for purposes of collective bargaining. It has frequently recommended reinstatement of such employees. Whether there is any legal power to require such reinstatement, where there has been no violation of the statute by the employer, is doubtful. But discrimination in the reinstatement of striking employees is inconsistent with the statutory requirements.

Meaning of interference and company unions: The proper meaning of interference has caused difficulty. Is it "interference" for an employer to initiate a company union, to participate in its administration, to restrict changes in its constitution, to exercise a veto power over its decisions, to influence its policies, or to contribute financial support to the organization or its representatives? These issues have been presented in the abstract. The cases before the National Labor Board involved company unions completely dominated by the employer and in which there were obvious acts of interference. The Labor Board has construed the statute liberally so as to prevent offensive and aggressive acts of interference. It is evident that there is here raised an important and difficult question of construction on which the statutory language provides little assistance. Another question in the same category is whether a lockout to prevent unionization is forbidden. Similarly, initiation of a company union in the midst of a strike may be an effective method of preventing true self-organization. In my opinion, these, along with any other acts impairing the freedom of action of labor organizations, should be deemed prohibited by the statute.

The effect of the acquiescence of employees in acts of aggression of employers and the interference and domination of their organization by the employer: The statute as worded does not cast any blanket prohibition against the acts of aggression of employers. If the employees, without interference in the expression of their will, approve of employers' interference, I suppose it can be urged that there has been no violation. The cases will depend upon their facts, and it seems conceivable to me that in certain cases of domination the apparent acquiescence of employees should not be a bar to prosecution. In this connection it may be observed that a potent method of interference is for an employer to bring about a premature election in order to prevent real self-organization and to create an appearance of acquiescence.

Does the statute impose any obligation on either labor or management to arbitrate their differences? It seems clear that there is no such obligation, apart from a provision in a collective agreement, although the contrary has been urged. Whether a collective agreement should contain an arbitration clause is obviously a proper subject of collective bargaining.

Organization of employees: Does the statute impose any obligation upon employees? Must they present grievances before striking? Must they refrain from coercion and intimidation of employers or fellow employees?

The obligations of the entire statute, as well as section 7, are seemingly directed against employers. The obligations of employees are well known and are enforced in the courts on the basis of other statutes and the common law. A theoretical argument of fairness can be developed to the effect that affirmative obligations should be imposed upon employees. No one is more opposed to labor racketeering, intimidation, coercion, and violence than myself. Experience with the labor injunction, however, should make us wary of any legislation or construction expending the injunctive power. Too frequently have the terms "coercion and intimidation" been construed to prevent perfectly justifiable conduct on the part of labor. Section 7 imposes no enforceable obligation upon employees, but an enlightened leadership would require that grievances be submitted to employers and the processes of collective bargaining be exhausted before resort is had to strikes. It must not be forgotten that in times such as these, a strike is frequently an act of economic suicide rather than an effective method of improving working conditions.

Conclusion: If my discussion has been too technical and lacking in human interest, I take refuge in the technical nature of the subject and the knowledge that the more interesting philosophic and economic implications of this provision have been fully developed and are constantly being broadcast by voices more eloquent and competent than mine.

Mr. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SWEENEY].

Mr. SWEENEY. Mr. Chairman, I have asked for this time in order that I might enlighten the Members of this House because of the many inquiries I have received in the last couple of weeks asking the status of an investigation resolution which I have pending before the Rules Committee. Tomorrow you are going to receive in this body a bill to enlarge the base of this great agency by a billion five hundred million dollars, and at the same time you have under consideration a resolution to investigate the maladministration of the affairs of the Home Owners' Loan Corporation.

Mr. Chairman, I think we ought to do one of two things. Before we vote on the bill to enlarge the base and increase the authorization of these bonds, we ought to determine once and for all who is going to administer this fund. I make the charge now, and I make it deliberately after evidence has come to me unsolicited from people who are not under oath, and I may say that if we had people under oath we would find something more substantial, that there is something radically wrong in the administration of the affairs of the Home Owners' Loan Corporation. The chairman of that body is a bankers' man, a former president of the United States Chamber of Commerce. When the Congress made the mistake I think it did make last April when we amended the act, we allowed banks in liquidation to set up wholesale agencies or divisions, and therein lies the trouble. These banks in liquidation receive the agents sent out by Mr. Fahey and his subordinates from Washington and they become the fair-haired boys of these bankers. They set up a branch office in the liquidated bank, operated by employees in many cases of the defunct bank, and the banker determines who gets the loans. In many, many cases—I should say thousands of cases—individuals who were not in distress, men who were drawing $12,000, $15,000, and $20,000 per year salaries were called in by these bankers and had their mortgages liquidated through the Home Owners' Loan Corporation. In many cases solvent banks that were not in liquidation availed themselves of the facilities of the Home Owners' Loan Corporation.

In proportion to every loan that was liquidated in this fashion they retarded the opportunity of the small-home owner that President Roosevelt said the act was designed to benefit. In the radio fireside talk he made on this subject, as well as in his message to Congress, he said that here was an act that was designed to help the small-home owner, to protect him from foreclosure. He was right. I do not think the President of the United States would countenance maladministration in any department of the Government. In fact, he has stated that John Fahey should invite an investigation of the H. O. L. C. Mr. Fahey and his aids at Washington have refused to give to Members of Congress specific information concerning the activities of the H. O. L. C.

This resolution is before the Rules Committee, and has been in the interest of orderly procedure since the 11th day of January. Several Members of Congress came before the committee, gave evidence, and established a prima facie case which ought to compel the Rules Committee to report out this resolution without further delay, thereby allowing this body to determine whether that agency of the Government ought to be investigated.

Mr. Chairman, I ask unanimous consent to incorporate in my remarks an editorial from the El Paso Herald-Post of December 8, 1934, entitled "The Banker and the Widow", which epitomizes the charge which I make, namely, that the banker is in control of the H. O. L. C.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The editorial is as follows:

[From the El Paso Herald-Post of Dec. 8, 1934]

THE BANKER AND THE WIDOW

An El Paso bank failed during the second year of the depression.

Instead of paying his stock assessment of $420,000, that bank's president, who had borrowed money to buy his stock in the first place, filed a petition in bankruptcy—a petition in which he listed his liabilities as $958,659, his assets as $19,130, $15,000 of it in a home on which he claimed exemption.

Frank M. Murchison now has been absolved of his approximately $1,000,000 indebtedness—his bankruptcy proceedings were formally "discharged" in Federal court in September last year. In the meantime, soon after the bank's failure, Mr. Murchison was given a fat job with the R. F. C. in Chicago, and—

When H. O. L. C. loans were being distributed he was loaned another $8,000 on the home on which he was given exemption in bankruptcy proceedings!

In contrast, in the Herald-Post's Thinking Out Loud columns Thursday there appeared a letter from a Marfa widow in which the writer complained of her inability to obtain an H. O. L. C. loan.

"I am behind in my payments, owe taxes for $300, and have more coming due", she writes. "But my property is valued at $5,000, at least, and my mortgage is only $1,800."

In view of contrasts like that, is it any wonder that "radicals" are doubting the virtues of our "capitalistic" system—

That many on F. E. R. A. prefer the dole to a return to regular employment—

That murmurings are swelling, among the jobless, the hungry in transient camps, the advocates of such panaceas as the Townsend plan, for a "redistribution of wealth"—and of credit?

"But", it will be argued, "the Marfa widow had nothing—no income to insure repayment of a loan; she couldn't be considered a safe risk."

Frank Murchison, when he got a loan of $8,000, had $940,000 less than nothing—and the income with which he assures repayment is his salary from the R. F. C.

Mary Howard owes only $300 in delinquent taxes and an $1,800 mortgage on a $5,000 home—debts which she's fighting valiantly to repay; Frank Murchison defaulted on $958,659 in debts which he escaped through the technicalities of the bankruptcy laws

Mrs. Howard is the widow of a man who gave his life in the service of Uncle Sam, in border warfare—for whose sacrifice she received no compensation; Mr. Murchison was president of a Federal bank which failed, with millions of dollars of depositors' money in its keeping—a bank which, since its doors were closed, has received $1,325,000 of R. F. C. money, to help repay losses which never will be repaid in full because its president, along with some of its other stockholders, failed to pay stock assessments, which the law says must be made.

These are extremes in the workings of a home owners' loan act for which President Roosevelt pleaded "to protect small-home owners from foreclosures."

Some of the loans in the list published by the Herald-Post a week ago today no doubt were legitimate—safe risks, but which saved their owners from losses at a time when they couldn't find refinancing elsewhere.

Some of the property on which big loans were made wouldn't sell, on the market today, for anything like the amount of the loans.

One of the largest was made to a man who hasn't really paid a business debt in the last 2 years—who has "kept up a front" merely by borrowing from one source after another to pass payments back to more insistent creditors.

After looking over the list of the big borrowers on "small homes" in last Saturday's Herald-Post, the Marfa widow exclaims:

"I am beginning to see why the depression is lasting so long and why the measures designed to reach the little fellows never get to them."

After seeing some of his neighbors borrow big sums from the H. O. L. C. for no better reason than to take advantage of "cheap Government money"; after hearing of huge loans to shaky railroads and closed banks whose irregularities of operation have been winked at by Federal bank examiners for years, and after observing the flimsy framework upon which millions of Government money are put into gas pipe lines, the taxpayer who is helping to pay the bills must come to the conclusion that, after all, it is not "direct relief" to the jobless that is causing all the high figures in national recovery.

Mr. SWEENEY. I will give a sample of some of the information that has come to me. The gentleman from North Dakota [Mr. BURDICK], in his extension of remarks appearing at page 373 of the RECORD of January 11, said he had affidavits that would be of interest to the committee if we ever started to investigate the H. O. L. C.

Many Members of the House informed me that they had evidence of unnecessary delays, favoritism, and mismanagement on the part of those officials whose sworn duty was to administer this law in the interest of the small-home owner who was in distress as of June 1933.

I called up my colleague Mr. BURDICK in an effort to be of assistance to the Rules Committee and to get expedition. Here is the charge which he makes: That out in his territory the appraisers appointed by the H. O. L. C. went around and appraised certain property and came back a few weeks later and solicited campaign contributions from the property owners whose applications for loans had been successful through the influence of the appraisers.

I went to the Rules Committee the other day after I had received a letter from a gentleman named Gallagher, in Milford, Conn., who made the charge that before a loan could be granted in that district you had to see a gambler or a racketeer, as he characterized him, in Milford, Conn. It was one of the usual letters that Congressmen receive, and I was a little skeptical about giving the committee the information. I asked one of the boys in the House press gallery, who represents a certain paper down there, to check up and find out for me if Gallagher was a substantial citizen. I got back the reply that he was a real-estate man and a very substantial man—one of good character and reputation. I wired Mr. Gallagher, stating:

Please wire, at my expense, any information you have with reference to your letter of a certain date and be specific and give me names.

Here is the telegram I received from him. I will read it, because it is very important. It is dated February 15:

MILFORD, CONN., *February 15, 1935.*

Congressman MARTIN SWEENEY,
Washington, D. C.:

Mrs. Keyes, 12 Pearl Hill Street, Milford, Conn., received a loan of forty-three seventy-five on a house she paid $6,000 for. A friend of Kennedy's, Mrs. Oakley, 13 Pearl Hill Street, directly across the street, on a house she paid $6,500 for (and was well worth it), could not get a loan of four thousand for it and lost her house. There are many loans made in Milford that I could list, but would take a little time. Mr. P. C. Riley was cut off as a searcher of titles because I believe he would not give certificates of titles as per orders. He was also cut off as appraiser for same reason. The hotel referred to is Laurel Lodge, 726 Bridgeport Avenue, Milford, 20 rooms, serving lodging and meals and banquets and advertising as hotel, and known to appraisers as hotel. I know that the signs on the building where we moved by negotiation for loan of $14,000, and I watched for them to be put back. They were put back in about 6 weeks. This hotel is mortgaged for fourteen thousand; is not worth over eight thousand. A friend, John J. O'Hara, 27 Thompson Street, Milford, informed me he went to Home Loan office to see about loan and was told by head appraiser, Mr. Horan, that if he wanted anything from that office he must get a letter from Jack Slavin. Mr. O'Hara went back to Mr. Horan's office the second time and asked if he understood correctly that he must get a letter from Slavin and was informed that was correct. Mr. Collins, manager of the Home Loan office, was notified regarding this matter and of many other loans that Horan had altered the appraisal. Mr. Collins looked some of them up and informed me that my statement was correct. The man Slavin referred to is a friend of Senator ———. He ran a gambling wheel at Walnut Beach until State police closed the beach up. He was a promoter of pole sitters. He is a promoter of carnivals and gets a rake-off on those. He had something to do with the President's ball a year ago. The profits, as shown, were $450. He received about $60 from this affair. Quoted by a local newspaper editor: One outstanding loan in Westhaven made to one McCoy for $14,000; property not worth over seven thousand. Some appraisers refused to appraise it. McCoy was the lawyer for the Home Loan; of the same family. The Home Loan are surely going in the real estate business in Connecticut, and at what a price!

LAWRENCE T. GALLAGHER.

You will notice from the information relating to the loan on the hotel that the H. O. L. C. is now the Hotel Owners' Loan Corporation. I am prepared to show that other loans were made on hotel properties; also loans on greenhouses and on chicken ranches.

I now read to you a letter from the United States Searching & Examining Co., 10 East Fortieth Street, New York City:

JANUARY 12, 1935.

DEAR MR. SWEENEY: I note by a newspaper clipping in New York City you are interested in an investigation of the Home Owners' Loan Corporation.

The H. O. L. C. has ruined this office by its vicious practices, and what I know about their thievery in New York would amaze you.

Very truly yours,

GEORGE F. KNEPPER, *Manager.*

I cannot go into all of these letters, some 280, but here is one from a young law student, a married man in New York, who qualified for a loan, but has been denied a loan on his property.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SWEENEY. This man was refused a loan. Part of his letter refers to this:

I want you to keep this fact a secret until some other day, because you might need it in the investigation. I have been asked for graft in the New York office because they thought I was a seaman. I do work at sea occasionally, but make my home in New York.

Mr. Fahey's recent statement to me and to two of my colleagues that 19 State managers were removed in less than a year and a half is ample justification for this investigation to determine why they were removed and the causes that led to their removal. Mr. Fahey also stated to me and my colleagues that in the State of Michigan $70,000,000 worth of loans had to be untangled. This is the expression he used, and is ample justification for an investigation.

I call the committee's attention to certain information received concerning the brother of a prominent Democratic politician—let me say this: I am a Democrat, and I think we ought to have the courage to clean our own house if there is something wrong. I know this is the philosophy of President Roosevelt. This man happens to be the brother of a prominent Democrat, a lawyer who, I am informed as shown by the character report, was in a financial jam in his home State out West, and the report showed he was in a financial jam because he had misappropriated some funds from an estate. He was a lawyer for the Home Owners' Loan Corporation, and he and another lawyer, who was a fellow employee, got a loan on a piece of property and secured the bonds without the manager's knowing a thing about it. This information comes to me from former employees of the H. O. L. C. and can be verified.

One of the most startling pieces of information that comes to me, which I told the Rules Committee—and the Government should be careful if it is true—is this: Many of these banks where they have established wholesale divisions, the liquidator or the receiver in many cases did not go to the court under whose jurisdiction they operated to get the consent of the court to allow him to put through these deals and negotiate with the Home Owners' Loan Corporation, a condition precedent required by law in most States.

If this be true, here is the position of the Government in my opinion. Later on, if this was done, and I believe it was done on a wholesale basis, any inferior lien or subordinate lien will become a prior lien and Uncle Sam will be holding

the bag, causing considerable financial loss to the Government.

Sooner or later you are going to investigate this Corporation, and I may say that in the short time I have been interested in the matter we have simply scratched the surface, but, from the information we have, I maintain there is a volcano of graft, maladministration, and inefficiency permeating throughout this agency in Washington, D. C., and throughout the country in practically every regional office, with some few exceptions. There are some fine, honest men who are operating in various parts of the country and are doing a pretty good job, but in the big cities they have this unnecessary delay, causing these poor people to make as many as 10 or 15 trips to the agency, to write 10 or 15 letters, to require them to deposit appraisal fees, and then receive the answer, "Your case has never reached the legal division." In many cases the applicants never received replies to their letters. It is common knowledge that many thousands of applicants had to appeal direct to the President of the United States for consideration of their applications; others had to wait in some cases over 1 year to get a report one way or the other on their application.

Mr. Chairman, I ask this Congress to urge the Rules Committee to report out this resolution without delay. Report out this resolution and determine, once and for all, if we are going to have the same corps of administrators handling the next authorization of bonds in the same way that they have done in the past 18 months.

We are told this is a government of, by, and for the people.

Yes; this is a government of the people, but, according to my observation, it is a government of the people—by the bankers and for the bankers. No wonder millions of our people are enrolling in the National Union for Social Justice, sponsored by Rev. Charles E. Coughlin, and other organizations, because they know the bankers have a stranglehold on many of the agencies of the Government, including the monetary system of the United States.

The Administrator of the H. O. L. C., I repeat, is John H. Fahey, former president of the United States Chamber of Commerce. He has shown his opposition to the resolution to investigate by failure to come before the Rules Committee since this resolution was referred to the committee January 11. If you call upon him for the number and the list of ineligible loans or illegal loans, you will get back the same answer that I got, and that is that we have examined 400,000 loans and only 11 were illegal loans. Do you believe that statement? [Applause.]

I am sure all of us are reasonable enough to allow for errors that can be properly attributed to human frailties and to lack of good business administration, but the statement made by the Chairman of the Home Owners' Loan Corporation that only 11 loans out of 400,000 made were found to be illegal is absolutely preposterous. This could only happen if we had supermen administering the affairs of this Corporation. From the experience of many Members of this House who have contacted the various agencies of the Home Owners' Loan Corporation, no such types of humans are in the employ of this agency of the Government.

One of my colleagues from New York testified before the Rules Committee that in many cases in his district truck drivers and laborers were employed as appraisers of real property, their selection being made on the basis of political influence rather than merit or experience in the particular field.

Several hundred letters have come to me from practically every State in the Union registering very serious complaints against the Home Owners' Loan Corporation.

The officials in charge of the Washington office have been obstinate, to say the least, in refusing to give the Members of Congress the information to which they are entitled concerning the operation of this Corporation. On January 8 of this year I made inquiry of the Home Owners' Loan Corporation of Washington as to the number of loans negotiated through the Wholesale Division established at Cleveland, Ohio. I was first told I could not receive such information as it was not available, and then referred to one Dr. Bell, who, I am advised, is a statistician for the Corporation. I specifically asked Dr. Bell for these data, and he replied that the figures were not available at the Washington office, and that he would have to send to Cleveland for them. He then asked me the purpose for which I desired the information. I mentioned that it was in anticipation of a resolution I was prepared to present to the Congress urging an investigation of the loans made in the Wholesale Division through banks that were in liquidation to individuals who were not in distress. Dr. Bell stated, "If I were you, I would not use that information; it might be embarrassing to the banks." I then replied, "For whom are you working, the banks or the United States Government?" Thereupon within 15 minutes this information was made available by telephone, and later a memorandum was sent to my office containing the material I requested.

On Thursday, February 14, I was informed that the Washington office of the Home Owners' Loan Corporation had a file denominated "Illegal and ineligible loans approved in the field." Upon receipt of this information I asked Mr. Childress, who, I am told, is a contact man for the chairman of the Corporation, if he would permit this file to be sent to me for investigation, so I could intelligently present this matter to the Rules Committee. I was assured by Mr. Childress that no such file existed, and, pressing my point further, I asked him to take up the matter with Mr. Fahey, chairman of the Board. On Friday afternoon, after the hearing was completed before the Rules Committee, Mr. Childress informed me there was such a file and that it would be available for my use shortly. To date I have not received this information, and in lieu thereof there came the letter to which I referred from Mr. Fahey, touching upon the number of lawyers who were compelled to resign, and the 11 isolated cases which he stated were illegal.

It is my opinion that an investigation should be had immediately, and that the investigating body appointed by the Speaker of the House should parallel the administration of the Home Owners' Loan Corporation and serve as a safety valve while this fund is being administered, to prevent maladministration in the future, that many of us are satisfied existed in the past and continues to exist to the present day. The Home Owners' Loan Corporation came into being at a time when hundreds of thousands of our people, owing to no fault of their own, were facing the cruel process of foreclosure. In the State of Iowa thousands of citizens gathered in the farm country, threatening death to the sheriff who would dare depose a farm owner or tenant farmer from his land. In the town of Bowling Green, Ohio, several hundred citizens stormed the courthouse to threaten a judge with the death penalty if he dared to sign a judicial decree evicting some citizen from his home.

Riots and disturbances were prevalent throughout the land. The Executive and the Congress, I am sure, must have felt the pulse of the Nation during those critical days. Had it not been for the creation of the Home Owners' Loan Corporation, the Nation would have been in a state of revolution if the banks and owners of mortgages insisted on demanding their pound of flesh.

It was the absolute intent of Congress, and I defy contradiction, that the sole test of eligibility was the distress of the applicant; if his property had been in actual foreclosure for some time prior to the passage of the act, or foreclosure was imminent as the result of delayed payments and interest. Then applicants immediately became eligible, provided, of course, that the property stood the test of a fair appraisal and the mortgagee would accept the bonds of the Home Owners' Loan Corporation.

I charge that there has been a complete negation of the intent of Congress, and that thousands of loans have been negotiated to individuals who were not in distress; that

appraisals have been rigged up for the benefit of the mortgagee to protect the difference between the market and the par value of the bonds; that many properties have been appraised three, four, and more times before a true value was reached, and that the applications of many deserving persons laid in dead-letter files for 6, 9 months, and in many cases a year before any report was given to the distressed home owner. Loans have been granted to employees of the Home Owners' Loan Corporation, who were receiving handsome salaries, and who could not by any stretch of the imagination be declared to be in distress, as contemplated by the Congress when passing this legislation. The base of this corporation should be broadened without delay by the authorization of more bonds to first assist those cases that have not reached the legal division for consideration, and second that a moratorium on the principal be extended to those individuals who were successful in securing loans, and that the payment of interest only be exacted until such time as these individuals out of employment and in distress are in a position to resume their regular monthly payments.

Hundreds of millions of dollars have been placed at the disposal of the banks, of railroads, and the large industries of the Nation in an effort to bring about a return of prosperity. This act and the act creating the Federal Farm Loan Corporation are the only two measures that were designed to aid the great mass of citizens of this country who suffer most in time of panic and depression. Now is the time to act to determine who is responsible for the administration of the affairs of this agency of the Government. It may be too late several months hence, and the Government may sustain a severe financial loss when the true story of the administration of the affairs of the Home Owners' Loan Corporation is written. [Applause.]

Mr. PARKS. Mr. Chairman, I yield to the gentleman from Indiana [Mr. CROWE].

Mr. CROWE. Mr. Chairman, ladies, and gentlemen of the Committee, I desire to call the attention of the House to a matter which is of great importance to the entire country. I believe that it is the one industry that is lagging the worst and it is retarding the ultimate recovery of the Nation. I refer to construction. Basing on 1923 to 1925 average, construction is now at the bottom of the list of more than 100 of the larger industries of the Nation, it being in December 1934 at the low ebb of 29.6 percent of the 1923 to 1925 average. A few of the other industries range as follows, and the figures that I am giving are employment figures:

	Percent
Quarries	42.1
Metals	44.4
Bituminous coal	79.7
Anthracite	61.6
Crude petroleum	78.7
Telephone and telegraph	69.7
Manufacturing	74.5
Wholesale trade	85
Retail trade	90.8
Power and light	83.6
Electric railroads and busses	71

BUILDING CONSTRUCTION

I believe that the building-stone industry is harder hit than any other industry, and in my opinion every building-stone district in the United States would be found by a survey to be among the lowest of any industry in the several districts. This matter that I am bringing to the House, while of interest to every man, woman, and child in the United States, is of particular interest to the Representatives in Congress of 64 districts, as building stone, either limestone, marble, or granite, is found in that many districts, and in addition to those 64 districts there are other building stones in other districts in the United States found in various States, including sandstone. Every Member of Congress from any district producing any building stone will be interested to know that the industry in his district is lagging worse than any other industry to be found in his district.

A survey of materials used under P. W. A. shows that from the beginning of that institution until the present time approximately $612,000,000 worth has been used. Of this amount all building stones used, including limestone, marble, granite, sandstone, and slate, only a total of $9,400,000 worth has been used. This is tremendously disparaging by comparison.

I take issue with departments that are cheapening construction of Federal buildings, thereby eliminating the more costly stones, such as granite and marble. That in turn reduces the quality of the buildings until less limestone and sandstone are used.

It is not my intention to find fault with the administration or with the bureaus or departments of the Government because of this disparagement and because of the lack of use of these good building materials. In my opinion, this administration is in the aggregate doing the greatest good to the Nation that it is possible to do, and I, in no sense of the word, am attempting to, and neither will I criticize the Chief Executive nor any of the departments. I would not fault the Good Shepherd who brings in the ninety and nine and overlooks one of the hundred. I prefer to compliment him for his being a good shepherd and bringing ninety-nine safely into the fold and then would offer my suggestions and help as to how to find the remaining lamb. I believe that this administration and all of its bureaus are entitled to a lot of credit. However, I think it is high time that attention be brought to the President and to the departments that would vividly bring to them the true condition of districts and communities where building stone is to be had.

My home is in the Indiana limestone district. I live in Bedford, Ind., which is in the heart of the Indiana limestone district. I have lived in that city for many years. I know all the operators of the district, and without exception, they are upstanding, outstanding men who have, through this entire depression, rendered every possible assistance to each employee in the entire stone belt, but with all of that, with their sharing work to everyone possible, with their spreading their work, with their keeping men on the pay rolls for weeks and months whom they could have very well done without during those long periods, yet, with all of that, there are several hundred, yes, thousands of idle men in our stone district.

I have just said that construction is the lowest of all the larger industries, being at the low ebb of 29.6 percent. The Indiana limestone district is at a much less ebb than that, and the employment in that district does not exceed 5 to 6 percent of the 1923–25 average. To further bear that out, I desire to quote some figures of car loadings of Indiana limestone district, beginning with the year 1928, with 25,304 carloads.

	Carloads
1929	23,831
1930	20,880
1931	13,608
1932	9,182
1933	6,891
1934	3,790

From these figures you can see the enormity of the condition as it exists there; and, mind you, of the shipments made the last year or two, much has come from stocks which have been carried over, so that the labor is even less in proportion than this would indicate. In 1928 approximately 10,000 people were employed directly in the stone business in the Indiana limestone district, and today less than 600 are employed in the same district. That is further evidence of the distress which we are experiencing there.

General information would indicate that quite the same lack of employment is to be found in almost every other building-stone district in the United States. If such deplorable conditions do exist in other building-stone districts and communities, undoubtedly it is high time that our Government, both in its own Federal buildings and in its other proposed work, gets back to a general use of our natural building stones.

I want to show here the deplorable condition of labor in my own community, Bedford, Lawrence County, Ind. A recent survey has been made of this county, and the survey in this county will compare favorably with the conditions in the adjoining Monroe County. These two counties constitute the major part of the Indiana limestone district. Lawrence County has a population of 35,000. The number of families on direct relief, 1,054; number of families on work relief, 1,041. On the rolls of applications for relief in Bedford alone, a town of 15,000 to 18,000, are to be found 4,000.

Further indications of our distress are as follows: Local No. 150, International Quarry Workers Union of North America, has a membership of 634; number working, 35.

Local No. 98, International Association of Marble, Slate, and Stone Polishers, Rubbers, and Sawyers, Tile and Marble Fitters Helpers, Mosaic and Terrazo Workers Helpers, has a membership of 485; total men working, 61.

Journeymen Stone Cutters Association of North America, Bedford local of stone cutters and carvers, has a membership of 398; total working, 15.

Bedford local of planermen has a membership of 285; total men working, 20.

Local No. 599, International Association of Machinists, has a membership of 80; total men working, 15.

Local No. 850, International Union of Operating Engineers, has a membership of 75; total men working, 5.

Local No. 26, International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, has a membership of 63; total men working, 4.

The above membership listed is 2,020, and the total available jobs for these groups are 155. These figures as of January 15, 1935, would be comparable with any figures that might have been taken at any time during the year 1934. The above figures have been carefully compiled by John W. McRae, president Central Labor Union, and John J. Conlon, corresponding secretary, and are based on careful figures tabulated from month to month during the past year.

I hope the Membership of the House and Senate, and particularly those Members and Senators who represent stone districts and stone States, would, as a unit, join in forcibly bringing this situation of unemployment in our stone districts to the attention of the President and to the attention of the departments engaged in Federal and public works and in Federal buildings; particularly should those districts which have stone in them be vitally interested in this work.

A year and a half ago I went to Mr. Ickes urging a resumption of Federal buildings, post offices, and so forth. I did it with the expectation that it would benefit heavy industry, which was then lagging tremendously. Many Members of Congress approved that action by their letters and their help. I believe now, as I did then, that our Government should set the pace throughout the Nation in our cities and towns by erecting good structures when they build. Our Federal buildings should not be built for a few years and with the intention of having them razed in 30, 40, or 50 years, but should be constructed for many years to come. Material used both inside and out should be of such as to promote long life, and not only built for long life and utility alone, but our Federal buildings should be outstanding structures, which would not become eyesores after a few years. A building properly built with limestone, sandstone, marble, or granite for exterior and with quality materials for the interior, if given any reasonable care, will last for ages and in the long run will be cheap for the Government.

We are bending every effort to relieve unemployment. To relieve unemployment in the fullest sense of the word can be best accomplished by the manufacture of goods which is used and when used goes into a permanent fixed use; that is to say, that cannot be sold and resold. In other words, stone going into buildings creates labor and then has a fixed place so that it cannot be shifted around and eliminate the use of labor for the next program.

Let me urge upon all Members of the House, and particularly those from building-stone districts of any and all kinds, that they unite together with the Senators from the stone-producing States, to lead a fight to bring to the attention forcibly to the administration the dire need and distress in which our building-stone districts find themselves today.

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD, and include therein copy of a bill, H. R. 4130, introduced by Mr. WILCOX; copy of a bill, H. R. 5064; copy of a bill, H. R. 2755; also excerpts from the treaty of limitation of naval armament, excerpts from the Nine Power Treaty, and excerpts from the Kellogg Pact, and a report of the Federal Aviation Commission.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. DIMOND. Mr. Chairman, what I am about to say today involves one phase of the question of national defense. The gentleman from Florida [Mr. WILCOX] introduced in the House on January 17, H. R. 4130, a bill to authorize the selection, construction, and installation of frontier defense bases for the Army Air Corps. The bill is as follows:

H. R. 4130

A bill to authorize the selection, construction, and maintenance of frontier defense bases for the Army Air Corps

Be it enacted, etc., That the Secretary of War is hereby authorized to locate and establish for the use and occupancy of the Army Air Corps on sites to be selected by him on land now owned by the United States or hereafter, under the authority of this act, to be donated to the United States, 10 military posts to be known as "frontier defense bases", 1 such post in each of the following areas as indicated below:

(a) New England area, in Maine, New Hampshire, Massachusetts, Rhode Island, or Connecticut.

(b) Southeastern Atlantic area, on the South Atlantic coast in the State of Florida.

(c) Gulf of Mexico area, in Louisiana or Texas.

(d) Southwestern Pacific area, in the southern part of California.

(e) Central Pacific area, in the State of California, north of San Jose.

(f) Northwestern Pacific area, in Oregon, Washington, or Idaho.

(g) Great Lakes area, in New York, Ohio, Michigan, Illinois, or Wisconsin.

(h) Alaskan area, in the Territory of Alaska.

(i) Panama Canal area, in the Panama Canal Zone.

(j) Rocky Mountain area, in Utah, Colorado, or Wyoming.

SEC. 2. The Secretary of War is further authorized and directed to construct, install, and equip, or complete the construction, installation, and equipment, at each of said posts such buildings and utilities, technical buildings and utilities, landing fields and mats, and all utilities and appurtenances thereto, including removal of existing quarters, grading, drainage, roads, walks, aprons, docks, runways, ammunition storage, sewer, water, power, station and aerodrome lighting, telephone and signal, fuel storage, and fuel distribution systems, transportation of personnel, and purchase, renovation, and transportation of materials, as in the judgment of the Secretary of War may be necessary to provide an air base for one wing consisting of one bombardment group and one coast-defense group, or the equivalent thereof: *Provided*, That the landing fields of each such base shall be constructed so as to be able to accommodate in an emergency at least 1,000 airplanes, and the cost of each such base shall not exceed the sum of $19,000,000.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act, not to exceed in all the sum of $190,000,000; and the Secretary of War is hereby authorized to accept on behalf of the United States, free of encumbrances and without cost to the United States, the title in fee simple to such lands as he may deem necessary or desirable at each of said sites to accomplish the purposes of this act: *Provided*, That the provisions of section 1136, Revised Statutes (U. S. C., title 10, par. 1339), shall not apply to the construction of the aforesaid bases.

I wish there could also be inserted in the RECORD for the information of the Members the statement made by Mr. WILCOX before the Committee on Military Affairs. This statement was so clear, so lucid, so comprehensive, so temperate, so entirely free of all narrow or sectional or partisan color that it is well worth the attention of every Member of this House who is interested in the question of the proper defense of the United States. Included in the bill is provision for the establishment of an air defense base in the Territory of Alaska, and it is of this that I wish to speak

today; and in talking about Alaska I do not intend to minimize the equal, perhaps the even greater, need for the establishment of air bases in other parts of the United States; but I desire to point out, if I can, the fact that one such base and other military and naval defensive works should be installed without delay in the Territory which is my home.

May I also take this occasion to thank the gentleman from California [Mr. DOCKWEILER] for his study of the subject and for having introduced H. R. 5064, looking toward the establishment of an air base in Alaska. The bill reads as follows:

H. R. 5064

A bill to establish a United States Army air base in Alaska to provide a supporting Army air base at a favorable and strategic location for the protection of the North Pacific and Alaskan coasts and coast cities

Be it enacted, etc., That the Secretary of War is authorized and directed to acquire by donation, purchase, or condemnation such land in Alaska as he may deem necessary and suitable for the establishment of an air depot. If any donor is unable to perfect title to any land tendered as a donation, the Secretary of War is authorized to institute condemnation proceedings to acquire such land in the name of the United States.

SEC. 2. There is authorized to be appropriated not to exceed $4,000,000 for the establishment on such land of a United States Army air depot by the construction and installation of (1) the necessary technical buildings and utilities and appurtenances thereto, including depot shops, depot warehouse, and other storage facilities, hangars, railroad spurs, paved aprons, night lighting system, and improvements to landing field and runways; and (2) the necessary housing and operations buildings and utilities and appurtenances thereto, including an administration building, officers' quarters, officers' mess, noncommissioned officers' quarters, dispensary, quartermaster's warehouse and maintenance and salvage building, quartermaster's gasoline storage, fire and guardhouse, and gymnasium.

Just as the invention of gunpowder destroyed feudalism, so the invention and development of the airplane as an instrument of combat has destroyed all of the settled conceptions of warfare. Nations that formerly felt themselves safe through isolation against attack by water or rugged mountain chains or other natural defenses or by forts and fortifications, now find themselves just as vulnerable as though such defenses did not exist. This vulnerability, of course, lies in the speed and the power and the offensive force of airships. For example, Great Britain used to feel herself safe from attack by virtue of the fact that the nation was encompassed by the ocean on every side, and of that ocean she had full control through her overwhelmingly powerful fleet. But now Great Britain, like the nations on the Continent of Europe, knows that she may be attacked and destroyed despite the fact that she is separated from continental Europe by water. And so a few days ago we find this change in strategic position admitted and, indeed, asserted by a responsible statesman of the British Empire, Mr. Stanley Baldwin, when he said in words or substance that Great Britain's defensive position was no longer at the channel but on the Rhine.

This merely illustrates what I have to say concerning the strategic position of the Territory of Alaska, when we consider the problem of national defense. A few years ago the distance of 700 miles intervening between Alaska and the continental United States would have been considered a barrier sufficient to render hopeless any possible damage by a hostile power. But under present conditions 700 miles can be covered very quickly by an airplane, and so an enemy in possession of Alaska is within easy striking distance of the continental United States, and the rich cities and the vast forests of the Pacific coast would be open to attack and possible destruction. In order to discern the value of Alaska as a defensive outpost of the United States, one has only to casually inspect a globe or a chart of the north Pacific Ocean and consider the relative distances between the continental United States and the countries that lie on the other side of the Pacific Ocean. In order to make the point clearer, it is necessary to consider these spaces for a moment:

The distance from Seattle to Yokohama by the great-circle route—that is, the shortest route—is 4,924 miles, and the distance from San Francisco to Yokohama by the great-circle route is 5,233 miles. I have here a great-circle chart of the North Pacific Ocean showing Seattle, San Francisco, the Aleutian Islands, and the Japanese Archipelago, as well as parts of Siberia and China. This chart is so drawn that, although the distances on it are distorted, a straight line on the chart represents the shortest route between any two points thereon. I have drawn here a straight line from Yokohama, putting it far enough south to avoid the Aleutian Islands, and we find that this line strikes the coast of the continental United States near the boundary line of the States of Oregon and California. If one went direct from Seattle to Yokohama by the shortest route, the line would pass through the Aleutian Islands. In fact, ships sailing to Seattle from Yokohama or from Yokohama to Seattle could shorten the journey materially by going north of some of these islands. This is seldom done by reason of the fogs frequently encountered in that region. The great-circle route—that is, the short route—between San Francisco and Yokohama would pass about 276 statute miles south of the Aleutians. When we consider the distance between the Aleutians and Honolulu is 2,356 miles, we know that the short route from San Francisco to Yokohama passes more than 2,000 miles north of the Hawaiian Islands.

The Hawaiian Islands have been said times without number to be, from a military and naval standpoint, the key to the Pacific. And they are, indeed, one of the keys to the Pacific if any one place or situation or island can be said to be a key to that vast body of water when considered in relation to the defense problems of the continental United States. But let us compare distances. As I said a moment ago, the shortest line from Seattle to Yokohama, passing south of the Aleutians, embraces 4,924 miles; but if one proceeds from Yokohama to the nearest point in the continental United States by way of the Hawaiian Islands, the distance is 6,316 miles, or 1,392 miles longer than the great-circle route between the Pacific coast of the United States and Yokohama. It is obvious, of course, that in case of an attack upon the United States the enemy will not follow the longer and more heavily fortified route, but will take the shorter route which at the present time has no defensive works whatsoever. The distances to be traversed in going from one point to another in the north and central Pacific are very material to our problem. Starting from Seattle, which is the largest city in the northwest part of the United States, the distance between Seattle and Ketchikan is 747 statute miles; the distance between Seattle and Juneau, the capital of Alaska, is 1,019 miles; the distance between Seattle and Seward, the seaport terminus of the Alaska Railroad, is 1,419 miles; the distance between Seattle and Dutch Harbor is 1,966 miles; the distance between Dutch Harbor and Attu, the island of the Aleutian chain which is nearest to Asia, is 810 miles; and the distance between Attu and Chishimo Netto, the latter being the northernmost island of the Japanese Archipelago, is 696 miles, and to the much larger Paramushiru, 20 miles more. The distance between Dutch Harbor and Yokohama is 2,933 miles. One further distance is important in our study of this region, and that is the distance between Dutch Harbor in the Aleutian Islands and Honolulu, and that distance we find to be 2,356 miles. All of these distances are stated in statute miles and not in nautical miles.

Is it not obvious that an enemy moving across the Pacific would not come by way of Honolulu, or within 2,000 miles of it, but would rather first strike, invade, and take Alaska at one gulp, for at the present time Alaska is absolutely undefended by any military force or installation of any kind, except a company of infantry stationed at Chilkoot Barracks, in the southeastern part of the Territory, a force that is not sufficiently powerful to be of any use against a foreign attack. Once the enemy is in possession of Alaska, Hawaii could be ignored, because Alaska would be on the inside strategic line. I think it will be admitted that if a foreign power should take

possession of Alaska billions in money and probably thousands upon thousands of lives would be required to expel him. Why take that chance?

If the Hawaiian Islands were situated closer to Alaska, the story would be a different one, for then Alaska could be taken care of and adequately defended from Pearl Harbor. But that is not the case. We must remember at all times that more than 2,300 miles intervene between Pearl Harbor and the nearest point in the Aleutian chain, which is the nearest point in Alaska. We have seen a moment ago that the distance from Ketchikan, situated in the extreme southeastern tip of Alaska, to Seattle is only 747 miles and that the distance between Seward, on the southern coast of the mainland of Alaska, and Seattle is 1,419 miles. Hence with modern high-speed military planes the northwestern part of continental United States is within easy striking distance by airplanes from the entire southern coast of Alaska.

I am assuming in all this that the fortifications already installed at Honolulu are justified. There is hardly a person in the United States who does not feel that they are more than justified and that those defensive installations should be vastly increased. I am not asking that any part of the defensive armament of Honolulu should be transferred to Alaska, for I well realize that it is folly, from a military standpoint, to have a string of weak posts which can be easily overcome in succession and that it is much better and sounder to have one really strong post. The point is, however, that if the defensive works at Honolulu are justified or justifiable, then, in the same degree, considering the strategic position of Alaska with respect to the continental United States, similar installations in Alaska are required. These installations should include a great naval base in the Aleutians and at least an air defense post on the continent of Alaska.

I have introduced in the House H. R. 2755, to establish such a base in the interior of Alaska at a point to be chosen by the military authorities. The only rational criticism that can be offered to my bill, as I view it, is that it is too modest in its requirements and calls for too small a force. It contemplates the setting up in Alaska of a composite group of 100 planes and infantry and artillery to the number of about 2,500. This post would at least, although not large enough, be capable of measurably protecting Alaska, and thus the United States, from any except a very large hostile force.

At this point, under unanimous consent, I offer for the RECORD, H. R. 2755, as a part of my remarks:

H. R. 2755

A bill to provide more effectively for the national defense by augmenting the military garrison and establishing military utilities in Alaska

Be it enacted, etc., That the President is hereby authorized to establish a military base and air field near Fairbanks, Alaska, or at such other place in Alaska as he may select, and such other military air fields and utilities in Alaska as he may deem necessary or desirable.

SEC. 2. There is hereby authorized to be appropriated not to exceed $10,479,500, to be expended for the construction and installation at a military base and air field near Fairbanks, Alaska, or at such other place in Alaska as may be selected by the President, of such buildings, utilities, and appurtenances thereto as may be necessary, as follows: Officers' quarters, $3,405,000; noncommissioned officers' quarters, $2,600,000; barracks, $1,883,000; boathouse, $40,000; hospital, $300,000; guard and fire houses, $80,000; incinerator, $15,000; quartermaster maintenance building, $35,000; quartermaster warehouses, $120,000; quartermaster gasoline storage, $10,000; post exchange buildings, $70,000; gymnasium buildings, $150,000; chapels, $100,000; sewage-disposal plant, $80,000; enlisted men's service club, $60,000; headquarters building, $150,000; laundry, $125,000; telephone construction, $60,000; bakery, $30,000; theater, $50,000; children's school, $80,000; ordnance warehouse, $75,000; magazines, $50,000; officers' mess, $60,000; improvement to building area, $200,000; railroad spur, $25,000; ice storage, $50,000; garage and gun sheds, $175,000; reservation fence, $25,000; water supply, $150,000; electric light and power plant, $125,000; flagstaff, $1,500; coal-storage silo, $100,000; total, $10,479,500: *Provided*, That the President is hereby authorized to set aside for a military base and air field near Fairbanks, Alaska, and for military bases and air fields at such other places in Alaska as he may designate, such portions of the public domain as he may deem necessary or desirable: *And provided further*, That the Secretary of War accept on behalf of the United States, free of encumbrance and without cost to the United States, for a military base and air field near Fairbanks, Alaska, and for military bases, air fields, and utilities at other places in Alaska, the title in fee simple to such lands as he may deem necessary or desirable.

SEC. 3. There is hereby authorized to be appropriated not to exceed $5,397,000, to be expended for the construction and installation at a military post and air field near Fairbanks, Alaska, or at such other place in Alaska as may be designated by the President, of such technical buildings, utilities, and other appurtenances thereto as may be necessary, as follows: Hangars, $2,474,000; operations building, $75,000; radio building, $12,000; photo building, $50,000; gasoline and oil storage, $25,000; ramps, $250,000; paint, oil, and dope storage, $15,000; night lighting system, $20,000; paved apron, $220,000; improvement to landing field and runways, $500,000; camera obscura, $5,000; air-depot shops, $1,000,000; air-depot warehouse, $750,000; total, $5,397,000.

SEC. 4. There is hereby authorized to be appropriated not to exceed $1,000,000, to be expended for the construction and maintenance of such additional military air fields and utilities in Alaska as may be necessary or desirable for the national defense, the same to be located at such places in Alaska as the President may determine.

SEC. 5. There is hereby authorized to be appropriated annually the sum of $25,000, to be expended by the Secretary of War, under the direction of the President, for such studies and examinations as may be deemed necessary and such special contingencies as may arise in connection with the military defense forces and facilities in Alaska.

SEC. 6. The authorized commissioned and enlisted strength of the Regular Army shall be increased by 230 officers and 2,200 enlisted men.

SEC. 7. That the number of airplanes authorized to equip and maintain the Air Corps by section 8 of the act of July 2, 1926 (44 Stat. 784), is increased by 100 serviceable airplanes.

There is another sound argument for the establishment of an air defense post in Alaska, and that argument lies in the necessity of giving our Army pilots experience in subarctic or cold-weather flying, an experience which is almost entirely lacking at the present time. I remember well that when the famous Col. Carl Ben Eilson, the man who, with Wilkins, flew across the arctic from Point Barrow, Alaska, to Spitzbergen, was lost on the northern coast of Siberia. We did not know for several months what had happened to him. All available commercial planes were sent out to search for him, and then the authorities in Alaska asked for the aid of some Army planes. The answer was that the Army had no planes capable of operating in Alaska during the wintertime.

It cannot be certain that the next war in which we are unfortunate enough to be engaged will be fought in sunshine, in clear weather, and in a temperature of 70 or 80 or 90 degrees. It may be that the enemy will insist upon moving in the wintertime. Surely we ought to be prepared—our pilots ought to be prepared to operate under all sorts of conditions. The commercial airmen of Alaska have no difficulty in operating even in temperatures as low as 60 degrees below zero; flying is carried on almost every day in Alaska, both winter and summer. The Army Air Corps ought, at least in equipment and facilities for flying, as well as in training, be equal to the commercial operators of the United States, including those of Alaska.

Moreover, the Army Air Corps in Alaska would be able to carry on experiments looking toward safer flying under cold-weather conditions. There is much to be learned in this direction yet. Perhaps you do not know that in ordinary winter temperatures in Alaska it is necessary to drain the oil out of radial motors, or any other motors for that matter, within 15 minutes after they are stopped; otherwise the oil would congeal and it would be impossible to start them. A large improvement remains to be done with respect to skis. The skis in Alaska are practically home designed. They might be refined, made stronger and better, and perhaps an apparatus could be devised whereby they could be drawn up within the stream line of the machine itself. There is a vast field to be explored with respect to the problem of keeping the wings of an airplane clear of ice and snow in bad weather. Several experiments have been carried out along that line, but none has been entirely successful. I anticipate that the day is not far distant when this may be accomplished, and then the safety of air transportation, in peace as well as in war, will be materially advanced. Then

pilots may fly through snow and even sleet without imminent danger of being weighted down by the ice and thus crashed or at least forced to land under adverse conditions.

Alaska is worth defending, not only because its possession by an unfriendly power would be a constant threat to the United States, but because its developed and its potential wealth may well awaken the greed of a nation not possessing its resources. In this connection it is not amiss to state that Alaska produces five-eighths of all of the canned salmon produced in the world, on the average, about 250,000,000 pounds per year. The Territory has already produced approximately $500,000,000 in gold, and it is likely that an equal amount will come out of its ores and gravels within the next 50 years. It is a vast storehouse of coal. With respect to its timber, a careful and conservative estimate has been made that the Territory can produce a million tons of pulpwood in perpetuity. Its fisheries, other than salmon, are rich and extensive. There is plenty of copper in the Territory; there are vast amounts of iron, although under present conditions it cannot be produced to compete with the iron ores of the continental United States.

In addition to this, and perhaps more important as a potential resource, Alaska has, according to the report of the Bureau of the Census, approximately 40,000,000 acres of agricultural land, an area larger than that of many of the States, an area capable of sustaining in comfort at least 1,000,000 people.

Considering the really illimitable resources of Alaska, one can well understand how it might be a temptation to the avarice of a country much poorer in natural resources, limited in territorial extent and practically overflowing with people.

Now it may be claimed that the defense of Alaska would be an aggressive step on the part of the United States. But such a claim would be the very reverse of the truth. The people of the United States, thank Heaven, do not look for the acquisition of territory; do not desire to bring any other people in subjection to them. This statement is justified by all of our actions in the last few years. We have withdrawn from Nicaragua; we have moved out of Haiti; we have given over our right to supervise to some extent the Government of Cuba; Congress has recently passed an act to grant to the Philippines the independence which they then desired. Military and naval installations in Alaska would, in proportion to their strength and power, guarantee the peace of the Pacific on this side of the ocean at least. I am not sanguine enough to believe that we can do anything to maintain peace on the other side of the Pacific, for the papers almost every day bring to our attention the aggressive acts of another power which now throws its shadow over the entire Orient. Anyone who claims that the defense of Alaska would be aggressive in its very nature, or aggressive at all, is simply blind to the whole thought and spirit of the United States and leaves out of consideration the eternal fact that the best guaranty against unwarranted attack is strength to defend.

No longer can we say, as was said some years ago, that there is no necessity of a standing Army and no need for a Navy because a million free men could spring to arms overnight. We know, upon consideration, that the million free men would be helpless and powerless in the fact of a well-prepared foe. A mob, except in rare instances, has never been known to fight successfully because it has never known how to fight. The history of the world is full of instances where untrained citizen-soldiers have gone down to defeat and to death before a much smaller disciplined force.

Now it may well be asked what is the need for such defensive works, what enemy threatens us, what is our danger? It may be said, and I suppose it will be said, that it is just a waste of money to enlarge the Army, to build up the Air Corps, to strengthen the Navy, to install in Alaska an air-defense base, to increase the strength of the one in Honolulu, or to either build new ones or increase the strength of those in the United States. But there is always a threat. In a world such as ours, as long as we are undefended our very wealth constitutes a constant temptation to a nation or nations seeking to enlarge its dominion and bent on conquest. Unless we are blind to events which have transpired on the other side of the Pacific during the last few years, I believe we must be convinced that there is a power, which under its present leadership is a constant menace to every nation that has any resources or territory worthy of occupation. I refer to the Empire of Japan.

Let us review recent history and see what it shows us. In 1922 the United States entered into several treaties with Japan and other nations. One of them was the Treaty of Limitation of Naval Armament, signed on February 6, 1922, wherein the United States, then the leading Nation of the world in naval armament and soon to have overwhelming superiority on the sea, voluntarily sacrificed its prime position in an attempt to guarantee the peace of the world. We really sacrificed ships where other nations, in many instances, merely sacrificed plans and blueprints. Among other things we agreed not to fortify the Aleutian Islands. It must have been recognized at that time that the Aleutian Islands and Alaska constituted at least one of the keys to the Pacific. It was our territory and there was no natural reason why we should have, even to this extent, given up our sovereignty over this portion of Alaska other than to show to the world how much we valued peace and to set to the world a good example. So we find in article XIX of the treaty the following:

> The United States, the British Empire, and Japan agree that the status quo at the time of the signing of the present treaty, with regard to fortifications and naval bases, shall be maintained in their respective territories and possessions specified hereunder: (1) The insular possessions which the United States now holds or may hereafter acquire in the Pacific Ocean, except (a) those adjacent to the coast of the United States, Alaska, and the Panama Canal Zone, not including the Aleutian Islands, and (b) the Hawaiian Islands.

This means, so far as the matter under consideration at present is concerned, that we waived during the life of the treaty our right to install defensive fortifications in the Aleutians. I do not know why such a demand should have been made of us or why it should have been acceded to except from our very commendable motive of setting a good example to all of the nations of the earth. This treaty, by its terms, is in force until December 31, 1936. Until that time we are absolutely barred by the provisions of the treaty from installing any works in the Aleutians. However, we all know that last December Japan denounced the treaty and refused to be bound by its terms after the normal date of its expiration. That at least is one proof that the Empire of Japan is not willing to make any sacrifice in the interest of peace.

In 1922 the nine-power treaty was signed. This was the treaty entered into between the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands, and Portugal. The treaty in article I contains the following:

> The Contracting Powers, other than China, agree:
> (1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China.
> (2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.
> (3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.
> (4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

Then we all remember the treaty for the renunciation of war, usually known as the "Kellogg Pact." This was signed on the 27th day of August 1928. The nations which signed the treaty originally were the United States, Germany, Belgium, France, Great Britain, Canada, Australia, New Zealand, South Africa, the Irish Free State, India, Italy, Japan,

Poland, and Czechoslovakia. The treaty, however, contained provisions by which other States might also agree to it. The language in this respect was as follows:

This treaty shall, when it has come into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adherence by all the other powers of the world. Every instrument evidencing the adherence of a power shall be deposited at Washington and the treaty shall immediately upon such deposit become effective as between the power thus adhering and the other powers parties hereto.

Now, what was the purpose of this treaty? The purpose of it was to prevent war, if war could be prevented, and it was hailed at the time as ushering in an era of universal peace. By articles I and II of the treaty, the nations condemned recourse to war for the solution of international controversies and renounced it as an instrument of national policy in their relations to one another. Articles I and II of the treaty expressing its purpose and the gist of its agreements are as follows:

Article I

The High Contracting Parties solemly declare in the names of their respective peoples that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

Article II

The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Although China did not sign the treaty originally, it promptly adhered to it and thus it became binding on the other nations with respect to China just the same as if China had been one of the original signatories thereto.

We all know what has happened with respect to these treaties so far as China is concerned. Japan has treated them as scraps of paper, and they have indeed been scraps of paper to protect China against the aggression of the Empire of Japan. In the nine-power treaty we have seen that Japan agreed to respect the sovereignty, the independence, and the territorial and administrative integrity of China, and yet we know that since 1931 Japan has annexed, to all intents and purposes, a vast area of China, an area notable for its resources and for the richness of its soil. We can all vividly remember under what circumstances this act of aggression was carried out, how day by day we were met with declarations from the Japanese Government that no aggression was intended and no annexation would be permitted. The responsible ministers of that Government declared over and over again that the troops were being withdrawn and that the Government did not intend to permanently occupy any part of China. And we know, too, what the result has been—the puppet state of Manchukuo has been established, governed in every detail by the Japanese. Thus I say, so far as the nine-power treaty is concerned, it is to Japan merely another scrap of paper.

The same can be said with respect to the Kellogg Pact. Every promise contained in that pact has been violated by Japan with respect to China. Nobody is credulous enough to be deceived by the explanations that have been made by the Japanese Government.

During the time that Japan was moving into China, overrunning Manchukuo and setting up its puppet state, our then Secretary of State protested against it; called the attention of the Japanese to the nine-power treaty and to the Kellogg Pact; called the attention of all the world to the policy of the "open door" which had been agreed to by the great nations of the world, including Japan, with respect to China. In fact, these reminders finally became so sharp that many people feared we would become involved in a war in the Orient; and we would have become involved if we had maintained what we conceived to be our rights. Fortunately—fortunately, I say—in spite of the results to China, we withdrew in time, and we have given over at this day all of our claims to equal treatment in China, and, indeed, in the entire Orient. We have definite established rights that were overridden and ignored; and we were told, in substance, at least, if not in words, that if we did not like what Japan did we could fight it out. We chose not to fight it out, and I, for one, think it was a wise decision.

We also know what has happened since Japan has occupied Manchukuo—how our commerce has been affected in that region until at the present time the only thing we have to look forward to in China is an almost complete termination of trade. A few days ago, in Time, news magazine, we were reminded of the famous, or rather infamous, 21 demands that were made upon China by Japan during the year 1915, when Mr. Wilson was President and Mr. Bryan Secretary of State. The Associated Press correspondent in Pieping discovered it somehow—it was probably revealed to him by Chinese Government officials in the hope of securing help from the United States. He cabled this amazing news to the Associated Press Service in the United States, and Mr. Bryan immediately went to the Japanese Embassy in Washington and made inquiry, and was told by the then Japanese Ambassador that there was not a word of truth in it. Later, according to this account, it was proved that the demands had been made, and Mr. Bryan asked the Ambassador why he had lied to him, and the answer was, "Because, Your Excellency, those were my instructions."

Just a few days ago the press carried columns of news matter telling of the advance of the Japanese Army beyond Manchukuo in the territory belonging to China, and these advances were accompanied by the same suave assurances that no aggression was intended and no annexation would follow. Of course, we have learned now how little credence may be placed in the assurances of the representatives of Japan.

Still, I suppose we ought not be surprised at such policies, a policy of aggression accompanied by the usual falsehoods stating the rectitude of the intentions and the humanity of the aims of the aggressor. Such conduct is probably as old as the human race and no one has stated the philosophy of it more clearly than one Niccolo Machiavelli, who was born in the year 1469 and died in 1527.

This brilliant and cynical Florentine, in his work The Prince, praises as being particularly favored of fortune and as being particularly certain of success those rulers who rely not so much upon power as on skill in simulating and dissembling. Machiavelli tells us that he who wishes to deceive will never fail in finding willing dupes; that while a prince should have all of the good qualities, it is at least essential that he should seem to have them; and the writer praises, perhaps, ironically, a monarch of that time who always preached peace and good faith although a mortal enemy to both.

No; Japan did not invent this policy of attempted deception accompanied by heartless conquest, but we can truly say, I think, that Japan has exemplified all of the graceless scoundrelisms in foreign policy so commended by Niccolo Machiavelli. Japan apparently is ready and willing, and, indeed, eager to sign any kind of a treaty of peace and concord with any or all of the nations of the earth, doubtless intending at the same time to pay no more attention to such treaties than as if they were in truth and in fact veritable scraps of paper. The bold and brazen violation of the nine-power treaty and of the Kellogg Pact proves to the utmost the statement I have just made. And now this same Empire has the brazen effrontery to suggest that we make another treaty with her for limitation of armaments and to promote the peace of the world. Every few days the press contains what is very evidently a propaganda story or a news article in which, directly or indirectly, the desire of the Japanese Government is expressed to avoid a naval race, to prevent the installation of further fortifications anywhere, and generally to promote peace. I hope that we have not so far failed in our mental powers and in our understanding as

to make another treaty with her on any subject until her Government goes into the hands of men of different spirit. Men who, like ourselves, are not bent upon conquest and really have a desire to have peace and harmony with all nations.

But we should not be too critical of the Japanese. Our own situation is so fortunate, with our vast territories and our equally vast resources, that it is hard for us to understand or in any event to fully realize the situation of a people who are too many in number and perhaps too great in spirit to be permanently confined on a few small islands off the coast of Asia. Under the same circumstances, perhaps, we, too, would resolutely decide to enlarge our territory at any and all costs and, perhaps, having reached such resolution, if we were not able to accomplish our ends by force we would then resort to Machiavellian guile.

There is no ground in all of this to hate or detest or despise the Japanese. I, for one, do admire their accomplishments. But there is a point, there is a sound reason for calmly considering what the Japanese have done and to picture their actions truly in our own minds. The fact—and I think no one can doubt that it is a fact—that we have on the other side of the Pacific a nation whose territories are within 700 miles of ours, ruthlessly bent upon expansion, upon the acquisition of other lands rich in resources—these facts, I say, ought to impel us to take proper measures to defend what is our own.

We have already been commercially practically kicked out of the Orient by Japan, and our rights guaranteed by treaty are being daily denied to us. Owing to the insistence of the Filipinos that they be granted their independence—and perhaps influenced by other motives—we are withdrawing from the Far East. But let us not retreat beyond the natural line of defense of our own territories, and that line of defense, since we are retreating from the Philippines, lies through Hawaii and Alaska and at its lower end protects the Panama Canal, which is so vital to our natural safety. We have retreated far enough, and on this line of defense is it not the part of wisdom to install defensive posts that may humanly be considered impregnable, and is it not a part of wisdom to greatly strengthen the defensive works of the Hawaiian Islands and to install defense posts, both naval and military, in the Territory of Alaska.

Honolulu is said to be the key to the Pacific. Let us change the figure and say Honolulu is the door to the continental United States and to the Panama Canal, but the map will show you that it is only one of the doors; the other door is Alaska. What is the use of locking one door and leaving the other open? And that is the precise situation at the present time. The Honolulu door is closed by the defenses of Pearl Harbor, but the Alaska door is wide open. And it is only too obvious that a hostile force moving across the Pacific would avoid Hawaii entirely and seize the coast of Alaska and as much of the mainland as required and then defy us to put them out, at the same time establishing there speedily a base of attack upon the northwestern and western part of the continental United States.

Common sense shows us that we cannot defend a city or a place by sitting down on it and putting all our defensive works there. Our defense lines, by all the elementary rules of strategy and of common sense, must be in advance of the place to be defended if the establishment of such lines is possible. So far as the continental United States is concerned, the natural defense line in the Pacific runs through Hawaii and the Aleutians.

It is the ardent hope and desire of all of us that we never again have war. To us war is so horrible that we hate even to think of it. The question is, How can we best guarantee the continuance of peace for ourselves. It is so true that it is almost an axiom that the best guaranty of peace is a power and ability to defend one's self. Surely, it must be plain to everybody that we cannot depend upon the altruism and the humanity and the good intentions of all the people in the world. A proper measure of defense is a very necessity for the maintenance of our peace, otherwise the peace that we enjoy is—

> Such peace as comes
> 'Twixt the lion's spring and the crunch of teeth,
> 'Twixt the rifle's click and the rush of the ball,
> 'Twixt the dying atheist's negative,
> And the God-face waiting after all.

Mr. PARKS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAVERICK].

Mr. MAVERICK. Mr. Chairman, today I want to speak on the various military bills, first, on the appropriation bill, second, on the Thomason bill to increase the Army, and third the McSwain bill to take the profits out of war.

All of these bills will be considered, I understand, in the next few days; and I think it wise to have a policy of national defense—not national offense.

The appropriation bill has been thoroughly discussed. The question has arisen, on the Thomason bill, whether the increase should be at the discretion of the President or mandatory. My opinion is that, if we pass this bill, that the provision concerning the increase in the Army should be mandatory. If it is not mandatory we should leave it out, because when it is not made mandatory it is like passing a bill making a law and then making it optional with the prosecuting attorney as to whether he shall enforce it. So I would rather it would be left out altogether, if it is not according to the wishes of Congress. If Congress passes a bill, let it take the responsibility and not pass the buck.

Now, the McSwain bill, I believe, is the most important bill that we have before us, because the other bills are more or less routine.

Concerning our status as a nation, I start with the premise that a nation that will not fight is not going to exist; that that nation will pass out of existence. But I also take the position that if a nation puts itself in the hands of war profiteers, munition makers, international bankers, and interests desiring only a profit it will also pass out of existence. Such a nation will fight itself to death. There is a reasonable medium of intelligence in between. We have heard about the big nations that had many soldiers. Insofar as they were originally constituted, or insofar as their form of government is concerned, they are out of existence now. The British Empire did not have a big army, and it still exists. Russia, which had some 10,000,000 soldiers, had a revolution right in the middle of their war and their military concentration.

I fear some of the Members who have spoken more or less have the jitters. I hope the jitters do not become national. I do not want to talk about any foreign nation at all, because we have friendly nations to the north and south of us and friendly oceans on both sides of us. At the same time, I must admit that we must have national defense. But I am not afraid of the Communists or Anarchists. I am not afraid that our college students will forget what they learned from their fathers and mothers, nor that they will tear down our institutions. I am not afraid that this Congress will change itself into a Reichstag and give up all its parliamentary powers. I think the Members here—Farmer-Laborites, the Republicans, Progressives, and the Democrats—are all good patriotic men, and I do not fear for any of them. Instead of making unfriendly remarks about foreign nations, let us build our own country. The Communists are not going to overthrow our Government, which is the strongest in the world. I am sure the patriotic Americans can take care of themselves.

When we talk about war, we ought to talk about it in a truthful way. Candor compels me to say that every war that has been fought has been fought for trade, money, avarice, and gain. The Arabian shiek who went across the desert for war did so because he wanted something. When we went into the World War we did not go into it because the soldiers wanted anything or the common people wanted anything, but the international bankers, the munition makers, and profiteers in general did want something. And

British propaganda was cleverer than German propaganda. We did not have any business in that World War. The best thing to do about war is to stay out of war, and then you do not have pensions to pay and you do not have to worry about veterans and you do not have the Economy League or any of the things we have to talk about today. We are paying for this World War, and our descendants will be paying for generations.

I came up here to talk about the history of all wars, but the time is short.

I remember, when I was at college, we were reading Shakespeare, and up came a story about old Brutus and Caesar. I found out that Brutus was an international banker. They owed him a lot of money down in Greece and different places, so he was always up to tricks. He was an international banker, just a common ordinary grafter. I trust his descendants will not sue me for libel. I do not mean that all international bankers are grafters, but some of them are. Then, when you go through history all the way, we find it is exactly the same—wars are fought for gain and profit. For instance, let us take the Civil War, which up until recently was a more or less touchy subject with some of the gentlemen on both sides of the House, as it was with me when I was a boy; but what good did the Civil War do? The men on both sides were brave, but what did they get out of it? It gave the people in the eastern section of the country low wages and industrial slavery, and it did not help the southern tenant farmer very much either. Neither did it help the West. So I think we will all agree that wars do not do us any good, and the best thing to do is to eliminate the economic causes of war and thus stay out.

The following is a statement concerning the casualties of the World War:

Official table of the War Department showing number of men mobilized, by countries, during the late war, together with number killed or dying from diseases, wounded, missing, and percentages of casualties

Country	Mobilized	Killed or died	Wounded	Missing	Total casualties	Percent of casualties to mobilization
Russia	12,000,000	1,700,000	4,950,000	2,500,000	9,150,000	76.3
France	8,410,000	1,363,000	4,266,000	537,000	6,166,800	73.3
Great Britain	8,904,467	908,371	2,090,212	191,652	3,190,235	35.8
Italy	5,615,000	650,000	947,000	600,000	2,197,000	39.1
United States	4,255,000	126,000	234,300	4,500	364,800	8.0
Japan	800,000	300	907	3	1,210	2
Rumania	750,000	335,706	120,000	80,000	535,706	71.4
Serbia	707,343	45,000	133,148	152,958	331,106	46.8
Belgium	267,000	13,716	44,686	34,659	93,061	34.9
Greece	230,000	5,000	21,000	1,000	27,000	11.7
Portugal	100,000	7,222	13,751	12,318	33,291	33.3
Montenegro	50,000	3,000	10,000	7,000	20,000	40.0
Total	42,188,810	5,157,315	12,831,004	4,121,090	22,109,409	52.3
Germany	11,000,000	1,773,700	4,216,058	1,152,800	7,142,558	64.9
Austria	7,800,000	1,200,000	3,620,000	2,200,000	7,020,000	90.0
Turkey	2,850,000	325,000	400,000	250,000	975,000	34.2
Bulgaria	1,200,000	87,500	152,390	27,029	266,919	22.2
Total	22,850,000	3,386,200	8,388,448	3,629,829	15,404,477	67.4
Grand total	65,038,810	8,543,515	21,219,452	7,750,919	37,513,886	57.6

Gas casualties

Country	Number	Deaths	Percentage of deaths to casualties
Russia [1]	475,340	56,000	11.7
France	190,000	8,000	4.2
Italy [1]	13,300	4,627	34.7
United States	70,752	1,421	2.0
Great Britain	180,983	6,062	3.3
Germany	78,663	2,280	2.9
Total	1,009,038	78,390	7.7

[1] Unreliable.

Russia, during the war, mobilized 12,000,000 soldiers, and 76 percent of them were casualties. That is to say, 9,150,000 of them were either killed or wounded or missing or deserted from the army. The total number of soldiers in all armies mobilized during the war was 65,000,000. Sixty-five million men! Thirty-seven million of them were casualties. I do not want to be dramatic. I do not want to get up here and cry over the widows and orphans and things like that; but just think of 37,000,000 casualties. Every one of those men had a mother, and millions have had to live through pain. Think of the men who were left crippled, some with distorted figures; think of the millions of nervous systems that were broken; think of the insane; and think of the families that were broken up as a result of it. Romance? No!

The Swedish Society for the Study of Social Consequences of the War put down the total loss at 40,000,000 lives—men, women, and children—due to the war, and affecting both military and civilian populations.

The total losses of a few of the countries are as follows:

	Lives
European Russia	13,000,000
Germany	6,300,000
Austria-Hungary	5,800,000
France	3,340,000
	Lives
Italy	2,280,000
Great Britain	1,850,000
Serbia	1,650,000
Rumania	510,000
Belgium	375,000
Bulgaria	275,000
Miscellaneous losses	4,620,000
	40,000,000

Forty million lives! This takes in those whose water systems were blown up and who died of typhus, diphtheria, and other diseases; of those who starved to death; and civilians killed accidentally or otherwise. It also, of course, includes the soldiers of all nations.

I hate to conjecture how many people would lose their lives if the nations of the world are crazy enough to have another war. With the greatly improved mechanization of all forms of warfare, with tanks that can go 80 miles an hour and deal out death a hundred times more than the old, cumbersome tanks which we had in the World War; with the airplanes that can carry 10 times as many bombs, what would happen? Think of the great advance in science in chemical warfare, where whole cities could be wiped out with a few airplanes. Chemistry has advanced so rapidly that no gas mask would be anything but a death mask. The gases would simply go through the clothing and kill our soldiers; and, of course, our civilian population as well, and instantly. I, of course, cannot hazard a guess; but it seems that if we killed 40,000,000 in the last war, that there might be some four hundred million in another war.

Now, the Nye report has covered very fully the munitions racket. Steel and munitions companies made profits ranging from 64 percent to 362 percent per annum on their stock, according to their own figures and, of course, considering the "bonuses"—which these patriotic gentlemen paid themselves and did not ask through Congress—and with exorbitant salaries, the profits, of course, were much more.

Let us take some of those who made money out of the war and scan their profits:

The year 1916 found the American Brass Co. with a net income, as related to invested capital, of 51 percent.

The 1917 profit of the Bethlehem Steel Co. was 43 percent.

Jones & Laughlin in 1917 made a profit of 47 percent.

Atlas Powder Co., 27 percent.

Colt's Patent Firearms Co., 64 percent.

Midvale Steel & Ordnance Co., 43 percent.

Savage Arms Corporation, 65 percent.

Western Cartridge Co., 35 percent.

Bethlehem Shipbuilding Corporation, 40 percent. Then, in 1919, Bethlehem Shipbuilding Corporation made a profit of 63 percent.

New York Shipbuilding Co., 49 percent.

Newport News Shipbuilding & Drydock Co. made, in 1917, a paltry return upon its capital investment of 86 percent!

The Bethlehem Loading Co.—shell-loading—made, in 1918, return upon its investment of 362 percent.

The following are figures produced by the Nye committee in the Senate on war profits as compared with peace profits. The figures were compiled from Moody's Analysis of Investments, and the authenticity is not denied.

	Average profit, 4 years—	
	Preceding war	During war
Scovill Manufacturing Co	$655,000	$7,678,000
Niles-Bement Powder	656,000	6,146,000
Atlas Powder Co	485,000	2,374,000
Hercules Powder Co	1,271,000	7,430,000
Republic Iron & Steel	4,177,000	17,548,000
International Merchant Marine	6,690,000	14,229,000
General Motors	6,954,000	21,700,000
American Smelting & Refining Co	11,566,000	18,602,000
Utah Copper	5,776,000	21,622,000
Anaconda Copper	10,649,000	34,549,000
United States Steel	105,331,000	239,653,000
Bethlehem Steel	6,840,000	49,427,000
Du Pont	6,092,000	58,076,000

Authority: Moody's Analysis of Investments, 1912–19.

I want to show you some figures of the military forces of the whole world. For instance, Russia has now an army of 16,100,000 soldiers. They have a good army. Think of it! They have a well-trained army of 16,100,000.

Sweden has an army that is very large for the size of the country; so has Switzerland; but, of course, we must remember that those countries are situated differently from ours. Instead of reading the figures for the balance of the countries, I shall insert them at this point in my remarks.

Military forces of nations of the world

Nation	Organized forces				Percent of population
	Active	Trained reserve	Separate air force	Total	
Argentine	34,798	309,454		344,252	2.86
Austria	30,000			30,000	.44
Belgium	89,224	495,000		584,224	7.22
Bolivia	50,000			50,000	1.67
Brazil	85,199	171,188		256,387	.64
British Empire	396,259	696,946	48,782	1,141,987	.25
Australia	1,515	28,341	1,344	31,173	.48
Canada	3,703	91,873	1,006	96,582	.93
Great Britain	199,804	284,278	45,626	529,708	1.10
India	170,623	113,000		283,623	.08
Irish Free State	6,177	17,723	163	24,063	.80
New Zealand	618	3,764	122	4,504	.31
South Africa	989	135,017	521	136,527	1.70
Colonies and dependencies	12,830	22,950		35,780	.12
Bulgaria	33,000			33,000	.55
Chile	22,103	177,120	1,325	200,548	4.55
China	2,000,000		4,600	2,004,600	.43
Colombia	10,982	40,000		50,982	.65
Costa Rica	500	5,000		5,500	1.06
Cuba	11,816	4,735		16,551	.42
Czechoslovakia	158,000	1,489,000		1,647,000	11.04
Denmark	8,100	65,700	1,100	74,900	2.1
Dominican Republic	2,179			2,179	.17
Ecuador	5,252	25,000		30,252	1.22
Estonia	13,480	30,500		43,980	3.82
Finland	31,575	345,000		376,575	10.45
France	584,300	6,328,000	39,913	6,952,213	14.49
Germany	100,500	1,000,000		1,100,500	1.69
Greece	85,875	495,042	2,533	583,450	9.43
Gustemala	6,783	133,850		140,633	5.73
Haiti	2,494			2,494	.09
Honduras	2,328	456		2,784	.33
Hungary	35,800			35,800	.41
Italy	437,368	5,885,000	173,171	6,495,535	14.57
Japan	225,000	1,952,000		2,177,000	2.34
Latvia	21,650	190,000		211,650	11.13
Lithuania	19,466	52,000		71,466	2.85
Mexico	59,249	39,962		116,897	.69
Netherlands	29,500	330,000		358,500	4.63
Nicaragua	2,891			2,891	.39
Norway	15,100	315,000		330,100	11.71
Paraguay	40,000			40,000	4.44
Peru	9,045	20,000		29,045	.47
Poland	325,456	1,721,579		2,047,035	6.47
Portugal	39,800	380,000		419,800	6.36
Rumania	295,827	1,305,000		1,600,827	8.87
Russia	830,000	(1)		(2)	9.79
Salvador	3,370	27,784		31,154	2.13
Spain	203,033	2,095,000		2,298,033	9.34
Sweden	33,500	841,700	925	876,125	14.3
Switzerland	494	629,600		630,000	15.49
Turkey	133,000	532,800		665,800	4.87
Uruguay	6,629	9,300		15,929	.82
Venezuela	8,000			8,000	.25
Yugoslavia	136,990	1,552,724		1,689,714	11.40
United States	135,052	309,609		444,661	.35

[1] 15.38 M. [2] 16.21 M.

The reason I am commenting on a great many subjects that do not concern war directly is because I believe that war and all its angles concerns everything else in our lives. The national debt at the outbreak of the war was a little bit in excess of a billion dollars; it was $1,200,000,000. The Federal debt at the close of this Congress will be something like $38,000,000,000, or about 35 times as much as it was before we got into the war. The income of the people of the United States before the war was something like $35,000,000,000 a year; it is now something like $46,000,000,000 a year. With modern machinery, automobiles, and other things which have become necessities, the national income is about the same as our pre-war income, but we have to pay 35 times as much debt with it. The Federal expenditures before the war were $735,000,000 per annum. Now, they are approximately $7,000,000,000, or, roughly speaking, 10 times as much.

Here are some interesting figures:

[Compiled from Federal Reserve Board, Federal Trade Commission, National Bureau of Economic Research, and other Government departments]

	Pre-war	After war	Recent years
Estimated national wealth	$186,300,000,000	$376,000,000,000	$247,000,000,000
Estimated national income	35,600,000,000	62,000,000,000	46,800,000,000
Estimated long-term debt	38,000,000,000		134,000,000,000
Federal tax receipts	672,400,000		2,954,000,000
Federal expenditures	735,100,000		7,105,100,000
Federal national debt	1,200,000,000		[1] 35,000,000,000 to 38,000,000,000

[1] Complete through 1935.

There are certain things we must do here. I do not think we can consider this from the viewpoint of whether or not the Communists are coming to take us or whether or not the Mexicans are coming to take us. One of the gentlemen who spoke this afternoon was decrying the foreigners. There are 90,000 citizens of Mexican extraction, counting men, women, and children, in my town, and with about 10,000 voters, 6,000 of them voted for me, so you see I think they are good people. [Laughter.] I am not worrying about nonessentials; let us get to the fundamentals, for there are certain things I shall enumerate for consideration that are important.

I would like, for instance, to see one man get up here and make a speech against the tariff; I will do it some day if I get the time; and if some Member wants to talk for the tariff, I would like to debate it with him for half an hour. I would like to see a good debate on that subject. [Applause.]

But permit me, Mr. Speaker, to discuss these matters in an orderly manner, and when I do this I would prefer not to yield, because I am submitting to you several controversial issues and, if I should yield, we would spend all our time on one point. Rather, I am submitting these issues in such a way that they can be considered as a sort of a whole plan.

From a military viewpoint, I will give you the following:

First. We should have, as I stated, national conservation of public resources. One of the finest organizations of the National Government of the "new deal" is the National Resources Board, on which are some of the most distinguished men of our country and several members of the Cabinet. They have already made a survey of the Nation, of its waterways, its forests, its coal mines, the rivers and harbors, and of everything which is necessary for the national life. Certainly we must study the mineral deposits, and their conservation, and we cannot permit our forests to be denuded and ruined any longer. We must protect the country against soil erosion. All this information should be completed in a very thorough way, to be used in peace time and to be used in war, if there occurs such a tragic necessity.

Second. I believe that we should have public ownership of munitions. I believe, moreover, that we should have an embargo on sending munitions to foreign countries. Take the war, for instance, in Bolivia and Paraguay. There we find two nations fighting over oil deposits, and, as a matter of fact, no question of liberty is involved. They are being financed by the same group, and both sides are purchasing

munitions from the same munitions makers. This has been shown in the Nye report. I am of the opinion, though I have not given thorough study to the question, that we should also manufacture, through the Government of the United States, military airplanes. At the same time, of course, we should encourage the civilian manufacture of airplanes, but I believe that this Government should control its own war making and should not be brought into a war by private interests.

Third. I believe in reasonable military preparation. Great strides have been made in the art of killing since the World War. If we are to recognize it, let us not let our emotional reactions take the best of us and talk about the dear old flag and the brave boys at the front, but let us know exactly what war is. War is a terrible thing. We must, therefore, meet the great mechanistic advance in military warfare.

Now, the Thomason bill provides for an increase in soldiers. The increase is not large. If it increases the Army to 165,000 men, this will be barely enough to form a skeleton of a larger army in case we are brought into war. The Army which we now have should be according to the cadre system, which really means skeleton units. Such skeleton units may be used in case of war and to be brought into mobilization by those already trained. At the present time there is not a sufficient number of officers and enlisted men to meet the demands of the National Guard, the Organized Reserve, and the Civilian Conservation Corps, which latter unit, of course, is not military, but it has been found necessary to have officers in order to complete its organization. The Civilian Conservation Corps, as a matter of fact, is a great unit and has been of inestimable benefit to the young men of this country.

Fourth. I believe that we should have the civilian and military development of air fields throughout the country. Landing fields should be obtained in order to advance commerce, and they should be well located all over the Nation, just as we have railroad stations, bus stations, and terminal facilities for any kind of transportation. In case of war these fields could be utilized.

Fifth. We should always maintain a friendly attitude toward foreign nations. As I said in the beginning, if we have no army at all, and if we are not willing to fight, we will pass out of existence; and if we get too big and have too big an army, we will likewise do so.

Of course, as I said, all wars are caused by economic reasons, and no other. I now present, for discussion, three points, which I believe should be considered by us as soon as possible:

First. It is useless to talk about recovery unless we reestablish world trade. We cannot reestablish world trade with tariff barriers and commercial restrictions and embargoes. Economic nationalism is national suicide. If we take a billion dollars out of our world trade by prohibiting imports, that means the American people who are selling that much to foreign countries will not be able to sell it any more. We are all approached with this argument, "do you want to put the Americans out of work?" However, I know that when the tariff was lower there were more men working and, as a matter of fact, world trade puts men to work like any other kind of business; and it has the added advantage of maintaining peaceful relations with foreign countries. Possibly, if we could sell some cotton to Germany, the Nazis would not be marching around so much; but would go to work, making something out of good Texas cotton. Possibly, if we could sell some more products to Japan things might be better. Due to improved methods of rapid transportation, the world today is a closer unit than was the United States of America even 30 or 40 years ago. And yet, 30 or 40 years ago, we had world trade and now we have practically none, with all the advantages of the new methods of transportation. If there is poverty in Germany, it brings poverty to the rest of the world. If there is unemployment in the United States and wide-spread poverty, it brings the same to the rest of the world. Therefore I believe that we should do everything we can to establish world trade.

The greatest exponent of world trade today is the Honorable Secretary of State, Cordell Hull. He was a Member of this House for 20 years, and he always championed world trade. He is not getting much support now, as the State Department is our first line of defense in spreading friendly relations over the world. The State Department costs practically nothing in comparison to all expenses. Let us encourage Mr. Hull and his Department.

Second. I have spoken before on the public ownership of utilities and essential public resources. There is one argument for public ownership of essential public utlities: When the State or the Government or any municipality owns these utilities, they have no common stock for paying out exorbitant profits and it is not necessary for the stock to be listed on the stock exchange. The profits go back into the business, and when the profits go back into the business they are able to give the consumers lower rates and to give their employees better wages. I believe that, with the national consciousness properly developed, where people have patriotism in peace time, they would cooperate in such a move and make such ownership successful, as it has been all over the United States with many municipalities. The result would be a better country to live in. Now, of course, people say that public ownership takes away the initiative of the people; but I say now that people do not want prosperity and speculation, but they want security and an even life. I, however, would like to mention one outstanding and shining example of public ownership—the Panama Canal. It is a long way off, but it is an American institution and is publicly owned. Every year it makes a profit. It is one of the most profitable institutions of the United States, and it goes for the benefit of the country. At the Panama Canal there is efficiency and a well-conducted institution.

Third. I believe that we should establish a central bank of issue, which, of course, should be owned entirely by the Federal Government, and should thereafter abolish the Federal Reserve banks. Instead of the Government of the United States being financed by private bankers, let the Government of the United States—which belongs to the people—finance itself. We do not know how far we should go in the matter of the total nationalization of finance. I believe, of course, first, that we should have this central bank of issue and abolish the Federal Reserve banks, and that we should continue private banking in the cities and towns, it being understood that these banks should receive proper regulation at all times. There may come a time when the entire institution of credit, finance, and currency will be handled by the Government of the United States, but, for the time being, let us content ourselves with having a central bank of issue and the abolition of the Federal Reserve banks.

Mr. Chairman, there is no romance in war. War is only death and misery and horror. It leads to sickness and death and disease, the breaking up of families, and the crippling of men, women, and children. It breaks down our morals and our morale, and there is no good in war. Therefore, our duty is to prevent war and not to have it. As I said in the beginning, we had no business in the World War, and let us not get into the next one.

Let us have reasonable preparation and a friendly attitude to all the nations of the world.

There is another thing, Mr. Chairman, which I believe is important; and, although it may sound irrelevant at this particular time, I will mention it—that is the liberty of speech. The Bill of Rights of our Constitution protects everyone in that right. The liberty of speech is the foundation of our country. We should not only allow the liberty of speech for all persons about war or anything else, but we should be tolerant, because some other person who has an idea that you do not like may eventually convince you that he is right. Liberty of speech will in no way destroy this Nation. So let us protect that, and if we have discussions here in this House, in the Senate, and all over the Nation, we will understand our fundamental problems and come to proper conclusions.

Mr. PARKS. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. ROGERS].

Mr. ROGERS of New Hampshire. Mr. Chairman, as the son of a widowed mother who had two children voluntarily enlisted in the service of our country during the World War, one in the United States Navy and one in military aviation, I know something about the feeling of distraction, suffering, and mental anguish which the mothers of our soldiers and sailors feel in time of war. As a member of the Committee on Military Affairs of this House, now entering a third term in that position, as a member of the Committee on Foreign Affairs of this House in the Sixty-eighth Congress, and as a member of the House Select Committee of Inquiry into Operations of the United States Air Services, investigating aviation in 1924 and 1925, I think I have received sufficient information, statistics, and knowledge so that I may say wholeheartedly that I agree 100 percent with the Father of our Country, the anniversary of whose birth we celebrate on Friday, in his belief that the best way in which we can keep the mothers of American manhood, the best manner in which we can preserve the peace of this Nation, is by carrying on a program of reasonable, adequate, and efficient national defense, military and naval. [Applause.]

In this connection and in the discussion of this bill, it is easy for people to get a false idea of just what is going on in Congress. In the morning's paper I find these headlines:

Army seeking $318,131,482 in big budget—House measure calls for $62,583,335 jump for War Department.

Many critics, after reading such headlines, who do not realize what is required for adequate defense in this country, say that this is throwing money into a military department not for appropriate national defense, but for building up a war machine for purposes of aggression. In order to set their minds at rest I desire at this time that every Member of this Congress and every citizen of this Nation should know the facts as presented to the Committee on Military Affairs in writing by the Chief of Staff, Gen. Douglas MacArthur, on February 6, 1935. He states, in suggesting other necessary funds for carrying on the Military Establishment, and I shall refer to them in a moment, that the requirements discussed in his report to the committee represent continuing deficiencies in the Military Establishment as opposed to inadequacies in yearly maintenance and operation. After saying that funds used to satisfy these requirements should be considered as capital rather than annual expenditures, he says:

The accumulated total of $405,000,000 does, however, owe its present size to the fact that ever since the World War the annual appropriations for development, replacement, construction, procurement, and even in some instances for bare maintenance and repair, have been woefully deficient.

In connection with military aviation, it is stated officially by the Chief of Staff in a report to the House Military Affairs Committee that the amount needed for airplanes and accessories, exclusive of what is contained in this bill, is $89,097,839.

It is stated further as follows:

The necessity for building the Army Air Corps up to a minimum of 2,320 serviceable and fully equipped planes was conclusively set forth in the report of the Baker Board. Every student of national-defense affairs has agreed that the objectives laid down in that report are entirely reasonable and should be attained without delay.

The Budget, fiscal year 1936, carries 488 completely equipped airplanes to replace the anticipated losses of that year. On June 30, 1936, after the delivery of these replacement planes, there will be on hand in the Army 1,509 airplanes complete. To reach the Baker Board requirements, 811 additional planes are required in the following types:

Referring to mechanization, the additional amount immediately required is $15,959,842. Mechanized forces involving the use of tanks, armored cars, scout cars, and auxiliary weapons and equipment are vitally necessary to a modern army. Today our Army has tanks of World War manufacture of no tactical value against modern forces. The amount just stated will provide mechanized equipment for the following units: 1 cavalry brigade, 1 regiment of infantry, 1 battalion of field artillery, 7 armored-car troops, 7 companies of infantry (light tanks).

The proper equipment of the above units will include approximately 287 light tanks, 162 medium tanks, 47 armored cars, 44 combat cars, 33 scout cars, 76 half-track cars.

To complete the proper motorization, for which an additional appropriation of $22,180,106 is required, the Chief of Staff reveals our present situation as follows:

The Regular Army is now motorized with reduced training allowances and lacks general cargo, passenger, maintenance, and special types for tactical purposes, as well as adequate stocks of replacement parts and assemblies. The National Guard lacks motor equipment for field artillery units now motorized, and organic motor equipment for other branches. The Regular Army, because of restrictions placed in the War Department Appropriation Act for the fiscal year 1935, was deprived of 5,540 motor vehicles purchased prior to January 1, 1930. This has severely handicapped all current operations.

It is a matter of common knowledge that antiaircraft weapons used in the World War were generally of improvised character and low efficiency and that great strides have since been made in the development of weapons of this kind. We are now advised by the War Department that the six active regiments of antiaircraft artillery in the Regular Army are at reduced strength and that all are seriously lacking in essential items of modern equipment. The 10 active regiments of the National Guard, although first-line troops, are entirely lacking in modern antiaircraft equipment, except for 2 batteries. To remedy this deplorable condition we have an additional appropriation of at least $35,000,000.

For Coast Artillery the amount urgently needed is $21,800,000. The Chief of Staff states that in many of our most critical areas our coast defenses are woefully deficient and badly deteriorated. He also states that in certain instances guns are lacking and that in all cases there is a vital need of fire-control instruments, fixed antiaircraft defenses, searchlights, cable and submarine equipment.

The next subject deals with modernization of field artillery, and the War Department estimates the need of an additional appropriation of $37,113,419 for this branch of the service. In this connection it is sufficient to say that while field artillery of the latest design is infinitely superior to World War types, our Army is still equipped with the 1897 model of the 75-mm gun, a condition that obviously must be corrected.

Next, dealing with reserve ammunition, the amount needed is $44,954,441. The Chief of Staff states: "Ammunition constitutes an exceedingly complicated item of supply, and its manufacture requires a considerable period. Obviously, without ammunition an army is completely helpless, and there exists a critical need for reasonable reserve stocks, maintained solely for use during the early days of any emergency. Up to the very end of the World War available artillery ammunition never met the needs of the armies. Since the World War improvements in weapons have made possible still further increases in the rates of fire. In addition, new weapons and more effective projectiles have been developed. As a result the War Department finds that there are critical shortages in its reserve stocks."

Referring now to construction of barracks, quarters, storage, technical facilities, and so forth, it is estimated that an additional amount of approximately $132,000,000 is needed. I call your attention to the report of the Secretary of War made in 1934 in which he states:

Ever since the World War large portions of the Army have been living under deplorable conditions. At many posts the shelter provided for officers and enlisted men has been of such a character as to constitute a fire hazard, a menace to health, and a disgrace to the Government.

We must remember that the Army inherited from the World War many camps in which barracks and quarters had been hastily constructed to serve only as a temporary shelter. Since the war the Army has been compelled to occupy many

of these camps as permanent stations, thus providing insanitary and disreputable shelter.

In conclusion, the War Department advises us that for the modernization of miscellaneous weapons and equipment it needs an additional amount of $8,007,819. This sum is necessary to accomplish a general modernization of military weapons and equipment. Notwithstanding the great improvement made since the World War in such equipment as infantry mortars, gas masks, 37-mm guns, infantry rifles, fire-control equipment, machine guns, and so forth, the American Army is, with certain minor exceptions, still equipped with the World War types.

General MacArthur well summarizes the situation when he says:

> It is impossible to express in concrete terms the full measure of improvement in the Army's efficiency and readiness for emergency that would result from the application of $405,000,000 to its modernization. However, in weapons, equipment, and sufficiency of permanent plant we would emerge from definite obsolescence and have at our command reasonable quantities of the most effective tools of the soldier's trade known to exist. Unless these are made available, both for training and emergency use, the Army will remain badly handicapped and in grave danger of defeat if ever pitted against any modern opponent.

Mr. Chairman, I want to repeat that I am referring here to estimates submitted to the House Committee on Military Affairs as necessary to put the military forces of this country back into shape, so that the public may be fully acquainted with the fact that we still need money to get us back where we will be on a safe and sound standing and where we may have and enjoy such national defense as will promote peace and security throughout the Nation. [Applause.]

When I began my address I quoted from the glaring headlines of a metropolitan daily paper as showing the ease with which the issues in this proposed legislation may be confused. In conclusion I desire to leave with you and adopt as my own words a splendid editorial printed in the Manchester Union, of Manchester, N. H., on Tuesday of this week, entitled "The Common Sense of Defense", which reads as follows:

THE COMMON SENSE OF DEFENSE

> Out of the welter of pros and cons that is certain to arise as a result of the observance of National Defense Week, one is certain to hear more than once a particularly favored stock argument of the ultra-pacifist. That is, that large armies and navies operate as incentives rather than deterrents to war. Thus would the disarmament folk take issue with the still generally revered opinion of President Washington, who thought the contrary and so expressed himself.
>
> Extremists of all sorts have in common an unqualified certitude of expression. They adopt a hypothesis, and without conceding the necessity to prove anything insist that we accept it at any hazard. The pacifists, for instance, insisting that armament is in itself a source of war, ask us to disarm, thus eliminating the source with exquisite simplicity. Would we ask for proof of their theory? Then all we need to do is disarm. If, after we have divested ourselves of our means of protection, we are nevertheless inveigled into warfare, we shall know that something was missing in the recipe.
>
> Fortunately, however, it is not necessary for us to put the formula of the pacifists at work to find the missing ingredient. Even the moderately thoughtful can put their finger on it immediately. The missing ingredient is ordinary common sense.
>
> It is doubtful whether even the most rabid of the disarmament proponents would deny that the United States in recent years has made more unselfish contributions toward world peace than any of its contemporaries. Yet, judging by the outpourings of pacifist propaganda in America, one would picture Uncle Sam in the role of an international brigand, armed to the teeth and swaggering through the world with a chip on his shoulder. Admitting that the naivete of the American public is prodigious, one cannot believe that it will be seriously deceived as to the source and motives of a large portion of the proposals that America keep itself in a position of strategic disadvantage.
>
> One hears little of pacifism abroad. At this moment the discerning may easily hear the rattling of sabers in a dozen quarters. One may reasonably suggest to the disarmament zealots that they mobilize their orators, pack up their printing presses and pursue their butterfly in some of those countries that need their counsel so much more than we.

Mr. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, I have listened with a great deal of interest to the eloquent speech of the gentleman from Texas a few minutes ago. I agree with a large part of it, but I am getting tired of sitting in this House and having Member after Member reiterate the charge that the United States went into the World War on account of international bankers. I do not think that there is anything in the record of ex-President Woodrow Wilson that will give the slightest foundation for the statement that any international banker or any domestic banker ever influenced his actions.

In the early morning of April 6, 1917, this House voted 373 to 50 that we enter the World War. It is a reflection on the membership of this House to say that international bankers dragged us into that war. Among the gentlemen who voted that we enter the World War was our beloved Speaker [Mr. BYRNS], the minority leader [Mr. SNELL], the gentleman from Pennsylvania [Mr. FOCHT], our majority leader, the gentleman from Alabama [Mr. BANKHEAD], and so on down the line. Some of the most distinguished men now in this body voted for that declaration of war.

I have listened with a great deal of interest to this debate, and I would be much amused if it was not such a serious matter. An obsession seems to exist that the patriotism of this body is measured by the amount of money which we vote for the Army and Navy. Mr. Chairman, I am not going to vote for this appropriation, and one of the reasons which I give is that the Democratic platform in 1932 stated:

> We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

Among the terms of the 1932 contract are these:

> We advocate a Navy and an Army adequate for national defense, based on a survey of all facts affecting the existing establishments, that the people in time of peace may not be burdened by an expenditure fast approaching a billion dollars annually.

I am not going to violate in 1935 a contract I made with the people of the Fourth District of Iowa in 1932.

Last year this House and the Public Works Administration appropriated and authorized the expenditure of $1,039,000,000 on the Navy alone, and tomorrow we will be asked to vote an increase of $62,000,000 over last year's appropriation for the Army.

Against whom are we preparing? I tried to discover that this afternoon. I would like to have some one here who is advocating this measure tell us against what nation we are preparing. Is it Japan? Yokohama is 5,220 miles from San Francisco. Do we need more soldiers to prepare to defend ourselves against Japan? The active forces and the trained reserves of our country are 444,000 men.

The President of the United States, in a message to this body on January 4, 1935, said:

> There is no ground for apprehension that our relations with any nation will be otherwise than peaceful.

The obsession seems to obtain here that the only way to maintain peace is to vote more and more and more money for the Army and the Navy, and there is nobody living or dead who ever saw the time when the War Department was satisfied with the amount of money appropriated for it.

There is a distinguished gentleman at the other end of the Capitol who was a colonel in the United States Army during the World War, BENNETT CLARK, and he made a speech on January 15, 1935, from which I wish to quote just briefly:

> The theory so often advanced in armament propaganda, that the best way for a nation to be insured of peace is for it to constantly outdo its neighbors in preparation for war, is contrary to the entire experience of mankind. No sane man would pretend that the best way to preserve peace among individuals is for each to go at all times armed to the teeth. Trivial misunderstandings, petty quarrels, inconsequential arguments grow quickly into bloodshed when each disputant has ready to his hand deadly weapons which, though perhaps intended for defense, may be as readily turned to purposes of offense. And nations are but aggregations of individuals.

For the statesmanship of the world to permit the present insane competition in armaments to continue with the certainty that it will precipitate in this generation or the next another cataclysm of unpredictable horrors is stupendous and incredible folly.

[Here the gavel fell.]

Mr. BOLTON. Mr. Chairman, I yield the balance of my time to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, I did not come here to make any long speech, and I only want to talk about one thing, and this more because of my interest in the archives than my interest in the Army, although I frankly admit my interest in the Army is very great and I shall be for this bill wholeheartedly.

I found out the other day that there are about one million and a half feet of war films that have now reached the point of deterioration, where, if they are not copied very soon, they will lose their value almost entirely.

These films were made at an expense of several million dollars. It will cost about $35,000 to save the more necessary ones for 25 or 30 years more. The reason for this expense is because the material of which films were made 15 years ago deteriorates with time, so that in about 15 years these films will be out.

We can now, through the improvements that have taken place, perpetuate them in excellent condition for another 25 or 30 years. By that time the technicians think we will have reached such a stage of development that the films can be made permanent for all time to come, but in the interim we have got to do something to preserve these films for the purposes for which they were made.

I went before the committee and I thought the committee had given rather favorable consideration to the matter. I regret to find that the item has not been placed in the bill, and I am hopeful the committee will not have any objection to my offering an amendment tomorrow authorizing the inclusion of $35,000 to perpetuate these great films. They will be made in duplicate, one negative and one positive. The principal uses for them will be two: First, for the archives; and, second, for the use of the Army, or that part of the films which the Army may need hereafter. They are historic to a very extraordinary degree.

Of course, the films will be edited, and those that are found now not necessary to be kept will be done away with and not duplicated, but those that will be of value hereafter should be duplicated and preserved by all manner of means.

I am hopeful that the House will take this view of it tomorrow and the committee itself will not in any wise object to this small addition to the bill, and to save your time I ask unanimous consent that I may be permitted to put in the RECORD the break-down of the expense involved which the committee asked for the other day.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The matter referred to follows:

Film stock		$13,000
Special printer and editing equipment		7,500
Labor:		
1 supervisor	$3,600	
2 editors	4,800	
3 photographic laboratory workers	4,500	
1 stenographer	1,600	
		14,500
		35,000

A project to perpetuate by duplication the United States Army motion picture film records of our part in the World War and events at home, during and following that period, for storage in the film vaults of the new National Archives Building

Location of films: There are over 1,500,000 feet of motion-picture film in this World War record collection now on storage in the Signal Corps Laboratory vaults, War College, Washington, D. C.

Method: The only known method of perpetuating these records is by a process of duplication. The existing celluloid base of the original film being unstable and subject to deterioration, it becomes necessary to rephotograph the scenes by a technical process onto a new and improved base. The work being properly executed under the best technical supervision of the Army Engineers, this record can now be set up for another 25 to 30 years. At the expiration of this time it is fully expected that new and improved processes of duplicating on metal or other substances will have been devised for a more permanent preservation of the animated record.

Time: By attending to those portions of the collection that have suffered the greatest deterioration, first, and proceeding as rapidly as consistent results will allow, without interfering with other work of the Signal Corps, it will take 2 years to complete the work and prepare this vast collection for storage in the National Archives Building vaults.

Editing: Of the million and a half feet of film it is important to reduce the footage by editing. Since many of the subjects have never been edited and are just as they came from the camera, this is considered very necessary and desirable. It is estimated that the final footage prepared for perpetual storage will be approximately 500,000 feet or 500 reels (standard reels are 1,000 feet each).

Cost: The cost of this work is estimated at $35,000, of which $13,000 would be spent for expendable materials in the form of film stock, $7,500 for necessary new machinery-equipment, and $14,500 on labor.

Of the $7,500 expended for equipment the equipment will be of equal value, and lasting many years, to the Signal Corps, who are in need of such equipment, or it has a salvage resale value at the end of 2 years of approximately 30 percent of the cost, since the Government buys at a greatly reduced rate, or approximately 40 percent under the market for such materials.

Itemized summary (expendable supplies):		
100,000 feet of stock for new print positive		$1,000
250,000 feet of special duplicating positive		2,500
300,000 feet of special duplicating negative		9,000
Processing chemicals		500
		13,000
Equipment (nonexpendable):		
2 special printers		4,000
1 tintex tester		2,750
3 editing machines		750
		7,500
1 technical editor-supervisor		3,600
2 editors		4,800
3 helpers, photographic		4,500
1 stenographer		1,600
		14,500
		35,000

The Clerk read the first paragraph of the bill.

Mr. PARKS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to; accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HILL of Alabama, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 5913) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1936, and for other purposes, and had come to no resolution thereon.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, because Col. Daniel W. MacCormack was born in Scotland, and certain of his actions have not met with entire approval, some very unfair rumors have been floating around impugning his motives, and intimating that he is more concerned with matters abroad than with our own home interests.

While all of his actions have not met with my approval, I nevertheless have respect for and confidence in him, and I think that he should be accorded fair treatment.

He sent me last night a short letter giving the record of his service, and, in fairness to him, I think that it should go into the RECORD. I ask unanimous consent, therefore, that I may extend my remarks and incorporate therein his letter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The letter mentioned is as follows:

UNITED STATES DEPARTMENT OF LABOR,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, February 19, 1935.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: It has occurred to me that you might wish to have in memorandum form what I told you in response to your inquiry this morning.

It is hard to realize that there are in these United States persons so low and despicable as to falsely attack the Americanism of a public officer while yet venturing to call themselves Americans.

I was, as I informed you, born in Scotland, coming to this country when 9 years of age. My family have been identified with this country for a hundred years. My paternal grandfather, my father, and uncles on both sides spent most of their lives here or in Cuba. I have now in my possession a medal awarded my granduncle by the State of New York for his services in the Mexican War.

My own military record is as follows:

I tried to enlist in the Army and Navy and Marine Corps in the Spanish-American War when under age and physically not qualified. A year later I succeeded in enlisting in the Twenty-sixth Volunteer Infantry and served in the Philippine Insurrection.

Prior to our entry into the World War, I came from Panama to attend the Citizens' Training Camp at Plattsburg in 1916. I was commissioned as captain in 1917 and served as assistant executive officer of the Transport Service at the Port of New York, and as executive officer of the Shipping Control Committee at the same port. Early in 1918, I was sent to France, where I served as general inspector of the Army Transport Service, promoted to lieutenant colonel, and cited by the Commander in Chief of the A. E. F. for my services in connection with the organization of our troop movement.

I believe that my record as an American and as one willing to do more than render lip service to his country speaks for itself.

It was good of you to call the communications that have reached you to my attention, and I wish to assure you of my appreciation.

Very sincerely yours,

D. W. MACCORMACK,
Commissioner.

PETROLEUM AND ITS PRODUCTS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to disagree to the amendments of the Senate on the bill (S. 1190) to regulate interstate and foreign commerce of petroleum and its products by prohibiting the shipments in such commerce of petroleum and its products produced in violation of State law, and for other purposes, and agree to the conference asked for.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER appointed as conferees on the part of the House, Mr. COLE of Maryland, Mr. PETTENGILL, Mr. KELLY, Mr. MAPES, and Mr. WOLVERTON.

THE YOUTH OF OUR NATION

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

There was no objection.

Mrs. JENCKES of Indiana. Mr. Speaker, I have come today with a plea for one of the most valuable natural resources which this great country of ours possesses.

I refer to the youth of our Nation, more particularly to the young girls of today, who are the mothers of tomorrow.

Gold, wheat, and iron help to build a nation and so does youth.

More important, youth builds the future.

Two hundred and fifty thousand Camp Fire Girls throughout our great Nation have recognized the fact that they are citizens. They do not have to wait until they are 21 and ready to vote before they can take an interest in public affairs and render public service.

These patriotic girls are launching a national citizenship project during the month of March, in celebration of the twenty-third birthday of the Camp Fire Girls, Inc., which will make these girls active in every phase of good citizenship, which is open to them in their homes, their schools, their communities, throughout the Nation.

My reason for presenting this most worthy subject to you is twofold.

It should make us very happy, first of all, to hear that the Camp Fire Girls are eager to know about the Congress, the work which we do here in the Nation's Capital, and the things which they can do to be of service in their local communities. Second, it should not only be a duty but a privilege and a great joy for us to give them this information.

The objective of the Camp Fire Girls organization, as expressed in its seven laws, is to help girls to develop their own abilities to the fullest possible measure; to seek beauty in nature, art, and in every place in which they can find or create it; to be trustworthy; to appreciate and seek knowledge; to observe the rules of healthy living; to approach whatever job they have to do so sincerely that they can understand and enjoy; and over and above all, to give service.

Camp Fire Girls always believe in learning by doing. They are prepared, by the very nature of their "give service" activities, to become thoughtful neighbors and better citizens.

Let me tell you what some of these fine girls are doing.

In Wenatchee, Wash., they are, among other things, building an outdoor fireplace in a tourist park. In South Bend, Ind., in my home State, they are studying city planning, making models of the crowded sections of the city, showing improvements which these girls are suggesting.

In Eureka, Calif., our distinguished colleague [Mrs. KAHN] will be pleased to hear that they are working on a history of the city; collecting all maps, photographs, accounts of important events, and records of business development which will later be presented to the city's historical department as a permanent display.

In the southland, in Fort Worth, Tex., the Camp Fire Girls are visiting a garment factory, a shoe factory, and an ice-cream and dairy plant to study the working conditions, whereas up North, in Seattle, Wash., they are preparing for a better understanding of local government by visiting the courthouse and other city departments and by making a study of street railways, water, light, and gas supply, health records and so on. The Seattle Chamber of Commerce is aiding the girls in this program, and has already proved an invaluable guide.

I am sure we are all delighted at these evidences of real interest in public affairs.

Moreover, there is a decided interest in national affairs, which will please us even more—I am referring now to a "discussion-questionnaire" on national security problems, which Mrs. Franklin D. Roosevelt, as chairman of the Camp Fire Girls advisory council, has graciously approved and commissioned the older girls to undertake. The answers to this questionnaire will be presented to Mrs. Roosevelt next June.

President Roosevelt, speaking of the citizenship project, of which this is a part, wrote to the Camp Fire Girls:

> I think of no subject of more importance to us all. What each of us is and does is of vital concern to all of us, since all of us together make up the citizenry of our country. We cannot act wisely nor well as a Nation unless each of us makes the effort to be informed.

Mrs. Franklin D. Roosevelt, in regard to the questionnaire, said, "Dear Camp Fire Girls, I will be very much interested in hearing the results of this discussion-questionnaire."

Following such splendid encouragement from our President and Mrs. Roosevelt, it is now the privilege of the Camp Fire Girls to make a real contribution to others as well as to train themselves in the knowledge of civic affairs.

This discussion-questionnaire may be handled with five group meetings, with unlimited field trips around the cities, and with lectures delivered by local welfare, vocational, and political authorities.

First of all, our Camp Fire Girls will get close to the problems they are studying.

They will ask themselves what jobs they hope to do in life, and what openings there are for study and employment along those lines.

They will make field trips to technical schools, employment agencies, and large business concerns, which will tell them a story with its dark side as well as its bright side. We have all heard about that dark side, I know.

All at once these girls will be shaken out of their indifference regarding unemployment problems, they will begin to see their results in poorer living conditions. Then they will be in better positions to understand the tremendous tasks accomplished by our Federal Housing Commission, our public-health services, our food and clothing relief agencies.

When asked in the questionnaire, What is the Federal Government proposing to do about this? the girls may also turn to the social-security bill which our President has asked our Congress to consider.

If their citizenship project teaches them nothing more than to understand the issues and follow developments of this most necessary measure, I think that it will have accomplished its purpose.

Once a girl has become familiar with the affairs of state, has actually seen them as human problems, flesh and blood, she will have cleared the greatest barrier to active, constructive citizenship, which is very often fear or a sense of remoteness. Too often she thinks of citizenship as an uninteresting and impossible goal.

This newly aroused interest will prove of great aid in dissipating the fear and indifference to public questions which have kept the people from voting. Suddenly we shall find ourselves backed by an additional force, both vital and understanding.

That is just what will come out of this great movement.

No wonder the many sponsors of the Camp Fire Girls are pleased with what the girls are doing. Their girls are planning, as many of them as can, to attend a reception-tea, to be given on Saturday afternoon, March 2, in the Mayflower Hotel here in Washington. This will celebrate the Camp Fire Girls' twenty-third birthday and will be the occasion for presenting Mrs. Roosevelt's "discussion-questionnaire" to Camp Fire Girls throughout the Nation.

Some of the prominent sponsors of the Camp Fire Girls who are interested in this citizenship project are Mrs. Lida Foote Tarr, president of the Camp Fire Girls; Mrs. Lorillard Spencer, Mrs. Grenville B. Kane, Mrs. F. Kingsbury Curtis, Mrs. Howard Chandler Christy, Mrs. Arthur H. Vandenberg, Mrs. Clarence D. Rice, and Mrs. Morgan Hamilton.

Members of the birthday committee include Mrs. Franklin D. Roosevelt, Miss Katherine Lenroot, Mrs. Caroline O'Day, Kathleen Norris, Mary Beard, Prof. Harry A. Overstreet, Mr. Flavel Shurtleff, Mr. Willard Givens, Dr. Jay D. Nash, Dr. Joseph E. Raycroft, Rev. Dr. John O'Grady, Miss Ethelyn Henderson, Olga Knopf, M. D., and William Bigelow.

This reception-tea to which I refer, to take place in the Mayflower Hotel on the afternoon of Saturday, March 2, will be a gathering place not only for Camp Fire Girls from Washington and Camp Fire delegates coming from all parts of the country, but it will be a gathering place for those of us here in Washington who are glad to cheer the girls on their way in such a movement, and to speak, both to those present and to a national radio audience over the Columbia network, from 3:15 to 3:30 p. m. eastern standard time.

Mrs. Lida Foote Tarr, national president of the Camp Fire Girls, will come on from Cleveland, Ohio, to introduce Miss Katharine Lenroot, a Director of the Children's Bureau in the Department of Labor.

Miss Lenroot will speak on Citizenship for Girls, following which several of your fellow Congresswomen, including myself, will have the pleasure of addressing our messages to the girls.

Following the radio program, Mr. Lester F. Scott, national executive secretary of the Camp Fire Girls, will talk to the group under the topic "Camp Fire Girls and Good Government", and several of the girl delegates will tell those present about citizenship activities in the far cities from which they have come.

Similar citizenship rallies are to be held in many large cities, where the girls will hear the broadcast and receive the questionnaire from the mayor or head of the local chamber of commerce.

These will be impressive ceremonies, because this, I feel—I know—to be a memorable occasion.

I call upon you now, my colleagues, in advance of this occasion, to recognize the importance of the event with me.

The Camp Fire Girls is an organization which builds for the finest kind of character through well-chosen activities and wise leadership. I know this. I am speaking from personal experience.

Now that it is girls who are asking questions about affairs of it is a duty we owe them and their families, who are our constituents, to see that these questions are answered by responsible people.

Let us communicate with our friends in our districts and in every city in the Nation, asking them to attend these broadcast hearings on March 2, or to invite Camp Fire Girls to their official meeting places in order to become informed.

Let us ask them to offer their services to Camp Fire Girls who are eager to learn the problems of the cities in which they live, and to lend volunteer aid.

I am not appealing to you as a Member of Congress alone. I speak now as a citizen and a parent when I beg you to render this great service to the young people of your country. Do not scorn their friendliness and their eager offers of service as citizens. They are young, yes; inexperienced, yes; but such very willing citizens.

Any encouragement or recognition which you can give to the work which they are proposing to do, any interest which you can show in following their activities throughout this year, will reward you and the Nation a thousandfold—and ten thousandfold in the years to come.

In conclusion let me once again commend the Camp Fire Girls national citizenship project to you and call upon each and every one of you to help see it through.

I thank you.

LIBERALISM AND DISCIPLINE

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address of Hon. Daniel C. Roper, Secretary of Commerce, before the Institute of Citizenship at Emory University, Atlanta, Ga., on Monday, February 11, 1935.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The address is as follows:

I am glad to be here today and have this privilege of personally commending those responsible for providing through the Emory University Institute of Citizenship this forum for the discussion of public affairs and the challenging problems of democracy. A nation so fundamentally dependent as ours upon public opinion correctly informed should welcome the cooperation of citizens who are motivated by the sincere purpose of keeping the people truthfully informed as to the objectives and ideals of our Government. The future safety of our human and material resources depends upon the success of the leaders of thought in present and future generations in spreading and inculcating a devoted acceptance of the responsibilities involved in educating our youth and adult population in the fundamentals and principles of democracy.

One of the most encouraging evidences of the future safety of this Nation is the present increasing interest in public affairs and the country-wide utilization of the forum method of discussion. Really, the citizens of the United States are today a Nation-wide educational study group to an extent never before attained. This statement is based partially on numerous inquiries received at the Department of Commerce from many different social and economic groups from all sections of the country for information to be used in forums of discussion and study. I have been impressed also with the increasing number of visitors calling at my office, including business men, industrialists, civic leaders, and educators, who are vitally concerned in rendering all possible help and cooperation in fostering and stimulating study and discussion forums and groups to enlighten the people further on the great rights, privileges, opportunities, and responsibilities of democracy. This renaissance of action for the prompting of such educational endeavors is fully as encouraging to me as are the heartening economic gains and improvements that are taking place throughout the Nation today.

A proper definition of fundamental concepts must serve as a starting point in our studies of public affairs. Perhaps the following analogy will illustrate what I mean by the fundamental importance of concepts in our educational work and in our guidance for better citizenship. While a ship at sea has a large and complex installation of machinery for guiding it along its route, final dependence rests upon the compass that gives the direction which the vessel, driven by the machinery, must take. Concepts serve as compasses in the realm of thought. Thus, our complicated and

extensive governmental machinery must depend for guidance and direction upon concepts just as the steering apparatus of a ship must in the last analysis be dependent upon the guidance provided by the compass. Concepts as compasses of direction and guidance become, therefore, of vital primary importance in our study of national affairs and problems.

Too often we use terms loosely or interchangeably and what one person may mean when he uses such a term as "liberalism" may be at distinct variance with the interpretation another person places upon this same term. Other general concepts which permit a rather wide scope of individualistic interpretation and application are, for example, those of liberty and freedom.

The increasing complexities and intricacies of society and, hence, the constant expansion and interlinking of human and social relationships have necessitated an evolution in the actual practice and application of the concepts of liberty and freedom. What might have been considered a matter of free choice and free privilege 100 years ago may at the present time be subjected to restrictions necessary not only to protect the individual in the new relationship but also to effectuate a protection for the general welfare of others.

Daniel Webster in 1847 said: "Liberty exists in proportion to wholesome restraint." Circumstances which required no social restraint 50 or 100 years ago may today imperatively need these protective features. It cannot be said, therefore, that there is any less liberty today because such restraint has become mandatory due to changing conditions. Modern life in its more commonplace aspects is replete with examples of new regulations that have become necessary as a result of great expansion and growth in our teeming cities, the endless streams of automobiles that now travel over our streets and highways, and as a result of other similar congestive factors. The initiation of these restrictions in the form of traffic regulations, drivers' licenses, and other such protective features becomes a matter of assuring the life and safety of people rather than militating against their liberty and freedom. This principle is just as applicable to the far more complex sphere of social, economic, and governmental mechanisms.

I cite these examples to illustrate simply the necessity of examining constantly the fundamental concepts in our thought system to make sure that there is an evolution in these concepts that keeps pace with and is properly interpretative of the changes that are taking place in our economic and social life. A dominant force contributing to this process of examination, review, adjustment, and progress is liberalism. Liberalism defined briefly and practically is a procedure of thought and action which stimulates and prompts the constant reexamination of the basic principles, experiences, and concepts of our form of society and government, thus keeping these concepts up to date as compasses of action that serve to indicate what adaptations must be made in methods and mechanisms to keep them abreast of changing and varying conditions. Perhaps the significant distinction between liberalism and progressivism, when considered as concepts, lies in the fact that once the program of progressivism is initiated it then becomes the established and crystallized form.

Thus, those who, having previously had progressive tendencies, wish to maintain their system in status quo, become conservatives. American history is filled with examples of progressive leaders who, once their plans have been installed, become ardent defenders of that system to the exclusion of new thoughts and ideas and, hence, as conservative as those who previously defended the system which the progressives replaced.

Liberalism, on the other hand, seeks constantly to adjust to changing conditions and thus be able to offer a philosophy and a category of principles pertinent to existing circumstances. Liberalism per se never becomes crystallized, but endeavors at all times to maintain a discipline of thought and action which prevents the extremes of radicalism and conservatism. With this general definitive approach to liberalism and discipline, let us apply the salient principles of this philosophy to the new deal and the recovery program.

Every period of severe economic stress in the life of a nation is symbolized by the mushroom growth of numerous blocs and factions that are based upon one or another extreme suggestive cure for one troublesome aspect of the existing dilemma. Rarely do any of these radical groups even attempt to encompass in their plans even a partial scope of the economic challenge. Their efforts promise only fragmentary treatment and action at best. By the initiation of one extreme or radical treatment a cure for the entire problem is promised. It is generally hoped by the leaders of such groups and factions that the application of one extreme radical method will serve to bring about a revolutionary upheaval that will force a complete change in the entire system.

Radicals seek to go too far in one direction, while reactionary conservatives refuse to go far enough in another. Liberalism is the great middle highway along which democracy must travel to avoid the pitfalls of the extreme radicalism to the left and the extreme conservatism to the right. Radicalism is based fundamentally upon revolution; liberalism upon evolution; conservatism upon involution. The word involution is not a part of our popular nomenclature, but its precise dictionary meaning does express adequately the characteristic tendency of conservatism. It means the act of "infolding or rolling up", and, hence, is the direct opposite of the unfolding processes which must accompany a liberalized improvement and development of democracy.

Since the World War there has been in some quarters a rising distrust of democracy as an instrument of government. The world has not yet recovered from the examples of violence, force, and bloodshed which desolated the family of nations from 1914 to 1918. The upheavals, accomplished through military force or threat of force, that have established dictatorships throughout the world are the aftermath of the experiences of the war. There is one important distinction in the fact that the dictatorships have not replaced democracies. Nor have they banished effectively the hopes among the masses of the people that eventually a democratic form of government will succeed the dictatorships.

Democracy is the noblest of all governmental conceptions yet evolved by man. Throughout history democracy has never been overthrown or conquered by outside enemies. Always it has been a case of internal suicide. The democracy of ancient Athens withstood the assaults of Sparta and other external enemies, but it could not resist the decadence of its national spirit which resulted from the class hatreds and dissensions fomented by Cleon and his demagogic followers. In this classic example we find the evidence of the inherent defects of democracy as they have repeated themselves through the ages. Democracy is prone to be too subservient to organized minorities, to the pressure of special blocs and groups, to the bombastic oratory of selfish and dangerous demagogues. Democracy for this reason can become the incubator for those types of radicalism which preach the doctrine of change by revolution, confiscation, and bloodshed.

The great task then of the millions of American people who glory in the inspiring heritage of their Nation and wish to preserve that form of government handed down to us by Washington, Jackson, Lincoln, and Wilson is the creation of internal defenses that will guarantee our present and future against the ravages of class hatreds and preaching of demagogues who take advantage of economic difficulties to gather followers behind the mirage of their emotional appeals. The future of democracy, not only in this country but in the world, rests upon the capacity of the American people to create and maintain these internal defenses.

The motive force that must guide this program of internal defense is found in the concept of liberalism and discipline. The program of President Roosevelt represents in the truest sense the application of the fundamental principles of liberalism. Where radicalism wishes only to sweep away entirely the existing order, liberalism confirms the wisdom and necessity of retaining and strengthening those methods and mechanisms which have proved successful through long years of experience and critical tests. Where reactionary conservatism wishes to retain the old order as nearly intact as possible, liberalism affirms the wisdom and necessity of eliminating those factors which have proved unsuccessful in the light of experience and of substituting new methods and mechanisms to replace those which have been discarded. But liberalism goes much further and endeavors to create procedures which will provide for readjustments as they become necessary in the future rather than waiting until cumulative evils cause another economic and social catastrophe, thus forcing the application of sudden and wholesale corrective processes which lose much effectiveness because of the seriousness of the situation.

The new-deal program conforms to this principle and philosophy of liberalism. It is only natural, therefore, that radical groups insist that the new deal has not gone far enough, while conservative groups declare that it has gone too far. There is a vast difference in eliminating abuses in the profit system and in eliminating that system itself. Wide-spread Government participation and aid during an emergency must not be interpreted as a drift toward state socialism. The needed correction of holding-company evils cannot be construed as an indictment of sound and constructive corporate financing or beneficial trusteeships. Temporary measures to reduce surpluses and prevent an accumulation of further surpluses that would disrupt prices and purchasing power in agricultural commodities cannot be interpreted as a continuing or long-range policy. These are merely illustrative instances of erroneous conclusions that can be drawn if the public is not kept properly informed concerning the principles and purposes of governmental efforts.

As long as this Nation rules itself by a democratic form of government, fair profits, private property, individual initiative and opportunity must be recognized and maintained as a part of that system. Hence, it is our task to set up safeguards that will protect against the possible defects in our system and to establish procedures that will bring a maximum return from the privileges and benefits inherent in the advantageous factors in democracy.

John Bright, the noted English statesman, in an address made at Rochdale, England, on November 24, 1863, said: "Well, will anybody deny now that the Government at Washington, as regards its own people, is the strongest Government in the world at this hour? And for this simple reason, that it is based on the will, and good will, of an instructed people." This noteworthy pronouncement was made at a time when the United States was in the midst of a tragic civil war. John Bright's question is just as applicable today as it was over 70 years ago. It is important to note, also, that Bright said that the strength of the Government at Washington depended upon an instructed people. Here in the words of an Englishman, spoken 72 years ago when this Nation was torn in the strife of a civil war, we find one of the basic concepts of a democracy's success—an instructed people. Such forms as this institute of citizenship can, therefore, fulfill a great educational responsibility.

It is not enough that you should hold here a week's program of discussions and deliberations, with the vital informative contributions made to your attending audiences. It is not enough

that the addresses delivered here should be printed attractively as a permanent record of these proceedings. What is said and done here should be disseminated widely throughout the colleges and universities in this country; your printed proceedings should be placed in the hands of forums and study groups as suggestions for educational work in the months ahead. Your responsibilities are not limited to your student body. The general conclusions derived from such forums as this must be impressed upon the business and social groups of this and other communities. Such meetings are not an end in themselves—but the means to an end—that is, of making your contribution toward the objective of a fully instructed people.

Baron von Humboldt, the distinguished German educator who lived to be 90 years old, said prophetically a century ago: "Whatever you would put into the life of a nation you must first put into the curriculum of its schools." Bismarck, following von Humboldt's advice, molded a great Prussian empire out of several independent and contending German states by imposing a common process of Prussianized education upon the schools of the various States. My friends, if we are going to maintain and improve democracy in the United States we must put democracy into the curriculum of our schools. A theoretical definition of what is meant by this expression will not answer the requirements of our times. The construction of the curricula and the administration of the same must be guided and vitalized by a broad and fundamental attitude of mind and heart in the teachers. One of the most serious defects in this connection, as it appears to a layman like myself, is that our educational system is too mechanical. It has lost its soul. Teachers must be as much interested in inspiring their students with ideals as to how to live as they are in preparing them to make a living. From the standpoint of the State, the Nation, and its citizenship generally, we must seek to teach constructive attitudes toward our form of government and all the forces which sustain it. Constructive criticisms should always be welcome; destructive criticism never.

Democracy is characterized by a peculiar paradox. As a system it opens its portals and offers its platforms to the teachings and preachings of those who avow frankly the desire to overthrow our form of government. Magazines, literature, and books attacking the principles of the American social and governmental structure are circulated through our mails. It is only in extreme cases that such attempts are labeled un-American. There are other governments throughout the world which prohibit even with the threat and act of death any such criticisms of the system in power. Democracy offers the freedom of antagonistic expression of thought which urges the overthrow of the very form of freedom inherent in a democracy. Has not democracy the right to demand that those who live under its protection and benefit by its privileges assume their responsibilities as well as their rights as citizens? We all know and admit that our Government is not perfect. None will ever be. But we do contend that no other government has ever functioned so successfully and so equitably over such a long period of time with a maximum of good for a maximum number of people. The standard of living of no other people has ever approximated that enjoyed by the citizens of the United States. The disturbing economic crisis of recent years is a reflection of human mistakes rather than a proof of the break-down of the democratic system. In the abnormal expansion years following the World War proper safeguards were not created to protect against the effect of cumulative evils engendered by the rapid transition from one economic phase to another distinctly different in many major aspects. A crystallized and inflexible conservatism could not and did not meet the challenge of a new economic and social order with its intricate problems. We were blinded by the delusions of false prosperity and not paralyzed by a functional break-down in democracy.

The principles of liberalism and discipline constitute the compass by which we must rechart the social and economic processes operating within the broad sphere of democracy. A nation economically and socially can never for any period of time rise above the levels of its basic cultural development. Culture, as I use it in this connection, means that unfolding process which constantly broadens the life possibilities of a people. It is not used in the narrower sense that is often interpreted as culture and which pertains to personal intellectual and social accomplishments alone. The problem of culture is to build an intellectual background that seeks to relieve the stresses and strains that enlarge themselves into ruptures of radicalism. Liberalism in principle and practice provides the method for attaining these cultural requisites in a democratic form of government.

May we not forget that the greatest disciplinary force and at the same time the greatest consoling force throughout the history of man is religion. It has indeed humanized mankind and made civilized society possible. I make bold confidently to assert that without its continued guidance and disciplinary influences civilized and humanized society cannot indefinitely be maintained. It is relatively unimportant as to what your religious view or belief is, but it is vitally important that you should have a religious hypothesis and practice it. Without the assistance of those spiritual and inspirational forces operating on the hearts of men, we cannot expect support for the external safeguards of extreme selfishness and destructive greed. Unless we can thus undergird the contractual relationships among men and groups of men as sought by the new deal, we will again nationally and internationally encounter destructive cataclysms.

Our national challenge is clear-cut and definite. The answer is just as concrete and obvious. If we are to assure permanent recovery to our people and provide for posterity the great democratic heritage handed down to us by our forefathers, we must travel along the human highway of liberalism and discipline.

LEAVE OF ABSENCE

Mr. KLEBERG, by unanimous consent, was given leave of absence for today, on account of illness in his family.

ADJOURNMENT

Mr. PARKS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p. m.) the House adjourned until tomorrow, Thursday, February 21, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

228. A letter from the Secretary of Agriculture as Chairman of the Migratory Bird Conservation Commission, transmitting report of the latter Commission for the fiscal year ended June 30, 1934 (H. Doc. No. 104); to the Committee on Agriculture and ordered to be printed.

229. A communication from the President of the United States, transmitting six supplemental estimates of appropriations for the fiscal year ending June 30, 1935, for the War Department, totaling $7,032,238.62, together with a draft of a proposed provision pertaining to an existing appropriation of that Department (H. Doc. No. 103); to the Committee on Appropriations and ordered to be printed.

230. A communication from the President of the United States, transmitting a draft of a proposed provision making available to the Farm Credit Administration the amount of not to exceed $60,000,000 to carry into effect the provisions of the act entitled "An act to provide for loans to farmers for crop production and harvesting during the year 1935, and for other purposes", approved February 20, 1935 (H. Doc. No. 108); to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3299) for the relief of William Burke; Committee on Claims discharged, and referred to the Committee on Pensions.

A bill (H. R. 2989) for the relief of Ernest Nussbaum; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 4558) authorizing the payment of the claim of Letty Lash, Nina B. Burroughs, and Emmie Dabney; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H. R. 6012) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. CUMMINGS: A bill (H. R. 6013) to provide for the construction of the Big Thompson Canyon Highway; to the Committee on Roads.

By Mr. HAINES: A bill (H. R. 6014) to regulate the rate of premium on bonds of officers and employees in the motor-vehicle service of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. HOEPPEL: A bill (H. R. 6015) for the retirement of employees in the classified civil service to include employees in the legislative branch; to the Committee on the Civil Service.

By Mr. HUDDLESTON: A bill (H. R. 6016) to regulate the transportation of persons and property in interstate and foreign commerce by motor carriers operating on the public highways; to the Committee on Interstate and Foreign Commerce.

By Mr. LEMKE: A bill (H. R. 6017) to provide for the purchase and sale of farm products; to the Committee on Agriculture.

By Mr. MEAD: A bill (H. R. 6018) to require public contractors to furnish performance bonds for the protection of the United States and payment bonds for the protection of persons furnishing labor and materials, and for other purposes; to the Committee on the Judiciary.

By Mr. MURDOCK: A bill (H. R. 6019) authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of the Ute Indians in the State of Utah for certain coal lands, and for other purposes; to the Committee on Indian Affairs.

By Mr. RAYBURN: A bill (H. R. 6020) to amend the act entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claim which the Choctaw and Chickasaw Indians may have against the United States, and for other purposes", approved June 7, 1924; to the Committee on Indian Affairs.

By Mr. STEAGALL: A bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. WHELCHEL: A bill (H. R. 6022) for the restriction of immigration; to the Committee on Immigration and Naturalization.

By Mr. FIESINGER: A bill (H. R. 6023) to provide for the use of safety glass in motor vehicles owned by the United States or the District of Columbia; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: A bill (H. R. 6024) to prohibit American citizens from accepting presents, emoluments, or titles of any kind from kings, princes, or foreign governments; to the Committee on Foreign Affairs.

By Mr. WOLFENDEN: A bill (H. R. 6025) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching; to the Committee on the Judiciary.

By Mr. MORITZ: A bill (H. R. 6026) to promote the general welfare of the citizens of the United States by the exercise of the police powers of the Government through the imposition of an excise charge upon the privilege of the use and enjoyment of large land holdings, based upon their unimproved value, and a special excise charge with respect to the carrying on or doing business by corporations, joint-stock companies, or associations; to the Committee on Ways and Means.

By Mr. McMILLAN: A bill (H. R. 6027) to provide for the establishment of the Francis Marion National Monument; to the Committee on the Public Lands.

By Mr. WHITE: A bill (H. R. 6028) to provide for additional clerk hire in the House of Representatives, and for other purposes; to the Committee on Accounts.

By Mr. ANDREW of Massachusetts: A bill (H. R. 6029) to give veterans holding adjusted-service certificates the option of immediate payment in cash of their adjusted-service credit with compound interest dating back to the armistice; to the Committee on Ways and Means.

By Mr. CELLER (by request): A bill (H. R. 6030) to reclassify the salaries of employees in the Custodial Service of the Post Office Department of the United States; to the Committee on the Civil Service.

By Mr. CROSSER of Ohio: A bill (H. R. 6031) to promote the safety of employees and travelers on railroads by providing for the inspection and investigation of conditions prevailing in train-dispatching offices and for the promulgation of necessary rules and regulations governing the working conditions of train dispatchers; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNN of Pennsylvania: A bill (H. R. 6032) to provide for an annual social-security census of unemployment, employment, employables, dependents, net property worth, labor and relief incomes, occupations, and population, and for other purposes; to the Committee on the Census.

By Mr. GOLDSBOROUGH: A bill (H. R. 6033) to establish the Bank of the United States, to reduce the cost of United States Government financing, and to insure a steady reduction in the amount of the United States debt; to the Committee on Banking and Currency.

By Mr. WERNER: A bill (H. R. 6034) to facilitate the use and occupancy of national-forest lands for purposes of residence, recreation, education, industry, and commerce; to the Committee on Agriculture.

By Mr. BLAND: A bill (H. R. 6035) to provide for a technical staff in the Bureau of Marine Inspection and Navigation in the Department of Commerce, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6036) to provide for the establishment of load lines for American vessels in the coastwise trade, and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6037) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6038) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection to the Bureau of Marine Inspection and Navigation; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6039) to provide seamen on American vessels with a continuous discharge book; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6040) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6041) to amend section 2 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6042) to provide for the investigation and trial of officers of vessels in case of disaster, and to increase efficiency in the administration of certain laws relating to the inspection of vessels; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6043) to provide for the inspection and regulation of vessels engaged in the transportation of inflammable, explosive, and like dangerous cargoes in navigable waters of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6044) to improve the living accommodations on vessels under 100 tons; to the Committee on Merchant Marine, Radio, and Fisheries.

Also, a bill (H. R. 6045) to maintain discipline on shipboard; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. DEMPSEY: A bill (H. R. 6046) to establish a port of entry at Columbus, N. Mex.; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H. R. 6081) to repeal title I and parts of title II of the National Prohibition Act (the Volstead Act) and to amend and/or repeal various liquor laws, and for other purposes; to the Committee on the Judiciary.

By Mr. DRIVER: Resolution (H. Res. 121) for the consideration of H. R. 5221; to the Committee on Rules.

By Mr. BLAND: Resolution (H. Res. 122) amending rule X, clause 9; rule XI, clause 7, and rule XI, clause 9, of the

Rules of the House of Representatives; to the Committee on Rules.

By Mr. LAMNECK: Joint resolution (H. J. Res. 177) to reduce the railroad passenger fare to 2 cents per mile and to prohibit the Pullman surcharge; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN (by request): Joint resolution (H. J. Res. 178) directing the American Battle Monuments Commission or its successor to restore the inscriptions obliterated from the Three Hundred and Sixteenth Infantry memorial erected by a French organization on property of that organization at Sillon-Fontaine (Cote 378), Territoire de Sivry-sur-Meuse; to the Committee on Military Affairs.

MEMORIAL

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Jersey, supporting General Pulaski's Memorial Day resolution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 6047) granting an increase of pension to Frances F. Schick; to the Committee on Invalid Pensions.

By Mr. GINGERY: A bill (H. R. 6048) granting a pension to Harry A. Croft; to the Committee on Invalid Pensions.

By Mr. HAINES: A bill (H. R. 6049) granting a pension to Charles W. Smith; to the Committee on Invalid Pensions.

By Mr. McSWAIN: A bill (H. R. 6050) granting a pension to Blanche T. Harrison; to the Committee on Pensions.

By Mr. MAY: A bill (H. R. 6051) granting a pension to Minerva Wells; to the Committee on Invalid Pensions.

By Mr. MILLARD: A bill (H. R. 6052) for the relief of Sophie Caffrey; to the Committee on Claims.

By Mrs. NORTON: A bill (H. R. 6053) for the relief of John A. McNeill; to the Committee on Naval Affairs.

Also, a bill (H. R. 6054) for the relief of Patrick Rice; to the Committee on Naval Affairs.

By Mr. O'CONNOR: A bill (H. R. 6055) extending the provisions of an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes', approved May 22, 1920, and acts in amendment thereof", to Lucy A. Weaver; to the Committee on the Civil Service.

By Mr. QUINN: A bill (H. R. 6056) for the relief of William Sexton; to the Committee on Naval Affairs.

By Mr. RAYBURN: A bill (H. R. 6057) for the relief of Joe Brumit; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 6058) granting a pension to Florence M. Lovett; to the Committee on Invalid Pensions.

By Mr. TERRY: A bill (H. R. 6059) granting a pension to Jack Fisk Hopkins; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 6060) granting a pension to Lottie Vangundy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6061) granting a pension to Frances Wolfe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6062) granting a pension to Mary C. Storer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6063) granting a pension to Minnie Valentine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6064) granting a pension to Joshua Shreckengaust; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6065) granting a pension to Isaac Shreckengaust; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6066) granting a pension to Norma Roush; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6067) granting a pension to Henry Charles Russell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6068) granting an increase of pension to Mary E. Shelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6069) granting an increase of pension to Jeanette Wallace; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6070) granting an increase of pension to Sarah Ella Pinney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6071) granting an increase of pension to Sarah A. Swick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6072) granting an increase of pension to Ellen J. Vince; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6073) granting an increase of pension to Bertie L. Santee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6074) granting an increase of pension to Flora Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6075) granting an increase of pension to Estelle Purdum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6076) granting an increase of pension to Alwilda Ray; to the Committee on Invalid Pensions.

By Mr. UTTERBACK: A bill (H. R. 6077) for the relief of Marton E. Bent; to the Committee on Claims.

Also, a bill (H. R. 6078) granting a pension to Glennie Edwinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6079) granting an increase of pension to Mary C. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6080) granting an increase of pension to Mary E. Van Horn; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1635. By Mr. BERLIN: Petition of the Slovak American Political Club, of Arnold, Pa., demanding that the Senate Finance Committee and the House Ways and Means Committee reject the Wagner-Lewis bill in favor of the workers' bill (H. R. 2827) and it be placed immediately for a vote; to the Committee on Ways and Means.

1636. By Mr. BLAND: Petition of 13 citizens of Gloucester and Orange Counties, Va., favoring the passage of House bill 2856 introduced by Hon. WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

1637. By Mr. BUCKLER of Minnesota: Petition of H. V. Cooper and M. A. Dille of Solway, Minn., and about 200 other citizens of Solway, Pinewood, Bemidji, Alida, Shevlin, and Leonard and vicinities in Minnesota, urging the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

1638. Also, petition of W. W. Adams and C. P. Lee, of Fergus Falls, Minn., and about 350 other citizens of the communities of Fergus Falls, Battle Lake, Dalton, Parkers Prairie, Elizabeth, Rothsay, Underwood, Erhard, Dent, Campbell, Pelican Rapids, and Doran, Minn., all praying for passage into law of the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

1639. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing enactment of House bill 4661 and Senate bill 1417 relative to purchase of coal lands; to the Committee on Ways and Means.

1640. Also, petition of Sentinels of the Republic, protesting against publication of the personal incomes of citizens, and urging repeal of section 55 (b) of the Revenue Act of 1934 prior to March 15, 1935; to the Committee on Ways and Means.

1641. By Mr. DEMPSEY: Petition of the New Mexico State Legislature; to the Committee on Interstate and Foreign Commerce.

1642. Also, petition of the New Mexico Legislature; to the Committee on Appropriations.

1643. By Mr. FISH: Petition of 2,034 citizens of the United States, protesting against religious persecution in Mexico, and requesting the restoration of religious freedom, and the recall of the present American Ambassador to Mexico, Josephus Daniels; to the Committee on Foreign Affairs.

1644. By Mr. HANCOCK of New York: Petition of Syracuse Gaelic Club, Syracuse, N. Y., urging enactment of

House Joint Resolution 116, providing for the issuance of a special commemorative stamp in honor of Commodore John Barry; to the Committee on the Post Offices and Post Roads.

1645. Also, memorial of the Polish National Alliance of the United States, Group No. 271, of Syracuse, N. Y., requesting Congress to enact legislation commemorating the death of Gen. Casimir Pulaski; to the Committee on the Judiciary.

1646. By Mr. HEALEY: Petition of Camp Vigan of Boston, National Society, Army of the Philippines, Malden, Mass., for the restoration of all pensions to members of the Army of the Philippines, which was taken away through Public Act No. 2, and to grant them the rating existing prior to the passage of Public, No. 2; to the Committee on Pensions.

1647. By Mr. KENNEY: Assembly concurrent resolution, concurred in by the Senate of the State of New Jersey, memorializing the Members of Congress from New Jersey to aid in the enactment of a bill to permit State taxation of interstate sales; to the Committee on Ways and Means.

1648. Also, resolution of the House of Assembly of the State of New Jersey, memorializing the Congress of the United States to pass, and the President of the United States to approve if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

1649. By Mr. LAMNECK: Petition of Flora R. Sigrist and other constituents, of Columbus, Ohio, urging for the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

1650. Also, petition of C. D. Blowser and other constituents, of Columbus, Ohio, urging for the continuance of the Nye munitions investigation; to the Committee on Military Affairs.

1651. By Mr. LUNDEEN: Petition of International Association of Heat and Frost Insulators and Asbestos Workers, Local No. 34, Minneapolis and St. Paul, Minn., urging the enactment of the McCarran amendment to the public-works and relief appropriation bill; to the Committee on Appropriations.

1652. Also, petition of Minneapolis Division, No. 26, Order of Benefit Association of Railway Employees, Minneapolis, Minn., urging the enactment of legislation to modify the fourth section of the Interstate Commerce Act to regulate commerce so as to permit the railroads to compete with unregulated forms of transportation as recommended by the Federal Coordinator and covered in the Pettengill bill (H. R. 8100) introduced in the Seventy-third Congress; to the Committee on Interstate and Foreign Commerce.

1653. By Mr. MEAD: Petition of the City Council of Burbank, Calif., urging immediate and permanent repeal of legislation which would bar operation of the Seattle-San Diego route after March 1, 1935, by United Airlines; to the Committee on the Post Office and Post Roads.

1654. By Mr. MERRITT of New York: Petition of approximately 275 citizens of Brooklyn, N. Y., urging Congress to defeat the Black bill (S. 87) and Connery bill (H. R. 2746); to the Committee on Labor.

1655. By Mr. MILLER: Petition of Bert Younger and other citizens of Stone County, Ark., urging the enactment of an adequate old-age pension; to the Committee on Ways and Means.

1656. Also, petition of L. F. Moore and other citizens of Izard County, Ark., urging the early enactment of an adequate old-age pension; to the Committee on Ways and Means.

1657. Also, petition of certain citizens resident of Batesville, county of Independence, State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1658. Also, petition of certain citizens, resident of Imboden, county of Lawrence, in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1659. Also, petition of certain citizens resident of Powhatan, county of Lawrence, in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1660. Also, petition of certain citizens resident of Searcy, county of White, in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1661. Also, petition of certain citizens resident of the county of Cleburne, in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1662. Also, petition of certain citizens resident of the county of Fulton, in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1663. Also, petition of certain citizens resident of Zent, county of Monroe, in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1664. Also, petition of certain citizens resident of Cotton Plant, county of Woodruff in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1665. Also, petition of certain citizens resident of Hickory Plains, county of Prairie in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1666. Also, petition of certain citizens resident of St. James, county of Stone, State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1667. Also, petition of certain citizens resident of the county of Independence in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1668. Also, petition of certain citizens resident of the county of Lawrence in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1669. Also, petition of certain citizens resident of the county of Lee in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1670. Also, petition of certain citizens resident of the county of White in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1671. Also, petition of certain citizens resident of the county of Lawrence in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1672. Also, petition of certain citizens resident of the county of White in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1673. Also, petition of certain citizens resident of the county of Stone in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1674. Also, petition of certain citizens resident of the county of Prairie in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1675. Also, petition of certain citizens resident of the county of Lee in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1676. Also, petition of certain citizens resident of the county of Lawrence in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1677. Also, petition of certain citizens resident of the county of Jackson in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1678. Also, petition of certain citizens resident of the county of Jackson in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1679. Also, petition of certain citizens resident of Walnut Ridge, Lawrence County in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1680. Also, petition of certain citizens resident of Algoa, county of Jackson in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1681. Also, petition of certain citizens resident of Strawberry, county of Lawrence in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1682. Also, petition of certain citizens resident of Newport, county of Jackson in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1683. Also, petition of certain citizens resident of the county of Jackson in the State of Arkansas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1684. By Mr. O'CONNELL: Petition of the City Council of the city of Cranston, urging the establishment of a main post office for the city of Cranston; to the Committee on the Post Office and Post Roads.

1685. Also, resolution passed by the General Assembly of the State of Rhode Island, requesting the Representatives and Senators in Congress from Rhode Island to secure the passage of legislation providing additional appropriation to be expended by the Home Owners' Loan Corporation for the purpose of financing pending applications for home owners' loans; to the Committee on Banking and Currency.

1686. Also, resolution of St. Augustine's Holy Name Society, Newport, R. I., protesting against religious intolerance in Mexico; to the Committee on Foreign Affairs.

1687. Also, resolutions of St. James and St. Mary's Parishes, West Warwick, R. I., protesting against religious intolerance in Mexico; to the Committee on Foreign Affairs.

1688. By Mr. O'NEAL: Petition of sundry citizens of Jefferson County, Ky., in behalf of House bill 2856; to the Committee on Ways and Means.

1689. By Mr. PEARSON: Petition concerning old-age pension; to the Committee on Ways and Means.

1690. Also, petition concerning old-age pension; to the Committee on Ways and Means.

1691. Also, petition concerning old-age pension; to the Committee on Ways and Means.

1692. Also, petition concerning old-age pension; to the Committee on Ways and Means.

1693. Also, petition concerning old-age pension; to the Committee on Ways and Means.

1694. By Mr. PETERSON of Georgia: Petition of the Senate of the General Assembly of the State of Georgia, requesting Congress to compensate operators of cotton ginneries for the collection of taxes under the Bankhead bill, for which no provisions were made in said bill; to the Committee on Agriculture.

1695. By Mr. PFEIFER: Petition of the Organization of King Zigmond the First, affiliated with the Polish National Alliance, Brooklyn, N. Y., concerning the Lundeen bill (H. R. 2827); to the Committee on Labor.

1696. By Mr. RANSLEY: Petition of Raymond L. Pitcairn, national chairman, Sentinels of the Republic, favoring the

repeal of section 55 (b) of the Revenue Act of 1934, prior to March 15, 1935; to the Committee on Ways and Means.

1697. By Mr. REED of Illinois: Resolution adopted by the Holy Name Society of Annunciation Church of Aurora, Ill., protesting against the antireligious program being followed by the Mexican Government and demanding the recall of Mr. Josephus Daniels; to the Committee on Foreign Affairs.

1698. Also, petition signed by George H. Pace, 105 Van Buren Street, Woodstock, Ill., and 61 others favoring the adoption of the Townsend old-age-pension plan; to the Committee on Ways and Means.

1699. Also, petition signed by Mike Sedar and 52 others urging the enactment of the old-age pension plan as embodied in House bill 2856; to the Committee on Ways and Means.

1700. By Mr. ROGERS of Oklahoma: Petitions of certain citizens resident of the State of Illinois in the counties of Christian, Cook, De Witt, Edwards, Hancock, Jackson, Lake, Madison, Marion, Montgomery, Pulaski, St. Clair, Sangamon, Vermilion, and Wayne, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1701. Also, petitions of certain citizens resident of the State of Colorado in the counties of Archuleta, Chaffee, El Paso, Rio Grande, and Weld, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1702. Also, petitions of certain citizens resident of the State of Georgia in the counties of Barrow, Calhoun, Clarke, Clayton, Forsyth, Fulton, Greene, Guinnett, Hart, Jackson, Lumpkin, McDuffie, Madison, Meriwether, Monroe, Oglethorpe, Oconee, Troup, Upson, and Wilkes, all numerously signed, urging the enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1703. Also, petitions of certain citizens resident of the State of Arkansas in the counties of Bradley, Clark, Clay, Columbia, Conway, Craighead, Desha, Faulkner, Grant, Green, Hempstead, Jefferson, Johnson, Lafayette, Lee, Lincoln, Little River, Lonoke, Miller, Mississippi, Ouachita, Perry, Phillips, Pike, Poinsett, Pulaski, Union, Van Buren, Woodruff, and Yell, all numerously signed, urging the enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1704. Also, petitions of certain citizens resident of the State of Texas in the counties of Anderson, Angelina, Bowie, Brown, Cass, Chamber, Comanche, Collingsworth, Dallas, Eastland, Fannin, Fayette, Fort Bend, Freestone, Grayson, Goliad, Gonzales, Grimes, Harris, Jefferson, Johnson, Jones, Montgomery, Morgan, Nacogdoches, Red River, Regan, Robertson, San Augustine, San Jacinto, San Saba, Shelby, Tom Green, Travis, Victoria, Washington, and Young, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1705. Also, petitions of certain citizens resident of the State of Louisiana in the parishes of Bossier, Bienville, Beauregard, Calcasieu, Caldwell, Caddo, Delhi, East Feliciana, Franklin, Grant, Iberville, La Fourche, Lincoln, Morehouse, Pointe Coupee, Richland, St. Charles, Sabine, St. Mary, St. John the Baptist, Tangipahoa, Tensas, Terrebonne, Webster, and West Baton Rouge, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1706. Also, petitions of certain citizens resident of the State of Florida in the counties of Escambia, Hendry, Hillsborough, Holmes, Jackson, Monroe, Santa Rosa, Sumter, and Walton, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1707. Also, petitions of certain citizens resident of the State of Oklahoma in the counties of Creek, Carter, Le Flore, McCurtain, McIntosh, Mayes, Muskogee, Noble, Nowata, Osage, Okmulgee, Okfuskee, Pushmataha, Pontotoc, Pottawatomia, and Tulsa, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1708. Also, petitions of certain citizens resident of the State of Virginia in the counties of Carroll, Dickenson, Grayson, Giles, Lee, Russell, Scott, Tazewell, Wise, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1709. Also, petitions of certain citizens resident of the State of Kentucky in the counties of Barren, Boyle, Breckinridge, Butler, Ballard, Carlisle, Christian, Fulton, Graves, Henderson, Jefferson, Lincoln, McCracken, McCreary, McLean, Magoffin, Nicholas, Oldham, Todd, Trigg, Union, and Webster, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1710. Also, petitions of certain citizens resident of the State of Alabama in the counties of Baldwin, Blount, Bibb, Chilton, Clark, Cherokee, Coffee, Crenshaw, Colbert, Cullman, De Kalb, Dale, Dallas, Elmore, Escambia, Fayette, Geneva, Greene, Hale, Henry, Jackson, Limestone, Lauderdale, Lamar, Lawrence, Macon, Morgan, Madison, Marion, Marshall, Mobile, Montgomery, Perry, Pickens, Tuscaloosa, and Talladega, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahome, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1711. Also, petitions of certain citizens resident of the State of Mississippi in the counties of Alcorn, Amite, Adams, Benton, Bolivar, Chickasaw, Covington, Coahoma, Clarke, Clay, Copiah, De Soto, George, Grenada, Humphreys, Hancock, Hinds, Holmes, Harrison, Jasper, Jefferson, Jones, Kemper, Lauderdale, Lowndes, Lincoln, Lafayette, Madison, Marshall, Noxubee, Newton, Oktibbeha, Perry, Panola, Pike, Smith, Sunflower, Scott, Tunica, Tate, Tallahatchie, Tippah, Walthall, Washington, and Yazoo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1712. Also, petitions of certain citizens resident of the State of Tennessee in the counties of Bradley, Blount, Benton, Carter, Crockett, Campbell, Claiborne, Chester, Coffee, Davidson, Decatur, Dyer, Franklin, Giles, Gibson, Haywood, Hardin, Henderson, Hamilton, Hancock, Hardeman, Henry, Knox, Lewis, Lawrence, Lauderdale, Lincoln, Marion, Montgomery, McDonald, Maury, Madison, McNairy, Obion, Robertson, Putnam, Roane, Rutherford, Sevier, Sumner, Shelby, Tipton, Union, Wayne, and Warren, all numerously signed,

urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1713. Also, petitions of certain citizens resident of the State of North Carolina in the counties of Alamance, Asheville, Bladen, Columbus, Jackson, New Hanover, Richmond, Surry, Vance, and Wake, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1714. Also, petitions of certain citizens resident of the State of Ohio in the counties of Belmont, Cuyahoga, and Lucas, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1715. Also, petitions of certain citizens resident of the State of Missouri in the counties of Butler, Carter, Cole, Dunklin, Franklin, Hinds, Jackson, Jasper, Lafayette, Mississippi, Newton, Osage, Pemiscot, Perry, Stoddard, St. Louis, St. Francois, Texas, and Washington, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGER, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1716. Also, petitions of certain citizens resident of the State of West Virginia in the counties of Doddridge, Lincoln, Logan, McDowell, Mineral, Monongalia, Nicholas, and Summers, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1717. Also, petitions of certain citizens resident of the State of Indiana in the counties of Allen, Bartholomew, Marion, and Vigo, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1718. Also, petition of certain citizens resident of the county of Cass in the State of Minnesota, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1719. Also, petition of certain citizens resident of the county of Somerset in the State of Pennsylvania, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1720. Also, petition of certain citizens resident of the county of Jackson in the State of Michigan, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1721. Also, petitions of certain citizens resident of the State of Iowa in the counties of Appanoose, Cerro Gordo, Hamilton, Story, Webster, and Wright, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1722. Also, petitions of certain citizens resident of the State of Kansas in the counties of Allen, Crawford, Sedgwick, and Wyandotte, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1723. Also, petitions of certain citizens resident of the State of South Carolina in the counties of Abbeville, Cherokee, Dillon, Greenville, Orangeburg, Oconee, and Pickens, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1724. Also, petitions of certain citizens resident of the State of New Mexico in the counties of Colfax, Grant, Rio Arriba, and Taos, all numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1725. Also, petition of certain citizens resident of the State of New York in the county of Queens, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1726. Also, petition of certain citizens resident of the State of Wisconsin, in the county of Richland, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1727. Also, petition of certain citizens resident of the State of Nebraska, in the county of Douglas, numerously signed, urging enactment of House bill 2856, by Representative WILL ROGERS, of Oklahoma, embracing the Pope plan of direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1728. By Mr. RUDD: Petition of the Retail Carpet and Linoleum Mechanics Union, Local 70 B, New York City, concerning the McCarran amendment to the Public Works bill; to the Committee on Ways and Means.

1729. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, concerning the 30-hour-week legislation; to the Committee on Labor.

1730. By Mr. SUTPHIN: Petition of Pride of Onward Camp, No. 13, Sons and Daughters of Liberty, Point Pleasant, N. J.; to the Committee on Ways and Means.

1731. Also, petition of the One Hundred and Fifty-ninth Legislature of the State of New Jersey, urging prompt enactment of bills to remedy existing lack of power in States to levy any tax upon or measured by sales of tangible personal property; to the Committee on Ways and Means.

1732. Also, petition of the One Hundred and Fifty-ninth Legislature of the State of New Jersey, providing for the President of the United States of America to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

1733. Also, petition of the Improved Order of Red Men, Metedeconk Tribe, Point Pleasant, N. J.; to the Committee on Ways and Means.

1734. By Mr. TRUAX: Petition of Warren L. McIntire Post of American Legion of Hamler, Ohio, by their commander, Carl H. Barnes, favoring the immediate full cash payment of the adjusted-service certificates, together with a remittance of all accrued interest that may be due at time of payment; to the Committee on Ways and Means.

1735. Also, petition of Dover Lodge, No. 168 (Ohio), Amalgamated Association of Iron, Steel, and Tin Workers, by their secretary, Ernest W. Bishop, urging that Members of Congress give full support to legislation for a 30-hour week for all basic industry at the same weekly rate of pay as for the present 40-hour week; to the Committee on Labor.

1736. Also, petition of Italian Workers' Society for Mutual Benefit of the West Side, by their chairman, Louis Wirito, Cleveland, Ohio, demanding the enactment of a Federal system of genuine unemployment insurance as contained in the workers' act (H. R. 2827); to the Committee on Labor.

1737. Also, petition of the members of the Workingman's Sick and Death Benefit Fund of New York, Branch No. 362, of Mansfield, Ohio, by their secretary, Richard Uhele, urging their Congressmen to actively support to the fullest extent House bill 2827; to the Committee on Labor.

1738. Also, petition of Local No. 55, Iron Workers, Toledo, Ohio, by their secretary, Earl Scofield, urging that their Congressmen support the McCarran amendment to the relief resolution appropriating $4,880,000,000; to the Committee on Appropriations.

1739. Also, petition of J. H. Biles and other citizens, of Armstrong Mills, Ohio, urging and demanding the enactment of House bill 2856, old-age-pension bill, sponsored and approved by Dr. J. E. Pope; to the Committee on Ways and Means.

1740. Also, petition of Monroe Jennings and other citizens, of Cuyahoga County, Ohio, urging passage of House bill 2856, the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1741. Also, petition of G. W. Elliot and other citizens of Richland County, Ohio, urging enactment of House bill 2856, by Representative WILL ROGERS, embracing the Pope plan for direct Federal old-age pensions of $30 per month to persons over 55, independent of State participation; to the Committee on Ways and Means.

1742. By Mr. ZIMMERMAN: Resolution of Greater St. Louis Council of Veterans of Foreign Wars of the United States, held at Municipal Auditorium, in St. Louis, Mo., on February 4, 1935, deploring the failure of the United States Government to have present at the funeral and burial of Admiral Robert Coontz, a native Missourian, at Hannibal, Mo., on February 1, 1935, any representative from the Army, Navy, or aerial forces of the Government, thereby bringing great humiliation to the people of Missouri; to the Committee on Military Affairs.

1743. By the SPEAKER: Petition of the city of San Benito, Tex., regarding General Pulaski Memorial Day; to the Committee on the Judiciary.

1744. Also, petition of the city of Vicksburg, Miss., regarding General Pulaski Memorial Day; to the Committee on the Judiciary.

1745. Also, petition of the city of Hammond, Ind., regarding the Pulaski resolution; to the Committee on the Judiciary.

1746. Also, petition of the Polish Workers Club Solidarity; to the Committee on Labor.

1747. Also, petition of the Sentinels of the Republic; to the Committee on Ways and Means.

1748. Also, petition of the town of Irvington, N. J., supporting the Pulaski resolution; to the Committee on the Judiciary.